CITY OF ROME, GEORGIA
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2011

Prepared By:
Finance Department

CITY OF ROME, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

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John Bennett
City Manager
P.O. Box 1433
Rome, GA 30162
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June 19, 2012

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, 2011, 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, 2011.

The City is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 (with amendment in 1996) and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. 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 and Jenkins, Certified Public Accountants, LLC, have issued an unqualified opinion on the City of Rome's financial statements for the year ended December 31, 2011. 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 4-21 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-one square miles and has a population of approximately 37,000. 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 a final budget by the end of each fiscal year. This annual budget serves as the foundation for the City of Rome's financial planning and control. The budget is 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, 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 had a 12.7% percent unemployment rate at the end of the year which was slightly over the state average and also over the overall Floyd County rate of 10.7%.

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 both hospitals and their outlying complexes. A new Cancer Center affiliated with Harbin Clinic recently opened in 2010 and should enhance the current medical facilities.

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

Rome was the venue for the National NAIA football championship in 2011 and will also host this event through 2015.

A continuing Education Local Option Sales (E-LOST) tax has enabled the school system to make major renovations and improvements to many of the City schools. In September, 2008, a new five year E-LOST was approved by the voters and is projected to generate about $90 million dollars of school improvements for the City and County school systems. A new county school for the eastern part of the county is planned as well as major renovations and additions to the existing Rome High and Middle schools. A thirty nine month SPLOST approved in 2006 for multiple City and County capital projects for recreation, streets, and a community youth center has been completed. These projects have been a positive economic impact for the community in light of the current national downturn in normal construction. A new SPLOST was passed in 2009 and collections began in 2010. Projects for the new SPLOST include renovations to Barron Stadium, a new countywide emergency communications system, and a new Fire Administration and Emergency Operations Facility, all of which should be completed by the end of 2012.

Local Option Sales Tax revenue actually had a 2% increase in 2011. Consistent decreases in this revenue stream have mirrored the economic downturn the last three years but the small increase is an optimistic sign of a slow recovery. The City tax digest did not significantly increase in 2011 and with downward market adjustments expected, management expects a decrease in the digest for possibly the next two to three years. Other declining or stagnant revenues associated with the national economic issues such as business licenses and franchise fees have challenged the City to look at additional budget cuts and streamlining for the 2012 fiscal year. The City is still assessing the impact of two significant employers that announced office relocations or closings in the past year. The City has acquired an economic boost in the location of a new Lowe's distribution center in the north end of the County. This $125 million investment will eventually employ approximately 600 employees. It is expected to be in operation by the end of 2013. 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.

LONG TERM FINANCIAL PLANNING:
In response to the overall economic downturn and the likely prospect that 2012 will not see significant upturns, the City has taken budgetary steps to ensure that the City will continue to be healthy throughout the current recession. Although there have been no employee merit raises for the last three years, the City does have a minimal raise of 2% budgeted for 2012. The City has trimmed its workforce some 10% in the last three years and continues to have a hiring freeze for most vacant positions. The City has implemented shared workers and changes in public safety operations to maximize coverage in those areas. Capital spending has been minimized but long term needs must still be addressed. There has been more capital spending budgeted in the Water/Sewer system for 2012 because the system is addressing needs for the new Lowes Distribution Center and capital maintenance requirements that have been mitigated for the last couple of 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.

RELEVANT FINANCIAL POLICIES:
The past fiscal year has been a challenge to all revenue sources within the City. Although Sales Taxes showed a slight increase, current year ad valorem taxes were down due to the market adjustments in the tax digest. The local and national housing crisis has been the most challenging of revenue projections as the City looks to weather the downward assessment adjustments over the next two or three years.

MAJOR INITIATIVES

For the Year
Several major road projects have been completed during the year with several more projects still under construction. Construction has started on the State DOT Rome bypass. Within the 2006 SPLOST package, there are approximately 7 million dollars in road improvements to be initiated over the next couple of years, including additional turn lanes, and road and bridge widening projects. The last of the anticipated turn lanes have been completed and opened. Wolf Drive, which was a 2006 SPLOST project, will provide a second access to the Rome Middle and High Schools was completed and opened during 2011.

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. Entitlement monies also helped with the ongoing renovation to the historic Desota Theatre in downtown. The Etowah Terrace Housing project, in partnership with Mercy Housing and the South Rome Redevelopment Agency, also broke ground in 2010 with the construction of seventy two Retirement apartments on South Broad Street adjacent to the downtown area. These units will be available for rent in 2012.

The South Rome Re-development Agency and Community Development continues its progress with rehabilitation and improvements within the South Rome area of the City. The 2006 SPLOST package included monies for a major streetscape for South Broad Street and East Main Street which continued in 2011 and should be completed by June 2012.

Another continuing initiative for the City in 2011 was the “Neighborhood Focus”. This effort is sponsored by the “Keep Rome/Floyd Beautiful” committee and is a collaborative partnership between the City, Floyd County, and the neighborhood communities to help clean up predesignated areas.

Another major accomplishment by the City of Rome in 2011 continues to be a concentrated effort to renovate and replace older sidewalks around the City.

The City of Rome Downtown Development Department has expanded its management to several downtown parking facilities. This effort has allowed more control of revenue generating facilities as well as ensuring optimum use of all available parking.

The City of Rome has also made a major initiative in urban tree management. The City now has a certified arborist on staff and a concerted effort is being rolled out to inventory, manage and replenish the City of Rome tree population.

The City of Rome Building Inspection Department has also expanded its clean it or lien it efforts by expanding its enforcement more into the environmental court area of our local municipal court. The concentrated effort will result in the clean up of sub standard housing as well as enforcement against non compliant property owners.

Every year water and sewer projects are being completed. The SPLOST funded BioSolids enhancement went on line in 2011. A multi-year water tank maintenance initiative was begun in 2011 to assess, repair, and paint all water tanks. The old lift station at the Town Green park was also relocated in anticipation of the riverfront expansion planned for 2012.

The renovated old Marine Armory opened in 2011 as the new Recreation Authority headquarters and gymnastics center. This expansion serves the City well by creating much needed space for the gymnastics program and administration offices as well by creating new possible space for development along the West Third corridor where the facilities were previously located.

The Kingfisher Trail and bridge was opened in 2011. This multi-source funded bridge is a major cornerstone in the trail system that links the South Rome and Downtown trail systems.

The conversion of the greens at the City owned Stonebridge Golf course from Bent grass to Bermuda grass was completed in the summer of 2011. This transition was a smooth process and the City has already seen an increase in revenues as the playing conditions at the course have improved. This conversion should allow for more drought and heat tolerance of the greens and thus allow for better facilities and more golf play.

The renovation of the City owned Barron Stadium from grass to artificial turf was completed in 2011. Renovations and enhancements to the track around the stadium now allow regulation track meets to be held at the facility. This improvement was a 2009 SPLOST funded project and has been a centerpiece of the West Third Redevelopment.

For the Future. Transportation is an area that will always receive attention for funding. With the projects approved with the 2006 SPLOST package, many road expansions and improvements have been completed. The previously mentioned road widening projects head the list of transportation projects. Several major road expansions anticipated in 2012 and beyond include Turner McCall Boulevard Bridge and Huffaker Road. The much anticipated Armuchee Connector bypass is scheduled to be completed and open by midyear 2012. This project will allow an alternate route from the Veterans Bypass north.

A major parcel of property in the West Rome area of the City is being donated by the General Electric Company and plans include the construction of a major new active and passive park.

Construction of the new Mausoleum at the City owned Myrtle Hill Cemetery will begin in 2012.

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 expanded new riverfront development beginning at the Town Green is scheduled to begin in 2012.

A new chemical feed system and related upgrades at the Water Filter Plant will begin construction in late 2012.

The relocation of the Annie K Davie elementary school in the South Rome area is scheduled to begin construction in 2012.

A new SPLOST referendum was approved in 2009. The major initiative in the package was a $26 million project to completely replace and enhance the communication equipment county-wide for all public safety, public works and auxiliary agencies. A new Fire Department Administration and Emergency Operations Center building was also included. This facility is under construction and should be ready for occupancy by mid year 2012.

The City of Rome, Floyd County, Coosa Valley Tennis Association, Berry College, Chamber of Commerce, and the Rome Floyd County Tourism Board as a multi-partner coalition continues to work towards the realization of a new tennis center. A feasibility study has been conducted and the coalition continues to work towards some state funding to make this project a reality.

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 affect on a major federal program. The results of the City's single audit for the fiscal year ended December 31, 2011 ended with no findings of non compliance of major federal programs. There were no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations related to its major 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, 2010, 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,

John Bennett

John Bennett
City Manager

Sheree T. Shore

Sheree T. Shore
Finance Director

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, 2010

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

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

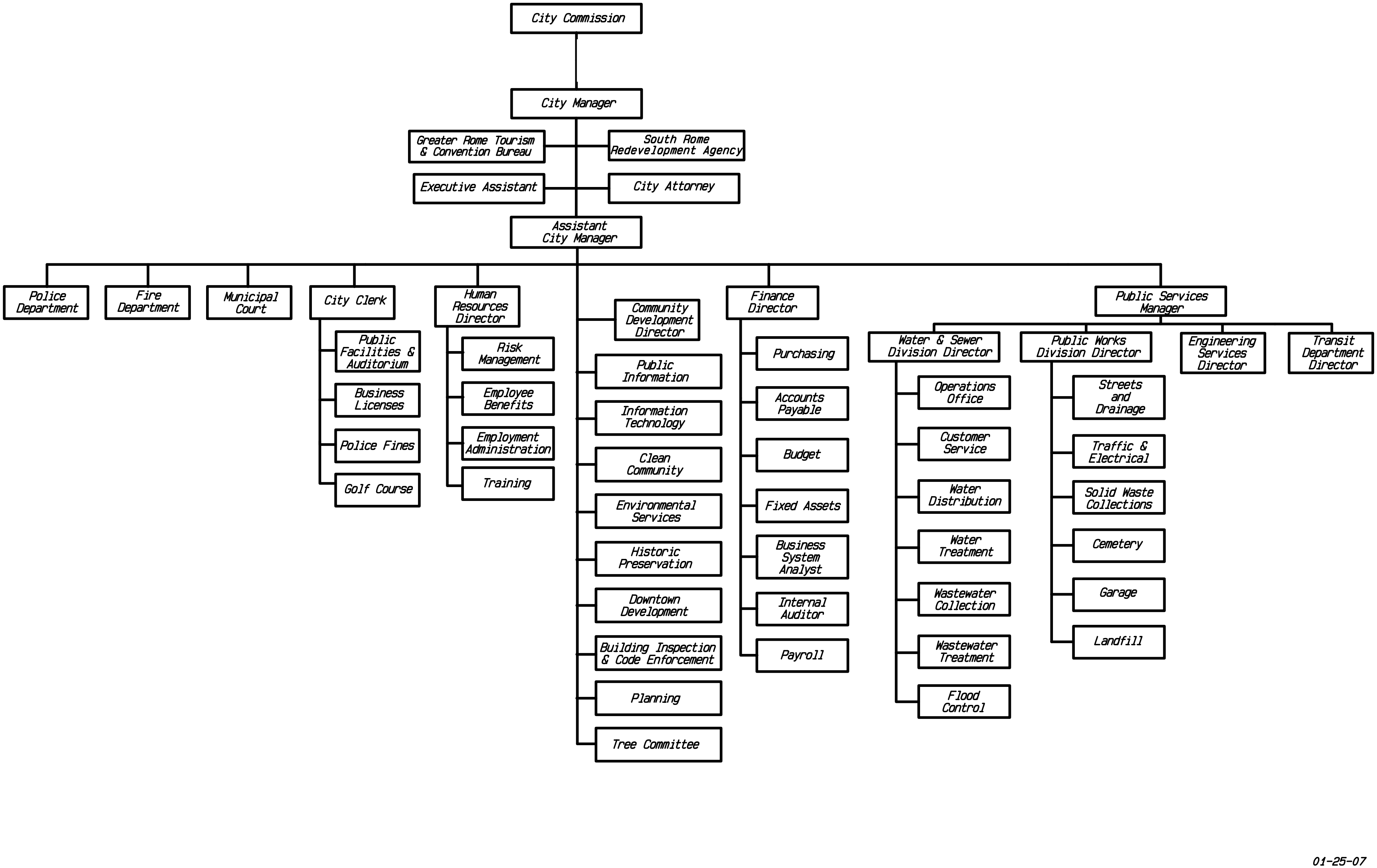
Linda C. Davison

President

Jeffrey R. Emer

Executive Director

City of Rome, Georgia
Organization Chart



CITY OF ROME, GEORGIA
PRINCIPAL OFFICIALS
DECEMBER 31, 2011

Evie McNiece	**Mayor**
Kim Canada	**Mayor, Pro Tem**
Bill Collins	**At Large**
Sue Lee	**At Large**
Milton Slack	**At Large**
Jamie Doss	**At Large**
Howard “Buzz” Wachsteter	**At Large**
Wright Bagby	**At Large**
Duane Reid	**At Large**

****

John Bennett	**City Manager**
Sammy Rich	**Assistant City Manager**
Sheree T. Shore	**Finance Director**
Toni Rhinehart	**Assistant Finance Director**
Joseph F. Smith	**City Clerk**
Robert M. Brinson	**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.

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
City of Rome, Georgia
Rome, Georgia

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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rome, Georgia, as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note D, the City of Rome implemented Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, as of January 1, 2011.

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In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2012 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 4 through 21), schedules of funding progress (on page 98), and budgetary comparison information (on pages 87 through 96) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-21, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 18, 2012

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, 2011

As management of the City of Rome, Georgia, (City) 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, 2011.

This discussion and analytical information is designed to be used in conjunction with the transmittal letter found on pages v - x 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 exceeded its total liabilities by $280,547,453 in 2011, which is a 5.5 % increase from 2010.
- Total Net assets are made up of the following:
  1) Capital assets, net of related debt of $254,221,196 include property, equipment, and infrastructure, net of accumulated depreciation and reduced for related debt.
  2) Net assets of $3,627,218 are restricted by outside entities either by covenants, grant agreements or external legislation. This amount has increased from 2010 due to the implementation of GASB 54 which presents a more structured allocation of restricted net assets.
  3) Unrestricted net assets of $22,699,039 represents the portion available to maintain the City's ongoing obligations and has decreased from 2010 due mainly to the reallocation of more restricted net assets.
- The City's combined governmental funds reported a total ending fund balance of $18,633,728 which is an increase of $886,504 or 5% from 2010. Of this amount $10,660,903 is unrestricted and unassigned and available for budgetary spending.
- The City of Rome had an increase in net assets for the year of 2011 of $14,565,325 which is a 15% increase from 2010.
- The City's General Fund had a net increase in fund balance of $154,339 for 2011.
- The City's General Fund showed an unrestricted and unassigned fund balance of $10,660,903 at the end of the fiscal year, or 61% of current year expenditures before transfers. This is a $564,402 increase from 2010.
- The City has implemented GASB 54 in 2011 which changes the allocations within governmental funds' fund balances. Current allocations will now include Nonspendable, Restricted, Committed, Assigned or Unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the City's 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.

OVERVIEW OF THE FINANCIAL STATEMENTS – continued

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 Assets.** This is the City-wide statement of position which presents information on all assets and liabilities with the difference between the two reported as *Net Assets.* Over time, increases or decreases in net assets may serve as a useful indicator of the financial health of the City.

The second government-wide statement is the **Statement of Activities.** This report presents how the City's net assets 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, 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 22-24 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.

FUND FINANCIAL STATEMENTS - continued

***Governmental Funds*- continued**

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 Special Local Option Sales Tax funds, 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 99-109 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 25-29 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 assets 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, and public facilities.

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 assets allocated between governmental and business-type activities.

The City reports the water, fire, solid waste commission, and transit 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 30-38 with individual data on non-major funds presented in combining statements on pages 112-118.

FUND FINANCIAL STATEMENTS - continued

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 39 and 40.

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 41 to 86.

Required Supplementary Information

The budgetary comparison schedule for the General Fund and footnotes are provided for budget compliance presentation. The schedule of funding progress for the City of Rome's GMEBS Retirement Plan and the OPEB Health Care Plan are also provided in the Required Supplementary Information. These are presented on pages 87-98.

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 99-109.

The Report for Special Sales Tax proceeds is shown on page 110 and 111. This schedule shows expenditures for the 1996, 2006 and 2009 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 22-24.

City of Rome
Net Assets (Financial Position)

	Governmental Activities		Business-Type Activities		Totals		
	2011	2010	2011	2010	2011	2010	Variance
Assets:							
Current assets	$ 20,603,007	$ 19,622,183	$ 17,985,939	$ 15,977,097	$ 38,588,946	$ 35,599,280	$ 2,989,666
Capital assets	133,120,341	126,685,455	194,023,554	193,216,350	327,143,895	319,901,805	7,242,090
Other non-current assets	5,025,100	5,683,444	1,459,922	1,713,807	6,485,022	7,397,251	(912,229)
Total Assets	158,748,448	151,991,082	213,469,415	210,907,254	372,217,863	362,898,336	9,319,527
Liabilities:							
Current liabilities	4,458,692	3,347,728	6,006,037	5,134,415	10,464,729	8,482,143	1,982,586
Long-term liabilities	9,203,223	10,991,654	72,002,458	77,442,411	81,205,681	88,434,065	(7,228,384)
Total Liabilities	13,661,915	14,339,382	78,008,495	82,576,826	91,670,410	96,916,208	(5,245,798)
Invested in capital assets,							
net of related debt	125,089,306	117,293,098	129,131,890	122,950,886	254,221,196	240,243,984	13,977,212
Restricted	3,255,105	2,863,075	372,113	368,470	3,627,218	3,231,545	395,673
Unrestricted	16,742,122	17,495,527	5,956,917	5,011,072	22,699,039	22,506,599	192,440
Total Net Assets	$ 145,086,533	$ 137,651,700	$ 135,460,920	$ 128,330,428	$ 280,547,453	$ 265,982,128	$ 14,565,325

As noted, the overall assets of the City increased $9,319,527, from mainly an increase in capital assets but also an increase in cash under current assets. The City's total liabilities decreased $5,245,798 due to the normal debt payments. Overall the City's net assets increased $14,565,325 from 2010 or an increase of 5%. Capital assets additions make up a large portion of this amount. Investment in capital assets, net of related debt is the largest component of total net assets with 86% of governmental net assets and 95% of business type net assets. This large increase is made up of an additional increase in capital assets and the reduction of the related debt. The largest component of restricted net assets is restricted assets held for the GMA lease pool and Cemetery Maintenance. Neither of these components of net assets, however, represents available resources for the City, but an investment to provide services to citizens.

The unrestricted portion of net assets of $22,699,039 which is available for spending is 8.0% of total net assets and has decreased from 2010 due to the increase in restricted assets allocations under the new GASB No. 54.

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

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

City of Rome
Changes in Net Assets

	Governmental Activities		Business Type Activities		Total		
	2011	2010	2011	2010	2011	2010	Variance
Revenues:							
Program Revenues							
Charges for services	$ 3,416,396	$ 3,718,803	$ 34,766,770	$ 34,550,577	$ 38,183,166	$ 38,269,380	$ (86,214)
Operating Grants & Contributions	881,618	711,627	744,235	708,308	1,625,853	1,419,935	$ 205,918
Capital Grants & Contributions	14,200,628	11,258,868	2,924,690	1,033,743	17,125,318	12,292,611	$ 4,832,707
General Revenues							
Property Taxes	9,749,355	10,006,937	-	-	9,749,355	10,006,937	$ (257,582)
Sales Taxes	6,162,346	5,980,293	-	-	6,162,346	5,980,293	$ 182,053
Other Taxes	7,146,638	7,186,905	-	-	7,146,638	7,186,905	$ (40,267)
Miscellaneous	1,214,757	804,637	148,312	256,591	1,363,069	1,061,228	$ 301,841
Total Revenues	42,771,738	39,668,070	38,584,007	36,549,219	81,355,745	76,217,289	5,138,456

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2011

	Governmental Activities		Business Type Activities		Total		
	2011	2010	2011	2010	2011	2010	Variance
Expenses:							
General Government	4,504,577	3,725,503	-	-	4,504,577	3,725,503	779,074
Public Safety	7,166,970	7,659,380	-	-	7,166,970	7,659,380	(492,410)
Public Works	10,441,038	8,881,293	-	-	10,441,038	8,881,293	1,559,745
Public Facilities	1,419,023	1,381,172	-	-	1,419,023	1,381,172	37,851
Public Services	514,501	397,003	-	-	514,501	397,003	117,498
Community Development	1,314,568	1,758,372	-	-	1,314,568	1,758,372	(443,804)
Education	1,275,152	1,185,080	-	-	1,275,152	1,185,080	90,072
Interest on Debt	152,396	240,841	-	-	152,396	240,841	(88,445)
Water and Sewer	-	-	18,186,992	17,278,603	18,186,992	17,278,603	908,389
Fire	-	-	10,645,312	10,249,101	10,645,312	10,249,101	396,211
Solid Waste Commission	-	-	2,076,046	1,987,675	2,076,046	1,987,675	88,371
Transit	-	-	3,119,662	3,091,587	3,119,662	3,091,587	28,075
Building Inspection	-	-	853,188	839,436	853,188	839,436	13,752
Solid Waste Management	-	-	3,503,344	3,303,925	3,503,344	3,303,925	199,419
Municipal Golf	-	-	1,157,899	1,255,926	1,157,899	1,255,926	(98,027)
Public Facilities	-	-	459,752	394,564	459,752	394,564	65,188
Total Expenses	26,788,225	25,228,644	40,002,195	38,400,817	66,790,420	63,629,461	3,160,959
Increase (decrease) in net assets before transfers	15,983,513	14,439,426	(1,418,188)	(1,851,598)	14,565,325	12,587,828	1,977,497
Transfers	(8,548,680)	(7,401,064)	8,548,680	7,401,064	-	-	-
Change in Net Assets	7,434,833	7,038,362	7,130,492	5,549,466	14,565,325	12,587,828	1,977,497
Beginning Net Assets	137,651,700	130,613,338	128,330,428	122,780,962	265,982,128	253,394,300	12,587,828
Ending Net Assets	$ 145,086,533	$ 137,651,700	$ 135,460,920	$ 128,330,428	$ 280,547,453	$ 265,982,128	$ 14,565,325

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

The City's overall revenue increased $5,138,456 from 2010 or 6.7% with most of this increase in capital grant revenues. The capital grants increase in the Governmental Activities was under the Education category and represents E-LOST proceeds. The increase in the Business Activities capital grants is mainly due to bus grant reimbursements in the Transit Fund. Although program revenues were up over 2010, the increase was mainly centered in the Business Type Activities from rate increases. Governmental Activities actually had a decrease in that category. Sales tax revenues were up slightly over 2010 but property taxes were lower due to the market adjustments in the tax digest. Another larger tax revenue that was lower in 2011 was the Insurance Premium Tax which came in 9.6% below 2010. The revenue stagnation continues to be a challenge for the City. The City has made significant reductions in expenses to mitigate this but optimistically anticipates that the slight increase in sales tax may indicate an upward trend in 2012.

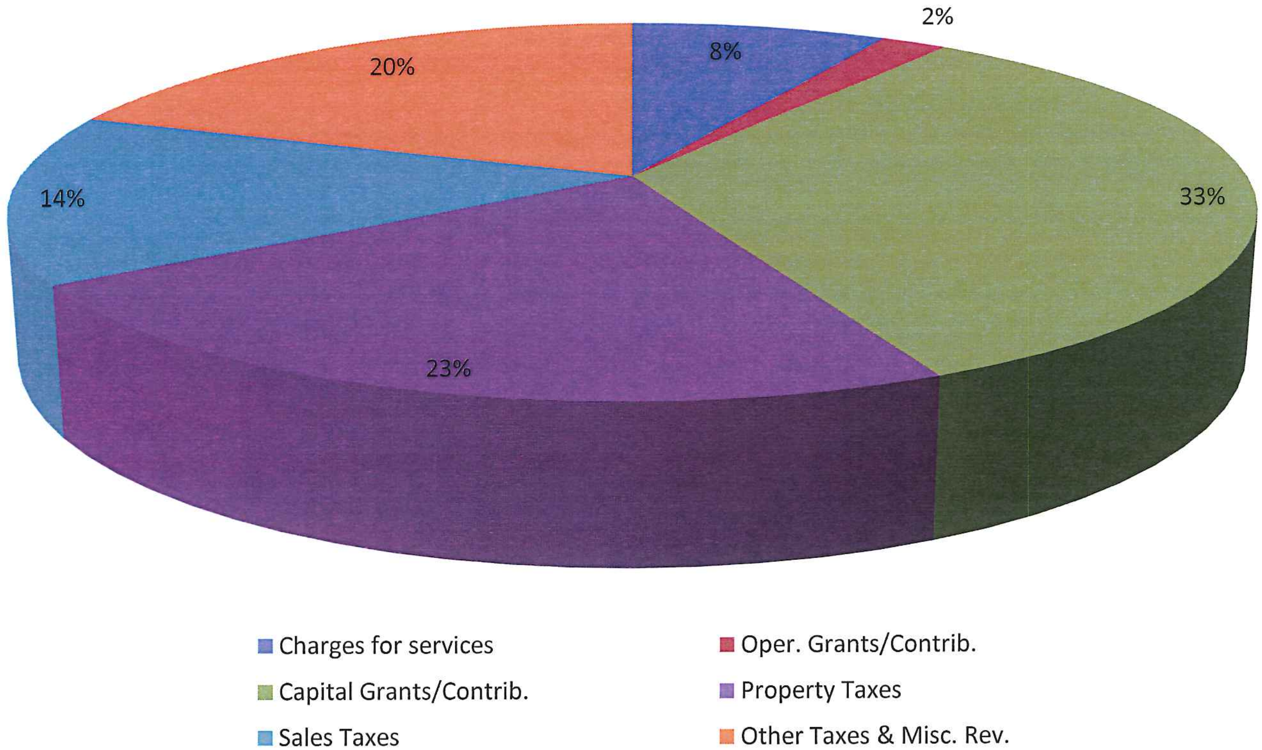
Total operational expenses for 2011 increased $3,160,959. These increases are mainly concentrated in Public Works which had an increase in non capital expenses associated with road and drainage improvements. Also up are Water and Sewer expenses which include increases in depreciation and in maintenance improvements which have been mitigated for the past couple of years. Community Development had a decrease in expenses due to less housing expenses for 2011. All other expenses were in line with prior year numbers.

The overall change in net assets for 2011 was $14,565,325 an increase from 2010. This increase is basically evenly split between Governmental Activities and Business type Activities. The City over all has seen a slight increase in some revenue sources which is a hopeful indicator of a slow recovery for 2012 and forward. Again the City has worked diligently to minimize expenses for 2011 which has helped the City live within its revenues for 2011 and have minimal net asset increases for the year.

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

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

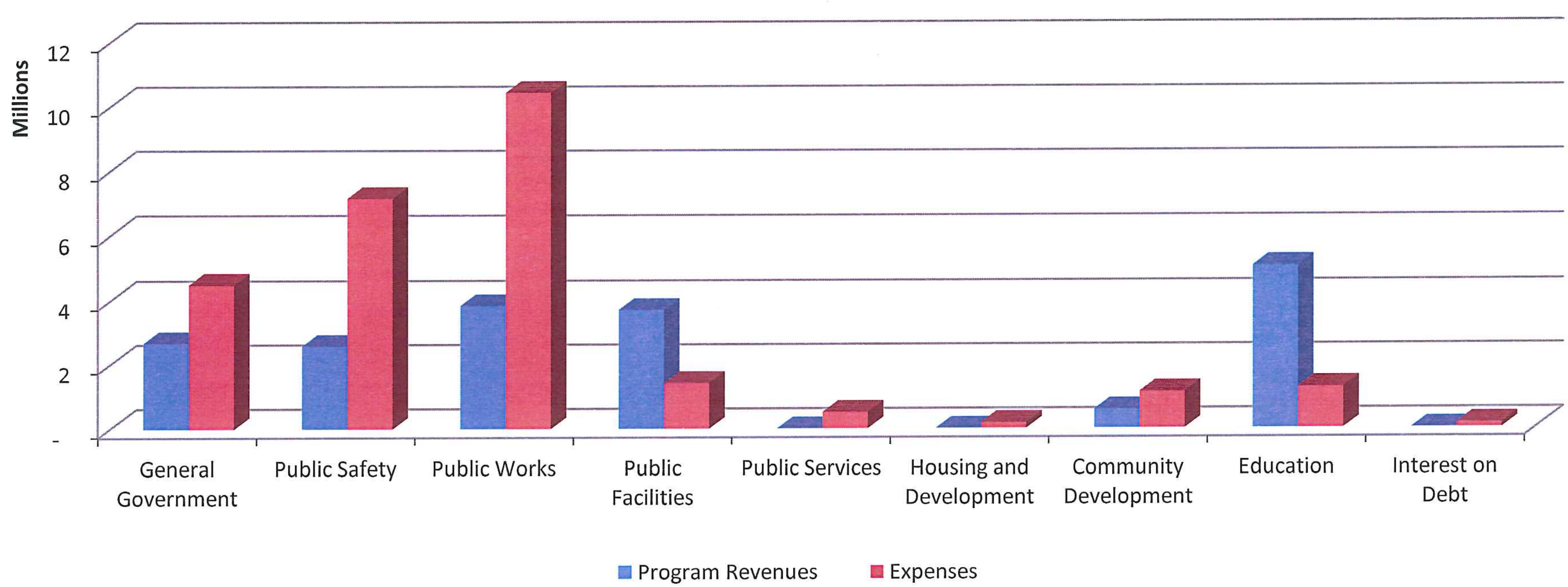
City of Rome
Revenues by Source – Governmental Activites
for fiscal year ending December 31, 2011



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.

City of Rome
Comparison of Governmental Activities
Program Revenues and Expenses
for fiscal year ending December 31, 2011

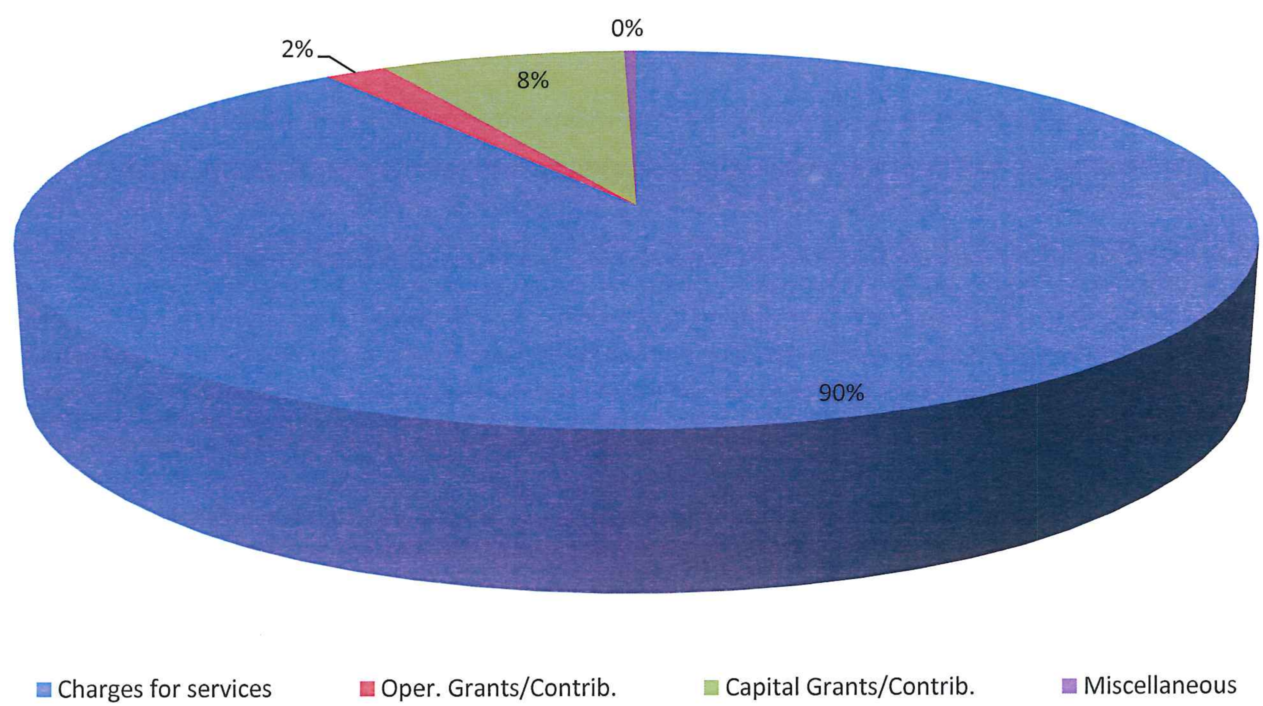


FINANCIAL ANALYSIS OF THE CITY'S POSITION AND OPERATIONS - continued

Business-type activities Charges for Services account for $34,766,770 or 90% of total revenues. The Capital Grants and Contributions amount of $2,924,690 represents capital contributions for transit capital purchases. Transfers in of $8,548,680 are 22% of total business-type revenues and is $1,147,616 more than 2010. This increase is mainly due to SPLOST monies transferred to the Fire Fund for the construction of the EOC center.

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

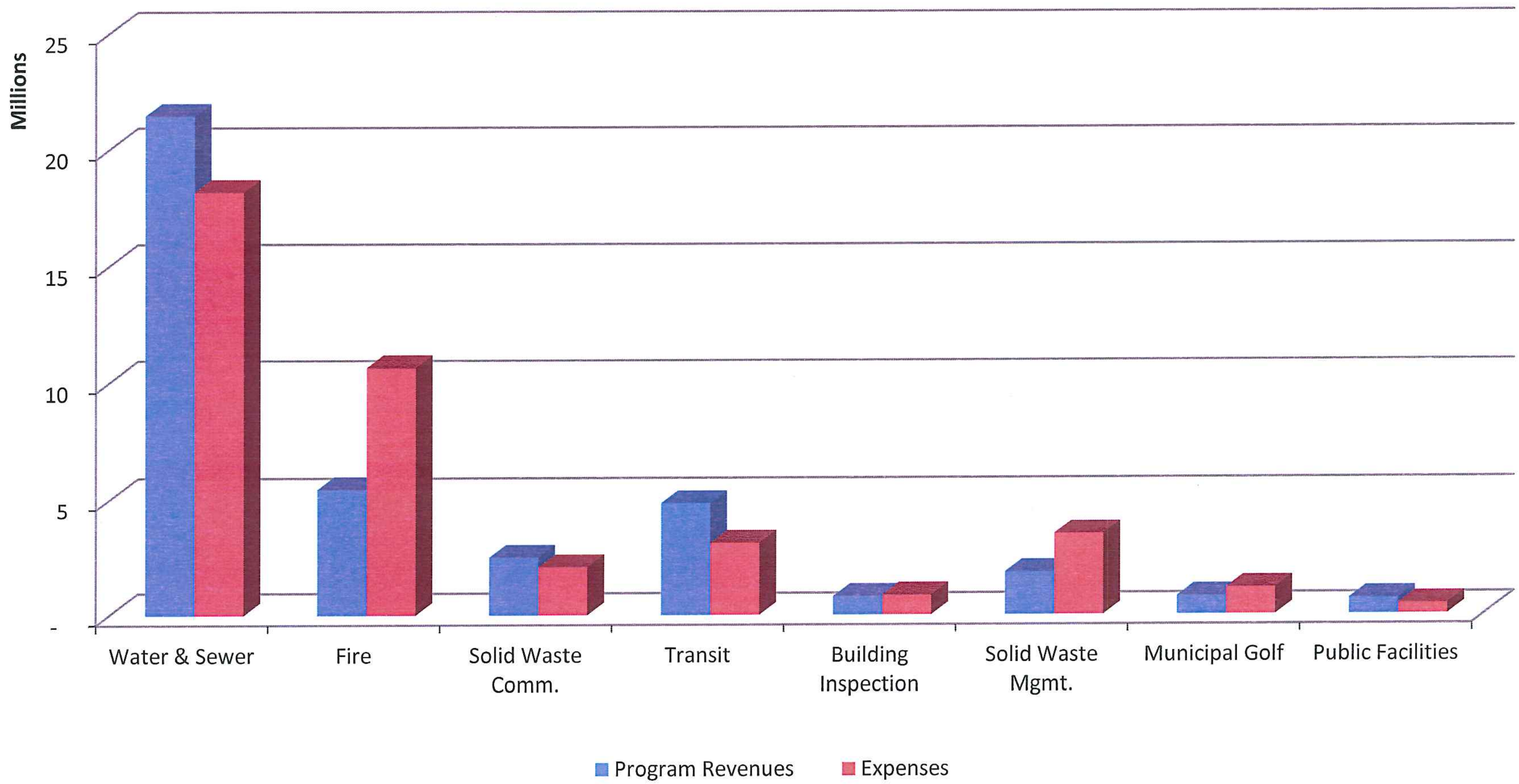
City of Rome
Revenues by Source
Business Type Activities
for fiscal year ending December 31, 2011



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.

**Comparison of Business-Type Activities
Program Revenues and Expenses
for fiscal year ending December 31, 2011**



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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending. At the end of the fiscal year 2011 the City's governmental funds reported a combined ending fund balance of $18,633,728 which is an increase of $886,504 over 2010 with most of this increase in the non-major governmental funds. Of this amount $10,660,903 is unassigned which is actually a decrease from 2010. This is a result of the implementation of the new GASB No. 54 standard which requires different guidelines in the allocation of fund balances. The General Fund comprises the entire amount 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 2011 the restated fund balance of the General Fund was $11,666,829 with $10,660,903 in the unassigned portion of fund balance. This fund balance amount represents 60% of General Fund operating expenditures while total fund balance represents 66% of the same amount.

The Nonspendable amount of fund balance of $215,975 represents amounts held in inventories and prepaid items. The Restricted amount of $789,951 is restricted for Cemetery maintenance.

The General Fund's fund balance increased by $154,339 in 2011. Although most revenue sources were about the same in 2011, franchise tax and prior year taxes contributed mainly to the increase. Another part of the fund balance increase is the reduction in total operating expenditures.

Capital Fund

In 2011 the Capital Fund had an increase to fund balance of $129,376 due to the timing of several grant reimbursements.

Special Purpose Local Option Sales Tax Fund

The SPLOST Fund had $7,605,311 in capital expenses and transfers out in 2011. The fund had SPLOST revenues of $7,364,318 and a transfer in from Capital Fund for $240,993. The Transfer in was for the balance of the Barron Stadium improvement project.

Community Development Fund

The Community Development fund had an increase to fund balance of $601,697. This is due to a rollover of a large revolving loan from the Downtown Development fund.

Tax Allocation District Fund

This fund accounts for revenues and expenses within the City's two Tax Allocation Districts. This fund had a decrease in fund balance of $1,491 due to the 2011 expense for infrastructure improvements in the TAD 2 District.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS-Continued

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 combined net assets of $132,843,677 at year end with the Water and Sewer System Fund comprising $115,752,737 or 87% of that amount. The Water and Sewer System Fund had an increase of $2,494,581 in net assets for fiscal year 2011. This increase was because of the reduction in SPLOST revenues and the absence of any capital contributions for 2011. This increase was due to a slight increase in revenues and a decrease in operating expenses. The Water and Sewer System Fund also had a bond coverage ratio of 1.7 for 2011, which is above the required 1.2. The Fire Fund had an increase in net assets of $1,070,933 due to the receipt of SPLOST reimbursements for the construction of the new EOC Center. The Solid Waste Commission Fund had an increase in net assets of $412,038. This was due to an increase in revenues and a decrease in operating expenses. The Transit Fund had an increase in net assets of $2,333,588 due to the reimbursement of capital contributions for the purchase of buses. The Building Inspection had a decrease to net assets of $48,236. This was due to a budgeted transfer to the City and Floyd County. The Solid Waste Management Fund had a net increase in net assets of $188,688. This was due to a reduction of expenses, and additional revenue with the implementation of the new cart system. The Municipal Golf Fund had an increase of $357,188 for 2011 due to an increase in revenues.

GENERAL FUND BUDGET HIGHLIGHTS

The original budget for the General Fund was amended twice with commission approval after the beginning of the fiscal year with an ended approved amount of $970,380 (including transfers out) more in expenditures than the original budget. This increase was mainly due to the consolidation of three previously separate special revenue funds that were collapsed into the General fund under the new GASB 54 pronouncement. The City ended the year with slightly more in revenues than budget and under in expenditures for an increase to fund balance of $154,339. The following are highlighted budgetary changes from the original to final budgets.

- Current Year Property Taxes were increased to more accurately reflect projected increase in actual receipts.
- Prior Year Taxes were increased due to actual increase in receipts.
- Motor Vehicles taxes were increased to align with an increase in revenues
- Sales Tax revenues were decreased to match a continued decline in receipts.
- Franchise Taxes were increased to due to an increase in the Georgia Power franchise tax.
- The Housing Authority Payment in Lieu of Taxes revenue was decreased to align with actual receipts.
- Police Fines and Fees were reduced significantly due to a decrease in actual fines and a decrease in environmental court revenues.
- Charges for Services was increased to accommodate the consolidation of the parking special revenue funds.
- Miscellaneous revenues were increased to account for the Timber Sales for 2011.
- The Sale of Capital Assets line item was increased to accommodate the consolidation of the special revenue funds.
- The Public Works departments were increased moderately to help cover the additional payroll and supply costs of the multiple storm costs.
- Community Development expenses were added to accommodate the consolidation of the special revenue funds.
- Transfer out to Capital Fund was increased to cover the construction of the Golf Greens grass conversion.
- Transfer to Transit Fund was increased to cover the additional monies needed for the City match for all of the buses purchased in 2011.
- Transfer to Golf Fund was decreased due to the better cash position of the fund.

GENERAL FUND BUDGET HIGHLIGHTS-Continued

Budget to actual Variances within the General Fund occur due to unforeseen revenue or expenditures. Significant variances for 2011 include:

- Prior Year Tax revenues were up over budget due to increased collections.
- Franchise fee revenue for Georgia Power exceeded anticipated budgeted.
- Grant reimbursements for the COPS Police grant was not budgeted, so the variance is significant.
- Police fines and fees were under budgeted amounts due to decrease in fines.
- Insurance Premium Taxes were under budget slightly from the revised budget but down 11% from the original budget.
- General Administration ended up under the revised budget by $41,798 and the original budget by almost $150,000 due to a decrease in legal and interest costs.
- Transfer to Community Development includes the consolidation of the special revenue funds.

General Fund operating expenditures ended the year under final budget numbers. This, along with a modest increase in revenues over the anticipated revenues, created the increase to fund balance for 2011.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Rome has invested $254,221,196 in capital assets net of debt, with $125,089,306 in governmental activities and $129,131,890 in business-type activities. Capital assets for that calculation include machinery and equipment, buildings, land, and infrastructure.

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

City of Rome
Capital Assets (net of depreciation)
as of December 31, 2011

	Governmental Activities		Business-Type Acivities		Total	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**
Land	$ 9,168,923	$ 8,976,196	$ 7,576,215	$ 7,525,166	$ 16,745,138	$ 16,501,362
Construction in Progress	11,700,412	13,103,348	1,802,109	211,352	13,502,521	13,314,700
Buildings	94,838,720	87,622,757	102,057,213	102,028,997	196,895,933	189,651,754
Improvements other than buildings	6,034,893	2,859,916	17,875,408	17,692,371	23,910,301	20,552,287
Machinery & Equipment	4,731,123	4,560,682	12,805,796	12,211,304	17,536,919	16,771,986
Vehicles	4,993,648	4,897,968	22,032,528	17,805,742	27,026,176	22,703,710
Infrastructure	123,744,507	121,174,432	139,754,448	138,287,547	263,498,955	259,461,979
Total	255,212,226	243,195,299	303,903,717	295,762,479	559,115,943	538,957,778
Accumulated depreciation	(122,091,885)	(116,509,844)	(109,880,163)	(102,546,129)	(231,972,048)	(219,055,973)
Net Capital Assets	$ 133,120,341	$ 126,685,455	$ 194,023,554	$ 193,216,350	$ 327,143,895	$ 319,901,805

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CAPITAL ASSETS AND DEBT ADMINISTRATION - continued

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

- South Broad Corridor Improvements of $1,158,022
- Renovations to Barron Stadium of $2,352,447
- Renovation of NW Georgia Regional Commission Building of $960,792
- Construction of new Rome High Access Road of $615,872
- Kingfisher Trail and Bridge of $239,367
- Street Paving of $472,473
- Purchase of Police Vehicles of $130,788

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

- Transit bus fleet replacement of $2,200,000
- Purchase of four GPM Fire Pumpers of $1,595,945
- Town Green Lift Station Relocation of $280,946
- Purchase of Rear loader Garbage Truck/Chassis of $339,578
- Conversion of Golf course Greens from Bent to Bermuda of $181,388

Additional information on the City of Rome's Capital assets can be found in Note III- (C) on pages 53-55.

Long-term Debt

At December 31, 2011 the City of Rome had $74,458,493 in bonds, capital leases, intergovernmental agreements and notes outstanding which is a decrease of $5,199,328 over the prior year. No new note, capital leases, intergovernmental agreements or bond debt was issued in 2011. Compensated absences have not been included in these calculations.

City of Rome
Outstanding Note and Bond Debt
as of December 31, 2011

	Governmental Activities	Business-Type Activities	Total
Bonds	$ 4,527,000	$ 55,496,818	$ 60,023,818
Notes Payable	1,255,181	8,601,815	9,856,996
Intergovernmental Agreement	3,745,000	-	3,745,000
Capital Leases	39,648	793,031	832,679
	$ 9,566,829	$ 64,891,664	$ 74,458,493

The City currently maintains an Aa2 on its General Obligation 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 61 to71 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Local Option Sales Taxes for 2011 had a very slight increase which is a hopeful anticipation of a recovery. Most all other revenue sources linked to the economic downturn continue to decline. The greatest challenges for the City for the next fiscal year are to try to adjust expenditures to live within this projected stagnation in revenues. Another challenge for the next several years is the housing market adjustments that will affect the City tax digest. Management has anticipated that the digest will probably decrease for at least the next year or so. Also of some concern is the need for capital funding and personnel expansion including employee compensation adjustments for the coming year and beyond. Budgetary factors of concern as the 2012 budgets were prepared are as follows:

- Continued decline in revenue expectations in property taxes, sales tax, intangible taxes and business licenses.
- Continued monitoring of vacant personnel positions.
- Balance of finances with municipal provided services.
- Projected uncertainty of fuel costs and associated products.
- Projected increases in retirement and health insurance costs.
- State of Georgia budget crisis continues to affect local municipalities and funding.

The City of Rome has been able to weather this current economic downturn. The City has made a commitment to the community to live within the current revenue streams and provide the most efficient services possible.

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 assets 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 ASSETS
December 31, 2011

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Greater Rome Convention & Visitors Bureau	Rome Board of Education
ASSETS					
Current Assets:					
Cash	$ 7,306,885	$ 17,251,382	$ 24,558,267	$ 1,829	$ 11,113,096
Accounts receivable, net	3,394,847	2,318,203	5,713,050	6,843	-
Accounts receivable, loans	530,405	-	530,405	-	-
Taxes receivable, net	1,992,402	-	1,992,402	-	-
Due from primary government	-	-	-	6,202	-
Due from other governments	2,331,235	2,410,391	4,741,626	10,000	6,246,063
Internal balances	4,828,073	(4,828,073)	-	-	-
Due from component units	3,185	6,610	9,795	-	-
Inventory	207,426	825,691	1,033,117	-	64,149
Prepaid items	8,549	1,735	10,284	-	22,335
Total current assets	20,603,007	17,985,939	38,588,946	24,874	17,445,643
Non Current Assets:					
Restricted Assets					
Cash	-	492,113	492,113	-	-
Investments	1,554,257	-	1,554,257	-	-
Net pension asset	3,470,843	-	3,470,843	-	-
Capital Assets					
Non-depreciable assets	20,869,335	9,378,324	30,247,659	-	-
Depreciable assets, net of depreciation	112,251,006	184,645,230	296,896,236	60,087	2,607,709
Deferred charges-bond issuance costs	-	967,809	967,809	-	48,243
Total noncurrent assets	138,145,441	195,483,476	333,628,917	60,087	2,655,952
TOTAL ASSETS	158,748,448	213,469,415	372,217,863	84,961	20,101,595
LIABILITIES					
Current Liabilities:					
Accounts payable	393,198	776,073	1,169,271	6,392	832,626
Accrued liabilities	99,264	1,246,682	1,345,946	1,455	5,946,227
Accrued interest payable	26,150	-	26,150		
Retainage payable	117,356	-	117,356	-	-
Unearned revenues	1,677,125	189,633	1,866,758	-	-
Due to primary government	-	-	-	9,795	-
Due to component units	6,102	100	6,202	-	-
Due to other governments	169,635	42,807	212,442	4,944	-
Capital leases payable-current	9,401	223,291	232,692	-	88,342
Intergovernmental agreements payable-current	100,000	-	100,000	-	-
Bonds payable-current	-	759,982	759,982	-	-
Closure and postclosure care-current	-	215,963	215,963	-	-
Notes payable-current	1,255,181	645,945	1,901,126	-	-
Claims payable	-	957,000	957,000	-	-
Compensated absences payable	605,280	948,561	1,553,841	16,259	-
Total current liabilities	4,458,692	6,006,037	10,464,729	38,845	6,867,195

continued

CITY OF ROME, GEORGIA
STATEMENT OF NET ASSETS
December 31, 2011

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Greater Rome Convention & Visitors Bureau	Rome Board of Education
Long-Term Liabilities:					
Capital leases payable (net of current portion)	$ 30,247	$ 569,740	$ 599,987	$ -	$ -
Closure and postclosure care-long term	-	8,423,825	8,423,825	-	-
Compensated absences payable-long term	201,760	316,187	517,947	5,420	-
Net other post employment benefits obligation	2,335,010	-	2,335,010	-	-
Intergovernmental agreements payable-long term	3,645,000	-	3,645,000	-	-
Notes payable-long term	-	7,955,870	7,955,870	-	-
Bonds payable (net of current portion)	2,991,206	54,736,836	57,728,042	-	2,000,000
Total long term liabilities	9,203,223	72,002,458	81,205,681	5,420	2,000,000
TOTAL LIABILITIES	13,661,915	78,008,495	91,670,410	44,264	8,867,195
NET ASSETS					
Invested in capital assets, net of related debt	125,089,306	129,131,890	254,221,196	60,087	519,367
Restricted for:					
Capital projects	134,643	-	134,643	-	3,306,147
Other purposes:					
Revolving loans and housing initiatives	634,208	-	634,208	-	-
Debt service	-	372,113	372,113	-	-
Food services	-	-	-	-	2,201,798
School activities	-	-	-	-	3,554,455
Tourism & forum promotions	74,469	-	74,469	-	-
Planning and zoning activities	36,993	-	36,993	-	-
Forum parking deck operations	30,584	-	30,584	-	-
Cemetary perpetual care	789,951	-	789,951	-	-
GMA leasepool	1,554,257	-	1,554,257	-	-
Unrestricted (deficit)	16,742,122	5,956,917	22,699,039	(19,390)	1,652,633
TOTAL NET ASSETS	$ 145,086,533	$ 135,460,920	$ 280,547,453	$ 40,697	$ 11,234,400

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
					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	$ 4,504,577	$ 1,992,384	$ 143,459	$ 546,899	$ (1,821,835)	$ -	$ (1,821,835)	$ -	$ -
Public Safety	7,166,970	1,302,113	150,845	1,136,120	(4,577,892)	-	(4,577,892)	-	-
Public Works	10,441,038	-	121,310	3,733,814	(6,585,914)	-	(6,585,914)	-	-
Public Facilities	1,419,023	-	-	3,720,368	2,301,345	-	2,301,345	-	-
Public Services	514,501	-	-	-	(514,501)	-	(514,501)	-	-
Housing and Development	184,012	-	-	-	(184,012)	-	(184,012)	-	-
Community Development	1,130,556	121,899	466,004	-	(542,653)	-	(542,653)	-	-
Education	1,275,152	-	-	5,063,427	3,788,275	-	3,788,275	-	-
Interest on Debt	152,396	-	-	-	(152,396)	-	(152,396)	-	-
Total Governmental Activities	26,788,225	3,416,396	881,618	14,200,628	(8,289,583)	-	(8,289,583)	-	-
Business-Type Activities:									
Water and Sewer	18,186,992	21,407,584	63,119	-	-	3,283,711	3,283,711	-	-
Fire	10,645,312	5,403,084	66,848	-	-	(5,175,380)	(5,175,380)	-	-
Solid Waste Commission	2,076,046	2,438,711	63,062	-	-	425,727	425,727	-	-
Transit	3,119,662	1,402,977	536,224	2,924,690	-	1,744,229	1,744,229	-	-
Building Inspection	853,188	796,826	1,100	-	-	(55,262)	(55,262)	-	-
Solid Waste Management	3,503,344	1,829,352	13,882	-	-	(1,660,110)	(1,660,110)	-	-
Municipal Golf Course	1,157,899	794,677	-	-	-	(363,222)	(363,222)	-	-
Public Facilities	459,752	693,559	-	-	-	233,807	233,807	-	-
Total Business-Type Activities:	40,002,195	34,766,770	744,235	2,924,690	-	(1,566,500)	(1,566,500)	-	-
Total - Primary Government	$ 66,790,420	$ 38,183,166	$ 1,625,853	$ 17,125,318	(8,289,583)	(1,566,500)	$ (9,856,083)	$ -	$ -
Component Units									
Rome Board of Education	$ 56,155,510	$ 1,652,631	$ 35,341,847	$ -				$ -	$ (19,161,032)
Greater Rome Convention & Vistors Bureau	622,972	-	580,499	-				(42,473)	-
Total - Component Units	$ 56,778,482	$ 1,652,631	$ 35,922,346	$ -				$ (42,473)	$ (19,161,032)
GENERAL REVENUES:									
Taxes:									
Property					$ 9,749,355	$ -	$ 9,749,355	$ -	$ 17,545,156
Sales					6,162,346	-	6,162,346	-	4,889,131
Franchise					3,840,576	-	3,840,576	-	-
Insurance Premium					1,702,763	-	1,702,763	-	-
Alcoholic Beverage					812,240	-	812,240	-	-
Intangible					100,057	-	100,057	-	-
Hotel/Motel					574,027	-	574,027	-	-
Other					116,975	-	116,975	-	-
Gain on Disposal of Capital Assets					-	108,634	108,634	-	-
Interest Earned					714,428	27,023	741,451	16	147,948
Miscellaneous					500,329	12,655	512,984	-	24,685
Total General Revenues					24,273,096	148,312	24,421,408	16	22,606,920
Transfers					(8,548,680)	8,548,680	-	-	-
Total General Revenues and Transfers					15,724,416	8,696,992	24,421,408	16	22,606,920
Change in Net Assets					7,434,833	7,130,492	14,565,325	(42,457)	3,445,888
NET ASSETS BEGINNING OF YEAR					137,651,700	128,330,428	265,982,128	83,154	7,788,512
NET ASSETS END OF YEAR					$ 145,086,533	$ 135,460,920	$ 280,547,453	$ 40,697	$ 11,234,400

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011

	Major Governmental Funds				
	General	Capital	Special Purpose Local Option Sales Tax	Non-major Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	$ 6,852,152	$ 59,405	$ 101	$ 395,227	$ 7,306,885
Taxes receivable, net of allowances for uncollectibles	1,990,591	-	-	1,811	1,992,402
Accounts receivable, net of allowances for uncollectibles	3,274,189	93,976	-	26,682	3,394,847
Accounts receivable loans	-	-	-	530,405	530,405
Due from other governments	1,504,362	8,191	745,637	73,045	2,331,235
Due from other funds	1,469,908	2,022,274	-	19,051	3,511,233
Due from component units	3,135	-	-	50	3,185
Prepaid items	8,549	-	-	-	8,549
Inventories	207,426	-	-	-	207,426
Restricted investments	-	1,554,257	-	-	1,554,257
Advances due from other funds	-	2,827,585	-	-	2,827,585
TOTAL ASSETS	$ 15,310,312	$ 6,565,688	$ 745,738	$ 1,046,271	$ 23,668,009
LIABILITIES:					
Accounts payable	$ 177,175	$ 20,221	$ 174,020	$ 21,782	$ 393,198
Accrued liabilities	98,613	-	-	651	99,264
Retainage payable	-	-	117,356	-	117,356
Deferred revenue	883,688	109,465	-	-	993,153
Due to other funds	2,464,400	309,965	454,025	27,183	3,255,573
Due to other governments	19,300	127,264	-	23,071	169,635
Due to component units	307	-	-	5,795	6,102
TOTAL LIABILITIES	3,643,483	566,915	745,401	78,482	5,034,281
FUND BALANCES:					
Nonspendable	215,975	2,827,585	-	-	3,043,560
Restricted for:					
Revolving loans and housing initiatives	-	-	-	634,208	634,208
Planning and zoning activities	-	-	-	36,993	36,993
Tourism and forum promotion	-	-	-	74,469	74,469
Capital improvements	-	-	-	134,304	134,304
Forum parking deck operations	-	-	-	30,584	30,584
Capital projects	-	-	337	2	339
Cemetary perpetual care	789,951	-	-	-	789,951
GMA leasepool	-	1,554,257	-	-	1,554,257
Assigned for:					
Community development operations	-	-	-	57,229	57,229
Capital projects	-	1,616,931	-	-	1,616,931
Unassigned	10,660,903	-	-	-	10,660,903
TOTAL FUND BALANCES	11,666,829	5,998,773	337	967,789	18,633,728
TOTAL LIABILITIES AND FUND BALANCES	$ 15,310,312	$ 6,565,688	$ 745,738	$ 1,046,271	$ 23,668,009

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
December 31, 2011

TOTAL GOVERNMENTAL FUND BALANCES		$ 18,633,728
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost	$ 255,212,226	
Less accumulated depreciation	(122,091,885)	133,120,341
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 assets have been increased by the effect of the internal service funds net assets.	1,744,828	1,744,828
The net pension asset is not a current financial resource and is not recorded in the fund statements.	3,470,843	3,470,843
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Property taxes	851,822	
Derivative - effective hedge	(1,535,794)	(683,972)
Net other post employment benefits obligations are not due and payable in the current period and therefore not reported in the funds	2,335,010	(2,335,010)
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	26,150	
Capital leases	39,648	
Compensated absences	807,040	
Notes payable	1,255,181	
GMA lease pool contract certificates of participation	2,991,206	
Intergovernmental agreements	3,745,000	(8,864,225)
NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ 145,086,533

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, 2011

	Major Governmental Funds				
	General	Capital	Special Purpose Local Option Sales Tax	Non- major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	$ 20,587,990	$ 1,790,000	$ -	$ 691,002	$ 23,068,992
Licenses and permits	1,658,306	-	-	-	1,658,306
Intergovernmental	415,614	1,225,984	7,364,318	1,012,903	10,018,819
Charges for services	334,078	-	-	130,349	464,427
Fines and forfeitures	1,293,663	-	-	-	1,293,663
Interest earned	430,093	268,227	-	16,108	714,428
Miscellaneous	427,824	54,806	-	17,699	500,329
TOTAL REVENUES	25,147,568	3,339,017	7,364,318	1,868,061	37,718,964
EXPENDITURES:					
Current:					
General government	3,142,783	-	-	-	3,142,783
Public safety	7,214,051	-	-	7,950	7,222,001
Public works	5,670,403	-	-	-	5,670,403
Public facilities	416,695	-	-	590,610	1,007,305
Public services	387,278	-	-	-	387,278
Community development	439,378	-	-	695,339	1,134,717
Capital outlay	-	2,368,741	6,324,259	722,774	9,415,774
Debt service			-		
Principal	300,000	257,172	-	-	557,172
Interest	-	245,265	-	-	245,265
TOTAL EXPENDITURES	17,570,588	2,871,178	6,324,259	2,016,673	28,782,698
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,576,980	467,839	1,040,059	(148,612)	8,936,266

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, 2011

	Major Governmental Funds				
	General	**Capital**	**Special Purpose Local Option Sales Tax**	**Non- major Governmental Funds**	**Total Governmental Funds**
OTHER FINANCING SOURCES (USES)					
Transfers in	$ 1,395,050	$ 225,000	$ 240,993	$ 811,401	$ 2,672,444
Transfers out	(9,237,691)	(642,381)	(1,281,052)	(60,000)	(11,221,124)
Proceeds from sale of capital assets	420,000	28,918	-	-	448,918
Proceeds from capital leases	-	50,000	-	-	50,000
TOTAL OTHER FINANCING SOURCES (USES)	(7,422,641)	(338,463)	(1,040,059)	751,401	(8,049,762)
NET CHANGE IN FUND BALANCES	154,339	129,376	-	602,789	886,504
FUND BALANCES - BEGINNING OF YEAR, RESTATED	11,512,490	5,869,397	337	365,000	17,747,224
FUND BALANCES - END OF YEAR	$ 11,666,829	$ 5,998,773	$ 337	$ 967,789	$ 18,633,728

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, 2011

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 886,504
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	7,949,854	
Depreciation expense	(5,858,202)	2,091,652
The net effect of the disposal of capital assets is to decrease net assets.		(720,193)
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 the lower of cost or market.		
Assets acquired through donation or capital contributions-current year		5,063,427
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.		(13,624)
Revenues in the statements of activities that do not provide current financial resources are reported as deferred revenues in the funds.		
Property tax deferred revenue		(10,653)
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 assets		
Issuance of other long-term liabilities		(50,000)
Accrual of interest expense		92,869
Long-term debt principal payment		557,172
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		(66,441)
The increase in other post employment benefits obligations did not require the use of current financial resources and therefore was not reported as expenditures in governmental funds, but is an expense in the Statement of Activities		(374,043)
The decrease in the net pension asset is reported in the statement of activities but because it does not affect current financial resources, is not reported in the governmental funds.		(21,837)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ 7,434,833

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2011

	Enterprise Funds						
	Major Enterprise Funds						
	Water & Sewer System	Fire	Solid Waste Commission	Transit	Non-major Enterprise Funds	Total	Internal Service Funds
ASSETS							
Current Assets:							
Cash and cash equivalents	$ 3,751,803	$ 549,607	$ 7,745,403	$ 1,507	$ 782,415	$ 12,830,735	$ 4,420,647
Restricted cash	-	-	-	-	492,113	492,113	-
Accounts receivable, net of allowances for uncollectibles	1,929,426	-	175,636	-	178,396	2,283,458	34,745
Due from other governments	940,624	4,000	-	1,019,035	-	1,963,659	446,732
Due from other funds	36,558	446,289	6,698	159,769	24,259	673,573	457,774
Due from component units	2,081	3	-	-	332	2,416	4,194
Prepaid items	-	-	-	-	1,735	1,735	-
Inventories	469,622	23,610	-	319,030	13,429	825,691	-
Total Current Assets	7,130,114	1,023,509	7,927,737	1,499,341	1,492,679	19,073,380	5,364,092
Noncurrent Assets:							
Bond issuance costs, net of amortization	818,028	-	-	-	149,781	967,809	-
Capital assets							
Non-depreciable assets	2,323,472	1,194,917	365,682	334,600	5,159,653	9,378,324	-
Depreciable assets, net of accumulated depreciation	165,816,435	5,814,570	4,401,784	4,841,356	3,771,085	184,645,230	-
Total Noncurrent Assets	168,957,935	7,009,487	4,767,466	5,175,956	9,080,519	194,991,363	-
TOTAL ASSETS	176,088,049	8,032,996	12,695,203	6,675,297	10,573,198	214,064,743	5,364,092

continued

CITY OF ROME, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2011

	Enterprise Funds						
	Major Enterprise Funds						
	Water & Sewer System	Fire	Solid Waste Commission	Transit	Non-major Enterprise Funds	Total	Internal Service Funds
LIABILITIES							
Current Liabilities:							
Closure and post closure care, current	$ -	$ -	$ 215,963	$ -	$ -	$ 215,963	$ -
Revenue bonds, current	-	-	-	-	759,982	759,982	-
Notes payable, current	645,945	-	-	-	-	645,945	-
Accounts payable	361,863	275,242	16,383	14,179	64,702	732,369	43,704
Accrued liabilities	840,091	114,242	4,959	18,143	268,958	1,246,393	289
Unearned revenue	90,000	-	-	-	99,633	189,633	-
Due to other governments	-	-	42,807	-	-	42,807	-
Due to other funds	73,749	130,608	21,223	767,097	393,302	1,385,979	1,028
Due to component unit	-	-	-	-	100	100	-
Compensated absences, current	206,367	579,377	22,240	51,691	88,886	948,561	-
Claims payable	-	-	-	-	-	-	957,000
Capital leases, current	-	223,291	-	-	-	223,291	-
Total Current Liabilities	2,218,015	1,322,760	323,575	851,110	1,675,563	6,391,023	1,002,021
Long-Term Liabilities:							
Closure and post closure care	-	-	8,423,825	-	-	8,423,825	-
Revenue bonds, long-term	50,080,104	-	-	-	4,656,732	54,736,836	-
Notes payable, long-term	7,955,870	-	-	-	-	7,955,870	-
Advances due to Capital Fund	12,534	1,164,315	379,600	-	1,271,136	2,827,585	-
Compensated absences, long term	68,789	193,126	7,413	17,230	29,629	316,187	-
Capital leases, long-term	-	569,740	-	-	-	569,740	-
Total Long-Term Liabilities	58,117,297	1,927,181	8,810,838	17,230	5,957,497	74,830,043	-
TOTAL LIABILITIES	60,335,312	3,249,941	9,134,413	868,340	7,633,060	81,221,066	1,002,021
NET ASSETS							
Invested in capital assets, net of related debt	109,457,988	6,216,456	4,767,466	5,175,956	3,514,024	129,131,890	-
Restricted for debt service	-	-	-	-	372,113	372,113	-
Unrestricted (deficit)	6,294,749	(1,433,401)	(1,206,676)	631,001	(945,999)	3,339,674	4,362,071
TOTAL NET ASSETS	$ 115,752,737	$ 4,783,055	$ 3,560,790	$ 5,806,957	$ 2,940,138	$ 132,843,677	$ 4,362,071

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
RECONCILIATION OF PROPRIETARY FUND NET ASSETS TO BUSINESS TYPE ACTIVITIES STATEMENT OF NET ASSETS
December 31, 2011

TOTAL PROPRIETARY FUND NET ASSETS	$	132,843,677
Amounts reported for business type activities in the statement of net assets 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 assets have been increased by the effect of the internal service funds net assets.		2,617,243
NET ASSETS OF BUSINESS TYPE ACTIVITIES	$	135,460,920

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2011

	Enterprise Funds						
	Major Enterprise Funds						
	Water & Sewer System	Fire	Solid Waste Commission	Transit	Non-major Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES							
Metered sales	$ 20,989,698	$ -	$ -	$ -	$ -	$ 20,989,698	$ -
Charges for services	414,826	5,400,000	2,436,359	1,390,966	4,105,470	13,747,621	7,562,299
Miscellaneous	3,060	3,084	2,352	12,011	8,944	29,451	220
TOTAL OPERATING REVENUES	21,407,584	5,403,084	2,438,711	1,402,977	4,114,414	34,766,770	7,562,519
OPERATING EXPENSES							
Cost of goods sold	-	-	-	-	57,226	57,226	-
Salaries and employee benefits	4,708,774	9,077,448	609,130	1,878,932	3,276,300	19,550,584	115,545
Supplies	1,149,797	386,209	251,623	414,428	449,212	2,651,269	-
Maintenance and repairs	762,512	121,691	159,987	94,125	332,280	1,470,595	-
Other services and charges	3,022,519	365,454	399,510	273,877	992,686	5,054,046	953,477
Depreciation	6,219,149	680,916	272,543	458,300	556,623	8,187,531	-
Claims	-	-	-	-	-	-	5,992,579
Closure and postclosure costs	-	-	221,068	-	-	221,068	-
Administrative fees	34,115	-	-	-	-	34,115	713,838
TOTAL OPERATING EXPENSES	15,896,866	10,631,718	1,913,861	3,119,662	5,664,327	37,226,434	7,775,439
OPERATING INCOME (LOSS)	5,510,718	(5,228,634)	524,850	(1,716,685)	(1,549,913)	(2,459,664)	(212,920)

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2011

	Enterprise Funds						
	Major Enterprise Funds						
	Water & Sewer System	Fire	Solid Waste Commission	Transit	Non-major Enterprise Funds	Total	Internal Service Funds
NON-OPERATING INCOME (EXPENSE)							
Intergovernmental revenue	$ 63,119	$ 66,848	$ 63,062	$ 536,224	$ 14,982	$ 744,235	$ 410,109
Intergovernmental expense	-	-	(162,185)	-	-	(162,185)	-
Interest income	5,960	1,051	12,006	68	1,965	21,050	5,973
Interest expense	(2,500,939)	(13,594)	-	-	(309,856)	(2,824,389)	-
Miscellaneous revenue	12,655	-	-		-	12,655	-
Gain on disposal of capital assets	102,171	5,108	1,355	-	-	108,634	-
TOTAL NON-OPERATING INCOME (EXPENSE)	(2,317,034)	59,413	(85,762)	536,292	(292,909)	(2,100,000)	416,082
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	3,193,684	(5,169,221)	439,088	(1,180,393)	(1,842,822)	(4,559,664)	203,162
Transfers in	130,897	6,610,017	-	637,291	2,575,388	9,953,593	-
Transfers out	(830,000)	(369,863)	(27,050)	(48,000)	-	(1,274,913)	(130,000)
Capital contributions	-	-	-	2,924,690	-	2,924,690	-
CHANGE IN NET ASSETS	2,494,581	1,070,933	412,038	2,333,588	732,566	7,043,706	73,162
NET ASSETS - BEGINNING OF YEAR	113,258,156	3,712,122	3,148,752	3,473,369	2,207,572	125,799,971	4,288,909
NET ASSETS - END OF YEAR	$ 115,752,737	$ 4,783,055	$ 3,560,790	$ 5,806,957	$ 2,940,138	$ 132,843,677	$ 4,362,071

CITY OF ROME, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS OF PROPRIETARY FUNDS TO THE BUSINESS TYPE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011

CHANGE IN NET ASSETS-PROPRIETARY FUNDS	$	7,043,706
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.		86,786
CHANGE IN NET ASSETS OF BUSINESS TYPE ACTIVITIES	$	7,130,492

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2011

	Enterprise Funds						
	Major Proprietary Funds						
	Water & Sewer System	Fire	Solid Waste Commission	Transit	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	$ 21,420,330	$ 5,403,084	$ 2,470,904	$ 1,397,658	$ 4,156,841	$ 34,848,817	$ 7,546,693
Receipts from interfund services provided	113,701	-	-	666,046	-	779,747	160,381
Payments to suppliers	(4,638,199)	(712,305)	(916,831)	(831,606)	(1,806,081)	(8,905,022)	(1,668,694)
Payments to employees	(4,712,065)	(9,086,004)	(608,302)	(1,880,563)	(3,269,542)	(19,556,476)	(115,545)
Claims paid	-	-	-	-	-	-	(5,555,579)
Payments for interfund services used	-	(512,618)	(27,670)	-	(135,753)	(676,041)	-
Net cash provided (used) by operating activities	12,183,767	(4,907,843)	918,101	(648,465)	(1,054,535)	6,491,025	367,256
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfer from other funds	39,863	5,420,000	-	637,291	2,575,388	8,672,542	-
Transfer to other funds	(830,000)	(369,863)	(27,050)	(48,000)	-	(1,274,913)	(130,000)
Advances from other funds	-	1,035,350	-	-	514,551	1,549,901	-
Repayment of advances from other funds	(50,052)	(411,264)	(29,200)	-	(346,188)	(836,704)	-
Intergovernmental revenue	63,119	-	63,062	-	14,982	141,163	410,109
Intergovernmental expense	-	-	(162,185)	-	-	(162,185)	-
Subsidy from federal grant	-	213,194	-	536,224	-	749,418	-
Net cash provided (used) by noncapital financing activities	(777,070)	5,887,417	(155,373)	1,125,515	2,758,733	8,839,222	280,109
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital contributions	-	-	-	2,104,158	-	2,104,158	-
Transfer from other funds	91,034	1,190,017	-	-	-	1,281,051	-
Purchases of capital assets	(2,415,272)	(3,140,376)	(87,118)	(2,658,047)	(726,370)	(9,027,183)	-
Principal paid on capital debt	(5,227,390)	(232,877)	-	-	(724,998)	(6,185,265)	-
Interest paid on capital debt	(2,500,939)	(13,594)	-	-	(309,856)	(2,824,389)	-
Proceeds from long-term borrowings	-	797,973	-	-	-	797,973	-
Proceeds from sales of capital assets	102,160	37,567	1,355	-	-	141,082	-
Net cash provided (used) by capital and related financing activities	(9,950,407)	(1,361,290)	(85,763)	(553,889)	(1,761,224)	(13,712,573)	-

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, 2011

	Enterprise Funds						
	Major Proprietary Funds				Nonmajor		Internal
	Water & Sewer System	Fire	Solid Waste Commission	Transit	Enterprise Funds	Total	Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	$ 5,960	$ 1,051	$ 12,006	68	$ 1,965	$ 21,050	$ 5,973
Net cash provided by investing activities	5,960	1,051	12,006	68	1,965	21,050	5,973
Net increase (decrease) in cash and cash equivalents	1,462,250	(380,665)	688,971	(76,771)	(55,061)	1,638,724	653,338
Cash and cash equivalents, January 1	2,289,553	930,272	7,056,432	78,278	1,329,589	11,684,124	3,767,309
Cash and cash equivalents, December 31	$ 3,751,803	$ 549,607	$ 7,745,403	$ 1,507	$ 1,274,528	$ 13,322,848	$ 4,420,647
Reconciliation of Cash and Cash Equivalents:							
Cash and cash equivalents	$ 3,751,803	$ 549,607	$ 7,745,403	$ 1,507	$ 782,415	$ 12,830,735	$ 4,420,647
Cash and cash equivalents - restricted	-	-	-	-	492,113	492,113	-
Total cash and cash equivalents	$ 3,751,803	$ 549,607	$ 7,745,403	$ 1,507	$ 1,274,528	$ 13,322,848	$ 4,420,647

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, 2011

	Enterprise Funds						
	Major Proprietary Funds				Nonmajor		Internal
	Water & Sewer System	Fire	Solid Waste Commission	Transit	Enterprise Funds	Total	Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	$ 5,510,718	$ (5,228,634)	$ 524,850	$ (1,716,685)	$ (1,549,913)	(2,459,664)	$ (212,920)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	6,219,149	680,916	272,543	458,300	556,623	8,187,531	-
Amortization expense	205,942	-	-	-	43,578	249,520	-
Miscellaneous revenues	12,655	-	-	-	-	12,655	-
Decrease in accounts receivable	59,046	-	32,193	-	591	91,830	430,906
(Increase) in due from other governments	(58,955)	-	-	(5,319)	-	(64,274)	-
(Increase) decrease in due from other funds	126,841	(439,844)	16,999	(72,411)	(5,131)	(373,546)	(274,136)
(Increase) decrease in inventories	25,843	(4,393)	-	(25,610)	4,033	(127)	-
Increase (decrease) in accounts payable and accrued liabilities	98,959	165,442	115,357	(23,566)	(22,288)	333,904	435,621
Increase (decrease) in compensated absences payable	(3,291)	(8,556)	828	(1,631)	6,758	(5,892)	-
Increase in unearned revenue	-	-	-	-	41,836	41,836	-
Increase (decrease) in due to other funds	(13,140)	(72,774)	(44,669)	738,457	(130,622)	477,252	(12,215)
Total adjustments	6,673,049	320,791	393,251	1,068,220	495,378	8,950,689	580,176
Net cash provided (used) by operating activities	$ 12,183,767	$ (4,907,843)	$ 918,101	$ (648,465)	$ (1,054,535)	$ 6,491,025	$ 367,256

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF FIDUCIARY NET ASSETS
EMPLOYEE BENEFIT TRUST FUND
December 31, 2011

	Flexible Spending Fund
ASSETS	
Cash	$ 15,186
Accounts receivable	5,863
TOTAL ASSETS	21,049
NET ASSETS	
Reserved for:	
Claims	21,049
TOTAL NET ASSETS	$ 21,049

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
EMPLOYEE BENEFIT TRUST FUND
For the Year Ended December 31, 2011

	Flexible Spending Fund
ADDITIONS	
Contributions	$ 158,006
Investment earnings	15
Total additions	158,021
DEDUCTIONS	
Claims paid	153,116
Total deductions	153,116
NET DECREASE	4,905
NET ASSETS HELD IN TRUST FOR FLEXIBLE SPENDING	
NET ASSETS, BEGINNING OF YEAR	16,144
NET ASSETS, END OF YEAR	$ 21,049

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 principals, 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 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 was 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 is reported within the Municipal Golf Fund, a proprietary fund in the City's financial statements. The main purpose was to refinance the debt of the Stonebridge Golf Club, which is owned and operated by the City. 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.

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.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Basis of Presentation

The City's basic financial statements consist of government wide statements, including a statement of net assets 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 assets 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 to 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 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 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.

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.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Basis of Presentation – Continued

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.

Special Local Option Sales Tax Fund - This fund accounts for the acquisition of capital assets or construction of major capital projects being 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.

Transit Fund – This fund accounts for all activity in the provision of transit services to the residents of the City and County.

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 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 assets 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

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 Assets includes all assets and liabilities and the Statement of Changes in Net Assets present increases (i.e., revenues) and decreases (i.e., expenses) in total Net Assets.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and enterprise fund financial statements to the extent that they do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to implement subsequent pronouncements.

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, Liabilities and Equity

1. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition and deposits in the Georgia Fund One administered by the State of Georgia.

2. Investments

All investments are recorded at fair value.

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 reserve 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 Assets 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.

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, 2011 are recorded as prepaid items.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Equity- Continued

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 fair 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, 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. Deferred Revenue

Deferred 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 liability for deferred 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 revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. 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 assets. Bond premiums, discounts and deferred losses, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium, discounts and deferred loss. Issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs 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, Liabilities and Equity– Continued

11. Fund Equity

The City implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, as of January 1, 2011. This new standard changed the overall definitions and classifications of governmental fund balances.

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

Fund Balance

Generally, fund balance represents the difference between the assets and liabilities under the current financial resources 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 formal vote of the City Commission. Only the City Commission may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Commission 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, Liabilities and Equity– Continued

11. Fund Equity - Continued

Net Assets

Net assets represent the difference between assets and liabilities. Amounts shown as net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are legal limitations or external restrictions imposed upon their use. All other net assets are reported as unrestricted.

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

12. 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.

13. 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 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.

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 $1,632,080 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. The City and its component units are authorized by state statutes to invest in the securities of the United States Treasury, United States agencies and instrumentalities, repurchase agreements and the Georgia Fund One administered by the State of Georgia. It is the government's policy to limit any investments in these to the top rating issued by NRSROs.

Georgia Fund One, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds. However, Georgia Fund One operates in manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. Regulatory oversight of the fund is provided by the Office of 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 ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1.00 per share. As of December 31, 2011, the City of Rome's investment in Georgia Fund One was rated AAAm by Standard & Poor's.

The City maintains an account in the State of Georgia, Georgia Fund One 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, 2011, the City of Rome had the following investments.

Investment Type	Maturities	Fair Value
Georgia Fund One-included in cash	60 day weighted average	$ 12,070,291
Guaranteed Investment Contract	June 1, 2028	1,554,257
Totals		$ 13,624,548

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.

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 by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. As of December 31, 2011, all of the City's bank balances were adequately insured and collateralized as defined by the Governmental Accounting Standards Board.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

B. Receivables

1. Accounts Receivable

Receivables at December 31, 2011 consisted of taxes, loans, and accounts (including billings for user charges and unbilled utility receivables), and intergovernmental receivables. Receivables at December 31, 2011 consist of the following:

Primary Government	Taxes	Loans	Account	Intergov't Receivables	Allowance for Uncollectibles	Net Receivables
General Fund	$ 4,742,568	$ -	$ 3,444,190	$ 1,504,362	$ (2,921,978)	$ 6,769,142
Capital Fund	-	-	148,976	8,191	(55,000)	102,167
SPLOST Fund	-	-	-	745,637	-	745,637
Other Governmental Funds	13,206	850,087	26,682	73,045	(331,077)	631,943
Water fund	-	-	2,635,426	940,624	(706,000)	2,870,050
Fire Fund	-	-	-	4,000	-	4,000
Solid Waste Commission Fund	-	-	199,636	-	(24,000)	175,636
Transit Fund	-	-	-	1,019,035	-	1,019,035
Other Proprietary Funds	-	-	229,396	-	(51,000)	178,396
Internal Service Funds	-	-	34,745	446,732	-	481,477
Total Primary Government	4,755,774	850,087	6,719,051	4,741,626	(4,089,055)	12,977,483
Greater Rome CVB	-	-	6,843	10,000	-	16,843
Rome Board of Education	-	-	-	6,246,063	-	6,246,063
Total Reporting Entity	$ 4,755,774	$ 850,087	$ 6,725,894	$ 10,997,689	$ (4,089,055)	$ 19,240,389

The City has $176,850 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.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

B. Receivables– Continued

2. Property Taxes

Property taxes were levied on July 18, 2011 and were payable on or before November 15, 2011. 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, 2011 is as follows:

Tax Year	
2011	$ 3,018,929
Prior Years	1,723,639
	4,742,568
Allowance for uncollectible	(2,751,977)
Net taxes receivable	$ 1,990,591

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NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets

Changes in the City's Capital Assets for the year ended December 31, 2011 are as follows:

Primary Government	Beginning Balance 12/31/2010	Increases	Decreases	Construction in progress Transfers	Ending Balance 12/31/2011
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 8,976,196	$ 160,976	$ (243,249)	$ 275,000	$ 9,168,923
Construction in progress	13,103,348	12,441,763	(145,277)	(13,699,422)	11,700,412
Total capital assets, not being depreciated	22,079,544	12,602,739	(388,526)	(13,424,422)	20,869,335
Capital assets, being depreciated:					
Buildings	87,622,757	61,121	(150,280)	7,305,122	94,838,720
Improvements other than buildings	2,859,916	-	(15,850)	3,190,827	6,034,893
Machinery and equipment	4,560,682	93,672	(111,523)	188,292	4,731,123
Vehicles	4,897,968	224,157	(128,477)	-	4,993,648
Infrastructure	121,174,432	11,282	-	2,558,793	123,744,507
Total capital assets being depreciated	221,115,755	390,232	(406,130)	13,243,034	234,342,891
Less accumulated depreciation for:					
Buildings	(19,664,784)	(1,979,014)	-	-	(21,643,798)
Improvements other than buildings	(256,704)	(97,960)	15,850	-	(338,814)
Machinery and equipment	(3,741,322)	(248,551)	111,523	-	(3,878,350)
Vehicles	(4,342,933)	(338,557)	148,788	-	(4,532,702)
Infrastructure	(88,504,101)	(3,194,120)	-	-	(91,698,221)
Total accumulated depreciation	(116,509,844)	(5,858,202)	276,161	-	(122,091,885)
Total capital assets, being depreciated, net	104,605,911	(5,467,970)	(129,969)	13,243,034	112,251,006
Governmental activities capital assets, net	$ 126,685,455	$ 7,134,769	$ (518,495)	$ (181,388)	$ 133,120,341

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

Governmental activities:	
General Government	$ 164,571
Public Safety	302,330
Public Works	3,522,415
Public Facilities	421,624
Public Services	162,222
Community Development	9,888
Education	1,275,152
	$ 5,858,202

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Capital Assets for the year ended December 31, 2011 are as follows:

	Beginning Balance 12/31/2010	Increases	Decreases	Transfers	Ending Balance 12/31/2011
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 7,525,166	$ 51,049	$ -	$ -	$ 7,576,215
Construction in progress	211,352	1,618,973	(28,216)	-	1,802,109
Total capital assets, not being depreciated	7,736,518	1,670,022	(28,216)	-	9,378,324
Capital assets, being depreciated:					
Buildings	102,028,997	28,216	-	-	102,057,213
Improvements other than buildings	17,692,371	226,707	(43,670)	-	17,875,408
Machinery and equipment	12,211,304	858,695	(264,203)	-	12,805,796
Vehicles	17,805,742	4,804,869	(578,083)	-	22,032,528
Infrastructure	138,287,547	1,466,901	-	-	139,754,448
Total capital assets being depreciated	288,025,961	7,385,388	(885,956)	-	294,525,393
Less accumulated depreciation for:					
Buildings	(27,347,895)	(3,045,741)	-	-	(30,393,636)
Improvements other than buildings	(13,011,796)	(225,143)	43,670	-	(13,193,269)
Machinery and equipment	(9,055,108)	(716,705)	598,442	-	(9,173,371)
Vehicles	(14,090,947)	(784,655)	211,385	-	(14,664,217)
Infrastructure	(39,040,383)	(3,415,287)	-	-	(42,455,670)
Total accumulated depreciation	(102,546,129)	(8,187,531)	853,497	-	(109,880,163)
Total capital assets, being depreciated, net	185,479,832	(802,143)	(32,459)	-	184,645,230
Business-type activities capital assets, net	$ 193,216,350	$ 867,879	$ (60,675)	$ -	$ 194,023,554

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

Business-type activities:	
Water and Sewer System Fund	$ 6,219,149
Fire Fund	680,916
Transit Fund	458,300
Building Inspection Fund	3,185
Solid Waste Management Fund	282,848
Municipal Golf Fund	60,885
Solid Waste Commission Fund	272,543
Public Facilities Fund	209,705
	$ 8,187,531

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

The following table provides a summary of the City's investment in capital assets less any related debt. The City had no unspent bond proceeds at the end of the current year.

Invested in Capital Assets	Governmental Activities	Business-type Activities	Total
Capital assets, nondepreciable	$ 20,869,335	$ 9,378,324	$ 30,247,659
Capital assets, net	112,251,006	184,645,230	296,896,236
Intergovernmental agreements payable	(3,745,000)	-	(3,745,000)
Bonds payable	(2,991,206)	(55,496,818)	(58,488,024)
Capital leases payable	(39,648)	(793,031)	(832,679)
Notes payable	(1,255,181)	(8,601,815)	(9,856,996)
	$ 125,089,306	$ 129,131,890	$ 254,221,196

Component Units	Beginning Balance 12/31/2010	Increases	Decreases	Ending Balance 12/31/2011
Greater Rome Convention and Visitors Bureau				
Component unit:				
Capital assets, being depreciated:				
Buildings	$ 181,429	$ -	$ -	$ 181,429
Machinery and equipment	7,000	-	-	7,000
Total capital assets being depreciated	188,429	-	-	188,429
Less accumulated depreciation for:				
Buildings	(117,713)	(3,629)	-	(121,342)
Machinery and equipment	(7,000)	-	-	(7,000)
Total accumulated depreciation	(124,713)	(3,629)	-	(128,342)
Total capital assets, being depreciated, net	63,716	(3,629)	-	60,087
Greater Rome Convention and Visitors Bureau capital assets, net	$ 63,716	$ (3,629)	$ -	$ 60,087

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Component Units	Beginning Balance 6/30/2010	Increases	Decreases	Ending Balance 6/30/2011
Rome Board of Education				
Component unit:				
Capital assets, being depreciated:				
Buildings and Improvements	$ 2,315,633	$ -	$ -	$ 2,315,633
Computers and equipment	2,935,706	268,154	100,408	3,103,452
Vehicles	1,169,863	194,780	-	1,364,643
Total capital assets being depreciated	6,421,202	462,934	100,408	6,783,728
Less accumulated depreciation for:				
Buildings and Improvements	(792,362)	(60,646)	-	(853,008)
Computers and equipment	(2,119,722)	(249,781)	(100,408)	(2,269,095)
Vehicles	(961,675)	(92,241)	-	(1,053,916)
Total accumulated depreciation	(3,873,759)	(402,668)	(100,408)	(4,176,019)
Total capital assets, being depreciated, net	2,547,443	60,266	-	2,607,709
Rome Board of Education capital assets, net	$ 2,547,443	$ 60,266	$ -	$ 2,607,709

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

D. Interfund Transactions

Interfund balances at December 31, 2011 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, 2011 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	Transit Fund	Non-major Enterprise Funds	Internal Service Funds	**Total**
Payable To:											
General Fund	$ -	$ 288,601	$ 13,259	$ 19,776	$ 16,286	$ 4,354	$ 15,717	$ 736,917	$ 374,770	$ 228	$ 1,469,908
Capital Fund	1,993,792	-	922	59	26,493	-	-	-	1,008	-	2,022,274
Non-major											
Governmental Funds	8,665	10,270	-	13	-	-	-	-	25	78	19,051
Water & Sewer System Fund	19,710	3,941	-	-	-	10,174	1,742	784	37	170	36,558
Fire Fund	1,036	2,967	439,844	-	638	-	-	1,207	176	421	446,289
Solid Waste											
Commission Fund	318	3,406	-	-	2,696	-	-	-	278	-	6,698
Transit Fund	158,587	-		-	40	694	-	-	355	93	159,769
Non-major											
Enterprise Funds	15,433	780	-	1,819	3,528	668	1,034	946	13	38	24,259
Internal Service Funds	266,859	-	-	5,516	24,068	114,718	2,730	27,243	16,640	-	457,774
Total	$ 2,464,400	$ 309,965	$ 454,025	$ 27,183	$ 73,749	$ 130,608	$ 21,223	$ 767,097	$ 393,302	$ 1,028	$ 4,642,580

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	Payable To
General Fund	$ 307	$ 3,135
Non-major governmental funds	5,795	50
Fire Fund	-	3
Water & Sewer System Fund	-	2,081
Non-major enterprise funds	100	332
Internal service funds	-	4,194
Total	$ 6,202	$ 9,795

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

D. Interfund Transactions - Continued

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 that are not due within one year.

Interfund advances consist of the following:

	Advances From:	
	Capital Fund	Total
Advances To:		
Water & Sewer System Fund	$ 12,534	$ 12,534
Fire Fund	1,164,315	1,164,315
Solid Waste Commission Fund	379,600	379,600
Non-major Enterprise Funds	1,271,136	1,271,136
Total	$ 2,827,585	$ 2,827,585

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 $379,600 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

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, 2011 are as follows:

	Transfers In								
	General Fund	Capital Fund	SPLOST Fund	Non-major Governmental Funds	Water & Sewer System Fund	Fire Fund	Transit Fund	Non-major Enterprise Funds	Total
Transfers Out:									
General Fund	$ -	$ 215,000	$ -	$ 811,401	$ -	$ 5,399,999	$ 637,291	$ 2,174,000	$ 9,237,691
Capital Fund	-	-	240,993	-	-	-	-	401,388	642,381
SPLOST Fund	-	-	-	-	91,034	1,190,018	-	-	1,281,052
Non-major									
Governmental Funds	50,000	10,000	-		-	-	-	-	60,000
Water & Sewer System Fund	830,000	-	-	-	-	-	-	-	830,000
Fire Fund	330,000	-	-	-	39,863	-	-	-	369,863
Solid Waste Commission Fund	27,050	-	-	-	-	-	-	-	27,050
Transit Fund	48,000	-	-	-	-	-		-	48,000
Internal Service Funds	110,000	-	-	-	-	20,000	-	-	130,000
Total	$ 1,395,050	$ 225,000	$ 240,993	$ 811,401	$ 130,897	$ 6,610,017	$ 637,291	$ 2,575,388	$ 12,626,037

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:

2004 Issue:	$37,170,000	in serial bonds maturing through 2022, with interest ranging from 2.00% to 4.50%
2005 Issue:	$ 9,395,000	in a private placement bond issue, maturing through 2016 at an interest rate of 3.61%
2009 Issue:	$20,645,000	in a private placement bond issue, maturing through 2015 at an interest rate of 3.02%

In March 2004, the City issued $37,170,000 of Water and Sewerage Revenue Refunding and Improvement bonds. The 2004 bonds were issued to (i) refund $3,245,000 in aggregate principal of its 1993-A Water and Sewerage Revenue bonds (ii) pay the costs of improvements to the water and sewer system and wastewater treatment plant and (iii) pay the costs of issuance of the 2004 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, 2011, considered defeased, totaled $1,040,000.

In October 2005, the City of Rome issued $9,395,000 of Water and Sewerage Revenue Bonds in a private placement. The 2005 bonds were issued to finance the water meter replacement program and the costs of issuance of the 2005 Bonds. This project replaced all water meters over a certain age, and equipped all meters with an automatic electronic meter reading system and back flow prevention devices.

In March 2009, the City of Rome issued $20,645,000 of Water and Sewerage Revenue Bonds in a private placement. The 2009 bonds were issued to refund $20,230,000 in aggregate principal amount of the City's Water and Sewerage Revenue Refunding and Improvement Bonds, Series 1999, maturing January 1, 2010 through 2015 and the costs of issuance of the 2009 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, 2011, considered defeased, totaled $14,610,000.

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, 2011 are as follows:

Water and Sewer Bonds - Series 2004	$ 33,540,000
Water and Sewer Bonds - Series 2005	4,180,000
Water and Sewer Bonds - Series 2009	11,720,000
Subtotal	49,440,000
Less current maturities	-
Bonds payable, long term	$ 49,440,000

Reconciliation of Bonds Payable to Financial Statements:	
Current	
Bonds payable in less than one year	$ -
Long-term	
Bonds payable in more than one year	$ 49,440,000
Bond premium, net of amortization	961,262
Deferred amount on refunding, net of amortization	(321,158)
	$ 50,080,104

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 (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, 2011, $4,400,000 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, 2011, $4,465,000 of these bonds were outstanding. Bonds payable reflected in the financial statements is net of $241,358 of unamortized loss on defeasance and $152,376 of unamortized bond premium.

3. Certificates of Participation (COP) Bonds Payable

In October 1998, the City issued $5,565,000 City of Rome Public Facilities, Inc. Georgia Certificates of Participation Bonds, Series 1998. These bonds were issued to acquire, construct, install and equip a facility to be used as administrative offices for the Floyd County Department of Family and Children Services, Department of Child Support Enforcement, and Department of Rehabilitation Services. These bonds mature through 2013 at a rate of 5.18%. The City entered into an operating lease agreement with the State of Georgia through the Georgia Department of Human Resources with the lease payment from the state being used to repay the bonds. At December 31, 2011, $1,040,696 of COP bonds were outstanding. These bonds are reported in the Public Facilities Fund.

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 (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the 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, 2011, the floating rate being paid by the City is 0.63% and the market value of this agreement is $1,535,794, an increase of $854,150 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, 2011 based on the derivative contract. This market value is reported as a component of the certificates of participation in long-term debt in the statement of net assets. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as deferred revenue in the statement of net assets.

5. Debt Service to Maturity for all Bond Issues

	Water and Sewer		Golf		COP		GMA COP		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	$ -	$ -	$ 250,000	$ 173,575	$ 509,982	$ 49,955	$ -	$ 215,032	$ 759,982	$ 438,562
2013	4,780,000	2,014,142	250,000	166,075	530,714	24,677	-	215,032	5,560,714	2,419,926
2014	4,930,000	1,863,945	260,000	158,575	-	-	-	215,032	5,190,000	2,237,552
2015	5,090,000	1,709,012	310,000	150,775	-	-	-	215,032	5,400,000	2,074,819
2016	5,285,000	1,549,010	325,000	138,375	-	-	-	215,032	5,610,000	1,902,417
2017-2021	23,910,000	4,547,700	1,805,000	493,400	-	-	-	1,075,160	25,715,000	6,116,260
2022-2026	5,445,000	245,025	1,265,000	115,400	-	-	-	1,075,160	6,710,000	1,435,585
2027-2028	-	-	-	-	-	-	4,527,000	430,064	4,527,000	430,064
	$ 49,440,000	$ 11,928,834	$ 4,465,000	$ 1,396,175	$ 1,040,696	$ 74,632	$ 4,527,000	$ 3,655,544	$ 59,472,696	$ 17,055,185

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt - Continued

6. Notes Payable

In 1990, 1992, 1998, 1999, 2002, 2007, and 2008 the City entered into various agreements with the Georgia Environmental Facilities Authority (GEFA) and the State Revolving Loan Fund to finance the construction and improvements of various water and sewer facilities. As of December 31, 2011 the City had entered into eight (8) such loan agreements with a loan balance of $8,601,815. 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. 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 will make three annual payments with a balloon note payment due August 1, 2012.

The following is a schedule of the future required principal and interest payments on the GEFA loan agreements as of December 31, 2011.

Year Issued	Interest Rate (%)	Issue Date	Maturity Date	Authorized and Issued	Retired	Outstanding	Current	Long-Term
2008	3.62	12/31/2008	1/1/2029	$ 3,331,693	$ 225,598	$ 2,982,282	$ 128,479	$ 2,853,803
2007	3.62	4/12/2007	1/1/2028	3,055,798	320,391	2,617,548	122,196	2,495,352
2002	4.36	12/2/2002	2/1/2024	577,441	142,245	410,274	25,943	384,331
2002	4.45	8/12/2002	8/1/2023	1,151,245	306,005	794,788	52,731	742,057
1999	4.10	3/22/1999	3/1/2020	1,918,282	837,260	982,790	102,281	880,509
1998	4.76	7/1/1998	5/1/2019	1,132,014	519,324	552,724	62,867	489,857
1992	4.00	3/27/1992	1/1/2014	1,004,501	818,003	104,644	83,505	21,139
1990	2.00	11/16/1990	3/1/2013	1,397,879	1,175,822	156,765	67,943	88,822
						$ 8,601,815	$ 645,945	$ 7,955,870

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt - Continued

6. Notes Payable - Continued

The following is a schedule of the future required principal and interest payments on the intergovernmental agreement as of December 31, 2011.

	Governmental Activities		
Year Ended December 31,	Principal	Interest	Total
2012	$ 100,000	$ 175,121	$ 275,121
2013	105,000	171,784	276,784
2014	110,000	167,196	277,196
2015	115,000	162,520	277,520
2016	120,000	157,594	277,594
2017-2021	692,500	695,516	1,388,016
2022-2026	865,000	519,478	1,384,478
2027-2031	1,110,000	276,250	1,386,250
2032-2033	527,500	26,687	554,187
Total	3,745,000	$ 2,352,146	$ 6,097,146
Less current maturities	100,000		
Long-term	$ 3,645,000		

The following is a schedule of the future required principal and interest payments on the notes payable as of December 31, 2011.

	Governmental Activities			Business-type Activities		
Year Ended December 31,	Principal	Interest	Total	Principal	Interest	Total
2012	$ 1,255,181	$ 62,759	$ 1,317,940	$ 645,945	$ 321,236	$ 967,181
2013	-	-	-	606,464	296,989	903,453
2014	-	-	-	553,611	273,696	827,307
2015	-	-	-	557,240	251,765	809,005
2016	-	-	-	579,855	229,151	809,006
2017-2021	-	-	-	2,786,111	791,907	3,578,018
2022-2026	-	-	-	2,175,318	321,328	2,496,646
2027-2029	-	-	-	697,271	23,445	720,716
Total	1,255,181	$ 62,759	$ 1,317,940	8,601,815	$ 2,509,517	$ 11,111,332
Less current maturities	1,255,181			645,945		
Long-term	$ -			$ 7,955,870		

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

7. Capital Leases

The City leases certain equipment. Interest on these leases is paid monthly and principal is paid annually. The City has entered into several lease agreements with BB&T, which is the auxiliary financing party through GMA. These bear interest rates ranging from 2.96% to 3.99%. Interest is paid semiannually and principal is paid annually. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The balances of all leases at December 31, 2011 are $39,648 and $793,031 for governmental and business type activities, respectively.

Total assets acquired through capital leases are as follows:

Asset	Governmental Activities	Business-Type Activities
Machinery and equipment	$ 529,064	$ 1,694,491
Vehicles	432,376	4,607,589
Less accumulated depreciation	(512,845)	(2,149,975)
Total	$ 448,595	$ 4,152,105

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt – Continued

7. Capital Leases – Continued

The following is a schedule of the future minimum lease payments under the City's capital leases together with the present value of the net minimum lease payments as of December 31, 2011.

Year ending December 31,	Governmental Activities	Business-Type Activities	Total
2012	$ 10,804	$ 241,972	$ 252,776
2013	10,804	121,138	131,942
2014	10,804	121,138	131,942
2015	10,804	121,138	131,942
2016	-	121,138	121,138
2017	-	121,138	121,138
Total minimum lease payments	43,216	847,662	890,878
Less amounts representing interest	3,568	54,631	58,199
Present value of minimum lease payments	$ 39,648	$ 793,031	$ 832,679

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

7. Capital Leases - Continued

Component Unit - Rome Board of Education

The School system is financing the acquisition of various energy equipment, with a book value of approximately $2,100,000, under an agreement that qualifies as a capital lease for accounting purposes. This lease bears interest at 5.43% and is payable in monthly installments of $22,336 over a term of ten years.

The following is a schedule, by year, of future minimum lease payments with the present value of the minimum lease payments as of June 30, 2011.

Year ending June 30,	Principal	Interest	Total
2012	$ 88,343	$ 1,001	$ 89,344
Total lease payments	$ 88,343	$ 1,001	$ 89,344

The total amount of assets acquired through capital leases is $2,065,037 and are all under the machinery and equipment asset classification.

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 first of 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, 2011. 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 12/31/2010	Additions	Deletions	Balance 12/31/2011	Due within one year	Due in more than one year
Governmental Activities:						
Certificates of Participation	$ 4,527,000	$ -	$ -	$ 4,527,000	$ -	$ 4,527,000
Less: FMV of Derivative	(681,644)	(854,150)	-	(1,535,794)	-	(1,535,794)
Total Certificates of Participation	3,845,356	(854,150)	-	2,991,206	-	2,991,206
Capital Lease Obligations	-	50,000	10,352	39,648	9,401	30,247
Notes Payable	1,702,001	-	446,820	1,255,181	1,255,181	-
Net OPEB Obligation	1,960,967	1,145,564	771,521	2,335,010	-	2,335,010
Intergovernmental Agreements	3,845,000	-	100,000	3,745,000	100,000	3,645,000
Compensated Absences	740,599	758,989	692,548	807,040	605,280	201,760
Total Governmental Activities	$ 12,093,923	$ 1,100,403	$ 2,021,241	$ 11,173,085	$ 1,969,862	$ 9,203,223
Business-Type Activities:						
Revenue Bonds	$ 60,275,694	$ -	$ 5,329,998	$ 54,945,696	$ 759,982	$ 54,185,714
Unamortized deferred loss	(714,483)	-	(151,967)	(562,516)	-	(562,516)
Unamortized bond premium	1,252,113	-	138,475	1,113,638	-	1,113,638
Notes Payable	9,224,205	-	622,390	8,601,815	645,945	7,955,870
Capital Lease Obligations	227,935	797,973	232,877	793,031	223,291	569,740
Landfill Closure / Postclosure	8,530,090	152,404	42,706	8,639,788	215,963	8,423,825
Compensated Absences	1,270,639	1,303,659	1,309,550	1,264,748	948,561	316,187
Total Business-Type Activities	$ 80,066,193	$ 2,254,036	$ 7,524,029	$ 74,796,200	$ 2,793,742	$ 72,002,458

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 12/31/2010	Additions	Deletions	Balance 12/31/2011	Due within one year	Due in more than one year
Greater Rome Convention & Visitors Bureau						
Compensated Absences	$ 19,165	$ 18,490	$ 15,977	$ 21,678	$ 16,259	$ 5,420
Total Greater Rome Convention and Visitors Bureau	$ 19,165	$ 18,490	$ 15,977	$ 21,678	$ 16,259	$ 5,420

Component Unit **Rome Board of Education**	Balance 6/30/2010	Additions	Deletions	Balance 6/30/2011	Due within one year	Due in more than one year
Capital leases payable	$ 343,999	$ -	$ 255,657	$ 88,342	$ 88,342	$ -
Construction Bonds	2,000,000	-	-	2,000,000	-	2,000,000
Total Rome Board of Education	$ 2,343,999	$ -	$ 255,657	$ 2,088,342	$ 88,342	$ 2,000,000

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans

1. City of Rome

a) Plan Description

The City participates in a defined benefit agent multiple-employer retirement plan which is administered through the Georgia Municipal Employees Benefit System (GMEBS). The GMEBS acts as a common investment and administrative agent for cities in the State of Georgia. 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, SW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Plan benefit provisions are established by the City Commission. Employees are eligible to participate in the Plan after three months of continuous service. 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.

As of July 1, 2011, the date of the most recent actuarial valuation, the plan membership included the following categories of participants.

Retirees and beneficiaries receiving benefits	282
Terminated vested participants not yet receiving benefits	100
Active participants	527
Total membership	909

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

b) Funding Policy

City contributions to the Plan are authorized and may be amended by the City Commission. The City's contribution to the Plan are primarily based upon annual actuarial valuations. The City's funding policy provides for annual contributions at actuarially determined rates that are sufficient to accumulate sufficient assets to pay benefits when due. The City's contributions are determined under the projected unit credit actuarial method. The City's funding policy is to contribute the normal cost for the current year plus (1) the amount to amortize the remainder of the initial unfunded actuarial accrued liability over 30 years from 1982 and (2) current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year. Significant actuarial assumptions used in the valuation include (a) rate of return on the investment of present and future assets of 7.75% a year compounded annually (b) projected salary increases of 3.5% a year compounded annually (3% for inflation and 0.5% for merit or seniority) and (c) no postretirement benefit increases. The actuarial value of assets is determined by rolling forward prior year's actuarial value with contributions, disbursements and expected return on investments, plus 10% of investment gains (losses) during 10 prior years.

c) Annual Pension Cost

The City's annual pension cost and net pension asset for 2011 were computed as follows:

Annual required contribution	$ 2,923,252
Interest on net pension asset	(270,683)
Adjustment to annual required contribution	292,520
Annual pension cost	2,945,089
Contributions made	2,923,252
Decrease in net pension asset	(21,837)
Net pension asset beginning of year	$ 3,492,680
Net pension asset end of year	$ 3,470,843

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

c) Annual Pension Cost Trend - Continued

The chart below shows the annual pension cost for the current year and prior two years along with the percentage actually contributed by the City.

Year Ended December 31,	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2009	$ 2,546,483	104%	$ 2,559,352	103%	$ 3,514,654
2010	2,750,000	100%	2,771,974	99%	3,492,680
2011	2,923,252	100%	2,945,089	99%	3,470,843

The net pension asset is recognized for financial reporting purposes only at the government wide financial reporting.

d) Schedule of Funding Progress

As of the most recent valuation date, July 1, 2011, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded/ (Surplus) AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2011	$ 55,218,899	$ 64,521,482	$ (9,302,583)	85.58%	$ 21,184,301	43.91%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of the plan net assets in 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 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 July 1, 2011.

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, 2011 totaled $198,583.

3. Component Unit - Rome Board of Education

Teachers Retirement System of Georgia (TRS)

a) Plan Description

The TRS is a cost-sharing multiple-employer defined benefit plan created in 1943 by an act of the Georgia General Assembly to provide retirement benefits for qualifying employees in educational service. A Board of Trustees comprised of active and retired members and ex-officio State employees is ultimately responsible for the administration of TRS. The Teachers Retirement System of Georgia issues a separate stand alone financial audit report and a copy can be obtained from the Teachers Retirement System of Georgia, Two Northside 75, Suite 100, Atlanta, GA 30318.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education – Continued

Teachers Retirement System of Georgia (TRS) – Continued

a) Plan Description– Continued

On October 25, 1996, the Board created the Supplemental Retirement Benefits Plan of the Georgia Teachers Retirement System (SRBP-TRS). SRPB-TRS was established as a qualified excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC) as a portion of TRS. The purpose of SRBP-TRS is to provide retirement benefits to employees covered by TRS whose benefits are otherwise limited by IRC Section 415. Beginning July 1, 1997, all members and retired former members in TRS are eligible to participate in the SRPB-TRS whenever their benefits under TRS exceed the IRC Section 415 imposed limitation on benefits.

TRS provides service retirement, disability retirement, and survivor's benefits. The benefit structure of TRS is defined and may be amended by State statute. A member is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service.

Normal retirement (pension) benefits paid to members are equal to 2% of the average of the member's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. Early retirement benefits are reduced by the lesser of one-twelfth of 7% for each month the member is below age 60 or by 7% for each year or fraction thereof by which the member has less than 30 years of service. It is also assumed that certain cost-of-living adjustments, based on the Consumer Price Index, will be made in future years. Retirement benefits are payable monthly for life. A member may elect to receive a partial lump-sum distribution in addition to a reduced monthly retirement benefit. Death, disability and spousal benefits are also available.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education – Continued

Teachers Retirement System of Georgia (TRS) – Continued

b) **Funding Policy**

TRS is funded by member and employer contributions as adopted and amended by the Board of Trustees. Member contributions are limited by State law to not less than 5% or more than 6% of a member's earnable compensation. Member contributions as adopted by the Board of Trustees for the fiscal year ended June 30, 2009, were 5% of annual salary. The member contribution rate will increase to 5.25% effective July 1, 2009, and to 5.53% effective July 1, 2010. Employer contributions required for fiscal year 2009 were 9.28% of annual salary as required by the June 30, 2009, actuarial valuation. The employer contribution rate will increase to 9.74% effective July 1, 2009, and to 10.28% effective July 1, 2010.

Fiscal Year	Percentage Contributed	Required Contribution
2011	100%	$ 2,933,344
2010	100%	$ 2,994,095
2009	100%	$ 2,919,819

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education - Continued

Public School Employees Retirement System of Georgia (PSERS)

a) Plan Description

Substantially all bus drivers, maintenance, custodial, and lunchroom personnel employed by the District are members of the Public School Employees Retirement System of Georgia (PSERS), which is also a cost-sharing multiple employer public employee retirement system. The Board of the Public School Employees Retirement System of Georgia issues a publicly available financial report that includes financial statements and supplementary information for PSERS. That report may be obtained by writing Public School Employee Retirement System, Two Northside 75, Atlanta, Georgia 30318-7778, or by calling 1-800-805-4609.

PSERS provides service retirement, disability retirement and survivor's benefits for its members. A member is eligible for normal service retirement after 10 years of service and attainment of age 65. A member applying for service retirement with 10 years of services and retirees between the ages of 60 and 65 receive a reduced benefit. Monthly retirement benefits paid to members are equal to eight dollars per month multiplied by the number of years of creditable service. Retirement provisions include death and disability benefits. Benefits are established by state statute.

Covered employees are required by state statute to contribute four dollars per month for the nine month school year. Unlike TRS, the School District makes no contribution to PSERS. Total contributions from employees of the School District were $3,296, $3,500, and $3,508 for the fiscal years ended June 30, 2011, 2010, and 2009, respectively.

The State of Georgia is required by statute to make an annual contribution to PSERS based upon an actuarial calculation. The state's contribution for School District employees was $17,037, $12,540, and $17,032 for the fiscal years ended June 30, 2011, 2010, and 2009, respectively.

Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions are refunded with interest. There were 91, 98, and 100 employees (members) covered under PSERS for the fiscal years ended June 30, 2011, 2010, and 2009, respectively.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

G. Post-Retirement 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 post-retirement 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 post-employment benefits, and has not funded the plan as of December 31, 2011.

The Rome City Commission has contracted with the Standard Insurance Company to administer post retirement life insurance benefits to all employees who retire under early or normal retirement provisions. 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 post retirement 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). 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 post-retirement health benefits. Currently, 100 retirees are enrolled in post-retirement health care benefits. These post-retirement benefits are funded on a pay-as-you-go-basis. In 2011, the net cost of premiums for providing post-retirement benefits for retirees was approximately $258,262.

Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Health Care Plan as of July 1, 2010.

Active members	492
Retired members	210
Total	702

Contributions

The City's Health Insurance Fund contributed $771,521 to the OPEB Health Care Plan in fiscal year 2011. 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	$ 1,189,973
Interest on Existing NOO	78,439
ARC Adjustment	(122,848)
Annual OPEB Cost	1,145,564
Actual Contributions made	771,521
Increase in net OPEB obligation	374,043
Net OPEB Liability, December 31, 2010	1,960,967
Net OPEB Liability, December 31, 2011	$ 2,335,010

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

G. Post-Retirement Health Care and Life Insurance Benefits - Continued

OPEB Health Care Plan

Fiscal Year Ended December 31,	Annual OPEB Cost	Actual OPEB Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2009	$ 1,316,636	$ 735,135	55.83%	$ 1,898,137
2010	1,143,050	1,080,220	94.50%	1,960,967
2011	1,145,564	771,521	67.35%	2,335,010

As of the most recent valuation date, July 1, 2010, the funded status of the OPEB Health Care Plan was as follows:

Actuarial Value of Asset	-
Actuarial Accrued Liability (AAL)	10,660,924
Unfunded Actuarial Accrued Liability (UAAL)	10,660,924
Funded Ratio	0.00%
Covered Payroll	18,816,803
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	56.66%

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, 2010. The assumptions used in the July 1, 2010 actuarial valuation are as follows:

Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value of Assets
Assumed Rate of Return on Investments	4.00%
Inflation Rate	3.00%
Medical Cost Trend Rate	9.50%
Ultimate Medical Cost Trend Rate	5.00%
Year of Ultimate Trend Rate	2019
Amortization Method	Level dollar, closed
Remaining Amortization Period	23 years
Payroll Inflation Rate	3.00%

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 October 1, 2011 total $6,366,404. 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
2010	$ 950,000	$ 4,352,062	$ (4,952,062)	$ 350,000
2011	350,000	5,234,161	(5,119,161)	465,000

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 risks 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 2011, the City recorded a reimbursement of $245,869 from the Subsequent Injury Trust Fund of the state, and a $164,240 reimbursement from the City's stop loss carrier.

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, 2011. 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
2010	170,000	762,187	(762,187)	170,000
2011	170,000	1,195,418	(873,418)	492,000

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.

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 balance sheet date. The $2,497,522 ($117,899 current) reported as postclosure care liability at December 31, 2011, represents the cumulative amount reported to date based on the use of 100% of the capacity of Phase I - VI of the landfill and 19.2% of the capacity of Phase VII. The $1,211,155 ($42,054 current) reported as postclosure care liability at December 31, 2011 represents the cumulative amount reported to date based on the use of 96% of the capacity of Phase I of C&D. In addition, $3,642,881 has been accrued at December 31, 2011 for closure costs for Phases IV, V, VI, and VII and the C&D sites based on the landfill capacity used as of the balance sheet 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 post closure care costs at a landfill site previously operated by the County (Berryhill site). Accordingly, a liability for postclosure costs totaling $1,288,230 ($56,010 current) has been recognized in the Solid Waste Commission Fund as of December 31, 2011. 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, 2011 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 North West 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 2011, the City paid dues in the amount of $36,303 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 a 6% 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. A summary of transactions for the fiscal year ended December 31, 2011 is as follows:

	5% Levy	1% Levy
Balance as of December 31, 2010	$ 44,088	$ 23,718
2011 Tax Revenues	478,354	95,673
2011 Interest Revenue	30	5
2011 Expenditures		
Greater Rome Convention & Visitors Bureau	445,000	20,644
City of Rome	30,000	-
Floyd County	-	71,755
Balance as of December 31, 2011	$ 47,472	$ 26,997

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 $92,399 made during 2011 were 96.6% of total 2011 1% tax collections and expenditures of $475,000 were 99.3% of 2011 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 $7,000,000 of Tax Anticipation Notes in May of 2011 and June of 2011. These notes matured and were paid in full on November 30, 2011 and December 29, 2011. Interest expense of $28,166 was paid on the borrowings.

Fiscal Year Beginning Balance	Additions	Deletions	Ending Fiscal Year Balance
-	$7,000,000	$7,000,000	-

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

This agency agreement designates and authorizes the School District as the agent for the Building Authority for the specific purpose of constructing the school improvement projects as outlined in the agreement. The Authority issued $2 million of QZAB debt in July of 2004. The repayment of these Quality Zone Academy Bonds will be through a forward delivery agreement with Bank of America with five subsequent annual payments. Payments for this debt are to be made from current Education Local Option Sales Tax proceeds, but repayment is guaranteed by the full faith credit and taxing power of the City of Rome and the School District.

The School Building Authority is a blended component unit of the School District and the Quality Zone Academy Bond debt is presented on the School District financial statements. Beginning July 15, 2005, the School District made the first of five annual installments of $257,531 which are invested into a sinking fund and will be used to retire the bonds at maturity.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

P. Construction Commitments

The City of Rome has several active construction projects as of December 31, 2011. These projects are associated with water and sewer improvements, community development construction, and the construction of the new Emergency Operations Center. They are all financed with SPLOST proceeds and grants.

Project	Current Year	Remaining
Barron Stadium	$ 2,185,351	$ -
Rome High Road	615,872	-
Marine Armory	40,374	-
South Broad Corridor	982,748	-
Redmond Road Turn Lane	220,859	64,757
West First Street Pump Station	266,813	1,400
Emergency Operations Center	929,137	1,975,742
NWGR Commission Building	852,571	274,835

Q. Subsequent Events

In 2012 the City of Rome will issue approximately $32,175,000 in a water/sewer bond refunding of the current outstanding 2004 water and sewer bonds. In 2012, the City or Rome will also enter into a loan agreement with GEFA for $2,500,000 to replace a Flash Mix structure at the Bruce Hamler Water Treatment Facility.

R. Changes in Accounting Principle

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 54, management of the City has made changes to the governmental funds it reports in its basic financial statements. The changes made during the current reporting period affect beginning fund balance reported in the Statement of Revenues, Expenditures and Changes in Fund Balance. These changes are described further below.

Previously, the Downtown Development Fund and the South Rome Redevelopment Agency Fund were separate funds used to account for amounts received and expended for downtown development and South Rome redevelopment. With the implementation of GASB Statement No. 54, the Downtown Development Fund and the South Rome Redevelopment Agency Fund no longer met the definition of a special revenue fund and thus the activities of the fund were consolidated into the General Fund. As a result, the following restatement to beginning fund balance was noted for the General Fund:

Fund balance, General Fund, as previously reported	$ 11,011,284
Restatement for consolidation of Downtown Development Fund	574,563
Restatement for consolidation of South Rome Redevelopment Fund	(73,357)
Beginning fund balance, General Fund, restated	$ 11,512,490

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 Schedules of Funding Progress for the OPEB Health Care Plan and GMEBS 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, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Ad valorem taxes:				
Real and personal property:				
Current year	$ 6,125,000	$ 6,150,000	$ 6,146,475	$ (3,525)
Prior years	675,000	1,200,000	1,241,462	41,462
Public utilities	230,000	290,000	287,285	(2,715)
Motor vehicles	575,000	580,000	578,690	(1,310)
Mobile homes	2,000	2,000	993	(1,007)
Timber tax	2,000	2,000	2,388	388
Total ad valorem taxes	7,609,000	8,224,000	8,257,293	33,293
Other taxes:				
Intangible tax	180,000	95,000	93,046	(1,954)
Insurance premium tax	1,920,000	1,720,000	1,702,763	(17,237)
Franchise tax	3,349,000	3,481,000	3,553,291	72,291
Local option sales tax	6,300,000	6,190,000	6,162,346	(27,654)
Real estate transfer tax	25,000	10,000	7,011	(2,989)
Tax on liquor and wine	800,000	770,000	752,095	(17,905)
Mixed drink tax	56,000	60,000	60,145	145
Total other taxes	12,630,000	12,326,000	12,330,697	4,697
Licenses, permits and fees:				
Business licenses	1,587,000	1,606,000	1,596,460	(9,540)
Permits and fees	91,000	76,000	61,846	(14,154)
Total licenses, permits and fees	1,678,000	1,682,000	1,658,306	(23,694)
Intergovernmental:				
Highway maintenance	120,000	120,000	124,260	4,260
Traffic signals	31,500	31,500	31,500	-
County environmental information	55,000	52,000	54,920	2,920
Entitlement reimbursement	32,000	20,000	23,193	3,193
Housing authority	60,000	30,000	28,229	(1,771)
Grant reimbursement	-	-	153,512	153,512
Total intergovernmental	298,500	253,500	415,614	162,114

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Fines and forfeitures:				
Police court fines and fees	$ 1,596,000	$ 1,350,000	$ 1,293,663	$ (56,337)
Total fines and forfeitures	1,596,000	1,350,000	1,293,663	(56,337)
Other revenues:				
Charges for services	-	116,000	112,984	(3,016)
Interest and costs	270,000	375,000	424,030	49,030
Cemetery revenue	165,000	165,000	181,355	16,355
Rent	20,000	25,000	39,739	14,739
Interest on investments	10,000	7,100	6,063	(1,037)
Miscellaneous revenue	20,000	330,000	427,824	97,824
Total other revenues	485,000	1,018,100	1,191,995	173,895
TOTAL REVENUES	24,296,500	24,853,600	25,147,568	293,968

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CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES:				
GENERAL GOVERNMENT				
City Commission:				
Personal services	$ 144,000	$ 144,000	$ 143,752	$ 248
Supplies	7,330	6,500	6,423	77
Other services and charges	34,300	37,000	35,870	1,130
Total City Commission	185,630	187,500	186,045	1,455
Municipal Court:				
Personal services	47,170	45,000	44,891	109
Supplies	100	100	-	100
Other services and charges	38,660	45,500	45,434	66
Total Municipal Court	85,930	90,600	90,325	275
Manager's Office:				
Personal services	263,280	263,280	261,797	1,483
Supplies	8,950	8,950	8,314	636
Other services and charges	8,250	8,250	6,163	2,087
Total Manager's Office	280,480	280,480	276,274	4,206
Clerk's Office:				
Personal services	331,570	331,570	328,754	2,816
Supplies	13,500	13,500	13,082	418
Other services and charges	14,750	14,750	14,134	616
Total Clerk's Office	359,820	359,820	355,970	3,850
Finance:				
Personal services	457,720	463,500	463,115	385
Supplies	12,450	11,000	10,496	504
Other services and charges	10,700	9,000	8,460	540
Total Finance	480,870	483,500	482,071	1,429

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Human Resources:				
Personal services	$ 222,710	$ 225,500	$ 225,225	$ 275
Supplies	11,900	12,000	11,623	377
Other services and charges	32,300	51,000	50,422	578
Total Human Resources	266,910	288,500	287,270	1,230
Purchasing:				
Personal services	258,140	259,500	259,402	98
Supplies	4,750	3,500	3,186	314
Other services and charges	7,720	7,610	6,758	852
Total Purchasing	270,610	270,610	269,346	1,264
Information Technology:				
Personal services	216,050	216,050	215,261	789
Supplies	32,000	25,000	23,405	1,595
Other services and charges	9,100	9,100	8,892	208
Total Information Technology	257,150	250,150	247,558	2,592
Business Systems Analyst:				
Personal services	81,990	82,500	82,235	265
Supplies	125,070	124,500	123,835	665
Other services and charges	2,910	2,910	2,744	166
Total Business Systems Analyst	209,970	209,910	208,814	1,096
Assistant City Manager:				
Personal services	112,630	112,630	109,538	3,092
Supplies	2,000	2,000	1,688	312
Other services and charges	11,750	11,750	12,252	(502)
Total Assistant City Manager	126,380	126,380	123,478	2,902
General Administration:				
Personal services	42,380	42,380	42,070	310
Supplies	24,800	24,800	18,935	5,865
Other services and charges	698,000	590,250	554,627	35,623
Total General Administration	765,180	657,430	615,632	41,798

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Total General Government:				
Personal services	$ 2,177,640	$ 2,185,910	$ 2,176,040	$ 9,870
Supplies	242,850	231,850	220,987	10,863
Other services and charges	868,440	787,120	745,756	41,364
TOTAL GENERAL GOVERNMENT	3,288,930	3,204,880	3,142,783	62,097
PUBLIC SAFETY				
Police:				
Personal services	6,473,700	6,340,000	6,338,468	1,532
Supplies	534,650	565,000	560,531	4,469
Other services and charges	198,300	230,000	227,870	2,130
Total Police	7,206,650	7,135,000	7,126,869	8,131
Police Training Center:				
Supplies	34,600	34,600	33,074	1,526
Other services and charges	57,900	57,900	54,108	3,792
Total Police Training Center	92,500	92,500	87,182	5,318
Total Public Safety:				
Personal services	6,473,700	6,340,000	6,338,468	1,532
Supplies	569,250	599,600	593,605	5,995
Other services and charges	256,200	287,900	281,978	5,922
TOTAL PUBLIC SAFETY	7,299,150	7,227,500	7,214,051	13,449
PUBLIC WORKS				
Public Works Office:				
Personal services	321,470	321,470	320,920	550
Supplies	16,450	16,450	14,494	1,956
Other services and charges	16,510	16,510	17,034	(524)
Total Public Works Office	354,430	354,430	352,448	1,982

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Engineering:				
Personal services	$ 414,950	$ 414,950	$ 410,572	$ 4,378
Supplies	17,950	19,950	18,303	1,647
Other services and charges	7,000	6,000	5,560	440
Total Engineering	439,900	440,900	434,435	6,465
Streets and Drainage:				
Personal services	1,505,700	1,425,000	1,396,580	28,420
Supplies	325,650	360,000	359,724	276
Other services and charges	62,250	89,000	88,590	410
Total Streets and Drainage	1,893,600	1,874,000	1,844,894	29,106
Clean It or Lien It Demolition:				
Supplies	20,000	100,000	98,840	1,160
Other services and charges	15,000	13,000	12,331	669
Total Clean It or Lien It Demolition	35,000	113,000	111,171	1,829
Electrical/Traffic Control:				
Personal services	780,610	790,000	789,358	642
Supplies	86,870	116,000	115,373	627
Other services and charges	57,810	56,000	55,894	106
Total Electrical/Traffic Control	925,290	962,000	960,625	1,375
Street Lighting:				
Supplies	3,000	3,000	2,182	818
Other services and charges	792,000	890,000	890,520	(520)
Total Street Lighting	795,000	893,000	892,702	298
Buildings and Grounds:				
Supplies	3,000	3,000	1,140	1,860
Other services and charges	2,500	2,500	2,097	403
Total Buildings and Grounds	5,500	5,500	3,237	2,263

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Cemetery:				
Personal services	$ 321,160	$ 321,160	$ 320,239	$ 921
Supplies	28,170	30,170	29,431	739
Other services and charges	19,270	19,270	16,865	2,405
Payments for inmate charges	40,000	44,500	44,300	200
Total Cemetery	408,600	415,100	410,835	4,265
Garage:				
Personal services	548,350	544,000	542,014	1,986
Supplies	80,270	80,270	78,664	1,606
Other services and charges	43,420	43,420	39,378	4,042
Total Garage	672,040	667,690	660,056	7,634
Total Public Works:				
Personal services	3,892,240	3,816,580	3,779,683	36,897
Supplies	581,360	728,840	718,151	10,689
Other services and charges	1,015,760	1,135,700	1,128,269	7,431
Payments	40,000	44,500	44,300	200
TOTAL PUBLIC WORKS	5,529,360	5,725,620	5,670,403	55,217
PUBLIC FACILITIES				
City Auditorium:				
Personal services	164,690	148,000	147,653	347
Supplies	51,550	50,000	49,816	184
Other services and charges	86,570	92,500	92,148	352
Total City Auditorium	302,810	290,500	289,617	883
Civic Center:				
Supplies	9,650	12,650	7,701	4,949
Other services and charges	17,660	21,500	26,206	(4,706)
Total Civic Center	27,310	34,150	33,907	243

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Other Facilities:				
Supplies	$ 31,950	$ 40,650	$ 38,198	$ 2,452
Other services and charges	52,100	55,500	54,973	527
Total Other Facilities	84,050	96,150	93,171	2,979
Total Public Facilities:				
Personal services	164,690	148,000	147,653	347
Supplies	93,150	103,300	95,715	7,585
Other services and charges	156,330	169,500	173,327	(3,827)
TOTAL PUBLIC FACILITIES	414,170	420,800	416,695	4,105
PUBLIC SERVICES				
Community Services:				
Other services and charges	177,600	179,500	176,044	3,456
Total Community Services	177,600	179,500	176,044	3,456
Environmental Information:				
Personal Services	141,250	141,250	141,074	176
Supplies	14,550	14,550	12,278	2,272
Other services and charges	24,780	29,000	28,617	383
Total Environmental Information	180,580	184,800	181,969	2,831
Public Information Coordinator:				
Supplies	-	-	190	(190)
Other services and charges	2,000	2,000	-	2,000
Total Public Information Coordinator	2,000	2,000	190	1,810
Community Events:				
Supplies	3,500	1,000	922	78
Other services and charges	8,200	6,500	6,420	80
Total Community Events	11,700	7,500	7,342	158

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Roman Holiday Boat:				
Supplies	$ 3,200	$ 5,000	$ 4,705	$ 295
Other services and charges	15,900	15,500	15,206	294
Total Roman Holiday Boat	19,100	20,500	19,911	589
Trolley:				
Personal services	2,180	1,000	820	180
Supplies	1,350	500	263	237
Other services and charges	400	800	739	61
Total Trolley	3,930	2,300	1,822	478
Total Public Services:				
Personal services	143,430	142,250	141,894	356
Supplies	22,600	21,050	18,358	2,692
Other services and charges	228,880	233,300	227,026	6,274
TOTAL PUBLIC SERVICES	394,910	396,600	387,278	9,322
COMMUNITY DEVELOPMENT				
Personal services	-	284,000	283,314	686
Supplies	-	14,000	13,726	274
Other services and charges	-	304,500	142,338	162,162
TOTAL COMMUNITY DEVELOPMENT	-	602,500	439,378	163,122
DEBT SERVICE:				
Principal	-	300,000	300,000	-
TOTAL DEBT SERVICE	-	300,000	300,000	-
TOTAL EXPENDITURES	16,926,520	17,877,900	17,570,588	307,312
OTHER FINANCING SOURCES AND USES:				
TRANSFERS IN:				
Water and Sewer Fund	830,000	830,000	830,000	-
Transit Fund	48,000	48,000	48,000	-
Fire Fund	330,000	330,000	330,000	-
Building Inspection Fund	50,000	41,000	-	(41,000)
Solid Waste Commission Fund	30,000	28,000	27,050	(950)
Health Insurance Fund	95,000	95,000	95,000	-
Forum Parking Deck	-	-	20,000	20,000
Workers Compensation Fund	15,000	15,000	15,000	-
Hotel/Motel Tax Fund	30,000	30,000	30,000	-
TOTAL TRANSFERS IN	1,428,000	1,417,000	1,395,050	(21,950)

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
TRANSFERS OUT:				
Planning Commission Fund	$ 147,700	$ 147,700	$ 147,700	$ -
Capital Fund	15,000	215,000	215,000	-
Transit Fund	550,000	630,000	637,290	(7,290)
Community Development Fund	100,000	-	658,522	(658,522)
Fire Fund	5,400,000	5,400,000	5,400,000	-
South Rome Redevelopment Agency	62,500	-	-	-
Golf Fund	650,000	540,000	539,000	1,000
Solid Waste Management Fund	1,628,500	1,628,500	1,628,500	-
Building Inspection Fund	15,000	6,500	6,500	-
Downtown Development Fund	125,000	145,000	-	145,000
Red Light Fund	-	-	5,179	(5,179)
TOTAL TRANSFERS OUT	8,693,700	8,712,700	9,237,691	(524,991)
PROCEEDS FROM THE SALE OF CAPITAL ASSETS	-	420,000	420,000	-
TOTAL OTHER FINANCING SOURCES (USES)	(7,265,700)	(6,875,700)	(7,422,641)	(546,941)
Net change in fund balance	104,280	100,000	154,339	
FUND BALANCE, BEGINNING OF YEAR	11,512,490	11,512,490	11,512,490	
FUND BALANCE, END OF YEAR	$ 11,616,770	$ 11,612,490	$ 11,666,829	

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

December 31, 2011

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 $1,632,080, that 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.

SCHEDULES OF FUNDING PROGRESS

GMEBS 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
9/1/2006	$ 42,081,949	$ 47,593,869	88.42%	$ 5,511,920	$ 21,068,259	26.16%
9/1/2007	45,360,675	53,163,980	85.32%	7,803,305	22,227,916	35.11%
9/1/2008	48,388,418	55,006,811	87.97%	6,618,393	22,775,449	29.06%
10/1/2009	44,938,084	58,557,392	76.74%	13,619,308	22,669,898	60.08%
7/1/2010	52,625,450	61,333,477	85.80%	8,708,027	22,233,267	39.17%
7/1/2011	55,218,899	64,521,482	85.58%	9,302,583	21,184,301	43.91%

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

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%

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

* Most Recent actuarial date.

NONMAJOR GOVERNMENTAL FUNDS
COMBINED STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

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

Redlight Enforcement Fund -	to account for funds associated with the Redlight Enforcement cameras.
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, 2011

	Nonmajor Governmental Funds		
	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds (Entitlement Fund)	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 395,225	$ 2	$ 395,227
Taxes receivable, net of allowance for uncollectibles	1,811	-	1,811
Accounts receivable, net of allowance for uncollectibles	26,682	-	26,682
Accounts receivable loans	530,405	-	530,405
Due from other funds	19,051	-	19,051
Due from other governments	54,527	18,518	73,045
Due from component units	50	-	50
Total assets	$ 1,027,751	$ 18,520	$ 1,046,271
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 3,519	$ 18,263	$ 21,782
Accrued liabilities	651	-	651
Due to component unit	5,795	-	5,795
Due to other governments	23,071	-	23,071
Due to other funds	26,928	255	27,183
Total liabilities	59,964	18,518	78,482
FUND BALANCES			
Restricted for:			
Revolving loans and housing initiatives	634,208	-	634,208
Planning and zoning activities	36,993	-	36,993
Tourism & forum promotion	74,469	-	74,469
Capital improvements	134,304	-	134,304
Forum parking deck operations	30,584		30,584
Capital projects		2	2
Assigned for:			
Community development operations	57,229	-	57,229
Total fund balances	967,787	2	967,789
TOTAL LIABILITIES AND FUND BALANCES	$ 1,027,751	$ 18,520	$ 1,046,271

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2011

	Nonmajor Governmental Funds		
	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds (Entitlement Fund)	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	$ 466,004	$ 546,899	$ 1,012,903
Charges for services	130,349	-	130,349
Taxes	691,002	-	691,002
Interest earned	16,108	-	16,108
Miscellaneous	17,699	-	17,699
TOTAL REVENUES	1,321,162	546,899	1,868,061
EXPENDITURES			
Public safety	7,950	-	7,950
Community development	695,339	-	695,339
Public facilities	590,610	-	590,610
Capital outlay	175,875	546,899	722,774
TOTAL EXPENDITURES	1,469,774	546,899	2,016,673
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(148,612)	-	(148,612)
OTHER FINANCING SOURCES AND USES			
Transfers in	811,401	-	811,401
Transfers out	(60,000)	-	(60,000)
	751,401	-	751,401
NET CHANGE IN FUND BALANCES	602,789	-	602,789
FUND BALANCES - BEGINNING OF YEAR	364,998	2	365,000
FUND BALANCES - END OF YEAR	$ 967,787	$ 2	$ 967,789

CITY OF ROME, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
December 31, 2011

	Special Revenue Funds							Total
	Redlight Enforcement Fund	Community Development Fund	Planning Commission Fund	Hotel/Motel Tax Fund	Business Improvement District Fund	Tax Allocation District Fund	Forum Parking Deck Fund	Nonmajor Special Revenue Funds
ASSETS								
Cash	$ -	$ 148,078	$ 12,564	$ 55,718	$ 58,780	$ 86,887	$ 33,198	$ 395,225
Taxes receivable	-	-	-	-	1,340	471	-	1,811
Accounts receivable, net of allowance								
for uncollectibles	-	-	-	26,682	-	-	-	26,682
Accounts receivable loans	-	530,405	-	-	-	-	-	530,405
Due from other funds	-	3,410	3,767	1,144	-	-	10,730	19,051
Due from other governments	-	21,247	32,550	-	246	484	-	54,527
Due from component units	-	-	50	-	-	-	-	50
Total assets	$ -	$ 703,140	$ 48,931	$ 83,544	$ 60,366	$ 87,842	$ 43,928	$ 1,027,751
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	$ -	$ 217	$ 793	$ -	$ 168	$ -	$ 2,341	$ 3,519
Accrued liabilities	-	153	277	-	-	-	221	651
Due to component unit	-	-	75	5,720	-	-	-	5,795
Due to other governments	-	-	-	2,755	-	10,316	10,000	23,071
Due to other funds	-	11,333	10,793	600	-	3,420	782	26,928
Total liabilities	-	11,703	11,938	9,075	168	13,736	13,344	59,964
FUND BALANCES								
Restricted for:								
Revolving loans and housing initiatives	-	634,208	-	-	-	-	-	634,208
Planning and zoning activities	-		36,993	-	-	-	-	36,993
Tourism & forum promotion	-	-	-	74,469		-	-	74,469
Capital improvements	-	-	-	-	60,198	74,106	-	134,304
Forum parking deck operations	-	-	-	-	-	-	30,584	30,584
Assigned for:								
Community development operations	-	57,229	-	-	-	-	-	57,229
Total fund balances	-	691,437	36,993	74,469	60,198	74,106	30,584	967,787
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 703,140	$ 48,931	$ 83,544	$ 60,366	$ 87,842	$ 43,928	$ 1,027,751

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, 2011

	Special Revenue Funds							
	Redlight Enforcement Fund	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	$ -	$ 223,212	$ 242,792	$ -	$ -	$ -	$ -	$ 466,004
Charges for services	8,450	177	12,270	-	25,333	-	84,119	130,349
Taxes	-	-	-	574,027	27,316	89,659	-	691,002
Interest earned	5	15,827	35	35	54	94	58	16,108
Miscellaneous	-	17,699	-	-	-	-	-	17,699
TOTAL REVENUES	8,455	256,915	255,097	574,062	52,703	89,753	84,177	1,321,162
EXPENDITURES								
Public safety	7,950	-	-	-	-	-	-	7,950
Community development	-	154,361	403,988	-	45,746	91,244	-	695,339
Public facilities	-	-	-	537,399	-	-	53,211	590,610
Capital outlay	-	159,379	16,496	-	-	-	-	175,875
Debt Service:								
Principal	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	7,950	313,740	420,484	537,399	45,746	91,244	53,211	1,469,774
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	505	(56,825)	(165,387)	36,663	6,957	(1,491)	30,966	(148,612)
OTHER FINANCING SOURCES (USES)								
Transfers in	5,179	658,522	147,700	-	-	-	-	811,401
Transfers out	-	-	-	(30,000)	-	-	(30,000)	(60,000)
TOTAL OTHER FINANCING SOURCES (USES)	5,179	658,522	147,700	(30,000)	-	-	(30,000)	751,401
NET CHANGE IN FUND BALANCES	5,684	601,697	(17,687)	6,663	6,957	(1,491)	966	602,789
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	(5,684)	89,740	54,680	67,806	53,241	75,597	29,618	364,998
FUND BALANCES - END OF YEAR	$ -	$ 691,437	$ 36,993	$ 74,469	$ 60,198	$ 74,106	$ 30,584	$ 967,787

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, 2011

	Redlight Enforcement			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 90,000	$ 90,000	$ 8,450	$ (81,550)
Interest earned	-	-	5	5
Total revenues	90,000	90,000	8,455	(81,545)
EXPENDITURES				
Public safety	90,000	90,000	7,950	82,050
Total expenditures	90,000	90,000	7,950	82,050
EXCESS OF REVENUES OVER EXPENDITURES	-	-	505	505
OTHER FINANCING SOURCES				
Transfers in	-	-	5,179	5,179
	-	-	5,179	-
NET CHANGE IN FUND BALANCE	-	-	5,684	5,684
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	(5,684)	(5,684)	(5,684)	-
FUND BALANCE (DEFICIT), END OF YEAR	$ (5,684)	$ (5,684)	$ -	$ 5,684

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, 2011

	Community Development			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 188,750	$ 206,250	$ 223,212	$ 16,962
Charges for services	21,250	21,250	177	(21,073)
Miscellaneous	-	-	17,699	17,699
Interest earned	-	-	15,827	15,827
Total revenues	210,000	227,500	256,915	29,415
EXPENDITURES				
Community development	210,000	157,500	154,361	3,139
Capital outlay	100,000	170,000	159,379	10,621
Total expenditures	310,000	327,500	313,740	13,760
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(100,000)	(100,000)	(56,825)	43,175
OTHER FINANCING SOURCES				
Transfers in	100,000	100,000	658,522	558,522
	100,000	100,000	658,522	558,522
NET CHANGE IN FUND BALANCE	-	-	601,697	601,697
FUND BALANCE, BEGINNING OF YEAR	89,740	89,740	89,740	-
FUND BALANCE, END OF YEAR	$ 89,740	$ 89,740	$ 691,437	$ 601,697

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, 2011

	Planning Commission			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 267,300	$ 267,300	$ 242,792	$ (24,508)
Charges for services	24,000	24,000	12,270	(11,730)
Interest earned	50	50	35	(15)
Total revenues	291,350	291,350	255,097	(36,253)
EXPENDITURES				
Community development	412,100	412,100	403,988	8,112
Capital outlay	26,950	26,950	16,496	10,454
Total expenditures	439,050	439,050	420,484	18,566
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(147,700)	(147,700)	(165,387)	(17,687)
OTHER FINANCING SOURCES				
Transfers in	147,700	147,700	147,700	-
	147,700	147,700	147,700	-
NET CHANGE IN FUND BALANCE	-	-	(17,687)	(17,687)
FUND BALANCE, BEGINNING OF YEAR	54,680	54,680	54,680	-
FUND BALANCE, END OF YEAR	$ 54,680	$ 54,680	$ 36,993	$ (17,687)

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, 2011

	Hotel/Motel Tax			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 552,000	$ 569,000	$ 574,027	$ 5,027
Interest earned	300	300	35	(265)
Total revenues	552,300	569,300	574,062	4,762
EXPENDITURES				
Public facilities	522,300	539,300	537,399	1,901
Total expenditures	522,300	539,300	537,399	1,901
EXCESS OF REVENUES OVER EXPENDITURES	30,000	30,000	36,663	6,663
OTHER FINANCING USES				
Transfers out	(30,000)	(30,000)	(30,000)	-
	(30,000)	(30,000)	(30,000)	-
NET CHANGE IN FUND BALANCE	-	-	6,663	6,663
FUND BALANCE, BEGINNING OF YEAR	67,806	67,806	67,806	-
FUND BALANCE, END OF YEAR	$ 67,806	$ 67,806	$ 74,469	$ 6,663

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, 2011

	Business Improvement District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 23,900	$ 23,900	$ 25,333	$ 1,433
Taxes	25,000	25,000	27,316	2,316
Interest earned	100	100	54	(46)
Total revenues	49,000	49,000	52,703	3,703
EXPENDITURES				
Community development	49,000	49,000	45,746	3,254
Total expenditures	49,000	49,000	45,746	3,254
NET CHANGE IN FUND BALANCE	-	-	6,957	6,957
FUND BALANCE, BEGINNING OF YEAR	53,241	53,241	53,241	-
FUND BALANCE, END OF YEAR	$ 53,241	$ 53,241	$ 60,198	$ 6,957

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, 2011

	Tax Allocation District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 85,000	$ 92,000	$ 89,659	$ (2,341)
Interest earned	-	-	94	94
Total revenues	85,000	92,000	89,753	(2,247)
EXPENDITURES				
Community development	85,000	92,000	91,244	756
Total expenditures	85,000	92,000	91,244	756
NET CHANGE IN FUND BALANCE	-	-	(1,491)	(1,491)
FUND BALANCE, BEGINNING OF YEAR	75,597	75,597	75,597	-
FUND BALANCE, END OF YEAR	$ 75,597	$ 75,597	$ 74,106	$ (1,491)

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, 2011

	Forum Parking Deck			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 87,000	$ 87,000	$ 84,119	$ (2,881)
Interest earned	500	500	58	(442)
Total revenues	87,500	87,500	84,177	(3,323)
EXPENDITURES				
Public facilities	58,095	58,095	53,211	4,884
Total expenditures	58,095	58,095	53,211	4,884
EXCESS OF REVENUES OVER EXPENDITURES	29,405	29,405	30,966	1,561
OTHER FINANCING USES				
Transfers out	(29,405)	(29,405)	(30,000)	(595)
	(29,405)	(29,405)	(30,000)	(595)
NET CHANGE IN FUND BALANCE	-	-	966	966
FUND BALANCE, BEGINNING OF YEAR	29,618	29,618	29,618	-
FUND BALANCE, END OF YEAR	$ 29,618	$ 29,618	$ 30,584	$ 966

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, 2011

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	475	53,898 **(A)**	54,373	10%
Burnett Ferry	450,000	574,696	574,696	-	574,696	100%
	2,450,000	2,868,916	2,419,391	53,898	2,473,289	
2006 SPLOST						
Second Avenue Levee	1,955,000	1,955,000	1,987,440	44,458	2,031,898	100%
Boys/Girls Club	2,000,000	2,000,000	2,125,800	-	2,125,800	100%
North Fifth Avenue Turn Lane	550,000	550,000	507,419	27,440	534,859	100%
North Broad Turn Lane	330,000	330,000	214,645	-	214,645	100%
Rome High Access Road	2,900,000	2,900,000	1,289,287	615,872	1,905,159	100%
BioSolids Disposal	5,200,000	5,200,000	5,011,026	91,034 **(A)**	5,102,060	100%
Renovate Marine Armory	1,600,000	1,600,000	1,563,148	423,181	1,986,329	99%
Redmond Road Turn Lane	1,470,000	1,470,000	401,187	608,139	1,009,326	80%
Fire Training Facility	500,000	500,000	547,555	-	547,555	100%
Turner McCall Bridge	2,000,000	2,000,000	-	-	-	0%
River Education Center	834,825	834,825	873,452	44,153	917,605	100%
South Broad Corridor	2,000,000	2,000,000	911,247	1,158,022	2,069,269	98%
North Rome Swim Center	530,000	530,000	512,621	-	512,621	100%
New Tennis Courts	600,000	600,000	6,431	-	6,431	1%
City Park Practice Fields	200,000	200,000	174,908	-	174,908	100%
Town Green	1,690,000	1,690,000	1,684,818	-	1,684,818	100%
City Hall/Carnegie Repairs	1,500,000	1,500,000	988,499	89,755	1,078,254	90%
	25,859,825	25,859,825	18,799,483	3,102,054	21,901,537	

continued

CITY OF ROME, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
December 31, 2010

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)
2009 SPLOST						
Barron Stadium	3,369,000	3,986,231	1,874,778	2,111,453 **(B)**	3,986,231	100%
NWGRC Building	1,899,631	1,899,631	97,751	960,792	1,058,543	60%
Fire Station Improvements	4,000,000	4,000,000	33,598	1,136,120 **(A)**	1,169,718	40%
	9,268,631	9,268,631	2,006,127	4,208,365	6,214,492	
Total Projects	$ 37,578,456	$ 37,997,372	$ 23,225,001	$ 7,364,317	$ 30,589,318	
Fire Station Renovations (Floyd County SPLOST)			578,604	-	578,604	
Total SPLOST Expenditures			$ 23,803,605	$ 7,364,317	$ 31,167,922	

Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Special Purpose Local Option Sales Tax Fund

Total Expenditures	$ 6,324,259	
Transfers out	1,281,052	**(A)**
Transfers in	(240,993)	**(B)**
	$ 7,364,318	

(A) Transfer outs were recorded in order to properly record capital assets in the Enterprise Funds; Water & Sewer Sytem Fund and Fire Fund. Both projects were approved SPLOST projects per the referedums above.

(B) These expenditures do not include the amounts for projects that were transferred in from the Capital Fund.

NONMAJOR PROPRIETARY FUNDS
ENTERPRISE FUNDS

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

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.

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2011

	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 264,735	$ 49,333	$ 84,810	$ 383,537	$ 782,415
Restricted cash	120,000	-	-	372,113	492,113
Accounts receivable, net of allowance for uncollectibles	-	178,396	-	-	178,396
Due from other funds	9,521	8,052	5,883	803	24,259
Due from component units	267	22	43	-	332
Prepaid items	-	-	1,735	-	1,735
Inventories	-	-	13,429	-	13,429
Total current assets	394,523	235,803	105,900	756,453	1,492,679
Non-current Assets:					
Deferred bond issuance, net of accumulated amortization	-	-	135,234	14,547	149,781
Capital assets:					
Non-depreciable assets	-	-	4,609,653	550,000	5,159,653
Depreciable assets, net of accumulated depreciation	-	1,789,544	338,853	1,642,688	3,771,085
Total long-term assets	-	1,789,544	5,083,740	2,207,235	9,080,519
TOTAL ASSETS	394,523	2,025,347	5,189,640	2,963,688	10,573,198

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2011

	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
LIABILITIES					
Current Liabilities:					
Revenue bonds, current	$ -	$ -	$ 250,000	$ 509,982	$ 759,982
Accounts payable	1,923	42,616	736	19,427	64,702
Accrued liabilities	121,036	26,185	117,577	4,160	268,958
Due to other funds	4,483	387,322	1,291	206	393,302
Due to component unit	-	-	100	-	100
Unearned revenue	-	-	41,836	57,797	99,633
Compensated absences, current	24,696	64,190	-	-	88,886
Total current liabilities	152,138	520,313	411,540	591,572	1,675,563
Long-term Liabilities:					
Revenue bonds, long-term, net	-	-	4,126,018	530,714	4,656,732
Advances due to Capital Fund	-	1,271,136	-	-	1,271,136
Compensated absences, long term	8,232	21,397	-	-	29,629
Total long-term liabilities	8,232	1,292,533	4,126,018	530,714	5,957,497
TOTAL LIABILITIES	160,370	1,812,846	4,537,558	1,122,286	7,633,060
NET ASSETS					
Invested in capital assets, net of related debt	-	1,789,544	572,488	1,151,992	3,514,024
Restricted for debt service	-	-	-	372,113	372,113
Unrestricted	234,153	(1,577,043)	79,594	317,297	(945,999)
TOTAL NET ASSETS	$ 234,153	$ 212,501	$ 652,082	$ 1,841,402	$ 2,940,138

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2011

	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
OPERATING REVENUES					
Charges for services	$ 793,618	$ 1,827,010	$ 791,283	$ 693,559	$ 4,105,470
Miscellaneous	3,208	2,342	3,394	-	8,944
TOTAL OPERATING REVENUES	796,826	1,829,352	794,677	693,559	4,114,414
OPERATING EXPENSES					
Cost of goods sold	-	-	57,226	-	57,226
Salaries and employee benefits	665,038	2,181,148	430,114	-	3,276,300
Supplies	27,398	281,435	93,405	46,974	449,212
Maintenance and repairs	1,920	179,469	46,360	104,531	332,280
Operating services and charges	155,647	571,728	238,029	27,282	992,686
Depreciation	3,185	282,848	60,885	209,705	556,623
TOTAL OPERATING EXPENSES	853,188	3,496,628	926,019	388,492	5,664,327
OPERATING INCOME (LOSS)	(56,362)	(1,667,276)	(131,342)	305,067	(1,549,913)
NON-OPERATING INCOME (EXPENSE)					
Intergovernmental	1,100	13,882	-	-	14,982
Interest income	526	298	22	1,119	1,965
Interest expense	-	(6,716)	(231,880)	(71,260)	(309,856)
TOTAL NON-OPERATING INCOME (EXPENSE)	1,626	7,464	(231,858)	(70,141)	(292,909)
INCOME (LOSS) BEFORE TRANSFERS	(54,736)	(1,659,812)	(363,200)	234,926	(1,842,822)

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2011

	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
Transfers in	$ 6,500	$ 1,848,500	$ 720,388	$ -	$ 2,575,388
	6,500	1,848,500	720,388	-	2,575,388
CHANGE IN NET ASSETS	(48,236)	188,688	357,188	234,926	732,566
NET ASSETS - BEGINNING OF YEAR	282,389	23,813	294,894	1,606,476	2,207,572
NET ASSETS - END OF YEAR	$ 234,153	$ 212,501	$ 652,082	$ 1,841,402	$ 2,940,138

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2011

	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 801,476	$ 1,825,293	$ 836,513	$ 693,559	$ 4,156,841
Receipts from interfund services provided		1,369	-	182	1,551
Payments to suppliers	(205,415)	(1,033,413)	(419,931)	(147,322)	(1,806,081)
Payments to employees	(658,604)	(2,180,824)	(430,114)	-	(3,269,542)
Payments for interfund services used	(21,225)	(116,079)	-	-	(137,304)
Net cash provided (used) by operating activities	(83,768)	(1,503,654)	(13,532)	546,419	(1,054,535)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer from other funds	6,500	1,848,500	720,388	-	2,575,388
Advances from other funds	-	514,551	-	-	514,551
Repayment of advances from other funds	-	(346,188)	-	-	(346,188)
Intergovernmental transfers	1,100	13,882	-	-	14,982
Net cash provided (used) by noncapital financing activities	7,600	2,030,745	720,388	-	2,758,733
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	-	(544,982)	(181,388)	-	(726,370)
Principal paid on capital debt	-	-	(240,000)	(484,998)	(724,998)
Interest paid on capital debt	-	(6,716)	(231,880)	(71,260)	(309,856)
Net cash (used) by capital and related financing activities	-	(551,698)	(653,268)	(556,258)	(1,761,224)

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2011

	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	526	298	22	1,119	1,965
Net cash provided by investing activities	526	298	22	1,119	1,965
Net increase (decrease) in cash and cash equivalents	(75,642)	(24,309)	53,610	(8,720)	(55,061)
Cash and cash equivalents, January 1	460,377	73,642	31,200	764,370	1,329,589
Cash and cash equivalents, December 31	$ 384,735	$ 49,333	$ 84,810	$ 755,650	$ 1,274,528
Reconciliation of Cash and Cash Equivalents:					
Cash and cash equivalents	$ 264,735	$ 49,333	$ 84,810	$ 383,537	$ 782,415
Cash and cash equivalents - restricted	120,000	-	-	372,113	492,113
Total cash and cash equivalents	$ 384,735	$ 49,333	$ 84,810	$ 755,650	$ 1,274,528

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2011

	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ (56,362)	$ (1,667,276)	$ (131,342)	$ 305,067	$ (1,549,913)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	3,185	282,848	60,885	209,705	556,623
Amortization expense	-	-	29,031	14,547	43,578
(Increase) decrease in accounts receivable	4,650	(4,059)	-	-	591
(Increase) decrease in due from other funds	(6,500)	1,369	-	-	(5,131)
Decrease in inventories	-	-	4,033	-	4,033
Increase (decrease) in accounts payable and accrued liabilities	(20,450)	(781)	(17,975)	16,918	(22,288)
Increase in compensated absences payable	6,434	324	-	-	6,758
Increase in unearned revenue	-	-	41,836	-	41,836
Increase (decrease) in due to other funds	(14,725)	(116,079)	-	182	(130,622)
Total adjustments	(27,406)	163,622	117,810	241,352	495,378
Net cash provided (used) by operating activities	$ (83,768)	$ (1,503,654)	$ (13,532)	$ 546,419	$ (1,054,535)

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 ASSETS
INTERNAL SERVICE FUNDS
December 31, 2011

	Health Insurance Fund	Workers' Compensation Fund	Total
ASSETS			
Cash and cash equivalents	$ 3,793,658	$ 626,989	$ 4,420,647
Accounts receivable, net	34,745	-	34,745
Due from other funds	457,774	-	457,774
Due from other governments	-	446,732	446,732
Due from component unit	4,194	-	4,194
TOTAL ASSETS	4,290,371	1,073,721	5,364,092
LIABILITIES			
Current Liabilities			
Accounts payable	5,078	38,626	43,704
Accrued liabilities	289	-	289
Claims payable	465,000	492,000	957,000
Due to other funds	1,028	-	1,028
TOTAL LIABILITIES	471,395	530,626	1,002,021
NET ASSETS			
Unrestricted	3,818,976	543,095	4,362,071
TOTAL NET ASSETS	$ 3,818,976	$ 543,095	$ 4,362,071

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2011

	Health Insurance Fund	Workers' Compensation Fund	Total
OPERATING REVENUES			
Charges for services	$ 6,235,839	$ 1,326,460	$ 7,562,299
Miscellaneous income	220	-	220
TOTAL OPERATING REVENUES	6,236,059	1,326,460	7,562,519
OPERATING EXPENSES			
Salaries and employee benefits	115,545	-	115,545
Other services and charges	249,374	704,103	953,477
Claims	5,119,161	873,418	5,992,579
Administrative fees	690,188	23,650	713,838
TOTAL OPERATING EXPENSES	6,174,268	1,601,171	7,775,439
OPERATING INCOME (LOSS)	61,791	(274,711)	(212,920)
NON-OPERATING INCOME			
Intergovernmental	-	410,109	410,109
Interest income	5,658	315	5,973
INCOME BEFORE TRANSFERS	67,449	135,713	203,162
Transfers Out	(115,000)	(15,000)	(130,000)
CHANGE IN NET ASSETS	(47,551)	120,713	73,162
NET ASSETS - BEGINNING OF YEAR	3,866,527	422,382	4,288,909
NET ASSETS - END OF YEAR	$ 3,818,976	$ 543,095	$ 4,362,071

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2011

	Health Insurance Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 6,236,768	$ 1,309,925	$ 7,546,693
Payments for interfund services provided	160,381	-	160,381
Payments to suppliers	(938,983)	(729,711)	(1,668,694)
Payments to employees	(115,545)	-	(115,545)
Claims paid	(5,004,161)	(551,418)	(5,555,579)
Net cash provided (used) by operating activities	338,460	28,796	367,256
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Intergovermental revenue	-	410,109	410,109
Transfer out	(115,000)	(15,000)	(130,000)
Net cash provided (used) by non capital financing activities	(115,000)	395,109	280,109
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	5,658	315	5,973
Net cash provided by investing activities	5,658	315	5,973
Net increase in cash and cash equivalents	229,118	424,220	653,338
Cash and cash equivalents, January 1	3,564,540	202,769	3,767,309
Cash and cash equivalents, December 31	$ 3,793,658	$ 626,989	$ 4,420,647
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ 61,791	$ (274,711)	$ (212,920)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Decrease in accounts receivable	709	430,197	430,906
(Increase) decrease in due from other funds	172,596	(446,732)	(274,136)
Increase in accounts and claims payable	115,579	320,042	435,621
(Decrease) in due to other funds	(12,215)	-	(12,215)
Total adjustments	276,669	303,507	580,176
Net cash provided (used) by operating activities	$ 338,460	$ 28,796	$ 367,256

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, 2011

		Greater Rome Convention & Visitors Bureau
ASSETS		
Cash	$	1,829
Accounts Receivable, net of allowance		6,843
Due from other governments		10,000
Due from primary government		6,202
Total assets	$	24,874
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	$	6,392
Accrued liabilities		1,455
Due to other governments		4,944
Due to primary government		9,795
Total liabilities		22,586
FUND BALANCE		
Undesignated		2,288
Total fund balance		2,288
TOTAL LIABILITIES AND FUND BALANCE	$	24,874

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, 2011

	Greater Rome Convention & Visitors Bureau
REVENUES	
Intergovernmental	$ 470,056
Interest earned	16
Contributions	110,443
TOTAL REVENUES	580,515
EXPENDITURES	
Personal services	400,950
Supplies	31,119
Other services and charges	184,761
TOTAL EXPENDITURES	616,830
NET CHANGE IN FUND BALANCE	(36,315)
FUND BALANCE - BEGINNING OF YEAR	38,603
FUND BALANCE - END OF YEAR	$ 2,288

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.
The City implemented GASB Statement 34 in 2003; the schedules presenting government – wide information include information beginning in that year.

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

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities								
Invested in capital assets, net of related debt	$ 88,931	$ 85,540	$ 89,494	$ 99,276	$ 108,946	$ 109,793	$ 117,293	$ 125,089
Restricted	4,059	326	326	631	675	745	741	3,255
Unrestricted	11,421	21,444	21,976	21,943	20,722	20,075	19,618	16,742
Total governmental activities net assets	$ 104,411	$ 107,310	$ 111,796	$ 121,850	$ 130,343	$ 130,613	$ 137,652	$ 145,086
Business - type activities								
Invested in capital assets, net of related debt	$ 68,369	$ 75,743	$ 112,572	$ 114,969	$ 116,571	$ 120,303	$ 122,951	$ 129,132
Restricted	-	582	249	284	295	355	368	372
Unrestricted	5,407	22,276	(6,294)	(4,556)	38	2,123	5,011	5,957
Total business - type activities net assets	$ 73,776	$ 98,601	$ 106,527	$ 110,697	$ 116,904	$ 122,781	$ 128,330	$ 135,461
Primary government								
Invested in capital assets, net of related debt	$ 157,300	$ 161,283	$ 202,066	$ 214,245	$ 225,517	$ 230,096	$ 240,244	$ 254,221
Restricted	4,059	908	575	915	970	1,100	1,109	3,627
Unrestricted	16,828	43,720	15,682	17,387	20,760	22,198	24,629	22,699
Total primary government net assets	$ 178,187	$ 205,911	$ 218,323	$ 232,547	$ 247,247	$ 253,394	$ 265,982	$ 280,547

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

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:								
Governmental activities:								
General government	$ 3,673	$ 3,248	$ 3,446	$ 3,555	$ 5,681	$ 3,459	$ 3,726	$ 4,504
Public safety	6,932	7,228	7,605	7,416	8,752	8,330	7,659	7,167
Public Works	7,360	8,459	9,019	8,564	10,590	9,902	8,881	10,441
Public Facilities	880	1,068	1,316	1,121	1,194	1,259	1,381	1,419
Public Services	131	399	420	278	516	447	397	514
Community Development	1,365	1,218	1,568	1,028	1,178	1,088	1,759	1,315
Education	758	898	1,059	1,080	1,114	1,183	1,185	1,275
Interest on debt	88	249	326	246	320	369	241	153
Total governmental activities expenses	21,187	22,767	24,759	23,288	29,345	26,037	25,229	26,788
Business - type activities:								
Water and Sewer	14,295	14,353	14,711	16,899	17,201	17,631	17,279	18,187
Fire	9,126	9,143	9,411	10,316	10,474	10,247	10,249	10,645
Solid Waste Commission	3,158	3,907	2,270	3,309	2,104	2,466	1,988	2,076
Transit	2,397	2,460	2,843	3,107	3,236	2,970	3,092	3,120
Building Inspection	748	776	849	946	894	774	839	853
Solid Waste Management	3,136	3,391	3,598	3,810	3,751	3,463	3,304	3,503
Municipal Golf Fund	1,436	1,525	1,557	1,540	1,440	1,294	1,256	1,158
Public Facilities	536	524	492	447	456	408	394	460
Total business - type activities expenses	34,832	36,079	35,731	40,374	39,556	39,253	38,401	40,002
Total primary government expenses	$ 56,019	$ 58,846	$ 60,490	$ 63,662	$ 68,901	$ 65,290	$ 63,630	$ 66,790
Program Revenues								
Governmental activities:								
Charges for services:								
General Government	$ 1,803	$ 1,509	$ 1,569	$ 1,823	$ 1,972	$ 1,879	$ 1,880	$ 1,992
Public Safety	1,420	1,668	1,512	1,779	1,886	1,667	1,581	1,302
Public Works	312	302	378	-	-	-	-	-
Public Facilities	51	71	90	-	-	-	-	-
Community Development	57	-	259	236	180	258	258	122
Education	-	173	-	-	-	-	-	-
Operating grants and contributions	3,094	312	343	1,024	1,842	1,123	711	881
Capital grants and contributions	6,660	10,191	6,530	8,741	13,432	7,580	11,259	14,201
Total governmental activities program revenues	13,397	14,226	10,681	13,603	19,312	12,507	15,689	18,498
Business - type activities:								
Charges for services:								
Water and Sewer	18,312	17,921	18,571	20,071	19,540	19,856	21,403	21,408
Fire	4,527	4,678	4,856	5,063	5,254	5,318	5,351	5,403
Solid Waste Commission	4,071	3,600	2,281	2,311	2,597	2,936	2,550	2,439
Transit	692	951	1,193	1,172	1,303	1,456	1,397	1,403
Building Inspection	831	741	781	790	937	1,038	702	797
Solid Waste Management	1,107	1,276	1,392	1,477	1,471	1,521	1,653	1,829
Municipal Golf Fund	884	991	1,057	1,006	925	760	801	795
Public Facilities	603	603	603	648	694	694	694	694
Operating grants and contributions	568	643	701	458	461	517	708	744
Capital grants and contributions	640	1,494	1,916	1,640	1,365	1,165	1,034	2,924
Total business- type activities program revenues	32,235	32,898	33,351	34,636	34,547	35,261	36,293	38,436
Total primary government program revenues	$ 45,632	$ 47,124	$ 44,032	$ 48,239	$ 53,859	$ 47,768	$ 51,982	$ 56,934

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

	Fiscal Year							
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Net (expense)/ revenue								
Governmental activities	$ (7,790)	$ (8,541)	$ (14,078)	$ (9,685)	$ (10,033)	$ (13,530)	$ (9,539)	$ (8,290)
Business- type activities	(2,597)	(3,181)	(2,380)	(5,738)	(5,009)	(3,992)	(2,108)	(1,566)
Total primary government net expense	$ (10,387)	$ (11,722)	$ (16,458)	$ (15,423)	$ (15,042)	$ (17,522)	$ (11,647)	$ (9,856)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes	$ 9,486	$ 9,702	$ 10,441	$ 10,048	$ 8,683	$ 9,662	$ 10,007	$ 9,749
Sales taxes	6,094	6,483	8,709	10,242	12,570	6,128	5,980	6,162
Other taxes	5,546	6,361	6,686	7,252	7,306	7,085	7,188	7,147
Gain on Sale of Capital Assets	-	521	-	218	2	-	-	-
Interst Earnings	83	449	578	731	594	562	654	714
Miscellaneous	22	227	221	309	177	109	150	501
Transfers	(6,785)	(6,773)	(9,059)	(9,061)	(10,807)	(9,745)	(7,401)	(8,549)
Total governmental activities	14,446	16,970	17,576	19,739	18,525	13,801	16,578	15,724
Business- type activities:								
Sales taxes	-	8,150	-	-	-	-	-	-
Gain on Sale of Capital Assets	217	15	37	12	71	27	50	109
Investment earnings	542	1,090	1,209	835	339	59	42	27
Miscellaneous	93	8	-	-	-	37	165	12
Transfers	6,812	6,773	9,059	9,061	10,807	9,745	7,401	8,549
Total business- type activities	7,664	16,036	10,305	9,908	11,217	9,868	7,658	8,697
Total primary government	$ 22,110	$ 33,006	$ 27,881	$ 29,647	$ 29,742	$ 23,669	$ 24,236	$ 24,421
Change in Net Assets								
Governmental activities	$ 6,656	$ 8,429	$ 3,498	$ 10,054	$ 8,492	$ 271	$ 7,038	$ 7,434
Business- type activities	5,067	12,855	7,925	4,170	6,208	5,876	5,549	7,131
Total primary government	$ 11,723	$ 21,284	$ 11,423	$ 14,224	$ 14,700	$ 6,147	$ 12,587	$ 14,565

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund										
Reserved	$ 527	$ 551	$ 593	$ 597	$ 776	$ 816	$ 869	$ 856	$ 891	$ -
Unreserved	9,360	9,281	9,409	11,007	11,261	11,114	10,575	9,652	10,120	-
Nonspendable	-	-	-	-	-	-	-	-	-	216
Restricted	-	-	-	-	-	-	-	-	-	790
Unassigned	-	-	-	-	-	-	-	-	-	10,661
Total General fund	$ 9,887	$ 9,832	$ 10,002	$ 11,604	$ 12,037	$ 11,930	$ 11,444	$ 10,508	$ 11,011	$ 11,667
All other governmental funds										
Reserved	$ 1,373	$ 203	$ 4	$ 2,623	$ 2,399	$ 2,653	$ 2,179	$ 5,284	$ 4,978	$ -
Unreserved, reported in:										
Special revenue funds	226	-	124	520	445	403	303	152	125	-
Capital projects funds	-	1,172	1,647	3,638	3,422	3,352	4,358	1,989	1,633	-
Nonspendable	-	-	-	-	-	-	-	-	-	2,828
Restricted	-	-	-	-	-	-	-	-	-	2,465
Assigned, reported in										
Special revenue funds	-	-	-	-	-	-	-	-	-	57
Capital projects funds	-	-	-	-	-	-	-	-	-	1,617
Total all other governmental funds	$ 1,599	$ 1,375	$ 1,775	$ 6,781	$ 6,266	$ 6,408	$ 6,840	$ 7,425	$ 6,736	$ 6,967

Note: Change in classifications of fund balance between 2010 and 2011 due to implementation of GASB 54, Fund Balance Reporting.

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	$ 19,539	$ 20,310	$ 21,175	$ 22,540	$ 25,844	$ 27,525	$ 28,385	$ 22,358	$ 23,053	$ 23,069
Licenses and permits	1,333	1,375	1,524	1,500	1,582	1,599	1,738	1,675	1,681	1,658
Intergovernmental	1,637	701	696	1,883	2,790	3,916	3,495	8,462	9,911	10,019
Charges for services	32	221	416	549	682	674	538	586	542	464
Grant Revenue	-	518	600	-	-	-	-	-	-	-
Fines/Forfeitures	1,323	1,431	1,290	1,478	1,331	1,565	1,762	1,543	1,496	1,294
Investment earnings	-	52	83	449	578	732	594	562	654	715
Miscellaneous	616	388	3,505	172	147	309	216	109	150	500
Total revenues	24,480	24,996	29,289	28,571	32,954	36,320	36,728	35,295	37,487	37,719
Expenditures										
General government	2,605	2,460	2,574	3,070	3,351	3,491	3,584	3,478	3,313	3,143
Public safety	5,769	6,100	6,343	6,782	7,140	7,493	7,688	7,523	7,414	7,222
Public works	4,490	4,717	4,939	5,306	5,557	5,531	5,858	5,586	5,430	5,670
Public facilities	458	307	332	836	880	926	937	959	1,023	1,007
Public services	594	616	64	395	436	458	456	391	379	388
Community development	765	760	799	764	825	1,024	1,172	1,072	1,126	1,135
Other services and charges	578	377	840	-	-	-	-	-	-	-
Intergovernmental	200	150	143	-	-	-	-	-	-	-
Claims paid	98	-	-	-	-	-	-	-	-	-
Capital outlay	2,084	2,549	3,273	3,357	5,363	8,303	5,928	6,762	11,165	9,416
Debt service										
Principal	3,421	3,646	2,927	69	71	91	78	198	262	557
Interest	520	337	146	249	326	246	320	245	245	245
Total expenditures	21,582	22,019	22,380	20,828	23,949	27,563	26,021	26,214	30,357	28,783
Excess of revenues over (under) expenditures	2,898	2,977	6,909	7,743	9,005	8,757	10,707	9,081	7,130	8,936

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other financing sources (uses)										
Transfers in	2,112	1,959	2,380	2,179	2,249	3,654	3,205	2,019	1,847	2,672
Transfers out	(8,440)	(8,668)	(9,165)	(8,952)	(11,308)	(12,714)	(14,012)	(11,764)	(9,248)	(11,221)
Transfers to component units	(360)	(375)	-	-	-	-	-	-	-	-
Transfers from component units	3,776	3,754	-	-	-	-	-	-	-	-
Proceeds from sale of bonds/notes	-	-	-	-	-	-	-	300	-	-
Capital leases	441	73	448	620	110	-	-	-	-	50
Sale of capital assets	-	-	-	-	23	338	47	13	85	449
Total other financing sources (uses)	(2,471)	(3,257)	(6,337)	(6,153)	(8,926)	(8,722)	(10,760)	(9,432)	(7,316)	(8,050)
Net change in fund balances	$ 427	$ (280)	$ 572	$ 1,590	$ 79	$ 35	$ (53)	$ (351)	$ (186)	$ 886
Debt service as a percentage of noncapital expenditures	20.2%	20.4%	25.7%	1.8%	2.0%	1.9%	2.2%	2.3%	2.7%	4.3%

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
2002	$ 7,441		$ 5,692	$ 2,454	$ 1,394	$ 831	$ 1,727	$ 19,539
2003	8,048		5,571	2,491	1,503	848	1,849	20,310
2004	8,399		6,094	2,442	1,628	857	1,755	21,175
2005	8,662		6,484	2,807	1,752	836	1,999	22,540
2006	10,134	*	8,709	2,973	1,833	834	1,361	25,844
2007	10,257	*	10,242	3,166	1,912	857	1,091	27,525
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
% change between 2002 & 2011	35.02%		8.25%	44.78%	22.17%	-2.20%	-54.14%	18.06%

(*) 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
2002	$ 612,419,119	$ 171,457,195	$ 23,926,804	$ 71,020,473	$ 117,089	$ 878,940,680	$ (18,951,556)	$ 859,989,124	23.98	$ 2,149,972,810	40%
2003	637,357,052	173,963,932	25,890,000	72,821,900	113,540	909,602,250	(1) (51,290,256)	864,972,386	24.60	2,162,430,965	40%
2004	680,968,036	172,075,125	22,275,000	72,715,870	188,399	948,222,430	(63,159,822)	903,668,752	24.70	2,259,171,880	40%
2005	714,751,021	188,013,500	23,613,000	72,071,960	207,546	998,657,027	(65,263,380)	960,343,305	24.58	2,400,858,263	40%
2006	765,223,983	196,925,161	25,439,000	67,836,580	204,266	1,055,628,990	(67,313,704)	1,023,822,767	24.45	2,559,556,918	40%
2007	801,947,393	197,628,142	27,215,000	76,976,990	179,621	1,103,947,146	(69,130,918)	1,074,634,142	24.43	2,686,585,355	40%
2008	839,467,255	189,522,031	26,486,216	77,543,520	169,428	1,133,188,450	(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	830,471,450	184,221,556	26,023,717	68,205,850	172,014	1,109,094,587	(71,811,792)	1,076,618,794	26.15	2,691,546,985	40%
2011	816,351,825	186,164,289	26,626,332	69,194,300	190,866	1,098,527,612	(71,808,416)	1,063,205,464	26.15	2,658,013,660	40%

Source-Floyd County Tax Assessors Office
(1) 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	Direct Rate	Floyd County	State of Georgia	Total
2002	6.80	1.64	-	15.54	23.98	8.100	0.25	32.33
2003	6.80	1.87	-	15.93	24.60	8.200	0.25	33.05
2004	6.79	1.87	-	16.04	24.70	8.200	0.25	33.15
2005	6.68	1.90	-	16.00	24.58	7.968	0.25	32.80
2006	6.60	1.85	-	16.00	24.45	7.968	0.25	32.67
2007	6.58	1.90	-	15.95	24.43	8.100	0.25	32.78
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

Source-City of Rome Finance Department
Floyd County Finance Office

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, 2011
(amounts expressed in thousands)

Taxpayer	2011 Taxable Assessed Value	2011 Rank	2011 Percentage of Total Taxable Assessed Value	2002 Taxable Assessed Value	2002 Rank	2002 Percentage of Total Taxable Assessed Value
Redmond Regional Medical Center	$ 29,274	1	2.66%	$ 19,590	2	2.27%
Harbin Properties, LLC	20,977	2	1.91%			
Walmart Stores	16,384	3	1.49%	9,129	7	1.06%
Larry Martin	15,599	4	1.42%			
Georgia Power	15,133	5	1.38%	11,564	4	1.34%
Bekaert Corporation	16,797	6	1.53%	25,662	1	2.98%
Southeastern Mills	14,228	7	1.30%	10,912	8	1.27%
River Roots Partners, LLC	8,256	8	0.75%			
Kelloggs Company	8,351	9	0.76%	14,194	3	1.65%
Bellsouth/AT&T	4,022	10	0.37%	11,553	5	1.34%
Crown America Properties				10,184	6	1.18%
General Electric				7,372	9	0.86%
Metaldyne-Rome Facitlity				6,889	10	0.80%
Totals	$ 149,021		13.6%	$ 127,049		14.75%

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
2002	$ 18,825	$ 17,448	92.7%	$ 1,354	$ 18,802	99.9%
2003	19,862	18,530	93.3%	1,310	19,840	99.9%
2004	20,990	19,240	91.7%	1,690	20,930	99.7%
2005	22,019	20,188	91.7%	1,756	21,944	99.7%
2006	23,544	21,492	91.3%	1,833	23,325	99.1%
2007	24,528	23,067	94.0%	1,046	24,113	98.3%
2008	25,372	** 21,661	85.4%	143	21,804	85.9%
2009	25,513	22,395	87.8%	* 1,366	23,761	93.1%
2010	26,281	23,044	87.7%	1,287	24,331	92.6%
2011	25,709	22,690	88.3%	-	22,690	88.3%

**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(2)	Special Assessment Bonds	Capital Leases	Bonded Debt	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
2002	$ 6,080	$ -	$ -	$ 602	$ 48,355	$ 6,457	$ 2,757	$ 64,251	7.03%	$ 1,771
2003	2,655	-	-	453	45,175	5,481	2,509	56,273	6.00%	1,546
2004	-	-	-	630	75,805	5,389	2,234	84,058	8.51%	2,307
2005	-	-	4,527	223	82,030	5,085	703	92,568	9.24%	2,543
2006	-	-	4,527	261	77,965	4,770	897	88,420	8.57%	2,424
2007	-	-	4,527	170	73,695	7,498	968	86,858	8.16%	2,382
2008	-	4,923	4,527	92	69,235	10,393	695	89,865	8.07%	2,424
2009	-	5,782	4,527	27	65,451	9,824	415	86,026	7.53%	2,380
2010	-	5,547	4,527	-	60,276	9,224	228	79,802	6.90%	2,197
2011	-	5,000	4,527	40	54,496	8,602	793	73,458	6.36%	2,030

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
(2) Includes Notes Payable and Intergovernmental Agreements

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 ***
2002	$ 6,080	$ -	$ 6,080	0.7	$ 174
2003	2,655	-	2,655	0.3	75
2004	-	-	-	N/A	N/A
2005	-	-	-	N/A	N/A
2006	-	-	-	N/A	N/A
2007	-	-	-	N/A	N/A
2008	-	-	-	N/A	N/A
2009	-	-	-	N/A	N/A
2010	-	-	-	N/A	N/A
2011	-	-	-	N/A	N/A

** 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, 2011

Governmental Unit	Net General Obligation Debt Outstanding	Other Debt Outstanding	Percent Applicable to City of Rome	Amount Applicable to City of Rome
Rome Board of Education-Quality Zone Academy Bonds	$ -	$ 2,000,000	100%	$ 2,000,000
	$ -	$ 2,000,000		$ 2,000,000

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.

City of Rome, Georgia
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	$ 87,894,068	$ 90,960,225	$ 94,822,243	$ 99,865,703	$ 105,562,899	$ 110,394,715	$ 113,238,941	$ 114,849,953	$ 110,909,458	$ 109,852,761
Total net debt applicable to limit	6,080,000	2,655,000	-	-	-	-	-	-	-	-
Legal debt margin	$ 81,814,068	$ 88,305,225	$ 94,822,243	$ 99,865,703	$ 105,562,899	$ 110,394,715	$ 113,238,941	$ 114,849,953	$ 110,909,458	109,852,761
Total net debt applicable to the limit as a percentage of debt limit	6.92%	2.92%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2011

Total assessed value	$ 1,098,527,612
Debt limit (10% of total assessed value)	109,852,761
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	$ 109,852,761

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					
Fiscal Year	Water & Sewer Charges & Other (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2002	$ 16,000,194	$ 6,691,239	$ 9,308,955	$2,230,000	#########	2.2
2003	16,538,349	7,018,260	9,520,089	2,335,000	1,878,888	2.3
2004	17,705,484	7,792,756	9,912,728	2,765,000	2,928,532	1.7
2005	18,738,678	8,041,271	10,697,407	2,615,000	3,083,046	1.8
2006	19,404,739	8,681,217	10,723,522	3,485,000	3,354,631	1.6
2007	20,449,671	8,718,404	11,731,267	3,665,000	3,166,379	1.7
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

(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
2002	36,271	*	$ 914,174		$ 25,204	5,257	6.1%
2003	36,388	*	938,010		25,778	5,315	5.7%
2004	36,431	*	987,572		27,108	5,305	4.7%
2005	36,399	*	1,001,482		27,514	5,346	5.3%
2006	36,524	*	1,031,182		28,233	5,239	4.3%
2007	36,463	*	1,064,683		29,199	5,235	4.7%
2008	37,067	*	1,113,715		30,046	5,612	8.0%
2009	36,142	*	1,141,762		31,591	5,571	12.4%
2010	36,303		1,155,888		31,840	5,579	10.6%
2011	36,400	**	1,161,667	**	32,331	5,737	12.7%

Data Sources:
(1) Rome/Floyd County Planning Commission
(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 Eight Years Ago

	2011			2003		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Floyd Medical Center	2,400	1	13.86%	1,800	1	10.28%
Harbin Clinic	1,195	2	6.90%			
Redmond Regional Medical Center	1,187	3	6.85%	1,050	2	5.99%
Floyd County Government	800	4	4.62%	671	5	3.83%
Rome City Schools	743	5	4.29%	592	9	3.38%
City of Rome	606	6	3.50%	650	6	3.71%
Kellogg's	558	7	3.22%	690	4	3.94%
Syntec Industries	337	8	1.95%			
Sara Lee Food Services	330	9	1.91%			
Southeastern Mills	317	10	1.83%			
Zartic Corporation				958	3	5.47%
Northwest GA Regional				650	7	3.71%
Berry College				580	10	3.31%
Mohawk Industries				623	8	3.56%
Totals	8,473		48.9%	8,264		47.18%

Source-Rome Chamber of Commerce
**Only eight years comparison shown due to unavailability of data prior to that date.
Data specifically for top 10 City of Rome employers not available.

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

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	27	28	28	28	29	29	29	29	28	28
Legislative and judicial										
Commission	9	9	9	9	9	9	9	9	9	9
Municipal court	1	2	2	2	2	2	2	2	2	2
Attorney	1	1	1	1	1	1	1	1	1	1
Public safety										
Police										
Officers	98	98	98	98	98	98	98	98	92	95
Civilians	11	11	11	11	11	11	11	11	11	15
Public services	7	7	8	8	10	7	7	7	4	4
Public facilities	4	4	4	4	4	4	4	4	4	4
Fire										
Civilians	7	7	7	7	7	7	7	3	3	2
Firefighters and officers	146	146	146	146	146	146	146	146	148	149
Public works										
Public works office	4	4	4	4	4	5	5	4	4	4
Engineering	8	8	8	8	8	8	8	7	7	7
Street	42	42	42	43	43	46	46	39	31	31
Traffic	12	12	12	12	12	12	12	12	13	13
Cemetery	7	7	7	7	7	7	7	6	6	6
Garage	13	13	13	13	13	13	13	12	11	12
Building inspection	12	11	12	12	12	12	12	9	9	9
Transit	40	41	41	41	43	43	43	43	43	43
Planning commission	7	7	7	7	6	6	7	6	6	6
Solid Waste Management	71	71	71	72	72	72	71	61	56	55
Culture and recreation	6	6	6	6	12	12	12	12	11	19
Water and sewer	113	115	116	116	116	120	120	104	102	102
Total	646	650	653	655	665	670	670	* 625	* 601	616

Source-City of Rome Human Resource Department
* Includes Personnel Reduction due to Revenue Decreases

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

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety:										
Police arrests	2,461	2,465	2,131	2,026	1,845	2,267	2,388	2,168	2,030	1,858
Parking/Traffic violations	14,031	14,437	14,407	16,602	14,173	17,349	18,797	16,251	14,455	13,228
Public Works:										
Street resurfacing (miles)	8.17	8.54	7.30	6.35	5.26	4.77	0.40	0.40	10.96	6.2
Public Facilities:										
Rentals-Aud/Civic Center	50,321	40,398	47,132	46,215	48,328	45,645	41,754	48,668	54,072	58,773
Senior Citizen Center	4,980	3,213	3,881	2,975	2,357	1,550	2,333	2,610	2,803	2,795
Education:										
School Enrollment	5,257	5,315	5,305	5,346	5,239	5,235	5,612	5,571	5,579	5,737
Water and Sewer:										
Customers										
Water	18,625	18,923	19,163	19,501	19,734	19,875	20,006	20,034	20,065	20,083
Sewer	19,372	19,709	20,046	20,484	20,769	20,952	21,069	21,113	21,163	21,173
Water - (millions of gallons)										
Average daily production	10.1	9.8	10.1	9.7	9.7	9.0	8.1	7.6	7.9	8
Maximum daily production	13.7	12.8	13.9	13.6	13.9	14.3	11.0	12.0	10.9	12
Wastewater - (millions of gallons)										
Average daily sewage treatment	13.3	15.1	12.6	13.4	10.3	8.1	9.0	14.0	10.8	11
Maximum daily sewage treatment	37.1 #	46.9	33.6	28.6	25.6	21.1	27.4	57.9	51.5	56
Fire										
Number of responses	4,422	4,236	4,651	4,394	4,705	4,784	4,294	4,275	4,310	4,604
Inspections	761	660	1,321	1,563	1,584	1,424	1,224	911	1,045	1,413
Solid Waste Management:										
Refuse collected (tons)										
Inert	5,194	5,542	5,878	4,976	4,603	6,229	6,967	9,673	9,075	8,330
Trash	2,300	2,840	2,879	2,647	2,453	2,447	2,200	2,150	1,865	1,578
Garbage	14,618	15,759	16,220	16,113	16,225	15,361	14,539	14,530	13,801	14,248
Recycling	1,127	1,106	922	956	869	994	960	912	1,017	1,409
Transit:										
Transit miles	496,324	519,867	525,160	539,745	573,884	586,643	589,640	593,820	591,152	585,837
Transit passengers	809,002	826,945	839,484	857,276	879,394	893,268	967,390	962,500	982,471	1,014,181
Building Inspection:										
Permits	510	395	394	553	360	344	228	114 (4)	67	36
Solid Waste Commission:										
Inert tonnage	1,887	658	544	992 #	377	353	241	225	194 (5)	816
C&D tonnage	-	-	-	12,494	11,750	16,117	17,527 (3)	34,759	24,753	22,654
Garbage tonnage	83,463	88,548	104,429	100,624	59,304	54,821	85,360	78,326	73,410	70,417
Municipal Golf:										
Rounds played	25,247	22,390	27,892	28,677	31,311	31,893	32,714	27,142	28,542	29,405

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) Tonnage in landfill decreased between 2005 and 2006 because of loss of major commecial user, also C&D landfill opened in 2005

(3) Large increase due to hail storm area roof replacements

(4) Permit decrease due to economic downturn

(5) Increase due to storm related incidents

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

Principal Water Customers (in descending order):

	2011		2002
1)	Floyd County Wholesale	1)	Floyd County
2)	Bekaert Steel	2)	Mohawk Industries
3)	Floyd Medical Center	3)	Zartic
4)	Rome Housing Authority	4)	Bekaert Steel
5)	Redmond Regional Medical Center	5)	Rome Housing Authority
6)	Mohawk Industries	6)	Southeastern Mills
7)	Alliance Laundry	7)	Floyd County Government
8)	Kelloggs	8)	Floyd Medical Center
9)	Floyd County	9)	Northwest GA Regional Hospital
10)	Darlington Schools	10)	Redmond Regional Medical Center

Principal Sewer Customers (in descending order):

1)	Bekaert Steel	1)	Mohawk Industries
2)	Berry College	2)	Zartic
3)	Floyd Medical Center	3)	Bekaert Steel
4)	Rome Housing Authority	4)	Rome Housing Authority
5)	Crothall Laundry	5)	Galey & Lord
6)	Ball Corporation	6)	Southeastern Mills
7)	Floyd County School System	7)	Floyd County Government
8)	Mohawk Industries	8)	Metal Containers, Inc.
9)	General Electric	9)	Floyd Medical Center
10)	Redmond Regional Medical Center	10)	Redmond Regional Medical Center

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

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Vehicles	86	86	86	86	86	81	70	65	65	65
Public Works:										
Streets (miles)	254.74	256.12	258.83	261.29	262.81	269	273	275	266	267
Street lights	4,292	4,321	4,369	4,369	4,425	4,425	4,520	4,566	4,566	4,566
Traffic signals	*	*	91	91	92	92	91	93	93	93
Signage	*	*	10,000	10,100	10,106	10,203	10,248	10,248	10,248	10,250
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	335,765	342,907	321,197	320,471	322,000	332,378	344,692	350,528	359,188	364,338
Water:										
Water mains (miles)	267	284	270	270	284	285	285	285	285	285
Fire hydrants	1,416	1,417	1,461	1,585	1,643	1,627	1,648	1,644	1,661	1,718
Sewer:										
Sanitary sewers (miles)	373	376	376	414	408	410	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	42	42	42	42	42	40	41	40	40	40
Transit:										
Buses	41	41	42	42	42	43	44	48	48	49

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.

CITY OF ROME, GEORGIA

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS IN ACCORDANCE WITH THE SINGLE AUDIT ACT AND *GOVERNMENT AUDITING STANDARDS*

DECEMBER 31, 2011

CITY OF ROME, GEORGIA

SINGLE AUDIT OF FEDERAL PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2011

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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

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

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 (the "City") as of and for the year ended December 31, 2011, which collectively comprise the City of Rome, Georgia's basic financial statements and have issued our report thereon dated June 18, 2012. As referenced in our report, the Board implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective January 1, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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 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.

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

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Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated June 18, 2012.

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 18, 2012

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

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

Compliance

We have audited the compliance of City of Rome, Georgia (the "City") with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Rome, Georgia complied, in all material respects, with the 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, 2011.

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Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal Awards

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 as of and for the year ended December 31, 2011, and have issued our report thereon dated June 18, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly statement in all material respects in relation to the financial statements as a whole.

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 18, 2012

CITY OF ROME, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Grantor/Pass-Through Program Title	CFDA Number	Agency or Pass-through Grantor Number	Expenditures
U.S. Department of Transportation			
Passed through the Georgia Department			
of Transportation:			
Metropolitan Transportation Planning Services Program	20.505	PL-0009-00666	$ 101,613
Highway Planning and Construction Program	20.205	T003897	49,986
Passed through Georgia Department of Natual Resources			
Kingfisher Trial	20.219	NRT-06 (10)	77,364
Subtotal Highway Planning and Construction Cluster			228,963
Passed through the Georgia Department			
of Transportation:			
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0242	115,708
Federal Transit - Urbanized Area Formula Grant	20.507	GA-04-0006	231,416
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0254	347,124
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0259	561,423
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0259-01	140,361
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0286	76,064
Federal Transit - Urbanized Area Formula Grant - ARRA	20.507	GA-96-X012-01	541,328
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-X222	500,000
Federal Transit - Capital Grant	20.500	GA-04-X013	347,124
Subtotal Federal Transit Cluster			2,860,548
Federal Transit - Job Access Reverse Commute (JARC) Grant	20.516	GA-37-0017	157,082
Federal Transit - New Freedom Grant	20.521	GA-57-0004	62,813
Subtotal Transit Services Program Cluster			219,895
Total U.S. Department of Transportation			3,309,406
U.S. Department of Justice			
Direct Award			
COPS Hiring Program (CHP)	16.710	2010UMWX0083	148,709
Subtotal Direct Award			148,709
Passed through the Bureau of Justice Assistance:			
Bulletproof Vest Partnership Program	16.607	2010BUBX100053538	2,950
Subtotal Bureau of Justice Assistance			2,950
Passed through Floyd County, Georgia			
Edward Byrne Memorial Justice Assistance Grant -ARRA	16.804	2009-SB-B9-0063	21,470
Local Law Enforcement Block Grant (Police Equipment Grant)	16.738	2009-DJ-BX-0501	2,425
Local Law Enforcement Block Grant (Police Equipment Grant)	16.738	2009-DJ-BX-0643	26,068
Subtotal Floyd County, Georgia			49,963
Total U.S. Department of Justice			201,622

Continued

CITY OF ROME, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Grantor/Pass-Through Program Title	CFDA Number	Agency or Pass-through Grantor Number	Expenditures
U.S. Department of Housing and Urban Development			
Community Development Block Grant -			
Entitlement Grant	14.218	B-08-MC-13-0014	97,716
Entitlement Grant	14.218	B-09-MC-13-0014	143,697
Entitlement Grant	14.218	B-10-MC-13-0014	294,700
Entitlement Grant	14.218	B-11-MC-13-0014	10,787
Subtotal Community Development Block Grant Cluster			546,900
Community Home Investment Partnerships			
Downpayment Assistance Program	14.239	09m-x-057-2-6019	155,334
Subtotal Community Home Investment Partnerships			155,334
Total U.S. Department of Housing and Urban Development			702,234
U.S. Environmental Protection Agency			
Brownfield Assessment and Cleanup Cooperative Grant	66.818	GA080604012	144,204
Five Star Restoration Program	66.462	NACO 2010-GA-01	2,222
Total U.S. Environmental Protection Agency			146,426
U.S. Department of Agriculture			
Passed through Georgia Forestry Commission			
Wildland Fire Management	10.688	1G259	2,050
Total U.S. Department of Agrigulture			2,050
Appalachian Regional Commission			
Passed through Georgia Department of Community Affairs			
North Floyd Industrial Park Sewer Project	23.002	5409	43,212
Total U.S. Department of Energy			43,212
U.S. Department of Homeland Security			
Assistance to Firefighters Grant	97.044	EMW-2009-FO-02027	45,670
Public Property Disaster Assistance	97.036	FEMA-1973-DR-GA	148,778
Total U.S. Department of Homeland Security			194,448
Total Expenditures of Federal Awards			$ 4,599,398

See accompanying note to Schedule of Expenditures of Federal Awards.

CITY OF ROME, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

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. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." 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, 2011

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	_____ yes __X__ no
Significant deficiencies identified?	_____ yes __X__ none reported
Noncompliance material to financial statements noted?	_____ yes __X__ no

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	_____ yes __X__ no
Significant deficiencies identified?	_____ yes __X__ none reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	_____ yes __X__ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.507, 20.500	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	_____ yes __X__ no

CITY OF ROME, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Section II – Financial Statement Findings and Responses

None reported.

Section III - Federal Awards Findings and Questioned Costs

None reported.

CITY OF ROME, GEORGIA

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

None reported.