

**CITY OF RIVERSIDE, ALABAMA**

**FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2014**

CITY OF RIVERSIDE, ALABAMA  
YEAR ENDED SEPTEMBER 30, 2014

TABLE OF CONTENTS

	<u>Page</u>
<u>INDEPENDENT AUDITOR'S REPORT</u> .....	1
 <u>BASIC FINANCIAL STATEMENTS:</u>	
Statement of Net Position .....	4
Statement of Activities .....	5
Balance Sheet - Modified Cash Basis - Governmental Funds .....	6
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis - Governmental Funds.....	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	9
Statement of Net Position - Proprietary Fund .....	10
Statement of Revenues, Expenditures and Changes in Net Position - Proprietary Fund .....	11
Statement of Cash Flows - Proprietary Fund .....	12
Reconciliation of Operating Income to Net Cash Provided By Operations - Proprietary Fund .....	13
Index - Notes to the Financial Statements .....	14
Notes to the Financial Statements .....	15
 <u>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL:</u>	
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 .....	37

(Continued)

CITY OF RIVERSIDE, ALABAMA

YEAR ENDED SEPTEMBER 30, 2014

TABLE OF CONTENTS  
(CONTINUED)

	<u>Page</u>
<u>ADDITIONAL INFORMATION:</u>	
Independent Auditor's Report on Additional Information .....	39
Schedule of Cash - All Funds .....	40
Schedule of Revenues - General and Other Governmental Funds - Cash Basis .....	41
Schedule of Expenditures - General and Other Governmental Funds - Cash Basis .....	43
Schedule of Debt Service - General Obligation Warrants, Series 2009 .....	47
Schedule of Debt Service - Drinking Water State Revolving Fund .....	48
Schedule of Debt Service - County Commission .....	49
Schedule of Debt Service - Union State Bank - Police Cars .....	50

POTTER, BRYANT, & MOORE, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. MOORE, C.P.A.  
GEOFFREY R. BRYANT, C.P.A.

P. RAY WILSON, C.P.A.

234 AQUARIUS DRIVE, SUITE 109  
BIRMINGHAM, ALABAMA 35209  
TELEPHONE 205/323-5206  
FAX 205/323-5021  
EMAIL: INFO@PBMCPA.NET

J. ROYCE BRYANT, JR., C.P.A.  
(1935 - 2004)

RAYMOND E. POTTER, C.P.A.  
(1920 - 2001)

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
City of Riverside, Alabama

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Riverside, Alabama, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Riverside's basic financial statements as listed in the table of contents.

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

As described in Note 1, with the exception of the proprietary fund which is prepared in accordance with accounting principles generally accepted in the United States of America, management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform and audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making

(Continued)

entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Opinion

In our opinion, the financial statements referred to above present fairly, in all material aspects, the respective financial position – modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information and the business-type activities of the City of Riverside, as of September 30, 2014, and the respective changes in financial position, and where applicable, cash flows thereof for the year ended in accordance with basis of accounting described in Note 1.

#### Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. With the exception of the proprietary fund which is prepared in accordance with accounting principles generally accepted in the United States of America, the financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

#### Other Matters

#### Required Supplementary Information

Management has omitted the Management's Discussion and Analysis (MD&A) and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Continued)

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 24, 2015 on our consideration of the City of Riverside's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Riverside's internal control over financial reporting and compliance.

POTTER, BRYANT & MOORE, P.C.

Certified Public Accountants

*Potter, Bryant & Moore, P.C.*

Birmingham, Alabama

February 24, 2015

CITY OF RIVERSIDE, ALABAMA

STATEMENT OF NET POSITION  
YEAR ENDED SEPTEMBER 30, 2014

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 151,579.46	\$ 35,679.47	\$ 187,258.93
Cash with Fiscal Agents	1,128,207.50	0.00	1,128,207.50
Receivables - Customers	0.00	88,057.85	88,057.85
Receivables - Others	0.00	4,335.59	4,335.59
Inventories	0.00	15,876.85	15,876.85
Capital Assets, Net	<u>2,507,603.69</u>	<u>679,108.06</u>	<u>3,186,711.75</u>
Total Assets	<u>3,787,390.65</u>	<u>823,057.82</u>	<u>4,610,448.47</u>
<u>LIABILITIES</u>			
Accounts Payable and Accrued Liabilities	10,886.22	85,743.29	96,629.51
Meter Deposits	0.00	52,530.36	52,530.36
General Obligation Note	315,085.81	0.00	315,085.81
Long-Term Liabilities:			
Current Portion of Long-Term Obligations	117,533.22	7,608.69	125,141.91
Noncurrent Portion of Long-Term Obligations	<u>1,601,182.86</u>	<u>146,467.41</u>	<u>1,747,650.27</u>
Total Liabilities	<u>2,044,688.11</u>	<u>292,349.75</u>	<u>2,337,037.86</u>
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	788,887.61	525,031.96	1,313,919.57
Restricted for:			
Debt Service	8,528.57	0.00	8,528.57
Capital Projects	1,155,030.98	0.00	1,155,030.98
Other Purposes	30,667.83	0.00	30,667.83
Unrestricted	<u>(240,412.45)</u>	<u>5,676.11</u>	<u>(234,736.34)</u>
Total Net Position	<u>\$1,742,702.54</u>	<u>\$ 530,708.07</u>	<u>\$ 2,273,410.61</u>

The accompanying notes to the financial statements are an integral part of this statement. With the exception of the business-type activity, this statement is prepared on the modified cash basis of accounting.

CITY OF RIVERSIDE, ALABAMA

STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2014

Functions	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position	Governmental Activities	Business-Type Activities	Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
Governmental Activities:							
General Government	\$ 390,781.04	\$ 197,391.39	\$ 0.00	\$ 23,206.26	\$ (170,183.39)	\$ 0.00	\$ (170,183.39)
Public Safety	744,546.12	105,588.14	50,734.69	580,885.11	(7,338.18)	0.00	(7,338.18)
Streets & Public Works	56,404.99	0.00	0.00	0.00	(56,404.99)	0.00	(56,404.99)
Building Inspector	18,025.24	0.00	0.00	0.00	(18,025.24)	0.00	(18,025.24)
Interest and Fiscal Charges	55,782.49	0.00	0.00	0.00	(55,782.49)	0.00	(55,782.49)
Totals	<u>1,265,539.88</u>	<u>302,979.53</u>	<u>50,734.69</u>	<u>604,091.37</u>	<u>(307,734.29)</u>	<u>0.00</u>	<u>(307,734.29)</u>
Business-Type Activities:							
Water Works	413,703.60	404,007.67	0.00	0.00	0.00	(9,695.93)	(9,695.93)
Totals	<u>\$ 1,679,243.48</u>	<u>\$ 706,987.20</u>	<u>\$ 50,734.69</u>	<u>\$ 604,091.37</u>	<u>(307,734.29)</u>	<u>(9,695.93)</u>	<u>(317,430.22)</u>
<u>General Revenues</u>							
Taxes:							
Property Taxes for General Purposes					143,742.96	0.00	143,742.96
Gasoline Taxes					26,997.35	0.00	26,997.35
Local Sales Tax					257,437.66	0.00	257,437.66
Liquor, Cigarette and Beer Tax					9,367.10	0.00	9,367.10
Other Taxes					24,983.68	0.00	24,983.68
Business Licenses					160,315.04	0.00	160,315.04
Investment Earnings					118.42	52.60	171.02
Lease Income					10,725.30	0.00	10,725.30
Miscellaneous					45,936.86	0.00	45,936.86
Transfers					<u>19,877.48</u>	<u>(19,877.48)</u>	<u>0.00</u>
Total General Revenues					<u>699,501.85</u>	<u>(19,824.88)</u>	<u>679,676.97</u>
Changes in Net Position					391,767.56	(29,520.81)	362,246.75
Net Position - Beginning of Year					<u>1,350,934.98</u>	<u>560,228.88</u>	<u>1,911,163.86</u>
Net Position - End of Year					<u>\$ 1,742,702.54</u>	<u>\$ 530,708.07</u>	<u>\$ 2,273,410.61</u>

The accompanying notes to the financial statements are an integral part of this statement.  
With the exception of the business-type activity, this statement is prepared on the modified cash basis of accounting.



CITY OF RIVERSIDE, ALABAMA  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2014

	<u>General Fund</u>	<u>Road Fund</u>	<u>Capital Outlay Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 81,697.38	\$ 2,303.78	\$ 184.51	\$ 67,393.79	\$ 151,579.46
Cash with Fiscal Agent	0.00	0.00	1,128,207.50	0.00	1,128,207.50
Due from Other Funds	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Assets	<u>\$ 83,697.38</u>	<u>\$ 2,303.78</u>	<u>\$1,128,392.01</u>	<u>\$ 67,393.79</u>	<u>\$1,279,786.96</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable and Accrued Liabilities	\$ 7,024.02	\$	\$ 0.00	\$ 3,862.20	\$ 10,886.22
Due to Other Funds	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Liabilities	<u>7,024.02</u>	<u>0.00</u>	<u>0.00</u>	<u>3,862.20</u>	<u>10,886.22</u>
<u>Fund Balances</u>					
Nonspendable	0.00	0.00	0.00	0.00	0.00
Restricted	22,288.73	2,303.78	1,128,392.01	63,531.59	1,216,516.11
Committed	0.00	0.00	0.00	0.00	0.00
Assigned	0.00	0.00	0.00	0.00	0.00
Unassigned	<u>52,384.63</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>52,384.63</u>
Total Fund Balances	<u>74,673.36</u>	<u>2,303.78</u>	<u>1,128,392.01</u>	<u>63,531.59</u>	<u>1,268,900.74</u>
Total Liabilities and Fund Balances	<u>\$ 81,697.38</u>	<u>\$ 2,303.78</u>	<u>\$1,128,392.01</u>	<u>\$ 67,393.79</u>	<u>\$1,279,786.96</u>

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF RIVERSIDE, ALABAMA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2014

Total Fund Balance - Governmental Funds	\$ 1,268,900.74
---	-----------------

Amounts reported for governmental  
activities in the Statement of Net  
Position are different because:

Capital Assets used in governmental  
activities are not financial resources  
and, therefore, are not reported as assets  
in governmental funds.

Cost of Capital Assets	\$ 4,014,108.10	
Accumulated Depreciation	<u>(1,506,504.41)</u>	
Total Capital Assets		2,507,603.69

Current Liabilities, including notes payable,  
which are expected to be refinanced and  
therefore are not reported as liabilities  
in the funds.

Long-term liabilities, including bonds  
payable, are not due and payable in the  
current period and, therefore, are not  
reported as liabilities in the funds.  
Interest on long-term debt is not accrued  
in the funds but rather is recognized as  
an expenditure when due.

Bonds and Warrants Payable	1,636,119.04	
General Obligation Notes	315,085.81	
Capital Lease Payable	<u>82,597.04</u>	
Total Current Liabilities		<u>(2,033,801.89)</u>

Total Net Position - Governmental Activities	\$ <u>1,742,702.54</u>
--	------------------------

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF RIVERSIDE, ALABAMA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2014

	<u>General Fund</u>	<u>Road Fund</u>	<u>Capital Outlay Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Licenses and Taxes	\$ 597,627.57	\$ 28,177.69	\$ 0.00	\$ 0.00	\$ 625,805.26
Fines and Court Costs	0.00	0.00	0.00	67,655.09	67,655.09
Interest Income	47.37	0.76	0.00	70.29	118.42
Capital Improvement Grants	0.00	0.00	0.00	21,197.71	21,197.71
Other Sources	<u>937,133.31</u>	<u>97,048.10</u>	<u>0.00</u>	<u>400.00</u>	<u>1,034,581.41</u>
Total Revenues	<u>1,534,808.25</u>	<u>125,226.55</u>	<u>0.00</u>	<u>89,323.09</u>	<u>1,749,357.89</u>
<u>Expenditures</u>					
General Government	384,724.07	0.00	0.00	0.00	384,724.07
Public Safety	568,000.92	0.00	0.00	66,746.44	634,747.36
Streets and Public Works	751,056.42	132,047.02	74,290.49	0.00	957,393.93
Building Inspector	18,025.24	0.00	0.00	0.00	18,025.24
Debt Service	<u>26,614.99</u>	<u>0.00</u>	<u>29,167.50</u>	<u>0.00</u>	<u>55,782.49</u>
Total Expenditures	<u>1,748,421.64</u>	<u>132,047.02</u>	<u>103,457.99</u>	<u>66,746.44</u>	<u>2,050,673.09</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(213,613.39)</u>	<u>(6,820.47)</u>	<u>(103,457.99)</u>	<u>22,576.65</u>	<u>(301,315.20)</u>
<u>Other Financing Sources (Uses)</u>					
Transfers In	27,927.48	1,500.00	1,850.00	0.00	31,277.48
Transfers Out	(2,000.00)	0.00	0.00	(9,400.00)	(11,400.00)
Proceeds from Long-Term Debt	165,489.97	0.00	1,230,000.00	0.00	1,395,489.97
Proceeds from Capital Lease	87,722.80	0.00	0.00	0.00	87,722.80
Other Fund Uses	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Other Financing Sources (Uses)	<u>279,140.25</u>	<u>1,500.00</u>	<u>1,231,850.00</u>	<u>(9,400.00)</u>	<u>1,503,090.25</u>
Net Changes in Fund Balances	65,526.86	(5,320.47)	1,128,392.01	13,176.65	1,201,775.05
Fund Balances - Beginning of Year	<u>9,146.50</u>	<u>7,624.25</u>	<u>0.00</u>	<u>50,354.94</u>	<u>67,125.69</u>
Fund Balances - End of Year	<u>\$ 74,673.36</u>	<u>\$ 2,303.78</u>	<u>\$1,128,392.01</u>	<u>\$ 63,531.59</u>	<u>\$1,268,900.74</u>

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF RIVERSIDE, ALABAMA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2014

Total Net Changes in Fund Balances - Governmental Funds \$ 1,201,775.05

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

Capital outlays to purchase or build capital assets are reported in  
governmental funds as expenditures. However, in the Statement of  
Activities, the cost of those assets is allocated over their estimated  
useful lives as depreciation expense. This is the amount by which  
depreciation expense exceeds capital outlays in the period.

Capital Outlays	\$	846,498.14	
Depreciation Expense		<u>(228,957.70)</u>	
Net Capital Outlays			617,540.44

Repayment of debt principal is an expenditure in the governmental funds,  
but it reduces long-term liabilities in the Statement of Net Position  
and does not affect the Statement of Activities. 55,664.84

Proceeds from the issuance of debt are reported as financing sources in  
governmental funds and thus contribute to the change in fund balance.  
Issuing debt increases liabilities in Statement of Net Position but does  
not affect the Statement of Activities. (1,483,212.77)

Total Changes in Net Position of Governmental Activities \$ 391,767.56

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF RIVERSIDE, ALABAMA

STATEMENT OF NET POSITION  
PROPRIETARY FUND - CITY OF RIVERSIDE WATER WORKS  
SEPTEMBER 30, 2014

	<u>Amount</u>	<u>Total</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 35,679.47	
Receivables - Customers	88,057.85	
Receivables - Others	4,335.59	
Inventories	<u>15,876.85</u>	
Total Current Assets		\$ 143,949.76
<u>Noncurrent Assets</u>		
Capital Assets, Net		<u>679,108.06</u>
Total Assets		<u>823,057.82</u>
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable and Accrued Liabilities	85,743.29	
Meter Deposits	52,530.36	
Current Portion of Long-Term Obligations	<u>7,608.69</u>	
Total Current Liabilities		145,882.34
<u>Noncurrent Liabilities</u>		
Noncurrent Portion of Long-Term Obligations		<u>146,467.41</u>
Total Liabilities		<u>292,349.75</u>
<u>NET POSITION</u>		
Invested in Capital Assets, Net of Related Debt	525,031.96	
Unrestricted	<u>5,676.11</u>	
Total Net Position		\$ <u>530,708.07</u>

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF RIVERSIDE, ALABAMA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
PROPRIETARY FUND - CITY OF RIVERSIDE WATER WORKS  
YEAR ENDED SEPTEMBER 30, 2014

	<u>Amount</u>	<u>Total</u>
<u>Operating Revenue</u>		
Water Revenue		\$ 404,007.67
<u>Operating Expenses</u>		
Auto and Truck Expense	\$ 1,745.27	
Depreciation Expense	46,860.72	
Dues and Memberships	220.00	
Emergency Services	4,100.35	
Equipment Maintenance	19,595.03	
Gasoline Expense	14,857.81	
Insurance:		
Employee Health Insurance	27,553.00	
General Liability and Fidelity Bonds	4,717.50	
Miscellaneous Expense	5,209.02	
Office Supplies and Expense	10,071.17	
Payroll Taxes	8,806.14	
Professional Fees	6,605.96	
Repairs and Maintenance	30,603.31	
Retirement Expense	8,665.70	
Salaries	123,429.19	
Seminar Expense	1,789.02	
Telephone and Utilities	46,767.83	
Uniform Expenses	847.99	
Water Supplies	39,272.74	
Water Testing	<u>2,958.09</u>	
Total Operating Expenses		<u>404,675.84</u>
Operating Income (Loss)		(668.17)
<u>Non-Operating Revenues (Expenses)</u>		
Interest Income	52.60	
Transfers Out	(19,877.48)	
Interest Expense and Fiscal Agent Fees	<u>(9,027.76)</u>	
Total Non-Operating Revenues (Expenses)		<u>(28,852.64)</u>
Net Income		(29,520.81)
Retained Earnings at Beginning of Year		<u>560,228.88</u>
Retained Earnings at End of Year		\$ <u><u>530,708.07</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF RIVERSIDE, ALABAMA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND - CITY OF RIVERSIDE WATER WORKS  
YEAR ENDED SEPTEMBER 30, 2014

	<u>Amount</u>	<u>Total</u>
<u>Cash Flows From (Used By) Operating Activities</u>		
Receipts from Customers	\$ 394,115.63	
Payments to Suppliers	(171,346.07)	
Payments to Employees	(168,454.03)	
Receipts of Customer Deposits	15,195.00	
Refunds of Customer Deposits	<u>(7,312.64)</u>	
Net Cash Provided By Operating Activities		\$ 62,197.89
<u>Cash Flows From (Used By) Noncapital</u>		
- <u>Financing Activities</u>		
Transfers Out	<u>(19,877.48)</u>	
Net Cash From Noncapital Financing Activities		(19,877.48)
<u>Cash Flows From (Used By) Financing Activities</u>		
Purchase of Capital Assets	(11,783.00)	
Principal Paid on Capital Debt	(7,608.69)	
Interest Paid on Capital Debt	<u>(9,027.76)</u>	
Net Cash Provided (Used By)		
Operating Activities		(28,419.45)
<u>Cash Flows From (Used By) Investing Activities</u>		
Interest Income	<u>52.60</u>	
Net Cash Provided By		
Investment Activities		<u>52.60</u>
Net Increase (Decrease) in Cash and Cash Equivalents		13,953.56
Cash and Cash Equivalents at Beginning of Year		<u>21,725.91</u>
Cash and Cash Equivalents at End of Year		<u>\$ 35,679.47</u>

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF RIVERSIDE, ALABAMA

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATIONS  
PROPRIETARY FUND - CITY OF RIVERSIDE WATER WORKS  
YEAR ENDED SEPTEMBER 30, 2014

	<u>Amount</u>	<u>Total</u>
Operating Income (Loss)		\$ (668.17)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operations -		
Depreciation Expense		46,860.72
Changes in Assets and Liabilities:		
Receivables	\$ (9,892.04)	
Inventories	8,377.73	
Accounts Payable and Accrued Liabilities	9,637.29	
Meter Deposits	<u>7,882.36</u>	
Total Changes in Assets and Liabilities		<u>16,005.34</u>
Net Cash Provided By Operating Activities		\$ <u>62,197.89</u>

The accompanying notes to the financial statements are an integral part of this statement.



CITY OF RIVERSIDE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2014

INDEX

<u>Note #</u>		<u>Page</u>
1	Summary of Significant Accounting Policies .....	15
2	Deposits and Investments .....	26
3	Property Taxes .....	26
4	Restricted Assets .....	26
5	Stewardship, Compliance and Accountability .....	26
6	Capital Assets .....	27
7	Long-Term Obligations .....	29
8	Short-Term Debt .....	34
9	Interfund Transfers .....	34
10	Contingent Liabilities .....	34
11	Risk Management .....	34
12	Defined Benefit Pension Plan.....	35

CITY OF RIVERSIDE, ALABAMA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Riverside, Alabama (the "City") was incorporated in 1886, under the provisions of the State of Alabama. The City operates under a mayor-council form of government and provides the following services: public safety (police and fire), streets, sanitation, health and social services, recreation, public improvements, planning and zoning, and general administrative services. The City also provides water services.

For the fiscal year ended September 30, 2013, the City implemented the following new accounting standard issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions.

GASB Statement 54 clarifies the existing governmental fund type definitions and provides clearer fund balance categories and classifications. The new hierarchical fund balance classification is based primarily upon the extent to which a government is bound to follow constraints on resources in governmental funds and includes the terms: nonspendable, committed, restricted, assigned, and unassigned.

With the exception of the Proprietary Fund, the City maintains its accounting records on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accounting policies of the Proprietary Fund conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

A. The Reporting Entity

The City's financial reporting entity is composed of the following:

Primary Government:	City of Riverside
Blended Component Unit:	City of Riverside Water Works

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, The Financial Reporting Entity.

(Continued)

## NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

#### A. The Reporting Entity - (Continued)

##### Blended Component Unit

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit's governing body is the same or substantially the same as the City Council, or the component unit provides services entirely to the City. The component unit's funds are blended into those of the City by appropriate fund type to constitute the primary government presentation. The blended component unit is presented below:

<u>Component Unit</u>	<u>Brief Description/Inclusion Criteria</u>	<u>Fund Included In</u>
Water Works	To finance, develop and operate the water activities of the City of Riverside. Current city council serves as governing body.	Water Works Fund

The component units do not issue separately audited component unit financial statements.

#### B. Basis of Presentation

Government-Wide Financial Statements: The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements: The fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The City presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following two criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

B. Basis of Presentation - (Continued)

2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity as described below:

Governmental Funds

Major Governmental Funds:

General Fund - The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Road Fund - Accounts for gasoline excise taxes legally restricted for street improvements.

Capital Project Funds - Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items.

Non-Major Governmental Fund Types (Other Government Funds):

The reporting entity includes the following special revenue funds, which are reported as nonmajor funds:

<u>Fund</u>	<u>Brief Description</u>
Court Fund	Accounts for revenues received and expenditures paid for services provided by the court system.
Equitable Sharing Forfeiture Fund	Accounts for revenues received and expenditures paid for services provided by the police department.
Asset Forfeiture Fund	Accounts for revenues received and expenditures paid for services provided by the police department.

Debt Service Funds - Debt service funds account for the accumulation of resources for, and the payment of, the City's principal and interest payments on long-term debt.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

B. Basis of Presentation - (Continued)

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for business-type activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise fund that is reported as major fund:

<u>Fund</u>	<u>Brief Description</u>
Water Works Fund	Accounts for the activities of the public trust in providing water services to the public.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting for governmental activities and the accrual basis for business-type activities, as defined in item 2 below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus, as applied to the modified cash basis of accounting for governmental activities and the accrual basis for business-type activities, is used as appropriate:

1. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net assets.

(Continued)

## NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

#### C. Measurement Focus and Basis of Accounting - (Continued)

##### Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental and component unit activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements, proprietary fund statements, and the similar discretely presented component unit statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The business-type activities are presented using the accrual basis of accounting which is a basis of accounting generally accepted in the United States of America.

As a result, with the exception of the business-type activities, of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

#### D. Assets, Liabilities, and Equity

##### Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

##### Investments

Investments classified in the financial statements consist entirely of certificates of deposit whose original maturity term exceeds three months. Investments are carried at cost, which approximates fair value.

(Continued)

## NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

#### D. Assets, Liabilities, and Equity - (Continued)

##### Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased.

##### Capital Assets

The City's modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund and similar discretely presented component unit operations and whether they are reported in the government-wide or fund financial statements.

##### Government-Wide Financial Statements

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to September 30, 2003. Prior to September 30, 2003 governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired since September 30, 2003 are recorded at cost.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000.00 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

Buildings	40-50 years
Improvements other than buildings	10-25 years
Machinery, furniture, and equipment	3-20 years
Utility property and improvements	10-50 years
Infrastructure	25-50 years

##### Fund Financial Statements

In the fund financial statements, capital assets arising for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

D. Assets, Liabilities, and Equity - (Continued)

Long-Term Debt

All long-term debt arising from cash basis transactions to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements.

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

Allowance for Uncollectible Accounts - Enterprise Fund

Allowance for uncollectible accounts receivable in the Enterprise Fund at September 30, 2014 is \$0.00. Accounts are closely monitored with service to delinquent accounts terminated before balances above deposits are reached.

Compensated Absences

For vacation leave and other compensated absences with similar characteristics, GASB Statement No. 16 requires the accrual of a liability as the benefits are earned by the employees if both of these conditions are met:

1. The employees' right to receive compensation is attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination of retirement.

An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals. Because the cash basis of accounting is used, no liability is recorded on the financial statements.

(Continued)



NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

D. Assets, Liabilities, and Equity - (Continued)

Net Position/Fund Equity

Net position is reported on the government-wide financial statements and is required to be classified for accounting and reporting purposes into the following net position categories:

1. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
2. Restricted net position - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

It is the City's policy to first use restricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balances

Fund Balances are reported on the fund financial statements and are required to be classified for accounting and reporting purposes into the following fund balance categories:

Unassigned Fund Balance - Represents resources available to meet current and future years expenditures.

Committed Fund Balance - Represents amounts constrained for a specific purpose by the City. It requires action by the City council to remove or change the constraints placed on the resources. As of September 30, 2014, the City had no committed fund balance.

Assigned Fund Balance - Represents amounts constrained by the Board's intent to be used for a specific purpose, but are not restricted or committed. Intent is expressed by the City itself, or an official to which the Board has delegated the authority to assign amounts to be used for specific purposes. The action to remove or modify assignments are not as strict as for committed fund balance. As of September 30, 2014, the City had no assigned fund balance.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

D. Assets, Liabilities and Net Position - (Continued)

Non spendable Fund Balance - Represents amounts that cannot be spent due to form such as inventories and prepaid accounts. This also includes amounts that must be maintained intact legally or contractually. The City had no nonspendable fund balances as of September 30, 2014

Restricted/Reserved Fund Balance - Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. The City had no reserved fund balances as of September 30, 2014.

Restricted Fund Balance - Represents amount that can be spent only for specific purpose by construction, external resource providers, or through enabling legislation. Constraints are placed on the use of resources either by; externally imposed creditors, grantors, contributions, or laws or regulations of other governments; or imposed by law through constitutional provisions of enabling legislation. Restrictions of fund balances at September 30, 2014 are as follows:

General Fund:	
Fire Department	\$ <u>22,288.73</u>
Road Fund	\$ <u>2,303.78</u>
Capital Project Fund	\$ <u>1,128,392.01</u>
Other Governmental Funds:	
Court Fund	\$ (2,113.01)
Capital Improvement	26,638.97
Police Department	4,050.23
Debt Service Fund	<u>34,955.40</u>
Total	\$ <u>63,531.59</u>

The City's policy is to first apply restricted resources when an expense is incurred for the purposes for which both restricted and unrestricted balances are available. The City's policy is to first apply assigned, committed and unassigned resources, respectively, when an expense is incurred for the purposes for which assigned, committed and/or unassigned balances are available.

Proprietary fund equity is classified the same as in the government-wide statements.

(Continued)

## NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

#### E. Revenues, Expenditures, and Expenses

##### Program Revenues

In the Statement of Activities modified cash basis revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

General Government	Licenses and Permits
Public Safety	Fines, Operating and Capital Grants
Streets and Public Works	Garbage Collection Fees, Operating and Capital Grants
Culture and Recreation	Rental Income, Recreation Fees and Specific Donations

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

##### Operating Revenue and Expenses

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

#### F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

##### Fund Financial Statements

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans - Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.

(Continued)

## NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

#### F. Internal and Interfund Balances and Activities - (Continued)

3. Interfund reimbursements - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

#### Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities - Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers-Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.
3. Primary government and component unit activity and balances - Resource flows between the primary government (the City and City of Riverside Water Works) are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

#### G. Use of Estimates

The preparation of financial statements in conformity with the basis of accounting used by the City requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED):

H. Date of Management Review

Management has evaluated subsequent events through February 24, 2015 the date of which the financial statements were available to be issued.

NOTE 2 - DEPOSITS AND INVESTMENTS:

In its 2000 Regular Session, the Alabama State Legislature enacted the Security for Alabama Enhancement (SAFE) Program (Title 41, Chapter 14A, Code of Alabama 1975, as amended) that changes the way all Alabama public deposits are collateralized. Public deposits include the funds of any covered public entity or covered public official placed on deposit in a qualified depository, including time and demand deposit accounts and certificates of deposit but excluding bonds, notes, money market mutual funds, repurchase agreements and similar investment instruments. Covered public entities include the state and its political subdivisions.

In the past, the bank pledged collateral directly to each public entity. Under SAFE, which is mandatory, each qualified public depository (QPD) is required to hold collateral for all of its public deposits on a pooled basis in a custody account (SAFE Custody Account) established for the State Treasurer as SAFE administrator.

In the unlikely event a public entity should suffer a deposit loss due to QPD insolvency or default, a claim form would be filed with the State Treasurer, who would use the SAFE pool collateral or other means to reimburse the loss. All deposits of the City of Riverside as of September 30, 2014 are held in a certified qualified public depository.

NOTE 3 - PROPERTY TAXES:

The City's property tax is levied each October 1<sup>st</sup> on the assessed value listed as of the prior September 30<sup>th</sup> for all real and business property located in the City. Taxes are due October 1<sup>st</sup> and become delinquent by January 1<sup>st</sup> following the October 1<sup>st</sup> levy date.

NOTE 4 - RESTRICTED ASSETS:

The amounts of restricted assets are composed of amounts held by the Water Works for utility deposits (refunded upon termination of service or applied to final bill) of \$52,530.36.

NOTE 5 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

The Road Fund expenditures exceeded the appropriations by \$5,320.47. This occurred because of new road projects.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 6 - CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 359,041.80	\$ 0.00	\$ 0.00	\$ 359,041.80
Construction in Progress	<u>216,622.63</u>	<u>494,691.39</u>	<u>0.00</u>	<u>711,314.02</u>
Total Capital Assets Not Being Depreciated	<u>575,664.43</u>	<u>494,691.39</u>	<u>0.00</u>	<u>1,070,355.82</u>
Capital Assets Being Depreciated:				
Buildings	468,044.11	0.00	0.00	468,044.11
Improvements	52,124.84	0.00	0.00	52,124.84
Infrastructure	0.00	188,429.95	0.00	188,429.95
Land Improvements - Exhaustible	248,759.69	0.00	0.00	248,759.69
Furniture and Equipment	629,948.00	87,722.80	0.00	717,670.80
Vehicles	<u>1,193,068.89</u>	<u>75,654.00</u>	<u>0.00</u>	<u>1,268,722.89</u>
Total Capital Asset Being Depreciated	<u>2,591,945.53</u>	<u>351,806.75</u>	<u>0.00</u>	<u>2,943,752.28</u>
Less Accumulated Depreciation For:				
Buildings	131,702.27	10,723.33	0.00	142,425.60
Improvements	30,644.32	1,301.85	0.00	31,946.17
Infrastructure	0.00	3,140.50	0.00	3,140.50
Land Improvements - Exhaustible	32,338.74	4,975.19	0.00	37,313.93
Furniture and Equipment	308,898.89	72,577.03	0.00	381,475.92
Vehicles	<u>773,962.49</u>	<u>136,239.80</u>	<u>0.00</u>	<u>910,202.29</u>
Total Accumulated Depreciation	<u>1,277,546.71</u>	<u>228,957.70</u>	<u>0.00</u>	<u>1,506,504.41</u>
Total Capital Assets Being Depreciated, Net	<u>1,314,398.82</u>	<u>122,849.05</u>	<u>0.00</u>	<u>1,437,247.87</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 1,890,063.25</u>	<u>\$ 617,540.44</u>	<u>\$ 0.00</u>	<u>\$ 2,507,603.69</u>

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 6 - CAPITAL ASSETS - (CONTINUED):

Capital asset activity for the year ended September 30, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirement/ Reclassifications</u>	<u>Ending Balance</u>
<u>Business-Type Activities:</u>				
Capital Assets Not Being Depreciated:				
Land and Land Improvements	\$ 4,331.75	\$ 0.00	\$ 0.00	\$ 4,331.75
Construction in Progress	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Capital Assets Not Being Depreciated	<u>4,331.75</u>	<u>0.00</u>	<u>0.00</u>	<u>4,331.75</u>
Capital Assets Being Depreciated:				
Utility Property and Improvements	1,668,061.82	0.00	0.00	1,668,061.82
Furniture and Equipment	145,748.96	11,783.00	0.00	157,531.96
Vehicles	<u>83,611.87</u>	<u>0.00</u>	<u>0.00</u>	<u>83,611.87</u>
Total Capital Asset Being Depreciated	<u>1,897,422.65</u>	<u>11,783.00</u>	<u>0.00</u>	<u>1,909,205.65</u>
Less Accumulated Depreciation For:				
Utility Property and Improvements	958,207.79	44,896.89	0.00	1,003,104.68
Furniture and Equipment	145,748.96	1,963.83	0.00	147,712.79
Vehicles	<u>83,611.87</u>	<u>0.00</u>	<u>0.00</u>	<u>83,611.87</u>
Total Accumulated Depreciation	<u>1,187,422.65</u>	<u>46,860.72</u>	<u>0.00</u>	<u>1,234,229.34</u>
Total Capital Assets Being Depreciated, Net	<u>709,854.03</u>	<u>(35,077.72)</u>	<u>0.00</u>	<u>674,776.31</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 714,185.78</u>	<u>\$ (35,077.72)</u>	<u>\$ 0.00</u>	<u>\$ 679,108.06</u>

Depreciation Expense Was Charged to Governmental Functions as Follows -

Governmental Activities:

General Government	\$ 18,448.28
Public Safety	195,747.59
Streets & Public Works	<u>14,761.83</u>
Total Governmental Activities Depreciation Expense	<u>\$ 228,957.70</u>

Business-Type Activities:

Water Works	<u>\$ 46,860.72</u>
-------------	---------------------

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 6 - CAPITAL ASSETS - (CONTINUED):

The City has entered into contracts for the construction of renovations of facilities as follows:

	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Committments</u>	<u>Requ i red Further Fi nanci ng</u>
Hi ghway 78				
Turn Lane and				
Road Improvements	\$1, 151, 563. 27	\$ 638, 689. 02	\$ 512, 874. 25	\$ 0. 00
Meter Replacement and				
Well Renovations	<u>1, 074, 493. 73</u>	<u>72, 625. 00</u>	<u>1, 001, 868. 73</u>	<u>0. 00</u>
Totals	<u>\$2, 226, 057. 00</u>	<u>\$ 711, 314. 02</u>	<u>\$ 1, 514, 742. 98</u>	<u>\$ 0. 00</u>

NOTE 7 - LONG-TERM OBLIGATIONS:

The reporting entity's long-term debt arising from cash transactions is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Governmental Activities

As of September 30, 2014, the long-term debt, arising from cash transactions, payable from governmental fund resources consisted of the following:

General Obligation Warrants - Series 2009

In October, 2009, the City issued General Obligation Warrants, Series 2009 with a total principal obligation of \$460,000.00 for the purpose of capital improvements and refunding current General Obligation Warrants and Notes Payable. The interest rate on the 2009 warrants ranges from 4.000% to 5.125%. A Warrant Fund Account was established at Regions Bank for the payment of principal and interest on the warrants. The warrants were issued on behalf of the City of Riverside and the City of Riverside Water Department. Warrants in the amount of \$285,000.00 are accounted for in the governmental funds since general revenues will be used to make payments to the Warrant Fund.

(Continued)



NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 7 - LONG-TERM OBLIGATIONS - (CONTINUED):

Business-Type Activities

As of September 30, 2014, the long-term debt, arising from cash transactions, payable from business-type activity resources consisted of the following:

General Obligation Warrants - Series 2009

In October, 2009, the City issued General Obligation Warrants, Series 2009 with a total principal obligation of \$460,000.00 for the purpose of capital improvements and refunding current General Obligation Warrants and Notes Payable. The interest rate on the 2009 warrants ranges from 4.000% to 5.125%. A Warrant Fund Account was established at Regions Bank for the payment of principal and interest on the warrants. The warrants were issued on behalf of the City of Riverside and the City of Riverside Water Department. Warrants in the amount of \$175,000.00 are accounted for in the proprietary fund since water department revenues will be used to make payments to the Warrant Fund.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 7 - LONG-TERM OBLIGATIONS - (CONTINUED):

A. Long-Term Obligation Activity

Long-term liability obligations for the year ended September 30, 2014, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds and Notes Payable -					
General Obligation Warrants - 2009	\$ 263,315.21	\$ 0.00	\$ 12,391.31	\$ 250,923.90	\$ 12,391.31
Drinking Water State Revolving Fund	0.00	1,230,000.00	0.00	1,230,000.00	50,000.00
Note Payable - County Commission	0.00	90,389.97	0.00	90,389.97	18,077.99
Note Payable - Union State Bank	<u>0.00</u>	<u>75,100.00</u>	<u>10,294.83</u>	<u>64,805.17</u>	<u>18,163.20</u>
Totals	<u>263,315.21</u>	<u>1,395,489.97</u>	<u>22,686.14</u>	<u>1,636,119.04</u>	<u>98,632.50</u>
Other Liabilities -					
Capital Lease - Kubota Mower	8,938.75	0.00	2,041.31	6,897.44	2,274.58
Capital Lease - Versa Boom Mower	<u>0.00</u>	<u>87,722.80</u>	<u>12,023.20</u>	<u>75,699.60</u>	<u>16,626.14</u>
Total Other Liabilities	<u>8,938.75</u>	<u>87,722.80</u>	<u>14,064.51</u>	<u>82,597.04</u>	<u>18,900.72</u>
Totals	<u>\$ 272,253.96</u>	<u>\$ 1,483,212.77</u>	<u>\$ 36,750.65</u>	<u>\$ 1,718,716.08</u>	<u>\$ 117,533.22</u>
Business-Type Activities:					
General Obligation Warrants - 2009	<u>\$ 161,684.79</u>	<u>\$ 0.00</u>	<u>\$ 7,608.69</u>	<u>\$ 154,076.10</u>	<u>\$ 7,608.69</u>

(Continued)

TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 7 - LONG-TERM OBLIGATIONS - (CONTINUED):

B. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2014, are as follows:

Fiscal Year Ending September 30,	Capital Debt Obligations		
	Principal	Interest	Total
2015	\$ 106,241.19	\$ 39,787.75	\$ 146,028.94
2016	106,895.54	48,602.69	155,498.23
2017	107,573.43	45,854.60	153,428.03
2018	96,406.98	43,186.81	139,593.79
2019	98,078.00	40,981.45	139,059.45
2020-2024	420,000.00	166,155.00	586,155.00
2025-2029	490,000.00	91,246.25	581,246.25
2030-2034	<u>365,000.00</u>	<u>22,723.75</u>	<u>387,723.75</u>
Totals	<u>\$ 1,790,195.14</u>	<u>\$ 498,538.30</u>	<u>\$ 2,288,733.44</u>

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 7 - LONG-TERM OBLIGATIONS - (CONTINUED):

C. Lease Obligations

Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of a tractor and a boom mower. This lease equipment qualified as a capital lease for accounting purposes (title transfers at the end of the lease terms) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception. The following is an analysis of equipment leased under capital lease as of September 30, 2014.

	<u>General Fixed Assets</u>
Equipment	\$ <u>99,022.80</u>

The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at September 30, 2014.

<u>Fiscal Year Ending September 30,</u>	<u>General Long-Term Debt</u>
2015	\$ 22,380.72
2016	22,380.72
2017	21,651.52
2018	19,467.48
2019	<u>4,866.87</u>
Total s	90,747.31
Less: Amount Representing Interest	<u>8,150.27</u>
Present Value of Future Minimum Lease Payments	\$ <u>82,597.04</u>

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 8 - SHORT-TERM DEBT

On May 18, 2014, the City issued a \$120,000.00 temporary General Obligation Note. This note was issued for the purpose of acquiring land.

Short-term activity for the year ended September 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Proceeds</u>	<u>Repaid</u>	<u>General Balance</u>
Temporary General Obligation Note	\$ 120,000.00	\$ 0.00	\$ 0.00	\$ 120,000.00
Line of Credit	<u>214,000.00</u>	<u>111,927.93</u>	<u>130,842.12</u>	<u>195,085.81</u>
Total	<u>\$334,000.00</u>	<u>\$ 111,927.93</u>	<u>\$130,842.12</u>	<u>\$315,085.81</u>

NOTE 9 - INTERFUND TRANSACTIONS:

Interfund Transfers:

Transfers between funds for the years ended September 30, 2014 were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Road Fund</u>	<u>Capital Project Fund</u>	
General Fund	\$ 0.00	\$ 0.00	\$ 1,500.00	\$ 500.00	\$ 2,000.00
Proprietary Fund	19,877.48	0.00	0.00	0.00	19,877.48
Non-Major Governmental Funds	<u>8,050.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,350.00</u>	<u>9,400.00</u>
Total	<u>\$ 27,927.48</u>	<u>\$ 0.00</u>	<u>\$ 1,500.00</u>	<u>\$ 1,850.00</u>	<u>\$ 31,277.48</u>

NOTE 10 - CONTINGENT LIABILITIES:

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

NOTE 11 - RISK MANAGEMENT:

The City is exposed to various risks of losses related to torts; thefts of damage to, destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of the above risks of loss. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the City.

(Continued)

NOTE 12 - DEFINED BENEFIT PENSION PLAN:

A. Plan Description

The City's defined benefit pension plan, Employees' Retirement System of Alabama (the "System"), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The System is an agent multiple-employer pension plan. The benefit provisions and all other requirements for the System are established by state statute. The Retirement Systems of Alabama issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to The Retirement Systems of Alabama, P.O. Box 302150, Montgomery, Alabama 36132-2150 or by calling 1-877-517-0020.

B. Funding Policy

For the fiscal year 2014, the member contribution rate for state correctional officers, certified full-time firefighters, and certified full-time law enforcement officers remains at 6% for all members hired before January 1, 2013 and 7% for all members hired after January 1, 2013, of employee's compensation. Regular member contributions remain at 5% for all members hired before January 1, 2013 and 6% for all members hired after January 1, 2013, of employee compensation. The City is required to contribute at an actuarially determined rate, which is currently 8.14% for all members hired before January 1, 2013 and 5.84% for all members hired after January 1, 2013, (fiscal year 2013) of annual covered payroll. These rates increased over the 7.62% and 5.46% rates in effect for fiscal year 2013. The contribution requirements of plan members and the City are established and may be amended by the ERSA Board of Control.

C. Annual Pension Cost

For 2013, the City's annual pension cost of \$32,144.00 for the System was equal to the City's required and actual contributions. The required contribution was determined as part of the September 30, 2013 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on investments of 8% compounded annually, (b) projected annual salary increases of 3.75% - 7.25% per year compounded annually. Both (a) and (b) include an inflation component of 3.00%.

The actuarial value of the System assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The System's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2013 was 25 years.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

NOTE 12 - DEFINED BENEFIT PENSION PLAN - (CONTINUED):

C. Annual Pension Cost - (Continued):

Three-Year Trend Information for the City

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
09/30/2011	\$ 22,692.00	100.00%	\$ 0.00
09/30/2012	31,579.00	100.00%	0.00
09/30/2013	32,144.00	100.00%	0.00

Schedule of Funding Progress for the Pension Plan

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets* (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)(1)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
09/30/2008	\$ 664,506	\$ 736,568	\$ 72,062	90.20%	\$456,239	15.80%
09/30/2009	\$ 670,548	\$ 956,315	\$ 285,767	70.10%	\$443,357	64.50%
09/30/2010 <sup>2</sup>	\$ 661,678	\$ 1,022,878	\$ 361,200	64.70%	\$423,085	85.40%
09/30/2011 <sup>4</sup>	\$ 684,360	\$ 990,585	\$ 306,225	69.10%	\$418,591	73.20%
09/30/2012 <sup>5</sup>	\$ 714,095	\$ 1,003,787	\$ 289,692	71.10%	\$446,662	64.90%
09/30/2013 <sup>6</sup>	\$ 883,538	\$ 1,163,508	\$ 279,970	75.90%	\$428,848	65.30%
09/30/2013 <sup>3,6</sup>	\$ 883,538	\$ 1,169,259	\$ 285,721	75.60%	\$428,848	66.60%

1) Reflects liability for cost of living benefit increases granted on or after October 1, 1978.

2) Reflects the impact of Act 2011-27, which closes the DROP program to new applicants after March 24, 2011.

3) Reflects the impact of Act 2011-676, which increases the member contribution rates by 2.25% beginning October 1, 2011 and by an additional 0.25% beginning October 1, 2012.

4) Reflects changes in actuarial assumptions.

5) Reflects changes to interest smoothing methodology.

6) Reflects implementation of Board Funding Policy.

\*The actuarial value of assets was set equal to the market value of assets as of September 30, 2012. Market Value of Assets as of September 30, 2013: \$923,228.

POTTER, BRYANT, & MOORE, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. MOORE, C.P.A.  
GEOFFREY R. BRYANT, C.P.A.

P. RAY WILSON, C.P.A.

234 AQUARIUS DRIVE, SUITE 109  
BIRMINGHAM, ALABAMA 35209  
TELEPHONE 205/323-5206  
FAX 205/323-5021  
EMAIL: INFO@PSMCPA.NET  
J. ROYCE BRYANT, JR., C.P.A.  
(1935 - 2004)  
RAYMOND E. POTTER, C.P.A.  
(1920 - 2001)

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

To the Honorable Mayor and Members of the City Council  
City of Riverside, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information to City of Riverside, Alabama, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise City of Riverside's basic financial statements, and have issued our report thereon dated February 24, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Riverside, Alabama's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Riverside's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Riverside's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

(Continued)



## Internal Control Over Financial Reporting -- (Continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

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

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

POTTER, BRYANT & MOORE, P.C.

Certified Public Accountants

*Potter, Bryant & Moore, P.C.*

Birmingham, Alabama

February 24, 2015

## **ADDITIONAL INFORMATION**

POTTER, BRYANT, & MOORE, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. MOORE, C.P.A.  
GEOFFREY R. BRYANT, C.P.A.

P. RAY WILSON, C.P.A.

234 AQUARIUS DRIVE, SUITE 109  
BIRMINGHAM, ALABAMA 35209  
TELEPHONE 205/323-5206  
FAX 205/323-5021  
EMAIL: INFO@PBMCPA.NET

J. ROYCE BRYANT, JR., C.P.A.  
(1935 - 2004)

RAYMOND E. POTTER, C.P.A.  
(1920 - 2001)

INDEPENDENT'S AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Honorable Mayor and Members of the City Council  
City of Riverside, Alabama

Our audit is conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Riverside's basic financial statements. The additional information contained on pages 40 through 50 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This 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 them.

POTTER, BRYANT & MOORE, P.C.  
Certified Public Accountants

*Potter, Bryant & Moore, P.C.*

Birmingham, Alabama  
February 24, 2015



## CITY OF RIVERSIDE, ALABAMA

SCHEDULE OF CASH - ALL FUNDS  
YEAR ENDED SEPTEMBER 30, 2014

	<u>Checki ng Accounts</u>	<u>Money Market Accounts</u>	<u>Savi ngs</u>	<u>Total</u>
<u>General Fund</u>				
General Fund Checki ng	\$ 7,532.06	\$ 0.00	\$ 0.00	\$ 7,532.06
Fi re Fund Checki ng	22,288.73	0.00	0.00	22,288.73
Credi t Card Checki ng Account	51,876.59	0.00	0.00	51,876.59
<u>Speci al Revenue Fund</u>				
Road Fund Checki ng	1,393.70	0.00	0.00	1,393.70
Money Market Accounts:				
\$.07 Gasol i ne Tax	0.00	471.02	0.00	471.02
\$.04 Gasol i ne Tax	0.00	439.06	0.00	439.06
Muni ci pal Court	1,470.22	0.00	0.00	1,470.22
Capit al Improvement Checki ng	0.00	26,638.97	0.00	26,638.97
Court Corrections Checki ng	0.00	278.97	0.00	278.97
Equi table Shari ng Forfei tures Account	0.00	0.00	1,930.67	1,930.67
Asset Forfei ture Checki ng	0.00	2,119.56	0.00	2,119.56
<u>Capit al Outl ay Fund</u>				
WSRF 2014 Loan Fund	184.51	0.00	0.00	184.51
<u>Debt Servi ce Fund</u>				
Bond Checki ng Account	34,955.40	0.00	0.00	34,955.40
<u>Proprietary Fund</u>				
Water Fund Checki ng	13,559.50	0.00	0.00	13,559.50
Water Testi ng Deposi ts And Extensi ons	<u>0.00</u>	<u>0.00</u>	<u>22,119.97</u>	<u>22,119.97</u>
Totals	<u>\$ 133,260.71</u>	<u>\$ 29,947.58</u>	<u>\$ 24,050.64</u>	<u>\$ 187,258.93</u>

## CITY OF RIVERSIDE, ALABAMA

SCHEDULE OF REVENUES - GENERAL AND OTHER GOVERNMENTAL FUNDS - CASH BASIS  
YEAR ENDED SEPTEMBER 30, 2014

	<u>General Fund</u>	<u>Road Fund</u>	<u>Capital Outlay Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
<u>Licenses, Taxes and Fees</u>					
\$.02 Gasoline Tax	\$ 3,728.52	\$ 10,785.20	\$ 0.00	\$ 0.00	\$ 14,513.72
\$.04 Gasoline Tax	0.00	3,884.01	0.00	0.00	3,884.01
\$.05 Gasoline Tax	0.00	1,910.99	0.00	0.00	1,910.99
\$.07 Gasoline Tax	0.00	6,688.63	0.00	0.00	6,688.63
Automobile Tags	0.00	2,961.47	0.00	0.00	2,961.47
Cable Tax	6,926.06	0.00	0.00	0.00	6,926.06
Licenses and Permits	160,315.04	0.00	0.00	0.00	160,315.04
Liquor, Cigarette and Beer Taxes	9,367.10	0.00	0.00	0.00	9,367.10
Lodgings Tax	12,525.70	0.00	0.00	0.00	12,525.70
Manufactured Homes Tax	15.00	0.00	0.00	0.00	15.00
Motor Vehicle Licenses	3,544.53	534.56	0.00	0.00	4,079.09
Petroleum Fees	25.00	1,114.40	0.00	0.00	1,139.40
Property Taxes	143,742.96	0.00	0.00	0.00	143,742.96
Excise Tax	0.00	298.43	0.00	0.00	298.43
Sales Taxes	<u>257,437.66</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>257,437.66</u>
Total Licenses, Taxes and Fees	<u>597,627.57</u>	<u>28,177.69</u>	<u>0.00</u>	<u>0.00</u>	<u>625,805.26</u>
 <u>Fines and Court Cost Collections</u>	 <u>0.00</u>	 <u>0.00</u>	 <u>0.00</u>	 <u>67,655.09</u>	 <u>67,655.09</u>
 <u>Interest Income</u>	 <u>47.37</u>	 <u>0.76</u>	 <u>0.00</u>	 <u>70.29</u>	 <u>118.42</u>
 <u>Capital Improvements Grant</u>	 <u>0.00</u>	 <u>0.00</u>	 <u>0.00</u>	 <u>21,197.71</u>	 <u>21,197.71</u>

(Continued)

SCHEDULE OF REVENUES - GENERAL AND OTHER GOVERNMENTAL FUNDS - CASH BASIS - (CONTINUED)

	<u>General Fund</u>	<u>Road Fund</u>	<u>Capital Outlay Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
<u>Other Revenues</u>					
Bingo Proceeds	\$ 114.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 114.00
Boat Launch Fees	8,776.82	0.00	0.00	0.00	8,776.82
Contributions	75.00	0.00	0.00	0.00	75.00
Fire Department Fees	105,588.14	0.00	0.00	0.00	105,588.14
Gasoline Sales	117,998.01	0.00	0.00	0.00	117,998.01
Grant Income - County Commission	98,983.99	0.00	0.00	0.00	98,983.99
Grant Income - Vannick Road	481,901.12	0.00	0.00	0.00	481,901.12
Grant Income	2,008.55	0.00	0.00	0.00	2,008.55
Insurance Proceeds	40,668.63	0.00	0.00	0.00	40,668.63
Lease Income	1,400.00	9,325.30	0.00	0.00	10,725.30
Loan Proceeds	277,417.90	0.00	1,230,000.00	0.00	1,507,417.90
Capital Lease Proceeds	0.00	87,722.80	0.00	0.00	87,722.80
Miscellaneous Revenue	4,868.23	0.00	0.00	400.00	5,268.23
FEMA Grant	<u>50,545.69</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>50,545.69</u>
Total Other Revenues	<u>1,190,346.08</u>	<u>97,048.10</u>	<u>1,230,000.00</u>	<u>400.00</u>	<u>2,517,794.18</u>
 Total Revenues	 <u>\$ 1,788,021.02</u>	 <u>\$ 125,226.55</u>	 <u>\$ 1,230,000.00</u>	 <u>\$ 89,323.09</u>	 <u>\$3,232,570.66</u>

## CITY OF RIVERSIDE, ALABAMA

SCHEDULE OF EXPENDITURES - GENERAL AND OTHER GOVERNMENTAL FUNDS - CASH BASIS  
YEAR ENDED SEPTEMBER 30, 2014

	<u>General Fund</u>	<u>Road Fund</u>	<u>Capital Outlay Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
<u>General Government</u>					
Animal Control	\$ 505.31	\$ 0.00	\$ 0.00	\$ 0.00	\$ 505.31
Bank Fees	419.22	0.00	0.00	0.00	419.22
Collection Fees	218.06	0.00	0.00	0.00	218.06
Dues	7,585.00	0.00	0.00	0.00	7,585.00
Gasoline and Oil Expense	4,162.04	0.00	0.00	0.00	4,162.04
Insurance:					
Employee Health Insurance	47,831.00	0.00	0.00	0.00	47,831.00
General Liability and Fidelity Bonds	62,765.00	0.00	0.00	0.00	62,765.00
Legal Advertising	1,037.00	0.00	0.00	0.00	1,037.00
Marina - Non-Capitalized Equipment	300.00	0.00	0.00	0.00	300.00
Marina - Credit Card Charges	4,747.45	0.00	0.00	0.00	4,747.45
Marina - Gasoline	94,185.54	0.00	0.00	0.00	94,185.54
Marina - Repairs	10,696.34	0.00	0.00	0.00	10,696.34
Miscellaneous Expense	6,327.45	0.00	0.00	0.00	6,327.45
Office Supplies and Expense	6,189.06	0.00	0.00	0.00	6,189.06
Park Expense	4,166.18	0.00	0.00	0.00	4,166.18
Payroll Taxes	4,381.47	0.00	0.00	0.00	4,381.47
Professional Fees	10,190.00	0.00	0.00	0.00	10,190.00
Refunds	8,297.00	0.00	0.00	0.00	8,297.00
Repairs and Maintenance	3,580.81	0.00	0.00	0.00	3,580.81
Retirement Expense	2,451.43	0.00	0.00	0.00	2,451.43
Salaries - Administrative	57,650.14	0.00	0.00	0.00	57,650.14
Seminars Expense	8,484.73	0.00	0.00	0.00	8,484.73
Telephone Expense	21,868.53	0.00	0.00	0.00	21,868.53
Utilities	16,685.31	0.00	0.00	0.00	16,685.31
Total General Government	<u>\$ 384,724.07</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 384,724.07</u>

(Continued)



## SCHEDULE OF EXPENDITURES - GENERAL AND OTHER GOVERNMENTAL FUNDS - CASH

## BASIS - (CONTINUED)

	General Fund	Road Fund	Capital Outlay Fund	Other Governmental Fund	Total Governmental Funds
<u>Public Safety</u>					
Police Department:					
Auto Expense	\$ 8,922.19	\$ 0.00	\$ 0.00	\$ 0.00	\$ 8,922.19
Dispatch Expense	20,641.65	0.00	0.00	0.00	20,641.65
Dues	490.00	0.00	0.00	0.00	490.00
Equipment Expense - Capitalized	75,654.00	0.00	0.00	0.00	75,654.00
Gasoline and Oil Expense	23,953.44	0.00	0.00	0.00	23,953.44
Loan Payments - Principal	10,294.83	0.00	0.00	0.00	10,294.83
Loan Payments - Interest	1,469.23	0.00	0.00	0.00	1,469.23
Payroll Taxes	14,841.69	0.00	0.00	0.00	14,841.69
Retirement Expense	12,637.90	0.00	0.00	0.00	12,637.90
Salaries	194,010.35	0.00	0.00	0.00	194,010.35
Seminars Expense	1,121.41	0.00	0.00	0.00	1,121.41
Supplies	5,202.74	0.00	0.00	0.00	5,202.74
Uniforms	<u>1,625.52</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,625.52</u>
Total Police Department	<u>370,864.95</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>370,864.95</u>
Fire Department:					
Collections Expense	978.29	0.00	0.00	0.00	978.29
Dispatch Expense	10,000.00	0.00	0.00	0.00	10,000.00
Dues	274.00	0.00	0.00	0.00	274.00
EMS Supplies	2,706.88	0.00	0.00	0.00	2,706.88
Equipment Expense - Non-Capitalized	2,060.00	0.00	0.00	0.00	2,060.00
Gasoline and Oil Expense	5,700.02	0.00	0.00	0.00	5,700.02
Insurance and Bonds	4,717.50	0.00	0.00	0.00	4,717.50
Office Expenses	891.60	0.00	0.00	0.00	891.60
Payroll Taxes	10,140.12	0.00	0.00	0.00	10,140.12
Repairs and Maintenance	5,533.95	0.00	0.00	0.00	5,533.95
Retirement Expense	10,813.02	0.00	0.00	0.00	10,813.02
Salaries	132,839.70	0.00	0.00	0.00	132,839.70
Seminars Expense	468.00	0.00	0.00	0.00	468.00
Supplies	328.08	0.00	0.00	0.00	328.08
Telephone Expense	986.40	0.00	0.00	0.00	986.40
Uniform	620.77	0.00	0.00	0.00	620.77
Utilities	3,587.82	0.00	0.00	0.00	3,587.82
Vehicle Expense	<u>4,489.82</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4,489.82</u>
Total Fire Department	<u>197,135.97</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>197,135.97</u>

Continued)

SCHEDULE OF EXPENDITURES - GENERAL AND OTHER GOVERNMENTAL FUNDS - CASH  
BASIS - (CONTINUED)

	General Fund	Road Fund	Capital Outlay Fund	Other Governmental Fund	Total Governmental Funds
Court and Corrections:					
Insurance:					
Employee Health Insurance	\$ 0.00	\$ 0.00	\$ 0.00	\$ 3,510.00	\$ 3,510.00
Jail Expense	0.00	0.00	0.00	2,600.00	2,600.00
Judges Expense	0.00	0.00	0.00	6,683.04	6,683.04
Juvenile Detention Center	0.00	0.00	0.00	4,613.22	4,613.22
Legal Fees	0.00	0.00	0.00	5,040.00	5,040.00
Office and Computer Expenses	0.00	0.00	0.00	2,401.29	2,401.29
Other Court Costs	0.00	0.00	0.00	8,319.69	8,319.69
Payroll Taxes	0.00	0.00	0.00	1,115.22	1,115.22
Restitution Expense	0.00	0.00	0.00	90.39	90.39
Retirement Expense	0.00	0.00	0.00	1,186.83	1,186.83
Salaries	0.00	0.00	0.00	14,579.28	14,579.28
State Funds	0.00	0.00	0.00	16,282.59	16,282.59
Supplies	0.00	0.00	0.00	122.00	122.00
Telephone Expense	0.00	0.00	0.00	202.89	202.89
Total Court and Corrections	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>66,746.44</u>	<u>66,746.44</u>
Total Public Safety	<u>\$ 568,000.92</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 66,746.44</u>	<u>\$ 634,747.36</u>
Streets and Public Works					
Street Department:					
Equipment Expense Capitalized	\$ 0.00	\$ 87,722.80	\$ 0.00	\$ 0.00	\$ 87,722.80
Gasoline and Oil Expense	0.00	130.49	0.00	0.00	130.49
Insurance	0.00	87.00	0.00	0.00	87.00
Lease Payments	0.00	17,513.85	0.00	0.00	17,513.85
Line of Credit - Principal	130,842.12	0.00	0.00	0.00	130,842.12
Line of Credit - Interest	9,717.96	0.00	0.00	0.00	9,717.96
Repairs and Maintenance	0.00	3,414.68	0.00	0.00	3,414.68
Bridge Replacement	188,429.95	0.00	0.00	0.00	188,429.95
Street Construction	422,066.39	0.00	0.00	0.00	422,066.39
Street Paving and Resurfacing	0.00	7,935.00	0.00	0.00	7,935.00
Supplies	0.00	1,401.94	0.00	0.00	1,401.94
Utilities	0.00	13,841.26	0.00	0.00	13,841.26

(Continued)

SCHEDULE OF EXPENDITURES - GENERAL AND OTHER GOVERNMENTAL FUNDS - CASH

BASIS - (CONTINUED)

	<u>General Fund</u>	<u>Road Fund</u>	<u>Capital Outlay Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
<u>Streets and Public Works - (Continued)</u>					
Water Department:					
Bank Fees	\$ 0.00	\$ 0.00	\$ 65.49	\$ 0.00	\$ 65.49
Computer Software	0.00	0.00	1,600.00	0.00	1,600.00
Well Renovations	<u>0.00</u>	<u>0.00</u>	<u>72,625.00</u>	<u>0.00</u>	<u>72,625.00</u>
Total Streets and Public Works	\$ <u>751,056.42</u>	\$ <u>132,047.02</u>	\$ <u>74,290.49</u>	\$ <u>0.00</u>	\$ <u>957,393.93</u>
<u>Building Inspector</u>					
Auto Expense	\$ 158.94	\$ 0.00	\$ 0.00	\$ 0.00	\$ 158.94
Dues	150.00	0.00	0.00	0.00	150.00
Payroll Taxes	1,250.86	0.00	0.00	0.00	1,250.86
Salaries	16,348.80	0.00	0.00	0.00	16,348.80
Seminars Expense	65.00	0.00	0.00	0.00	65.00
Telephone	<u>51.64</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>51.64</u>
Total Building Inspector	\$ <u>18,025.24</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>18,025.24</u>
<u>Debt Service</u>					
Bond Issue Fees	\$ 100.00	\$ 0.00	\$ 10,000.00	\$ 0.00	\$ 10,100.00
Principal Payments	12,391.31	0.00	0.00	0.00	12,391.31
Interest Payments	<u>14,123.68</u>	<u>0.00</u>	<u>19,167.50</u>	<u>0.00</u>	<u>33,291.18</u>
Total Debt Service	\$ <u>26,614.99</u>	\$ <u>0.00</u>	\$ <u>29,167.50</u>	\$ <u>0.00</u>	\$ <u>55,782.49</u>

(Continued)

## CITY OF RIVERSIDE, ALABAMA

SCHEDULE OF DEBT SERVICE  
 GENERAL OBLIGATION WARRANTS, SERIES 2009  
 SEPTEMBER 30, 2014

<u>Year</u>	<u>Due March 1, Interest</u>	<u>Due September 1,</u>			<u>Total Debt Service</u>
		<u>Prin ci pal</u>	<u>Interest</u>	<u>Total</u>	
2015	\$ 9,787.50	\$ 20,000.00	\$ 9,787.50	\$ 29,787.50	\$ 39,575.00
2016	9,387.50	20,000.00	9,387.50	29,387.50	38,775.00
2017	8,987.50	20,000.00	8,987.50	28,987.50	37,975.00
2018	8,587.50	20,000.00	8,587.50	28,587.50	37,175.00
2019	8,187.50	25,000.00	8,187.50	33,187.50	41,375.00
2020	7,687.50	25,000.00	7,687.50	32,687.50	40,375.00
2021	7,046.88	25,000.00	7,046.87	32,046.87	39,093.75
2022	6,406.25	25,000.00	6,406.25	31,406.25	37,812.50
2023	5,765.63	30,000.00	5,765.62	35,765.62	41,531.25
2024	4,996.88	30,000.00	4,996.87	34,996.87	39,993.75
2025	4,228.13	30,000.00	4,228.12	34,228.12	38,456.25
2026	3,459.38	30,000.00	3,459.37	33,459.37	36,918.75
2027	2,690.63	35,000.00	2,690.62	37,690.62	40,381.25
2028	1,793.75	35,000.00	1,793.75	36,793.75	38,587.50
2029	896.88	35,000.00	896.87	35,896.87	36,793.75
	<u>\$ 89,909.41</u>	<u>\$ 405,000.00</u>	<u>\$ 89,909.34</u>	<u>\$ 494,909.34</u>	<u>\$ 584,818.75</u>

## CITY OF RIVERSIDE, ALABAMA

SCHEDULE OF DEBT SERVICE  
 DRINKING WATER STATE REVOLVING FUND  
 YEAR ENDED SEPTEMBER 30, 2014

Year	Due February 15,			Due	Total
	Prin ci pal	Inter est	Total	August 15, Total	Debt Servi ce
2015	\$ 50,000.00	\$ 3,708.80	\$ 53,708.80	\$ 14,455.00	\$ 68,163.80
2016	50,000.00	14,455.00	64,455.00	13,842.50	78,297.50
2017	50,000.00	13,842.50	63,842.50	13,230.00	77,072.50
2018	50,000.00	13,230.00	63,230.00	12,617.50	75,847.50
2019	55,000.00	12,617.50	67,617.50	11,943.75	79,561.25
2020	55,000.00	11,943.75	66,943.75	11,270.00	78,213.75
2021	55,000.00	11,270.00	66,270.00	10,596.25	76,866.25
2022	55,000.00	10,596.25	65,596.25	9,922.50	75,518.75
2023	60,000.00	9,922.50	69,922.50	9,187.50	79,110.00
2024	60,000.00	9,187.50	69,187.50	8,452.50	77,640.00
2025	60,000.00	8,452.50	68,452.50	7,717.50	76,170.00
2026	65,000.00	7,717.50	72,717.50	6,921.25	79,638.75
2027	65,000.00	6,921.25	71,921.25	6,125.00	78,046.25
2028	65,000.00	6,125.00	71,125.00	5,328.75	76,453.75
2029	70,000.00	5,328.75	75,328.75	4,471.25	79,800.00
2030	70,000.00	4,471.25	74,471.25	3,613.75	78,085.00
2031	70,000.00	3,613.75	73,613.75	2,756.25	76,370.00
2032	75,000.00	2,756.25	77,756.25	1,837.50	79,593.75
2033	75,000.00	1,837.50	76,837.50	918.75	77,756.25
2034	<u>75,000.00</u>	<u>918.75</u>	<u>75,918.75</u>	<u>0.00</u>	<u>75,918.75</u>
	<u>\$1,230,000.00</u>	<u>\$ 158,916.30</u>	<u>\$1,388,916.30</u>	<u>\$ 155,207.50</u>	<u>\$1,544,123.80</u>

CITY OF RIVERSIDE, ALABAMA  
SCHEDULE OF DEBT SERVICE  
COUNTY COMMISSION  
YEAR ENDED SEPTEMBER 30, 2014

<u>Year</u>	<u>Pr i n c i p a l</u>	<u>I n t e r e s t</u>	<u>Total</u> <u>Debt Servi ce</u>
2015	\$ 18,077.99	\$ 45.19	\$ 18,123.18
2016	18,077.99	180.78	18,258.77
2017	18,077.99	135.58	18,213.57
2018	18,078.00	90.39	18,168.39
2019	<u>18,078.00</u>	<u>45.20</u>	<u>18,123.20</u>
Total	<u>\$ 90,389.97</u>	<u>\$ 497.14</u>	<u>\$ 90,887.11</u>

CITY OF RIVERSIDE, ALABAMASCHEDULE OF DEBT SERVICE  
UNION STATE BANK - POLICE CARS  
YEAR ENDED SEPTEMBER 30, 2014

<u>Year</u>	<u>Pr i n c i p a l</u>	<u>I n t e r e s t</u>	<u>Total Debt Servi ce</u>
2015	\$ 18,163.20	\$ 2,003.76	\$ 20,166.96
2016	18,817.55	1,349.41	20,166.86
2017	19,495.44	671.52	20,166.96
2018	<u>8,328.98</u>	<u>73.92</u>	<u>8,402.90</u>
Total	<u>\$ 64,805.17</u>	<u>\$ 4,098.61</u>	<u>\$ 68,903.78</u>