CITY OF ROME, GEORGIA
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2017

Prepared By:
Finance Department

CITY OF ROME, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

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STATISTICAL SECTION

Sammy Rich
City Manager
P.O. Box 1433
Rome, GA 30162
(706) 236-4400

June 19, 2018

To the Rome City Commission and
the Citizens of the City of Rome, Georgia:

The comprehensive annual financial report of the City of Rome, Georgia for the fiscal year ended December 31, 2017, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2017.

The City is also required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are included in a separate report.

Mauldin & Jenkins, LLC has issued an unmodified opinion on the City of Rome's financial statements for the year ended December 31, 2017. The independent auditor's report is located at the front of the financial section of this report.

These statements are compiled in accordance with accounting principles generally accepted in the United States of America and offer an overview of the financial position and activities of the City as a whole. Management's Discussion and Analysis can be found on pages 4-23 and contains additional information on the City of Rome's basic financial statements.

PROFILE OF THE GOVERNMENT

The City of Rome is located in the northwestern part of the State of Georgia, which ranks as one of the top growth areas in the state. The City limits incorporate over thirty-four square miles and has a population of approximately 36,500. The City government operates under a commission-manager form of government. Commission elections are non-partisan and commissioners serve staggered terms. There are nine commissioners serving on the City Commission with the Mayor and Mayor Pro Tem elected from within the commission.

The City provides a full range of services. These services include water and sewer, police, building inspection, fire protection, sanitation services, the construction and maintenance of streets, storm drainage, traffic control, cemetery, community development, transit system, municipal landfill, planning and zoning, recreational activities and cultural events. In addition, the City of Rome includes the Rome Board of Education and the Greater Rome Convention and Visitors Bureau as discretely presented component units in these financial statements because the City has financial accountability for these entities.

The City is required to adopt final budgets by the end of each fiscal year. These annual budgets serve as the foundation for the City of Rome's financial planning and control. The budgets are prepared by fund, then department. Budgetary control is at the line item level.

LOCAL ECONOMY

The economic condition and outlook of the City has remained fairly stable during the past several years, following several years of slower economic growth attributable to a general decline in manufacturing activity. However, in the last several years, the area has also been impacted by the national economic slowdown and has seen a reduction in workforce in several major manufacturing entities. The City has experienced a slight increase in economic activity including expansions and additional employment hiring. The unemployment rate for the City at the end of the year was 4.5%. This is a substantial decrease from 2016 following national trends of lower unemployment rates. This rate was comparable to the state average of 4.5% and just slightly over the Floyd County rate of 4.3%. More encouraging news is that this rate has continued to slightly decrease through the first quarter of 2018. The City has seen some increase in job creation due to expansions at existing facilities, as well as job growth in the services sector.

Rome continues to be the medical hub of northwest Georgia with more doctors per capita than any county in the state. Two major hospitals, with a total of approximately 800 beds, are located in the city limits with many clinics also operating in this area. Redmond Regional Medical Center is the largest taxpayer in the City. The medical industry continues to expand with new expansions at their outlying complexes. Floyd Medical Center, the community public hospital, continues to upgrade and modernize, and is completing a new expansion of their Urgent Care facilities at their outlying complex. The Harbin Clinic recently completed their new corporate headquarter construction within the City.

The Rome Braves Minor "A" baseball stadium continues to be an economic draw from surrounding communities.

The City of Rome is a large tennis community with tournaments ranging from junior league to adult mixed. With the opening of the new 60 court tennis facility, the Rome Tennis Center at Berry College has garnered national recognition and has already hosted several regional and international tournaments. The Center was the host for the 2017 ACC College tournament finals and will host the event again in 2020. The facility currently has upwards of 40 plus tournaments of various sizes booked for 2018. This has been a major economic impact for the City as these tournaments bring in participants and family from out of town who eat, sleep and shop in Rome. In 2017, the Tennis Center generated $4.9 million or 29% of the total economic impact for the tourism community.

Rome has also been the site for several other sporting events that draw participants and spectators from outside the community. Berry College began their inaugural football season with their newly constructed stadium in 2015 and won their division national championship their first year. The Wings over North Georgia Air show held in the fall has become a large regional draw, and continues to be the highest estimated economic impact event for 2017, with over 30,000 in attendance for the two day event.

Rome has also made its mark in the film production arena, with small portions of several major motion pictures filmed locally, along with smaller venues for several TV shows. The next year also promises other productions both for TV and major motion pictures.

The continued development of the downtown area of the City also is hopeful for continued economic impact. The opening of the new Hampton Inn Hotel at the tip of the downtown area added much needed lodging last year and the Marriott Hotel which opened in early 2018, borders the west end of the downtown area and now anchors the West Third corridor of the downtown area. With the opening of the Marriott, room availability in the city now is over 970 rooms and will continue to increase as another major hotelier has announced a major expansion. The development of lofts and apartments in the downtown area has blossomed as four current projects are under current construction. The City has initiated the “Roman Chariot” which is a larger seating golf cart that will transport guests from the lodging points and up and down the downtown areas. Also newly installed are bicycle lanes and the roll out of a “Personal Transportation Vehicle (PTV)” policy to allow registered vehicles to use the downtown streets for transportation. This is certainly important as the number of citizens living in the downtown area increases.

A continuing Education Local Option Sales tax has enabled the City of Rome School System to make major renovations and improvements to many of the City schools. As this issue comes to an end a new county high school in the western part of the county has been completed, and major renovations at the Rome High and Middle School have been completed. Also launched was the South Rome Early Learning Center which is housed at Anna K. Davie School. This is a public/private partnership with the school system, Berry College, and private enterprises such as the South Rome Redevelopment Corporation which helps disadvantaged pre-school kids become ready for official school entry. The center, which began with one class, is now looking to expand into their third classroom.

Local Option Sales Tax revenue, one of the City’s largest revenue sources outside of property taxes, has been very stagnant over the last several years. Consistent decreases in this revenue stream have mirrored the economic downturn. New implemented legislation completely eliminated the sales tax on vehicles in 2013 and the sales tax on manufacturing energy consumption was completely phased out in 2016. These changes have significantly impacted overall sales tax revenues and since that implementation sales tax revenues have fallen dramatically. 2017 Sales tax receipts were slightly under 2016 with no growth. Also of some concern is the loss of several larger retail stores that closed last year. Although this seems to be a part of a national trend, retail sales loss is a concern going forward for the local economy. The City has been encouraged by an upward trend in economic indicator revenue sources such as business licenses, intangible taxes and real estate transfer taxes.

The City has also seen an upward swing in the number of new housing starts and construction during the year as well as requests for new water/sewer taps. The Building Inspection permit numbers were some of the largest increases in new permits that the City has seen in over ten years. These increases are positive signs of a possible modest growth in the local economy.

The City has seen several market growth additions over the last year, and the 2017 tax digest had a very modest increase.

Although the City of Rome’s Water system has remained healthy and viable due to our abundance of available water supplies, the system continues to be challenged by the decrease in overall consumer consumption. The City of Rome is in re-negotiation with Floyd County concerning the agreement for wholesale water purchases from the City.

LONG TERM FINANCIAL PLANNING

The City has taken budgetary steps to ensure that the City will continue to be healthy throughout a continual stagnation of many revenue sources. Although the City went several years without market competitive merit raises for employees, 2017 did see a modest merit raise budget increase of 1.5% for employees. The City has trimmed its workforce over 10% in the last several years and continues to have a hiring freeze for many vacant positions. The City has implemented shared workers and changes in public safety operations to maximize coverage in those areas. However, the need for long range planning in pay and benefits for public safety employees continues to be a concern in recruitment and retention. Capital spending has been minimized but long term needs must still be addressed. There was more capital spending in the Water/Sewer system for 2017 reflecting needs that have been mitigated for the last couple of years. Capital spending commitments for the budget year 2018 was some of the largest the fund has seen in several years. The City has a commitment to the community to maintain the highest level of service possible and still operate within its current revenue resources. This commitment, under what appears to be more long term restraints has been a challenge for City management.

RELEVANT FINANCIAL POLICIES

The past fiscal year has continued to be a challenge to all revenue sources within the City. Modest increases in some revenues sources with economic drivers are an encouragement that the economy may be turning upwards. However, most other revenue sources continue to decline or are relatively flat. The effect of the Title Tax implementation is still being felt and its long term impact is still uncertain, although 2017 did see an upswing in the revenue. New legislation for the distribution of this tax will again change in 2019—and preliminary estimates have the City receiving less revenue. New legislation affecting revenues as the State changes the way it funds transportation was implemented in 2015. Although its initial impact to the City appears to be minimal in 2017, the longer term impacts are yet to be addressed. Much of the challenge in managing in today's economy is the up and down swings in revenues without stable projections. These significant tax changes will impact the City's revenues sources, and the long term impact may require some history before the City can make plans to help mitigate the long term effects.

The local and national housing crisis continues to impact the City's tax digest. The housing market has made some rebounds—and re-assessment values are starting to see some increases for the first time in several years.

MAJOR INITIATIVES

For the Current Year:

As an "Entitlement Community", the City receives federal grant monies for capital improvement projects. Projects include street and sidewalk improvements, and several home rehabilitation programs for lower income families. The City of Rome has partnered with the Northwest Georgia Housing Authority in an expanded housing rehabilitation program with the entitlement funds. The main focus in 2017 was the continued replacement of the sidewalks in the North Rome area of redevelopment.

The Community Development department worked with the Regional Development Commission in securing federal funds to purchase property and demolish the old McCall hospital building in the South Rome area. This redevelopment housing was developed by Laurel Street Residential Development and includes affordable apartment housing not only for that single site, but also for two other sites within the South Rome area. These properties have successfully opened and are nearing full occupancy.

The City's Eco Center has been expanded with additional services and exhibits and is growing as a destination facility housing more educational school tours and other community events.

The Business Improvement District tax area was expanded geographically, and enhanced to generate more development monies to be used in our downtown area. Plans are to market the Fifth Avenue street section for an Arts District which will geographically link to the downtown area and the new Marriott hotel. Budget has been set aside for utility, infrastructure, and façade improvements for the area. Also expanded was the concept of more art options in the downtown areas. With a live theatre and other street art projects already on site—collaborative efforts with the arts community has spurred a film festival, and an outdoor Shakespeare play venue.

Every year water and sewer projects are being completed. One major water initiative completed in 2017 was the bypass and replacement of 100 year old water lines down the City's Broad Street. Also completed is the Northeast sewer interceptor project, a one million dollar SPLOST funded project to replace and upgrade older lines in the Northeast part of the City. Also completed in 2017 was the transition at the Water Filter Plant to a GAC (Granular Activated Carbon) filtration system which uses an alternate source of water filtration to help remove PFCs and other contaminants from our water system. This is a proactive change for the system in advance of the state's new standards for water safety.

The multi-million dollar expansion of the trail system at the Town Green was completed. This project ties in the Forum facilities, the John Ross Pedestrian Bridge, and the Town Green. It also connects the downtown area into an enhanced interconnected network of multi-purpose trails that meander throughout the community.

Renovations and enhancements for the Barron Stadium track have paid off with the hosting of various track events.

As part of property donated to the City by General Electric, 2017 marked the grand opening of several trail options for the first phase of that passive recreation development for the property. Trail access continues to be a priority for the future as SPLOST and other funding sources are budgeted to improve and extend trail connectivity within the City.

The Rome/Floyd County Land Bank Authority became operational again in 2017 and moved more than a dozen properties from the tax delinquency rolls back to the taxpayer digest. With over 250 properties still to be processed from the county foreclosed records, 2018 looks to be a good year to move additional properties back to tax payer parcels.

***For the Future*:**

River Pointe Apartments, a large upscale apartment complex adjacent to the Rome Braves Stadium which will give the community a higher end apartment inventory is set to open in 2018.

The City has also partnered with an energy consultant to review more energy efficient options for all city-owned buildings and facilities. Energy conservation projects could include retro-fitting lighting, HVAC, and more technology options for energy consumption.

The prior site of the Northwest Georgia Regional Hospital is still an option with the City of Rome, and the City engaged Tunnel Spangler & Walsh land planners to facilitate the efforts to develop a comprehensive redevelopment plan for the approximately 130 acre site. The City continues to seek a redevelopment partner for the project.

The rivers are a major part of this community along with the City's downtown development. The City will continue to focus on the development of the three rivers in downtown Rome. The addition of the pedestrian bridge and the Town Green has already proven to be a major draw to the downtown area and the expansion of the river walk trail system continues to be an important initiative for the future. The Town Green is becoming a focal point for other festivals, and events in the downtown area. Re-installation of the dock for the Roman Holiday riverboat is expected in 2018.

Technology upgrades and advancements continue to be a priority for the City. The City launched its interactive "My Rome App", and a new upgraded joint City/County website was recently unveiled. The City is also upgrading cameras and integrated security systems to better monitor certain facilities.

Community Development continues to be a priority for the City. The City will continue to host the Neighborhood Enhancement Programs (NEPS) in 2017, which are a step above the Neighbor focus clean-up efforts, and will be a multi departmental and agency effort to concentrate clean up, code enforcement and infrastructure renewal in pre-determined hot spots around the City.

The City is working to finish out projects from the 2013 SPLOST package. Other projects include a major road improvement on Burnett Ferry Road and at Chulio Hills. Additionally, there is $1.8 million allocated for expansion of the City's trails which is set to begin in 2018. These projects will be funded and constructed over the next year.

In 2017, another large SPLOST referendum was passed by the community which will be a continuation once the 2013 SPLOST expires in 2019. Larger projects include Public Works infrastructure improvements, Public Safety equipment and facility improvements, Waterways improvements, Water and Sewer improvements and Improvements in the Fifth Avenue River Arts District.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal, state and county financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the City.

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations that could have a material effect on a major federal program. The results of the City's single audit for the fiscal year ended December 31, 2017 ended with no findings of noncompliance for its federal programs.

Budgeting Controls. In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund and Special Revenue Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. Although not legally required, the City does include adopted annual budgets for its proprietary funds. The level of most of the budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the department level. The City also maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are reappropriated as part of the following year's budget. The City Manager and Finance Director along with the City Commission Finance Committee review budget comparisons on a monthly basis.

AWARDS AND ACKNOWLEDGEMENTS

Awards. The City of Rome, Georgia Comprehensive Annual Financial Report for the year ended December 31, 2016, was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements and we are submitting our comprehensive annual financial report for the current year to the GFOA.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We would also like to thank the Finance Committee as well as the entire City Commission for the support they gave the City staff in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Sammy Rich
City Manager

Shereè T. Shore
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rome

Georgia

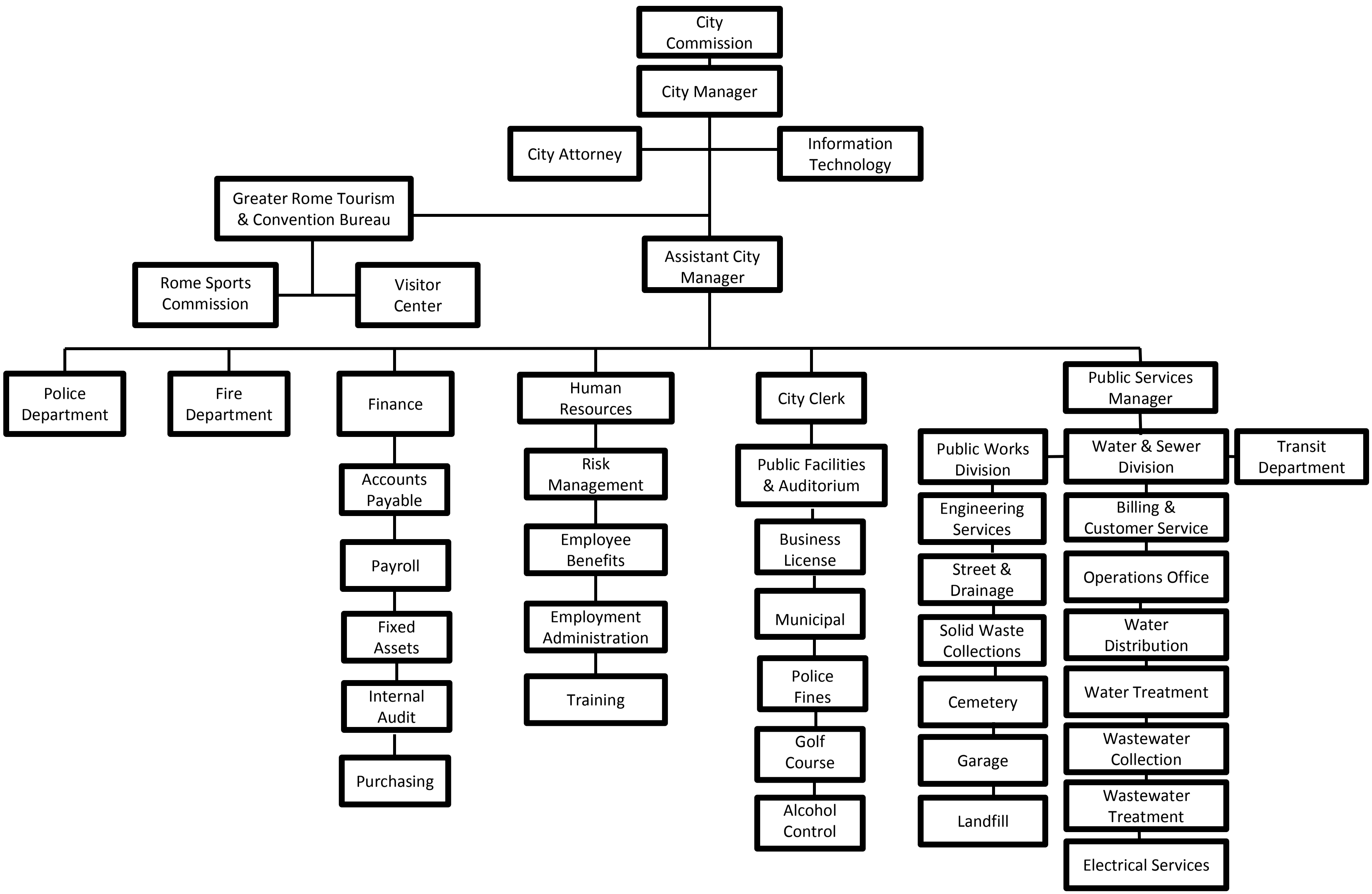
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO

City of Rome, Georgia
Organization Chart



CITY OF ROME, GEORGIA
PRINCIPAL OFFICIALS
DECEMBER 31, 2017

Jamie Doss	**Mayor**
Milton Slack	**Mayor, Pro Tem**
Bill Collins	**At Large**
Sue Lee	**At Large**
Evie McNiece	**At Large**
Craig McDaniel	**At Large**
Sundai Stevenson	**At Large**
Bill Irmscher	**At Large**
Wendy Davis	**At Large**

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Sammy Rich	**City Manager**
Patrick Eidson	**Assistant City Manager**
Sheree T. Shore	**Finance Director**
Toni Rhinehart	**Assistant Finance Director**
Joseph F. Smith	**City Clerk**
Andy Davis	**City Attorney**

FINANCIAL SECTION

The financial section of the Comprehensive Annual Financial Report includes the independent auditor’s report, the Management’s Discussion and Analysis, the basic financial statements including footnotes, and the supplementary information.

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
City of Rome, Georgia
Rome, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Rome, Georgia (the "City")** as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Members of The American Institute of Certified Public Accountants

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rome, Georgia as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of City Contributions, Schedule of Funding Progress, and budgetary comparison information, as reported in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rome, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, introductory section and statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 48-8-121, and is also not a required part of the basic financial statements.

Other Information (Continued)

The combining and individual nonmajor fund financial statements and schedules as well as the schedule of expenditures of special purpose local option sales tax proceeds (the "supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2018, on our consideration of the City'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 solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 19, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD & A) is a narrative introduction, overview, and analysis of information presented in the basic financial statements.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2017

As management of the City of Rome, Georgia, this section of the City's Comprehensive Annual Financial Report offers readers a narrative discussion and analysis of the financial activities of the City of Rome for the fiscal year ended December 31, 2017.

This discussion and analytical information is designed to be used in conjunction with the transmittal letter found on pages v-xi and with the accompanying financial statements and footnote disclosures which follow this section. This discussion focuses on the City's primary government and unless otherwise noted, does not include discretely presented component units which are reported separately.

FINANCIAL HIGHLIGHTS

- The City of Rome's total assets and deferred outflows exceeded its total liabilities and deferred inflows by $328,371,124 in 2017, which is an increase of 4.9% from 2016. The balance of this is mainly due to a strong increase in net position in the Governmental Activities.

- The City's total assets increased $6,419,629 with $6,964,820 of that increase in cash. This increase does include the restatement adjustment of $4,672,093.

- The City's long term liabilities decreased $12,733,850 or 14.6% with the normal payment of bond principal and a decrease in the calculation of the City's long term pension liability.

- Total City of Rome Net Position is made up of the following:
  1) Net Investment in capital assets of $289,872,719 includes property, equipment, and infrastructure, net of accumulated depreciation and reduced for related debt.
  2) The restricted portion of the Net Position of $15,172,121 reflects funds held for capital purchases and debt service. The balance of the restricted portion is restricted by outside entities either by covenants, grant agreements or external legislation.
  3) Unrestricted Net Position of $23,326,284 represents the portion available to maintain the City's ongoing obligations and has increased substantially from 2016 as the restricted bond proceeds previously restricted for construction have been spent, and debt continues to decrease. This increase also includes the prior period adjustment.

- The City of Rome had an overall increase in Net Position for 2017 of $15,252,820 which is more than the increase for 2016 but represents stronger increases in the Governmental Activities. This was generated by a decrease in expected expenses and an increase in expected revenues, more specifically in tax revenues. The large difference in transfers for 2017 is due to the transfer of the Tennis center asset in 2016.

- The City's combined governmental funds reported a total ending fund balance of $32,504,410 which is an increase of $1,809,491 from 2016. This is due to a larger increase in the fund balance in the General Fund, but a substantial decrease in the SPLOST fund for the expenses associated with the payment of the Tennis Center bonds. Of this amount $17,597,918 is unrestricted and unassigned and available for budgetary spending. This is a larger increase from 2016 and reflects the significant increase in fund balance of the General Fund.

- The City's General Fund had a net increase in fund balance of $1,869,179 for 2017. This is significantly lower than the increase for 2016, but is still a significant increase given that 2017 also included over $500,000 for an employee pay supplement. The increase was due to lower than budgeted expenses, mainly in Police and Public Works, and higher property tax revenues from a higher than average annual collection rate.

- The City's General Fund showed an unrestricted and unassigned fund balance of $17,597,918 at the end of the fiscal year, or 85.2% of current year expenditures before transfers and 58% of total expenditures. This is a $2,367,897 increase from 2016. This increase continues to be a purposeful intention to increase the fund balance to offset prior year decreases that occurred during the beginning of the most recent economic downturn and to also position the City for projected needs in the future.

- The City's Capital Fund had a net increase in fund balance of $181,568. This is due to a moderation of capital outlay and additional grant revenue.

- The City's SPLOST fund had a net decrease to fund balance of $1,164,833 due to the debt payment for the Tennis Center Bonds. These debt payments will continue to reduce the fund's fund balance until 2019 when the bonds are paid off.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the City of Rome's basic financial statements. The 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 includes supplementary information in addition to these basic financial statements.

Government-wide Financial Statements

The City's report includes two government–wide financial statements. The focus of these statements is on the overall financial position and activities of the City of Rome as a whole, in a manner similar to a private sector business. These statements use the full accrual basis of accounting.

The first government-wide statement is the **Statement of Net Position.** This is the City-wide statement of position which presents information on all assets, liabilities and deferred outflows/inflows with the difference reported as *Net Position.* Over time, increases or decreases in the net position may serve as a useful indicator of the financial health of the City.

The second government-wide statement is the **Statement of Activities.** This report presents how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of the timing of related cash flows. A primary purpose of the Statement of Activities is to identify the net costs of various functions and services provided by the City and to determine the extent to which each function is self-supporting by program revenues or is subsidized by general revenues.

The governmental activities of the City of Rome include general government, public safety, public works, public facilities, public services, community development and education.

Business type activities include water and sewer, fire services, solid waste commission (landfill), transit operations, building inspection, solid waste management (collections), municipal golf, tennis center, and public facilities. The government-wide financial statements include not only the funds of the City but also the Greater Rome Convention and Visitors Bureau and the Rome Board of Education for which the City of Rome is financially accountable. Financial information for these component units is reported separately from the primary government, although included on the government-wide statements.

The City's government-wide financial statements are presented on pages 24-26 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accounting entity used to maintain control over resources segregated for specific activities or objectives and to ensure compliance with financial or legal laws and regulations. Major funds are reported in separate columns with all non-major funds reported in the aggregate. Individual financial information for these non-major funds is provided in combining statements in the supplemental information. The City's funds are divided into three categories; governmental, proprietary, and fiduciary

Governmental Funds

Governmental funds are used to account for basically the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental funds financial statements focus on short term fiscal accountability as well as balances of expendable resources at the end of the fiscal year.

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 short term financial decisions. Since these statements do have a different perspective and use different accounting methods to generate the financial information, reconciliations of the Governmental Fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance are presented to facilitate this comparison.

The City of Rome maintains ten individual governmental funds. Information is presented separately for the General, Capital and SPLOST, all considered major funds. The other funds are combined into a single aggregated presentation. Individual data for each of these non-major governmental funds is provided in the form of combining statements on pages 104-107 of the report.

Budgetary comparison schedules are included for the General Fund as required supplementary information immediately after the notes to the financial statements. Budgetary comparison schedules for the special revenue funds are included in the supplemental information section. These schedules demonstrate compliance with the final revised budgets.

The basic governmental fund financial statements are presented on pages 27-31 of this report.

Proprietary Funds

Proprietary funds are reported in the fund financial statements and generally report services where the customer is charged a fee or where the determination of an increase or decrease in net position is appropriate for capital maintenance, public policy, management control or full accountability. There are two types of proprietary funds; enterprise funds and internal service funds.

Enterprise funds essentially encompass the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operation, fire services, solid waste commission (landfill), transit operations, building inspection services, solid waste management (collection), municipal golf operations, public facilities, and the tennis center.

The City uses internal services funds to account for health insurance and workers' compensation payments. Because of the nature of these internal service funds, they are consolidated within the business-type activities with their net position totals allocated between governmental and business-type activities.

The City reports the water, fire, and solid waste commission funds as major funds with the remaining non-major funds presented in the aggregate. Individual data on these non-major funds are presented in the supplemental section of this report.

The City's proprietary funds are presented on pages 32-40 with individual data on non-major funds presented in combining statements on pages 116-122.

Fiduciary Funds

Fiduciary funds are used to account for resources for parties outside the government. Fiduciary funds are presented in the fund financial statements but are not included in the government-wide financial statements because the resources of this fund are not available to support the City of Rome's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements are presented on pages 41 and 42.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 43-89.

Required Supplementary Information

The budgetary comparison schedule for the General Fund and footnotes are provided for budget compliance presentation. The schedules applicable to the newly implemented Pension Liability standard for the City of Rome's GMEBS Retirement Plan and schedules for the OPEB Health Care Plan are also provided in the Required Supplementary Information. These are presented on pages 90-99.

Other Supplemental Information

Other supplemental information includes combining individual fund statements for non-major funds aggregated in the basic financial statements. Budgetary comparisons for non-major governmental funds are also presented. This supplemental information is presented on pages 104-114.

The Special Report for Sales Tax proceeds is shown on pages 114 and 115. This schedule shows expenditures for the 1996, 2006, 2009 and 2013 SPLOST issues.

FINANCIAL ANALYSIS OF THE CITY'S POSITION AND OPERATIONS

The City's overall financial position and operations for this fiscal year is summarized as follows based on information found in the government-wide financial statements on pages 24-26.

City of Rome
Net Position (Financial Position)

	Governmental Activities		Business-Type Activites		Totals		
	2017	2016	2017	2016	2017	2016	Variance
Assets:							
Current assets	$ 31,001,138	$ 28,246,342	$ 38,443,018	$ 35,511,553	$ 69,444,156	$ 63,757,895	$ 5,686,261
Capital assets	148,482,646	144,442,266	185,422,605	188,302,572	333,905,251	332,744,838	1,160,413
Other non-current assets	6,233,913	6,761,580	1,265,997	1,165,375	7,499,910	7,926,955	(427,045)
Total Assets	185,717,697	179,450,188	225,131,620	224,979,500	410,849,317	404,429,688	6,419,629
Deferred Outflows of Resources	3,852,352	7,615,476	1,085,805	1,342,197	4,938,157	8,957,673	(4,019,516)
Liabilities:							
Current liabilities	6,140,404	5,679,419	4,873,101	5,113,617	11,013,505	10,793,036	220,469
Long-term liabilities	34,512,176	41,452,972	39,930,683	45,723,737	74,442,859	87,176,709	(12,733,850)
Total Liabilities	40,652,580	47,132,391	44,803,784	50,837,354	85,456,364	97,969,745	(12,513,381)
Deferred Inflows of Resources	1,959,986	2,299,312	-	-	1,959,986	2,299,312	(339,326)
Net investment in capital assets	134,593,769	123,002,184	155,278,950	152,421,594	289,872,719	275,423,778	14,448,941
Restricted	14,147,220	14,191,832	1,024,901	1,082,498	15,172,121	15,274,330	(102,209)
Unrestricted	(1,783,506)	439,945	25,109,790	21,980,251	23,326,284	22,420,196	906,088
Total Net Position	$ 146,957,483	** $ 137,633,961	$ 181,413,641	$ 175,484,343	$ 328,371,124	$ 313,118,304	$ 15,252,820

**As restated

With the implementation of GASB 63, certain assets and liabilities have been reclassified to deferred outflows and inflows of resources. For 2017 the deferred outflows represent deferred charges for bond refunding and pension calculations. The deferred inflows represent the change in the fair value of a derivative instrument and pension plan changes.

The overall assets of the City increased $6,419,629. Current assets increased in cash mainly under the Business Activities in the Water and Sewer Fund. Capital assets increased with the completion of several school building improvements in the Governmental Activities. Deferred Outflows decreased $4,019,516 due to the reduction of pension related items. Long term liabilities decreased $12,733,850 which included a decrease for normal debt payments but also included a decrease in the pension liability of $3,423,627. Overall liabilities decreased $12,513,381.

Net investment in capital assets increased $14,448,941 or 5.2%, reflecting the normal payment of debt and depreciation, mainly in the Governmental Activities with the addition of the school building assets, and the large debt payment for the Tennis Center Bonds.

Overall the City's Net Position increased $15,252,820 from 2016. This was due to strong increases in net position in both Governmental Activities and the Business Type Activities. This increase does also include the restatement adjustment.

Investment in capital assets is the largest component of total net position with 91.5% of governmental net position and 85.6% of business type net position. The largest component of the restricted portion of net position is restricted assets held for debt service and capital improvements. The Restricted portion of Net Position decreased slightly from 2016 with the use of the previously restricted cash for the Tennis Center. Neither of these components of net position, however, represents available resources for the City's operation, but an investment to provide services to citizens.

The unrestricted portion of net position of $23,326,284 which is available for future spending has moved to a stronger positive position after the initial posting of the pension liability in 2015. This was an increase of $906,088 from 2016. It is expected that this will improve as total net position increases in the future.

The following condensed financial information was taken from the Government-wide Statement of Activities and reflects how the City of Rome's net position changed during the fiscal year:

City of Rome
Changes in Net Position

	Governmental Activities		Business Type Activities		Total		
	2017	2016	2017	2016	2017	2016	Variance
Revenues:							
Program Revenues							
Charges for services	$ 3,697,104	$ 3,781,067	$ 39,668,818	$ 39,628,233	$ 43,365,922	$ 43,409,300	$ (43,378)
Operating Grants & Contributions	1,088,938	848,753	968,624	954,335	2,057,562	1,803,088	254,474
Capital Grants & Contributions	6,751,756	6,589,171	1,133,173	515,536	7,884,929	7,104,707	780,222
General Revenues							
Property Taxes	13,054,770	12,088,214	-	-	13,054,770	12,088,214	966,556
Sales Taxes	5,674,565	5,681,450	-	-	5,674,565	5,681,450	(6,885)
Other Taxes	8,800,701	8,194,490	-	-	8,800,701	8,194,490	606,211
Miscellaneous	1,172,770	1,799,055	321,191	142,643	1,493,961	1,941,698	(447,737)
Total Revenues	$ 40,240,604	$ 38,982,200	$ 42,091,806	$ 41,240,747	$ 82,332,410	$ 80,222,947	$ 2,109,463

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2017

	Governmental Activities		Business Type Activities		Total		
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**Variance**
Expenses:							
General Government	$ 7,349,039	$ 7,475,476	$ -	$ -	$ 7,349,039	$ 7,475,476	$ (126,437)
Public Safety	7,988,368	7,636,513	-	-	7,988,368	7,636,513	351,855
Public Works	4,208,342	4,164,311	-	-	4,208,342	4,164,311	44,031
Public Facilities	1,508,412	1,431,980	-	-	1,508,412	1,431,980	76,432
Public Services	528,459	423,478	-	-	528,459	423,478	104,981
Community Development	1,304,313	1,095,466	-	-	1,304,313	1,095,466	208,847
Education	1,721,790	1,681,555	-	-	1,721,790	1,681,555	40,235
Interest on Debt	454,414	520,096	-	-	454,414	520,096	(65,682)
Water and Sewer	-	-	17,620,291	17,414,985	17,620,291	17,414,985	205,306
Fire	-	-	11,294,830	11,068,639	11,294,830	11,068,639	226,191
Solid Waste Commission	-	-	2,286,872	2,213,673	2,286,872	2,213,673	73,199
Transit	-	-	3,844,410	3,530,948	3,844,410	3,530,948	313,462
Building Inspection	-	-	758,687	686,892	758,687	686,892	71,795
Solid Waste Management	-	-	3,557,406	3,338,796	3,557,406	3,338,796	218,610
Municipal Golf	-	-	1,249,620	1,266,507	1,249,620	1,266,507	(16,887)
Public Facilities	-	-	331,768	332,706	331,768	332,706	(938)
Tennis Center			1,072,569	553,073	1,072,569	553,073	519,496
Total Expenses	25,063,137	24,428,875	42,016,453	40,406,219	67,079,590	64,835,094	2,244,496
Increase (decrease) in net position before transfers	15,177,467	14,553,325	75,353	834,528	15,252,820	15,387,853	(135,033)
Transfers	(5,853,945)	(17,305,605)	5,853,945	17,305,605	-	-	-
Change in Net Position	9,323,522	(2,752,280)	5,929,298	18,140,133	15,252,820	15,387,853	(135,033)
Beginning Net Position, as restated	137,633,961	140,386,241	175,484,343	157,344,210	313,118,304	297,730,451	15,387,853
Ending Net Position	$ 146,957,483	$ 137,633,961	$ 181,413,641	$ 175,484,343	$ 328,371,124	$ 313,118,304	$ 15,252,820

<u>FINANCIAL ANALYSIS OF THE CITY'S POSITION AND OPERATIONS</u> - continued

The City's overall revenues increased $2,109,463 or 2.6% from 2016. Most of this increase was in the Governmental Activities Operating and Capital Grants and Contributions and is related to an increase in ELOST proceeds for school construction and grants proceeds for infrastructure. The Operating grant increase was for housing expenses in the Community Development fund.

Property Taxes had a modest increase, attributable mainly to a higher than anticipated collection rate for 2017. Sales Tax revenues were flat for 2017. Other Taxes increased from an increase in hotel/motel taxes. Other revenue sources, as previously noted, had modest increases or have remained flat during 2017.

On the Governmental Activities expense side, most expense categories were close to 2016 numbers. Public Works was substantially down due to the reduction in depreciation expense for infrastructure. Community Development was up due to housing expenses, and Education was slightly up due to increased depreciation expense.

In the Business Activities, Water and Sewer, Fire, and Solid Waste Management expenses had relatively modest increases due to normal expense increases. Building Inspection was up due to additional personnel. Transit was up due to higher personnel costs and repair/maintenance costs.

Solid Waste Commission expenses are up slightly over 2016 with normal increases in closure and post-closure costs.

The Tennis Center had additional expenses due to 2017 being the first full year of operations.

The decrease in the transfers between Governmental and Business Activities reflect the asset transfer of the Tennis Center in the prior year.

These combined increase in revenues and decrease in expenditures has created an increase in net position of $9,323,522 for the Governmental Activities for 2017.

Governmental Activities also had a restatement of net position which increased the beginning balance $4,672,093 due to an error in depreciation on infrastructure which resulted in an overstatement of depreciation expenses and accumulated depreciation in prior years.

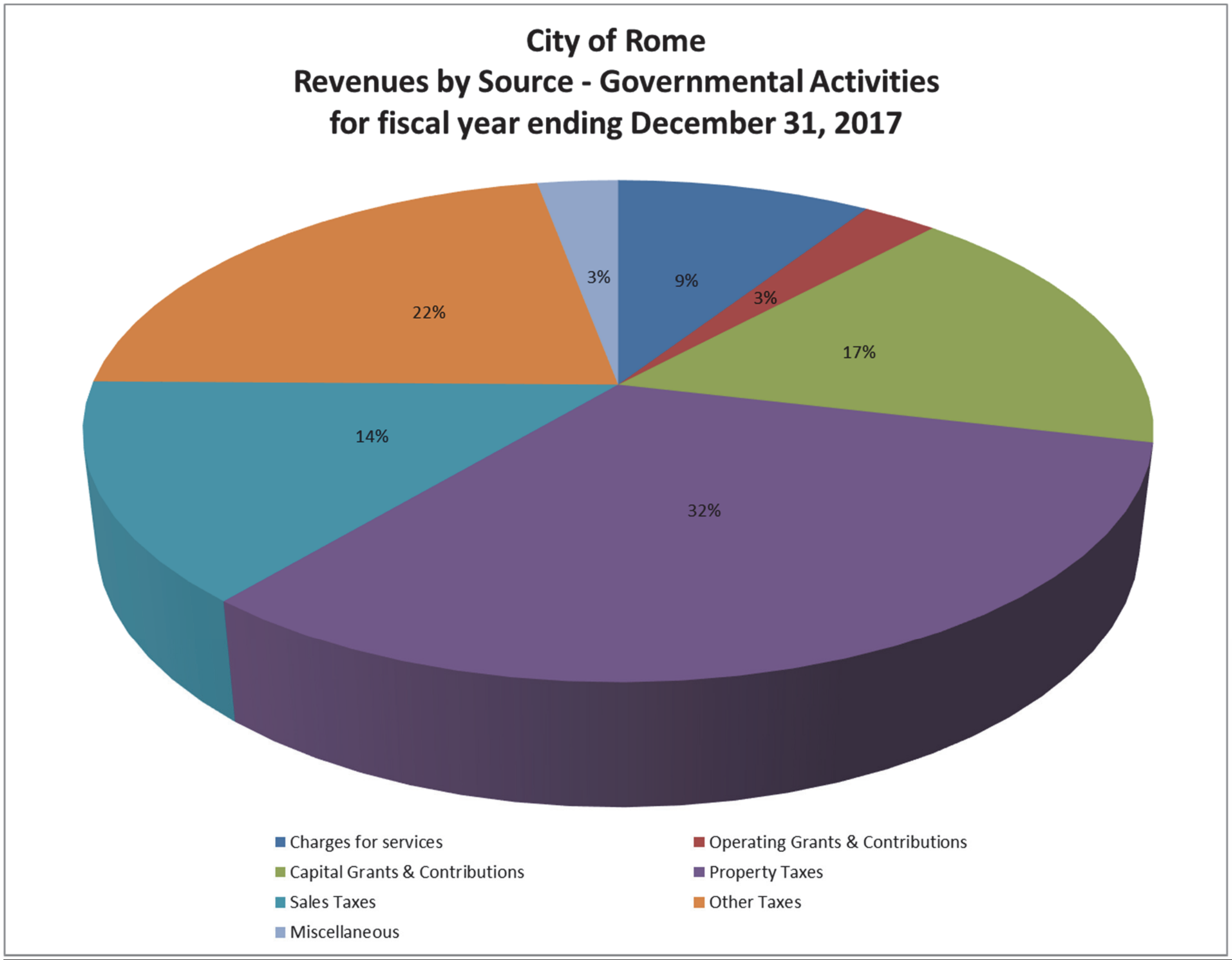
Business Type Activities ended the year with a $5,929,298 increase to net position with the majority of that increase from the transfer in from the Governmental Activities.

The overall change in net position for the City was $15,252,820 which was a larger increase than 2016. The City, in 2017, was encouraged by a higher than anticipated tax collection rate and modest increases in revenue sources tied to economic drivers such as intangible taxes, and real estate transfer taxes. Although other revenue sources have continued to be flat, the modest increase in some revenues is encouraging for future growth.

The City has continued to work diligently to minimize expenses for 2017 with most departments and funds at or below budgeted amounts. This continued combination has helped the City to continue to live within its revenues for 2017.

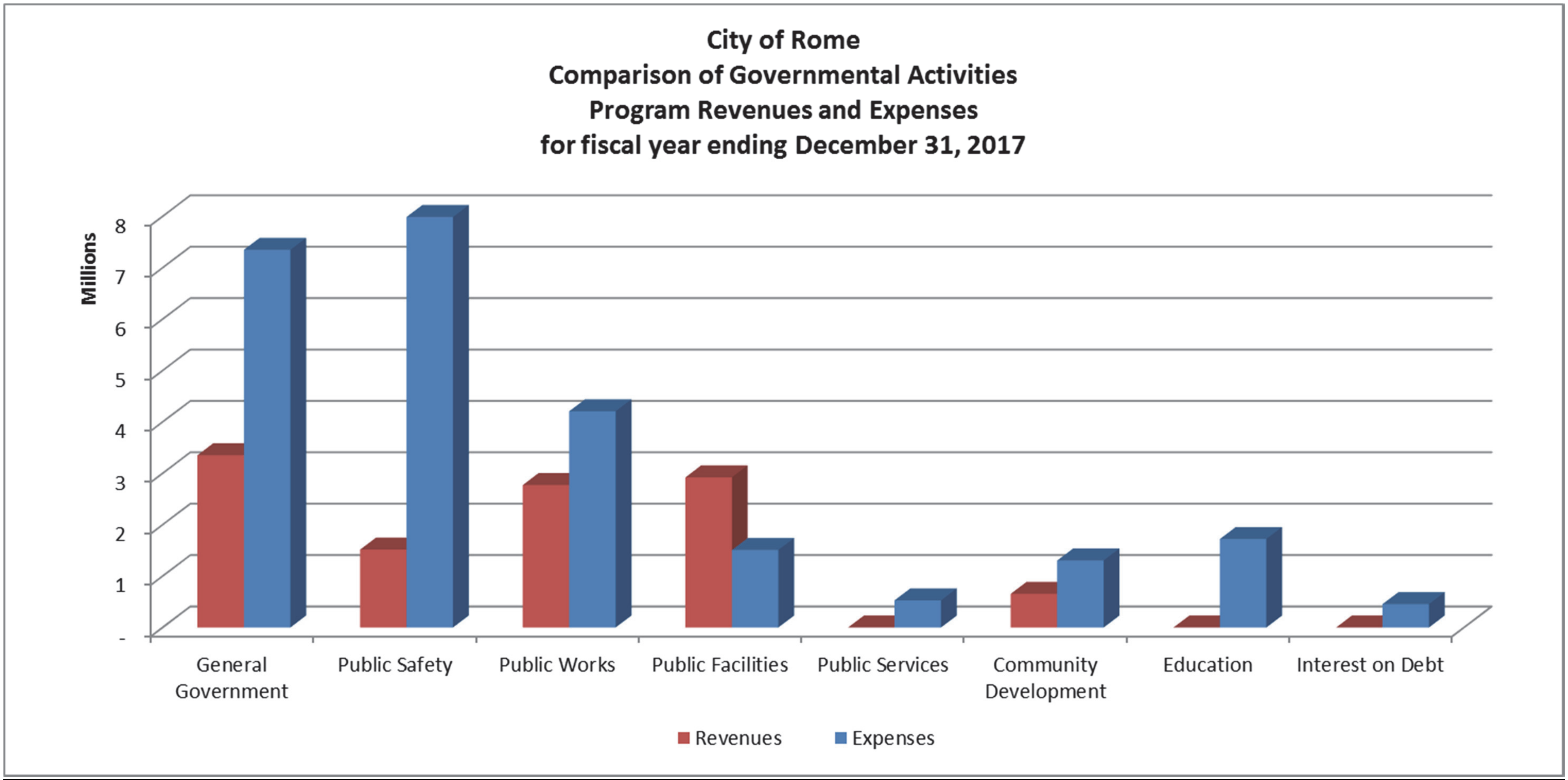
FINANCIAL ANALYSIS OF THE CITY'S POSITION AND OPERATIONS – continued

The following chart depicts the allocation by source of all governmental activities revenue:



FINANCIAL ANALYSIS OF THE CITY'S POSITION AND OPERATIONS – continued

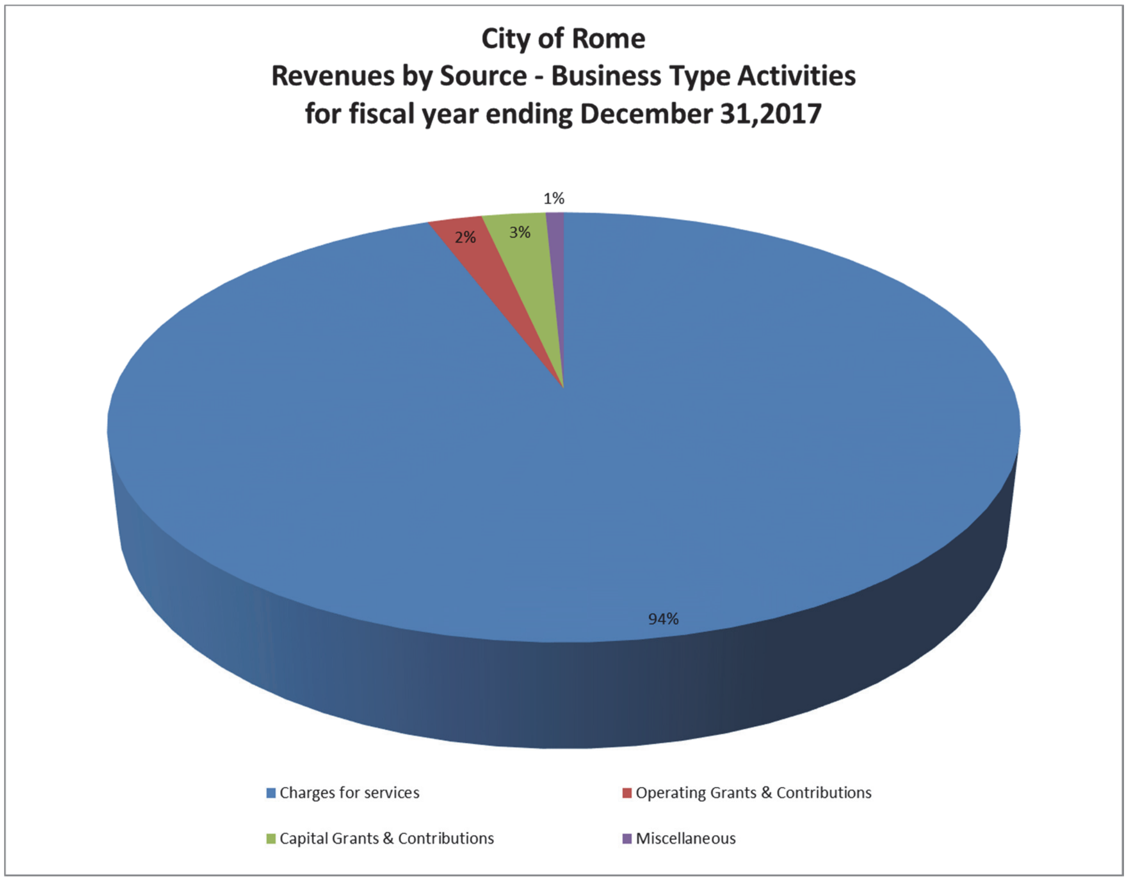
The following chart depicts the comparison of functional expenses and program revenues for governmental activities:



FINANCIAL ANALYSIS OF THE CITY'S POSITION AND OPERATIONS - continued

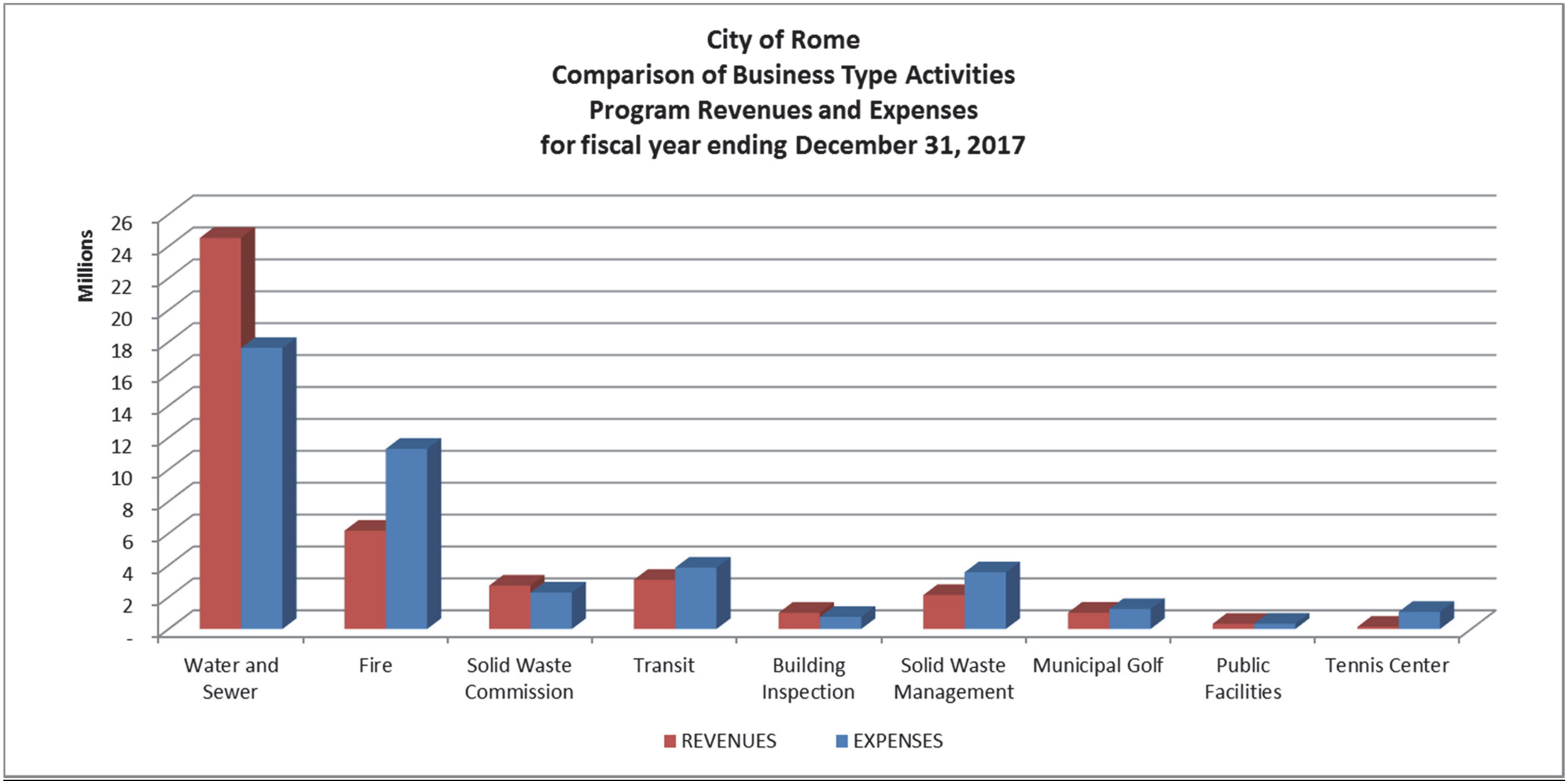
Business-type activities Charges for Services account for $39,668,818 or 94.2% of total operating revenues. Capital Grant revenues mainly include DOT reimbursements for Transit operating and capital purchases. Transfers in of $5,853,945 represent 12.2% of total business-type revenues and transfers. This amount is mainly due to General Fund monies transferred to the Fire Fund.

The following chart depicts the allocation by source of all business-type revenues:



FINANCIAL ANALYSIS OF THE CITY'S POSITION AND OPERATIONS - continued

The following chart depicts the comparison of business-type expenses and program revenues of business-type activities:



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As previously discussed, the City of Rome uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

As noted, the City of Rome's governmental funds' focus is to provide information on short term inflows and outflows and balances of expendable resources. Such information is useful in assessing the City's financial requirements. In particular, unrestricted and unassigned fund balance may serve as a useful measure of a government's net resources available for future spending. At the end of the fiscal year 2017 the City's governmental funds reported a combined ending fund balance of $32,504,410 which is an increase of $1,809,491 from 2016 with most of this increase occurring in the General Fund. There was also a large decrease in the SPLOST fund due to the annual repayment of debt for the Tennis Center Bonds. Of this amount $17,597,918 is unrestricted and unassigned which is a substantial increase from 2016 and demonstrates a conscious growth for future needs and expenditures. The General Fund comprises all of this unassigned balance. The General Fund is the major source of service delivery in the governmental funds.

General Fund

The General Fund is the City's primary operating fund. At the end of 2017 the fund balance of the General Fund was $19,152,518 with $17,597,918 in the unrestricted portion of fund balance. This fund balance amount represents 85.2% of General Fund operating expenditures while total fund balance represents 92.7% of the same amount.

The nonspendable amount of fund balance of $742,415 represents amounts held in inventories, prepaids, and the advance from the Capital Fund. The Restricted amount of $812,185 is restricted for Cemetery maintenance.

The General Fund's fund balance increased by $1,869,179 in 2017. Although most revenue sources were about the same in 2017, current year and prior year taxes were up over 2016. This was due to a higher than anticipated current year collection rate. Sales Tax revenues were down slightly compared to 2016. Title Tax increased $153,571 and the Georgia Power franchise fee again decreased for the year some 5.4%. Revenues up in 2017 included intangible taxes, insurance premium tax and business licenses—both encouraging economic indicators of growth. On the expense side, total expenses were more than the original budget by more than $19,888.

Capital Fund

In 2017 the Capital Fund had an increase to fund balance of $181,568. This increase was due mainly to an increase in the allocation of the state grant revenue Local Maintenance Improvement Grant.

Tax Allocation District Fund

The Tax Allocation District Fund had an increase in fund balance of $117,464 due to an increase in taxes generated and less than budgeted expenses.

Hotel/Motel Tax Fund

The Hotel/Motel Tax fund had a significant increase of $327,901 to fund balance due to an increase in overall revenues.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS-Continued

SPLOST Fund

The SPLOST fund had a decrease in fund balance of $1,164,833 due to the payment of debt service for the Tennis Center Bonds.

Community Development Fund

The Community Development fund had an increase in fund balance of $282,941 due to an increase in revenues, mainly in sales income for housing sales. These funds will roll over to fund additional houses in the future.

Proprietary Funds

The City of Rome's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Total Enterprise Funds showed a combined net position of $179,486,367 at year end with the Water and Sewer Fund comprising $144,889,113 or 80.7% of that total.

The Water and Sewer Fund had an increase of $5,048,559 in net position for fiscal year 2017. This increase was due to an increase in operating revenues and less than budgeted capital expenses. The Water and Sewer Fund also had a bond coverage ratio of 2.3 for 2017, which is well above the covenant requirement of 1.2. This increase was anticipated due to the increase in revenues.

The Fire Fund had an increase in net position of $51,058. The fund received more miscellaneous revenue than anticipated.

The Solid Waste Commission Fund had an increase in net position of $718,557 due to additional operating revenue and less than budgeted expenses, mainly in closure and post-closure.

The Building Inspection Fund had an increase to net position of $58,454. This was due to an increase in overall permit revenue. The fund had budgeted a use of net position of $40,000 so this increase is a positive swing of over $98,000.

The Municipal Golf Fund had an increase in net position of $359,771. This was due to an increase in the transfer from the General Fund.

The Tennis Center Fund is a new proprietary fund and 2017 was its first full operational year. A 2% additional hotel/motel tax was implemented in 2014 to assist with the operations of this fund. The decrease to net position of $259,273 is mainly comprised of greater than budgeted expenses, especially in start-up expenses.

GENERAL FUND BUDGET HIGHLIGHTS

The original budget for the General Fund was amended with commission approval after the beginning of the fiscal year with an ended approved amount of $948,690 more in operating expenses than the original budget and a use of fund balance of $319,000. This increase was mainly due to the consolidation of three separate special revenue funds that are collapsed into the General fund and the General fund making the entire retirement contributions for the City. Also expensed from the General Fund is the net effect of the retirees OPEB costs. The City ended the year with more in revenues than budget and slightly under in expenditures for an increase to fund balance of $1,869,179. There were changes to the original budget due to the retirement and OPEB payments, funded by the General Fund.

The following are highlighted budgetary changes from the original to final budgets:

- Prior Year Property Taxes and Tag Title Fees were increased to more accurately reflect projected increases in receipts, and actual numbers did exceed those expectations.
- Rent revenue was increased to cover the consolidation of the special revenue funds.
- Transfers in from other funds revenues were adjusted to reflect the re-allocation of retirement and OPEB health costs from the Business Type Activity funds.
- Commission was increased due to additional training costs.
- General Administration was adjusted to account for the expenses for retirement, OPEB costs, and legal fees.
- Community Development expenses were increased to accommodate the consolidation of the special revenue funds.
- Engineering department was increased due to claims costs for a vehicle accident.
- Public Facilities were increased due to the repair/maintenance of several HVAC units.
- Transfer to Golf Fund was increased due to a cash shortfall in that fund.

Budget to actual Variances within the General fund occur due to unforeseen revenue or expenditures. Significant variances for 2017 include:

- Prior Year and Current Year Tax revenues were over budget due to increased collections.
- Title Tax Fee revenue increased from prior year and significantly above anticipated budget.
- Intangible Taxes were up over anticipated budget.
- Franchise fee revenue for Georgia Power was slightly below anticipated collections.
- Police fines and fees were under budgeted amounts due to decrease in collection of fines.
- Business Licenses and Alcohol fees were up over budget.
- Charges for Services include revenues for Parking included in the consolidation of the special revenue funds.
- Purchasing department was under budget due to personnel changes.
- Police Department ended the year with expenditures under budget by $352,582. This is significant because this department is one of the largest General Fund departmental budgets.
- Street department was under budget mainly due to a personnel vacancy and a decrease in supplies expense.
- Garage was under budget in personal services due to personnel changes.

General Fund operating expenditures ended the year under final budget numbers by some $928,802. This was one of the contributing factors that the fund ended the year with an increase to fund balance of $1,869,179.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Rome has invested $289,872,719 in capital assets net of debt, with $134,593,769 in governmental activities and $155,278,950 in business-type activities. Capital assets for that calculation include machinery and equipment, buildings, land, and infrastructure. The 2017 Activity includes the transfer of the completed School Buildings to Governmental Activities.

Capital assets held by the City at the end of the current fiscal year are summarized as follows:

City of Rome
Capital Assets (net of depreciation)
as of December 31, 2017

	Governmental Activities		Business-Type Activities		Total	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Land	$ 12,558,019	$ 11,893,092	$ 8,081,487	$ 8,081,487	$ 20,639,506	$ 19,974,579
Construction in Progress	8,623,537	6,048,149	255,214	1,963,999	8,878,751	8,012,148
Buildings	125,652,902	121,854,713	115,844,254	115,267,693	241,497,156	237,122,406
Improvements other than buildings	6,020,507	6,020,507	24,599,710	24,509,710	30,620,217	30,530,217
Machinery & Equipment	6,770,508	6,192,264	17,292,731	15,663,604	24,063,239	21,855,868
Vehicles	5,806,534	5,771,133	22,971,909	22,087,473	28,778,443	27,858,606
Infrastructure	135,503,453	134,996,167	156,193,552	151,507,635	291,697,005	286,503,802
Total	300,935,460	292,776,025	345,238,857	339,081,601	646,174,317	631,857,626
Accumulated depreciation	(152,452,814) *	(148,333,759)	(159,816,252)	(150,779,029)	(312,269,066)	(299,112,788)
Net Capital Assets	$ 148,482,646	$ 144,442,266	$ 185,422,605	$ 188,302,572	$ 333,905,251	$ 332,744,838

* Includes restatement from 2016

<u>CAPITAL ASSETS AND DEBT ADMINISTRATION</u> - continued

Major capital asset expenditures during the current year for governmental activities included the following:

- Street Department equipment purchases of $374,187
- Burnett Ferry Road Improvements of $1,655,157
- Street Improvements of $460,525
- Tennis Center Expenses of $398,572
- Police Vehicle purchases of $330,660
- City Playground purchases of $521,329

Major capital asset expenses during the current fiscal year for business-type activities included the following:

- Transit Capital Equipment Improvements of $738,442
- Solid Waste Equipment purchases of $514,433
- Landfill Equipment and Improvements of $440,151
- Water and Sewer equipment purchases of $1,402,452
- GAC Water Filter replacement of $435,956
- Water Steel Tank Maintenance of $260,624

Additional information on the City of Rome's Capital assets can be found in Note III- (C) on pages 56-60.

Long-term Debt

At December 31, 2017 the City of Rome had $45,404,434 in bonds, capital leases, intergovernmental agreements and notes payable. This is a $9,556,552 decrease from 2016 and reflects normal annual debt service payments. Neither compensated absences nor landfill closure or post-closure debt have been included in these calculations.

City of Rome
Outstanding Note and Bond Debt
as of December 31, 2017

	Governmental Activities	Business-Type Activities	Total
Bonds	$ 10,658,493	$ 29,025,146	$ 39,683,639
Notes Payable	478,743	2,159,552	2,638,295
Intergovernmental Agreement	3,082,500	-	3,082,500
	$ 14,219,736	$ 31,184,698	$ 45,404,434

The City currently maintains an Aa2 on its Intergovernmental Agreement bonds and A+ and Aa3 on its Water and Sewer bonds. Additional information on the City's long-term debt can be found in Note III-(E) on pages 64-72 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Revenue source collections during the 2017 fiscal year have once again continued to be unpredictable. The City had better than anticipated revenues in property tax collections and other revenue sources such as intangible taxes, business licenses, title tax fees, and real estate transfer taxes. Other revenues such as motor vehicle and Police fines continued their decline. Local option sales tax revenues were right at 2016 gross receipts. Slightly up in 2017 were the insurance premium tax and Alcohol taxes. There are areas that do seem to be on an upward trend, but the City is still dealing with many revenue sources that are still declining or at best flat. The greatest challenge for the City for the next fiscal year is to try to adjust expenditures to live within this projected up and down revenues, while trying to assess whether these modest increases do indicate a possible upswing in the economy. Another challenge for the next several years is the housing market adjustments that will affect the City tax digest. The tax digest, after taking substantial decreases for several years, has increased in the last couple of years, but still is not increasing at a pace to keep up with expenses. New legislation which became effective in 2013 has had a major impact on the City's revenue sources. Sales Taxes on automobiles have been eliminated and have been replaced with a motor vehicle title fee. The ad valorem on new vehicles after this implementation is also eliminated. The sales tax on energy consumption in manufacturing was phased completely out in 2016. The Title tax fee was up in 2017 due to the reallocation of distribution but new legislation for 2019 will again dramatically change how those monies are distributed at the local level. All of these factors weigh heavily on the new several fiscal years' budgets.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET-continued

Also of some concern is that because the City was not able to give competitive personnel merit raises for several years, the City has become vulnerable to loss of personnel back to the private sector as their economic conditions improve. This is especially a concern in the public safety area with the continued loss of Police and Firemen. Budgetary factors of concern as the 2018 budgets were prepared are as follows:

- Continued stagnation and unknown parameters in many revenue sources.
- Continued monitoring of vacant personnel positions and salary competitiveness with the private sector, especially in the Public Safety area. 2018 was the first year in several years the City was able to give full merit based raises.
- Balance of finances with municipal provided services as the costs of these services is outpacing any corresponding revenues.
- Projected increases in retirement and workers compensation costs.
- Projected increases in health insurance costs relating to the City as a self-insured entity.
- Impact of new legislation on revenue sources, especially as it relates to the long term sources of the Title Tax, and newly enacted legislation to re-vamp the gasoline tax for road improvements.

The City of Rome has been very effective in the last couple of years to have aligned their expenses within the current revenue stream. This has been a determined effort of all City employees and departments to deliver the services that the public requires, but to also be good stewards of the monies it receives. The City has seen successive years again with moderate increases to net position that has helped offset the first couple of years of this current economic downturn. The City of Rome is committed to provide the highest level of services and maintain that within the anticipated revenue projections.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Rome's finances to all those with an interest in the government. It also is intended to demonstrate fiscal accountability for the monies it receives. Questions concerning this report or requests for additional information should be directed as follows.

City of Rome, Georgia
Attn: Finance Department
P. O. Box 1433
Rome, GA 30162
706-236-4420

BASIC FINANCIAL STATEMENTS

The basic financial statements include the government-wide statement of net position and the government-wide statement of activities which include the primary government's governmental and business type activities, and component units. The basic financial statements also include the fund financial statements and the notes to the financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
December 31, 2017

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Greater Rome Convention & Visitors Bureau	Rome Board of Education
ASSETS					
Current Assets:					
Cash	$ 23,262,164	$ 34,282,928	$ 57,545,092	$ 116,811	$ 13,751,673
Accounts receivable, net	3,785,710	2,805,466	6,591,176	331	29,082
Accounts receivable, loans	185,444	-	185,444	-	-
Taxes receivable, net	1,175,757	-	1,175,757	-	-
Due from primary government	-	-	-	5,380	-
Due from other governments	1,302,827	1,484,383	2,787,210	12,309	7,818,604
Internal balances	1,136,509	(1,136,509)	-	-	-
Due from component units	312	2,992	3,304	-	-
Inventory	152,215	991,886	1,144,101	-	33,851
Prepaid items	200	11,872	12,072	-	-
Total current assets	31,001,138	38,443,018	69,444,156	134,831	21,633,210
Non Current Assets:					
Restricted Assets					
Cash	2,643,586	1,189,496	3,833,082	-	-
Investments	2,489,699	-	2,489,699	-	-
Other noncurrent assets, derivative	1,100,628	-	1,100,628	-	-
Prepaid bond insurance	-	76,501	76,501	-	-
Capital Assets					
Non-depreciable assets	21,181,556	8,336,701	29,518,257	-	157,048
Depreciable assets, net of depreciation	127,301,090	177,085,904	304,386,994	51,404	7,612,335
Total noncurrent assets	154,716,559	186,688,602	341,405,161	51,404	7,769,383
TOTAL ASSETS	185,717,697	225,131,620	410,849,317	186,235	29,402,593
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	122,368	1,085,805	1,208,173	-	-
Pension related items	3,729,984	-	3,729,984	-	15,973,991
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,852,352	1,085,805	4,938,157	-	15,973,991
LIABILITIES					
Current Liabilities:					
Accounts payable	1,675,300	700,968	2,376,268	16,079	2,367,183
Accrued liabilities	324,728	667,357	992,085	7,725	6,555,474
Accrued interest payable	114,687	-	114,687	-	-
Retainage payable	-	121,263	121,263	-	-
Unearned revenues	-	136,778	136,778	-	-
Due to primary government	-	-	-	3,304	-
Due to component units	5,049	331	5,380	-	-
Due to other governments	17,684	69,839	87,523	-	-
Intergovernmental agreements payable-current	162,500	-	162,500	-	-
Bonds payable-current	2,860,000	1,006,000	3,866,000	-	-
Closure and postclosure care-current	-	230,462	230,462	-	-
Notes payable-current	206,853	105,947	312,800	-	-
Claims payable	-	775,000	775,000	-	-
Compensated absences payable - current	773,603	1,059,156	1,832,759	26,325	51,515
Total current liabilities	6,140,404	4,873,101	11,013,505	53,433	8,974,172

continued

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
December 31, 2017

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Greater Rome Convention & Visitors Bureau	Rome Board of Education
Long-Term Liabilities:					
Customer deposits	$ -	$ 967,238	$ 967,238	$ -	$ -
Closure and postclosure care-long term	-	8,537,642	8,537,642	-	-
Compensated absences payable-long term	257,867	353,052	610,919	8,775	-
Net other postemployment benefits obligation	1,463,702	-	1,463,702	-	-
Intergovernmental agreements payable-long term	2,920,000	-	2,920,000	-	-
Notes payable-long term	271,890	2,053,605	2,325,495	-	-
Bonds payable (net of current portion)	7,798,493	28,019,146	35,817,639	-	2,000,000
Net pension liability	21,800,224	-	21,800,224	-	56,915,676
Total long term liabilities	34,512,176	39,930,683	74,442,859	8,775	58,915,676
TOTAL LIABILITIES	40,652,580	44,803,784	85,456,364	62,208	67,889,848
DEFERRED INFLOWS OF RESOURCES					
Deferred change in fair value of hedging derivative instruments	1,100,628	-	1,100,628	-	-
Pension related items	859,358	-	859,358	-	583,348
TOTAL DEFERRED INFLOWS OF RESOURCES	1,959,986	-	1,959,986	-	583,348
NET POSITION					
Net investment in capital assets	134,593,769	155,278,950	289,872,719	51,404	5,769,384
Restricted for:					
Capital projects	6,793,929	-	6,793,929	-	-
Other purposes:					
Revolving loans and housing initiatives	767,443	-	767,443	-	-
Debt service	2,045,741	718,325	2,764,066	-	-
Tennis center	-	180,397	180,397	-	-
EEOC	-	126,179	126,179		
Food services	-	-	-	-	573,252
School activities	-	-	-	-	1,913,332
Tourism and forum promotions	948,454	-	948,454	-	-
Planning and zoning activities	198,434	-	198,434	-	-
Forum parking deck operations	91,335	-	91,335	-	-
Cemetery perpetual care	812,185	-	812,185	-	-
GMA leasepool	2,489,699	-	2,489,699	-	-
Unrestricted	(1,783,506)	25,109,790	23,326,284	72,623	(31,352,580)
TOTAL NET POSITION	$ 146,957,483	$ 181,413,641	$ 328,371,124	$ 124,027	$ (23,096,612)

CITY OF ROME, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
					Primary Government			Component Units	
	Expenses	Charges for Services, Sales and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Greater Rome Conv/Vis Bureau	Rome Board of Education
PRIMARY GOVERNMENT:									
Governmental Activities:									
General Government	$ 7,349,039	$ 2,420,985	$ 113,452	$ 892,074	$ (3,922,528)	$ -	$ (3,922,528)	$ -	$ -
Public Safety	7,988,368	1,128,776	62,940	239,768	(6,556,884)	-	(6,556,884)	-	-
Public Works	4,208,342	-	175,640	2,757,289	(1,275,413)	-	(1,275,413)	-	-
Public Facilities	1,508,412	-	-	2,862,625	1,354,213	-	1,354,213	-	-
Public Services	528,459	-	-	-	(528,459)	-	(528,459)	-	-
Community Development	1,304,313	147,343	736,906	-	(420,064)	-	(420,064)	-	-
Education	1,721,790	-	-	-	(1,721,790)	-	(1,721,790)	-	-
Interest on Debt	454,414	-	-	-	(454,414)	-	(454,414)	-	-
Total Governmental Activities	25,063,137	3,697,104	1,088,938	6,751,756	(13,525,339)	-	(13,525,339)	-	-
Business-Type Activities:									
Water and Sewer	17,620,291	24,200,105	-	-	-	6,579,814	6,579,814	-	-
Fire	11,294,830	6,319,114	-	101,012	-	(4,874,704)	(4,874,704)	-	-
Solid Waste Commission	2,286,872	3,016,255	-	-	-	729,383	729,383	-	-
Transit	3,844,410	1,664,619	922,521	1,006,166	-	(251,104)	(251,104)	-	-
Building Inspection	758,687	835,553	46,103	-	-	122,969	122,969	-	-
Solid Waste Management	3,557,406	2,210,899	-	-	-	(1,346,507)	(1,346,507)	-	-
Municipal Golf Course	1,249,620	961,420	-	-	-	(288,200)	(288,200)	-	-
Public Facilities	331,768	137,732	-	-	-	(194,036)	(194,036)	-	-
Tennis Center	1,072,569	322,965	-	25,995	-	(723,609)	(723,609)	-	-
Total Business-Type Activities:	42,016,453	39,668,662	968,624	1,133,173	-	(245,994)	(245,994)	-	-
Total - Primary Government	$ 67,079,590	$ 43,365,766	$ 2,057,562	$ 7,884,929	$ (13,525,339)	$ (245,994)	$ (13,771,333)	$ -	$ -
Component Units									
Rome Board of Education	$ 71,566,317	$ 743,521	$ 43,429,862	$ 186,406				$ -	$ (27,206,528)
Greater Rome Convention & Visitors Bureau	753,538	28,229	721,664	-				(3,645)	-
Total - Component Units	$ 72,319,855	$ 771,750	$ 44,151,526	$ 186,406				$ (3,645)	$ (27,206,528)
		GENERAL REVENUES:							
		Taxes:							
		Property			$ 13,054,770	$ -	$ 13,054,770	$ -	$ 18,615,656
		Sales			5,674,565	-	5,674,565	-	5,239,035
		Franchise			3,565,260	-	3,565,260	-	-
		Insurance Premium			2,435,462	-	2,435,462	-	-
		Alcoholic Beverage			867,420	-	867,420	-	-
		Intangible			353,218	-	353,218	-	-
		Hotel/Motel			1,328,620	-	1,328,620	-	-
		Other			250,721	-	250,721	-	-
		Gain on Disposal of Capital Assets			-	25,302	25,302	-	-
		Interest Earned			596,746	280,876	877,622	-	44,094
		Miscellaneous			576,024	15,169	591,193	-	-
		Total General Revenues			28,702,806	321,347	29,024,153	-	23,898,785
		Transfers			(5,853,945)	5,853,945	-	-	-
		Total General Revenues and Transfers			22,848,861	6,175,292	29,024,153	-	23,898,785
		Change in Net Position			9,323,522	5,929,298	15,252,820	(3,645)	(3,307,743)
		NET POSITION BEGINNING OF YEAR, RESTATED			137,633,961	175,484,343	313,118,304	127,672	(19,788,869)
		NET POSITION END OF YEAR			$ 146,957,483	$ 181,413,641	$ 328,371,124	$ 124,027	$ (23,096,612)

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	Major Governmental Funds				
	General	Capital	SPLOST	Non-major Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	$ 16,713,414	$ 358,363	$ 3,980,990	$ 2,209,397	$ 23,262,164
Taxes receivable, net of allowances for uncollectibles	1,152,561	-	-	23,196	1,175,757
Accounts receivable, net of allowances for uncollectibles	3,645,855	50,919	-	88,936	3,785,710
Accounts receivable loans	-	-	-	185,444	185,444
Due from other governments	656,806	19,716	496,074	130,231	1,302,827
Due from other funds	255,687	2,270,326	-	14,392	2,540,405
Due from component units	312	-	-	-	312
Prepaid items	200	-	-	-	200
Inventories	152,215	-	-	-	152,215
Restricted cash	389,354	-	2,254,232	-	2,643,586
Restricted investments	-	2,489,699	-	-	2,489,699
Advances due from other funds	590,000	1,259,121	-	-	1,849,121
TOTAL ASSETS	$ 23,556,404	$ 6,448,144	$ 6,731,296	$ 2,651,596	$ 39,387,440
LIABILITIES:					
Accounts payable	$ 1,229,822	$ 61,292	$ 367,701	$ 16,485	$ 1,675,300
Accrued liabilities	235,400	-	81,729	7,599	324,728
Due to other funds	2,616,165	5,000	469,115	105,834	3,196,114
Due to other governments	96	-	-	17,588	17,684
Due to component units	-	-	-	5,049	5,049
Advances due to other funds	-	1,341,752	-	-	1,341,752
TOTAL LIABILITIES	4,081,483	1,408,044	918,545	152,555	6,560,627
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	322,403	-	-	-	322,403
TOTAL DEFERRED INFLOWS OF RESOURCES	322,403	-	-	-	322,403
FUND BALANCES:					
Nonspendable:					
Prepaid items	200	-	-	-	200
Inventories	152,215	-	-	-	152,215
Advances due from other funds	590,000	-	-	-	590,000
Restricted for:					
Revolving loans and housing initiatives	-	-	-	767,443	767,443
Planning and zoning activities	-	-	-	198,434	198,434
Tourism and forum promotion	-	-	-	948,454	948,454
Debt service	-	-	2,045,741	-	2,045,741
Capital improvements	-	2,550,401	3,767,010	476,518	6,793,929
Forum parking deck operations	-	-	-	91,335	91,335
Cemetery perpetual care	812,185	-	-	-	812,185
GMA leasepool	-	2,489,699	-	-	2,489,699
Assigned for:					
Community development operations	-	-	-	16,857	16,857
Unassigned	17,597,918	-	-	-	17,597,918
TOTAL FUND BALANCES	19,152,518	5,040,100	5,812,751	2,499,041	32,504,410
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 23,556,404	$ 6,448,144	$ 6,731,296	$ 2,651,596	$ 39,387,440

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2017

TOTAL GOVERNMENTAL FUND BALANCES		$ 32,504,410
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	$ 300,935,460	
Less accumulated depreciation	(152,452,814)	148,482,646
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. Governmental activities net position has been increased by the effect of the internal service funds' net position.		1,284,849
The derivative is not a current financial resource and is not recorded in the fund statements.		1,100,628
Other long-term assets or deferred inflows and outflows of resources are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Property taxes	322,403	
Deferred charges on refunding	122,368	
Derivative - effective hedge	(1,100,628)	(655,857)
Net other post employment benefits obligations are not due and payable in the current period and, therefore, not reported in the funds		(1,463,702)
The deferred outflows of resources, deferred inflows of resources, and the net pension liability related to the City's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.		(18,929,598)
Long-term liabilities, including capital leases, compensated absences, and the GMA lease contract bonds are not due and payable in the current period and, therefore, are not reported in the fund statements.		
Accrued interest	114,687	
Compensated absences	1,031,470	
Notes payable	478,743	
GMA lease pool contract certificates of participation	4,527,000	
Bonds payable	6,131,493	
Intergovernmental agreements	3,082,500	(15,365,893)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 146,957,483

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	Major Governmental Funds				
	General	**Capital**	**SPLOST**	**Non- major Governmental Funds**	**Total Governmental Funds**
REVENUES:					
Taxes	$ 24,116,299	$ 1,910,000	$ -	$ 1,579,341	$ 27,605,640
Licenses and permits	1,987,723	-	-	-	1,987,723
Intergovernmental	352,032	446,494	4,938,948	1,179,194	6,916,668
Charges for services	433,262	-	-	147,343	580,605
Fines and forfeitures	1,128,776	-	-	-	1,128,776
Interest earned	305,375	276,519	38,666	14,852	635,412
Miscellaneous	66,044	219,971	-	290,009	576,024
TOTAL REVENUES	28,389,511	2,852,984	4,977,614	3,210,739	39,430,848
EXPENDITURES:					
Current:					
General government	6,326,097	-	-	-	6,326,097
Public safety	7,630,168	-	-	-	7,630,168
Public works	5,348,407	-	-	-	5,348,407
Public facilities	528,105	-	-	717,507	1,245,612
Public services	513,637	-	-	-	513,637
Community development	307,444	-	-	983,886	1,291,330
Capital outlay	-	2,269,807	3,018,047	442,288	5,730,142
Debt service					
Principal	-	353,502	2,750,000	34,950	3,138,452
Interest	-	370,543	374,400	20,050	764,993
TOTAL EXPENDITURES	20,653,858	2,993,852	6,142,447	2,198,681	31,988,838
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,735,653	(140,868)	(1,164,833)	1,012,058	7,442,010

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	Major Governmental Funds				
	General	Capital	SPLOST	Non- major Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)					
Transfers in	$ 3,705,925	$ 395,000	$ -	$ 304,373	$ 4,405,298
Transfers out	(9,572,399)	(147,297)	-	(392,854)	(10,112,550)
Proceeds from sale of capital assets	-	74,733	-	-	74,733
TOTAL OTHER FINANCING SOURCES (USES)	(5,866,474)	322,436	-	(88,481)	(5,632,519)
NET CHANGE IN FUND BALANCES	1,869,179	181,568	(1,164,833)	923,577	1,809,491
FUND BALANCES - BEGINNING OF YEAR	17,283,339	4,858,532	6,977,584	1,575,464	30,694,919
FUND BALANCES - END OF YEAR	$ 19,152,518	$ 5,040,100	$ 5,812,751	$ 2,499,041	$ 32,504,410

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 1,809,491
Amounts reported for governmental activities in the statement of activities are different because:		
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 as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		
Capital outlay	$ 8,204,885	
Depreciation expense	(4,732,975)	3,471,910
Governmental funds do not report the acquisition of capital assets acquired through donations or capital contributions. However, in the statement of activities, the costs of those assets are reported at aquisition value.		
Assets acquired through donation or capital contributions-current year		885,360
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals) to decrease net position.		(316,890)
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. The effect of current year internal service fund income (loss) for governmental activities has been included.		158,528
Revenues in the statements of activities that do not provide current financial resources are reported as deferred inflow of resources in the funds.		
Property tax deferred inflows		(75,604)
The receipt and repayment of bonds, notes payable and capital lease principal is a revenue and expenditure in the governmental funds, but the activity increases and decreases long-term liabilities in the statement of net position.		
Bond issuance premium	268,600	
Amortization of deferred charges on refunding	(8,158)	
Accrual of interest expense	50,137	
Long-term debt principal payment	3,138,452	3,449,031
Some expenses reported in the statement of activities, such as compensated absences and pension related items do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences	(32,287)	
Pension expense	(53,303)	(85,590)
The decrease in other postemployment benefits obligations did not provide financial resources and, therefore, was not reported as in governmental funds, but is in the Statement of Activities.		27,286
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 9,323,522

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2017

	Enterprise Funds					
	Major Enterprise Funds					
	Water & Sewer System	Fire	Solid Waste Commission	Non-major Enterprise Funds	Total	Internal Service Funds
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 14,541,306	$ 1,153,989	$ 11,033,279	$ 4,543,988	$ 31,272,562	$ 3,010,366
Restricted cash	718,325	126,179	-	344,992	1,189,496	-
Accounts receivable, net of allowances for uncollectibles	2,284,751	-	220,847	299,142	2,804,740	726
Due from other governments	1,256,982	31,037	356	154,821	1,443,196	41,187
Due from other funds	1,371,435	5,000	1,202	300,416	1,678,053	230,419
Due from component units	-	-	-	50	50	2,942
Prepaid items	-	-	-	6,767	6,767	5,105
Inventories	653,891	13,780	-	324,215	991,886	-
Total Current Assets	20,826,690	1,329,985	11,255,684	5,974,391	39,386,750	3,290,745
Noncurrent Assets:						
Advances due from other funds	-	-	-	-	-	751,752
Prepaid bond insurance	76,501	-	-	-	76,501	-
Capital assets						
Non-depreciable assets	1,839,192	148,424	365,682	5,983,403	8,336,701	-
Depreciable assets, net of accumulated depreciation	153,053,937	4,573,599	3,513,618	15,944,750	177,085,904	-
Total Noncurrent Assets	154,969,630	4,722,023	3,879,300	21,928,153	185,499,106	751,752
TOTAL ASSETS	175,796,320	6,052,008	15,134,984	27,902,544	224,885,856	4,042,497
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	945,255	-	-	140,550	1,085,805	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	945,255	-	-	140,550	1,085,805	-

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2017

	Enterprise Funds					
	Major Enterprise Funds					
	Water & Sewer System	Fire	Solid Waste Commission	Non-major Enterprise Funds	Total	Internal Service Funds
LIABILITIES						
Current Liabilities:						
Closure and postclosure care, current	$ -	$ -	$ 230,462	$ -	$ 230,462	$ -
Revenue bonds, current	656,000	-	-	350,000	1,006,000	-
Accounts payable	484,664	37,837	28,270	108,380	659,151	41,817
Retainage payable	121,263	-	-	-	121,263	-
Accrued liabilities	257,671	171,029	9,935	227,390	666,025	1,332
Unearned revenue	80,550	-	-	56,228	136,778	-
Due to other governments	3,560	13,295	48,364	4,620	69,839	-
Due to other funds	957,014	97,122	25,174	161,228	1,240,538	12,225
Due to component unit	-	-	-	331	331	-
Compensated absences, current	268,656	599,043	21,285	170,172	1,059,156	-
Claims payable	-	-	-	-	-	775,000
Notes payable, current	105,947	-	-	-	105,947	-
Total Current Liabilities	2,935,325	918,326	363,490	1,078,349	5,295,490	830,374
Long-Term Liabilities:						
Closure and postclosure care, long-term	-	-	8,537,642	-	8,537,642	-
Customer deposits	967,238	-	-	-	967,238	-
Revenue bonds, long-term	25,576,386	-	-	2,442,760	28,019,146	-
Notes payable, long-term	2,053,605	-	-	-	2,053,605	-
Advances due to Capital Fund	230,356	43,600	204,400	780,765	1,259,121	-
Compensated absences, long term	89,552	199,681	7,095	56,724	353,052	-
Total Long-Term Liabilities	28,917,137	243,281	8,749,137	3,280,249	41,189,804	-
TOTAL LIABILITIES	31,852,462	1,161,607	9,112,627	4,358,598	46,485,294	830,374
NET POSITION						
Net investment in capital assets	127,401,684	4,722,023	3,879,300	19,275,943	155,278,950	-
Restricted for debt service	718,325	-	-	-	718,325	-
Restricted for tennis center	-	-	-	180,397	180,397	-
Restricted for EEOC	-	126,179	-	-	126,179	-
Unrestricted	16,769,104	42,199	2,143,057	4,228,156	23,182,516	3,212,123
TOTAL NET POSITION	$ 144,889,113	$ 4,890,401	$ 6,022,357	$ 23,684,496	$ 179,486,367	$ 3,212,123

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
RECONCILIATION OF PROPRIETARY FUND NET POSITION TO BUSINESS TYPE ACTIVITIES STATEMENT OF NET POSITION
December 31, 2017

TOTAL PROPRIETARY FUND NET POSITION	$ 179,486,367
Amounts reported for business type activities in the statement of net position are different because:	
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. Business type activities net position have been increased by the effect of the internal service fund's net position.	1,927,274
NET POSITION OF BUSINESS TYPE ACTIVITIES	$ 181,413,641

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	Enterprise Funds					
	Major Enterprise Funds					
	Water & Sewer System	Fire	Solid Waste Commission	Non-major Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES						
Metered sales	$ 23,606,554	$ -	$ -	$ -	$ 23,606,554	$ -
Charges for services	593,551	6,300,000	3,016,255	6,094,757	16,004,563	8,228,034
Miscellaneous	-	19,114	-	38,431	57,545	-
TOTAL OPERATING REVENUES	24,200,105	6,319,114	3,016,255	6,133,188	39,668,662	8,228,034
OPERATING EXPENSES						
Cost of goods sold	-	-	-	122,531	122,531	-
Salaries and employee benefits	5,633,375	9,730,601	639,382	5,466,926	21,470,284	95,786
Supplies	1,420,910	480,855	194,348	759,964	2,856,077	-
Maintenance and repairs	640,469	120,219	135,174	415,219	1,311,081	-
Other services and charges	2,267,252	410,052	179,522	2,324,980	5,181,806	1,960,937
Depreciation	6,539,571	548,691	667,989	1,591,634	9,347,885	-
Claims	-	-	-	-	-	5,646,328
Closure and postclosure costs	-	-	322,753	-	322,753	-
Administrative fees	38,230	-	-	-	38,230	374,410
TOTAL OPERATING EXPENSES	16,539,807	11,290,418	2,139,168	10,681,254	40,650,647	8,077,461
OPERATING INCOME (LOSS)	7,660,298	(4,971,304)	877,087	(4,548,066)	(981,985)	150,573

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	Enterprise Funds					
	Major Enterprise Funds					
	Water & Sewer System	Fire	Solid Waste Commission	Non-major Enterprise Funds	Total	Internal Service Funds
NON-OPERATING INCOME (EXPENSE)						
Intergovernmental revenue	$ -	$ -	$ -	$ 968,624	$ 968,624	$ 199,139
Intergovernmental expense	-	-	(147,704)	-	(147,704)	-
Interest income	111,955	8,879	82,319	31,115	234,268	46,608
Interest expense	(1,271,668)	(4,412)	-	(133,206)	(1,409,286)	-
Miscellaneous revenue	15,169	-	-	-	15,169	-
Gain on disposal of capital assets	18,528	-	3,220	3,554	25,302	-
TOTAL NON-OPERATING INCOME (EXPENSE)	(1,126,016)	4,467	(62,165)	870,087	(313,627)	245,747
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	6,534,282	(4,966,837)	814,922	(3,677,979)	(1,295,612)	396,320
Transfers in	32,212	6,370,000	-	2,981,781	9,383,993	-
Transfers out	(1,517,935)	(1,453,117)	(96,365)	(609,324)	(3,676,741)	-
Capital contributions	-	101,012	-	1,178,854	1,279,866	-
CHANGE IN NET POSITION	5,048,559	51,058	718,557	(126,668)	5,691,506	396,320
NET POSITION - BEGINNING OF YEAR	139,840,554	4,839,343	5,303,800	23,811,164	173,794,861	2,815,803
NET POSITION - END OF YEAR	$ 144,889,113	$ 4,890,401	$ 6,022,357	$ 23,684,496	$ 179,486,367	$ 3,212,123

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION OF PROPRIETARY FUNDS TO THE BUSINESS TYPE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

CHANGE IN NET POSITION-PROPRIETARY FUNDS	$	5,691,506
Amounts reported for business type activities in the statement of activities are different because:		
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. The effect of current year internal service fund income for business type activities has been included.		237,792
CHANGE IN NET POSITION OF BUSINESS TYPE ACTIVITIES	$	5,929,298

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	Enterprise Funds					
	Major Proprietary Funds					
	Water & Sewer System	Fire	Solid Waste Commission	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 23,975,317	$ 6,321,586	$ 3,012,643	$ 6,266,324	$ 39,575,870	$ 8,173,896
Receipts from interfund services provided	918,906	2,647	157	148,040	1,069,750	3,429
Payments to suppliers	(4,576,575)	(1,021,107)	(755,568)	(3,650,200)	(10,003,450)	(2,346,656)
Payments to employees	(5,602,523)	(9,744,214)	(640,151)	(5,442,242)	(21,429,130)	(95,786)
Claims paid	-	-	-	-	-	(5,650,404)
Payments for interfund services used	(389,499)	(5,000)	-	(65,175)	(459,674)	-
Net cash provided (used) by operating activities	14,325,626	(4,446,088)	1,617,081	(2,743,253)	8,753,366	84,479
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer from other funds	32,212	6,370,000	-	2,981,781	9,383,993	-
Transfer to other funds	(1,517,935)	(1,453,117)	(96,365)	(609,324)	(3,676,741)	-
Advances from other funds	44,639	-	-	514,433	559,072	-
Repayment of advances from other funds	-	(157,596)	(29,200)	(307,593)	(494,389)	-
Intergovernmental revenue	-	-	-	46,103	46,103	199,139
Intergovernmental expense	-	-	(147,704)	-	(147,704)	-
Subsidy from federal grant	-	-	-	922,521	922,521	-
Net cash provided (used) by noncapital financing activities	(1,441,084)	4,759,287	(273,269)	3,547,921	6,592,855	199,139
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	-	101,012	-	1,006,166	1,107,178	-
Purchases of capital assets	(4,280,123)	(62,924)	(652,665)	(1,299,518)	(6,295,230)	-
Principal paid on capital debt	(5,110,715)	(118,676)	-	(330,000)	(5,559,391)	-
Interest paid on capital debt	(1,271,668)	(4,412)	-	(133,206)	(1,409,286)	-
Advances to other funds	-	-	-	-	-	179,302
Proceeds from sales of capital assets	18,528	-	3,220	3,554	25,302	-
Net cash provided (used) by capital and related financing activities	(10,643,978)	(85,000)	(649,445)	(753,004)	(12,131,427)	179,302

continued

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	Enterprise Funds					
	Major Proprietary Funds					
	Water & Sewer System	Fire	Solid Waste Commission	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	$ 111,955	$ 8,879	$ 82,319	$ 31,115	$ 234,268	$ 46,608
Net cash provided by investing activities	111,955	8,879	82,319	31,115	234,268	46,608
Net increase in cash and cash equivalents	2,352,519	237,078	776,686	82,779	3,449,062	509,528
Cash and cash equivalents, January 1	12,907,112	1,043,090	10,256,593	4,806,201	29,012,996	2,500,838
Cash and cash equivalents, December 31	$ 15,259,631	$ 1,280,168	$ 11,033,279	$ 4,888,980	$ 32,462,058	$ 3,010,366
Reconciliation of Cash and Cash Equivalents:						
Cash and cash equivalents	$ 14,541,306	$ 1,153,989	$ 11,033,279	$ 4,543,988	$ 31,272,562	$ 3,010,366
Cash and cash equivalents - restricted	718,325	126,179	-	344,992	1,189,496	-
Total cash and cash equivalents	$ 15,259,631	$ 1,280,168	$ 11,033,279	$ 4,888,980	$ 32,462,058	$ 3,010,366

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	Enterprise Funds					
	Major Proprietary Funds					
	Water & Sewer System	Fire	Solid Waste Commission	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	$ 7,660,298	$ (4,971,304)	$ 877,087	$ (4,548,066)	$ (981,985)	$ 150,573
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	6,539,571	548,691	667,989	1,591,634	9,347,885	-
Amortization	(305,590)	-	-	6,395	(299,195)	-
Miscellaneous revenues	15,169	-	-	-	15,169	-
(Increase) decrease in accounts receivable	(156,822)	2,472	(3,450)	(53,075)	(210,875)	(726)
(Increase) decrease in due from other governments	(83,135)	-	(162)	190,322	107,025	(41,187)
(Increase) decrease in due from other funds	(389,499)	(5,000)	(1,202)	32,922	(362,779)	(20,973)
Increase in due from component unit	-	-	-	(2,610)	(2,610)	-
Decrease in prepaid items	-	-	-	-	-	462
(Increase) decrease in inventories	35,114	(4,127)	-	(43)	30,944	-
Increase (decrease) in accounts payable and accrued liabilities	(60,506)	(5,854)	76,229	(40,878)	(31,009)	(15,847)
Increase in retainage payable	121,263	-	-	-	121,263	-
Increase in due to other governments	5	-	-	4,620	4,625	-
Increase (decrease) in compensated absences payable	30,852	(13,613)	(769)	24,684	41,154	-
Decrease in unearned revenue	-	-	-	(4,111)	(4,111)	-
Increase in due to other funds	918,906	2,647	1,359	54,622	977,534	12,177
Increase in due to component unit	-	-	-	331	331	-
Total adjustments	6,665,328	525,216	739,994	1,804,813	9,735,351	(66,094)
Net cash provided (used) by operating activities	$ 14,325,626	$ (4,446,088)	$ 1,617,081	$ (2,743,253)	$ 8,753,366	$ 84,479
Schedule of non-cash capital and related financing activities:						
Contributions of capital assets	$ -	$ -	$ -	$ 172,688	$ 172,688	$ -

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
EMPLOYEE BENEFIT TRUST FUND
December 31, 2017

	Flexible Spending Fund
ASSETS	
Cash	$ 26,632
TOTAL ASSETS	26,632
NET POSITION	
Held in trust for flexible spending	26,632
TOTAL NET POSITION	$ 26,632

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
EMPLOYEE BENEFIT TRUST FUND
For the Year Ended December 31, 2017

	Flexible Spending Fund
ADDITIONS	
Contributions	$ 163,251
Investment earnings	103
Total additions	163,354
DEDUCTIONS	
Claims paid	163,509
Total deductions	163,509
NET INCREASE (DECREASE)	(155)
NET POSITION HELD IN TRUST FOR FLEXIBLE SPENDING	
NET POSITION, BEGINNING OF YEAR	26,787
NET POSTION, END OF YEAR	$ 26,632

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements are a part of the basic financial statements and present additional detailed information to amounts presented on the face of the statements.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Rome operates under a Commissioner-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture, recreation, education, public improvements, planning and zoning, and general administrative services. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Unless otherwise indicated, the "City" refers to the primary government. The City's blended component units are reported as if they are a part of the City because their sole purpose is to provide services to the City. Discretely presented component units that are presented in the City of Rome financial statements are reported in separate columns in the government-wide statements to emphasize that they are legally separate from the City. Each discretely presented component unit has a December 31 year end, except for the Rome Board of Education, which has a June 30 fiscal year end.

Blended Component Units

City of Rome Public Facilities, Inc. - This entity is governed by a three member board appointed by the Rome City Commission. Although it is legally separate from the City, it is reported as a proprietary fund type in the City's financial statements. The sole purpose is to finance and construct certain City facilities and to account for their subsequent activities. Separate financial statements are not prepared for this component unit.

City of Rome Recreational Facilities Authority - This entity is governed by a five member board appointed by the Rome City Commission. Although it is legally separate from the City, the Authority's activity related to the refinancing of the debt for the Stonebridge Golf Club, which is owned and operated by the City, is reported within the Municipal Golf Fund, a proprietary fund in the City's financial statements. The Authority also issued Bonds for the City of Rome Tennis Center at Berry College that is reported in the SPLOST fund due to repayment being made out from SPLOST funding. Separate financial statements are not prepared for this component unit.

City of Rome Redevelopment Agency - This entity is governed by a seven member board. By inclusion by position, the City Manager, County Manager, Chairman of the Commission Redevelopment Committee, and a County appointee serve. In addition three general citizens are appointed by the Rome City Commission. Although legally separate from the City, any specific activity is reported in its own special revenue fund. The purpose of the Agency is to review any redevelopment projects, most specifically redevelopment projects within the Redevelopment and Tax Allocation Districts. It is also the primary reviewing agency for any Tax Allocation District financing applications. Separate financial statements are not prepared for this component unit.

Discretely Presented Component Units

Rome Board of Education - The Rome Board of Education (the "Board") operates the Rome City School System. Financing is provided by property taxes and contributions from the State of Georgia. The Board is fiscally dependent upon the City because the City Commission approves the budgets, approves tax rate, provides funding and issues debt on behalf of the Board. The Board is presented as a governmental fund type. Complete financial statements for the Rome Board of Education may be obtained at 508 East 2nd Street, Rome, Georgia 30161.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

A. Reporting Entity - Continued

Greater Rome Convention & Visitors Bureau - The Greater Rome Convention and Visitors Bureau (the "Bureau") promotes tourism and convention activity for the City. Financing is provided by a special hotel/motel tax. The Bureau is fiscally dependent upon the City because the City Commission appoints a voting majority of the board members and approves the budget, but does not control operations of the Bureau. The Bureau is presented as a governmental fund type. Separate component unit financial statements are not prepared for the Greater Rome Convention and Visitors Bureau.

B. Basis of Presentation

The City's basic financial statements consist of government wide statements, including a statement of net position and a statement of activities followed by fund financial statements which will provide a more detailed level of financial information.

Government-wide Financial Statements – The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities which normally are supported by taxes, intergovernmental revenues, and City general revenues are reported separately from business type activities which rely on a significant extent on fees and charges for support from external users. Likewise, the primary government is reported separately from any legally separate discretely presented component units for which the primary government is financially accountable. The statement of activities demonstrates the degree to which the direct expenses of each function of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include l) charges to customers who purchase, use, or directly benefit from the goods, services, or privileges provided by a distinct function 2) operating grants and contributions restricted to the operational needs of a particular function and 3) capital grants and contributions restricted for the acquisition or construction of capital assets. Taxes and other revenue sources not properly included with program revenues are reported as general revenues of the City. This comparison of direct expenses with program revenues does identify the extent to which each governmental function is self financing or is subsidized by general revenues. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements – Governmental Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Governmental Fund financial statements are reported using the current financial resource measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred inflows of resources and liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balance present increases (revenues and other financing resources) and decreases (expenditures and other financing uses) in fund balance.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Basis of Presentation – Continued

The City reports the following major governmental funds:

General Fund - The general operating fund of the City is used to account for all of the financial resources of the general government except those required to be accounted for in other funds.

Capital Fund - This fund accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or fiduciary funds.

SPLOST Fund - This fund accounts for the acquisition of capital assets or construction of major capital projects financed by SPLOST proceeds.

The City reports the following major Proprietary Funds:

Water & Sewer System Fund - This fund accounts for all activity in the provision of water and sewer services to the residents of the City and County.

Fire Fund - This fund accounts for all activities in the provision of fire protection services to the residents of the City and the County.

Solid Waste Commission Fund - This fund accounts for all activities associated with the provision of solid waste disposal for City and County residents at the Walker Mountain and Berryhill landfills.

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds - This fund type is used to account for proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specific purposes.

Capital Projects Funds - This fund type accounts for capital project expenditures not financed through proprietary or fiduciary funds.

Proprietary Fund Types

Enterprise Funds - This fund type is used to account for operations that (a) are financed and operated in a manner similar to private business enterprise where the intent of the City is that the costs (including depreciation) of providing the goods and services be financed or recovered primarily through user charges or (b) where the City has decided that a periodic determination of an increase or decrease in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds - This fund type accounts for the financing of goods or services provided by one department to other departments, agencies, or other governmental units on a cost reimbursement basis. The City accounts for the provision of health care and workers' compensation claims in internal service funds.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Basis of Presentation – Continued

Fiduciary Fund Type

Trust Fund - This fund type is used to account for assets held by the City as an agent or trustee to be invested and expended in accordance with the conditions of the trustee capacity. The City uses this fund to account for the flexible spending activity through payroll deduction from employees' paychecks and the subsequent payment of medical or dependent care expenses.

C. Measurement Focus – Basis of Accounting

Government-wide Financial Statements – The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Fund Financial Statements – All governmental funds are accounted for using the current financial resource measurement focus and the modified accrual basis of accounting. 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 government considers tax revenues available if they are collected within sixty (60) days of the end of the current fiscal period and one year for all other revenues. Revenues generally susceptible to accrual are property taxes, sales taxes, licenses, and other charges for services. Expenditures are generally recorded when a liability is incurred except for debt service expenditures and expenditures related to compensated absences and claims which are normally recorded when payment is due. Governmental fund financial statements therefore include reconciliation to the entity-wide statement to identify these differences.

As in the government-wide statements, all proprietary fund types are accounted for on an economic resource measurement level. The Statement of Net Position includes all assets, liabilities, deferred outflows, and deferred inflows and the Statement of Changes in Net Position present increases (i.e., revenues) and decreases (i.e., expenses) in total Net Position.

As a general rule, the effects of interfund activity have been eliminated from the government-wide financial statements. Exceptions to this general rule are user charges between the enterprise funds and other functions of the government whereby exclusion may distort the direct costs and program revenues for the functions concerned.

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. Operating expenses of enterprise funds and internal service funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Deferred Outflows/Inflows of Resources, Liabilities and Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

Increases or decreases in fair value during the year are recognized as a component of interest income.

2. Investments

The City's nonparticipating interest-earning investment contracts are recorded at cost. The remaining investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

3. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds". Any advances between funds are offset by a fund balance restriction account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources. These amounts are eliminated in the governmental and business-type activities column of the Statement of Net Position except for any net residual amounts due between governmental and business type activities, which are reclassified and presented as internal balances.

4. Inventories

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Deferred Outflows/Inflows of Resources, Liabilities and Equity – Continued

5. Restricted Assets

Certain resources are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants, or other external legislation or restrictions. Applicable expenses are paid from restricted assets first.

6. Prepaid Items

Certain payments to vendors reflecting costs applicable to periods beyond December 31, 2017 are recorded as prepaid items.

7. 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 equipment assets are defined by the government as assets with an initial individual cost of more than $5,000 and an estimated life of more than one fiscal year. Such assets are recorded at actual cost or estimated historical cost if actual costs are not available. They are updated for additions and retirements during the year. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are expensed. Improvements to capital assets are capitalized. Interest incurred during the construction of capital assets for business-type activities is capitalized. The City had no capitalized interest during the current year.

Current accounting standards require the City to report and depreciate infrastructure assets. These assets includes roads, bridges, dams & levees, curb & gutters, sidewalks, and traffic signals & signage. The current financial statements include these infrastructure amounts with applicable accumulated depreciation. All capital assets are depreciated except for land and construction in progress. Estimated useful lives for infrastructure are based on historical records of maintenance and replacement. Infrastructure assets acquired prior to December 31, 1980 are included in the amounts reported. Depreciation is computed using the straight-line method over the estimated useful life.

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Improvements other than buildings	10 – 60 years	10 – 60 years
Buildings	40 – 60 years	40 – 60 years
Machinery and equipment	3 – 15 years	3 – 15 years
Infrastructure	40 – 60 years	20 – 40 years
Vehicles	3 – 5 years	3 – 5 years

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Deferred Outflows/Inflows of Resources, Liabilities and Equity – Continued

8. Compensated Absences

It is the City’s policy to permit employees to accumulate earned but unused vacation benefits. No liability is reported for unpaid accumulated sick leave. Accumulated unpaid vacation leave is accrued when incurred in the government-wide and proprietary fund financial statements. The liability in the proprietary funds is recorded as an expense and a liability in those funds as the benefits are accrued. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with current financial resources.

Sick leave is not paid upon termination, but is applied to the years of service credit used to determine retirement benefits if the employee remains employed by the City until retirement. Accordingly, accumulated unused sick leave is not recorded as a liability. There is no maximum amount of sick leave that may be accumulated.

9. Unavailable Revenue

Unavailable revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflow of resources for unavailable revenue is removed from the balance sheet and revenue is recognized. On the governmental fund financial statements, property taxes receivable not collected within sixty (60) days of year end is recorded as deferred inflow of resources. Grants and entitlements received before the timing requirements are met are also recorded as deferred inflow of resources. Grants and entitlements received before other eligibility requirements are met are reported as unearned revenue in liabilities. In the government-wide financial statements, these amounts are recognized to comply with the full accrual measurement criteria.

10. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, all long term debt and other long term obligations are reported as liabilities in the applicable governmental activities, business type activities or proprietary fund type statement of net position. Bond premiums and discounts are accrued and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums and discounts. Issuance costs are expensed in the period in which they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs in the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Deferred Outflows/Inflows of Resources, Liabilities and Equity – Continued

11. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance

Generally, fund balance represents the difference between the assets, deferred inflows of resources, and liabilities under the current financial resources management 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 purpose 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.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, 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 a resolution of the City Commission. Only the City Commission may modify or rescind the commitment also through a resolution.

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. The City Commission has passed a resolution, which has expressly delegated to the Finance Director the authority to assign funds for particular purposes.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. The City intends to maintain an unassigned fund balance in the General Fund between ten and twenty percent of the operating budget or an amount equal to 2 months' operating expenditures.

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: (1) Committed, (2) Assigned, (3) Unassigned.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Deferred Outflows/Inflows of Resources, Liabilities and Equity – Continued

11. Fund Equity - Continued

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources for activities and funds which use the accrual basis of accounting. Amounts shown as net investment in capital assets are made up of capital asset costs, net of accumulated depreciation and any outstanding debt used to acquire, construct or improve the associated assets. Net position is reported as restricted when there are legal limitations or external restrictions imposed upon their use. All other net position is reported as unrestricted.

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

12. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Rome Retirement Plan (the “Plan”) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Capital Contributions

Capital contributions in the proprietary fund financial statements arise from outside contributions of grants and other financial resources restricted to capital acquisition and construction.

14. Uses of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows/inflows of resources, and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

15. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. One item that qualifies for reporting in this category is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Deferred Outflows/Inflows of Resources, Liabilities and Equity – Continued

15. Deferred outflows/inflows of resources - Continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of these deferrals, which arise only under a modified accrual basis of accounting that qualify for reporting in this category. Accordingly, those items, the unavailable revenue and the effective hedge on the deferral of fair value, are reported only in the governmental fund's balance sheet. The governmental funds report unavailable revenues from one source, property taxes. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

The City also has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

NOTE II - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In August of each year, all departments of the City submit a budgetary request to the City Manager. In November, the City Manager presents the proposed budgets to the Finance Committee of the City Commission. The City Commission adopts the final budgets in December of each year. During the year, the City made budgetary amendments totaling $1,298,460 that were approved by the City Commission. The main reason for these amendments was to better align budgeted expenditures with actual revenues. This information was not available during the original budget process.

Budgetary appropriations are made at the object level within each department. The legal level of budgetary control is at the department level. Budget amendments which affect a department's total appropriations or transfers between funds must be authorized by the City Commission through a budget revision. All appropriations lapse at year end.

NOTE III - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Credit Risk. State statutes authorize the City to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposits issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds. Operating funds are currently invested in the Georgia Fund 1 and a guaranteed investment contract with the Georgia Municipal Association.

The investment in the Georgia Fund 1 represents the City's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in the Georgia Fund 1 is valued at fair value. As of December 31, 2017, the City of Rome's investment in Georgia Fund 1 was rated AAAf by Standard & Poor's.

The City maintains an account in the State of Georgia, Georgia Fund 1 that is utilized by all funds and component units except the Rome Board of Education. Each fund's or component unit's portion of this pool is displayed on its balance sheet with cash and cash equivalents since this pool has the general characteristics of a demand deposit account.

As of December 31, 2017, the City of Rome had the following investments:

Investment Type	Maturities	Credit Rating	Fair Value
Georgia Fund 1-included in cash	9 day weighted average	AAAf	$ 32,505,670
Guaranteed Investment Contract	June 1, 2028	(a)	2,489,699
Totals			$ 34,995,369

(a) This is a nonparticipating interest-earning investment contract with the Georgia Municipal Association (GMA) and is not rated.

Interest rate risk. The City of Rome does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, all investments are reviewed on a monthly basis for interest rate fluctuations and appropriate actions are taken to minimize this risk.

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

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

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments - Continued

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 that all deposits and investments (other than federal or state government instruments) be collateralized 110% by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties or municipalities. As of December 31, 2017, all of the City's bank balances were adequately insured and collateralized as defined by the Governmental Accounting Standards Board.

B. Receivables

1. Accounts Receivable

Receivables at December 31, 2017 consisted of taxes, loans, accounts (including billings for user charges and unbilled utility receivables), and intergovernmental receivables. Receivables at December 31, 2017 consist of the following:

Primary Government	Taxes	Loans	Account	Intergov't Receivables	Allowance for Uncollectibles	Net Receivables
General Fund	$ 2,900,583	$ -	$ 3,938,855	$ 656,806	$ (2,041,022)	$ 5,455,222
Capital Fund	-	275,000	130,919	19,716	(355,000)	70,635
SPLOST Fund	-	-	-	496,074	-	496,074
Nonmajor Governmental Funds	33,877	318,947	88,936	130,231	(144,184)	427,807
Water and Sewer Fund	-	-	3,586,751	1,256,982	(1,302,000)	3,541,733
Fire Fund	-	-	-	31,037	-	31,037
Solid Waste Commission Fund	-	-	222,847	356	(2,000)	221,203
Nonmajor Proprietary Funds	-	-	417,142	154,821	(118,000)	453,963
Internal Service Funds	-	-	726	41,187	-	41,913
Total Primary Government	2,934,460	593,947	8,386,176	2,787,210	(3,962,206)	10,739,587
Greater Rome CVB	-	-	331	12,309	-	12,640
Rome Board of Education	-	-	29,082	7,818,604	-	7,847,686
Total Reporting Entity	$ 2,934,460	$ 593,947	$ 8,415,589	##########	$ (3,962,206)	$18,599,913

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

B. Receivables– Continued

1. Accounts Receivable - Continued

The City has $75,630 in forgivable loans receivable. These loans are recorded in the following nonmajor governmental fund: Community Development Fund. Amounts represent loans to individuals in conjunction with the rehabilitation of private property and financing for locally owned businesses. Provided the terms of the loans are not violated, these loans will be forgiven at the end of the loan term. As the likelihood of violation of the loan terms, and thus cash repayment is remote, the City has elected to record an allowance for the total outstanding balance of the loans.

2. Property Taxes

Property taxes were levied on July 24, 2017 and were payable on or before November 15, 2017. An interest penalty of 12% per annum is charged on property taxes paid after that date. Property taxes become an enforceable lien on January 1 each year. City property tax revenues are recognized when levied to the extent that they are collected within the current fiscal year or within 60 days of fiscal year end. The City of Rome has an agreement with Floyd County and the Floyd County Tax Commissioner to collect the City's property taxes. This agreement allows taxpayers to pay all of their property taxes at one location since the County can now bill all taxes due on one bill. The City pays a fee for this service.

A summary of outstanding delinquent property taxes receivable at December 31, 2017 is as follows:

Tax Year		
2017	$	2,070,710
Prior Years		863,750
		2,934,460
Allowance for uncollectible		(1,758,704)
Net taxes receivable	$	1,175,756

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets

Changes in the City's Capital Assets for the year ended December 31, 2017 are as follows:

Primary Government	Beginning Balance 12/31/2016	Increases	Decreases	Construction in progress Transfers	Ending Balance 12/31/2017
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 11,893,092	$ 664,927	$ -	$ -	$ 12,558,019
Construction in progress	6,048,149	6,363,621	-	(3,788,233)	8,623,537
Total capital assets, not being depreciated	17,941,241	7,028,548	-	(3,788,233)	21,181,556
Capital assets, being depreciated:					
Buildings	121,854,713	63,050	-	3,735,139	125,652,902
Improvements other than buildings	6,020,507	-	-	-	6,020,507
Machinery and equipment	6,192,264	1,046,052	(467,808)	-	6,770,508
Vehicles	5,771,133	478,766	(443,365)	-	5,806,534
Infrastructure	134,996,167	473,829	(19,637)	53,094	135,503,453
Total capital assets being depreciated	274,834,784	2,061,697	(930,810)	3,788,233	279,753,904
Less accumulated depreciation for:					
Buildings	(31,709,154)	(2,521,018)	-	-	(34,230,172)
Improvements other than buildings	(2,530,936)	(461,157)	-	-	(2,992,093)
Machinery and equipment	(4,978,137)	(523,578)	163,933	-	(5,337,782)
Vehicles	(4,504,447)	(444,875)	430,350	-	(4,518,972)
Infrastructure	(104,611,085)	(782,347)	19,637	-	(105,373,795)
Total accumulated depreciation	(148,333,759)	(4,732,975)	613,920	-	(152,452,814)
Total capital assets, being depreciated, net	126,501,025	(2,671,278)	(316,890)	3,788,233	127,301,090
Governmental activities capital assets, net	$ 144,442,266	$ 4,357,270	$ (316,890)	$ -	$ 148,482,646

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

Governmental activities:	
General Government	$ 948,868
Public Safety	390,594
Public Works	1,381,247
Public Facilities	263,162
Public Services	20,389
Community Development	6,925
Education	1,721,790
	$ 4,732,975

The City has determined that a restatement to beginning balance of accumulated depreciation for its infrastructure assets is necessary for the fiscal year ended December 31, 2016. The table above includes the effects of this restatement in beginning balances. Additional information about this restatement can be found in Note R.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Capital Assets for the year ended December 31, 2017 are as follows:

	Beginning Balance 12/31/2016	Increases	Decreases	Transfers	Ending Balance 12/31/2017
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 8,081,487	$ -	$ -	$ -	$ 8,081,487
Construction in progress	1,963,999	261,935	-	(1,970,720)	255,214
Total capital assets, not being depreciated	10,045,486	261,935	-	(1,970,720)	8,336,701
Capital assets, being depreciated:					
Buildings	115,267,693	212,515	-	364,046	115,844,254
Improvements other than buildings	24,509,710	90,000	-	-	24,599,710
Machinery and equipment	15,663,604	1,629,127	-	-	17,292,731
Vehicles	22,087,473	1,195,098	(310,662)	-	22,971,909
Infrastructure	151,507,635	3,079,243	-	1,606,674	156,193,552
Total capital assets being depreciated	329,036,115	6,205,983	(310,662)	1,970,720	336,902,156
Less accumulated depreciation for:					
Buildings	(46,178,823)	(3,319,069)	-	-	(49,497,892)
Improvements other than buildings	(15,920,171)	(552,925)	-	-	(16,473,096)
Machinery and equipment	(12,615,137)	(970,057)	310,662	-	(13,274,532)
Vehicles	(17,432,394)	(1,149,310)	-	-	(18,581,704)
Infrastructure	(58,632,504)	(3,356,524)	-	-	(61,989,028)
Total accumulated depreciation	(150,779,029)	(9,347,885)	310,662	-	(159,816,252)
Total capital assets, being depreciated, net	178,257,086	(3,141,902)	-	1,970,720	177,085,904
Business-type activities capital assets, net	$ 188,302,572	$ (2,879,967)	-	-	$ 185,422,605

Depreciation expense was charged to functions/programs of Business-type activities as follows:

Business-type activities:	
Water and Sewer System Fund	$ 6,539,571
Fire Fund	548,691
Tennis Center Fund	241,408
Transit Fund	674,778
Solid Waste Management Fund	386,408
Municipal Golf Fund	60,495
Solid Waste Commission Fund	667,989
Building Inspection Fund	18,840
Public Facilities Fund	209,705
	$ 9,347,885

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

The following table provides a summary of the City's net investment in capital assets. The City has unspent bond proceeds, as noted below, related to the Tennis Center bonds at the end of the current year:

Net Investment in Capital Assets	Governmental Activities	Business-type Activities	Total
Capital assets, nondepreciable	$ 21,181,556	$ 8,336,701	$ 29,518,257
Capital assets, net	127,301,090	177,085,904	304,386,994
Prepaid bond insurance	-	76,501	76,501
Deferred charges on refunding	122,368	1,085,805	1,208,173
Retainage payable	-	(121,263)	(121,263)
Intergovernmental agreements payable	(3,082,500)	-	(3,082,500)
Bonds payable	(10,658,493)	(29,025,146)	(39,683,639)
Notes payable	(478,743)	(2,159,552)	(2,638,295)
Unspent bond proceeds	208,491	-	208,491
	$ 134,593,769	$ 155,278,950	$ 289,872,719

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Component Units	Beginning Balance 12/31/2016	Increases	Decreases	Ending Balance 12/31/2017
Greater Rome Convention and Visitors Bureau				
Component unit:				
Capital assets, being depreciated:				
Buildings	$ 181,429	$ -	$ -	$ 181,429
Machinery and equipment	7,000	-	-	7,000
Vehicles	10,000	-	-	10,000
Total capital assets being depreciated	198,429	-	-	198,429
Less accumulated depreciation for:				
Buildings	(134,893)	(2,632)	-	(137,525)
Machinery and equipment	(7,000)	-	-	(7,000)
Vehicles	(500)	(2,000)	-	(2,500)
Total accumulated depreciation	(142,393)	(4,632)	-	(147,025)
Total capital assets, being depreciated, net	56,036	(4,632)	-	51,404
Greater Rome Convention and Visitors Bureau	$ 56,036	$ (4,632)	$ -	$ 51,404

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Component Units (Continued)	Beginning Balance 6/30/2016	Increases	Decreases	Ending Balance 6/30/2017
Rome Board of Education				
Component unit:				
Capital assets, not being depreciated:				
Land	$ 157,048	$ -	$ -	$ 157,048
Total capital assets not being depreciated	157,048	-	-	157,048
Capital assets, being depreciated:				
Buildings and Improvements	2,792,778	-	-	2,792,778
Computers and equipment	9,567,721	1,668,194	-	11,235,915
Vehicles	1,742,440	-	-	1,742,440
Total capital assets being depreciated	14,102,939	1,668,194	-	15,771,133
Less accumulated depreciation for:				
Buildings and Improvements	(1,158,231)	(106,202)	-	(1,264,433)
Computers and equipment	(4,012,615)	(1,439,594)	-	(5,452,209)
Vehicles	(1,327,205)	(114,951)	-	(1,442,156)
Total accumulated depreciation	(6,498,051)	(1,660,747)	-	(8,158,798)
Total capital assets, being depreciated, net	7,604,888	7,447	-	7,612,335
Rome Board of Education capital assets, net	$ 7,761,936	$ 7,447	$ -	$ 7,769,383

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

D. Interfund Transactions

Interfund balances at December 31, 2017 consisted of the following amounts and represent charges for services or reimbursable expenditures. These balances result from a timing lag between 1) the date the interfund goods or services are provided 2) transactions are recorded and 3) payments between funds are made. The City expects to repay all interfund balances within one year.

Interfund receivables and payable balances at December 31, 2017 are as follows:

	Payable From									
	General Fund	Capital Fund	SPLOST Fund	Non-major Governmental Funds	Water & Sewer System Fund	Fire Fund	Solid Waste Commission Fund	Non-major Enterprise Funds	Internal Service Funds	**Total**
Payable To:										
General Fund	$ -	$ -	$ 34,109	$ 63,482	$ 19,790	$ 572	$ 19,235	$ 118,499	$ -	$ 255,687
Capital Fund	2,270,326	-	-	-	-	-	-	-	-	2,270,326
Non-major Governmental Funds	7,089	-	-	7,303	-	-	-	-	-	14,392
Water & Sewer System Fund	-	-	435,006	-	896,499	30,855	-	9,075	-	1,371,435
Fire Fund	-	5,000	-	-	-	-	-	-	-	5,000
Solid Waste Commission Fund	-	-	-	-	1,202	-	-	-	-	1,202
Non-major Enterprise Funds	266,297	-	-	31,715	573	364	441	1,026	-	300,416
Internal Service Funds	72,453	-	-	3,334	38,950	65,331	5,498	32,628	12,225	230,419
Total	$ 2,616,165	$ 5,000	$ 469,115	$ 105,834	$ 957,014	$ 97,122	$ 25,174	$ 161,228	$ 12,225	$ 4,448,877

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

D. Interfund Transactions - Continued

Interfund receivables and payables for Component Units consist of the following:

	Rome Convention & Visitors Bureau Payable From	Rome Convention & Visitors Bureau Payable To
General Fund	$ -	$ 312
Non-major governmental funds	5,049	-
Non-major enterprise funds	331	50
Internal service funds	-	2,942
Total	$ 5,380	$ 3,304

Advances to other funds are amounts that are owed, other than for charges for goods and services rendered, to a particular fund by another fund in the government reporting entity and are not due within one year.

Interfund advances consist of the following:

	Advances From:			
	General Fund	Capital Fund	Internal Service Fund	Total
Advances To:				
Capital Fund	$ 590,000	$ -	$ 751,752	$ 1,341,752
Water and Sewer Fund	-	230,356	-	230,356
Fire Fund	-	43,600	-	43,600
Solid Waste Commission Fund	-	204,400	-	204,400
Non-major Enterprise Funds	-	780,765	-	780,765
Total	$ 590,000	$ 1,259,121	$ 751,752	$ 2,600,873

The Solid Waste Commission Fund, through an intergovernmental agreement with the City of Rome, purchased a partial ownership in a portion of the Joint City-County Landfill. This long term financing balance of $204,400 is included as an advance from the Capital Fund to the Solid Waste Commission Fund.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

D. Interfund Transactions - Continued

In 2012, the Rome City Commission authorized the borrowing of up to $1.5 million from the Health Insurance Fund to assist in the construction of the City Mausoleum. The advance will be repaid over a maximum of ten years at 3% interest. As of December 31, 2017, the principal amount outstanding was $751,752.

Interfund transfers are used to report revenues and expenditures between funds whereby statute or formal budget requires them. These transfers also include revenues collected in the General Fund but by budget authorization are transferred to meet expenditures in other funds, segregation of monies for anticipated capital projects, and to provide additional resources for current operations or debt service. All transfers have occurred on a regular basis or are consistent with the purpose of the fund making the transfer. Transfers to component units are reported as expenditures in the financial statements.

Interfund transfers for the year ended December 31, 2017 are as follows:

Transfers In

	General Fund	Capital Fund	Non-major Governmental Funds	Water & Sewer System Fund	Fire Fund	Non-major Enterprise Funds	**Total**
Transfers Out:							
General Fund	$ -	$ 395,000	$ 304,373	$ -	$ 6,370,000	$ 2,503,026	$ 9,572,399
Capital Fund	-	-	-	-	-	147,297	147,297
Non-major							
Governmental Funds	61,396	-	-	-	-	331,458	392,854
Water & Sewer System Fund	1,517,935	-	-	-	-	-	1,517,935
Fire Fund	1,420,905	-	-	32,212	-	-	1,453,117
Solid Waste Commission Fund	96,365	-	-	-	-	-	96,365
Non-major							
Enterprise Funds	609,324	-	-	-	-	-	609,324
Total	$ 3,705,925	$ 395,000	$ 304,373	$ 32,212	$ 6,370,000	$ 2,981,781	$ 13,789,291

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt

1. Water and Sewerage System Bonds Payable

Outstanding Water and Sewerage System Bonds were issued as follows:

2012 Issue:	$32,125,000	in serial bonds maturing through 2022, with interest ranging from 3.00% to 5.00%
2013 Issue:	$ 7,934,000	in a private placement bond issue, maturing through 2028 at an interest rate of 2.25%

In May 2012, the City issued $32,125,000 of Water and Sewerage Revenue Refunding and Improvement bonds. The 2012 bonds were issued to (i) refund $33,540,000 in aggregate principal of its 2004 A Water and Sewerage Revenue Refunding and Improvement bonds and (ii) pay the costs of issuance of the 2012 bonds. The net proceeds from the issuance of the water revenue bonds were used to purchase general obligations of the United States of America and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments of the prior bonds when due or called. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. Outstanding bonds from the refunded debt outstanding at December 31, 2017, considered defeased, totaled $20,420,000.

In April 2013, the City of Rome issued $7,934,000 of Water and Sewerage Revenue Bonds in a private placement. The 2013 bonds were issued to finance the repayment of several GEFA notes outstanding.

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NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

1. Water and Sewerage System Bonds Payable - Continued

The City of Rome follows all of the applicable rules and regulations concerning bond arbitrage as set forth by the Internal Revenue Service.

Bonds outstanding at December 31, 2017 are as follows:

Water and Sewer Bonds - Series 2012	$	19,415,000
Water and Sewer Bonds - Series 2013		5,540,000
Subtotal		24,955,000
Less current maturities		656,000
Bonds payable, long term	$	24,299,000

Reconciliation of Bonds Payable to Financial Statements:		
Current		
Bonds payable in less than one year	$	656,000
Long-term		
Bonds payable in more than one year	$	24,299,000
Bond premium, net of amortization		1,277,386
	$	25,576,386

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

2. Golf Bonds Payable

In 2009, The City of Rome Recreation Facilities Authority issued $4,955,000 of Series 2009 Revenue Bonds to (i) refund all of the Series 1999 Revenue Bonds and pay the one percent (1%) redemption premium due in connection therewith and (ii) pay the costs of issuing the Series 2009 Bonds. Refunding was undertaken to save on the debt service payments maturing through 2024. The City defeased the 1999 bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2017, $2,690,000 of bonds outstanding are considered defeased. The City has pledged its full faith and credit and taxing power to service the debt.

The Series 2009 Bonds mature through 2024 with interest ranging from 3.0% to 5.0%. At December 31, 2017, $2,740,000 of these bonds were outstanding. Bonds payable reflected in the financial statements is net of $52,760 of unamortized bond premium.

3. Governmental Bonds Payable

In 2015, The City of Rome Recreation Facilities Authority issued $10,785,000 of Series 2015 Revenue Bonds to (i) provide funds to finance the acquisition, construction and equipping of Rome Tennis Center of Georgia at Berry College for the City and (ii) pay the costs of issuance of the Bonds. The City has pledged its full faith and credit and taxing power to service the debt. The Series 2015 Bonds mature through 2019 with interest ranging from 2.0% to 5.0%. At December 31, 2017, $5,835,000 of these bonds were outstanding. Bonds payable reflected in the financial statements is net of $296,493 of unamortized bond premium.

4. Certificates of Participation – Georgia Municipal Association

In June 1998, the City 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 municipalities with the City of Rome's participation totaling $4,527,000. The lease pool agreement with the Association provides that the City owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal of $4,527,000 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 account to lease equipment from the Association. The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt – Continued

4. Certificates of Participation – Georgia Municipal Association - Continued

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 semiannual (monthly beginning July 1, 2003) 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 certificates of participation (4.75%) 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 semiannual 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 .05% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody's. At December 31, 2017, the floating rate being paid by the City is 2.02% and the market value of this agreement is $1,100,628, a decrease of $61,290 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 December 31, 2017 based on the derivative contract. This market value is reported as another asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as a deferred inflow of resources in the statement of net position.

5. Debt Service to Maturity for all Bond Issues

	Water and Sewer		Golf		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 656,000	$ 1,217,270	$ 350,000	$ 112,175	$ 1,006,000	$ 1,329,445
2019	5,206,000	1,027,741	365,000	98,175	5,571,000	1,125,916
2020	5,362,000	831,570	375,000	85,400	5,737,000	916,970
2021	5,461,000	582,655	385,000	72,275	5,846,000	654,930
2022	5,688,000	323,779	400,000	58,800	6,088,000	382,579
2023-2027	2,170,000	162,315	865,000	56,600	3,035,000	218,915
2028	412,000	4,635	-	-	412,000	4,635
	$ 24,955,000	$ 4,149,965	$ 2,740,000	$ 483,425	$ 27,695,000	$ 4,633,390

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt – Continued

5. Debt Service to Maturity for all Bond Issues - Continued

	Recreation Facilities Authority Bonds Payable		GMA COP		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 2,860,000	$ 263,150	$ -	$ 215,032	$ 2,860,000	$ 478,182
2019	2,975,000	148,750	-	215,032	2,975,000	363,782
2020	-	-	-	215,032	-	215,032
2021	-	-	-	215,032	-	215,032
2022	-	-	-	215,032	-	215,032
2023-2027	-	-	-	1,075,160	-	1,075,160
2028	-	-	4,527,000	215,032	4,527,000	215,032
	$ 5,835,000	$ 411,900	$ 4,527,000	$ 2,365,352	$ 10,362,000	$ 2,777,252

6. Notes Payable and Intergovernmental Agreement

In 2013, the City entered into an agreement with the Georgia Environmental Finance Authority (GEFA) and the State Revolving Loan Fund to finance the construction and improvements of various water and sewer facilities. As of December 31, 2017, the City had entered into one (1) such loan agreement with a loan balance of $2,159,552.

The following is a schedule of the future required principal and interest payments on the GEFA loan agreements as of December 31, 2017:

Issue Date	Interest Rate (%)	Maturity Date	Beginning Balance	Retired	Outstanding	Current	Long-Term
12/31/2014	2.13%	1/1/2035	$ 2,263,267	$ 103,715	$ 2,159,552	$ 105,947	$ 2,053,605

In 2008, Floyd County issued debt in the amount of $7,880,000 (City's portion $3,940,000) at an interest rate between 3.10% to 5.00%, in order to finance the costs of constructing the Forum parking deck. The City of Rome purchased one half of the project through an intergovernmental agreement from Floyd County and agreed to make installment payments to pay one half of the principal and interest on the debt when due. One half of the total project was capitalized on the City's books. In 2014, Floyd County advance refunded the original debt prior to the expiration of the intergovernmental agreement, in which the perceived economic advantages of the refunding are passed through to the City of Rome. The City adjusted the intergovernmental payable to the present value of future minimum payments in the revised agreement which resulted in a deferred charge on refunding to be amortized as a component of interest expenditures straight-line over the remaining life of the agreement.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt - Continued

6. Notes Payable and Intergovernmental Agreement - Continued

The following is a schedule of the future required principal and interest payments on the notes payable as of December 31, 2017:

	Governmental Activities			Business-type Activities		
Ended December 31,	Principal	Interest	Total	Principal	Interest	Total
2018	$ 206,853	$ 26,508	$ 233,361	$ 105,947	$ 44,968	$ 150,915
2019	39,145	15,855	55,000	108,225	42,689	150,914
2020	41,427	13,573	55,000	110,553	40,361	150,914
2021	43,843	11,157	55,000	112,931	37,984	150,915
2022	46,400	8,600	55,000	115,360	35,554	150,914
2023-2027	101,075	8,925	110,000	615,105	139,468	754,573
2028-2032	-	-	-	684,166	70,408	754,574
2033-2034	-	-	-	307,265	7,140	314,405
Total	478,743	$ 84,618	$ 563,361	2,159,552	$ 418,572	$ 2,578,124
Less current maturities	206,853			105,947		
Long-term	$ 271,890			$ 2,053,605		

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt - Continued

6. Notes Payable and Intergovernmental Agreement - Continued

The City has also entered into an agreement with three property owners to purchase property for $1,675,000 at an interest rate of 5%. The City renegotiated the payment schedule with the final payment to be made in fiscal year 2018. In 2010, the City issued debt in the amount of $571,600 at an interest rate of 5.83% per annum, in order to provide funds to pay certain redevelopment costs within TAD II. The final payment will be made in fiscal year 2024 for the TAD II note.

The following is a schedule of the future required principal and interest payments on the intergovernmental agreement as of December 31, 2017:

	Governmental Activities		
Year Ended December 31,	**Principal**	**Interest**	**Total**
2018	$ 162,500	$ 104,015	$ 266,515
2019	170,000	97,515	267,515
2020	175,000	90,715	265,715
2021	180,000	85,465	265,465
2022	187,500	80,065	267,565
2023-2027	1,005,000	331,065	1,336,065
2028-2032	1,202,500	146,988	1,349,488
Total	3,082,500	$ 935,828	$ 4,018,328
Less current maturities	162,500		
Long-term	$ 2,920,000		

7. Component Unit - Rome Board of Education

Through an agency agreement, the School System became liable for $2,000,000 of Quality Zone Academy Bonds which are interest free and mature on July 15, 2018. Beginning July 15, 2005, the School System made the five annual installments of $257,531 which are invested into a sinking fund which will be used to retire the bonds at maturity. Payments for this debt are to be made from current Special Purpose Local Option Sales Tax proceeds. In addition, repayment of this debt is guaranteed by the full faith and credit and taxing power of the City of Rome and the School System.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

8. Changes in Long - Term Debt of the City

The following is a summary of changes in long-term debt of the City for fiscal year ended December 31, 2017. The General Fund has typically been used to liquidate the liability for compensated absences, notes payable and other long-term liabilities in the governmental activities:

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017	Due within one year	Due in more than one year
Governmental Activities:						
Certificates of Participation	$ 4,527,000	$ -	$ -	$ 4,527,000	$ -	$ 4,527,000
Bonds Payable	8,585,000	-	2,750,000	5,835,000	2,860,000	2,975,000
Unamortized Bond Premium	565,093	-	268,600	296,493	-	296,493
Notes Payable	712,195	-	233,452	478,743	206,853	271,890
Net OPEB Obligation	1,490,988	951,287	978,573	1,463,702	-	1,463,702
Intergovernmental Agreements	3,237,500	-	155,000	3,082,500	162,500	2,920,000
Net Pension Liability	25,223,851	7,416,091	10,839,718	21,800,224	-	21,800,224
Compensated Absences	999,183	691,257	658,970	1,031,470	773,603	257,867
Total Governmental Activities	$ 45,340,810	$ 9,058,635	$ 15,884,313	$ 38,515,132	$ 4,002,956	$ 34,512,176
Business-Type Activities:						
Revenue Bonds	$ 33,032,000	$ -	$ 5,337,000	$ 27,695,000	$ 1,006,000	$ 26,689,000
Unamortized Bond Premium	1,920,255	-	590,109	1,330,146	-	1,330,146
Notes Payable	2,263,267	-	103,715	2,159,552	105,947	2,053,605
Capital Lease Obligations	118,676	-	118,676	-	-	-
Landfill Closure / Postclosure	8,538,528	322,752	93,176	8,768,104	230,462	8,537,642
Compensated Absences	1,371,054	1,092,079	1,050,925	1,412,208	1,059,156	353,052
Total Business-Type Activities	$ 47,243,780	$ 1,414,831	$ 7,293,601	$ 41,365,010	$ 2,401,565	$ 38,963,445

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

8. Changes in Long - Term Debt of the City – Continued

Component Unit	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017	Due within one year	Due in more than one year
Greater Rome Convention & Visitors Bureau						
Compensated Absences	$ 31,726	$ 25,206	$ 21,832	$ 35,100	$ 26,325	$ 8,775
Total Greater Rome Convention and Visitors Bureau	$ 31,726	$ 25,206	$ 21,832	$ 35,100	$ 26,325	$ 8,775

Component Unit Rome Board of Education	Balance 6/30/2016	Additions	Deletions	Balance 6/30/2017	Due within one year	Due in more than one year
Construction Bonds	$ 2,000,000	$ -	$ -	$ 2,000,000	$ -	$ 2,000,000
Compensated Absences	53,836	120,316	122,637	51,515	51,515	-
Net Pension Liability	42,340,856	19,805,646	5,230,826	56,915,676	$ -	56,915,676
Total Rome Board of Education	$ 44,394,692	$ 19,925,962	$ 5,353,463	$ 58,967,191	$ 51,515	$ 58,915,676

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans

1. City of Rome

a) Plan Description

The City, as authorized by the City Commission, has established a defined benefit pension plan (The City of Rome Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

As provided by state law, benefit provisions for participants in GMEBS are established and amended by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. Plan benefit provisions are established by the City Commission. Employees are eligible to participate in the Plan upon hire. Covered employees are not required to contribute to the Plan. Employees become vested after 10 years of service. The benefits of the Plan are paid in the form of a monthly life annuity based on the employees' final average earnings. Benefits are calculated at 1.35% to 2.0% of the average monthly earnings for the period of the five highest years prior to retirement. Normal retirement age is 60 if employed prior to April 1, 1958, 62 if participant has 25 or more years of service, and 65 if employed on or after April 1, 1958 with less than 25 years of service. Effective for all employees hired subsequent to September 1, 2013, all retirement classification age brackets were increased two years.

Plan Membership. At July 1, 2017, the date of the most recent actuarial valuation, there were 1,042 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	346
Terminated vested participants not yet receiving benefits	117
Active employees - vested	314
Active employees - nonvested	265
Total	1,042

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan is to contribute an amount equal to or greater than the recommended contribution described below. For 2017, the actuarially determined contribution rate was 12.91% of covered payroll; actual contributions came to 13.16%. The City makes all contributions to the plan. For 2017, the City's contribution to the Plan was $3,164,134.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

b) Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 with update procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2017.

Actuarial assumptions. The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.25%
Investment rate of return	7.75%

Mortality rates for the July 1, 2016 valuation were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010–June 30, 2014.

Cost of living adjustments were assumed to be 3.25% for Class 5; 0.00% otherwise.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

b) Net Pension Liability of the City - Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2017 are summarized in the table below:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.71%
International equity	20%	7.71
Real estate	10%	5.21
Global fixed income	5%	3.36
Domestic fixed income	20%	2.11
Cash	—%	
Total	100%	

Discount rate. The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

b) Net Pension Liability of the City - Continued

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended December 31, 2017 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/16	$ 84,875,118	$ 59,651,267	$ 25,223,851
Changes for the year:			
Service cost	795,901	-	795,901
Interest	6,373,185	-	6,373,185
Differences between expected and actual experience	(387,547)	-	(387,547)
Contributions—employer	-	3,092,227	(3,092,227)
Net investment income	-	7,359,944	(7,359,944)
Benefit payments, including refunds of employee contributions	(5,280,938)	(5,280,938)	-
Administrative expense	-	(125,388)	125,388
Other changes	121,617	-	121,617
Net changes	1,622,218	5,045,845	(3,423,627)
Balances at 12/31/17	$ 86,497,336	$ 64,697,112	$ 21,800,224

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

b) Net Pension Liability of the City - Continued

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	$ 30,770,233	$ 21,800,224	$ 14,157,488

Changes in the Net Pension Liability of the City. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2017 and the current sharing pattern of costs between employer and employee.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

c) Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended December 31, 2017, the City recognized pension expense of $3,218,387. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,345,747	$ 290,661
Changes in assumptions	-	568,697
Net difference between projected and actual earnings on pension plan investments	11,137	-
City contributions subsequent to the measurement date	2,373,100	-
Total	$ 3,729,984	$ 859,358

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

c) Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

City contributions subsequent to the measurement date of $2,373,100 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:		
2018	$	335,599
2019		484,681
2020		242,574
2021		(565,328)
Total	$	497,526

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

2. City of Rome Defined Contribution Plan

a) Plan Description

The City participates in the Georgia Municipal Association 401(a) Defined Contribution Plan which is administered through the Georgia Municipal Association (GMA). The Plan is a governmental qualified defined contribution plan under Sections 401(a) and 414(d) of the Internal Revenue Code.

Employees are eligible to participate in the Plan after three months of continuous service. Covered employees are not required or permitted to contribute to the Plan. Vesting in the employer contribution portion of their accounts is based on years of participation. An employee is 100% vested after five years of participation. The City may amend any of the provisions in the adoption agreement with GMA by an official action from the City Commission and approval of GMA.

The City's contributions will be made to match all or a portion of an employee's contribution to an eligible 457(b) deferred compensation plan, including the GMA Deferred Compensation Plan. For each pay period in which the employee contributes to a 457 Plan of the City, the City will contribute on a dollar for dollar matching basis up to a maximum of 1¼ % of salary per Plan year. City contributions to the Plan for the year ended December 31, 2017 totaled $223,833.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

G. Postretirement Health Care and Life Insurance Benefits

In accordance with GASB 45 requirements, the City of Rome is required to attribute the cost of postretirement benefits to the time during which the employee is working for the employer. GASB 45 requires allocation of the costs of a postretirement benefit plan onto the years of active employment; it does not require the funding of such benefits. GASB 45 requirements were implemented by the City of Rome as of the year ended December 31, 2009. The City has elected not to establish a separate trust fund to account for other postemployment benefits, and has not funded the Plan as of December 31, 2017. The City of Rome Retirement Pension Insurance Plan is a single-employer defined benefit postemployment health care plan or other postemployment benefit (OPEB) plan.

The Rome City Commission has contracted with the Standard Insurance Company to administer postretirement life insurance benefits to all employees who retire under early or normal retirement provisions. There are no separately issued financial statements related to the City's Plan. The City's obligation to provide these benefits was created under a City ordinance. At age 65, life insurance coverage is reduced to 65% of the amount previously allowed under the Plan and at age 70, the coverage is reduced to 50% of the amount previously allowed under the Plan.

The City of Rome currently contracts with Blue Cross Blue Shield to administer the postretirement health care benefits. The City's obligation to provide these benefits was created under a City ordinance. Upon termination of employment, eligible employees are entitled to continue coverage, at their own cost, under the City's medical self-insurance plan (Note H.1) up to age 65. After 15 years of service, the City pays 10% of the retiree's share of charges from the City's medical self-insurance fund and life insurance carriers. The City's portion is increased 1% for each year of service to a maximum of 30%. For any employee hired after January 1, 2006, they are not eligible for postretirement health benefits. Currently, 100 retirees are enrolled in postretirement health care benefits. These postretirement benefits are funded on a pay-as-you-go-basis. In 2017, the net cost of premiums for providing postretirement benefits for retirees was approximately $146,706.

1. Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Health Care Plan as of July 1, 2016:

Active members	586
Retired members	203
Total	789

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

G. Postretirement Health Care and Life Insurance Benefits - Continued

2. Contributions

The City's Health Insurance Fund contributed $978,573 to the OPEB Health Care Plan in fiscal year 2017. The annual required contribution amount is determined using actuarial methods and assumptions approved by the Commission. The Commission established and may amend the funding policy for the OPEB Health Care Plan.

Annual Required Contribution	$ 827,592
Interest on Existing NOO	59,639
ARC Adjustment	64,056
Annual OPEB Cost	951,287
Actual Contributions made	978,573
Decrease in net OPEB obligation	(27,286)
Net OPEB Liability, December 31, 2016	1,490,988
Net OPEB Liability, December 31, 2017	$ 1,463,702

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

G. Postretirement Health Care and Life Insurance Benefits - Continued

3. OPEB Health Care Plan

Fiscal Year Ended December 31,	(1) Annual OPEB Cost	(2) Actual OPEB Contribution	(3) Percentage of OPEB Cost Contributed
2015	$ 1,093,233	$ 1,070,264	97.90%
2016	960,993	1,203,623	125.25%
2017	951,287	978,573	102.87%

As of the most recent valuation date, July 1, 2016, the funded status of the OPEB Health Care Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (ALL)	Unfunded ALL (UALL)	Funded Ratio	Covered Payroll	UALL as a Percentage of Covered Payroll
7/1/2016 *	$ -	$ 15,161,831	$15,161,831	0%	$ 24,386,654	62.17%

* Date of the most recent actuarial valuation.

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the Plan assets is increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at July 1, 2016. The assumptions used in the July 1, 2016 actuarial valuation are as follows:

Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Market Value of Assets
Assumed Rate of Return on Investments	4.00%
Inflation Rate	3.25%
Medical Cost Trend Rate	7.75%
Ultimate Medical Cost Trend Rate	5.75%
Year of Ultimate Trend Rate	2022
Amortization Method	Level Percentage, open
Remaining Amortization Period	30 years
Payroll Inflation Rate	3.25%

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

H. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for claims in excess of workers' compensation and medical care coverage provided by its internal service funds. The City participates in an insurance pool for all other risks of loss. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

The City participates in the Georgia Interlocal Risk Management Agency (GIRMA) Fund (the "Fund"). The Fund was established by the Georgia Municipal Association to insure members for property and casualty losses. The Fund is obligated to provide for the cost of property and casualty losses incurred by the City along with the cost of defending such claims and losses. The Fund is intended to be self-sustaining through member premiums. Accordingly, the City is required to pay premiums to the Fund based upon estimated claims and losses incurred by all members of the Fund. The City is responsible for a pro rata share of fund losses that exceed member contributions.

1. Health Insurance Fund

The Health Insurance Fund was established to provide resources for and payment of employee medical claims. The Fund covers all of the City's employees and employees of the Greater Rome Visitors and Convention Bureau component unit. The City pays approximately 85% of the employee's premiums and approximately 75% of dependent medical premiums. The City's portion of the medical premiums is transferred to the self-insurance fund each month. The employee's portion of the medical premiums are withheld from the employee's payroll and transferred to the self-insurance fund each month. Charges to other funds and the component units are treated as operating revenues in the self-insurance fund.

The self-insurance program is designed so that the City pays actual aggregate claims up to 110% of annual projected claims. Projected maximum claims for the Plan year beginning January 1, 2017 total $8,245,087. After the City's paid claims reach 110% of the annual projected claims, a private insurance carrier will pay the next $1,000,000 of claims. If the private insurance were to be exhausted, the City would be liable for any additional claims filed during the year. In addition to the annual limit, claims for any one claim which exceed $150,000 in the annual claims year will be covered by the private insurance carrier. The City has entered into a contract with a third party to administer the program.

The City has accrued a liability for medical claims that were incurred prior to year-end but were not paid or reported during the period. This liability is based upon historical experience and other factors. Changes in the balances of claims liabilities were as follows:

	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	End of Fiscal-Year Liability
2016	$ 699,076	$ 5,458,861	$ (5,608,861)	$ 549,076
2017	549,076	5,222,443	(5,271,519)	500,000

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

H. Risk Management - Continued

2. Workers' Compensation Self-Insurance Fund

The Workers' Compensation Fund was established to provide resources for payment of workers' compensation claims to the City and Greater Rome Convention & Visitors Bureau component unit employees. Individual departments and component units were charged for workers' compensation based upon previous insurance carriers' cost charges. Charges to other funds and component units are treated as operating revenues in the self-insurance fund. As of January 1, 2002, the City became fully insured through participation in the GMA Workers Compensation risk pool. This pool operates as a common risk management and insurance program for member local governments. As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claims or loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds. The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. Therefore, the City is not liable for workers' compensation claims occurring subsequent to January 1, 2002. However, the City continues to be responsible for outstanding claims filed prior to January 1, 2002. There is a stop-loss limit of $250,000 per claim covered through a private insurance carrier. Also, during 2017, the City recorded a reimbursement of $199,139 from the Subsequent Injury Trust Fund of the State.

The City has accrued a liability for workers' compensation claims that were incurred prior to January 1, 2002, but were not paid as of December 31, 2017. Also included in the accrued liability for workers' compensation claims are the outstanding deductibles owed by the City for all current claims. This liability is based upon historical experience and other factors. Changes in the balances of claims liabilities were as follows:

	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	End of Fiscal-Year Liability
2016	$ 265,000	$ 354,294	$ (389,294)	$ 230,000
2017	230,000	468,885	(423,885)	275,000

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

I. Contingent Liabilities

The City is involved in a number of legal matters, which either have or could result in litigation. In the opinion of City management, the ultimate outcome of these contingencies will not have a material impact on the financial position of the City.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowance, if any, will be immaterial.

The City has a property, old Fox Manufacturing Company site, listed on the Georgia Hazardous Site Inventory as Number 10012. The site has been used for the production of lumber and furniture from the late 1800's until the early 1980's. A Corrective Action Plan (CAP) was designed to explain conditions at the site and propose any remedial actions that might be necessary. Based on the findings presented in the CAP, the site is in compliance with Type 3 non-residential Risk Reduction Standards (RRS) except for a few locations within the site but those locations do comply with Type 1 or 2 residential RRS and/or Type 4 non-residential RRS.

J. Landfill Closure and Postclosure Care Cost

The City has closed and placed a final cover on its Walker Mountain Phase I - III landfill site and is currently operating Phases IV, V, VI and VII sites and C&D construction and demolition Phase I site. State and Federal laws and regulations require the City to perform certain maintenance and monitoring functions at these sites for 30 years after closure. Although these postclosure care costs will be paid only after the date that the landfill stops accepting waste, the City has reported these postclosure care costs as an operating expense in the current and prior years based on landfill capacity used as of each statement of net position date. The $2,447,100 ($123,027 current) reported as postclosure care liability at December 31, 2017, represents the cumulative amount reported to date based on the use of 100% of the capacity of Phase I - VI of the landfill and 66% of the capacity of Phase VII. The $1,326,887 ($46,072 current) reported as postclosure care liability at December 31, 2017 represents the cumulative amount reported to date based on the use of 96% of the capacity of Phase I of C&D. In addition, $3,889,583 has been accrued at December 31, 2017 for closure costs for Phases IV, V, VI, and VII and the C&D sites based on the landfill capacity used as of the statement of net position date. The estimated remaining life of the Walker Mountain landfill is 30 years.

Under an agreement with Floyd County, the County will provide certain financial resources to the City's Solid Waste Commission Fund and the Solid Waste Commission Fund will pay for the postclosure care costs at a landfill site previously operated by the County (Berryhill site). Accordingly, a liability for postclosure costs totaling $1,104,534 ($61,363 current) has been recognized in the Solid Waste Commission Fund as of December 31, 2017. This represents approximately 100 percent of the estimated total future postclosure costs for this landfill site.

The liability for closure and postclosure care costs is based on what it would cost to perform all closure and postclosure care as of December 31, 2017 and is subject to changes resulting from inflation, deflation, technology or changes in laws or regulations. These costs are expected to be funded by revenues generated from future landfill operations. The Subtitle D landfill is jointly owned by the City and Floyd County and is operated by the Solid Waste Commission Fund. This fund is intended to be self-supporting by user fees. However, under a contract between the City and the County, the City and County are each responsible for fifty percent of any costs not funded by user fees.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

K. Joint Venture

Under Georgia law, the City in conjunction with other cities and counties in the Northwest Georgia area, is a member of the Northwest Georgia Regional Commission (NWGRC). Membership in a NWGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the NWGRC. Membership in the NWGRC 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 NWGRC. During fiscal year 2017, the City paid dues in the amount of $36,407 to the NWGRC. The financial burdens of the City related to the NWGRC are limited to the amount of the City's annual dues. Separate financial statements may be obtained from the Northwest Georgia Regional Commission, PO Box 1798, Rome, Georgia 30162.

L. Hotel/Motel Tax

The City of Rome levies an 8% lodging tax. In 1995, the City of Rome and Floyd County imposed a 1% tax for the purpose of promoting tourism, conventions and trade shows. In July 2014, the lodging tax was increased to 8%. The additional 2% is for operations and maintenance of the Rome Tennis Center at Berry College. A summary of transactions for the fiscal year ended December 31, 2017 is as follows:

	5% Levy	1% Levy	2% Levy
Balance as of December 31, 2016	$ 527,592	$ 92,961	$ -
2017 Tax Revenues	830,388	166,077	332,155
2017 Interest Revenue	4,482	897	-
2017 Expenditures			
Greater Rome Convention & Visitors Bureau	540,000	55,162	-
City of Rome	13,186	-	-
Floyd County	-	66,292	-
Transfer to Tennis Center	-	-	331,458
Balance as of December 31, 2017	$ 809,276	$ 138,481	$ 697

Expenditures paid with the 1% hotel/motel tax were used to promote tourism, conventions and trade shows as required by O.C.G.A. 48-13-51. Expenditures of $121,454 made during 2017 were 73.1% of total 2017 1% tax collections and expenditures of $553,186 were 66.7% of 2017 5% tax collections.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

M. Related Organizations

The Rome City Commission is responsible for appointing all board members of the Northwest Georgia Housing Authority. However, the City has no further accountability for the Authority.

N. Short Term Debt

In anticipation of tax receipts in November, the City of Rome issued $4,850,000 of Tax Anticipation Notes in June of 2017. These notes matured and were paid in full on December 13, 2017. Interest expense of $36,605 was paid on the borrowings.

Fiscal Year Beginning Balance	Additions	Deletions	Ending Fiscal Year Balance
$ -	$4,585,000	$4,585,000	$ -

O. Agency Agreement

In May of 2004, the School Building Authority was created by an act of the General Assembly of the State of Georgia. This Authority is a separate legal entity whose sole purpose was to issue Quality Zone Academy Bonds for the Rome Board of Education (District).

In June 2004, the City of Rome, through the City of Rome School Building Authority entered into an agency agreement with the District.

This agency agreement authorizes the District as the agent of the Building Authority for the specific purpose of constructing the school improvement projects as outlined in the agreement. The District will become liable for $2,000,000 of Quality Zone Academy Bonds which are interest free and mature on July 15, 2018. Beginning July 15, 2005, the District made the first of the five annual installments of $257,531 which are invested into a sinking fund which will be used to retire the bonds at maturity. Payments for this debt are to be made from current Special Purpose Local Option Sales Tax proceeds. In addition, repayment of this debt is guaranteed by the full faith and credit and taxing power of the City of Rome and the District.

P. Construction Commitments

The City of Rome has a several active construction projects as of December 31, 2017. These projects are associated with water and sewer improvements and public works construction. They are all financed with SPLOST proceeds and budgeted capital monies.

Project	Remaining Commitment
Northeast Sewer Interceptor	$ 121,262
Burnett Ferry Road	678,645

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

Q. Tax Abatements

For the year ended December 31, 2017, City property tax revenues were reduced by $705,202 under agreements entered into by the Rome Floyd County Development Authority. Under the agreements, taxes on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

R. Restatement of Beginning Balances

Management of the City has determined that a restatement to beginning net position of governmental activities is necessary to report transactions that occurred in prior fiscal periods.

The restatement pertains to the City recognizing that certain infrastructure assets, in prior years, have been over depreciated within the City's capital asset reports. As a result a restatement is needed to correct the prior year balance of accumulated depreciation as well as prior year beginning net position at the government wide level.

The net effect of the restatement to beginning net position is shown below:

Net position, governmental activities, previously reported	$ 132,961,868
To adjust accumulated depreciation from prior year	4,672,093
Net position, governmental activities, as restated	$ 137,633,961

REQUIRED SUPPLEMENTARY INFORMATION

The City of Rome General Fund schedule of revenues and expenditures, budget and actual is presented as required supplementary information to the basic financial statements. The General Fund is the primary operating fund of the City and is presented as a major fund in the basic financial statements.

The City of Rome Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of City Contributions, and Schedule of Funding Progress for the OPEB Health Care Plan are presented as required supplementary information to the basic financial statements.

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Ad valorem taxes:				
Real and personal property:				
Current year	$ 7,750,000	$ 7,750,000	$ 8,484,415	$ 734,415
Prior years	900,000	1,300,000	1,538,395	238,395
Public utilities	300,000	300,000	344,908	44,908
Motor vehicles	175,000	175,000	209,539	34,539
Tag Title Fee	750,000	764,730	890,404	125,674
Mobile homes	2,000	2,000	1,263	(737)
Timber tax	1,000	1,000	-	(1,000)
Total ad valorem taxes	9,878,000	10,292,730	11,468,924	1,176,194
Other taxes:				
Intangible tax	190,000	190,000	353,218	163,218
Insurance premium tax	2,100,000	2,155,000	2,435,462	280,462
Franchise tax	3,490,000	3,490,000	3,220,352	(269,648)
Local option sales tax	5,800,000	5,800,000	5,674,565	(125,435)
Real estate transfer tax	25,000	25,000	96,358	71,358
Tax on liquor and wine	800,000	800,000	775,287	(24,713)
Mixed drink tax	74,000	74,000	92,133	18,133
Total other taxes	12,479,000	12,534,000	12,647,375	113,375
Licenses, permits and fees:				
Business licenses	1,814,000	1,814,000	1,869,037	55,037
Permits and fees	124,000	124,000	118,686	(5,314)
Total licenses, permits and fees	1,938,000	1,938,000	1,987,723	49,723
Intergovernmental:				
Highway maintenance	120,000	120,000	120,190	190
Traffic signals	55,000	55,000	55,450	450
County environmental information	55,000	55,000	7,661	(47,339)
Entitlement reimbursement	25,000	25,000	34,109	9,109
Housing authority	55,000	55,000	62,940	7,940
Grant reimbursement	-	-	71,682	71,682
Total intergovernmental	310,000	310,000	352,032	42,032

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Fines and forfeitures:				
Police court fines and fees	$ 1,335,000	$ 1,335,000	$ 1,128,776	$ (206,224)
Total fines and forfeitures	1,335,000	1,335,000	1,128,776	(206,224)
Other revenues:				
Charges for services	-	-	165,431	165,431
Interest and costs	300,000	300,000	238,146	(61,854)
Cemetery revenue	140,000	140,000	150,274	10,274
Rent	100,000	250,000	117,557	(132,443)
Interest on investments	21,130	21,130	67,229	46,099
Miscellaneous revenue	40,000	40,000	66,044	26,044
Total other revenues	601,130	751,130	804,681	53,551
TOTAL REVENUES	26,541,130	27,160,860	28,389,511	1,228,651

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CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES:				
GENERAL GOVERNMENT				
City Commission:				
Personal services	$ 163,280	$ 163,400	$ 163,340	$ 60
Supplies	7,120	9,700	9,658	42
Other services and charges	45,950	51,500	51,502	(2)
Total City Commission	216,350	224,600	224,500	100
Municipal Court:				
Personal services	298,810	298,810	285,564	13,246
Supplies	20,700	20,700	15,513	5,187
Other services and charges	66,150	66,150	83,423	(17,273)
Total Municipal Court	385,660	385,660	384,500	1,160
Manager's Office:				
Personal services	237,150	269,000	268,951	49
Supplies	9,580	9,580	8,712	868
Other services and charges	12,320	12,320	11,991	329
Total Manager's Office	259,050	290,900	289,654	1,246
Clerk's Office:				
Personal services	332,950	336,000	335,915	85
Supplies	10,000	10,000	9,471	529
Other services and charges	14,900	14,900	14,309	591
Total Clerk's Office	357,850	360,900	359,695	1,205
Finance:				
Personal services	511,230	511,230	508,462	2,768
Supplies	12,250	12,250	11,493	757
Other services and charges	8,600	8,600	7,289	1,311
Total Finance	532,080	532,080	527,244	4,836

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Human Resources:				
Personal services	$ 282,360	$ 286,500	$ 286,222	$ 278
Supplies	16,590	16,590	11,412	5,178
Other services and charges	43,050	38,910	35,735	3,175
Total Human Resources	342,000	342,000	333,369	8,631
Purchasing:				
Personal services	273,320	273,320	239,957	33,363
Supplies	6,550	6,550	6,665	(115)
Other services and charges	10,450	10,450	8,586	1,864
Total Purchasing	290,320	290,320	255,208	35,112
Information Technology:				
Personal services	348,820	348,820	347,441	1,379
Supplies	222,770	222,770	201,062	21,708
Other services and charges	16,290	16,290	12,920	3,370
Total Information Technology	587,880	587,880	561,423	26,457
Assistant City Manager:				
Personal services	114,180	114,300	114,225	75
Supplies	1,450	1,450	289	1,161
Other services and charges	10,400	10,280	5,896	4,384
Total Assistant City Manager	126,030	126,030	120,410	5,620
General Administration:				
Personal services	2,268,670	2,730,670	2,685,547	45,123
Supplies	21,100	21,100	6,850	14,250
Other services and charges	556,000	581,500	577,697	3,803
Total General Administration	2,845,770	3,333,270	3,270,094	63,176

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Total General Government:				
Personal services	$ 4,830,770	$ 5,332,050	$ 5,235,624	$ 96,426
Supplies	328,110	330,690	281,125	49,565
Other services and charges	784,110	810,900	809,348	1,552
TOTAL GENERAL GOVERNMENT	5,942,990	6,473,640	6,326,097	147,543
PUBLIC SAFETY				
Police:				
Personal services	6,904,610	6,904,610	6,653,793	250,817
Supplies	634,700	634,700	533,231	101,469
Other services and charges	315,070	315,070	312,663	2,407
Total Police	7,854,380	7,854,380	7,499,687	354,693
Police Training Center:				
Supplies	49,320	49,320	53,433	(4,113)
Other services and charges	79,050	79,050	77,048	2,002
Total Police Training Center	128,370	128,370	130,481	(2,111)
Total Public Safety:				
Personal services	6,904,610	6,904,610	6,653,793	250,817
Supplies	684,020	684,020	586,664	97,356
Other services and charges	394,120	394,120	389,711	4,409
TOTAL PUBLIC SAFETY	7,982,750	7,982,750	7,630,168	352,582
PUBLIC WORKS				
Public Works Office:				
Personal services	360,920	366,500	366,059	441
Supplies	23,400	40,000	40,303	(303)
Other services and charges	14,370	15,000	14,666	334
Total Public Works Office	398,690	421,500	421,028	472

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Engineering:				
Personal services	$ 423,350	$ 426,000	$ 425,702	$ 298
Supplies	18,530	14,000	13,714	286
Other services and charges	6,510	31,000	30,899	101
Total Engineering	448,390	471,000	470,315	685
Streets and Drainage:				
Personal services	1,948,120	1,948,120	1,896,581	51,539
Supplies	364,200	364,200	257,927	106,273
Other services and charges	52,100	52,100	43,343	8,757
Total Streets and Drainage	2,364,420	2,364,420	2,197,851	166,569
Clean It or Lien It Demolition:				
Supplies	20,000	20,000	(8,265)	28,265
Other services and charges	15,000	15,000	(8,973)	23,973
Total Clean It or Lien It Demolition	35,000	35,000	(17,238)	52,238
Electrical/Traffic Control:				
Personal services	264,030	264,030	263,413	617
Supplies	51,000	51,000	45,994	5,006
Other services and charges	39,280	39,280	36,027	3,253
Total Electrical/Traffic Control	354,310	354,310	345,434	8,876
Street Lighting:				
Supplies	3,000	3,000	3,682	(682)
Other services and charges	927,500	927,500	874,936	52,564
Total Street Lighting	930,500	930,500	878,618	51,882
Buildings and Grounds:				
Supplies	1,000	1,000	-	1,000
Other services and charges	2,300	2,300	1,446	854
Total Buildings and Grounds	3,300	3,300	1,446	1,854

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Cemetery:				
Personal services	$ 322,570	$ 322,570	$ 317,175	$ 5,395
Supplies	33,920	33,920	29,821	4,099
Other services and charges	27,540	27,540	25,702	1,838
Payments for inmate charges	50,000	50,000	48,720	1,280
Total Cemetery	434,030	434,030	421,418	12,612
Garage:				
Personal services	546,660	546,660	486,156	60,504
Supplies	90,370	90,370	109,536	(19,166)
Other services and charges	39,900	39,900	33,843	6,057
Total Garage	676,930	676,930	629,535	47,395
Total Public Works:				
Personal services	3,865,650	3,873,880	3,755,086	118,794
Supplies	605,420	617,490	492,712	124,778
Other services and charges	1,124,500	1,149,620	1,051,889	97,731
Payments	50,000	50,000	48,720	1,280
TOTAL PUBLIC WORKS	5,645,570	5,690,990	5,348,407	342,583
PUBLIC FACILITIES				
City Auditorium:				
Personal services	168,310	168,400	168,365	35
Supplies	50,000	60,500	60,216	284
Other services and charges	111,100	106,000	105,655	345
Total City Auditorium	329,410	334,900	334,236	664
Civic Center:				
Supplies	8,400	17,000	16,544	456
Other services and charges	25,620	22,000	21,791	209
Total Civic Center	34,020	39,000	38,335	665

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Other Facilities:				
Supplies	$ 56,960	$ 94,300	$ 93,695	$ 605
Other services and charges	65,490	62,550	61,839	711
Total Other Facilities	122,450	156,850	155,534	1,316
Total Public Facilities:				
Personal services	168,310	168,400	168,365	35
Supplies	115,360	171,800	170,455	1,345
Other services and charges	202,210	190,550	189,285	1,265
TOTAL PUBLIC FACILITIES	485,880	530,750	528,105	2,645
PUBLIC SERVICES				
Community Services:				
Other services and charges	275,200	275,400	213,099	62,301
Total Community Services	275,200	275,400	213,099	62,301
Environmental Information:				
Personal Services	201,620	213,500	213,356	144
Supplies	9,400	8,500	8,316	184
Other services and charges	24,430	22,000	21,473	527
Total Environmental Information	235,450	244,000	243,145	855
Public Information Coordinator:				
Personal Services	-	-	7,000	(7,000)
Other services and charges	14,000	14,000	7,000	7,000
Total Public Information Coordinator	14,000	14,000	14,000	-
Community Events:				
Supplies	2,800	2,800	909	1,891
Other services and charges	18,400	18,400	15,682	2,718
Total Community Events	21,200	21,200	16,591	4,609

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Roman Holiday Boat:				
Supplies	$ 6,650	$ 6,650	$ 3,359	$ 3,291
Other services and charges	22,100	22,100	21,811	289
Total Roman Holiday Boat	28,750	28,750	25,170	3,580
Trolley:				
Personal services	530	530	624	(94)
Supplies	1,050	1,050	548	502
Other services and charges	600	600	460	140
Total Trolley	2,180	2,180	1,632	548
Total Public Services:				
Personal services	202,150	214,030	220,980	(6,950)
Supplies	19,900	19,000	13,132	5,868
Other services and charges	354,730	352,500	279,525	72,975
TOTAL PUBLIC SERVICES	576,780	585,530	513,637	71,893
COMMUNITY DEVELOPMENT				
Personal services	-	261,000	250,660	10,340
Supplies	-	25,000	24,045	955
Other services and charges	-	33,000	32,739	261
TOTAL COMMUNITY DEVELOPMENT	-	319,000	307,444	11,556
TOTAL EXPENDITURES	20,633,970	21,582,660	20,653,858	928,802
OTHER FINANCING SOURCES AND USES:				
TRANSFERS IN:				
Water and Sewer Fund	1,378,190	1,453,190	1,453,890	700
Building Inspection Fund	61,920	61,920	67,736	5,816
Transit Fund	272,630	298,630	300,957	2,327
Fire Fund	1,337,500	1,417,500	1,420,905	3,405
Solid Waste Commission Fund	84,300	96,300	96,365	65
Forum Parking Deck Fund	-	-	24,000	24,000
Tourism Fund	47,730	34,230	-	(34,230)
Hotel/Motel Tax Fund	65,000	65,000	-	(65,000)
Downtown Development Fund	13,550	13,550	-	(13,550)
Solid Waste Fund	168,000	200,000	200,639	639
Planning Commission Fund	33,670	33,670	37,396	3,726
Downtown Parking Fund	14,780	14,780	-	(14,780)
Tennis Fund	42,900	42,900	39,992	(2,908)
Community Development Fund	16,410	16,410	-	(16,410)
Insurance Fund	11,320	11,320	-	(11,320)
Workers' Compensation Fund	50,000	50,000	-	(50,000)
Renewal and Extension Fund	68,700	68,700	64,045	(4,655)
TOTAL TRANSFERS IN	3,666,600	3,878,100	3,705,925	(172,175)

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
TRANSFERS OUT:				
Planning Commission Fund	$ 159,760	$ 210,800	$ 210,675	$ 125
Capital Fund	395,000	395,000	395,000	-
Transit Fund	477,000	496,500	473,026	23,474
Community Development Fund	112,000	112,000	93,698	18,302
Fire Fund	6,300,000	6,370,000	6,370,000	-
Golf Fund	565,000	600,000	600,000	-
Solid Waste Management Fund	1,405,000	1,430,000	1,430,000	-
Downtown Development Fund	160,000	161,000	-	161,000
TOTAL TRANSFERS OUT	9,573,760	9,775,300	9,572,399	202,901
TOTAL OTHER FINANCING SOURCES (USES)	(5,907,160)	(5,897,200)	(5,866,474)	30,726
Net change in fund balance	-	(319,000)	1,869,179	
FUND BALANCE, BEGINNING OF YEAR	17,283,339	17,283,339	17,283,339	
FUND BALANCE, END OF YEAR	$ 17,283,339	$ 16,964,339	$ 19,152,518	

City of Rome, Georgia

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

December 31, 2017

NOTE I – BUDGETARY INFORMATION AND RECONCILIATION

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except for the Capital Projects Funds, which adopt project length budgets.

In August of each year, all departments of the City submit a budgetary request to the City Manager. In November, the City Manager presents the proposed budgets to the Finance Committee of the City Commission. The City Commission adopts the final budgets in December of each year. During the year, the City made budgetary amendments totaling $1,298,460, which were approved by the City Commission. The main reason for these amendments was to better align budgeted expenditures with a decrease in actual revenues. This information was not available during the original budget process.

Budgetary appropriations are made at the object level within each department. The legal level of budgetary control is at the department level. Budget amendments which affect a department's total appropriations or transfers between funds must be authorized by the City Commission through a budget revision. All appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects Funds. All encumbrances lapse at year end.

B. Budget/GAAP Reconciliation

Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual are presented as required supplemental information for the General Fund. This fund has an annual budget adopted on a GAAP basis.

Annual budgets are not adopted for the Capital Projects funds since they are controlled by project budgets adopted at the initiation of the project. Annual budgets are adopted for proprietary funds for management control purposes only since they are not legally required.

CITY OF ROME, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS

	2017	2016	2015
Total pension liability			
Service cost	$ 795,901	$ 744,598	$ 789,416
Interest on total pension liability	6,373,185	6,093,495	5,972,746
Differences between expected and actual experience	(387,547)	1,852,264	1,678,459
Changes of assumptions	-	-	(2,274,787)
Change of benefit terms	121,617	-	-
Benefit payments, including refunds of employee contributions	(5,280,938)	(4,881,972)	(4,333,589)
Net change in total pension liability	1,622,218	3,808,385	1,832,245
Total pension liability - beginning	84,875,118	81,066,733	79,234,488
Total pension liability - ending (a)	$ 86,497,336	$ 84,875,118	$ 81,066,733
Plan fiduciary net position			
Contributions - employer	$ 3,092,227	$ 3,067,188	$ 3,005,912
Net investment income	7,359,944	160,536	5,492,303
Benefit payments, including refunds of member contributions	(5,280,938)	(4,881,972)	(4,333,589)
Administrative expenses	(125,388)	(93,523)	(84,874)
Net change in plan fiduciary net position	5,045,845	(1,747,771)	4,079,752
Plan fiduciary net position - beginning	59,651,267	61,399,038	57,319,286
Plan fiduciary net position - ending (b)	$ 64,697,112	$ 59,651,267	$ 61,399,038
City's net pension liability - ending (a) - (b)	$ 21,800,224	$ 25,223,851	$ 19,667,695
Plan fiduciary net position as a percentage of the total pension liability	74.80%	70.28%	75.74%
Covered-employee payroll	$ 25,117,322	$ 24,044,603	$ 23,529,213
City's net pension liability as a percentage of covered-employee payroll	86.79%	104.90%	83.59%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF ROME, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	2017	2016	2015
Actuarially determined contribution	$ 3,155,064	$ 2,918,508	$ 3,007,137
Contributions in relation to the actuarially determined contribution	3,164,134	3,066,825	3,067,144
Contribution deficiency (excess)	$ (9,070)	$ (148,317)	$ (60,007)
Covered-employee payroll	$ 24,044,603	$ 23,529,213	$ 24,044,603
Contributions as a percentage of covered-employee payroll	13.16%	13.03%	12.76%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	July 1, 2016
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost-of-living Adjustment	3.25% for Class 5; 0.00% otherwise
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective period of 10 years

(2) The schedule will present 10 years of information once it is accumulated.

CITY OF ROME, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2017

SCHEDULE OF FUNDING PROGRESS

OPEB Health Care Plan

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Over (Under) Funded (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
9/1/2008	$ -	$ 12,010,276	0.00%	$ 12,010,276	$ 20,830,401	57.66%
7/1/2010	-	10,660,924	0.00%	10,660,924	18,816,803	56.66%
7/1/2012	-	11,082,562	0.00%	11,082,562	19,778,653	56.03%
7/1/2014	-	10,962,835	0.00%	10,962,835	21,730,248	50.45%
7/1/2016*	-	15,161,831	0.00%	15,161,831	24,386,654	62.17%

Note: See assumptions used for these schedules disclosed in the notes to the financial statements.

* - Date of most recent actuarial valuation.

NONMAJOR GOVERNMENTAL FUNDS
COMBINED STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Special revenue funds are used to account for specific revenue sources that are restricted or committed to expenditures for specific purposes.

Community Development Fund -	to account for community development projects generally financed by various grants and entitlements.
Planning Commission Fund -	to account for activities related to transportation planning, land use planning, and land development regulations for the City of Rome and Floyd County.
Hotel/Motel Tax Fund -	to account for the collection and disbursement of hotel/ motel taxes.
Business Improvement District Fund -	to account for funds for downtown promotional activities funded by a special millage assessment.
Tax Allocation District Fund -	to account for funds for improvements within the special tax districts.
Forum Parking Deck Fund -	to account for the activities related to a parking deck jointly owned with Floyd County.

NONMAJOR GOVERNMENTAL FUNDS – Continued

Capital Projects Funds are used to account for the acquisition or construction of capital equipment or facilities other than those accounted for in proprietary or trust funds.

Entitlement Fund – to account for capital activities related to the Federal Grant entitlement awards.

CITY OF ROME, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	Nonmajor Governmental Funds		
	Nonmajor Special Revenue Funds	**Nonmajor Capital Projects Funds (Entitlement Fund)**	**Total Nonmajor Governmental Funds**
ASSETS			
Cash	$ 2,209,395	$ 2	$ 2,209,397
Taxes receivable, net of allowance for uncollectibles	23,196	-	23,196
Accounts receivable, net of allowance for uncollectibles	88,936	-	88,936
Accounts receivable loans	185,444	-	185,444
Due from other funds	14,392	-	14,392
Due from other governments	117,226	13,005	130,231
Total assets	$ 2,638,589	$ 13,007	$ 2,651,596
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 10,801	$ 5,684	$ 16,485
Accrued liabilities	7,599	-	7,599
Due to component unit	5,049	-	5,049
Due to other governments	17,588	-	17,588
Due to other funds	98,513	7,321	105,834
Total liabilities	139,550	13,005	152,555
FUND BALANCES			
Restricted for:			
Revolving loans and housing initiatives	767,443	-	767,443
Planning and zoning activities	198,434	-	198,434
Tourism & forum promotion	948,454	-	948,454
Capital improvements	476,516	2	476,518
Forum parking deck operations	91,335	-	91,335
Assigned for:			
Community development operations	16,857	-	16,857
Total fund balances	2,499,039	2	2,499,041
TOTAL LIABILITIES AND FUND BALANCES	$ 2,638,589	$ 13,007	$ 2,651,596

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	Nonmajor Governmental Funds		
	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds (Entitlement Fund)	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	$ 736,906	$ 442,288	$ 1,179,194
Charges for services	147,343	-	147,343
Taxes	1,579,341	-	1,579,341
Interest earned	14,852	-	14,852
Miscellaneous	290,009	-	290,009
TOTAL REVENUES	2,768,451	442,288	3,210,739
EXPENDITURES			
Community development	983,886	-	983,886
Public facilities	717,507	-	717,507
Capital outlay	-	442,288	442,288
Debt service:			
Principal	34,950	-	34,950
Interest	20,050	-	20,050
TOTAL EXPENDITURES	1,756,393	442,288	2,198,681
EXCESS OF REVENUES OVER EXPENDITURES	1,012,058	-	1,012,058
OTHER FINANCING SOURCES AND USES			
Transfers in	304,373	-	304,373
Transfers out	(392,854)	-	(392,854)
	(88,481)	-	(88,481)
NET CHANGE IN FUND BALANCES	923,577	-	923,577
FUND BALANCES - BEGINNING OF YEAR	1,575,462	2	1,575,464
FUND BALANCES - END OF YEAR	$ 2,499,039	$ 2	$ 2,499,041

CITY OF ROME, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
December 31, 2017

	Community Development Fund	Planning Commission Fund	Hotel/Motel Tax Fund	Business Improvement District Fund	Tax Allocation District Fund	Forum Parking Deck Fund	Total Nonmajor Special Revenue Funds
ASSETS							
Cash	$ 607,464	$ 148,220	$ 903,563	$ 93,287	$ 364,179	$ 92,682	$ 2,209,395
Taxes receivable, net of allowance for uncollectibles	-	-	-	1,873	21,323	-	23,196
Accounts receivable, net of allowance for uncollectibles	-	-	88,936	-	-	-	88,936
Accounts receivable loans	185,444	-	-	-	-	-	185,444
Due from other funds	4,980	9,051	-	-	352	9	14,392
Due from other governments	58,948	55,480	-	808	990	1,000	117,226
Total assets	$ 856,836	$ 212,751	$ 992,499	$ 95,968	$ 386,844	$ 93,691	$ 2,638,589
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 4,958	$ 3,853	$ -	$ -	$ -	$ 1,990	$ 10,801
Accrued liabilities	2,446	4,922	-	-	-	231	7,599
Due to component unit	-	-	5,049	-	-	-	5,049
Due to other governments	-	-	11,292	-	6,296	-	17,588
Due to other funds	65,132	5,542	27,704	-	-	135	98,513
Total liabilities	72,536	14,317	44,045	-	6,296	2,356	139,550
FUND BALANCES							
Restricted for:							
Revolving loans and housing initiatives	767,443	-	-	-	-	-	767,443
Planning and zoning activities		198,434	-	-	-	-	198,434
Tourism & forum promotion	-	-	948,454	-	-	-	948,454
Capital improvements	-	-	-	95,968	380,548	-	476,516
Forum parking deck operations	-	-	-	-	-	91,335	91,335
Assigned for:							
Community development operations	16,857	-	-	-	-	-	16,857
Total fund balances	784,300	198,434	948,454	95,968	380,548	91,335	2,499,039
TOTAL LIABILITIES AND FUND BALANCES	$ 856,836	$ 212,751	$ 992,499	$ 95,968	$ 386,844	$ 93,691	$ 2,638,589

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	Community Development Fund	Planning Commission Fund	Hotel/Motel Tax Fund	Business Improvement District Fund	Tax Allocation District Fund	Forum Parking Deck Fund	Total Nonmajor Special Revenue Funds
REVENUES							
Intergovernmental	$ 432,314	$ 304,592	$ -	$ -	$ -	$ -	$ 736,906
Charges for services	1,903	11,035	-	32,872	-	101,533	147,343
Taxes	-	-	1,328,620	65,737	184,984	-	1,579,341
Interest earned	6,885	368	5,379	371	1,442	407	14,852
Miscellaneous	290,009	-	-	-	-	-	290,009
TOTAL REVENUES	731,111	315,995	1,333,999	98,980	186,426	101,940	2,768,451
EXPENDITURES							
Community development	541,868	350,555	-	77,501	13,962	-	983,886
Public facilities	-	-	674,640	-	-	42,867	717,507
Debt Service:							
Principal	-	-	-	-	34,950	-	34,950
Interest	-	-	-	-	20,050	-	20,050
TOTAL EXPENDITURES	541,868	350,555	674,640	77,501	68,962	42,867	1,756,393
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	189,243	(34,560)	659,359	21,479	117,464	59,073	1,012,058
OTHER FINANCING SOURCES (USES)							
Transfers in	93,698	210,675	-	-	-	-	304,373
Transfers out	-	(37,396)	(331,458)	-	-	(24,000)	(392,854)
TOTAL OTHER FINANCING SOURCES (USES)	93,698	173,279	(331,458)	-	-	(24,000)	(88,481)
NET CHANGE IN FUND BALANCES	282,941	138,719	327,901	21,479	117,464	35,073	923,577
FUND BALANCES - BEGINNING OF YEAR	501,359	59,715	620,553	74,489	263,084	56,262	1,575,462
FUND BALANCES - END OF YEAR	$ 784,300	$ 198,434	$ 948,454	$ 95,968	$ 380,548	$ 91,335	$ 2,499,039

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL

CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	Community Development			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 395,500	$ 530,230	$ 432,314	$ (97,916)
Charges for services	-	-	1,903	1,903
Interest earned	-	-	6,885	6,885
Miscellaneous	-	-	290,009	290,009
Total revenues	395,500	530,230	731,111	200,881
EXPENDITURES				
Community development	491,090	625,820	541,868	83,952
Total expenditures	491,090	625,820	541,868	83,952
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(95,590)	(95,590)	189,243	284,833
OTHER FINANCING SOURCES (USES)				
Transfers in	112,000	112,000	93,698	(18,302)
Transfers out	(16,410)	(16,410)	-	16,410
	95,590	95,590	93,698	(1,892)
NET CHANGE IN FUND BALANCE	-	-	282,941	282,941
FUND BALANCE, BEGINNING OF YEAR	501,359	501,359	501,359	-
FUND BALANCE, END OF YEAR	$ 501,359	$ 501,359	$ 784,300	$ 282,941

CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	Planning Commission			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 272,260	$ 272,260	$ 304,592	$ 32,332
Charges for services	8,500	8,500	11,035	2,535
Interest earned	-	-	368	368
Total revenues	280,760	280,760	315,995	35,235
EXPENDITURES				
Community development	440,520	440,520	350,555	89,965
Total expenditures	440,520	440,520	350,555	89,965
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(159,760)	(159,760)	(34,560)	125,200
OTHER FINANCING SOURCES (USES)				
Transfers in	159,760	159,760	210,675	50,915
Transfers out	-	-	(37,396)	(37,396)
	159,760	159,760	173,279	13,519
NET CHANGE IN FUND BALANCE	-	-	138,719	138,719
FUND BALANCE, BEGINNING OF YEAR	59,715	59,715	59,715	-
FUND BALANCE, END OF YEAR	$ 59,715	$ 59,715	$ 198,434	$ 138,719

CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	Hotel/Motel Tax			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 1,160,000	$ 1,160,000	$ 1,328,620	$ 168,620
Interest earned	-	-	5,379	5,379
Total revenues	1,160,000	1,160,000	1,333,999	173,999
EXPENDITURES				
Public facilities	805,000	805,000	674,640	130,360
Total expenditures	805,000	805,000	674,640	130,360
EXCESS OF REVENUES OVER EXPENDITURES	355,000	355,000	659,359	304,359
OTHER FINANCING USES				
Transfers out	(355,000)	(355,000)	(331,458)	(23,542)
	(355,000)	(355,000)	(331,458)	(23,542)
NET CHANGE IN FUND BALANCE	-	-	327,901	327,901
FUND BALANCE, BEGINNING OF YEAR	620,553	620,553	620,553	-
FUND BALANCE, END OF YEAR	$ 620,553	$ 620,553	$ 948,454	$ 327,901

CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	Business Improvement District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 52,000	$ 52,000	$ 32,872	$ (19,128)
Taxes	35,500	35,500	65,737	30,237
Interest earned	-	-	371	371
Total revenues	87,500	87,500	98,980	11,480
EXPENDITURES				
Community development	87,500	87,500	77,501	9,999
Total expenditures	87,500	87,500	77,501	9,999
NET CHANGE IN FUND BALANCE	-	-	21,479	21,479
FUND BALANCE, BEGINNING OF YEAR	74,489	74,489	74,489	-
FUND BALANCE, END OF YEAR	$ 74,489	$ 74,489	$ 95,968	$ 21,479

CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	Tax Allocation District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 195,000	$ 195,000	$ 184,984	$ (10,016)
Interest earned	-	-	1,442	1,442
Total revenues	195,000	195,000	186,426	(8,574)
EXPENDITURES				
Community development	140,000	140,000	13,962	126,038
Debt service				
Principal	35,000	35,000	34,950	50
Interest	20,000	20,000	20,050	(50)
Total expenditures	195,000	195,000	68,962	126,038
NET CHANGE IN FUND BALANCE	-	-	117,464	117,464
FUND BALANCE, BEGINNING OF YEAR	263,084	263,084	263,084	-
FUND BALANCE, END OF YEAR	$ 263,084	$ 263,084	$ 380,548	$ 117,464

CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	Forum Parking Deck			
	Original Budget	**Final Budget**	**Actual**	**Variance Positive (Negative)**
REVENUES				
Charges for services	$ 79,000	$ 79,000	$ 101,533	$ 22,533
Interest earned	20	20	407	387
Total revenues	79,020	79,020	101,940	22,920
EXPENDITURES				
Public facilities	53,020	53,020	42,867	10,153
Total expenditures	53,020	53,020	42,867	10,153
EXCESS OF REVENUES OVER EXPENDITURES	26,000	26,000	59,073	33,073
OTHER FINANCING USES				
Transfers out	(26,000)	(26,000)	(24,000)	2,000
	(26,000)	(26,000)	(24,000)	2,000
NET CHANGE IN FUND BALANCE	-	-	35,073	35,073
FUND BALANCE, BEGINNING OF YEAR	56,262	56,262	56,262	-
FUND BALANCE, END OF YEAR	$ 56,262	$ 56,262	$ 91,335	$ 35,073

SPECIAL REPORTS

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS

CITY OF ROME, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
For the Year Ended December 31, 2017

Project	Total Allocated Splost Costs (Unaudited)	Total Allocated Splost Costs Adjusted (Unaudited)	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Estimated Percentage of Completion (Unaudited)
1996 SPLOST						
Fire Stations:						
John Davenport	$ 350,000	$ 413,134	$ 413,134	$ -	$ 413,134	100%
Woods Road	400,000	484,968	484,968	-	484,968	100%
Wilshire Road	350,000	417,960	417,960	-	417,960	100%
Armuchee	450,000	528,158	528,158	-	528,158	100%
Wax Road	450,000	450,000	54,373	-	54,373	12%
Burnett Ferry	450,000	574,696	574,696	-	574,696	100%
	2,450,000	2,868,916	2,473,289	-	2,473,289	
2006 SPLOST						
Second Avenue Levee	1,955,000	2,031,898	2,031,898	-	2,031,898	100%
Boys/Girls Club	2,000,000	2,125,800	2,125,800	-	2,125,800	100%
North Fifth Avenue Turn Lane	550,000	535,057	535,057	-	535,057	100%
North Broad Turn Lane	330,000	214,645	214,645	-	214,645	100%
Rome High Access Road	2,900,000	1,905,925	1,905,925	-	1,905,925	100%
BioSolids Disposal	5,200,000	5,102,060	5,102,060	-	5,102,060	100%
Renovate Marine Armory	1,600,000	2,363,838	2,363,838	-	2,363,838	100%
Redmond Road Turn Lane	1,470,000	1,610,572	1,610,572	-	1,610,572	100%
Fire Training Facility	500,000	547,555	547,555	-	547,555	100%
Turner McCall Bridge	2,000,000	2,000,000	-	-	-	0%
River Education Center	834,825	917,605	917,605	-	917,605	100%
South Broad Corridor	2,000,000	2,128,347	2,128,347	-	2,128,347	100%
North Rome Swim Center	530,000	512,621	512,621	-	512,621	100%
New Tennis Courts	600,000	702,853	702,853	-	702,853	100%
City Park Practice Fields	200,000	174,908	174,908	-	174,908	100%
Town Green	1,690,000	1,684,818	1,684,818	-	1,684,818	100%
City Hall/Carnegie Repairs	1,500,000	1,131,220	1,131,220	-	1,131,220	100%
	25,859,825	25,689,722	23,689,722	-	23,689,722	
2009 SPLOST						
Barron Stadium	3,369,000	3,986,231	3,986,231	-	3,986,231	100%
NWGRC Building	1,899,631	1,302,403	1,302,403	-	1,302,403	100%
Fire Station Improvements	4,000,000	4,093,858	4,093,858	-	4,093,858	100%
	9,268,631	9,268,631	9,382,492	-	9,382,492	

continued

CITY OF ROME, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
December 31, 2017

Project	Total Allocated Splost Costs (Unaudited)	Total Allocated Splost Costs Adjusted (Unaudited)	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Estimated Percentage of Completion (Unaudited)
2013 SPLOST						
Tennis Center	$ 11,400,000	$ 11,400,000	$ 10,960,412	$ 398,572	$ 11,358,984	99%
Chulio Hills Back Entrance for Bus	800,000	800,000	10,822	48,565	59,387	8%
Trail Connectivity Expansion	1,800,000	1,377,041	15,489	68,680	84,169	4%
Fire Equipment & Fire Facility Improvements	750,000	750,000	345,886	-	345,886	46%
Police Training Facility Improvements	396,000	397,338	397,338	-	397,338	100%
City Hall Auditorium Modernization	1,700,000	2,102,320	2,079,133	23,187	2,102,320	100%
City Street Milling and Paving	500,000	500,000	285,459	160,306	445,765	85%
Unity Point/ South Broad Bridge Renovations	1,800,000	1,800,000	-	-	-	0%
Jackson Hill Fort Norton Renovation	200,000	219,300	27,050	192,250	219,300	99%
Downtown Visitor Information Center	50,000	50,000	50,000	-	50,000	100%
Sewer Improvements	1,000,000	1,000,001	1,000,001	-	1,000,001	100%
Burnett Ferry Road	2,721,000	2,721,000	48,014	1,655,158	1,703,172	60%
Playground Improvements	500,000	500,000	4,800	471,329	476,129	100%
	23,617,000	23,617,000	15,224,404	3,018,047	18,242,451	
Total Projects	$ 61,195,456	$ 61,444,269	$ 50,769,907	$ 3,018,047	$ 53,787,954	
Fire Station Renovations						
(Floyd County SPLOST)			578,604	-	578,604	
Burnett Ferry			55,597	-	55,597	
Total SPLOST Expenditures			$ 51,404,108	$ 3,018,047	$ 54,422,155	

Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Special Purpose Local Option Sales Tax Fund	
Total Expenditures	$ 6,142,447
Debt Service Expenditures	(3,124,400)
	$ 3,018,047

NONMAJOR PROPRIETARY FUNDS
ENTERPRISE FUNDS

Enterprise funds are funds financed and operated in a manner similar to a private business enterprise.

Transit Fund– to account for all activity in the provision of transit services to the residents of the City of Rome and Floyd County.

Building Inspection Fund– to account for the provision for building inspection services to the City of Rome and Floyd County.

Solid Waste Management Fund– to account for the provision of solid waste collection services to the residents of the City.

Municipal Golf Fund – to account for the activities related to the City's golf course.

Public Facilities Fund – to account for the operating lease and debt of the public facilities building housing the State of Georgia Department of Family and Children Services.

Tennis Center Fund - to account for the activities related to the tennis center operations.

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2017

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
ASSETS							
Current Assets:							
Cash and cash equivalents	$ 1,574,281	$ 484,296	$ 536,530	$ 38,429	$ 1,790,682	$ 119,770	$ 4,543,988
Restricted cash	-	-	-	-	344,992	-	344,992
Accounts receivable, net							
of allowance for uncollectibles	-	-	279,057	-	-	20,085	299,142
Due from other governments	149,821	-	-	-	-	5,000	154,821
Due from other funds	67,150	4,011	-	201,551	-	27,704	300,416
Due from component units	-	-	-	50	-	-	50
Prepaid items	-	-	-	6,767	-	-	6,767
Inventories	270,670	-	-	7,981	-	45,564	324,215
Total current assets	2,061,922	488,307	815,587	254,778	2,135,674	218,123	5,974,391
Non-current Assets:							
Capital assets:							
Non-depreciable assets	334,600	-	-	4,609,653	550,000	489,150	5,983,403
Depreciable assets, net of							
accumulated depreciation	2,660,253	61,726	1,146,893	186,393	384,458	11,505,027	15,944,750
Total non-current assets	2,994,853	61,726	1,146,893	4,796,046	934,458	11,994,177	21,928,153
TOTAL ASSETS	5,056,775	550,033	1,962,480	5,050,824	3,070,132	12,212,300	27,902,544
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charge on refunding	-	-	-	140,550	-	-	140,550
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	140,550	-	-	140,550

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2017

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
LIABILITIES							
Current Liabilities:							
Revenue bonds, current	$ -	$ -	$ -	$ 350,000	$ -	$ -	$ 350,000
Accounts payable	11,118	1,806	49,106	28,048	2,887	15,415	108,380
Accrued liabilities	52,036	8,742	49,652	96,711	-	20,249	227,390
Unearned revenue	-	-	-	44,668	11,560	-	56,228
Due to other governments	-	4,620	-	-	-	-	4,620
Due to other funds	13,125	5,360	108,943	-	31,738	2,062	161,228
Due to component unit	331	-	-	-	-	-	331
Compensated absences, current	69,017	21,654	79,501	-	-	-	170,172
Total current liabilities	145,627	42,182	287,202	519,427	46,185	37,726	1,078,349
Long-term Liabilities:							
Revenue bonds, long-term, net	-	-	-	2,442,760	-	-	2,442,760
Advances due to Capital Fund	-	-	780,765	-	-	-	780,765
Compensated absences, long term	23,006	7,218	26,500	-	-	-	56,724
Total long-term liabilities	23,006	7,218	807,265	2,442,760	-	-	3,280,249
TOTAL LIABILITIES	168,633	49,400	1,094,467	2,962,187	46,185	37,726	4,358,598
NET POSITION							
Net investment in capital assets	2,994,853	61,726	1,146,893	2,143,836	934,458	11,994,177	19,275,943
Restricted for tennis center	-	-	-	-	-	180,397	180,397
Unrestricted	1,893,289	438,907	(278,880)	85,351	2,089,489	-	4,228,156
TOTAL NET POSITION	$ 4,888,142	$ 500,633	$ 868,013	$ 2,229,187	$ 3,023,947	$ 12,174,574	$ 23,684,496

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2017

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
OPERATING REVENUES							
Charges for services	$ 1,664,298	$ 831,721	$ 2,184,774	$ 959,827	$ 131,172	$ 322,965	$ 6,094,757
Miscellaneous	321	3,832	26,125	1,593	6,560	-	38,431
TOTAL OPERATING REVENUES	1,664,619	835,553	2,210,899	961,420	137,732	322,965	5,810,223
OPERATING EXPENSES							
Cost of goods sold	-	-	-	82,825	-	39,706	122,531
Salaries and employee benefits	2,266,305	641,025	2,066,957	492,639	-	-	5,466,926
Supplies	323,180	22,238	238,084	125,133	51,329	-	759,964
Maintenance and repairs	149,349	3,856	188,494	43,834	29,686	-	415,219
Operating services and charges	430,798	72,728	665,784	323,167	41,048	791,455	2,324,980
Depreciation	674,778	18,840	386,408	60,495	209,705	241,408	1,591,634
TOTAL OPERATING EXPENSES	3,844,410	758,687	3,545,727	1,128,093	331,768	1,072,569	10,681,254
OPERATING INCOME (LOSS)	(2,179,791)	76,866	(1,334,828)	(166,673)	(194,036)	(749,604)	(4,548,066)
NON-OPERATING INCOME (EXPENSE)							
Intergovernmental	922,521	46,103	-	-	-	-	968,624
Interest income	7,544	3,221	3,250	674	15,249	1,177	31,115
Interest expense	-	-	(11,679)	(121,527)	-	-	(133,206)
Gain on sale of capital assets	3,554	-	-	-	-	-	3,554
TOTAL NON-OPERATING INCOME (EXPENSE)	933,619	49,324	(8,429)	(120,853)	15,249	1,177	870,087
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(1,246,172)	126,190	(1,343,257)	(287,526)	(178,787)	(748,427)	(3,677,979)

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2017

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
Transfers in	$ 473,026	$ -	$ 1,505,000	$ 647,297	$ -	$ 356,458	$ 2,981,781
Transfers out	(300,957)	(67,736)	(200,639)	-	-	(39,992)	(609,324)
Capital contributions	1,006,166	-	-	-	-	172,688	1,178,854
	1,178,235	(67,736)	1,304,361	647,297	-	489,154	3,551,311
CHANGE IN NET POSITION	(67,937)	58,454	(38,896)	359,771	(178,787)	(259,273)	(126,668)
NET POSITION - BEGINNING OF YEAR	4,956,079	442,179	906,909	1,869,416	3,202,734	12,433,847	23,811,164
NET POSITION - END OF YEAR	$ 4,888,142	$ 500,633	$ 868,013	$ 2,229,187	$ 3,023,947	$ 12,174,574	$ 23,684,496

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2017

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	$ 1,854,292	$ 835,553	$ 2,176,839	$ 957,428	$ 137,897	$ 304,315	$ 6,266,324
Receipts from interfund services provided	38,370	5,999	71,835	-	31,714	122	148,040
Payments to suppliers	(908,131)	(101,713)	(1,091,087)	(570,367)	(126,164)	(852,738)	(3,650,200)
Payments to employees	(2,259,346)	(639,118)	(2,051,139)	(492,639)	-	-	(5,442,242)
Payments for interfund services used	-	-	-	(60,175)	-	(5,000)	(65,175)
Net cash provided (used) by operating activities	(1,274,815)	100,721	(893,552)	(165,753)	43,447	(553,301)	(2,743,253)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfer from other funds	473,026	-	1,505,000	647,297	-	356,458	2,981,781
Transfer to other funds	(300,957)	(67,736)	(200,639)	-	-	(39,992)	(609,324)
Advances from other funds	-	-	514,433	-	-	-	514,433
Repayment of advances from other funds	-	-	(287,747)	(19,846)	-	-	(307,593)
Intergovernmental revenue	-	46,103	-	-	-	-	46,103
Subsidy from federal grant	922,521	-	-	-	-	-	922,521
Net cash provided (used) by noncapital financing activities	1,094,590	(21,633)	1,531,047	627,451	-	316,466	3,547,921
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital contributions	1,006,166	-	-	-	-	-	1,006,166
Purchases of capital assets	(710,603)	(27,184)	(514,434)	(47,297)	-	-	(1,299,518)
Proceeds from the sale of capital assets	3,554	-	-	-	-	-	3,554
Principal paid on capital debt	-	-	-	(330,000)	-	-	(330,000)
Interest paid on capital debt	-	-	(11,679)	(121,527)	-	-	(133,206)
Net cash provided (used) by capital and related financing activities	299,117	(27,184)	(526,113)	(498,824)	-	-	(753,004)

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2017

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	$ 7,544	$ 3,221	$ 3,250	$ 674	$ 15,249	$ 1,177	$ 31,115
Net cash provided by investing activities	7,544	3,221	3,250	674	15,249	1,177	31,115
Net increase (decrease) in cash and cash equivalents	126,436	55,125	114,632	(36,452)	58,696	(235,658)	82,779
Cash and cash equivalents, January 1	1,447,845	429,171	421,898	74,881	2,076,978	355,428	4,806,201
Cash and cash equivalents, December 31	$ 1,574,281	$ 484,296	$ 536,530	$ 38,429	$ 2,135,674	$ 119,770	$ 4,888,980
Reconciliation of Cash and Cash Equivalents:							
Cash and cash equivalents	$ 1,574,281	$ 484,296	$ 536,530	$ 38,429	$ 1,790,682	$ 119,770	$ 4,543,988
Cash and cash equivalents - restricted	-	-	-	-	344,992	-	344,992
Total cash and cash equivalents	$ 1,574,281	$ 484,296	$ 536,530	$ 38,429	$ 2,135,674	$ 119,770	$ 4,888,980

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2017

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	$ (2,179,791)	$ 76,866	$ (1,334,828)	$ (166,673)	$ (194,036)	$ (749,604)	$ (4,548,066)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	674,778	18,840	386,408	60,495	209,705	241,408	1,591,634
Amortization expense	-	-	-	6,395	-	-	6,395
(Increase) decrease in accounts receivable	-	-	(34,060)	284	-	(19,299)	(53,075)
Decrease in due from other governments	189,673	-	-	-	-	649	190,322
(Increase) decrease in due from other funds	37,055	5,348	50,632	(60,113)	-	-	32,922
(Increase) decrease in due from component unit	-	40	-	2,350	-	(5,000)	(2,610)
(Increase) decrease in inventories	20,633	-	-	3,494	-	(24,170)	(43)
Increase (decrease) in accounts payable and accrued liabilities	(25,437)	(7,511)	1,275	(7,697)	(4,101)	2,593	(40,878)
Increase in compensated absences payable	6,959	1,907	15,818	-	-	-	24,684
(Increase) decrease in unearned revenue	-	-	-	(4,276)	165	-	(4,111)
Increase in due to other governments	-	4,620	-	-	-	-	4,620
Increase (decrease) in due to other funds	984	611	21,203	(12)	31,714	122	54,622
Increase in due to component unit	331	-	-	-	-	-	331
Total adjustments	904,976	23,855	441,276	920	237,483	196,303	1,804,813
Net cash provided (used) by operating activities	$ (1,274,815)	$ 100,721	$ (893,552)	$ (165,753)	$ 43,447	$ (553,301)	$ (2,743,253)
Schedule of noncash capital and related financing activities:							
Capital contributions	$ -	$ -	$ -	$ -	$ -	$ 172,688	$ 172,688

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments or agencies on a cost-reimbursed basis.

Health Insurance Fund – to account for all revenues and expenses related to group health and life benefits for employees of the City.

Workers' Compensation Fund – to account for all revenues and expenses related to workers' compensation claims for the City.

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2017

	Health Insurance Fund	Workers' Compensation Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,850,936	$ 1,159,430	$ 3,010,366
Accounts receivable, net	726	-	726
Due from other funds	218,194	12,225	230,419
Due from other governments	-	41,187	41,187
Due from component unit	2,942	-	2,942
Prepaid items	5,105	-	5,105
Total current assets:	2,077,903	1,212,842	3,290,745
Non-current assets:			
Advances due from other funds	751,752	-	751,752
Total non-current assets:	751,752	-	751,752
TOTAL ASSETS	2,829,655	1,212,842	4,042,497
LIABILITIES			
Current Liabilities			
Accounts payable	28,823	12,994	41,817
Accrued liabilities	1,332	-	1,332
Due to other funds	12,225	-	12,225
Claims payable	500,000	275,000	775,000
TOTAL LIABILITIES	542,380	287,994	830,374
NET POSITION			
Unrestricted	2,287,275	924,848	3,212,123
TOTAL NET POSITION	$ 2,287,275	$ 924,848	$ 3,212,123

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2017

	Health Insurance Fund	Workers' Compensation Fund	Total
OPERATING REVENUES			
Charges for services	$ 6,864,164	$ 1,363,870	$ 8,228,034
TOTAL OPERATING REVENUES	6,864,164	1,363,870	8,228,034
OPERATING EXPENSES			
Salaries and employee benefits	95,786	-	95,786
Other services and charges	1,086,129	874,808	1,960,937
Claims	5,222,443	423,885	5,646,328
Administrative fees	342,410	32,000	374,410
TOTAL OPERATING EXPENSES	6,746,768	1,330,693	8,077,461
OPERATING INCOME	117,396	33,177	150,573
NON-OPERATING INCOME			
Intergovernmental	-	199,139	199,139
Interest income	40,845	5,763	46,608
CHANGE IN NET POSITION	158,241	238,079	396,320
NET POSITION - BEGINNING OF YEAR	2,129,034	686,769	2,815,803
NET POSITION - END OF YEAR	$ 2,287,275	$ 924,848	$ 3,212,123

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2017

	Health Insurance Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 6,863,438	$ 1,310,458	$ 8,173,896
Payments for interfund services provided	3,429	-	3,429
Payments to suppliers	(1,432,659)	(913,997)	(2,346,656)
Payments to employees	(95,786)	-	(95,786)
Claims paid	(5,271,519)	(378,885)	(5,650,404)
Net cash provided by operating activities	66,903	17,576	84,479
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Repayment of advances to other funds	179,302	-	179,302
Net cash provided by capital financing activities	179,302	-	179,302
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Intergovernmental revenue	-	199,139	199,139
Net cash provided by non capital financing activities	-	199,139	199,139
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	40,845	5,763	46,608
Net cash provided by investing activities	40,845	5,763	46,608
Net increase in cash and cash equivalents	287,050	222,478	509,528
Cash and cash equivalents, January 1	1,563,886	936,952	2,500,838
Cash and cash equivalents, December 31	$ 1,850,936	$ 1,159,430	$ 3,010,366
Reconciliation of operating income to net cash provided by operating activities			
Operating income	$ 117,396	$ 33,177	$ 150,573
Adjustments to reconcile operating income to net cash provided by operating activities:			
Increase in accounts receivable	(726)	-	(726)
Decrease in prepaids	462	-	462
Increase in due from other funds	(8,748)	(12,225)	(20,973)
Increase in due from other governments	-	(41,187)	(41,187)
Increase (decrease) in accounts and claims payable	(53,658)	37,811	(15,847)
Increase in due to other funds	12,177	-	12,177
Total adjustments	(50,493)	(15,601)	(66,094)
Net cash provided by operating activities	$ 66,903	$ 17,576	$ 84,479

COMPONENT UNIT
GREATER ROME CONVENTION & VISITORS BUREAU

Greater Rome Convention & Visitors Bureau – to account for the activities associated with the promotion of tourism and conventions for the City of Rome.

CITY OF ROME, GEORGIA
BALANCE SHEET
COMPONENT UNIT- GREATER ROME CONVENTION & VISITORS BUREAU
December 31, 2017

	Greater Rome Convention & Visitors Bureau
ASSETS	
Cash	$ 116,811
Accounts Receivable, net of allowance	331
Due from other governments	12,309
Due from primary government	5,381
Total assets	$ 134,832
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 16,079
Accrued liabilities	7,725
Due to primary government	3,305
Total liabilities	27,109
FUND BALANCE	
Unrestricted	107,723
Total fund balance	107,723
TOTAL LIABILITIES AND FUND BALANCE	$ 134,832

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMPONENT UNIT- GREATER ROME CONVENTION & VISITORS BUREAU
For the Year Ended December 31, 2017

	Greater Rome Convention & Visitors Bureau
REVENUES	
Intergovernmental	$ 618,505
Charges for services	28,229
Contributions	103,159
TOTAL REVENUES	749,893
EXPENDITURES	
Personal services	434,922
Supplies	43,252
Other services and charges	267,356
TOTAL EXPENDITURES	745,530
NET CHANGE IN FUND BALANCE	4,363
FUND BALANCE - BEGINNING OF YEAR	103,360
FUND BALANCE - END OF YEAR	$ 107,723

STATISTICAL SECTION

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

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

Revenue Capacity – *These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.*

Debt Capacity – *These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.*

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

Operating Information – *These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.*

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Rome, Georgia
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Governmental activities										
Net investment in capital assets	$ 108,946	$ 109,793	$ 117,293	$ 125,089	$ 124,859	$ 122,991	$ 132,207	$ 137,041	$ 127,674	$ 134,594
Restricted	675	745	741	3,255	3,696	3,459	5,986	20,178	14,192	14,147
Unrestricted	20,722	20,075	19,618	16,251	15,538	16,636	16,423	(16,833)	(4,232)	(1,784)
Total governmental activities net position	$ 130,343	$ 130,613	$ 137,652	$ 144,595	$ 144,093	$ 143,086	$ 154,616	$ 140,386	$ 137,634	$ 146,957
Business - type activities										
Net investment in capital assets	$ 116,571	$ 120,303	$ 122,951	$ 128,164	$ 131,764	$ 134,833	$ 136,590	$ 139,466	$ 152,422	$ 155,279
Restricted	295	355	368	372	377	942	698	1,572	1,082	1,025
Unrestricted	38	2,123	5,011	5,957	7,031	7,829	12,724	16,306	21,980	25,110
Total business - type activities net position	$ 116,904	$ 122,781	$ 128,330	$ 134,493	$ 139,172	$ 143,604	$ 150,012	$ 157,344	$ 175,484	$ 181,414
Primary government										
Net investment in capital assets	$ 225,517	$ 230,096	$ 240,244	$ 253,253	$ 256,623	$ 257,824	$ 268,797	$ 276,507	$ 280,096	$ 289,873
Restricted	970	1,100	1,109	3,627	4,073	4,401	6,684	21,750	15,274	15,172
Unrestricted	20,760	22,198	24,629	22,208	22,569	24,465	29,147	(527)	17,748	23,326
Total primary government net position	$ 247,247	$ 253,394	$ 265,982	$ 279,088	$ 283,265	$ 286,690	$ 304,628	$ 297,730	$ 313,118	$ 328,371

City of Rome, Georgia
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental activities:										
General government	$ 5,681	$ 3,459	$ 3,726	$ 4,504	$ 3,651	$ 3,701	$ 4,037	$ 5,643	$ 7,475	$ 7,349
Public safety	8,752	8,330	7,659	7,167	7,393	7,546	7,706	7,850	7,637	7,988
Public Works	10,590	9,902	8,881	10,441	10,850	11,781	10,731	10,626	4,164	4,208
Public Facilities	1,194	1,259	1,381	1,419	1,916	1,516	1,589	1,356	1,432	1,509
Public Services	516	447	397	514	431	448	468	449	424	529
Community Development	1,178	1,088	1,759	1,315	1,217	2,113	1,136	1,079	1,095	1,304
Education	1,114	1,183	1,185	1,275	1,466	1,463	1,458	1,425	1,682	1,722
Interest on debt	320	369	241	153	274	538	474	933	520	454
Total governmental activities expenses	29,345	26,037	25,229	26,788	27,198	29,106	27,599	29,361	24,429	25,063
Business - type activities:										
Water and Sewer	17,201	17,631	17,279	18,187	18,156	17,501	17,852	17,220	17,415	17,620
Fire	10,474	10,247	10,249	10,645	12,748	11,959	11,500	11,167	11,068	11,295
Solid Waste Commission	2,104	2,466	1,988	2,076	3,093	1,899	2,267	1,483	2,214	2,287
Transit	3,236	2,970	3,092	3,120	3,589	3,734	3,464	3,574	3,531	3,844
Building Inspection	894	774	839	853	782	755	690	624	687	759
Solid Waste Management	3,751	3,463	3,304	3,503	3,551	3,495	3,513	3,353	3,339	3,557
Municipal Golf Fund	1,440	1,294	1,256	1,158	1,163	1,242	1,309	1,250	1,266	1,250
Public Facilities	456	408	394	460	388	364	319	324	333	332
Tennis Center	-	-	-	-	-	-	1	8	553	1,073
Total business - type activities expenses	39,556	39,253	38,401	40,002	43,470	40,949	40,915	39,003	40,406	42,017
Total primary government expense	$ 68,901	$ 65,290	$ 63,630	$ 66,790	$ 70,668	$ 70,055	$ 68,514	$ 68,364	$ 64,835	$ 67,080
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	$ 1,972	$ 1,879	$ 1,880	$ 1,992	$ 2,063	$ 2,078	$ 2,191	$ 2,270	$ 2,413	$ 2,421
Public Safety	1,886	1,667	1,581	1,302	1,244	1,358	1,176	1,260	1,219	1,129
Community Development	180	258	258	122	131	134	117	117	149	147
Operating grants and contributions	1,842	1,123	711	881	871	943	862	707	849	1,089
Capital grants and contributions	13,432	7,580	11,259	14,201	7,054	6,556	16,662	13,886	6,589	6,752
Total governmental activities program revenues	19,312	12,507	15,689	18,498	11,363	11,069	21,008	18,240	11,219	11,538
Business - type activities:										
Charges for services:										
Water and Sewer	19,540	19,856	21,403	21,408	21,975	21,960	23,446	23,248	24,519	24,200
Fire	5,254	5,318	5,351	5,403	5,530	5,607	5,792	5,889	6,137	6,319
Solid Waste Commission	2,597	2,936	2,550	2,439	2,377	2,454	2,468	2,763	2,721	3,016
Transit	1,303	1,456	1,397	1,403	1,458	1,492	1,509	1,671	1,678	1,665
Building Inspection	937	1,038	702	797	693	615	726	783	970	836
Solid Waste Management	1,471	1,521	1,653	1,829	1,923	1,913	2,041	2,079	2,126	2,211
Municipal Golf Fund	925	760	801	795	1,024	963	977	918	1,019	961
Public Facilities	694	694	694	694	694	694	694	694	322	138
Tennis Center	-	-	-	-	-	-	-	-	136	323
Operating grants and contributions	461	517	708	744	1,618	1,243	1,077	944	954	969
Capital grants and contributions	1,365	1,165	1,034	2,924	895	1,359	1,028	957	516	1,133
Total business- type activities program revenues	34,547	35,261	36,293	38,436	38,187	38,300	39,758	39,946	41,098	41,771
Total primary government program revenue	$ 53,859	$ 47,768	$ 51,982	$ 56,934	$ 49,550	$ 49,369	$ 60,766	$ 58,186	$ 52,317	$ 53,309

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (expense)/ revenue										
Governmental activities	$ (10,033)	$ (13,530)	$ (9,539)	$ (8,290)	$ (15,836)	$ (18,037)	$ (6,591)	$ (11,121)	$ (13,210)	$ (13,525)
Business- type activities	(5,009)	(3,992)	(2,108)	(1,566)	(5,283)	(2,649)	(1,157)	943	692	(246)
Total primary government net expens	$ (15,042)	$ (17,522)	$ (11,647)	$ (9,856)	$ (21,119)	$ (20,686)	$ (7,748)	$ (10,178)	$ (12,518)	$ (13,771)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 8,683	$ 9,662	$ 10,007	$ 9,749	$ 10,221	$ 10,074	$ 10,967	$ 11,790	$ 12,088	$ 13,055
Sales taxes	12,570	6,128	5,980	6,162	6,232	5,590	5,762	5,320	5,682	5,675
Other taxes	7,306	7,085	7,188	7,147	7,211	7,294	7,788	8,109	8,446	8,800
Gain on Sale of Capital Assets	2	-	-	-	-	-	66	17	-	-
Interest Earnings	594	562	654	714	790	599	654	715	711	597
Miscellaneous	177	109	150	501	684	691	263	358	837	576
Transfers	(10,807)	(9,745)	(7,401)	(8,549)	(9,803)	(7,018)	(7,379)	(6,248)	(17,306)	(5,854)
Total governmental activities	18,525	13,801	16,578	15,724	15,335	17,230	18,121	20,061	10,458	22,849
Business- type activities:										
Gain on Sale of Capital Assets	71	27	50	109	82	-	110	55	26	25
Investment earnings	339	59	42	27	32	62	63	80	113	281
Miscellaneous	-	37	165	12	44	1	13	7	3	15
Transfers	10,807	9,745	7,401	8,549	9,803	7,018	7,379	6,248	17,306	5,854
Total business- type activities	11,217	9,868	7,658	8,697	9,961	7,081	7,565	6,390	17,448	6,175
Total primary governmen	$ 29,742	$ 23,669	$ 24,236	$ 24,421	$ 25,296	$ 24,311	$ 25,686	$ 26,451	$ 27,906	$ 29,024
Change in Net Position										
Governmental activities	$ 8,492	$ 271	$ 7,038	$ 7,434	$ (502)	$ (807)	$ 11,530	$ 8,940	$ (2,752)	$ 9,324
Business- type activities	6,208	5,876	5,549	7,131	4,679	4,432	6,408	7,333	18,140	5,929
Total primary governmen	$ 14,700	$ 6,147	$ 12,587	$ 14,565	$ 4,177	$ 3,625	$ 17,938	$ 16,273	$ 15,388	$ 15,253

City of Rome, Georgia
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
General fund										
Reserved	$ 869	$ 856	$ 891	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	10,575	9,652	10,120	-	-	-	-	-	-	-
Nonspendable				216	792	763	735	705	721	743
Restricted				790	771	784	782	801	812	812
Assigned				-	25	-	-	-	520	-
Unassigned				10,661	11,012	11,260	12,101	12,667	15,230	17,598
Total General fund	$ 11,444	$ 10,508	$ 11,011	$ 11,667	$ 12,600	$ 12,807	$ 13,618	$ 14,173	$ 17,283	$ 19,153
All other governmental funds										
Reserved	$ 2,179	$ 5,284	$ 4,978	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	303	152	125	-	-	-	-	-	-	-
Capital projects funds	4,358	1,989	1,633	-	-	-	-	-	-	-
Nonspendable				* 2,828	2,221	2,365	-	-	-	-
Restricted				2,465	2,925	2,676	7,030	19,377	13,379	13,334
Assigned, reported in										
Special revenue funds				57	74	83	47	36	32	17
Capital projects funds				1,617	-	-	-	-	-	-
Unassigned				-	(165)	(226)	-	-	-	-
Total all other governmental funds	$ 6,840	$ 7,425	$ 6,736	$ 6,967	$ 5,055	$ 4,898	$ 7,077	$ 19,413	$ 13,411	$ 13,351

* Due to the implementation of GASB 54 Fund Balance reclassification.

City of Rome, Georgia
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Revenues										
Taxes	$ 28,385	$ 22,358	$ 23,053	$ 23,069	$ 23,450	$ 23,010	$ 24,651	$ 24,882	$ 27,035	$ 27,606
Licenses and permits	1,738	1,675	1,681	1,658	1,722	1,735	1,813	1,890	1,947	1,988
Intergovernmental	3,495	8,462	9,911	10,019	5,164	5,268	5,950	7,621	6,784	6,917
Charges for services	538	586	542	464	472	476	495	497	615	580
Fines/Forfeitures	1,762	1,543	1,496	1,294	1,244	1,358	1,176	1,260	1,219	1,129
Investment earnings	594	562	654	715	790	599	653	715	711	635
Miscellaneous	216	109	150	500	684	691	263	358	837	576
Total revenues	36,728	35,295	37,487	37,719	33,526	33,137	35,001	37,223	39,148	39,431
Expenditures										
General government	3,584	3,478	3,313	3,143	3,138	3,181	3,477	5,347	6,495	6,326
Public safety	7,688	7,523	7,414	7,222	7,122	7,372	7,397	7,659	7,243	7,630
Public works	5,858	5,586	5,430	5,670	5,623	5,577	5,614	5,447	5,390	5,348
Public facilities	937	959	1,023	1,007	1,035	1,039	1,116	1,128	1,205	1,246
Public services	456	391	379	388	407	433	442	436	419	514
Community development	1,172	1,072	1,126	1,135	1,204	1,163	1,120	1,081	1,078	1,291
Capital outlay	5,928	6,762	11,165	9,416	5,658	6,907	4,692	7,525	11,304	5,730
Debt service										
Principal	78	198	262	557	319	306	376	364	2,572	3,139
Interest	320	245	245	245	276	542	469	515	824	765
Bond Issuance Costs	-	-	-	-	-	-	-	245	-	-
Total expenditures	26,021	26,214	30,357	28,783	24,782	26,520	24,703	29,747	36,530	31,989
Excess of revenues over (under) expenditures	10,707	9,081	7,130	8,936	8,744	6,617	10,298	7,476	2,618	7,442

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other financing sources (uses)										
Transfers in	3,205	2,019	1,847	2,672	1,807	1,903	1,909	3,532	4,781	4,405
Transfers out	(14,012)	(11,764)	(9,248)	(11,221)	(11,610)	(8,922)	(9,288)	(9,780)	(10,398)	(10,113)
Proceeds from sale of bonds/notes	-	300	-	-	-	-	-	10,785	-	-
Premium on issuance of Long Term Debt	-	-	-	-	-	-	-	861	-	-
Capital leases	-	-	-	50	-	-	-	-	-	-
Proceeds from sale of capital assets	47	13	85	449	80	452	70	17	107	75
Total other financing sources (uses)	(10,760)	(9,432)	(7,316)	(8,050)	(9,723)	(6,567)	(7,309)	5,415	(5,510)	(5,633)
Net change in fund balances	$ (53)	$ (351)	$ (186)	$ 886	$ (979)	$ 50	$ 2,989	$ 12,891	$ (2,892)	$ 1,809
Debt service as a percentage of noncapital expenditures	2.2%	2.3%	2.7%	4.0%	2.9%	3.8%	4.0%	4.8%	13.9%	16.4%

City of Rome, Georgia
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Insurance Premium Tax	Alcoholic Beverage Tax	Other Taxes	Total
2008	$ 9,815	* $ 12,569	$ 3,373	$ 1,958	$ 871	$ 36	$ 28,622
2009	9,372	6,128	3,192	1,939	861	866	22,358
2010	10,207	6,029	3,352	1,883	825	757	23,053
2011	10,047	6,162	3,553	1,703	812	792	23,069
2012	10,403	6,232	3,357	1,809	841	808	23,450
2013	10,612	5,590	3,236	1,873	855	844	23,010
2014	11,554	5,762	3,428	1,958	869	1,080	24,651
2015	11,844	5,320	3,445	2,092	862	1,319	24,882
2016	13,458	5,681	3,297	2,281	879	1,439	27,035
2017	13,630	5,675	3,220	2,435	867	1,779	27,606
% change between 2008 & 2017	38.87%	-54.85%	-4.54%	24.36%	-0.46%	4841.67%	-3.55%

(*) Includes Special Purpose Local Option Sales Tax.

City of Rome, Georgia
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Year	Real Property	Personal Property	Public Utilities	Motor Vehicles	Mobile Homes	Total Assessed Value City	Less School Tax Exemption	Total Assessed Value School	Total Direct Tax Rate *	Estimated Actual Value	Assessed Value to Estimated Actual Value
2008	$ 839,467,255	$ 189,522,031	$ 25,717,175	$ 77,543,520	$ 169,428	$ 1,132,419,409	$ (70,163,632)	$ 1,109,377,341	24.43	$ 2,773,443,353	40%
2009	855,730,720	188,100,111	26,556,590	77,936,110	176,001	1,148,499,532	(71,744,994)	1,120,352,248	24.42	2,800,880,620	40%
2010	829,091,871	185,601,135	25,503,243	68,205,850	172,014	1,108,574,113	(71,811,792)	1,078,630,642	26.15	2,696,576,605	40%
2011	816,351,825	186,162,190	28,265,457	69,194,300	192,965	1,100,166,737	(71,808,416)	1,062,672,937	26.15	2,656,682,342	40%
2012	815,093,673	185,918,089	28,265,457	70,303,830	170,110	1,099,751,159	(70,124,530)	1,045,889,201	26.15	2,614,723,003	40%
2013	810,347,679	189,949,428	29,001,905	76,515,750	180,990	1,105,995,752	(69,730,929)	1,050,919,941	26.15	2,627,299,853	40%
2014	811,586,270	198,147,609	31,601,367	66,616,670	174,465	1,108,126,381	(68,821,009)	1,053,960,998	26.15	2,634,902,495	40%
2015	834,527,447	199,255,502	33,184,031	47,340,010	165,982	1,114,472,972	(70,736,324)	1,056,420,392	26.14	2,641,050,980	40%
2016	836,127,575	208,975,968	32,000,019	35,162,930	154,808	1,112,421,300	(72,205,318)	1,053,828,111	27.54	2,634,570,278	40%
2017	857,637,052	219,269,723	30,456,372	26,087,700	136,582	1,133,587,429	(72,327,731)	1,076,721,213	27.54	2,691,803,033	40%

Source-Floyd County Tax Assessors Office
(1) Denotes change in tax assessment calculation from prior years
(2) School Tax Exemptions increased to reflect new changes in state law

Properties in the City are reassessed on a rotating basis by the county tax assessment office. The county assessed all property at 40% of actual value. Estimated actual value is calculated by dividing assessed value by 40%.

* Includes General, Capital and School Tax Rates

City of Rome, Georgia
Property Tax Rates-Direct and Overlapping Governments
(Per $1,000 of Assessed Value)
Last Ten Fiscal Years

	City of Rome					Overlapping Rates **			
Year	General Fund	Capital Fund	Debt Service	City Schools	Total Direct Rate	Floyd County		State of Georgia	Total Rate
2008	6.63	1.85	-	15.95	24.43	8.767		0.25	33.45
2009	6.67	1.85	-	15.90	24.42	8.767		0.25	33.44
2010	6.80	1.90	-	17.45	26.15	8.767		0.25	35.17
2011	6.80	1.90	-	17.45	26.15	8.767		0.25	35.17
2012	6.80	1.90	-	17.45	26.15	8.767	*	0.20	35.12
2013	6.80	1.90	-	17.45	26.15	8.767		0.15	35.07
2014	6.80	1.90	-	17.45	26.15	8.767		0.10	35.02
2015	6.80	1.89	-	17.45	26.14	9.600		0.05	35.79
2016	8.15	1.94	-	17.45	27.54	9.600		-	37.14
2017	8.15	1.94	-	17.45	27.54	9.487		-	37.03

Source-City of Rome Finance Department
Floyd County Finance Office

* First year of phase out of State tax
** Overlapping rates are those of county and state governments that apply to taxpayers within the City of Rome

City of Rome, Georgia
Principal Property Taxpayers
December 31, 2017
(amounts expressed in thousands)

	2017			2008		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Redmond Regional Medical Center	$ 33,568	1	2.96%	$ 43,002	1	3.80%
Southeastern Mills	26,494	2	2.34%	14,291	5	1.26%
Duke Realty	17,970	3	1.59%			
Georgia Power Company	17,948	4	1.58%	13,586	7	1.20%
Foss Manufacturing	11,566	5	1.02%			
Harbin Properties, LLC	10,612	6	0.94%	13,510	8	1.19%
Keebler Company	9,828	7	0.87%	15,204	3	1.34%
River Root Partners LLC	9,725	8	0.86%	8,731	10	0.77%
Syntec Industries	9,023	9	0.80%			
Bekaert Corporation	8,928	10	0.79%	16,922	2	1.49%
Walmart				15,081	4	1.33%
Larry Martin Realty				14,129	6	1.25%
Mt Berry Square Mall				11,129	9	0.98%
Totals	$ 155,662		13.73%	$ 165,585		14.61%

Source-Floyd County Tax Assessor Office

City of Rome, Georgia
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	$ 25,372	** $ 21,661	85.4%	$ 2,689	$ 24,350	96.0%
2009	25,513	22,395	87.8%	* 1,368	23,763	93.1%
2010	26,281	23,044	87.7%	1,308	24,352	92.7%
2011	25,709	22,690	88.3%	1,924	24,556	95.5%
2012	25,523	23,081	90.4%	1,833	24,914	97.6%
2013	25,597	23,437	91.6%	1,251	24,626	96.2%
2014	26,229	23,994	91.5%	1,887	25,881	98.7%
2015	27,219	24,690	90.7%	2,238	26,928	98.9%
2016	28,889	26,088	90.3%	2,300	28,388	98.3%
2017	29,763	27,692	93.0%	-	27,692	93.0%

**Denotes Homeowners tax relief credit monies held
by State of Georgia until subsequent year

* Includes Homestead Tax

City of Rome, Georgia
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

	Governmental Activities				Business- Type Activities					
Fiscal Year	General Obligation Bonds	Notes Payable & Intergovernmental Agreements	Certificates of Participation	Capital Leases	Bonded Debt	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
2008	$ -	$ 4,923	$ 4,527	$ 92	$ 70,281	$ 10,393	$ 695	$ 90,911	8.17%	2,453
2009	-	5,782	4,527	27	65,993	9,824	415	86,568	8.06%	2,395
2010	-	5,547	4,527	-	60,813	9,224	228	80,339	7.28%	2,213
2011	-	5,492	4,527	40	55,497	8,602	793	74,951	6.54%	2,072
2012	-	5,183	4,527	30	52,744	7,956	570	71,010	6.14%	1,976
2013	-	4,886	4,527	20	54,241	1,336 *	460	65,470	5.54%	1,811
2014	-	4,676	4,527	10	47,655	2,456	349	59,673	4.88%	1,658
2015	11,645	4,322	4,527	-	40,797	2,365	235	63,891	5.02%	1,759
2016	9,150	3,950	4,527	-	34,952	2,263	119	54,961	4.30%	1,509
2017	6,131	3,561	4,527	-	29,025	2,160	-	45,404	3.43%	1,249

Note-Additional information regarding the City's outstanding debt can be found in the notes to the financial statements

(1) See the Schedule of Demographics and Economic Statistics for personal income and population data
* Prior GEFA balance became bonded debt in 2013

City of Rome, Georgia
Ratio of Net General Bonded Debt
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property **	Per Capita ***
2008	$ -	$ -	$ -	N/A	N/A
2009	-	-	-	N/A	N/A
2010	-	-	-	N/A	N/A
2011	-	-	-	N/A	N/A
2012	-	-	-	N/A	N/A
2013	-	-	-	N/A	N/A
2014	-	-	-	N/A	N/A
2015	11,645	2,087	9,558	0.36%	263
2016	9,150	2,033	7,117	0.27%	195
2017	6,131	2,046	4,085	0.15%	112

** See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
*** Poplulation data can be found in the Schedule of Demographic and Economic Statistics.

City of Rome, Georgia
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2017

Governmental Unit	Certificates of Participation	Capital Leases	General Obligation Bonds	Notes Payable	Other Debt Outstanding	Percent Applicable to City of Rome	Amount Applicable to City of Rome
City of Rome	$ 4,527,000	$ -	$ 6,131,000 **	$ 169,865	$ 3,082,500	100%	$ 13,910,365
Rome Board of Education-Quality Zone Academy Bonds	-	-	-	-	2,000,000	100%	2,000,000
	$ 4,527,000	$ -	$ 6,131,000	$ 169,865	$ $ 5,082,500		$ 15,910,365

Source-Rome Board of Education

Note-Overlapping governments are those that may coincide, at least in part, with the geographic boundaries of the city. This schedule shows the portion of the overlapping debt by the Rome Board of Education that is obligated to the taxpayers of the City of Rome. Although this debt payment is funded by Educational Special Local Option funds, the outstanding balance is obligated to the City of Rome and its taxpayers.

** Does not include TAD II Debt because TAD debt is not supported by general tax payor obligation.

City of Rome, Georgia
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	$ 113,238,941	$ 114,849,953	$ 110,857,411	$ 110,016,673	$ 109,975,116	$ 110,599,575	$ 110,812,638	$ 111,380,929	$ 111,242,130	$ 113,358,743
Total net debt applicable to limit	-	-	-	-	-	-	-	11,645,000	9,150,000	6,131,000
Legal debt margin	$ 113,238,941	$ 114,849,953	$ 110,857,411	109,852,761	$ 109,975,116	$ 110,599,575	$ 110,812,638	$ 99,735,929	$ 102,092,130	$ 107,227,743
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	10.46%	8.23%	5.41%

Legal Debt Margin Calculation for Fiscal Year 2017

Total assessed value	$ 1,133,587,429
Debt limit (10% of total assessed value)	113,358,743
Debt applicable to limit:	
General obligation bonds	6,131,000
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	6,131,000
Legal debt margin	$ 107,227,743

Note: Under state finance law, any outstanding general obligation debt of the City of Rome should not exceed 10 percent of total assessed property value.
By law, any general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

City of Rome, Georgia
Pledged - Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

	Water & Sewer Revenue Bonds					
				Debt Service		
Fiscal Year	Water & Sewer Charges & Other (1)	Less: Operating Expenses (2)	Net Available Revenue	Principal	Interest	Coverage
2008	$ 19,653,969	$ 9,268,673	$10,385,296	$ 3,825,000	$ 3,010,552	1.5
2009	19,863,718	9,103,422	10,760,296	3,610,000	2,600,893	1.7
2010	21,411,092	8,978,125	12,432,967	4,465,000	2,297,715	1.8
2011	21,413,544	9,677,717	11,735,827	4,605,000	2,159,128	1.7
2012	21,980,265	10,163,561	11,816,704	4,780,000	1,321,847	1.9
2013	21,965,249	9,361,007	12,604,242	5,441,000	1,826,484	1.7
2014	23,466,061	9,634,424	13,831,637	5,601,000	1,633,467	1.9
2015	23,263,538	9,032,695	14,230,843	5,824,000	1,542,939	1.9
2016	24,548,427	9,507,896	15,040,531	4,862,000	1,357,125	2.4
2017	24,312,060	10,000,236	14,311,824	5,021,000	1,224,650	2.3

(1) Includes interest income
(2) Excludes depreciation expense

City of Rome, Georgia
Demographics and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	(1) Population	Personal Income (in thousands)	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2008	37,067 *	$ 1,112,084	$ 30,002	5,612	8.0%
2009	36,142 *	1,073,923	29,714	5,571	12.4%
2010	36,303	1,103,430	30,395	5,579	10.6%
2011	36,181 **	1,145,816 **	31,669	5,737	12.7%
2012	35,942 **	1,156,110 **	32,166	5,669	11.8%
2013	36,159 **	1,182,219 **	32,695	6,006	9.0%
2014	35,997 **	1,223,682 **	33,994	6,114	7.9%
2015	36,323 **	1,273,266 **	35,054	6,210	5.8%
2016	36,431 **	1,277,052 **	35,054	6,267	5.6%
2017	36,340 **	1,325,320 **	36,470	6,311	4.5%

Data Sources:
(1) U.S. Census Bureau
(2) U.S. Department of Commerce, Bureau of Economic Analysis
(3) Rome Board of Education
(4) State Department of Labor
* Trend Estimate based on 2000 Census
** Trend Estimate based on 2010 Census

City of Rome, Georgia
Principal Employers
Current Year and Nine Years Ago

Employer	2017 Employees	2017 Rank	2017 Percentage of Total City Employment	2008 Employees	2008 Rank	2008 Percentage of Total City Employment
Floyd Medical Center	2,700	1	11.74%	2,000	1	11.54%
Harbin Clinic	1,300	2	5.65%	1,230	2	7.10%
Redmond Regional Medical Center	1,200	3	5.22%	1,167	4	6.73%
Rome City Schools	735	4	3.20%	665	7	3.84%
City of Rome	683	5	2.97%	649	8	3.74%
Floyd County Government	667	6	2.90%	725	6	4.18%
Berry College	600	8	2.61%			
Kellogg's	550	7	2.39%	646	9	3.73%
F & P Georgia	550	9	2.39%			
Neaton Rome	400	10	1.74%			
Mohawk Industries				1,174	3	6.77%
Northwest Georgia Regional Hospital				840	5	4.85%
Sara Lee Food Services				300	10	1.73%
Totals	9,385		40.8%	9,396		54.21%

Source-Rome Chamber of Commerce

City of Rome, Georgia
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	Fiscal Year									
Function	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
General government	29	29	28	28	28	27	28	27	30	34
Legislative and judicial										
Commission	9	9	9	9	9	9	9	9	9	9
Municipal court	2	2	2	2	2	7	5	6	6	6
Attorney	1	1	1	1	1	1	1	1	1	1
Public safety										
Police										
Officers	98	98	92	95	95	101	98	96	96	96
Civilians	11	11	11	15	15	15	18	20	20	20
Public services	7	7	4	4	4	3	3	3	3	3
Public facilities	4	4	4	4	4	4	4	3	3	3
Fire										
Civilians	7	3	3	2	1	2	2	11	6	7
Firefighters and officers	146	146	148	149 **	162	161	161	154	158	159
Public works										
Public works office	5	4	4	4	4	4	4	3	4	4
Engineering	8	7	7	7	6	6	6	5	5	5
Street	46	39	31	31	31	31	31	29	29	35
Traffic	12	12	13	13	13	13	13	13	13	4
Cemetery	7	6	6	6	6	6	6	5	5	5
Garage	13	12	11	12	12	12	13	12	12	12
Building inspection	12	9	9	9	9	8	9	9	10	10
Transit	43	43	43	43	43	43	43	51	51	55
Planning commission	7	6	6	6	6	6	6	5	5	5
Solid Waste Management	71	61	56	55	57	57	57	56	57	57
Culture and recreation	12	12	11	19	21	24	24	28	40	44
Water and sewer	120	104	102	102	102	105	105	105	105	109
Total	670 *	625 *	601	616	631	645	646	651	668	683

Source-City of Rome Human Resource Department
* Includes Personnel Reduction due to Revenue Decreases
** Includes increase for personnel funded with SAFER grant

City of Rome, Georgia
Operating Indicators by Function
Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	Fiscal Year									
Public Safety:										
Police arrests	2,388	2,168	2,030	1,858	1,793	2,197	2,008	1,952	1,986	2,028
Parking/Traffic violations	18,797	16,251	14,455	13,228	12,270	14,253	11,452	11,520	13,375	12,639
Public Works:										
Street resurfacing (miles)	0.40	2.02	10.50	5.78	4.25	3.64	4.19	3.73	4.43	5.48
Public Facilities:										
Rentals-Aud/Civic Center	41,754	48,668	54,072	58,773	57,613	57,007	58,156	61,275	87,703	97,489
Senior Citizen Center	2,333	2,610	2,803	2,795	2,371	2,935	2,740	4,971	11,052	10,952
Education:										
School Enrollment	5,612	5,571	5,579	5,737	5,669	6,006	6,114	6,210	6,267	6,311
Water and Sewer:										
Customers										
Water	20,006	20,034	20,065	20,083	20,094	20,120	20,155	20,186	20,242 (6)	19,319
Sewer	21,069	21,113	21,163	21,173	21,181	21,211	21,254	21,299	21,338	21,422
Water - (millions of gallons)										
Average daily production	8.1	7.6	7.9	7.6	7.4	7.1	7.5	6.8	7.4	6.5
Maximum daily production	11.0	12.0	10.9	12.1	11.1	9.7	10.8	9.9	10.2	8.52
Wastewater - (millions of gallons)										
Average daily sewage treatment	9.0	14.0	10.8	10.7	9.1	13.9 (1)	11.3	12.0	10.2	11.45
Maximum daily sewage treatment	27.4	57.9	51.5	56.3	31.1	50.0	53.7	53.7	46.2	39.86
Fire										
Number of responses	4,294	4,275	4,292	4,401	4,142	4,247	4,699	4,919	6,313	6,954
Inspections	1,224	911	1,045	1,413	1,915	1,751	1,352	1,361	2,202	2,032
Solid Waste Management:										
Refuse collected (tons)										
Inert	6,967	9,673	9,075	8,330	6,879	6,535	8,847	7,647	5,767	5,485
Trash	2,200	2,150	1,865	1,578	1,423	1,407	1,456	1,749	2,016	2,115
Garbage	14,539	14,530	13,801	14,248	13,755	14,311	14,164	14,703	15,037	16,388
Recycling	960	912	1,017	1,409	1,472	1,325	1,329	1,589	854	524
Transit:										
Transit miles	589,640	593,820	591,152	585,837	589,766	604,407	591,300	614,038	617,241	604,762
Transit passengers	967,390	962,500	982,471	1,014,181	1,053,540	1,075,603	1,069,526	1,110,252	1,164,287	1,118,401
Building Inspection:										
New Construction Permits	228	114	67 (3)	36	55	62	93	121	145	182
Solid Waste Commission:										
Inert tonnage	241	225	194	816 (4)	733	488	697	2,224	1,187	2,148
C&D tonnage	17,527	34,759 (2)	24,753	22,654	20,030	24,117	20,041	22,663	8,147	11,048
Garbage tonnage	85,360	78,326	73,410	70,417	70,179	69,416	72,939	79,320	90,054	96,324
Municipal Golf:										
Rounds played	32,714	27,142	28,542	29,405	39,715 (5)	34,113	30,243	34,406	37,174	34,440

Source: City of Rome Trends Publication
Note: Operating indicators are not available for General Government, Public Services, and Community Development
(1) Sharp increase in maximum daily sewage treatment due to very wet year and increase in commercial users
(2) Large increase due to hail storm area roof replacements
(3) Permit decrease due to economic downturn
(4) Increase due to storm related incidents
(5) Increased play contributed to conversion of greens
(6) Decrease due to exclusion of Solid Waste Dumpster Accounts

City of Rome, Georgia
Principal Water and Sewer Customers
Current Year and Ten Years Ago

Principal Water Customers (in descending order):

	2017		2008
1)	Floyd County Wholesale	1)	Floyd County Wholesale
2)	Floyd Medical Center	2)	Zartic
3)	Bekaert Steel	3)	Rome Housing Authority
4)	Mohawk Industries	4)	Bekaert Steel
5)	Syntec Industries	5)	Floyd Medical Center
6)	Redmond Regional Medical Center	6)	Kelloggs
7)	Kelloggs	7)	Floyd County Government
8)	Floyd County Jail	8)	Mohawk Industries
9)	Shorter University	9)	Redmond Regional Medical Center
10)	Rome Housing Authority	10)	NWGA Regional Hospital

Principal Sewer Customers (in descending order):

1)	Berry College	1)	Zartic
2)	Floyd Medical Center	2)	Berry College
3)	Crothall	3)	Rome Housing Authority
4)	Ball Corporation	4)	Bekaert
5)	Bekaert Steel	5)	Floyd Medical Center
6)	Marglen Industries	6)	Kellogs
7)	Redmond Regional Medical Center	7)	Crothall Laundry
8)	General Electric Groundwater	8)	Marglen Industries
9)	Kelloggs	9)	Floyd County Government
10)	Floyd County Jail	10)	Metal Containers

City of Rome, Georgia
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
Function	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Vehicles	70	65	65	65	71	71	72	80	80	80
Public Works:										
Streets (miles) **	273	275	266	267	267	265	267	268	268	268
Street lights	4,520	4,566	4,566	4,566	4,566	4,566	4,566	4,566	4,641	4,645
Traffic signals	91	93	93	93	95	95	95	95	95	96
Signage	10,248	10,248	10,248	10,250	10,253	10,257	10,257	10,257	10,257	10,257
Public Facilities:										
Parks	22	22	22	22	22	22	22	22	22	22
Auditoriums and Civic Centers	3	3	3	3	3	3	3	3	3	3
Public Services:										
Volumes in Library System	344,692	350,528	359,188	364,338	366,293	366,383	362,859	323,302	366,129	378,591
Water:										
Water mains (miles)	285	285	285	285	285	285	285	285	285	285
Fire hydrants	1,648	1,644	1,661	1,718	1,800	1,800	1,339	1,339	1,339	1,888
Sewer:										
Sanitary sewers (miles)	399	399	399	399	401	401	399	399	399	399
Storm sewers (miles)										
Fire:										
Fire stations	10	10	10	10	10	10	10	10	10	10
Solid Waste Management:										
Collection Vehicles	41	40	40	40	37	37	35	36	36	38
Transit:										
Buses	44	48	48	49	58	59	64	58	58	56

Source: City of Rome Trends Publication
City of Rome Finance Department

Note: Capital Asset indicators are not available for the General Government, Community Development, Education, Building Inspection, Solid Waste Commission, and Municipal Golf Course functions.

** Includes State Route 34.66 miles

CITY OF ROME, GEORGIA

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND *GOVERNMENT AUDITING STANDARDS*

DECEMBER 31, 2017

CITY OF ROME, GEORGIA

SINGLE AUDIT OF FEDERAL PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2017

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MAULDIN & JENKINS

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 Board of Commissioners of
the City of Rome, Georgia
Rome, Georgia

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Rome, Georgia** (the "City") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 19, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses of significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompany schedule of findings and questioned costs, as item 2017-001, that we consider to be a material weakness.

Compliance and Other Matters

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

The City's Response to the Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 19, 2018

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Commissioners of
the City of Rome, Georgia
Rome, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Rome, Georgia's (the "City's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2017. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Rome Board of Education, which received $9,509,571 in federal awards during the year ended June 30, 2017 which is not included in the City's schedule of expenditures of federal awards. Our audit, described below, did not include the operations of the City of Rome Board of Education because the component unit obtained a separate audit in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Rome, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rome, Georgia as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise City of Rome Georgia's basic financial statements. We issued our report thereon dated June 19, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 19, 2018

CITY OF ROME, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Grantor/Pass-Through Program Title	CFDA Number	Agency or Pass-through Grantor Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Transportation				
Passed through the Georgia Department of Transportation:				
Metropolitan Transportation Planning Services Program	20.505	T006523	$ -	$ 49,171
Passed through the Georgia Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction Program	20.205	PL 000-0014-00-406	-	97,879
Highway Planning and Construction Program	20.205	0015628-PLN	-	742
Subtotal Highway Planning and Construction Cluster			-	98,621
Passed through the Georgia Department of Transportation:				
Federal Transit - Urbanized Area Formula Grant	20.507	T006497	-	887,764
Federal Transit - Urbanized Area Formula Grant	20.507	T005580	-	267,159
Federal Transit - Urbanized Area Formula Grant	20.507	T004893	-	161,993
Federal Transit - Urbanized Area Formula Grant	20.507	T005306	-	452,454
Subtotal Federal Transit Cluster			-	1,769,370
Total U.S. Department of Transportation			-	1,917,162
U.S. Department of Justice				
Passed through the Bureau of Justice Assistance:				
Bulletproof Vest Partnership Program	16.607	2016	-	5,677
Total U.S. Department of Justice			-	5,677
U.S. Department of Housing and Urban Development				
Community Development Block Grant -				
Entitlement Grant	14.218	B-15-MC-13-0014	-	100,039
Entitlement Grant	14.218	B-16-MC-13-0014	75,000	335,824
Entitlement Grant	14.218	B-17-MC-13-0014	-	6,425
Subtotal Community Development Block Grant			75,000	442,288
Community Home Investment Partnerships -				
Community HOME Investment Program (CHIP)	14.239	2013-874	-	37,410
HOME Homeownership and Small Rental Housing Development	14.239	SF2014-103	-	391,155
Subtotal Community Home Investment Partnerships			-	428,565
Total U.S. Department of Housing and Urban Development			75,000	870,853
Total Expenditures of Federal Awards			$ 75,000	$ 2,793,692

See accompanying note to Schedule of Expenditures of Federal Awards.

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Rome, Georgia (the "City") and is presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred.

In instances where the grant agreement requires the City to match the grant awards with local funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

The City did not utilize the 10% de minimus indirect cost rate.

Federal grant programs which are administered through state agencies (pass-through awards) have been included in this report. These programs are operated according to federal regulations promulgated by the federal agency providing this funding.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

CITY OF ROME, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting: Material weaknesses identified?	X yes ___ no
Significant deficiencies identified?	___ yes X none reported
Noncompliance material to financial statements noted?	___ yes X no

Federal Awards

Internal Control over major federal programs: Material weaknesses identified?	___ yes X no
Significant deficiencies identified?	___ yes X none reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ yes X no

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
20.507	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	X yes ___ no

Section II – Financial Statement Findings and Questioned Costs

2017-001 Restatement of Prior Year Balances

Criteria: Internal controls should be in place to ensure that financial statements properly present the financial position and results of operations of the City.

Condition: Internal controls were not sufficient to timely detect material misstatements in the City's financial statements for the fiscal year ended December 31, 2016.

Context/Cause: During our audit for the fiscal year ended December 31, 2017, a material misstatement was identified by management that caused the need to restate opening net position (equity) for the fiscal year ended December 31, 2017 for governmental activities. The City improperly recognized depreciation expense on various infrastructure capital assets as a result of an error within the City's capital asset software, which caused accelerated depreciation on these assets. A total adjustment of $4,672,093 was required to correct the accumulated depreciation balance and restate the opening net position of governmental activities.

Effects: As a result of the issue identified, the total restatement to the beginning net position of governmental activities was $4,672,093.

Recommendations: We recommend the City carefully review the financial statements and the applicable reporting requirements under generally accepted accounting principles (GAAP) to ensure that all information and financial data is being properly reported.

Auditee's Response: We concur with the finding. We will take the necessary steps in the future to ensure that items are properly reported in accordance with GAAP.

CITY OF ROME, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Section III - Federal Awards Findings and Questioned Costs

None reported

CITY OF ROME, GEORGIA

STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

None reported

FINANCE DEPARTMENT
Sheree T. Shore
Finance Director
706/236-4420 • sshore@romega.us

MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2017

2017-001 Restatement of Prior Year Balances

Name of the Contact Person Responsible for the Corrective Action Plan: Sheree Shore, Finance Director.

Corrective Action Plan: The City of Rome is initiating a secondary review process for all of the year-end Plant Property and Equipment schedules. These will not only be reviewed by the staff accountant for accuracy, but will also have a secondary review by the Assistant Finance Director or Finance Director. This is to help ensure appropriate review of the additions, deletions, and depreciation of the City's assets.

Anticipated Completion Date: The corrective action will be initiated with the 2018 year end schedules.

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