CITY OF ROME, GEORGIA
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2012

Prepared By:
Finance Department

CITY OF ROME, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

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John Bennett
City Manager
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June 25, 2013

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, 2012, 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, 2012.

The City is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 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 unmodified opinion on the City of Rome’s financial statements for the year ended December 31, 2012. 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 final budgets by the end of each fiscal year. These annual budgets serve as the foundation for the City of Rome's financial planning and control. The budgets are prepared by fund, then department. Budgetary control is at the line item level.

LOCAL ECONOMY

The economic condition and outlook of the City has remained fairly stable during the past several years, following several years of slower economic growth attributable to a general decline in manufacturing activity. However, 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 11.8% percent unemployment rate at the end of the year which was over the state average of 8.4% and also over the overall Floyd County rate of 9.4%. These rates have decreased from 2011.

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. Floyd Medical Center, the community public hospital, continues to upgrade and modernize, and recently expanded their emergency 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 2012 and will also host this event through 2013.

A continuing Education Local Option Sales 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 included renovations to Barron Stadium, a new countywide emergency communications system, and a new Fire Administration and Emergency Operations Facility, all of which were completed in 2012.

Local Option Sales Tax revenue, one of the City's largest revenue sources outside of property taxes, has been very stagnant over the last several years. Consistent decreases in this revenue stream have mirrored the economic downturn the last three years. Sales tax revenues, although slightly up in 2012 still have not returned to levels seen five years ago. The City tax digest had a slight decrease in 2012 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 2013 fiscal 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 began operations in March 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 2013 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 did give employees a minimal raise of 2% for 2012. 2013 will be the first year in four years that a 0 to 4% merit raise is budgeted for employees. The City has trimmed its workforce over 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 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. Sales Taxes showed a slight increase and current year ad valorem taxes were up due to a better collection rate than in the past year. Franchise taxes decreased significantly in 2012 and will most likely impact estimates carried into the 2013 budget projections. The City is also addressing uncertainty in the 2013 budget in response to new state legislation that eliminates the sales tax for new automobiles and initiates a new "title tax fee". The sales tax on energy consumption in manufacturing also is being phased out over the next four years. These significant tax changes will impact the City's revenues sources, and the long term impact may require some history before the City can make plans to help mitigate the long term effects.

The local and national housing crisis has continued to be a challenge in revenue projections as the City looks to weather the downward assessment adjustments over the next two or three years.

MAJOR INITIATIVES

For the Current Year:

As an "Entitlement Community", the City receives Federal grant monies for capital improvement projects. Projects include street and sidewalk improvements, and several home rehabilitation programs for lower income families. The City of Rome has partnered with the Northwest Georgia Housing Authority in an expanded housing rehabilitation program with the entitlement funds. The Etowah Terrace Housing project, in partnership with Mercy Housing and the South Rome Redevelopment Agency, broke ground in 2010 with the construction of seventy two Retirement apartments on South Broad Street adjacent to the downtown area. This project was completed in 2012 and the units are fully occupied.

As part of the 2009 Special Purpose Local Option Sales Tax, the countywide 800 MHZ emergency radio system was operational. Also funded by the 2009 SPLOST, the new Fire Administration and Emergency Operating Center opened 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 was completed in 2012. Property for the new Anna K. Davie elementary school has been acquired in 2012 and should begin construction during 2013.

Another continuing initiative for the City in 2012 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 2012 continues to be a concentrated effort to renovate and replace older sidewalks around the City. During 2012, this focus was primarily in the downtown area. Also within the downtown area, the Business Improvement District provided funds for various façade improvements for downtown businesses, and also provided partial funding for a new parking lot for the downtown area.

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.

Every year water and sewer projects are being completed. A multi-year water tank maintenance initiative that began in 2011 to assess, repair, and paint all water tanks, continued in 2012 with additional tank improvements. The old lift station at the Town Green park was also relocated in anticipation of the riverfront expansion. This expansion, started in 2012 should be completed in 2013. The City also made major repairs to the influent pump at its Coosa plant. The expansion of water and sewer availability along the Highway 140 and 53 corridors was also completed as it enhanced infrastructure for the opening of the new Lowe's facility.

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. This expanded facility saw a significant increase in usage in 2012. Also, the Recreation Authority maintenance facilities were relocated from the West Third corridor to a new SPLOST funded renovated facility.

The City of Rome Transit system also completed its total renovation of the transfer station, reworking bus transfer facilities and increasing parking capacity at the site. Also in 2012, all buses were equipped with laptops with new route software which enables the dispatch personnel to better align routes with passenger needs and also to monitor potential problems.

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 allowed for more drought and heat tolerance of the greens and thus allows for better facilities and more golf play. As a result, 2012 was the best year financially with the most rounds played since the course opened in 1993.

Renovations and enhancements for the Barron Stadium track were completed in 2012. There have been continued improvements along the West Third corridor including street widening, streetscape, and the demolition of the old Recreation maintenance facility.

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 opened midyear 2012. This project allows an alternate route from the Veterans Bypass north to U.S. Highway 27.

A new Marriott Courtyard Hotel is planned to begin construction on the West Third Street corridor in fall of 2013. The hotel is Phase 1 of a multiphase program for development of the City owned 4.9 acres along that corridor.

A new Publix grocery store is under construction on one of the main City corridors. Out parcel expansion will also allow for more retail development and office space.

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 began in 2012 and should be completed by mid year 2013.

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 was begun in 2012 and is anticipated for completion in late 2013.

A new in line chemical feed system and related upgrades at the Water Filter Plant began construction in 2012. The new system will replace a seventy year old tank system.
Construction on replacement and improvements to the water main infrastructure along Broad Street will begin in 2013. These improvements will replace lines that are over one hundred years old.

The relocation of the Annie K Davie elementary school in the South Rome area is scheduled to begin in 2013.

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 state funding or SPLOST inclusion 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 effect on a major federal program. The results of the City's single audit for the fiscal year ended December 31, 2012 ended with three findings of non compliance of major federal programs. Internal controls have been adjusted so that oversight will be strengthened and future issues avoided.

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, 2011, 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
City Manager

Sheree T. Shore
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rome Georgia

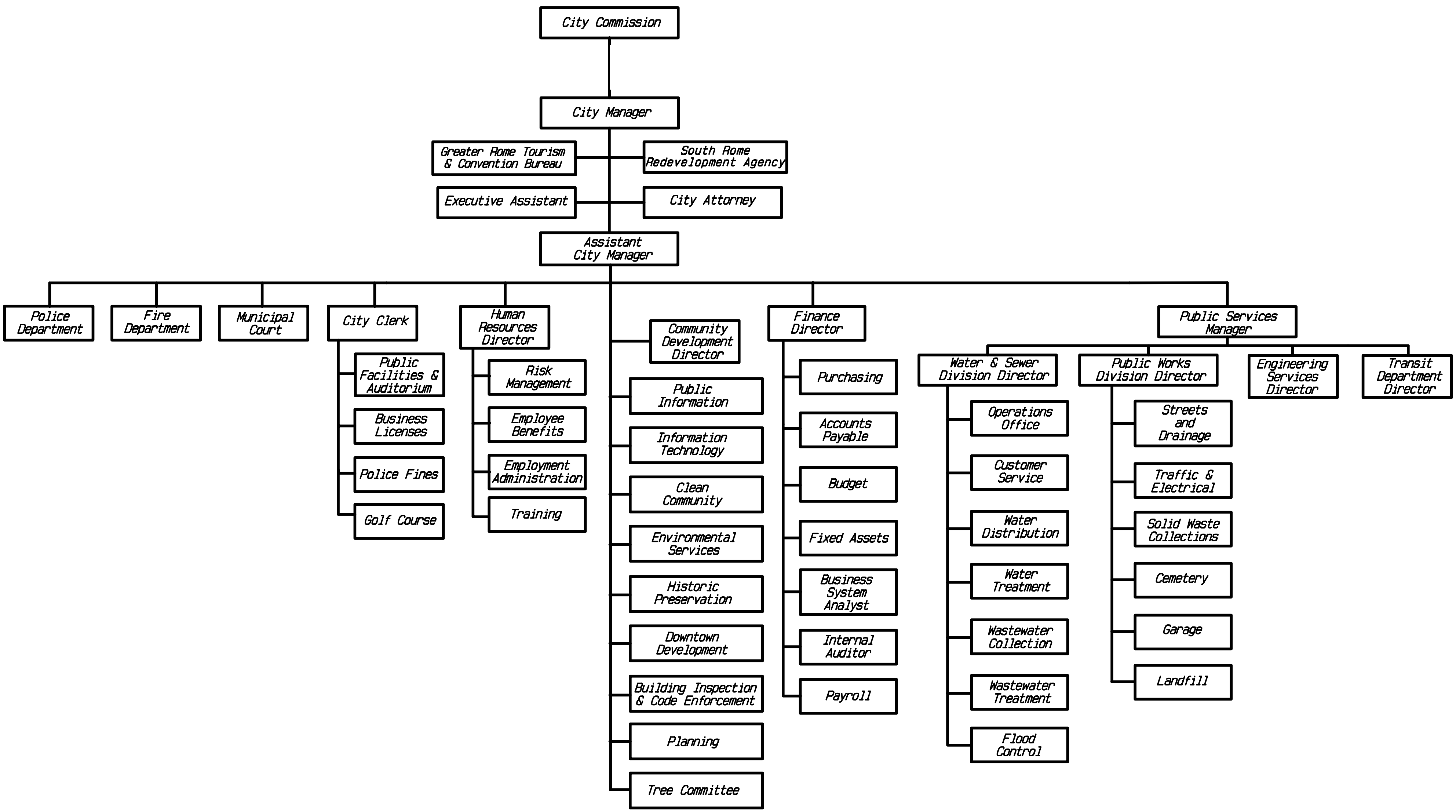
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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.

President

Executive Director

City of Rome, Georgia
Organization Chart



CITY OF ROME, GEORGIA
PRINCIPAL OFFICIALS
DECEMBER 31, 2012

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**
Bill Irmscher	**At Large**
Detrick Redding	**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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Rome, Georgia** (the "City") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of January 1, 2012.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4–22, Schedules of Funding Progress on page 99, and budgetary comparison information (on pages 88 through 97) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rome, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, introductory section and statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-21, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2013 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* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 24, 2013

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, 2012

As management of the City of Rome, Georgia, this section of the City's Comprehensive Annual Financial Report offers readers a narrative discussion and analysis of the financial activities of the City of Rome for the fiscal year ended December 31, 2012.

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

FINANCIAL HIGHLIGHTS

- The City of Rome's total assets and deferred outflows exceeded its total liabilities and deferred inflows by $283,065,192 in 2012, which is a modest increase of .8% from 2011.
- Total City of Rome Net Position is made up of the following:
  1) Net Investment in capital assets of $256,513,950 includes property, equipment, and infrastructure, net of accumulated depreciation and reduced for related debt.
  2) The restricted portion of the Net Position of $3,722,870 is restricted by outside entities either by covenants, grant agreements or external legislation. This amount has increased from 2011 due to a larger restricted cash amount in the GMA lease pool renewal fund.
  3) Unrestricted Net Position of $22,828,372 represents the portion available to maintain the City's ongoing obligations and has decreased slightly from 2011 due to the decrease in Net Position in the Governmental Activities.
- The City of Rome had an overall increase in Net Position for 2012 of $3,977,274.

- The City's combined governmental funds reported a total ending fund balance of $17,654,920 which is a decrease of $978,808 from 2011. This is due to a decrease in fund balance in the Capital Fund. Of this amount $10,846,835 is unrestricted and unassigned and available for budgetary spending. This is an increase from 2011.
- The City's General Fund had a net increase in fund balance of $933,527 for 2012.
- The City's General Fund showed an unrestricted and unassigned fund balance of $11,012,325 at the end of the fiscal year, or 64.5% of current year expenditures before transfers. This is a $351,422 increase from 2011. This increase continues to be a purposeful intention to increase the fund balance to offset prior year decreases that occurred during the beginning of the most recent economic downturn.
- The City has implemented GASB 63 which sets new standards for accounting and financial reporting for deferred outflows/inflows of resources and also resets the concept of Net Position as the residual of all other elements presented in a statement of financial position.
- The City has also implemented GASB 65 which reclasses certain items previously reported as assets or liabilities. More information is contained in Note 1-D(14) of the Notes to the Financial Statements.

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.

Government-wide Financial Statements

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

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

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

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

Business type activities include water and sewer, fire services, solid waste commission (landfill), transit operations, building inspection, solid waste management (collections), municipal golf, 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 **23-25** of this report.

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of short term financial decisions. Since these statements do have a different perspective and use different accounting methods to generate the financial information, reconciliations of the Governmental Fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance are presented to facilitate this comparison.

The City of Rome maintains ten individual governmental funds. Information is presented separately for the General and Capital Funds, both 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 99-108 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 26-29 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 position is appropriate for capital maintenance, public policy, management control or full accountability. There are two types of proprietary funds; enterprise funds and internal service funds.

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

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

The City's proprietary funds are presented on pages 31-39 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 40 and 41.

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 42 to 87.

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 88-97.

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 98-109.

The Special Report for Sales Tax proceeds is shown on pages 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 23-25.

City of Rome
Net Position (Financial Position)

	Governmental Activities		Business-Type Activities		Totals		
	2012	2011	2012	2011	2012	2011	Variance
Assets:							
Current assets	$ 19,311,175	$ 20,603,007	$ 20,331,992	$ 17,985,939	$ 39,643,167	$ 38,588,946	$ 1,054,221
Capital assets	133,055,003	133,120,341	190,171,770	194,023,554	323,226,773	327,143,895	(3,917,122)
Other non-current assets	7,122,838	5,025,100	376,886	492,113	7,499,724	5,517,213	1,982,511
Total Assets	159,489,016	158,748,448	210,880,648	212,501,606	370,369,664	371,250,054	(880,390)
Deferred Outflows of Resources	-	-	2,861,745	-	2,861,745	-	2,861,745
Liabilities:							
Current liabilities	2,106,489	4,458,692	4,611,372	6,006,037	6,717,861	10,464,729	(3,746,868)
Long-term liabilities	11,945,547	9,203,223	69,958,948	72,002,458	81,904,495	81,205,681	698,814
Total Liabilities	14,052,036	13,661,915	74,570,320	78,008,495	88,622,356	91,670,410	(3,048,054)
Deferred Inflows of Resources	1,543,861	-	-	-	1,543,861	-	1,543,861
Net investment in capital assets	124,749,835	124,597,580	131,764,115	129,131,890	256,513,950	253,729,470	2,784,480
Restricted	3,345,984	3,255,105	376,886	372,113	3,722,870	3,627,218	95,652
Unrestricted	15,797,300	16,742,122	7,031,072	4,989,108	22,828,372	21,731,230	1,097,142
Total Net Position	$ 143,893,119	$ 144,594,807	$ 139,172,073	$ 134,493,111	$ 283,065,192	$ 279,087,918	$ 3,977,274

With the implementation of GASB 63, certain assets and liabilities have been reclassified to deferred outflows and inflows of resources. For 2012, the deferred outflows represent deferred charges for bond refunding and prepaid insurance costs. The deferred inflows represent the change in the fair value of a derivative instrument.

The overall assets of the City decreased $1,848,199 with all of the net effect from a reduction in capital assets net of depreciation. Current liabilities decreased from 2011 and overall represent a decrease of $3,048,054. This is due from a normal pay down of liabilities but also the issue of a 2012 Water and Sewer Bond Refunding. Net investment in capital assets increased $2,784,480 or 1.1%. Overall the City's Net Position increased a modest $3,977,274 or 1.4% from 2011. Investment in capital assets is the largest component of total net position with 87% of governmental net position and 95% of business type net position. The largest component of the restricted portion of net position is restricted assets held for the GMA lease pool and Cemetery Maintenance. Neither of these components of net position, however, represents available resources for the City, but an investment to provide services to citizens.

The unrestricted portion of net position of $22,828,372 which is available for spending is 8.0% of total net position and has increased 8% from 2011.

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

City of Rome
Changes in Net Position

	Governmental Activities		Business Type Activities		Total		
	2012	2011	2012	2011	2012	2011	Variance
Revenues:							
Program Revenues							
Charges for services	$ 3,437,557	$ 3,416,396	$ 35,674,139	$ 34,766,770	$ 39,111,696	$ 38,183,166	$ 928,530
Operating Grants & Contributions	870,379	881,618	1,617,607	744,235	2,487,986	1,625,853	$ 862,133
Capital Grants & Contributions	7,054,071	14,200,628	895,486	2,924,690	7,949,557	17,125,318	$ (9,175,761)
General Revenues							
Property Taxes	10,220,552	9,749,355		-	10,220,552	9,749,355	$ 471,197
Sales Taxes	6,231,600	6,162,346		-	6,231,600	6,162,346	$ 69,254
Other Taxes	7,211,522	7,146,638		-	7,211,522	7,146,638	$ 64,884
Miscellaneous	1,473,983	1,214,757	158,171	148,312	1,632,154	1,363,069	$ 269,085
Total Revenues	36,499,664	42,771,738	38,345,403	38,584,007	74,845,067	81,355,745	(6,510,678)

	Governmental Activities		Business Type Activities		Total		
	2012	2011	2012	2011	2012	2011	Variance
Expenses:							
General Government	3,682,723	4,996,303	-	-	3,682,723	4,996,303	(1,313,580)
Public Safety	7,485,881	7,166,970	-	-	7,485,881	7,166,970	318,911
Public Works	10,910,095	10,441,038	-	-	10,910,095	10,441,038	469,057
Public Facilities	1,918,561	1,419,023	-	-	1,918,561	1,419,023	499,538
Public Services	438,960	514,501	-	-	438,960	514,501	(75,541)
Community Development	1,220,932	1,314,568	-	-	1,220,932	1,314,568	(93,636)
Education	1,466,263	1,275,152	-	-	1,466,263	1,275,152	191,111
Interest on Debt	274,562	152,396	-	-	274,562	152,396	122,166
Water and Sewer	-	-	18,155,644	19,154,801	18,155,644	19,154,801	(999,157)
Fire	-	-	12,747,562	10,645,312	12,747,562	10,645,312	2,102,250
Solid Waste Commission	-	-	3,093,349	2,076,046	3,093,349	2,076,046	1,017,303
Transit	-	-	3,589,152	3,119,662	3,589,152	3,119,662	469,490
Building Inspection	-	-	782,373	853,188	782,373	853,188	(70,815)
Solid Waste Management	-	-	3,550,884	3,503,344	3,550,884	3,503,344	47,540
Municipal Golf	-	-	1,162,750	1,157,899	1,162,750	1,157,899	4,851
Public Facilities	-	-	388,102	459,752	388,102	459,752	(71,650)
Total Expenses	27,397,977	27,279,951	43,469,816	40,970,004	70,867,793	68,249,955	2,617,838
Increase (decrease) in net position before transfers	9,101,687	15,491,787	(5,124,413)	(2,385,997)	3,977,274	13,105,790	(9,128,516)
Transfers	(9,803,375)	(8,548,680)	9,803,375	8,548,680	-	-	-
Change in Net Position	(701,688)	6,943,107	4,678,962	6,162,683	3,977,274	13,105,790	(9,128,516)
Beginning Net Position-restated	144,594,807	137,651,700	134,493,111	128,330,428	279,087,918	265,982,128	13,105,790
Ending Net Position	$ 143,893,119	$ 144,594,807	$ 139,172,073	$ 134,493,111	$ 283,065,192	$ 279,087,918	$ 3,977,274

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

The City's overall revenues decreased $6,510,678 or 8% from 2011. All of this decrease was within the Capital Grants and Contributions for Governmental Activities revenue line item. The main decreases were in the Education E-Lost proceeds and a decrease in grants for Public Works, both revenues being much less in 2012. Charges for services had a modest increase over 2011.

The increase in Operating Grants and Contributions for Business Activities was in the Water and Sewer Division that received grant funds for work performed for the new Lowes' Distribution Center. The large decrease in Business Type Activities Capital Grants reflects the large receipt in 2011 for Transit Bus purchases, not duplicated in 2012.

Property Taxes had a slight increase, attributable mainly to a slightly higher collection rate for 2012. Other revenue sources, as previously noted, have remained rather stagnant during 2012.

On the expense side, General Government had a significant decrease with the completion of projects. The larger increase in Public Facilities is in the depreciation line item as it absorbed a loss on the demolition of several buildings along the West Third Corridor. Public Works is up slightly due to an increase in infrastructure depreciation additions that have rolled from CIP for several SPLOST projects, the largest being road and sidewalk improvements along South Broad. Most other expense line items were in line with 2011 expenditures.

In the Business Activities, Water and Sewer expenses are down because of the reclassification of prior year bond issuance costs expensed in 2011. The issuance costs for the 2012 Water and Sewer Bond issue were also expensed in the current year, so current year operating costs are above the projected amounts.
The increase in the Fire expenses are due to the completion of the SPLOST funded City/County jointly owned Emergency Operations Center. The increase represents the transfer of half ownership to the county. Solid Waste Commission expenses are up in 2012 due to higher closure and post-closure accruals.

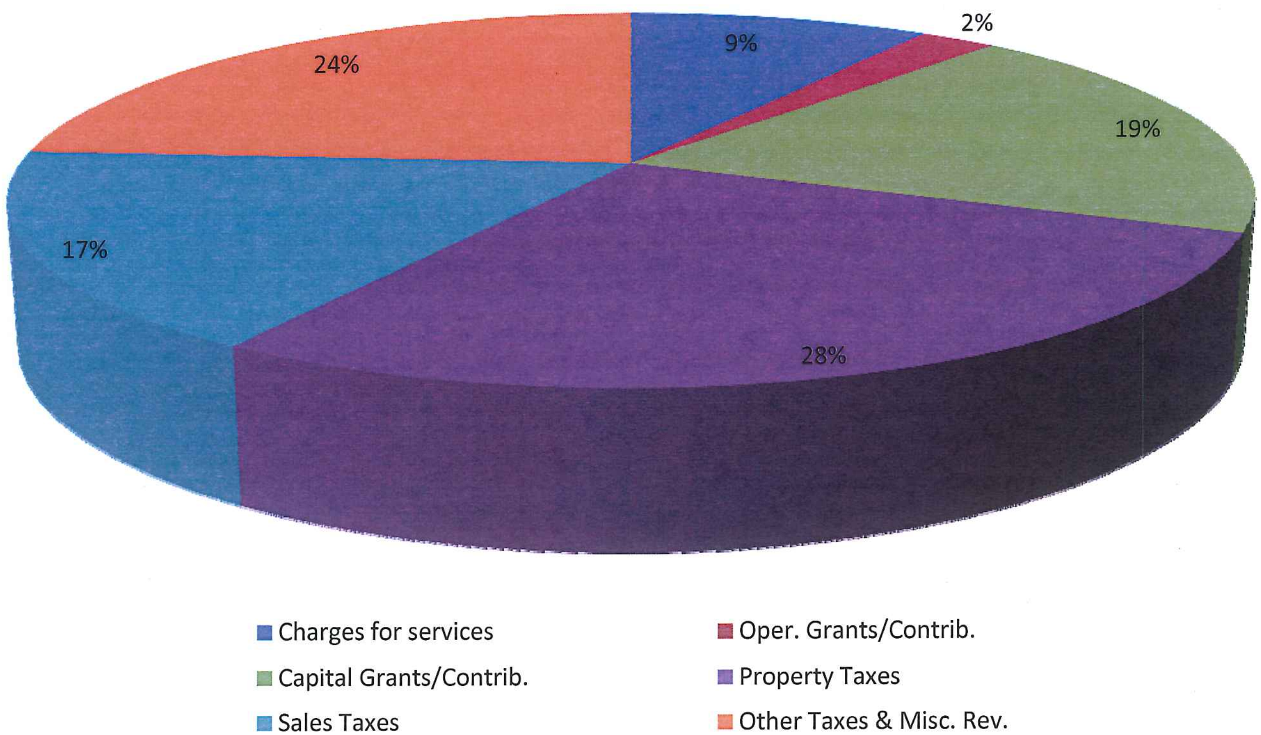
These combined decreases in revenues and increase in expenditures has created a decrease in net position of $701,688 for the Governmental Activities for 2012. Business Type Activities ended the year with a $4,678,962 increase to net position.

The overall change in net position for the City was $3,977,274, a modest increase from 2011. The City over all has seen a slight increase in some revenue sources which is a hopeful indicator of a slow recovery for 2013 and forward. Again the City has worked diligently to minimize expenses for 2012 which has helped the City live within its revenues for 2012 and increase net position.

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

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

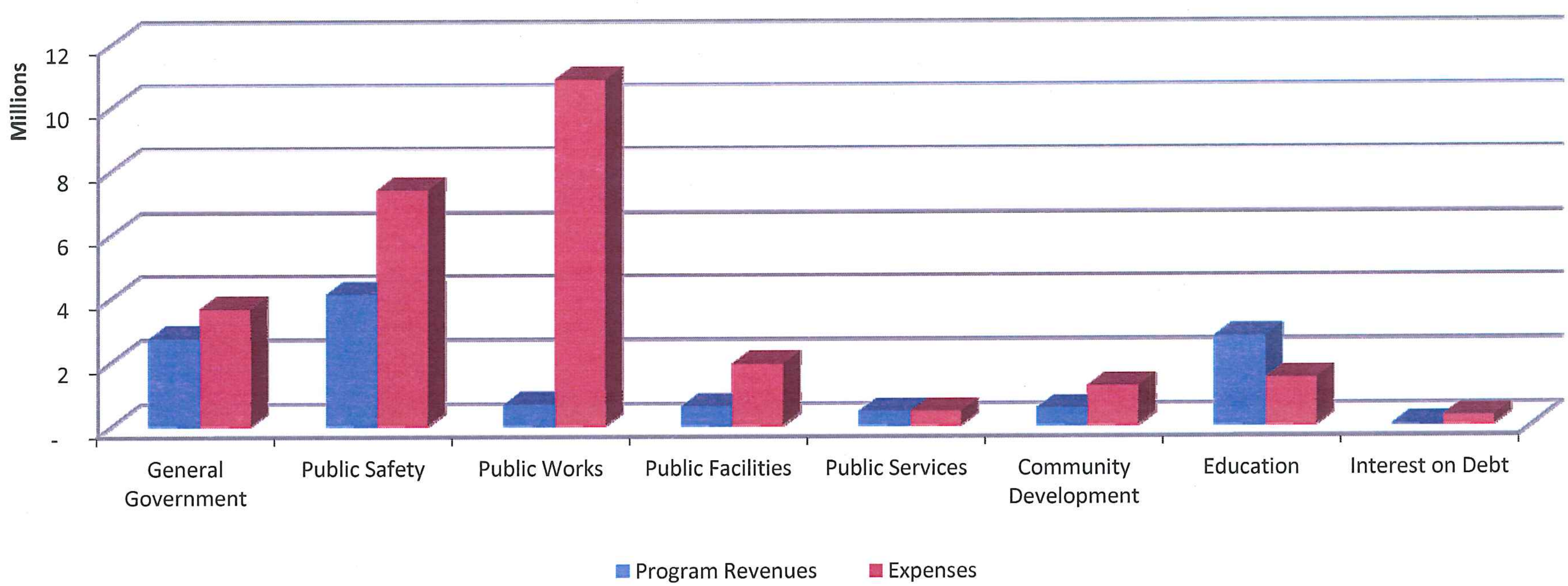
City of Rome
Revenues by Source – Governmental Activities
for fiscal year ending December 31, 2012



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, 2012

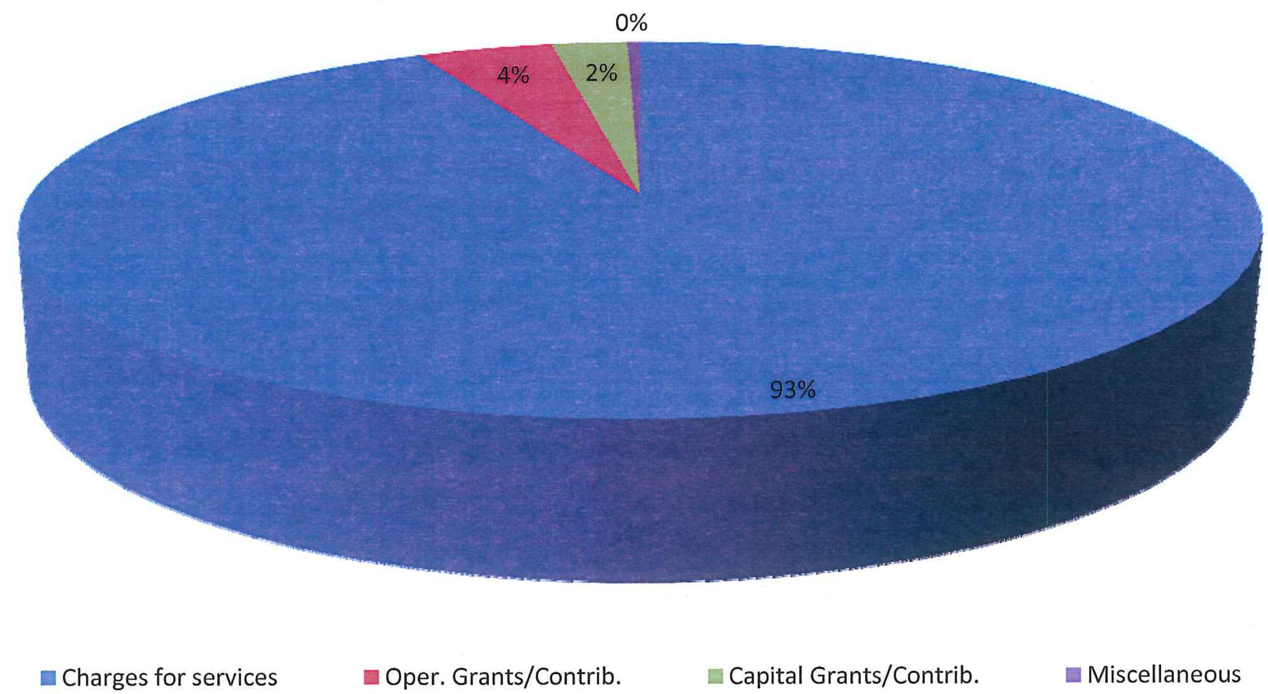


FINANCIAL ANALYSIS OF THE CITY'S POSITION AND OPERATIONS - continued

Business-type activities Charges for Services account for $35,674,139 or 93% of total operating revenues. A large portion of the capital grant amount is for Transit capital purchases. Transfers in of $9,803,375 are 20% of total business-type revenues. This amount 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.

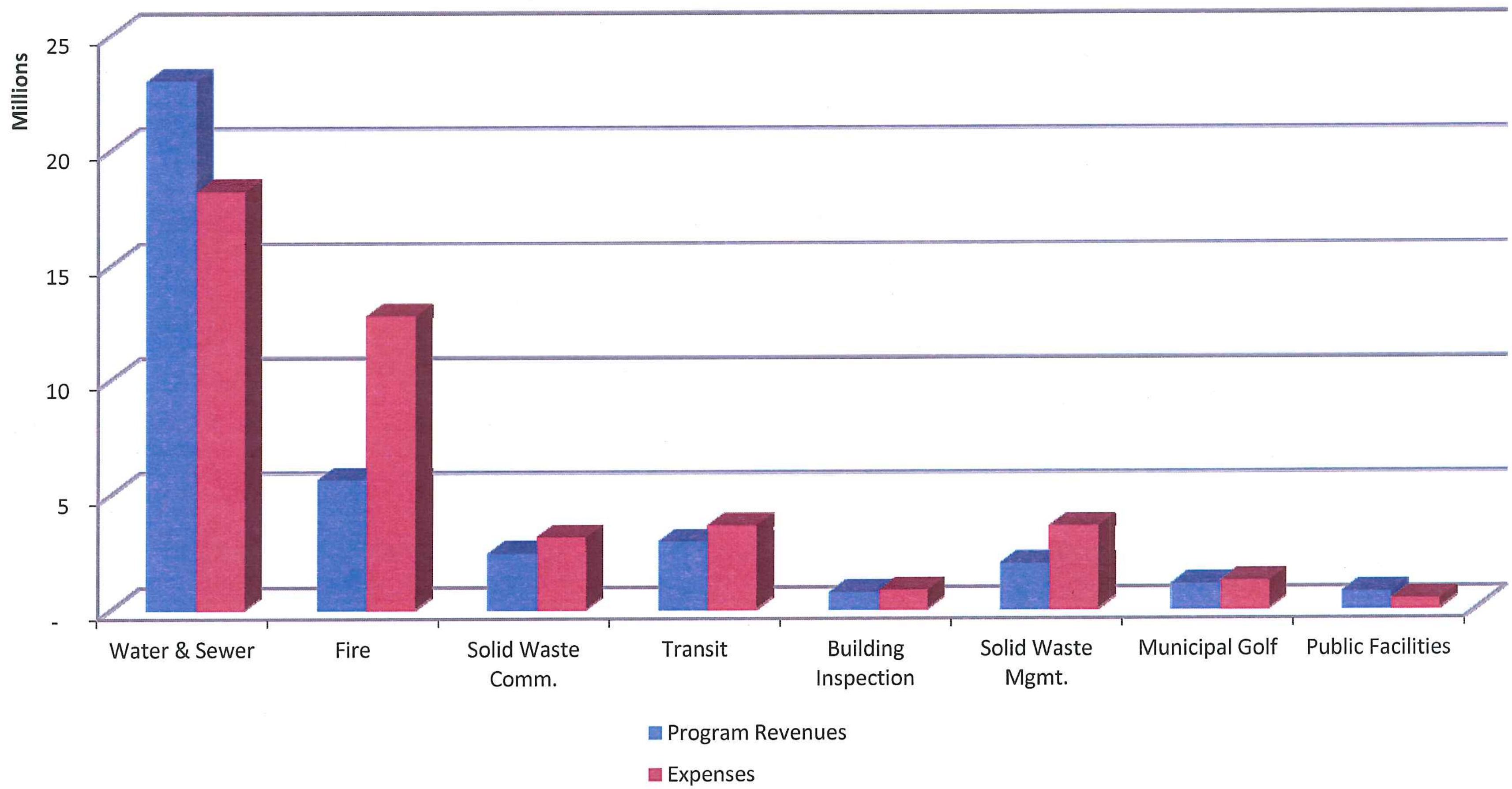
City of Rome
Revenues by Source
Business Type Activities
for fiscal year ending December 31, 2012



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, 2012**



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

As noted, the City of Rome's governmental funds' focus is to provide information on short term inflows and outflows and balances of expendable resources. Such information is useful in assessing the City's financial requirements. In particular, unrestricted and unassigned fund balance may serve as a useful measure of a government's net resources available for spending. At the end of the fiscal year 2012 the City's governmental funds reported a combined ending fund balance of $17,654,920 which is a decrease of $978,808 over 2011 with the decrease occurring in the Capital Fund. Of this amount $10,846,835 is unrestricted and unassigned which is actually an increase from 2011. The General Fund comprises the majority 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 2012 the fund balance of the General Fund was $12,600,356 with $11,012,325 in the unrestricted and unassigned portion of fund balance. This fund balance amount represents 64.5% of General Fund operating expenditures while total fund balance represents 74% of the same amount.

The Nonspendable amount of fund balance of $792,442 represents amounts held in inventories, prepaids, and the advance from the Capital Fund. The Restricted amount of $771,089 is restricted for Cemetery maintenance.

The General Fund's fund balance increased by $933,527 in 2012. Although most revenue sources were about the same in 2012, current year and prior year taxes increases contributed mainly to the increase. Another part of the fund balance increase is the reduction in total operating expenses.

Capital Fund

In 2012 the Capital Fund had a decrease to fund balance of $1,813,317. This decrease was due to the construction of the City owned mausoleum which is being financed internally through an advance from the City's Health Insurance Fund. This fund held excess monies available for investments, and the Capital fund will reimburse the Health Insurance fund principal payments over 10 years as well as a 5% interest return. Because of this internal financing, the current year project costs show as expense, but there are no offsetting revenues.

Community Development Fund

The Community Development fund had a decrease to fund balance of $150,804. This is due to a large receivable allowance adjustment for a revolving loan account that the City is deeming uncollectable.

Hotel/Motel Tax Fund

The Hotel/Motel Tax fund had a significant increase of $57,138 to fund balance due to an increase in overall revenues.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS-Continued

Business Improvement District Fund

The BID fund had a decrease in fund balance of $27,399 due to an allocation of this fund balance for façade improvements for several local downtown merchants and buildings. This allocation was approved by the BID committee.

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 position of $136,811,723 at year end with the Water and Sewer Fund comprising $119,252,440 or 87% of that amount. The Water and Sewer Fund had an increase of $4,317,731 in net position for fiscal year 2012. This increase was due to a slight increase in operating revenues and the receipt of two operating grants and reimbursements. The Water and Sewer Fund also had a bond coverage ratio of 1.9 for 2012, which is well above the required 1.2. The Water and Sewer Fund also issued a 2012 Bond refunding to defease prior debt and pay issuance costs. This refunding will save in future interest costs.

The Fire Fund had an increase in net position of $714,078 due to the receipt of SPLOST reimbursements for the construction of the new EOC Center. The Solid Waste Commission Fund had a decrease in net position due to increased expenses for closure and postclosure costs associated with an increase in capacity used for 2012. The Building Inspection had a decrease to net position of $115,739. This was due to a budgeted transfer to the City and Floyd County and a decrease in fee revenues. The Solid Waste Management Fund had a net increase in net position of $303,515. This was due to a mitigation of expense and an additional transfer from the General Fund. The Municipal Golf Fund had an increase in net position of $283,172 due to a record year in revenues and rounds played.

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 $325,000 more in expenses 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 $933,527. There were minimum changes to the original budget due to revenues and expenses tracking extremely close to original estimates. 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
- Interest and Costs revenues were increases to reflect actual receipts.
- City Commission and Municipal Court Departments were increased slightly to cover additional training expenses.
- Information Technology was increased to accommodate increases in payroll.
- General Administration expenses were decreased due to decreases in insurance costs.
- Traffic/Electrical expenses were increased to cover additional supply expenses for replacement of storm related supplies.
- Other Facilities expenses were increased to cover unbudgeted repairs/maintenance to HVAC units.
- Roman Holiday expenses were increased to cover repair of motors due to accident.
- 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 mausoleum and urban riverfront expenses.
- Transfer to the Golf Fund was decreased due to a better cash position in that fund.

GENERAL FUND BUDGET HIGHLIGHTS-Continued

Budget to actual Variances within the General fund occur due to unforeseen revenue or expenditures. Significant variances for 2012 include:

- Prior Year Tax revenues were up over budget due to increased collections.
- Motor Vehicle receipts were also up over anticipated budget.
- Franchise fee revenue for Georgia Power was significantly below anticipated collections.
- Local Option Sales Tax ended the year under budget.
- 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.
- Charges for Services include revenues for Parking included in the consolidation of the special revenue funds.
- Police Department ended the year with expenses under budget by 107,873. This is significant because this department is one of the largest General Fund departmental budgets.
- General Administration expenses ended up below the revised budget by $44,289 due to a decrease in interest and insurance costs.
- Transfer from the Health Insurance Fund was under budget as it was not intentionally transferred.
- Transfer out to the Transit fund was less than budget because of less than anticipated capital needs.
- Transfer out to the Golf Fund was under the revised budget by $28,000 and original budget $178,000 due to the record revenue year for the Golf fund.

General Fund operating expenditures ended the year under final budget numbers. This, along with an increase in revenues over the anticipated revenues, created the increase to fund balance for of $933,527 for the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Rome has invested $256,513,950 in capital assets net of debt, with $124,749,835 in governmental activities and $131,764,115 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, 2012

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	$ 9,160,820	$ 9,168,923	$ 7,587,337	$ 7,576,215	$ 16,748,157	$ 16,745,138
Construction in Progress	5,005,172	11,700,412	1,619,646	1,802,109	6,624,818	13,502,521
Buildings	103,311,580	94,838,720	104,542,542	102,057,213	207,854,122	196,895,933
Improvements other than buildings	6,054,383	6,034,893	18,169,763	17,875,408	24,224,146	23,910,301
Machinery & Equipment	4,925,298	4,731,123	13,019,223	12,805,796	17,944,521	17,536,919
Vehicles	5,028,402	4,993,648	21,245,191	22,032,528	26,273,593	27,026,176
Infrastructure	127,385,795	123,744,507	141,768,573	139,754,448	269,154,368	263,498,955
Total	260,871,450	255,212,226	307,952,275	303,903,717	568,823,725	559,115,943
Accumulated depreciation	(127,816,447)	(122,091,885)	(117,780,505)	(109,880,163)	(245,596,952)	(231,972,048)
Net Capital Assets	$ 133,055,003	$ 133,120,341	$ 190,171,770	$ 194,023,554	$ 323,226,773	$ 327,143,895

CAPITAL ASSETS AND DEBT ADMINISTRATION - continued

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

- Sidewalk improvements City wide of $316,399
- Renovation of NW Georgia Regional Commission Building of $243,860
- Renovation for new Recreation Authority Maintenance Building of $301,369
- Construction of City owned Cemetery Mausoleum of $1,792,951
- Rome Urban Riverfront of $440,647
- Street Paving of $414,351
- Purchase of Police Vehicles of $135,534

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

- Transit Transfer Station renovation of $134,352
- Purchase of Dozier for Landfill of $229,610
- Construction and Renovation for Emergency Operations Center for $2,704,092
- Water Tank Maintenance of $468,259
- Improvements at Coosa Influent Pump Station of $578,311
- Water and Sewer improvements at Highway 140 and 53 of $650,845 (Lowes's project)
- Purchase of Rear Loader Garbage Trucks of $169,789

Additional information on the City of Rome's Capital assets can be found in Note III- (C) on pages 55-58

Long-term Debt

The Water and Sewer Fund issued $32,125,000 in a bond refunding in 2012. These defeased the 2004 outstanding bonds and paid issuance costs. At December 31, 2012 the City of Rome had $68,424,217 in bonds and notes outstanding which is a decrease of $6,034,276 over the prior year. Compensated absences nor Landfill closure or post-closure debt has been included in these calculations.

City of Rome
Outstanding Note and Bond Debt
as of December 31, 2012

	Governmental Activities	Business-Type Activities	Total
Bonds	$ 4,527,000	$ 50,158,710	$ 54,685,710
Notes Payable	1,537,648	7,955,872	9,493,520
Intergovernmental Agreement	3,645,000	-	3,645,000
Capital Leases	30,247	569,740	599,987
	$ 9,739,895	$ 58,684,322	$ 68,424,217

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 62 to72 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Revenue source collections during the 2012 fiscal year have been unpredictable. Local Option Sales Tax revenues had a slight increase, as well as current and prior year tax collections. Also up in 2012 were Insurance Premium Tax and Motor vehicle taxes. However franchise fees, one of the larger revenue sources for the General Fund was significantly down in 2012 due to an unanticipated decrease in the Georgia Power fee of some 8.75%. Police Fines and forfeitures also continued a downward trend coming in some 4% below the prior year. These unanticipated decreases have made it challenging for the fiscal year budget. There are areas that do seem to be on an upward trend, but the City is still dealing with many revenue sources that are still declining. The greatest challenge for the City for the next fiscal year is 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 and the last couple of years have seen decreases. New legislation effective in 2013 will have a major impact on the City's revenue sources. Sales Taxes on automobiles are eliminated and have been replaced with a motor vehicle title fee. The ad valorem on new vehicles after this implementation is also eliminated. The sales tax on energy consumption in manufacturing is also being phased out over the next four years. All of these factors will weigh heavily on the new several fiscal years' budgets. Also of some concern is that because the City

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET-continued

was not able to give personnel merit raises for several years, the City has become vulnerable to loss of personnel back to the private sector as economic conditions improve there. This is especially a concern in the Public Safety area. Budgetary factors of concern as the 2013 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 and salary competitiveness with the private sector.
- 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.
- Impact of new legislation on revenue sources.

The City of Rome has been effective in the last couple of years to have aligned their expenses within the current revenue stream. The City has seen successive years again with moderate increases to net position that has helped offset the first couple of years of this current economic downturn. The City of Rome is committed to provide the highest level of services and maintain that within the anticipated revenue projections.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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

BASIC FINANCIAL STATEMENTS

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

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
December 31, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Greater Rome Convention & Visitors Bureau	Rome Board of Education
ASSETS					
Current Assets:					
Cash	$ 8,443,063	$ 17,799,344	$ 26,242,407	$ 7,123	$ 12,586,034
Accounts receivable, net	3,903,754	2,850,886	6,754,640	5,438	-
Accounts receivable, loans	349,304	-	349,304	-	-
Taxes receivable, net	1,933,729	-	1,933,729	-	-
Due from primary government	-	-	-	82	-
Due from other governments	1,504,444	1,756,262	3,260,706	18,752	7,524,311
Internal balances	2,967,272	(2,967,272)	-	-	-
Due from component units	6,267	3,913	10,180	-	-
Inventory	202,242	883,021	1,085,263	-	37,065
Prepaid items	1,100	5,838	6,938	-	-
Total current assets	19,311,175	20,331,992	39,643,167	31,395	20,147,410
Non Current Assets:					
Restricted Assets					
Cash	-	376,886	376,886	-	-
Investments	2,129,834	-	2,129,834	-	-
Net pension asset	3,449,143	-	3,449,143	-	-
Other noncurrent assets, derivative	1,543,861	-	1,543,861	-	-
Capital Assets					
Non-depreciable assets	14,165,992	9,206,983	23,372,975	-	1,014,630
Depreciable assets, net of depreciation	118,889,011	180,964,787	299,853,798	57,058	2,507,972
Total noncurrent assets	140,177,841	190,548,656	330,726,497	57,058	3,522,602
TOTAL ASSETS	159,489,016	210,880,648	370,369,664	88,453	23,670,012
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	2,585,078	2,585,078	-	-
Deferred bond issuance costs	-	276,667	276,667	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	2,861,745	2,861,745	-	-
LIABILITIES					
Current Liabilities:					
Accounts payable	526,018	505,481	1,031,499	5,705	1,145,254
Accrued liabilities	137,078	465,361	602,439	2,798	5,858,717
Accrued interest payable	24,767	-	24,767		
Retainage payable	109,134	-	109,134	-	-
Unearned revenues	32,277	214,900	247,177	-	-
Due to primary government	-	-	-	10,180	-
Due to component units	25	57	82	-	-
Due to other governments	342,523	31,805	374,328	-	-
Capital leases payable-current	9,734	109,316	119,050	-	-
Intergovernmental agreements payable-current	105,000	-	105,000	-	-
Bonds payable-current	-	780,696	780,696	-	-
Closure and postclosure care-current	-	219,792	219,792	-	-
Notes payable-current	191,168	609,658	800,826	-	-
Claims payable	-	665,000	665,000	-	-
Compensated absences payable	628,765	1,009,306	1,638,071	16,481	-
Total current liabilities	2,106,489	4,611,372	6,717,861	35,164	7,003,971

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
December 31, 2012

	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)	$ 20,513	$ 460,424	$ 480,937	$ -	$ -
Customer deposits	-	785,120	$ 785,120	-	-
Closure and postclosure care-long term	-	9,067,662	9,067,662	-	-
Compensated absences payable-long term	209,588	336,436	546,024	5,494	-
Net other post employment benefits obligation	2,301,966	-	2,301,966	-	-
Intergovernmental agreements payable-long term	3,540,000	-	3,540,000	-	-
Notes payable-long term	1,346,480	7,346,214	8,692,694	-	-
Bonds payable (net of current portion)	4,527,000	51,963,092	56,490,092	-	2,000,000
Total long term liabilities	11,945,547	69,958,948	81,904,495	5,494	2,000,000
TOTAL LIABILITIES	14,052,036	74,570,320	88,622,356	40,658	9,003,971
DEFERRED INFLOWS OF RESOURCES					
Deferred change in fair value of hedging derivative instruments	1,543,861	-	1,543,861	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,543,861	-	1,543,861	-	-
NET POSITION					
Net investment in capital assets	124,749,835	131,764,115	256,513,950	57,058	1,522,602
Restricted for:					
Capital projects	122,192	-	122,192	-	4,215,158
Other purposes:					
Revolving loans and housing initiatives	117,486	-	117,486	-	-
Debt service	-	376,886	376,886	-	-
Food services	-	-	-	-	2,172,639
School activities	-	-	-	-	1,849,144
Tourism & forum promotions	131,607	-	131,607	-	-
Planning and zoning activities	44,797	-	44,797	-	-
Forum parking deck operations	28,979	-	28,979	-	-
Cemetary perpetual care	771,089	-	771,089	-	-
GMA leasepool	2,129,834	-	2,129,834	-	-
Unrestricted (deficit)	15,797,300	7,031,072	22,828,372	(9,263)	4,906,498
TOTAL NET POSITION	$ 143,893,119	$ 139,172,073	$ 283,065,192	$ 47,795	$ 14,666,041

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
					Primary Government			Component Units	
	Expenses	Charges for Services, Sales and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Greater Rome Conv/Vis Bureau	Rome Board of Education
PRIMARY GOVERNMENT:									
Governmental Activities:									
General Government	$ 3,682,723	$ 2,062,903	$ 207,316	$ 456,700	$ (955,804)	$ -	$ (955,804)	$ -	$ -
Public Safety	7,485,881	1,243,797	155,974	2,704,092	(3,382,018)	-	(3,382,018)	-	-
Public Works	10,910,095	-	121,310	540,430	(10,248,355)	-	(10,248,355)	-	-
Public Facilities	1,918,561	-	-	592,845	(1,325,716)	-	(1,325,716)	-	-
Public Services	438,960	-	-	-	(438,960)	-	(438,960)	-	-
Community Development	1,220,932	130,857	385,779	-	(704,296)	-	(704,296)	-	-
Education	1,466,263	-	-	2,760,004	1,293,741	-	1,293,741	-	-
Interest on Debt	274,562	-	-	-	(274,562)	-	(274,562)	-	-
Total Governmental Activities	27,397,977	3,437,557	870,379	7,054,071	(16,035,970)	-	(16,035,970)	-	-
Business-Type Activities:									
Water and Sewer	18,155,644	21,975,074	696,490	300,000	-	4,815,920	4,815,920	-	-
Fire	12,747,562	5,529,974	78,911	-	-	(7,138,677)	(7,138,677)	-	-
Solid Waste Commission	3,093,349	2,376,958	-	-	-	(716,391)	(716,391)	-	-
Transit	3,589,152	1,458,184	838,933	595,486	-	(696,549)	(696,549)	-	-
Building Inspection	782,373	693,304	-	-	-	(89,069)	(89,069)	-	-
Solid Waste Management	3,550,884	1,923,181	3,273	-	-	(1,624,430)	(1,624,430)	-	-
Municipal Golf Course	1,162,750	1,023,905	-	-	-	(138,845)	(138,845)	-	-
Public Facilities	388,102	693,559	-	-	-	305,457	305,457	-	-
Total Business-Type Activities:	43,469,816	35,674,139	1,617,607	895,486	-	(5,282,584)	(5,282,584)	-	-
Total - Primary Government	$ 70,867,793	$ 39,111,696	$ 2,487,986	$ 7,949,557	(16,035,970)	(5,282,584)	$ (21,318,554)	$ -	$ -
Component Units									
Rome Board of Education	$ 54,264,839	$ 1,090,746	$ 33,303,451	$ -				$ -	$ (19,870,642)
Greater Rome Convention & Vistors Bureau	579,456	18,450	568,104	-				7,098	-
Total - Component Units	$ 54,844,295	$ 1,109,196	$ 33,871,555	$ -				$ 7,098	$ (19,870,642)
GENERAL REVENUES:									
Taxes:									
Property					$ 10,220,552	$ -	$ 10,220,552	$ -	$ 17,966,809
Sales					6,231,600	-	6,231,600	-	5,230,185
Franchise					3,636,529	-	3,636,529	-	-
Insurance Premium					1,808,619	-	1,808,619	-	-
Alcoholic Beverage					840,597	-	840,597	-	-
Intangible					157,263	-	157,263	-	-
Hotel/Motel					650,776	-	650,776	-	-
Other					117,738	-	117,738	-	-
Gain on Disposal of Capital Assets					-	82,217	82,217	-	65,499
Interest Earned					789,771	32,285	822,056	-	45,871
Miscellaneous					684,212	43,669	727,881	-	42,162
Total General Revenues					25,137,657	158,171	25,295,828	-	23,350,526
Transfers					(9,803,375)	9,803,375	-	-	-
Total General Revenues and Transfers					15,334,282	9,961,546	25,295,828	-	23,350,526
Change in Net Position					(701,688)	4,678,962	3,977,274	7,098	3,479,884
NET POSITION BEGINNING OF YEAR, RESTATED					144,594,807	134,493,111	279,087,918	40,697	11,186,157
NET POSITION END OF YEAR					$ 143,893,119	$ 139,172,073	$ 283,065,192	$ 47,795	$ 14,666,041

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012

	Major Governmental Funds		Non-major Governmental Funds	Total Governmental Funds
	General	Capital		
ASSETS:				
Cash and cash equivalents	$ 7,941,137	$ 5,816	$ 496,110	$ 8,443,063
Taxes receivable, net of allowances for uncollectibles	1,931,966	-	1,763	1,933,729
Accounts receivable, net of allowances for uncollectibles	3,738,485	114,515	50,754	3,903,754
Accounts receivable loans	-	-	349,304	349,304
Due from other governments	1,025,487	151,066	327,891	1,504,444
Due from other funds	283,561	1,406,477	1,632	1,691,670
Due from component units	6,267	-	-	6,267
Prepaid items	200	-	900	1,100
Inventories	202,242	-	-	202,242
Restricted investments	-	2,129,834	-	2,129,834
Advances due from other funds	590,000	2,221,112	-	2,811,112
TOTAL ASSETS	$ 15,719,345	$ 6,028,820	$ 1,228,354	$ 22,976,519
LIABILITIES:				
Accounts payable	$ 60,609	$ 420,070	$ 45,339	$ 526,018
Accrued liabilities	134,821	-	2,257	137,078
Retainage payable	-	81,067	28,067	109,134
Due to other funds	1,514,852	8,628	253,596	1,777,076
Due to other governments	310,962	1,599	29,962	342,523
Due to component units	-	-	25	25
Unearned revenue	32,277	-	-	32,277
Advances due to other funds	-	1,332,000	-	1,332,000
TOTAL LIABILITIES	2,053,521	1,843,364	359,246	4,256,131
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	1,065,468	-	-	1,065,468
TOTAL DEFERRED INFLOWS OF RESOURCES	1,065,468	-	-	1,065,468
FUND BALANCES:				
Nonspendable	792,442	2,221,112	350,204	3,363,758
Restricted for:				
Revolving loans and housing initiatives	-	-	117,486	117,486
Planning and zoning activities	-	-	44,797	44,797
Tourism and forum promotion	-	-	131,607	131,607
Capital improvements	-	-	122,192	122,192
Forum parking deck operations	-	-	28,979	28,979
Cemetary perpetual care	771,089	-	-	771,089
GMA leasepool	-	2,129,834	-	2,129,834
Assigned for:				
Community development operations	-	-	73,843	73,843
Appropriation of subsequent year's budget	24,500	-	-	24,500
Unassigned	11,012,325	(165,490)	-	10,846,835
TOTAL FUND BALANCES	12,600,356	4,185,456	869,108	17,654,920
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 15,719,345	$ 6,028,820	$ 1,228,354	$ 22,976,519

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2012

TOTAL GOVERNMENTAL FUND BALANCES		$ 17,654,920
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost	$ 260,871,450	
Less accumulated depreciation	(127,816,447)	133,055,003
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. Governmental activities net position have been increased by the effect of the internal service funds net position.	1,573,566	1,573,566
The net pension asset is not a current financial resource and is not recorded in the fund statements.	3,449,143	3,449,143
The derivative is not a current financial resource and is not recorded in the fund statements.	1,543,861	1,543,861
Other long-term assets or deferred inflows of resources are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Property taxes	1,065,468	
Derivative - effective hedge	(1,543,861)	(478,393)
Net other post employment benefits obligations are not due and payable in the current period and therefore not reported in the funds	2,301,966	(2,301,966)
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	24,767	
Capital leases	30,247	
Compensated absences	838,353	
Notes payable	1,537,648	
GMA lease pool contract certificates of participation	4,527,000	
Intergovernmental agreements	3,645,000	(10,603,015)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 143,893,119

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, 2012

	Major Governmental Funds			
	General	Capital	Non- major Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	$ 20,781,514	$ 1,900,000	$ 768,514	$ 23,450,028
Licenses and permits	1,721,922	-	-	1,721,922
Intergovernmental	484,600	412,734	4,267,112	5,164,446
Charges for services	340,981	-	130,857	471,838
Fines and forfeitures	1,243,797	-	-	1,243,797
Interest earned	513,518	264,751	11,502	789,771
Miscellaneous	188,420	456,884	38,908	684,212
TOTAL REVENUES	25,274,752	3,034,369	5,216,893	33,526,014
EXPENDITURES:				
Current:				
General government	3,137,671	-	-	3,137,671
Public safety	7,122,442	-	-	7,122,442
Public works	5,622,502	-	-	5,622,502
Public facilities	410,719	-	624,749	1,035,468
Public services	407,062	-	-	407,062
Community development	349,801	-	853,755	1,203,556
Capital outlay	-	4,402,015	1,256,060	5,658,075
Debt service				
Principal	-	292,335	26,325	318,660
Interest	-	247,270	28,675	275,945
TOTAL EXPENDITURES	17,050,197	4,941,620	2,789,564	24,781,381
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,224,555	(1,907,251)	2,427,329	8,744,633

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, 2012

	Major Governmental Funds			
	General	Capital	Non- major Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 1,345,539	$ 224,000	$ 237,745	$ 1,807,284
Transfers out	(8,636,567)	(210,000)	(2,764,092)	(11,610,659)
Proceeds from sale of capital assets	-	79,934	-	79,934
Proceeds from capital leases	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(7,291,028)	93,934	(2,526,347)	(9,723,441)
NET CHANGE IN FUND BALANCES	933,527	(1,813,317)	(99,018)	(978,808)
FUND BALANCES - BEGINNING OF YEAR	11,666,829	5,998,773	968,126	18,633,728
FUND BALANCES - END OF YEAR	$ 12,600,356	$ 4,185,456	$ 869,108	$ 17,654,920

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, 2012

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ (978,808)
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	3,960,019	
Depreciation expense	(6,362,798)	(2,402,779)
The net effect of the disposal of capital assets is to decrease net position.		(422,563)
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 market value.		
Assets acquired through donation or capital contributions-current year		2,760,004
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.		(171,262)
Revenues in the statements of activities that do not provide current financial resources are reported as deferred inflow of resources in the funds.		
Property tax deferred inflows		213,646
The receipt and repayment of bonds, notes payable and capital lease principal is a revenue and expenditure in the governmental funds, but the activity increases and decreases long-term liabilities in the statement of net position		
Accrual of interest expense		1,383
Long-term debt principal payment		318,660
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.		(31,313)
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		33,044
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.		(21,700)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ (701,688)

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2012

	Enterprise Funds					
	Major Enterprise Funds					
	Water & Sewer System	Fire	Solid Waste Commission	Non-major Enterprise Funds	Total	Internal Service Funds
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 4,056,983	$ 642,404	$ 8,303,361	$ 1,222,984	$ 14,225,732	$ 3,573,612
Restricted cash	-	-	-	376,886	376,886	-
Accounts receivable, net of allowances for uncollectibles	2,431,885	-	193,278	225,723	2,850,886	-
Due from other governments	991,277	84,956	-	442,521	1,518,754	237,508
Due from other funds	14,411	217,124	7,441	74,850	313,826	144,352
Due from component units	2,081	3	-	289	2,373	1,540
Prepaid items	-	-	-	1,735	1,735	4,103
Inventories	502,221	26,834	-	353,966	883,021	-
Total Current Assets	7,998,858	971,321	8,504,080	2,698,954	20,173,213	3,961,115
Noncurrent Assets:						
Advances due from other funds	-	-	-	-	-	742,000
Capital assets						
Non-depreciable assets	2,981,268	231,428	365,682	5,628,605	9,206,983	-
Depreciable assets, net of accumulated depreciation	162,974,281	6,765,534	3,723,604	7,501,368	180,964,787	-
Total Noncurrent Assets	165,955,549	6,996,962	4,089,286	13,129,973	190,171,770	742,000
TOTAL ASSETS	173,954,407	7,968,283	12,593,366	15,828,927	210,344,983	4,703,115
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	2,344,136	-	-	240,942	2,585,078	-
Deferred bond issuance costs	276,667	-	-	-	276,667	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,620,803	-	-	240,942	2,861,745	-

continued

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2012

	Enterprise Funds					
	Major Enterprise Funds					
	Water & Sewer System	Fire	Solid Waste Commission	Non-major Enterprise Funds	Total	Internal Service Funds
LIABILITIES						
Current Liabilities:						
Closure and post closure care, current	$ -	$ -	$ 219,792	$ -	$ 219,792	$ -
Revenue bonds, current	-	-	-	780,696	780,696	-
Notes payable, current	609,658	-	-	-	609,658	-
Accounts payable	136,054	76,104	12,981	176,701	401,840	103,641
Accrued liabilities	126,316	85,658	6,850	245,979	464,803	558
Unearned revenue	90,000	-	-	124,900	214,900	-
Due to other governments	-	-	31,805	-	31,805	-
Due to other funds	70,971	41,356	13,415	247,030	372,772	-
Due to component unit	-	-	-	57	57	-
Compensated absences, current	220,333	630,500	21,476	136,997	1,009,306	-
Claims payable	-	-	-	-	-	665,000
Capital leases, current	-	109,316	-	-	109,316	-
Total Current Liabilities	1,253,332	942,934	306,319	1,712,360	4,214,945	769,199
Long-Term Liabilities:						
Closure and post closure care	-	-	9,067,662	-	9,067,662	-
Customer deposits	785,120	-	-	-	785,120	-
Revenue bonds, long-term	47,864,660	-	-	4,098,432	51,963,092	-
Notes payable, long-term	7,346,214	-	-	-	7,346,214	-
Advances due to Capital Fund	-	857,625	350,400	1,013,087	2,221,112	-
Compensated absences, long term	73,444	210,167	7,159	45,666	336,436	-
Capital leases, long-term	-	460,424	-	-	460,424	-
Total Long-Term Liabilities	56,069,438	1,528,216	9,425,221	5,157,185	72,180,060	-
TOTAL LIABILITIES	57,322,770	2,471,150	9,731,540	6,869,545	76,395,005	769,199
NET POSITION						
Net investment in capital assets	112,755,820	6,427,222	4,089,286	8,491,787	131,764,115	-
Restricted for debt service	-	-	-	376,886	376,886	-
Unrestricted (deficit)	6,496,620	(930,089)	(1,227,460)	331,651	4,670,722	3,933,916
TOTAL NET POSITION	$ 119,252,440	$ 5,497,133	$ 2,861,826	$ 9,200,324	$ 136,811,723	$ 3,933,916

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
RECONCILIATION OF PROPRIETARY FUND NET POSITION TO BUSINESS TYPE ACTIVITIES STATEMENT OF NET POSITION
December 31, 2012

TOTAL PROPRIETARY FUND NET POSITION	$	136,811,723
Amounts reported for business type activities in the statement of net position are different because:		
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. Business type activities net position have been increased by the effect of the internal service funds net position.		2,360,350
NET POSITION OF BUSINESS TYPE ACTIVITIES	$	139,172,073

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2012

	Enterprise Funds					
	Major Enterprise Funds					
	Water & Sewer System	Fire	Solid Waste Commission	Non-major Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES						
Metered sales	$ 21,525,702	$ -	$ -	$ -	$ 21,525,702	$ -
Charges for services	445,948	5,525,000	2,374,459	5,779,641	14,125,048	7,542,916
Miscellaneous	3,424	4,974	2,499	12,492	23,389	-
TOTAL OPERATING REVENUES	21,975,074	5,529,974	2,376,958	5,792,133	35,674,139	7,542,916
OPERATING EXPENSES						
Cost of goods sold	-	-	-	69,620	69,620	-
Salaries and employee benefits	4,772,076	9,020,527	603,002	5,127,310	19,522,915	117,173
Supplies	1,223,573	647,586	279,878	982,908	3,133,945	-
Maintenance and repairs	904,018	66,868	206,706	381,494	1,559,086	-
Other services and charges	3,227,080	374,825	220,897	1,270,273	5,093,075	1,083,332
Depreciation	6,111,524	734,449	907,790	1,418,638	9,172,401	-
Claims	-	-	-	-	-	6,235,133
Closure and postclosure costs	-	-	746,166	-	746,166	-
Administrative fees	36,814	-	-	-	36,814	742,617
TOTAL OPERATING EXPENSES	16,275,085	10,844,255	2,964,439	9,250,243	39,334,022	8,178,255
OPERATING INCOME (LOSS)	5,699,989	(5,314,281)	(587,481)	(3,458,110)	(3,659,883)	(635,339)

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2012

	Enterprise Funds					
	Major Enterprise Funds					
	Water & Sewer System	Fire	Solid Waste Commission	Non-major Enterprise Funds	Total	Internal Service Funds
NON-OPERATING INCOME (EXPENSE)						
Intergovernmental revenue	$ 696,490	$ 78,911	$ -	$ 842,206	$ 1,617,607	$ 225,056
Intergovernmental expense	-	(1,880,661)	(128,910)	-	(2,009,571)	-
Interest income	5,191	684	17,840	1,442	25,157	7,128
Interest expense	(1,641,538)	(22,646)	-	(223,018)	(1,887,202)	-
Miscellaneous revenue	43,669	-	-	-	43,669	-
Gain on disposal of capital assets	6,909	-	23,611	51,697	82,217	-
TOTAL NON-OPERATING INCOME (EXPENSE)	(889,279)	(1,823,712)	(87,459)	672,327	(2,128,123)	232,184
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	4,810,710	(7,137,993)	(674,940)	(2,785,783)	(5,788,006)	(403,155)
Transfers in	42,021	8,229,092	-	2,868,822	11,139,935	-
Transfers out	(835,000)	(377,021)	(24,024)	(75,515)	(1,311,560)	(25,000)
Capital contributions	300,000	-	-	595,486	895,486	-
CHANGE IN NET POSITION	4,317,731	714,078	(698,964)	603,010	4,935,855	(428,155)
NET POSITION - BEGINNING OF YEAR, RESTATED	114,934,709	4,783,055	3,560,790	8,597,314	131,875,868	4,362,071
NET POSITION - END OF YEAR	$ 119,252,440	$ 5,497,133	$ 2,861,826	$ 9,200,324	$ 136,811,723	$ 3,933,916

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION OF PROPRIETARY FUNDS TO THE BUSINESS TYPE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

CHANGE IN NET POSITION-PROPRIETARY FUNDS	$	4,935,855
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.		(256,893)
CHANGE IN NET POSITION OF BUSINESS TYPE ACTIVITIES	$	4,678,962

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2012

	Enterprise Funds					
	Major Proprietary Funds					
	Water & Sewer System	Fire	Solid Waste Commission	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 21,465,631	$ 5,529,974	$ 2,359,316	$ 6,346,587	$ 35,701,508	$ 7,786,885
Receipts from interfund services provided	22,147	229,165	-	111,956	363,268	315,048
Payments to suppliers	(5,730,393)	(1,320,225)	(818,494)	(2,687,631)	(10,556,743)	(1,769,846)
Payments to employees	(4,753,455)	(8,952,363)	(604,020)	(5,132,083)	(19,441,921)	(117,173)
Claims paid	-	-	-	-	-	(6,527,133)
Payments for interfund services used	(2,778)	(89,252)	(8,551)	(916,147)	(1,016,728)	-
Net cash provided (used) by operating activities	11,001,152	(4,602,701)	928,251	(2,277,318)	5,049,384	(312,219)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer from other funds	42,021	5,525,000	-	2,868,822	8,435,843	-
Transfer to other funds	(835,000)	(377,021)	(24,024)	(75,515)	(1,311,560)	(25,000)
Advances from other funds	-	-	-	169,789	169,789	-
Repayment of advances from other funds	(12,534)	(306,690)	(29,200)	(427,838)	(776,262)	-
Intergovernmental revenue	696,490	-	-	3,273	699,763	225,056
Intergovernmental expense	-	(301,098)	(128,910)	-	(430,008)	-
Subsidy from federal grant	-	(2,045)	-	838,933	836,888	-
Net cash provided (used) by noncapital financing activities	(109,023)	4,538,146	(182,134)	3,377,464	7,624,453	200,056
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	300,000	-	-	595,486	895,486	-
Transfer from other funds	-	2,704,092	-	-	2,704,092	-
Purchases of capital assets	(3,934,919)	(2,320,654)	(229,610)	(441,918)	(6,927,101)	-
Principal received on capital debt	32,125,000	-	-	-	32,125,000	-
Principal paid on capital debt	(37,455,345)	(223,291)	-	(760,000)	(38,438,636)	-
Interest paid on capital debt	(1,641,538)	(22,646)	-	(223,018)	(1,887,202)	-
Proceeds from long-term borrowings	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	(742,000)
Proceeds from sales of capital assets	14,662	19,167	23,611	51,697	109,137	-
Net cash provided (used) by capital and related financing activities	(10,592,140)	156,668	(205,999)	(777,753)	(11,419,224)	(742,000)

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, 2012

	Enterprise Funds					
	Major Proprietary Funds					
	Water & Sewer System	Fire	Solid Waste Commission	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	$ 5,191	$ 684	$ 17,840	$ 1,442	$ 25,157	$ 7,128
Net cash provided by investing activities	5,191	684	17,840	1,442	25,157	7,128
Net increase (decrease) in cash and cash equivalents	305,180	92,797	557,958	323,835	1,279,770	(847,035)
Cash and cash equivalents, January 1	3,751,803	549,607	7,745,403	1,276,035	13,322,848	4,420,647
Cash and cash equivalents, December 31	$ 4,056,983	$ 642,404	$ 8,303,361	$ 1,599,870	$ 14,602,618	$ 3,573,612
Reconciliation of Cash and Cash Equivalents:						
Cash and cash equivalents	$ 4,056,983	$ 642,404	$ 8,303,361	$ 1,222,984	$ 14,225,732	$ 3,573,612
Cash and cash equivalents - restricted	-	-	-	376,886	376,886	-
Total cash and cash equivalents	$ 4,056,983	$ 642,404	$ 8,303,361	$ 1,599,870	$ 14,602,618	$ 3,573,612

continued

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2012

	Enterprise Funds					
	Major Proprietary Funds					
	Water & Sewer System	**Fire**	**Solid Waste Commission**	**Nonmajor Enterprise Funds**	**Total**	**Internal Service Funds**
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	$ 5,699,989	$ (5,314,281)	$ (587,481)	$ (3,458,110)	(3,659,883)	$ (635,339)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	6,111,524	734,449	907,790	1,418,638	9,172,401	-
Amortization expense	(151,845)	-	-	(18,527)	(170,372)	-
Miscellaneous revenues	43,669	-	-	-	43,669	-
(Increase) decrease in accounts receivable	(502,459)	-	(17,642)	(47,327)	(567,428)	34,745
(Increase) decrease in due from other governments	(50,653)	-	-	576,514	525,861	-
(Increase) decrease in due from other funds	22,147	229,165	(743)	109,178	359,747	525,300
Increase in prepaid items	-	-	-	-	-	(4,103)
Increase in inventories	(32,599)	(3,224)	-	(21,507)	(57,330)	-
Increase (decrease) in accounts payable and accrued liabilities	(154,464)	(227,722)	635,153	56,698	309,665	(231,794)
Increase (decrease) in compensated absences payable	18,621	68,164	(1,018)	(4,773)	80,994	-
Increase in unearned revenue	-	-	-	25,267	25,267	-
Decrease in due to other funds	(2,778)	(89,252)	(7,808)	(913,369)	(1,013,207)	(1,028)
Total adjustments	5,301,163	711,580	1,515,732	1,180,792	8,709,267	323,120
Net cash provided (used) by operating activities	$ 11,001,152	$ (4,602,701)	$ 928,251	$ (2,277,318)	$ 5,049,384	$ (312,219)

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
EMPLOYEE BENEFIT TRUST FUND
December 31, 2012

	Flexible Spending Fund
ASSETS	
Cash	$ 16,334
TOTAL ASSETS	16,334
NET POSITION	
Held in trust for flexible spending	16,334
TOTAL NET POSITION	$ 16,334

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
EMPLOYEE BENEFIT TRUST FUND
For the Year Ended December 31, 2012

	Flexible Spending Fund
ADDITIONS	
Contributions	$ 138,689
Investment earnings	12
Total additions	138,701
DEDUCTIONS	
Claims paid	143,416
Total deductions	143,416
NET DECREASE	(4,715)
NET POSITION HELD IN TRUST FOR FLEXIBLE SPENDING	
NET POSITION, BEGINNING OF YEAR	21,049
NET POSTION, END OF YEAR	$ 16,334

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Government-wide Financial Statements – The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities which normally are supported by taxes, intergovernmental revenues, and City general revenues are reported separately from business type activities which rely 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.

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.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Basis of Presentation – Continued

The City reports the following major Proprietary Funds:

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

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

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

Additionally, the City reports the following fund types:

Governmental Fund Types

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

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.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus – Basis of Accounting

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses of enterprise funds and internal service funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, 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 restriction account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources. These amounts are eliminated in the governmental and business-type activities column of the Statement of Net Position except for any net residual amounts due between governmental and business type activities, which are reclassified and presented as internal balances.

4. Inventories

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

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, 2012 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. Unavailable Revenue

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

10. Long-Term Obligations

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Equity– Continued

11. Fund Equity

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

Fund Balance

Generally, fund balance represents the difference between the assets and liabilities under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

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

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

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

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Commission has passed a resolution, which has expressly delegated to the Finance Director the authority to assign funds for particular purposes.

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

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Equity– Continued

11. Fund Equity - Continued

Net Position

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

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

12. 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.

14. Deferred outflows/inflows of resources

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of January 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of financial position.

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Equity– Continued

14. Deferred outflows/inflows of resources - Continued

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

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 $541,400 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.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments - Continued

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 AAAf 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, 2012, the City of Rome's investment in Georgia Fund One was rated AAAf 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, 2012, the City of Rome had the following investments.

Investment Type	Maturities	Fair Value
Georgia Fund One-included in cash	40 day weighted average	$ 7,586,376
Guaranteed Investment Contract	June 1, 2028	2,129,834
Totals		$ 9,716,210

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, 2012, 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, 2012 consisted of taxes, loans, and accounts (including billings for user charges and unbilled utility receivables), and intergovernmental receivables. Receivables at December 31, 2012 consist of the following:

Primary Government	Taxes	Loans	Account	Intergov't Receivables	Allowance for Uncollectibles	Net Receivables
General Fund	$ 4,085,266	$ -	$ 3,925,485	$ 1,025,487	$ (2,340,300)	$ 6,695,938
Capital Fund	-	-	185,515	151,066	(71,000)	265,581
Other Governmental Funds	16,467	839,191	50,754	327,891	(504,591)	729,712
Water fund	-	-	3,273,885	991,277	(842,000)	3,423,162
Fire Fund	-	-	-	84,956	-	84,956
Solid Waste Commission Fund	-	-	217,778	-	(24,500)	193,278
Other Proprietary Funds	-	-	291,723	442,521	(66,000)	668,244
Internal Service Funds	-	-	-	237,508	-	237,508
Total Primary Government	4,101,733	839,191	7,945,140	3,260,706	(3,848,391)	12,298,379
Greater Rome CVB	-	-	5,438	18,752	-	24,190
Rome Board of Education	-	-	-	7,524,311	-	7,524,311
Total Reporting Entity	$ 4,101,733	$ 839,191	$ 7,950,578	$ 10,803,769	$ (3,848,391)	$ 19,846,880

The City has $127,649 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 23, 2012 and were payable on or before November 15, 2012. 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, 2012 is as follows:

Tax Year	
2012	$ 2,451,590
Prior Years	1,650,143
	4,101,733
Allowance for uncollectible	(2,168,004)
Net taxes receivable	$ 1,933,729

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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, 2012 are as follows:

Primary Government	Beginning Balance 12/31/2011	Increases	Decreases	Construction in progress Transfers	Ending Balance 12/31/2012
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 9,168,923	$ 26,450	$ (34,553)	$ -	$ 9,160,820
Construction in progress	11,700,412	5,781,661	(13,044)	(12,463,857)	5,005,172
Total capital assets, not being depreciated	20,869,335	5,808,111	(47,597)	(12,463,857)	14,165,992
Capital assets, being depreciated:					
Buildings	94,838,720	183,553	(768,656)	9,057,963	103,311,580
Improvements other than buildings	6,034,893	19,490	-	-	6,054,383
Machinery and equipment	4,731,123	254,868	(60,693)	-	4,925,298
Vehicles	4,993,648	214,045	(179,291)	-	5,028,402
Infrastructure	123,744,507	239,956	(4,562)	3,405,894	127,385,795
Total capital assets being depreciated	234,342,891	911,912	(1,013,202)	12,463,857	246,705,458
Less accumulated depreciation for:					
Buildings	(21,643,798)	(2,117,291)	393,690	-	(23,367,399)
Improvements other than buildings	(338,814)	(423,210)	-	-	(762,024)
Machinery and equipment	(3,878,350)	(243,879)	60,693	-	(4,061,536)
Vehicles	(4,532,702)	(267,359)	179,291	-	(4,620,770)
Infrastructure	(91,698,221)	(3,311,059)	4,562	-	(95,004,718)
Total accumulated depreciation	(122,091,885)	(6,362,798)	638,236	-	(127,816,447)
Total capital assets, being depreciated, net	112,251,006	(5,450,886)	(374,966)	12,463,857	118,889,011
Governmental activities capital assets, net	$ 133,120,341	$ 357,225	$ (422,563)	$ -	$ 133,055,003

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

Governmental activities:	
General Government	$ 492,459
Public Safety	285,943
Public Works	3,541,350
Public Facilities	537,129
Public Services	26,090
Community Development	13,564
Education	1,466,263
	$ 6,362,798

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Capital Assets for the year ended December 31, 2012 are as follows:

	Beginning Balance 12/31/2011	Increases	Decreases	Transfers	Ending Balance 12/31/2012
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 7,576,215	$ 27,920	$ (16,798)	$ -	$ 7,587,337
Construction in progress	1,802,109	4,166,120	-	(4,348,583)	1,619,646
Total capital assets, not being depreciated	9,378,324	4,194,040	(16,798)	(4,348,583)	9,206,983
Capital assets, being depreciated:					
Buildings	102,057,213	-	(19,170)	2,504,499	104,542,542
Improvements other than buildings	17,875,408	294,355	-	-	18,169,763
Machinery and equipment	12,805,796	394,611	(181,184)	-	13,019,223
Vehicles	22,032,528	317,114	(1,104,451)	-	21,245,191
Infrastructure	139,754,448	1,732,805	-	281,320	141,768,573
Total capital assets being depreciated	294,525,393	2,738,885	(1,304,805)	2,785,819	298,745,292
Less accumulated depreciation for:					
Buildings	(30,393,636)	(3,083,298)	799	-	(33,476,135)
Improvements other than buildings	(13,193,269)	(884,625)	-	-	(14,077,894)
Machinery and equipment	(9,173,371)	(698,524)	181,184	-	(9,690,711)
Vehicles	(14,664,217)	(1,227,314)	1,090,076	-	(14,801,455)
Infrastructure	(42,455,670)	(3,278,640)	-	-	(45,734,310)
Total accumulated depreciation	(109,880,163)	(9,172,401)	1,272,059	-	(117,780,505)
Total capital assets, being depreciated, net	184,645,230	(6,433,516)	(32,746)	2,785,819	180,964,787
Business-type activities capital assets, net	$ 194,023,554	$ (2,239,476)	$ (49,544)	$ (1,562,764)	$ 190,171,770

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

Business-type activities:	
Water and Sewer System Fund	$ 6,111,524
Fire Fund	734,449
Transit Fund	751,701
Solid Waste Management Fund	376,886
Municipal Golf Fund	80,346
Solid Waste Commission Fund	907,790
Public Facilities Fund	209,705
	$ 9,172,401

The difference in the amount transferred out of CIP to Buildings and Infrastructure is related to partial ownership in the EOC Center granted to Floyd County.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

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

Net Invested in Capital Assets	Governmental Activities	Business-type Activities	Total
Capital assets, nondepreciable	$ 14,165,992	$ 9,206,983	$ 23,372,975
Capital assets, net	118,889,011	180,964,787	299,853,798
Other noncurrent asset, derivative	1,543,861	-	1,543,861
Deferred outflows of resources	-	2,861,745	2,861,745
Retainage payable	(109,134)	-	(109,134)
Intergovernmental agreements payable	(3,645,000)	-	(3,645,000)
Bonds payable	(4,527,000)	(52,743,788)	(57,270,788)
Capital leases payable	(30,247)	(569,740)	(599,987)
Notes payable	(1,537,648)	(7,955,872)	(9,493,520)
	$ 124,749,835	$ 131,764,115	$ 256,513,950

Component Units	**Beginning Balance 12/31/2011**	**Increases**	**Decreases**	**Ending Balance 12/31/2012**
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	(121,342)	(3,029)	-	(124,371)
Machinery and equipment	(7,000)	-	-	(7,000)
Total accumulated depreciation	(128,342)	(3,029)	-	(131,371)
Total capital assets, being depreciated, net	60,087	(3,029)	-	57,058
Greater Rome Convention and Visitors Bureau capital assets, net	$ 60,087	$ (3,029)	$ -	$ 57,058

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Component Units	Beginning Balance 6/30/2011	Increases	Decreases	Ending Balance 6/30/2012
Rome Board of Education				
Component unit:				
Capital assets, not being depreciated:				
Land	$ -	$ 1,014,630	$ -	$ 1,014,630
Total capital assets not being depreciated	-	1,014,630	-	1,014,630
Capital assets, being depreciated:				
Buildings and Improvements	2,315,633	-	-	2,315,633
Computers and equipment	3,103,452	128,308	-	3,231,760
Vehicles	1,364,643	131,239	164,779	1,331,103
Total capital assets being depreciated	6,783,728	259,547	164,779	6,878,496
Less accumulated depreciation for:				
Buildings and Improvements	(853,008)	(60,646)	-	(913,654)
Computers and equipment	(2,269,095)	(188,211)	-	(2,457,306)
Vehicles	(1,053,916)	(110,427)	(164,779)	(999,564)
Total accumulated depreciation	(4,176,019)	(359,284)	(164,779)	(4,370,524)
Total capital assets, being depreciated, net	2,607,709	(99,737)	-	2,507,972
Rome Board of Education capital assets, net	$ 2,607,709	$ 914,893	$ -	$ 3,522,602

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

D. Interfund Transactions

Interfund balances at December 31, 2012 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, 2012 are as follows:

	Payable From								
	General Fund	Capital Fund	Non-major Governmental Funds	Water & Sewer System Fund	Fire Fund	Solid Waste Commission Fund	Non-major Enterprise Funds	Internal Service Funds	**Total**
Payable To:									
General Fund	$ -	$ -	$ 22,718	$ 43,438	$ 2,241	$ 8,366	$ 206,798	$ -	$ 283,561
Capital Fund	1,397,118	-	9,059	-	-	-	300	-	1,406,477
Non-major Governmental Funds	1,362	270	-	-	-	-	-	-	1,632
Water & Sewer System Fund	-	3,447	-	-	10,220	-	744	-	14,411
Fire Fund	-	1,433	215,003	-	-	-	688	-	217,124
Solid Waste Commission Fund	-	3,406	-	2,384	-	-	1,651	-	7,441
Non-major Enterprise Funds	66,878	72	2,759	3,083	667	109	1,282	-	74,850
Internal Service Funds	49,494	-	4,057	22,066	28,228	4,940	35,567	-	144,352
Total	$ 1,514,852	$ 8,628	$ 253,596	$ 70,971	$ 41,356	$ 13,415	$ 247,030	$ -	$ 2,149,848

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

D. Interfund Transactions - Continued

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

	Rome Convention & Visitors Bureau Payable From	Rome Convention & Visitors Bureau Payable To
General Fund	$ -	$ 6,267
Non-major governmental funds	25	-
Fire Fund	-	3
Water & Sewer System Fund	-	2,081
Non-major enterprise funds	57	289
Internal service funds	-	1,540
Total	$ 82	$ 10,180

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: General Fund	Capital Fund	Internal Service Fund	Total
Advances To:				
Capital Fund	$ 590,000	$ -	$ 742,000	$ 1,332,000
Fire Fund	-	857,625	-	857,625
Solid Waste Commission Fund	-	350,400	-	350,400
Non-major Enterprise Funds	-	1,013,087	-	1,013,087
Total	$ 590,000	$ 2,221,112	$ 742,000	$ 3,553,112

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 $350,400 is included as an advance from the Capital Fund to the Solid Waste Commission Fund.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

D. Interfund Transactions - Continued

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, 2012 are as follows:

	Transfers In						
	General Fund	Capital Fund	Non-major Governmental Funds	Water & Sewer System Fund	Fire Fund	Non-major Enterprise Funds	**Total**
Transfers Out:							
General Fund	$ -	$ 215,000	$ 237,745	$ -	$ 5,525,000	$ 2,658,822	$ 8,636,567
Capital Fund	-	-	-	-	-	210,000	210,000
Non-major Governmental Funds	51,000	9,000		-	2,704,092	-	2,764,092
Water & Sewer System Fund	835,000	-	-	-	-	-	835,000
Fire Fund	335,000	-	-	42,021	-	-	377,021
Solid Waste Commission Fund	24,024	-	-	-	-	-	24,024
Non-major Enterprise Funds	75,515	-	-	-	-	-	75,515
Internal Service Funds	25,000	-	-	-	-	-	25,000
Total	$ 1,345,539	$ 224,000	$ 237,745	$ 42,021	$ 8,229,092	$ 2,868,822	$ 12,947,219

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. <u>Long-Term Debt</u>

1. <u>Water and Sewerage System Bonds Payable</u>

Outstanding Water and Sewerage System Bonds were issued as follows:

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%
2012 Issue:	$32,125,000	in serial bonds maturing through 2022, with interest ranging from 3.00% to 5.00%

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, 2012, considered defeased, totaled $11,440,000.

In May 2012, the City issued $32,125,000 of Water and Sewerage Revenue Refunding and Improvement bonds. The 2012 bonds were issued to (i) refund $33,540,000 in aggregate principal of its 2004 A Water and Sewerage Revenue Refunding and Improvement bonds and (ii) pay the costs of issuance of the 2012 bonds. The net proceeds from the issuance of the water revenue bonds were used to purchase general obligations of the United States of America and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments of the prior bonds when due or called. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. Outstanding bonds from the refunded debt outstanding at December 31, 2012, considered defeased, totaled $33,540,000. The total debt service savings on the refunding was $2,363,138 and the economic gain on the refunding was $1,869,776.

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, 2012 are as follows:

Water and Sewer Bonds - Series 2005	$	3,190,000
Water and Sewer Bonds - Series 2009		7,930,000
Water and Sewer Bonds - Series 2012		32,125,000
Subtotal		43,245,000
Less current maturities		-
Bonds payable, long term	$	43,245,000

Reconciliation of Bonds Payable to Financial Statements:		
Current		
Bonds payable in less than one year	$	-
Long-term		
Bonds payable in more than one year	$	43,245,000
Bond premium, net of amortization		4,619,660
	$	47,864,660

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, 2012, $4,145,000 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, 2012, $4,215,000 of these bonds were outstanding. Bonds payable reflected in the financial statements is net of $133,432 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, 2012, $530,696 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, 2012, the floating rate being paid by the City is 0.67% and the market value of this agreement is $1,543,861, an increase of $8,067 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, 2012 based on the derivative contract. This market value is reported as another asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as a deferred inflow of resources in the statement of net 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
2013	$ 4,930,000	$ 1,646,030	$ 250,000	$ 166,075	$ 530,696	$ 29,224	$ -	$ 215,032	$ 5,710,696	$ 2,056,361
2014	5,090,000	1,489,285	260,000	158,575	-	-	-	215,032	5,350,000	1,862,892
2015	5,210,000	1,390,060	310,000	150,775	-	-	-	215,032	5,520,000	1,755,867
2016	4,235,000	1,227,050	325,000	138,375	-	-	-	215,032	4,560,000	1,580,457
2017	4,365,000	1,277,050	330,000	125,375	-	-	-	215,032	4,695,000	1,617,457
2018-2022	19,415,000	2,260,600	1,875,000	426,825	-	-	-	1,075,160	21,290,000	3,762,585
2023-2027	-	-	865,000	56,600	-	-	-	1,075,160	865,000	1,131,760
2028	-	-	-	-	-	-	4,527,000	215,032	4,527,000	215,032
	$ 43,245,000	$ 9,290,075	$ 4,215,000	$ 1,222,600	$ 530,696	$ 29,224	$ 4,527,000	$ 3,440,512	$ 52,517,696	$ 13,982,411

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 Finance Authority (GEFA) and the State Revolving Loan Fund to finance the construction and improvements of various water and sewer facilities. As of December 31, 2012 the City had entered into eight (8) such loan agreements with a loan balance of $7,955,872. 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 renegotiated the payment schedule with the final payment being made in fiscal year 2018. In 2010, the City issued debt in the amount of $516,600 at an interest rate of 5.83% per annum, in order to provide funds to pay certain redevelopment costs within, TAD II.

The following is a schedule of the future required principal and interest payments on the GEFA loan agreements as of December 31, 2012.

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	$ 477,912	$ 2,853,781	$ 133,266	$ 2,720,515
2007	3.62	4/12/2007	1/1/2028	3,055,798	560,445	2,495,353	126,694	2,368,659
2002	4.36	12/2/2002	2/1/2024	577,441	193,107	384,334	27,093	357,241
2002	4.45	8/12/2002	8/1/2023	1,151,245	409,175	742,070	55,117	686,953
1999	4.10	3/22/1999	3/1/2020	1,918,282	1,037,773	880,509	106,540	773,969
1998	4.76	7/1/1998	5/1/2019	1,132,014	642,149	489,865	69,108	420,757
1992	4.00	3/27/1992	1/1/2014	1,004,501	983,363	21,138	21,138	-
1990	2.00	11/16/1990	3/1/2013	1,397,879	1,309,057	88,822	70,702	18,120
						$ 7,955,872	$ 609,658	$ 7,346,214

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, 2012.

	Governmental Activities		
Year Ended December 31,	Principal	Interest	Total
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	127,500	151,406	278,906
2018-2022	720,000	664,144	1,384,144
2023-2027	910,000	476,319	1,386,319
2028-2032	1,167,500	219,313	1,386,813
2033	270,000	6,750	276,750
Total	3,645,000	$ 2,177,026	$ 5,822,026
Less current maturities	105,000		
Long-term	$ 3,540,000		

The following is a schedule of the future required principal and interest payments on the notes payable as of December 31, 2012.

	Governmental Activities			Business-type Activities		
Year Ended December 31,	Principal	Interest	Total	Principal	Interest	Total
2013	$ 191,168	$ 80,752	$ 271,920	$ 606,464	$ 296,989	$ 903,453
2014	200,958	70,962	271,920	553,611	273,696	827,307
2015	211,251	60,669	271,920	557,240	251,765	809,005
2016	222,077	49,847	271,924	579,855	229,151	809,006
2017	233,452	38,468	271,920	603,475	205,531	809,006
2018-2022	377,668	75,693	453,361	2,664,617	684,317	3,348,934
2023-2027	101,074	8,925	109,999	2,124,492	241,512	2,366,004
2028-2029	-	-	-	266,118	5,321	271,439
Total	1,537,648	$ 385,316	$ 1,922,964	7,955,872	$ 2,188,282	$ 10,144,154
Less current maturities	191,168			609,658		
Long-term	$ 1,346,480			$ 7,346,214		

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 and SunTrust. 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, 2012 are $30,247 and $569,740 for governmental and business type activities, respectively.

Total assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
Asset		
Machinery and equipment	$ 601,732	$ 1,694,491
Vehicles	331,252	3,802,802
Less accumulated depreciation	(448,546)	(1,890,838)
Total	$ 484,438	$ 3,606,455

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, 2012.

Year ending December 31,	Governmental Activities	Business-Type Activities	Total
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	32,412	605,690	638,102
Less amounts representing interest	2,165	35,950	38,115
Present value of minimum lease payments	$ 30,247	$ 569,740	$ 599,987

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

7. Capital Leases - Continued

Component Unit - Rome Board of Education

Through an agency agreement, the School System became liable for $2,000,000 of Quality Zone Academy Bonds which are interest free and mature on July 15, 2018. Beginning July 15, 2005, the School System made the 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.

During 2012, The School System made the final payments under a capital lease which financed the acquisition of various energy equipment, with a book value of approximately $2,100,000.

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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, 2012. 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 12/31/2011	Additions	Deletions	Balance 12/31/2012	Due within one year	Due in more than one year
Governmental Activities:						
Certificates of Participation	$ 4,527,000	$ -	$ -	$ 4,527,000	$ -	$ 4,527,000
Capital Lease Obligations	39,648	-	9,401	30,247	9,734	20,513
Notes Payable	1,746,907	-	209,259	1,537,648	191,168	1,346,480
Net OPEB Obligation	2,335,010	1,028,411	1,061,455	2,301,966	-	2,301,966
Intergovernmental Agreements	3,745,000	-	100,000	3,645,000	105,000	3,540,000
Compensated Absences	807,040	734,893	703,580	838,353	628,765	209,588
Total Governmental Activities	$ 8,673,605	$ 1,763,304	$ 2,083,695	$ 8,353,214	$ 934,667	$ 7,418,547
Business-Type Activities:						
Revenue Bonds	$ 54,945,696	$ 32,125,000	$ 39,080,000	$ 47,990,696	$ 780,696	$ 47,210,000
Unamortized bond premium	1,113,638	5,048,160	1,408,706	4,753,092	-	4,753,092
Notes Payable	8,601,815	-	645,943	7,955,872	609,658	7,346,214
Capital Lease Obligations	793,031	-	223,291	569,740	109,316	460,424
Landfill Closure / Postclosure	8,639,788	746,166	98,500	9,287,454	219,792	9,067,662
Compensated Absences	1,264,748	1,290,847	1,209,853	1,345,742	1,009,306	336,436
Total Business-Type Activities	$ 75,358,716	$ 39,210,173	$ 42,666,293	$ 71,902,596	$ 2,728,768	$ 69,173,828

The increase to the balance of notes payable for Governmental Activities as of December 31, 2011 is directly related to the restatement of beginning net position as described in NOTE III (R).

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 12/31/2011	Additions	Deletions	Balance 12/31/2012	Due within one year	Due in more than one year
Greater Rome Convention & Visitors Bureau						
Compensated Absences	$ 21,678	$ 17,435	$ 17,138	$ 21,975	$ 16,481	$ 5,494
Total Greater Rome Convention and Visitors Bureau	$ 21,678	$ 17,435	$ 17,138	$ 21,975	$ 16,481	$ 5,494

Component Unit	Balance 6/30/2011	Additions	Deletions	Balance 6/30/2012	Due within one year	Due in more than one year
Rome Board of Education						
Construction Bonds	$ 2,000,000	$ -	$ -	$ 2,000,000	$ -	$ 2,000,000
Total Rome Board of Education	$ 2,000,000	$ -	$ -	$ 2,000,000	$ -	$ 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, 2012, the date of the most recent actuarial valuation, the plan membership included the following categories of participants.

Retirees and beneficiaries receiving benefits	297
Terminated vested participants not yet receiving benefits	101
Active participants	376
Total membership	774

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 contributions 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 2012 were computed as follows:

Annual required contribution	$	2,946,663
Interest on net pension asset		(268,990)
Adjustment to annual required contribution		290,690
Annual pension cost		2,968,363
Contributions made		2,946,663
Decrease in net pension asset		(21,700)
Net pension asset beginning of year	$	3,470,843
Net pension asset end of year	$	3,449,143

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
2010	$ 2,750,000	100%	$ 2,771,974	99%	$ 3,492,680
2011	2,923,252	100%	2,945,089	99%	3,470,843
2012	2,946,663	100%	2,968,363	99%	3,449,143

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, 2012, 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
7/1/2012	$ 57,591,225	$ 67,185,800	$ (9,594,575)	85.72%	$ 20,599,370	46.58%

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.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

d) Schedule of Funding Progress - Continued

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, 2012.

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, 2012 totaled $192,785.

3. Component Unit - Rome Board of Education

Teachers Retirement System of Georgia (TRS)

a) Plan Description

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.

b) **Funding Policy**

TRS is funded by member and employer contributions as adopted and amended by the Board of Trustees. Contributions for the current and previous two years are as follows.

Fiscal Year	Percentage Contributed	Required Contribution
2012	100%	$ 2,854,942
2011	100%	$ 2,933,344
2010	100%	$ 2,994,095

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 $3,696, $3,296, and $3,500 for the fiscal years ended June 30, 2012, 2011, and 2010, 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 $39,141, $17,037, and $12,540 for the fiscal years ended June 30, 2012, 2011, and 2010, 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 96, 91, and 98 employees (members) covered under PSERS for the fiscal years ended June 30, 2012, 2011, and 2010, 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, 2012. The City of Rome Retirement Pension Insurance Plan is a single-employer defined benefit post-employment health care plan or other post employment benefit (OPEB) plan.

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 2012, the net cost of premiums for providing post-retirement benefits for retirees was approximately $221,503.

Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Health Care Plan as of July 1, 2012.

Active members	505
Retired members	225
Total	730

Contributions

The City's Health Insurance Fund contributed $1,061,455 to the OPEB Health Care Plan in fiscal year 2012. 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	$ 1,095,048
Interest on Existing NOO	93,401
ARC Adjustment	(160,038)
Annual OPEB Cost	1,028,411
Actual Contributions made	1,061,455
Decrease in net OPEB obligation	(33,044)
Net OPEB Liability, December 31, 2011	2,335,010
Net OPEB Liability, December 31, 2012	$ 2,301,966

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,	(1) Annual OPEB Cost	(2) Actual OPEB Contribution	(3) Percentage of OPEB Cost Contributed	Net OPEB Obligation
2010	$ 1,143,050	$ 1,080,220	94.50%	$ 1,960,967
2011	1,145,564	771,521	67.35%	2,335,010
2012	1,028,411	1,061,455	103.21%	2,301,966

As of the most recent valuation date, July 1, 2012, the funded status of the OPEB Health Care Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (ALL)	Unfunded ALL (UALL)	Funded Ratio	Covered Payroll	UALL as a Percentage of Covered Payroll
7/1/2012	-	11,082,562	11,082,562	0%	19,778,653	56.03%

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan net assets is increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at July 1, 2012. The assumptions used in the July 1, 2012 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	8.00%
Ultimate Medical Cost Trend Rate	5.00%
Year of Ultimate Trend Rate	2019
Amortization Method	Level dollar, closed
Remaining Amortization Period	21 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, 2012 total $7,835,409. 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
2011	$ 350,000	$ 5,234,161	$ (5,119,161)	$ 465,000
2012	465,000	5,781,118	(5,781,118)	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 2012, the City recorded a reimbursement of $210,348 from the Subsequent Injury Trust Fund of the state.

The City has accrued a liability for workers' compensation claims that were incurred prior to January 1, 2002, but were not paid as of December 31, 2012. 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
2011	170,000	1,195,418	(873,418)	492,000
2012	492,000	162,015	(454,015)	200,000

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 statement of net position date. The $2,540,331 ($119,669 current) reported as postclosure care liability at December 31, 2012, represents the cumulative amount reported to date based on the use of 100% of the capacity of Phase I - VI of the landfill and 36.0% of the capacity of Phase VII. The $1,236,585 ($42,937 current) reported as postclosure care liability at December 31, 2012 represents the cumulative amount reported to date based on the use of 96% of the capacity of Phase I of C&D. In addition, $4,252,441 has been accrued at December 31, 2012 for closure costs for Phases IV, V, VI, and VII and the C&D sites based on the landfill capacity used as of the statement of net position date. The estimated remaining life of the Walker Mountain landfill is 30 years.

Under an agreement with Floyd County, the County will provide certain financial resources to the City's Solid Waste Commission Fund and the Solid Waste Commission Fund will pay for the post closure care costs at a landfill site previously operated by the County (Berryhill site). Accordingly, a liability for postclosure costs totaling $1,258,097 ($57,186 current) has been recognized in the Solid Waste Commission Fund as of December 31, 2012. 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, 2012 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 2012, the City paid dues in the amount of $36,181 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, 2012 is as follows:

	5% Levy	1% Levy
Balance as of December 31, 2011	$ 47,472	$ 26,997
2012 Tax Revenues	542,292	108,484
2012 Interest Revenue	35	5
2012 Expenditures		
Greater Rome Convention & Visitors Bureau	460,000	25,338
City of Rome	30,000	-
Floyd County	-	78,340
Balance as of December 31, 2012	$ 99,799	$ 31,808

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 $103,678 made during 2012 were 95.6% of total 2012 1% tax collections and expenditures of $490,000 were 90.4% of 2012 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 $7,500,000 of Tax Anticipation Notes in May of 2012. These notes matured and were paid in full on December 28, 2012. Interest expense of $32,656 was paid on the borrowings.

Fiscal Year Beginning Balance	Additions	Deletions	Ending Fiscal Year Balance
-	$7,500,000	$7,500,000	-

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, 2012. 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, grants, and GEFA loans.

Project	Remaining Commitment
EOC Center	$ 84,262
Transit Transfer Station	24,308
Myrtle Hill Cemetary Project	519,250
Urban Riverfront Project	2,231,075
Flash Mix Unit	2,397,500

Q. Subsequent Events

In 2013, the City of Rome will issue $7,934,000 of City of Rome Junior Lien Water and Sewer Revenue Refunding Bonds to pay off seven GEFA loans and to pay issuance costs.

R. Restatement of Prior Year Balances

In conjunction with the early implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City is required to change its accounting treatment of debt issuance costs. The new standard requires that debt issuance costs be recognized as an expense in the period incurred rather than capitalized and recognized as an expense (amortized) in a systematic and rational manner over the duration of the related debt as was the required treatment in prior reporting periods.

Therefore, in conjunction with the early implementation of Statement No. 65, the following restatements were required to the beginning net position of the three (3) Business Type Funds to properly recognize debt issuance costs as expenses in the periods in which they were incurred:

	Water & Sewer Fund	Municipal Golf Fund	Public Facilities Fund
Net Position, Business Type, as previously reported	$ 115,752,737	$ 652,082	$ 1,841,402
Recognition of bond issuance costs in accordance with GASB 65	(818,028)	(135,234)	(14,547)
Beginning Net Position, Business Type, restated	$ 114,934,709	$ 516,848	$ 1,826,855

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

R. Restatement of Prior Year Balances (Continued)

The City has also determined that a restatement of beginning net position of Governmental Activities is required to report previously issued TAD II notes payable debt not reported in the prior year. This restatement resulted in changes to beginning net position of Governmental Activities as follows:

Net Position, Governmental Activities, as previously reported	$	145,086,533
Restatement for previously issued debt		(491,726)
Beginning Net Position, Governmental Activities, restated	$	144,594,807

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, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Ad valorem taxes:				
Real and personal property:				
Current year	$ 6,200,000	$ 6,400,000	$ 6,462,052	$ 62,052
Prior years	700,000	700,000	980,183	280,183
Public utilities	240,000	240,000	279,459	39,459
Motor vehicles	575,000	575,000	663,462	88,462
Mobile homes	2,000	2,000	1,083	(917)
Timber tax	2,000	2,000	126	(1,874)
Total ad valorem taxes	7,719,000	7,919,000	8,386,365	467,365
Other taxes:				
Intangible tax	100,000	100,000	132,999	32,999
Insurance premium tax	1,750,000	1,750,000	1,808,619	58,619
Franchise tax	3,477,000	3,477,000	3,357,070	(119,930)
Local option sales tax	6,300,000	6,300,000	6,231,600	(68,400)
Real estate transfer tax	20,000	20,000	24,264	4,264
Tax on liquor and wine	800,000	800,000	778,743	(21,257)
Mixed drink tax	56,000	56,000	61,854	5,854
Total other taxes	12,503,000	12,503,000	12,395,149	(107,851)
Licenses, permits and fees:				
Business licenses	1,620,000	1,620,000	1,661,738	41,738
Permits and fees	78,000	78,000	60,184	(17,816)
Total licenses, permits and fees	1,698,000	1,698,000	1,721,922	23,922
Intergovernmental:				
Highway maintenance	120,000	120,000	133,699	13,699
Traffic signals	35,000	35,000	57,289	22,289
County environmental information	55,000	55,000	79,142	24,142
Entitlement reimbursement	15,000	15,000	14,779	(221)
Housing authority	35,000	35,000	42,517	7,517
Grant reimbursement	-	-	157,174	157,174
Total intergovernmental	260,000	260,000	484,600	224,600

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Fines and forfeitures:				
Police court fines and fees	$ 1,515,000	$ 1,515,000	$ 1,243,797	$ (271,203)
Total fines and forfeitures	1,515,000	1,515,000	1,243,797	(271,203)
Other revenues:				
Charges for services	-	-	129,666	129,666
Interest and costs	335,000	460,000	506,914	46,914
Cemetery revenue	165,000	165,000	161,188	(3,812)
Rent	25,000	25,000	50,127	25,127
Interest on investments	10,000	10,000	6,604	(3,396)
Miscellaneous revenue	20,000	20,000	188,420	168,420
Total other revenues	555,000	680,000	1,042,919	362,919
TOTAL REVENUES	24,250,000	24,575,000	25,274,752	699,752

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CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES:				
GENERAL GOVERNMENT				
City Commission:				
Personal services	$ 145,000	$ 143,800	$ 143,232	$ 568
Supplies	7,230	6,600	6,508	92
Other services and charges	35,050	37,600	37,591	9
Total City Commission	187,280	188,000	187,331	669
Municipal Court:				
Personal services	46,630	45,000	44,862	138
Supplies	100	-	-	-
Other services and charges	39,200	43,000	42,710	290
Total Municipal Court	85,930	88,000	87,572	428
Manager's Office:				
Personal services	267,790	267,790	267,704	86
Supplies	8,250	8,250	6,183	2,067
Other services and charges	8,490	8,490	6,881	1,609
Total Manager's Office	284,530	284,530	280,768	3,762
Clerk's Office:				
Personal services	335,630	335,630	331,677	3,953
Supplies	14,300	14,300	12,652	1,648
Other services and charges	14,650	14,650	15,408	(758)
Total Clerk's Office	364,580	364,580	359,737	4,843
Finance:				
Personal services	426,330	426,330	418,223	8,107
Supplies	13,250	13,250	9,953	3,297
Other services and charges	10,900	10,900	9,056	1,844
Total Finance	450,480	450,480	437,232	13,248

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Human Resources:				
Personal services	$ 233,370	$ 233,370	$ 229,175	$ 4,195
Supplies	11,100	11,100	11,059	41
Other services and charges	40,850	40,850	41,058	(208)
Total Human Resources	285,320	285,320	281,292	4,028
Purchasing:				
Personal services	263,500	263,500	257,912	5,588
Supplies	4,550	4,550	2,784	1,766
Other services and charges	7,700	7,700	7,174	526
Total Purchasing	275,750	275,750	267,870	7,880
Information Technology:				
Personal services	223,140	230,000	229,864	136
Supplies	35,090	33,000	32,701	299
Other services and charges	9,140	7,000	6,474	526
Total Information Technology	267,370	270,000	269,039	961
Business Systems Analyst:				
Personal services	82,150	82,150	82,296	(146)
Supplies	125,470	125,470	123,504	1,966
Other services and charges	2,950	2,950	3,466	(516)
Total Business Systems Analyst	210,570	210,570	209,266	1,304
Assistant City Manager:				
Personal services	112,050	112,050	109,836	2,214
Supplies	3,500	3,500	2,083	1,417
Other services and charges	11,650	11,650	12,920	(1,270)
Total Assistant City Manager	127,200	127,200	124,839	2,361
General Administration:				
Personal services	42,380	42,380	42,043	337
Supplies	24,000	20,000	18,800	1,200
Other services and charges	627,830	575,150	571,882	3,268
Total General Administration	694,210	637,530	632,725	4,805

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Total General Government:				
Personal services	$ 2,177,970	$ 2,182,000	$ 2,156,824	$ 25,176
Supplies	246,840	240,020	226,227	13,793
Other services and charges	808,410	759,940	754,620	5,320
TOTAL GENERAL GOVERNMENT	3,233,220	3,181,960	3,137,671	44,289
PUBLIC SAFETY				
Police:				
Personal services	6,380,290	6,380,290	6,225,235	155,055
Supplies	552,800	552,800	580,201	(27,401)
Other services and charges	198,600	198,600	218,381	(19,781)
Total Police	7,131,690	7,131,690	7,023,817	107,873
Police Training Center:				
Supplies	38,250	38,250	29,521	8,729
Other services and charges	73,350	73,350	69,104	4,246
Total Police Training Center	111,600	111,600	98,625	12,975
Total Public Safety:				
Personal services	6,380,290	6,380,290	6,225,235	155,055
Supplies	591,050	591,050	609,722	(18,672)
Other services and charges	271,950	271,950	287,485	(15,535)
TOTAL PUBLIC SAFETY	7,243,290	7,243,290	7,122,442	120,848
PUBLIC WORKS				
Public Works Office:				
Personal services	333,950	333,950	330,982	2,968
Supplies	16,200	16,200	13,871	2,329
Other services and charges	17,150	17,150	16,576	574
Total Public Works Office	367,300	367,300	361,429	5,871

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Engineering:				
Personal services	$ 420,720	$ 420,720	$ 394,341	$ 26,379
Supplies	19,300	19,300	29,431	(10,131)
Other services and charges	6,300	6,300	4,513	1,787
Total Engineering	446,320	446,320	428,285	18,035
Streets and Drainage:				
Personal services	1,510,150	1,510,150	1,491,522	18,628
Supplies	324,850	324,850	340,934	(16,084)
Other services and charges	58,600	58,600	59,633	(1,033)
Total Streets and Drainage	1,893,600	1,893,600	1,892,089	1,511
Clean It or Lien It Demolition:				
Supplies	20,000	20,000	-	20,000
Other services and charges	15,000	15,000	2,484	12,516
Total Clean It or Lien It Demolition	35,000	35,000	2,484	32,516
Electrical/Traffic Control:				
Personal services	800,480	795,500	795,267	233
Supplies	89,140	129,800	129,706	94
Other services and charges	53,520	62,700	62,684	16
Total Electrical/Traffic Control	943,140	988,000	987,657	343
Street Lighting:				
Supplies	3,000	3,000	2,897	103
Other services and charges	892,000	892,000	885,909	6,091
Total Street Lighting	895,000	895,000	888,806	6,194
Buildings and Grounds:				
Supplies	3,000	3,000	285	2,715
Other services and charges	2,500	2,400	2,116	284
Total Buildings and Grounds	5,500	5,400	2,401	2,999

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Cemetery:				
Personal services	$ 324,600	$ 304,000	$ 303,046	$ 954
Supplies	27,470	31,000	30,586	414
Other services and charges	18,570	22,000	21,671	329
Payments for inmate charges	25,000	43,000	42,940	60
Total Cemetery	395,640	400,000	398,243	1,757
Garage:				
Personal services	552,340	552,340	549,631	2,709
Supplies	78,420	78,420	74,472	3,948
Other services and charges	41,970	41,970	37,005	4,965
Total Garage	672,730	672,730	661,108	11,622
Total Public Works:				
Personal services	3,942,240	3,916,660	3,864,789	51,871
Supplies	581,380	625,570	622,182	3,388
Other services and charges	1,105,610	1,118,120	1,092,591	25,529
Payments	25,000	43,000	42,940	60
TOTAL PUBLIC WORKS	5,654,230	5,703,350	5,622,502	80,848
PUBLIC FACILITIES				
City Auditorium:				
Personal services	136,190	136,190	138,337	(2,147)
Supplies	51,850	51,850	48,968	2,882
Other services and charges	90,320	90,320	90,824	(504)
Total City Auditorium	278,360	278,360	278,129	231
Civic Center:				
Supplies	9,150	9,150	8,638	512
Other services and charges	19,140	19,140	18,838	302
Total Civic Center	28,290	28,290	27,476	814

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Other Facilities:				
Personal services	$ -	$ -	$ 43	$ (43)
Supplies	31,150	52,500	46,809	5,691
Other services and charges	53,100	52,800	58,262	(5,462)
Total Other Facilities	84,250	105,300	105,114	186
Total Public Facilities:				
Personal services	136,190	136,190	138,380	(2,190)
Supplies	92,150	113,500	104,415	9,085
Other services and charges	162,560	162,260	167,924	(5,664)
TOTAL PUBLIC FACILITIES	390,900	411,950	410,719	1,231
PUBLIC SERVICES				
Community Services:				
Other services and charges	181,300	183,500	181,728	1,772
Total Community Services	181,300	183,500	181,728	1,772
Environmental Information:				
Personal Services	142,660	142,500	142,224	276
Supplies	12,800	10,500	10,458	42
Other services and charges	26,670	30,000	29,557	443
Total Environmental Information	182,130	183,000	182,239	761
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	3,500	2,861	639
Other services and charges	8,200	8,200	7,796	404
Total Community Events	11,700	11,700	10,657	1,043

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Roman Holiday Boat:				
Supplies	$ 3,200	$ 11,500	$ 10,352	$ 1,148
Other services and charges	15,900	18,500	18,246	254
Total Roman Holiday Boat	19,100	30,000	28,598	1,402
Trolley:				
Personal services	1,130	1,200	1,114	86
Supplies	950	1,800	1,797	3
Other services and charges	800	1,000	739	261
Total Trolley	2,880	4,000	3,650	350
Total Public Services:				
Personal services	143,790	143,700	143,338	362
Supplies	20,450	27,300	25,658	1,642
Other services and charges	234,870	243,200	238,066	5,134
TOTAL PUBLIC SERVICES	399,110	414,200	407,062	7,138
COMMUNITY DEVELOPMENT				
Personal services	74,000	308,780	308,405	375
Supplies	-	18,900	15,188	3,712
Other services and charges	-	23,320	26,208	(2,888)
TOTAL COMMUNITY DEVELOPMENT	74,000	351,000	349,801	1,199
DEBT SERVICE:				
Principal	-	-	-	-
TOTAL DEBT SERVICE	-	-	-	-
TOTAL EXPENDITURES	16,994,750	17,305,750	17,050,197	255,553
OTHER FINANCING SOURCES AND USES:				
TRANSFERS IN:				
Water and Sewer Fund	835,000	835,000	835,000	-
Transit Fund	48,500	48,500	48,500	-
Fire Fund	335,000	335,000	335,000	-
Building Inspection Fund	25,000	25,000	27,015	2,015
Solid Waste Commission Fund	30,000	30,000	24,024	(5,976)
Health Insurance Fund	95,000	95,000	-	(95,000)
Forum Parking Deck	-	-	21,000	21,000
Workers Compensation Fund	25,000	25,000	25,000	-
Hotel/Motel Tax Fund	30,000	30,000	30,000	-
TOTAL TRANSFERS IN	1,423,500	1,423,500	1,345,539	(77,961)

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
TRANSFERS OUT:				
Planning Commission Fund	$ 152,750	$ 152,750	$ 152,745	$ 5
Capital Fund	15,000	215,000	215,000	-
Transit Fund	550,000	550,000	526,822	23,178
Community Development Fund	85,000	85,000	85,000	-
Fire Fund	5,525,000	5,525,000	5,525,000	-
South Rome Redevelopment Agency	-	-	-	-
Golf Fund	600,000	450,000	422,000	28,000
Solid Waste Management Fund	1,610,000	1,710,000	1,710,000	-
Building Inspection Fund	5,000	5,000	-	5,000
Downtown Development Fund	136,000	-	-	-
TOTAL TRANSFERS OUT	8,678,750	8,692,750	8,636,567	56,183
TOTAL OTHER FINANCING SOURCES (USES)	(7,255,250)	(7,269,250)	(7,291,028)	(21,778)
Net change in fund balance	-	-	933,527	
FUND BALANCE, BEGINNING OF YEAR	11,666,829	11,666,829	11,666,829	
FUND BALANCE, END OF YEAR	$ 11,666,829	$ 11,666,829	$ 12,600,356	

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 $541,400, which were approved by the City Commission. The main reason for these amendments was to better align budgeted expenditures with a decrease in actual revenues. This information was not available during the original budget process.

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

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

B. Budget/GAAP Reconciliation

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

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

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
9/1/2007	$ 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%
7/1/2012	57,591,225	67,185,800	85.72%	9,594,575	20,599,370	46.58%

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%
7/1/2012	-	11,082,562	0.00%	11,082,562	19,778,653	56.03%

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

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.

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.

SPLOST Fund – to account for the acquisition of capital assets or construction of major capital projects being financed by SPLOST proceeds.

CITY OF ROME, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2012

	Nonmajor Governmental Funds			
	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds (SPLOST Fund)	Nonmajor Capital Projects Funds (Entitlement Fund)	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 495,771	$ 337	$ 2	$ 496,110
Taxes receivable, net of allowance for uncollectibles	1,763	-	-	1,763
Accounts receivable, net of allowance for uncollectibles	50,754	-	-	50,754
Accounts receivable loans	349,304	-	-	349,304
Prepaid items	900	-	-	900
Due from other funds	1,632	-	-	1,632
Due from other governments	43,118	278,750	6,023	327,891
Due from component units	-	-	-	-
Total assets	$ 943,242	$ 279,087	$ 6,025	$ 1,228,354
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 3,636	$ 35,680	$ 6,023	$ 45,339
Accrued liabilities	2,257	-	-	2,257
Retainage payable	-	28,067	-	28,067
Due to component unit	25	-	-	25
Due to other governments	29,962	-	-	29,962
Due to other funds	38,593	215,003	-	253,596
Total liabilities	74,473	278,750	6,023	359,246
FUND BALANCES				
Nonspendable	350,204	-	-	350,204
Restricted for:				
Revolving loans and housing initiatives	117,486	-	-	117,486
Planning and zoning activities	44,797	-	-	44,797
Tourism & forum promotion	131,607	-	-	131,607
Capital improvements	121,853	337	2	122,192
Forum parking deck operations	28,979			28,979
Assigned for:				
Community development operations	73,843	-	-	73,843
Total fund balances	868,769	337	2	869,108
TOTAL LIABILITIES AND FUND BALANCES	$ 943,242	$ 279,087	$ 6,025	$ 1,228,354

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	Nonmajor Governmental Funds			
	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds (SPLOST Fund)	Nonmajor Capital Projects Funds (Entitlement Fund)	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	$ 385,779	$ 3,424,633	$ 456,700	$ 4,267,112
Charges for services	130,857	-	-	130,857
Taxes	768,514	-	-	768,514
Interest earned	11,502	-	-	11,502
Miscellaneous	38,908	-	-	38,908
TOTAL REVENUES	1,335,560	3,424,633	456,700	5,216,893
EXPENDITURES				
Community development	853,755	-	-	853,755
Public facilities	624,749	-	-	624,749
Capital outlay	78,819	720,541	456,700	1,256,060
Debt service:				
Principal	26,325	-	-	26,325
Interest	28,675	-	-	28,675
TOTAL EXPENDITURES	1,612,323	720,541	456,700	2,789,564
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(276,763)	2,704,092	-	2,427,329
OTHER FINANCING SOURCES AND USES				
Transfers in	237,745	-	-	237,745
Transfers out	(60,000)	(2,704,092)	-	(2,764,092)
	177,745	(2,704,092)	-	(2,526,347)
NET CHANGE IN FUND BALANCES	(99,018)	-	-	(99,018)
FUND BALANCES - BEGINNING OF YEAR	967,787	337	2	968,126
FUND BALANCES - END OF YEAR	$ 868,769	$ 337	$ 2	$ 869,108

CITY OF ROME, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
December 31, 2012

	Community Development Fund	Planning Commission Fund	Hotel/Motel Tax Fund	Business Improvement District Fund	Tax Allocation District Fund	Forum Parking Deck Fund	Total Nonmajor Special Revenue Funds
ASSETS							
Cash	$ 195,635	$ 10,827	$ 101,607	$ 30,509	$ 107,734	$ 49,459	$ 495,771
Taxes receivable, net of allowance for uncollectibles	-	-	-	968	795	-	1,763
Accounts receivable, net of allowance for uncollectibles	-	-	50,754	-	-	-	50,754
Accounts receivable loans	349,304	-	-	-	-	-	349,304
Prepaid items	-	900	-	-	-	-	900
Due from other funds	270	1,362	-	-	-	-	1,632
Due from other governments	-	40,532	-	1,386	-	1,200	43,118
Total assets	$ 545,209	$ 53,621	$ 152,361	$ 32,863	$ 108,529	$ 50,659	$ 943,242
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 249	$ 1,272	$ -	$ 64	$ -	$ 2,051	$ 3,636
Accrued liabilities	522	1,492	-	-	-	243	2,257
Due to component unit	-	25	-	-	-	-	25
Due to other governments	-	-	6,340	-	14,622	9,000	29,962
Due to other funds	3,805	5,135	14,414	-	4,853	10,386	38,593
Total liabilities	4,576	7,924	20,754	64	19,475	21,680	74,473
FUND BALANCES							
Nonspendable	349,304	900	-	-	-	-	350,204
Restricted for:							
Revolving loans and housing initiatives	117,486	-	-	-	-	-	117,486
Planning and zoning activities		44,797	-	-	-	-	44,797
Tourism & forum promotion	-	-	131,607		-	-	131,607
Capital improvements	-	-	-	32,799	89,054	-	121,853
Forum parking deck operations	-	-	-	-	-	28,979	28,979
Assigned for:							
Community development operations	73,843	-	-	-	-	-	73,843
Total fund balances	540,633	45,697	131,607	32,799	89,054	28,979	868,769
TOTAL LIABILITIES AND FUND BALANCES	$ 545,209	$ 53,621	$ 152,361	$ 32,863	$ 108,529	$ 50,659	$ 943,242

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, 2012

	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	$ 115,673	$ 270,106	$ -	$ -	$ -	$ -	$ 385,779
Charges for services	644	15,375	-	25,396	-	89,442	130,857
Taxes	-	-	650,776	28,371	89,367	-	768,514
Interest earned	11,324	22	40	35	57	24	11,502
Miscellaneous	38,908	-	-	-	-	-	38,908
TOTAL REVENUES	166,549	285,503	650,816	53,802	89,424	89,466	1,335,560
EXPENDITURES							
Community development	337,416	415,662	-	81,201	19,476	-	853,755
Public facilities	-	-	563,678	-	-	61,071	624,749
Capital outlay	64,937	13,882	-	-	-	-	78,819
Debt Service:							
Principal	-	-	-	-	26,325	-	26,325
Interest	-	-	-	-	28,675	-	28,675
TOTAL EXPENDITURES	402,353	429,544	563,678	81,201	74,476	61,071	1,612,323
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(235,804)	(144,041)	87,138	(27,399)	14,948	28,395	(276,763)
OTHER FINANCING SOURCES (USES)							
Transfers in	85,000	152,745	-	-	-	-	237,745
Transfers out	-	-	(30,000)	-	-	(30,000)	(60,000)
TOTAL OTHER FINANCING SOURCES (USES)	85,000	152,745	(30,000)	-	-	(30,000)	177,745
NET CHANGE IN FUND BALANCES	(150,804)	8,704	57,138	(27,399)	14,948	(1,605)	(99,018)
FUND BALANCES - BEGINNING OF YEAR	691,437	36,993	74,469	60,198	74,106	30,584	967,787
FUND BALANCES - END OF YEAR	$ 540,633	$ 45,697	$ 131,607	$ 32,799	$ 89,054	$ 28,979	$ 868,769

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, 2012

	Community Development			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 178,000	$ 178,000	$ 115,673	$ (62,327)
Charges for services	2,500	2,500	644	(1,856)
Miscellaneous	-	-	38,908	38,908
Interest earned	-	-	11,324	11,324
Total revenues	180,500	180,500	166,549	(13,951)
EXPENDITURES				
Community development	165,500	345,000	337,416	7,584
Capital outlay	100,000	75,000	64,937	10,063
Total expenditures	265,500	420,000	402,353	17,647
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(85,000)	(239,500)	(235,804)	3,696
OTHER FINANCING SOURCES				
Transfers in	85,000	85,000	85,000	-
	85,000	85,000	85,000	-
NET CHANGE IN FUND BALANCE	-	(154,500)	(150,804)	3,696
FUND BALANCE, BEGINNING OF YEAR	691,437	691,437	691,437	-
FUND BALANCE, END OF YEAR	$ 691,437	$ 536,937	$ 540,633	$ 3,696

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, 2012

	Planning Commission			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 267,855	$ 267,855	$ 270,106	$ 2,251
Charges for services	18,000	18,000	15,375	(2,625)
Interest earned	50	50	22	(28)
Total revenues	285,905	285,905	285,503	(402)
EXPENDITURES				
Community development	422,050	422,050	415,662	6,388
Capital outlay	16,600	16,600	13,882	2,718
Total expenditures	438,650	438,650	429,544	9,106
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(152,745)	(152,745)	(144,041)	8,704
OTHER FINANCING SOURCES				
Transfers in	152,745	152,745	152,745	-
	152,745	152,745	152,745	-
NET CHANGE IN FUND BALANCE	-	-	8,704	8,704
FUND BALANCE, BEGINNING OF YEAR	36,993	36,993	36,993	-
FUND BALANCE, END OF YEAR	$ 36,993	$ 36,993	$ 45,697	$ 8,704

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, 2012

	Hotel/Motel Tax			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 576,000	$ 600,000	$ 650,776	$ 50,776
Interest earned	-	-	40	40
Total revenues	576,000	600,000	650,816	50,816
EXPENDITURES				
Public facilities	546,000	570,000	563,678	6,322
Total expenditures	546,000	570,000	563,678	6,322
EXCESS OF REVENUES OVER EXPENDITURES	30,000	30,000	87,138	57,138
OTHER FINANCING USES				
Transfers out	(30,000)	(30,000)	(30,000)	-
	(30,000)	(30,000)	(30,000)	-
NET CHANGE IN FUND BALANCE	-	-	57,138	57,138
FUND BALANCE, BEGINNING OF YEAR	74,469	74,469	74,469	-
FUND BALANCE, END OF YEAR	$ 74,469	$ 74,469	$ 131,607	$ 57,138

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, 2012

	Business Improvement District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 23,900	$ 25,000	$ 25,396	$ 396
Taxes	25,000	30,000	28,371	(1,629)
Interest earned	100	-	35	35
Total revenues	49,000	55,000	53,802	(1,198)
EXPENDITURES				
Community development	49,000	82,000	81,201	799
Total expenditures	49,000	82,000	81,201	799
NET CHANGE IN FUND BALANCE	-	(27,000)	(27,399)	(399)
FUND BALANCE, BEGINNING OF YEAR	60,198	60,198	60,198	-
FUND BALANCE, END OF YEAR	$ 60,198	$ 33,198	$ 32,799	$ (399)

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, 2012

	Tax Allocation District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 85,000	$ 85,000	$ 89,367	$ 4,367
Interest earned	-	-	57	57
Total revenues	85,000	85,000	89,424	4,424
EXPENDITURES				
Community development	20,000	20,000	19,476	524
Debt service				
Principal	30,000	30,000	26,325	3,675
Interest	35,000	35,000	28,675	6,325
Total expenditures	85,000	85,000	74,476	10,524
NET CHANGE IN FUND BALANCE	-	-	14,948	14,948
FUND BALANCE, BEGINNING OF YEAR	74,106	74,106	74,106	-
FUND BALANCE, END OF YEAR	$ 74,106	$ 74,106	$ 89,054	$ 14,948

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, 2012

	Forum Parking Deck			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 87,000	$ 89,900	$ 89,442	$ (458)
Interest earned	100	100	24	(76)
Total revenues	87,100	90,000	89,466	(534)
EXPENDITURES				
Public facilities	47,970	53,000	61,071	(8,071)
Total expenditures	47,970	53,000	61,071	(8,071)
EXCESS OF REVENUES OVER EXPENDITURES	39,130	37,000	28,395	(8,605)
OTHER FINANCING USES				
Transfers out	(39,130)	(39,000)	(30,000)	9,000
	(39,130)	(39,000)	(30,000)	9,000
NET CHANGE IN FUND BALANCE	-	(2,000)	(1,605)	395
FUND BALANCE, BEGINNING OF YEAR	30,584	30,584	30,584	-
FUND BALANCE, END OF YEAR	$ 30,584	$ 28,584	$ 28,979	$ 395

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, 2012

Project	Total Allocated Splost Costs (Unaudited)	Total Allocated Splost Costs Adjusted (Unaudited)	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Estimated Percentage of Completion (Unaudited)
1996 SPLOST						
Fire Stations:						
John Davenport	$ 350,000	$ 413,134	$ 413,134	$ -	$ 413,134	100%
Woods Road	400,000	484,968	484,968	-	484,968	100%
Wilshire Road	350,000	417,960	417,960	-	417,960	100%
Armuchee	450,000	528,158	528,158	-	528,158	100%
Wax Road	450,000	450,000	54,373	- **(A)**	54,373	12%
Burnett Ferry	450,000	574,696	574,696	-	574,696	100%
	2,450,000	2,868,916	2,473,289	-	2,473,289	
2006 SPLOST						
Second Avenue Levee	1,955,000	2,031,898	2,031,898	-	2,031,898	100%
Boys/Girls Club	2,000,000	2,125,800	2,125,800	-	2,125,800	100%
North Fifth Avenue Turn Lane	550,000	535,057	534,859	198	535,057	100%
North Broad Turn Lane	330,000	214,645	214,645	-	214,645	100%
Rome High Access Road	2,900,000	1,905,925	1,905,159	766	1,905,925	100%
BioSolids Disposal	5,200,000	5,102,060	5,102,060	-	5,102,060	100%
Renovate Marine Armory	1,600,000	2,287,698	1,986,329	301,369	2,287,698	99%
Redmond Road Turn Lane	1,470,000	1,076,980	1,009,326	67,654	1,076,980	100%
Fire Training Facility	500,000	547,555	547,555	-	547,555	100%
Turner McCall Bridge	2,000,000	2,000,000	-	-	-	0%
River Education Center	834,825	917,605	917,605	-	917,605	100%
South Broad Corridor	2,000,000	2,128,347	2,069,269	59,078	2,128,347	100%
North Rome Swim Center	530,000	512,621	512,621	-	512,621	100%
New Tennis Courts	600,000	600,000	6,431	-	6,431	1%
City Park Practice Fields	200,000	174,908	174,908	-	174,908	100%
Town Green	1,690,000	1,684,818	1,684,818	-	1,684,818	100%
City Hall/Carnegie Repairs	1,500,000	1,500,000	1,078,254	47,616	1,125,870	95%
	25,859,825	25,345,917	21,901,537	476,681	22,378,218	

continued

CITY OF ROME, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
December 31, 2012

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	3,986,231	-	3,986,231	100%
NWGRC Building	1,899,631	1,302,403	1,058,543	243,860	1,302,403	100%
Fire Station Improvements	4,000,000	4,000,000	1,169,718	2,704,092 (A)	3,873,810	95%
	9,268,631	9,268,631	6,214,492	2,947,952	9,162,444	
Total Projects	$ 37,578,456	$ 37,483,464	$ 30,589,318	$ 3,424,633	$ 34,013,951	
Fire Station Renovations (Floyd County SPLOST)			578,604	-	578,604	
Total SPLOST Expenditures			$ 31,167,922	$ 3,424,633	$ 34,592,555	

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

Special Purpose Local Option Sales Tax Fund	
Total Expenditures	$ 720,541
Transfers out	2,704,092 (A)
	$ 3,424,633

(A) Transfers out were recorded in order to properly record capital assets in the Fire Fund. Projects were approved SPLOST projects per the referendums above.

NONMAJOR PROPRIETARY FUNDS
ENTERPRISE FUNDS

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

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

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

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

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

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

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2012

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 311,997	$ 219,350	$ 95,848	$ 227,881	$ 367,908	$ 1,222,984
Restricted cash	-	-	-	-	376,886	376,886
Accounts receivable, net						
of allowance for uncollectibles	-	-	220,976	4,747	-	225,723
Due from other governments	442,521	-	-	-	-	442,521
Due from other funds	67,585	2,643	2,101	1,925	596	74,850
Due from component units	-	267	22	-	-	289
Prepaid items	-	-	-	1,735	-	1,735
Inventories	338,055	-	-	15,911	-	353,966
Total current assets	1,160,158	222,260	318,947	252,199	745,390	2,698,954
Non-current Assets:						
Capital assets:						
Non-depreciable assets	468,952	-	-	4,609,653	550,000	5,628,605
Depreciable assets, net of						
accumulated depreciation	4,224,159	-	1,585,720	258,506	1,432,983	7,501,368
Total non-current assets	4,693,111	-	1,585,720	4,868,159	1,982,983	13,129,973
TOTAL ASSETS	5,853,269	222,260	1,904,667	5,120,358	2,728,373	15,828,927
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	-	-	-	240,942	-	240,942
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	240,942	-	240,942

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2012

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
LIABILITIES						
Current Liabilities:						
Revenue bonds, current	$ -	$ -	$ -	$ 250,000	$ 530,696	$ 780,696
Accounts payable	98,377	2,082	40,431	31,094	4,717	176,701
Accrued liabilities	34,201	63,592	31,805	114,261	2,120	245,979
Unearned revenue	-	-	-	67,103	57,797	124,900
Due to other funds	16,245	7,424	223,028	333	-	247,030
Due to component unit	-	-	-	57	-	57
Compensated absences, current	53,711	23,061	60,225	-	-	136,997
Total current liabilities	202,534	96,159	355,489	462,848	595,330	1,712,360
Long-term Liabilities:						
Revenue bonds, long-term, net	-	-	-	4,098,432	-	4,098,432
Advances due to Capital Fund	-	-	1,013,087	-	-	1,013,087
Compensated absences, long term	17,904	7,687	20,075	-	-	45,666
Total long-term liabilities	17,904	7,687	1,033,162	4,098,432	-	5,157,185
TOTAL LIABILITIES	220,438	103,846	1,388,651	4,561,280	595,330	6,869,545
NET POSITION						
Net investment in capital assets	4,693,111	-	1,585,720	760,669	1,452,287	8,491,787
Restricted for debt service	-	-	-	-	376,886	376,886
Unrestricted	939,720	118,414	(1,069,704)	39,351	303,870	331,651
TOTAL NET POSITION	$ 5,632,831	$ 118,414	$ 516,016	$ 800,020	$ 2,133,043	$ 9,200,324

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2012

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
OPERATING REVENUES						
Charges for services	$ 1,455,954	$ 691,552	$ 1,920,145	$ 1,018,431	$ 693,559	$ 5,779,641
Miscellaneous	2,230	1,752	3,036	5,474	-	12,492
TOTAL OPERATING REVENUES	1,458,184	693,304	1,923,181	1,023,905	693,559	5,792,133
OPERATING EXPENSES						
Cost of goods sold	-	-	-	69,620	-	69,620
Salaries and employee benefits	1,928,367	657,663	2,128,580	412,700	-	5,127,310
Supplies	471,892	24,413	305,010	124,892	56,701	982,908
Maintenance and repairs	89,538	1,555	186,907	42,054	61,440	381,494
Operating services and charges	347,654	98,742	548,813	262,688	12,376	1,270,273
Depreciation	751,701	-	376,886	80,346	209,705	1,418,638
TOTAL OPERATING EXPENSES	3,589,152	782,373	3,546,196	992,300	340,222	9,250,243
OPERATING INCOME (LOSS)	(2,130,968)	(89,069)	(1,623,015)	31,605	353,337	(3,458,110)
NON-OPERATING INCOME (EXPENSE)						
Intergovernmental	838,933	-	3,273	-	-	842,206
Interest income	105	345	244	17	731	1,442
Interest expense	-	-	(4,688)	(170,450)	(47,880)	(223,018)
Gain on sale of fixed assets	43,996	-	7,701	-	-	51,697
TOTAL NON-OPERATING INCOME (EXPENSE)	883,034	345	6,530	(170,433)	(47,149)	672,327
INCOME (LOSS) BEFORE TRANSFERS	(1,247,934)	(88,724)	(1,616,485)	(138,828)	306,188	(2,785,783)

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2012

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
Transfers in	$ 526,822	$ -	$ 1,920,000	$ 422,000	$ -	$ 2,868,822
Transfers out	(48,500)	(27,015)	-	-	-	(75,515)
Capital contributions	595,486	-	-	-	-	595,486
	1,073,808	(27,015)	1,920,000	422,000	-	3,388,793
CHANGE IN NET POSITION	(174,126)	(115,739)	303,515	283,172	306,188	603,010
NET POSITION - BEGINNING OF YEAR, RESTATED	5,806,957	234,153	212,501	516,848	1,826,855	8,597,314
NET POSITION - END OF YEAR	$ 5,632,831	$ 118,414	$ 516,016	$ 800,020	$ 2,133,043	$ 9,200,324

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2012

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 2,034,698	$ 693,304	$ 1,880,601	$ 1,044,425	$ 693,559	$ 6,346,587
Receipts from interfund services provided	92,184	9,819	5,951	4,001	1	111,956
Payments to suppliers	(827,853)	(181,995)	(1,037,295)	(493,221)	(147,267)	(2,687,631)
Payments to employees	(1,925,673)	(659,843)	(2,133,867)	(412,700)	-	(5,132,083)
Payments for interfund services used	(750,852)	-	(164,294)	(1,001)	-	(916,147)
Net cash provided (used) by operating activities	(1,377,496)	(138,715)	(1,448,904)	141,504	546,293	(2,277,318)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer from other funds	526,822	-	1,920,000	422,000	-	2,868,822
Transfer to other funds	(48,500)	(27,015)	-	-	-	(75,515)
Advances from other funds	-	-	169,789	-	-	169,789
Repayment of advances from other funds	-	-	(427,838)	-	-	(427,838)
Intergovernmental revenues	-	-	3,273	-	-	3,273
Subsidy from federal grant	838,933	-	-	-	-	838,933
Net cash provided (used) by noncapital financing activities	1,317,255	(27,015)	1,665,224	422,000	-	3,377,464
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	595,486	-	-	-	-	595,486
Purchases of capital assets	(268,856)	-	(173,062)	-	-	(441,918)
Proceeds from the sale of capital assets	43,996	-	7,701	-	-	51,697
Principal paid on capital debt	-	-	-	(250,000)	(510,000)	(760,000)
Interest paid on capital debt	-	-	(4,688)	(170,450)	(47,880)	(223,018)
Net cash provided (used) by capital and related financing activities	370,626	-	(170,049)	(420,450)	(557,880)	(777,753)

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2012

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	105	345	244	17	731	1,442
Net cash provided by investing activities	105	345	244	17	731	1,442
Net increase (decrease) in cash and cash equivalents	310,490	(165,385)	46,515	143,071	(10,856)	323,835
Cash and cash equivalents, January 1	1,507	384,735	49,333	84,810	755,650	1,276,035
Cash and cash equivalents, December 31	$ 311,997	$ 219,350	$ 95,848	$ 227,881	$ 744,794	$ 1,599,870
Reconciliation of Cash and Cash Equivalents:						
Cash and cash equivalents	$ 311,997	$ 219,350	$ 95,848	$ 227,881	$ 367,908	$ 1,222,984
Cash and cash equivalents - restricted	-	-	-	-	376,886	376,886
Total cash and cash equivalents	$ 311,997	$ 219,350	$ 95,848	$ 227,881	$ 744,794	$ 1,599,870

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2012

	Transit Fund	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)	$ (2,130,968)	$ (89,069)	$ (1,623,015)	$ 31,605	$ 353,337	$ (3,458,110)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	751,701	-	376,886	80,346	209,705	1,418,638
Amortization expense	-	-	-	(18,527)	-	(18,527)
Increase in accounts receivable	-	-	(42,580)	(4,747)	-	(47,327)
Decrease in due from other governments	576,514	-	-	-	-	576,514
Decrease in due from other funds	92,184	6,878	5,951	3,958	207	109,178
Decrease in due from component unit	-	-	-	43	-	43
Increase in inventories	(19,025)	-	-	(2,482)	-	(21,507)
Increase (decrease) in accounts payable and accrued liabilities	100,256	(57,285)	3,435	27,042	(16,750)	56,698
Decrease in due to component unit	-	-	-	(43)	-	(43)
Increase (decrease) in compensated absences payable	2,694	(2,180)	(5,287)	-	-	(4,773)
Increase in unearned revenue	-	-	-	25,267	-	25,267
Increase (decrease) in due to other funds	(750,852)	2,941	(164,294)	(958)	(206)	(913,369)
Total adjustments	753,472	(49,646)	174,111	109,899	192,956	1,180,792
Net cash provided (used) by operating activities	$ (1,377,496)	$ (138,715)	$ (1,448,904)	$ 141,504	$ 546,293	$ (2,277,318)

INTERNAL SERVICE FUNDS

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

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

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

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2012

	Health Insurance Fund	Workers' Compensation Fund	Total
ASSETS			
Cash and cash equivalents	$ 2,763,741	$ 809,871	$ 3,573,612
Due from other funds	144,352	-	144,352
Due from other governments	-	237,508	237,508
Due from component unit	1,540	-	1,540
Advances due from other funds	742,000	-	742,000
Prepaid items	4,103	-	4,103
TOTAL ASSETS	3,655,736	1,047,379	4,703,115
LIABILITIES			
Current Liabilities			
Accounts payable	68,185	35,456	103,641
Accrued liabilities	558	-	558
Claims payable	465,000	200,000	665,000
TOTAL LIABILITIES	533,743	235,456	769,199
NET POSITION			
Unrestricted	3,121,993	811,923	3,933,916
TOTAL NET POSITION	$ 3,121,993	$ 811,923	$ 3,933,916

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012

	Health Insurance Fund	Workers' Compensation Fund	Total
OPERATING REVENUES			
Charges for services	$ 6,216,696	$ 1,326,220	$ 7,542,916
TOTAL OPERATING REVENUES	6,216,696	1,326,220	7,542,916
OPERATING EXPENSES			
Salaries and employee benefits	117,173	-	117,173
Other services and charges	314,088	769,244	1,083,332
Claims	5,781,118	454,015	6,235,133
Administrative fees	708,056	34,561	742,617
TOTAL OPERATING EXPENSES	6,920,435	1,257,820	8,178,255
OPERATING INCOME (LOSS)	(703,739)	68,400	(635,339)
NON-OPERATING INCOME			
Intergovernmental	-	225,056	225,056
Interest income	6,756	372	7,128
INCOME BEFORE TRANSFERS	(696,983)	293,828	(403,155)
Transfers Out	-	(25,000)	(25,000)
CHANGE IN NET POSITION	(696,983)	268,828	(428,155)
NET POSITION - BEGINNING OF YEAR	3,818,976	543,095	4,362,071
NET POSITION - END OF YEAR	$ 3,121,993	$ 811,923	$ 3,933,916

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012

	Health Insurance Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 6,251,441	$ 1,535,444	$ 7,786,885
Payments for interfund services provided	315,048	-	315,048
Payments to suppliers	(962,871)	(806,975)	(1,769,846)
Payments to employees	(117,173)	-	(117,173)
Claims paid	(5,781,118)	(746,015)	(6,527,133)
Net cash (used) by operating activities	(294,673)	(17,546)	(312,219)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Advances to other funds	(742,000)	-	(742,000)
Net cash used by capital financing activities	(742,000)	-	(742,000)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Intergovermental revenue	-	225,056	225,056
Transfer out	-	(25,000)	(25,000)
Net cash provided by non capital financing activities	-	200,056	200,056
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	6,756	372	7,128
Net cash provided by investing activities	6,756	372	7,128
Net increase in cash and cash equivalents	(1,029,917)	182,882	(847,035)
Cash and cash equivalents, January 1	3,793,658	626,989	4,420,647
Cash and cash equivalents, December 31	$ 2,763,741	$ 809,871	$ 3,573,612
Reconciliation of operating income (loss) to net cash (used) by operating activities			
Operating income (loss)	$ (703,739)	$ 68,400	$ (635,339)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Decrease in accounts receivable	34,745	-	34,745
(Increase) in prepaids	(4,103)	-	(4,103)
Decrease in due from other funds	316,076	209,224	525,300
Increase (decrease) in accounts and claims payable	63,376	(295,170)	(231,794)
(Decrease) in due to other funds	(1,028)	-	(1,028)
Total adjustments	409,066	(85,946)	323,120
Net cash (used) by operating activities	$ (294,673)	$ (17,546)	$ (312,219)

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, 2012

	Greater Rome Convention & Visitors Bureau
ASSETS	
Cash	$ 7,123
Accounts Receivable, net of allowance	5,438
Due from other governments	18,752
Due from primary government	82
Total assets	$ 31,395
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 5,705
Accrued liabilities	2,799
Due to primary government	10,180
Total liabilities	18,684
FUND BALANCE	
Unrestricted	12,711
Total fund balance	12,711
TOTAL LIABILITIES AND FUND BALANCE	$ 31,395

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, 2012

	Greater Rome Convention & Visitors Bureau
REVENUES	
Intergovernmental	$ 506,252
Charges for services	18,450
Contributions	61,852
TOTAL REVENUES	586,554
EXPENDITURES	
Personal services	406,421
Supplies	28,620
Other services and charges	141,090
TOTAL EXPENDITURES	576,131
NET CHANGE IN FUND BALANCE	10,423
FUND BALANCE - BEGINNING OF YEAR	2,288
FUND BALANCE - END OF YEAR	$ 12,711

STATISTICAL SECTION

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

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

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

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

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

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

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

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

	Fiscal Year								
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Governmental activities									
Net investment in capital assets	$ 88,931	$ 85,540	$ 89,494	$ 99,276	$ 108,946	$ 109,793	$ 117,293	$ 125,089	$ 124,750
Restricted	4,059	326	326	631	675	745	741	3,255	3,346
Unrestricted	11,421	21,444	21,976	21,943	20,722	20,075	19,618	16,251	15,797
Total governmental activities net position	$ 104,411	$ 107,310	$ 111,796	$ 121,850	$ 130,343	$ 130,613	$ 137,652	144,595	143,893
Business - type activities									
Net investment in capital assets	$ 68,369	$ 75,743	$ 112,572	$ 114,969	$ 116,571	$ 120,303	$ 122,951	$ 128,164	$ 131,764
Restricted	-	582	249	284	295	355	368	372	377
Unrestricted	5,407	22,276	(6,294)	(4,556)	38	2,123	5,011	5,957	7,031
Total business - type activities net position	$ 73,776	$ 98,601	$ 106,527	$ 110,697	$ 116,904	$ 122,781	$ 128,330	134,493	139,172
Primary government									
Net investment in capital assets	$ 157,300	$ 161,283	$ 202,066	$ 214,245	$ 225,517	$ 230,096	$ 240,244	$ 253,253	$ 256,514
Restricted	4,059	908	575	915	970	1,100	1,109	3,627	3,723
Unrestricted	16,828	43,720	15,682	17,387	20,760	22,198	24,629	22,208	22,828
Total primary government net position	$ 178,187	$ 205,911	$ 218,323	$ 232,547	$ 247,247	$ 253,394	$ 265,982	279,088	283,065

* Only nine years of fiscal data is presented since
data prior to 2004 is unavailable

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

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:									
Governmental activities:									
General government	$ 3,673	$ 3,248	$ 3,446	$ 3,555	$ 5,681	$ 3,459	$ 3,726	$ 4,504	$ 3,683
Public safety	6,932	7,228	7,605	7,416	8,752	8,330	7,659	7,167	7,486
Public Works	7,360	8,459	9,019	8,564	10,590	9,902	8,881	10,441	10,910
Public Facilities	880	1,068	1,316	1,121	1,194	1,259	1,381	1,419	1,919
Public Services	131	399	420	278	516	447	397	514	439
Community Development	1,365	1,218	1,568	1,028	1,178	1,088	1,759	1,315	1,221
Education	758	898	1,059	1,080	1,114	1,183	1,185	1,275	1,466
Interest on debt	88	249	326	246	320	369	241	153	274
Total governmental activities expenses	21,187	22,767	24,759	23,288	29,345	26,037	25,229	26,788	27,398
Business - type activities:									
Water and Sewer	14,295	14,353	14,711	16,899	17,201	17,631	17,279	18,187	18,156
Fire	9,126	9,143	9,411	10,316	10,474	10,247	10,249	10,645	12,748
Solid Waste Commission	3,158	3,907	2,270	3,309	2,104	2,466	1,988	2,076	3,093
Transit	2,397	2,460	2,843	3,107	3,236	2,970	3,092	3,120	3,589
Building Inspection	748	776	849	946	894	774	839	853	782
Solid Waste Management	3,136	3,391	3,598	3,810	3,751	3,463	3,304	3,503	3,551
Municipal Golf Fund	1,436	1,525	1,557	1,540	1,440	1,294	1,256	1,158	1,163
Public Facilities	536	524	492	447	456	408	394	460	388
Total business - type activities expenses	34,832	36,079	35,731	40,374	39,556	39,253	38,401	40,002	43,470
Total primary government expenses	$ 56,019	$ 58,846	$ 60,490	$ 63,662	$ 68,901	$ 65,290	$ 63,630	$ 66,790	$ 70,868
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	$ 2,063
Public Safety	1,420	1,668	1,512	1,779	1,886	1,667	1,581	1,302	1,244
Public Works	312	302	378	-	-	-	-	-	-
Public Facilities	51	71	90	-	-	-	-	-	-
Community Development	57	-	259	236	180	258	258	122	131
Education	-	173	-	-	-	-	-	-	-
Operating grants and contributions	3,094	312	343	1,024	1,842	1,123	711	881	871
Capital grants and contributions	6,660	10,191	6,530	8,741	13,432	7,580	11,259	14,201	7,054
Total governmental activities program revenues	13,397	14,226	10,681	13,603	19,312	12,507	15,689	18,498	11,363
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	21,975
Fire	4,527	4,678	4,856	5,063	5,254	5,318	5,351	5,403	5,530
Solid Waste Commission	4,071	3,600	2,281	2,311	2,597	2,936	2,550	2,439	2,377
Transit	692	951	1,193	1,172	1,303	1,456	1,397	1,403	1,458
Building Inspection	831	741	781	790	937	1,038	702	797	693
Solid Waste Management	1,107	1,276	1,392	1,477	1,471	1,521	1,653	1,829	1,923
Municipal Golf Fund	884	991	1,057	1,006	925	760	801	795	1,024
Public Facilities	603	603	603	648	694	694	694	694	694
Operating grants and contributions	568	643	701	458	461	517	708	744	1,618
Capital grants and contributions	640	1,494	1,916	1,640	1,365	1,165	1,034	2,924	895
Total business- type activities program revenues	32,235	32,898	33,351	34,636	34,547	35,261	36,293	38,436	38,187
Total primary government program revenues	$ 45,632	$ 47,124	$ 44,032	$ 48,239	$ 53,859	$ 47,768	$ 51,982	$ 56,934	$ 49,550

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (expense)/ revenue									
Governmental activities	$ (7,790)	$ (8,541)	$ (14,078)	$ (9,685)	$ (10,033)	$ (13,530)	$ (9,539)	$ (8,290)	$ (16,036)
Business- type activities	(2,597)	(3,181)	(2,380)	(5,738)	(5,009)	(3,992)	(2,108)	(1,566)	(5,283)
Total primary government net expense	$ (10,387)	$ (11,722)	$ (16,458)	$ (15,423)	$ (15,042)	$ (17,522)	$ (11,647)	(9,856)	(21,319)
General Revenues and Other Changes in Net Position									
Governmental activities:									
Taxes									
Property taxes	$ 9,486	$ 9,702	$ 10,441	$ 10,048	$ 8,683	$ 9,662	$ 10,007	$ 9,749	$ 10,221
Sales taxes	6,094	6,483	8,709	10,242	12,570	6,128	5,980	6,162	6,232
Other taxes	5,546	6,361	6,686	7,252	7,306	7,085	7,188	7,147	7,211
Gain on Sale of Capital Assets	-	521	-	218	2	-	-	-	-
Interst Earnings	83	449	578	731	594	562	654	714	790
Miscellaneous	22	227	221	309	177	109	150	501	684
Transfers	(6,785)	(6,773)	(9,059)	(9,061)	(10,807)	(9,745)	(7,401)	(8,549)	(9,803)
Total governmental activities	14,446	16,970	17,576	19,739	18,525	13,801	16,578	15,724	15,335
Business- type activities:									
Sales taxes	-	8,150	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	217	15	37	12	71	27	50	109	82
Investment earnings	542	1,090	1,209	835	339	59	42	27	32
Miscellaneous	93	8	-	-	-	37	165	12	44
Transfers	6,812	6,773	9,059	9,061	10,807	9,745	7,401	8,549	9,803
Total business- type activities	7,664	16,036	10,305	9,908	11,217	9,868	7,658	8,697	9,961
Total primary government	$ 22,110	$ 33,006	$ 27,881	$ 29,647	$ 29,742	$ 23,669	$ 24,236	$ 24,421	$ 25,296
Change in Net Position									
Governmental activities	$ 6,656	$ 8,429	$ 3,498	$ 10,054	$ 8,492	$ 271	$ 7,038	$ 7,434	$ (702)
Business- type activities	5,067	12,855	7,925	4,170	6,208	5,876	5,549	7,131	4,679
Total primary government	$ 11,723	$ 21,284	$ 11,423	$ 14,224	$ 14,700	$ 6,147	$ 12,587	$ 14,565	$ 3,977

* Only nine years of fiscal data is presented since data before 2004 is unavailable

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund										
Reserved	$ 551	$ 593	$ 597	$ 776	$ 816	$ 869	$ 856	$ 891	$ -	$ -
Unreserved	9,281	9,409	11,007	11,261	11,114	10,575	9,652	10,120	-	-
Nonspendable									216	792
Restricted									790	771
Assigned									-	25
Unassigned									10,661	11,012
Total General fund	$ 9,832	$ 10,002	$ 11,604	$ 12,037	$ 11,930	$ 11,444	$ 10,508	$ 11,011	11,667	$ 12,600
All other governmental funds										
Reserved	$ 203	$ 4	$ 2,623	$ 2,399	$ 2,653	$ 2,179	$ 5,284	$ 4,978	$ -	$ -
Unreserved, reported in:									-	-
Special revenue funds	-	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	2,571
Restricted									2,465	2,575
Assigned, reported in										
Special revenue funds									57	74
Capital projects funds									1,617	-
Unassigned									-	(165)
Total all other governmental funds	$ 1,375	$ 1,775	$ 6,781	$ 6,266	$ 6,408	$ 6,840	$ 7,425	$ 6,736	$ 6,967	$ 5,055

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	$ 20,310	$ 21,175	$ 22,540	$ 25,844	$ 27,525	$ 28,385	$ 22,358	$ 23,053	$ 23,069	$ 23,450
Licenses and permits	1,375	1,524	1,500	1,582	1,599	1,738	1,675	1,681	1,658	1,722
Intergovernmental	701	696	1,883	2,790	3,916	3,495	8,462	9,911	10,019	5,164
Charges for services	221	416	549	682	674	538	586	542	464	472
Grant Revenue	518	600	-	-	-	-	-	-	-	-
Fines/Forfeitures	1,431	1,290	1,478	1,331	1,565	1,762	1,543	1,496	1,294	1,244
Investment earnings	52	83	449	578	732	594	562	654	715	790
Miscellaneous	388	3,505	172	147	309	216	109	150	500	684
Total revenues	24,996	29,289	28,571	32,954	36,320	36,728	$ 35,295	$ 37,487	$ 37,719	33,526
Expenditures										
General government	2,460	2,574	3,070	3,351	3,491	3,584	3,478	3,313	3,143	3,138
Public safety	6,100	6,343	6,782	7,140	7,493	7,688	7,523	7,414	7,222	7,122
Public works	4,717	4,939	5,306	5,557	5,531	5,858	5,586	5,430	5,670	5,623
Public facilities	307	332	836	880	926	937	959	1,023	1,007	1,035
Public services	616	64	395	436	458	456	391	379	388	407
Community development	760	799	764	825	1,024	1,172	1,072	1,126	1,135	1,204
Other services and charges	377	840	-	-	-	-	-	-	-	-
Intergovernmental	150	143	-	-	-	-	-	-	-	-
Capital outlay	2,549	3,273	3,357	5,363	8,303	5,928	6,762	11,165	9,416	5,658
Debt service										
Principal	3,646	2,927	69	71	91	78	198	262	557	319
Interest	337	146	249	326	246	320	245	245	245	276
Total expenditures	22,019	22,380	20,828	23,949	27,563	26,021	26,214	30,357	28,783	24,782
Excess of revenues over (under) expenditures	2,977	6,909	7,743	9,005	8,757	10,707	9,081	7,130	8,936	8,744

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other financing sources (uses)										
Transfers in	1,959	2,380	2,179	2,249	3,654	3,205	2,019	1,847	2,672	1,807
Transfers out	(8,668)	(9,165)	(8,952)	(11,308)	(12,714)	(14,012)	(11,764)	(9,248)	(11,221)	(11,610)
Transfers to component units	(375)	-	-	-	-	-	-	-	-	-
Transfers from component units	3,754	-	-	-	-	-	-	-	-	-
Proceeds from sale of bonds/notes	-	-	-	-	-	-	300	-	-	-
Capital leases	73	448	620	110	-	-	-	-	50	-
Sale of capital assets	-	-	-	23	338	47	13	85	449	80
Total other financing sources (uses)	(3,257)	(6,337)	(6,153)	(8,926)	(8,722)	(10,760)	(9,432)	(7,316)	(8,050)	(9,723)
Net change in fund balances	$ (280)	$ 572	$ 1,590	$ 79	$ 35	$ (53)	$ (351)	$ (186)	$ 886	$ (979)
Debt service as a percentage of noncapital expenditures	20.4%	25.7%	1.8%	2.0%	1.9%	2.2%	2.3%	2.7%	4.0%	2.9%

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
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
2012	10,403		6,232	3,357	1,809	841	808	23,450
% change between 2003 & 2012	29.26%		11.86%	34.76%	20.35%	-0.83%	-56.31%	15.46%

(*) 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
2003	637,357,052	173,963,932	25,345,826	72,821,900	113,540	909,602,250	(2) (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)	1,075,107,154	24.43	2,686,585,355	40%
2008	839,467,255	189,522,031	25,717,175	77,543,520	169,428	1,132,419,409	(70,163,632)	1,109,377,341	24.43	2,773,443,353	40%
2009	855,730,720	188,100,111	26,556,590	77,936,110	176,001	1,148,499,532	(71,744,994)	1,120,352,248	24.42	2,800,880,620	40%
2010	829,091,871	185,601,135	25,503,243	68,205,850	172,014	1,108,574,113	(71,811,792)	1,078,630,642	26.15	2,696,576,605	40%
2011	816,351,825	186,162,190	28,265,457	69,194,300	192,965	1,100,166,737	(71,808,416)	1,062,672,937	26.15	2,656,682,342	40%
2012	815,093,673	185,918,089	28,265,457	70,303,830	170,110	1,099,751,159	(70,124,530)	1,045,889,201	26.15	2,614,723,003	40%

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

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

* Includes General, Capital and School Tax Rates

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

	City of Rome					Overlapping Rates **		
Year	General Fund	Capital Fund	Debt Service	City Schools	Total Direct Rate	Floyd County	State of Georgia	Total Rate
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
2012	6.80	1.90	-	17.45	26.15	8.767 *	0.20	35.12

Source-City of Rome Finance Department
Floyd County Finance Office

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

City of Rome, Georgia
Principal Property Taxpayers
December 31, 2012
(amounts expressed in thousands)

	2012			2003		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Redmond Regional Medical Center	29,849	1	2.71%	26,439	1	2.90%
Bekaert Corporation	16,994	2	1.55%	23,996	2	2.64%
Georgia Power	16,430	3	1.49%	11,098	5	1.22%
Walmart Stores	16,333	4	1.49%	9,109	8	1.00%
Larry Martin	15,595	5	1.42%	6,993	9	0.77%
Southeastern Mills	13,817	6	1.26%	11,952	7	1.31%
Harbin Properties, LLC	13,267	7	1.21%			
Kelloggs Company	11,587	8	1.05%	16,882	3	1.85%
Rome-Floyd Development Authority	11,280	9	1.03%			
Atlanta Gas	4,981	10	0.45%			
Bellsouth/AT&T				10,663	4	1.17%
Crown America Properties				10,197	6	1.12%
Metaldyne-Rome Facitlity				6,974	10	0.77%
Totals	$ 129,960		13.65%	$ 123,205		13.53%

Source-Floyd County Tax Assessor Office

Ranking is based on net tax dollars paid

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: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
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%	1,866	24,556	95.5%
2012	25,523	23,081	90.4%	1,780	24,861	97.4%

**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	Special Assessment Bonds	Capital Leases	Bonded Debt	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
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	-	5,492	4,527	40	54,946	8,602	793	74,400	6.36%	2,056
2012	-	5,183	4,527	30	47,991	7,956	570	66,257	5.56%	1,840

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

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 ***
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
2012	-	-	-	N/A	N/A

** See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
*** Population 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, 2012

Governmental Unit	Certificates of Participation	Capital Leases	Notes Payable	Other Debt Outstanding	Percent Applicable to City of Rome	Amount Applicable to City of Rome
City of Rome	$ 4,527,000	$ 30,247	$ 1,537,648	$ 3,645,000	100%	$ 9,739,895
Rome Board of Education-Quality Zone Academy Bonds	-	-	-	2,000,000	100%	2,000,000
	$ 4,527,000	$ 30,247	$ 1,537,648	$ 5,645,000		$ 11,739,895

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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	$ 90,960,225	$ 94,822,243	$ 99,865,703	$ 105,562,899	$ 110,394,715	$ 113,238,941	$ 114,849,953	$ 110,857,411	$ 110,016,673	$ 109,975,116
Total net debt applicable to limit	2,655,000	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 88,305,225	$ 94,822,243	$ 99,865,703	$ 105,562,899	$ 110,394,715	$ 113,238,941	$ 114,849,953	$ 110,857,411	109,852,761	$ 109,975,116
Total net debt applicable to the limit as a percentage of debt limit	2.92%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2012

Total assessed value	$ 1,099,751,159
Debt limit (10% of total assessed value)	109,975,116
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	$ 109,975,116

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

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

	Water & Sewer Revenue Bonds					
				Debt Service		
Fiscal Year	Water & Sewer Charges & Other (1)	Less: Operating Expenses (2)	Net Available Revenue	Principal	Interest	Coverage
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
2012	21,980,265	10,163,561	11,816,704	4,780,000	1,321,847	1.9

(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
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	36,181 **	1,169,768 **	32,331	5,737	12.7%
2012	35,942 **	1,191,801 **	33,159	5,669	11.8%

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 Nine Years Ago

	2012			2003		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Floyd Medical Center	2,790	1	16.11%	1,800	1	10.28%
Harbin Clinic	1,226	2	7.08%			
Redmond Regional Medical Center	1,200	3	6.93%	1,050	2	5.99%
Floyd County Government	1,126	4	6.50%	671	5	3.83%
Rome City Schools	751	5	4.34%	592	9	3.38%
City of Rome	614	6	3.55%	650	6	3.71%
Kellogg's	550	7	3.18%	690	4	3.94%
Hillshire Brands (formerly Sara Lee)	350	8	2.02%			
Neaton Rome	350	9	2.02%			
Southeastern Mills	325	10	1.88%			
Zartic Corporation				958	3	5.47%
Northwest GA Regional				650	7	3.71%
Mohawk Industries				623	8	3.56%
Berry College				580	10	3.31%
Totals	9,282		53.6%	8,264		47.18%

Source-Rome Chamber of Commerce

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

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	28	28	28	29	29	29	29	28	28	28
Legislative and judicial										
Commission	9	9	9	9	9	9	9	9	9	9
Municipal court	2	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	92	95	95
Civilians	11	11	11	11	11	11	11	11	15	15
Public services	7	8	8	10	7	7	7	4	4	4
Public facilities	4	4	4	4	4	4	4	4	4	4
Fire										
Civilians	7	7	7	7	7	7	3	3	2	1
Firefighters and officers	146	146	146	146	146	146	146	148	149 **	162
Public works										
Public works office	4	4	4	4	5	5	4	4	4	4
Engineering	8	8	8	8	8	8	7	7	7	6
Street	42	42	43	43	46	46	39	31	31	31
Traffic	12	12	12	12	12	12	12	13	13	13
Cemetery	7	7	7	7	7	7	6	6	6	6
Garage	13	13	13	13	13	13	12	11	12	12
Building inspection	11	12	12	12	12	12	9	9	9	9
Transit	41	41	41	43	43	43	43	43	43	43
Planning commission	7	7	7	6	6	7	6	6	6	6
Solid Waste Management	71	71	72	72	72	71	61	56	55	57
Culture and recreation	6	6	6	12	12	12	12	11	19	21
Water and sewer	115	116	116	116	120	120	104	102	102	102
Total	650	653	655	665	670	670 *	625 *	601	616	631

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

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

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety:										
Police arrests	2,465	2,131	2,026	1,845	2,267	2,388	2,168	2,030	1,858	1,793
Parking/Traffic violations	14,437	14,407	16,602	14,173	17,349	18,797	16,251	14,455	13,228	12,270
Public Works:										
Street resurfacing (miles)	8.54	7.30	6.35	5.26	4.77	0.40	2.02	10.50	5.78	4.25
Public Facilities:										
Rentals-Aud/Civic Center	40,398	47,132	46,215	48,328	45,645	41,754	48,668	54,072	58,773	57,613
Senior Citizen Center	3,213	3,881	2,975	2,357	1,550	2,333	2,610	2,803	2,795	2,371
Education:										
School Enrollment	5,315	5,305	5,346	5,239	5,235	5,612	5,571	5,579	5,737	5,669
Water and Sewer:										
Customers										
Water	18,923	19,163	19,501	19,734	19,875	20,006	20,034	20,065	20,083	20,094
Sewer	19,709	20,046	20,484	20,769	20,952	21,069	21,113	21,163	21,173	21,181
Water - (millions of gallons)										
Average daily production	9.8	10.1	9.7	9.7	9.0	8.1	7.6	7.9	7.6	7.4
Maximum daily production	12.8	13.9	13.6	13.9	14.3	11.0	12.0	10.9	12.1	11.1
Wastewater - (millions of gallons)										
Average daily sewage treatment	15.1	12.6	13.4	10.3	8.1	9.0	14.0	10.8	10.7	9.1
Maximum daily sewage treatment	46.9	33.6	28.6	25.6	21.1	27.4	57.9	51.5	56.3	31.1
Fire										
Number of responses	4,236	4,651	4,394	4,705	4,784	4,294	4,275	4,292	4,401	4,483
Inspections	660	1,321	1,563	1,584	1,424	1,224	911	1,045	1,413	1,915
Solid Waste Management:										
Refuse collected (tons)										
Inert	5,542	5,878	4,976	4,603	6,229	6,967	9,673	9,075	8,330	6,879
Trash	2,840	2,879	2,647	2,453	2,447	2,200	2,150	1,865	1,578	1,423
Garbage	15,759	16,220	16,113	16,225	15,361	14,539	14,530	13,801	14,248	13,755
Recycling	1,106	922	956	869	994	960	912	1,017	1,409	1,472
Transit:										
Transit miles	519,867	525,160	539,745	573,884	586,643	589,640	593,820	591,152	585,837	589,766
Transit passengers	826,945	839,484	857,276	879,394	893,268	967,390	962,500	982,471	1,014,181	1,053,540
Building Inspection:										
Permits	395	394	553	360	344	228	114 (4)	67	36	55
Solid Waste Commission:										
Inert tonnage	658	544	992 #	377	353	241	225	194 (5)	816	733
C&D tonnage	-	-	12,494	11,750	16,117	17,527 (3)	34,759	24,753	22,654	20,030
Garbage tonnage	88,548	104,429	100,624	59,304	54,821	85,360	78,326	73,410	70,417	70,179
Municipal Golf:										
Rounds played	22,390	27,892	28,677	31,311	31,893	32,714	27,142	28,542	29,405 (6)	39,715

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 commercial 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
(6) Increased play contributed to conversion of greens

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

Principal Water Customers (in descending order):

	2012	2003
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)	Alliance Laundry	6) Floyd County Government
7)	Kelloggs	7) Southeastern Mills
8)	Floyd County Jail	8) Floyd Medical Center
9)	Shorter University	9) Northwest GA Regional Hospital
10)	Darlington Schools	10) Redmond Regional Medical Center

Principal Sewer Customers (in descending order):

	2012	2003
1)	Bekaert Steel	1) Mohawk Industries
2)	Berry College	2) Marglen Industries
3)	Floyd Medical Center	3) Metal Containers, Inc.
4)	Ball Corporation	4) Rome Housing Authority
5)	Rome Housing Authority	5) Bekaert Steel
6)	General Electric Groundwater Removal	6) Galey & Lord Industries
7)	Alliance Laundry	7) Zartic
8)	Redmond Regional Medical Center	8) Floyd Couty Government
9)	Kelloggs	9) Berry College
10)	Floyd County Jail	10) Southeastern Mills

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

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Vehicles	86	86	86	86	81	70	65	65	65	71
Public Works:										
Streets (miles)	256.12	258.83	261.29	262.81	269	273	275	266	267	267
Street lights	4,321	4,369	4,369	4,425	4,425	4,520	4,566	4,566	4,566	4,566
Traffic signals	*	91	91	92	92	91	93	93	93	95
Signage	*	10,000	10,100	10,106	10,203	10,248	10,248	10,248	10,250	10,253
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	342,907	321,197	320,471	322,000	332,378	344,692	350,528	359,188	364,338	366,293
Water:										
Water mains (miles)	284	270	270	284	285	285	285	285	285	285
Fire hydrants	1,417	1,461	1,585	1,643	1,627	1,648	1,644	1,661	1,718	1,800
Sewer:										
Sanitary sewers (miles)	376	376	414	408	410	399	399	399	399	401
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	40	41	40	40	40	37
Transit:										
Buses	41	42	42	42	43	44	48	48	49	58

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, 2012

CITY OF ROME, GEORGIA

SINGLE AUDIT OF FEDERAL PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2012

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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 in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Rome, Georgia** (the "City") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 24, 2013. Our report includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, as items 2012-1 and 2012-2, to be material weaknesses.

Compliance and Other Matters

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

The City of Rome, Georgia's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 24, 2013

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY *OMB CIRCULAR A-133*

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

Report on Compliance for Each Major Federal Program

We have audited the City of Rome, Georgia's (the "City's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Rome Board of Education, which received $9,139,265 in federal awards which is not included in the schedule during the year ended June 30, 2012. Our audit, described below, did not include the operations of the Rome Board of Education because the Rome Board of Education engaged other auditors to perform an audit in accordance with OMB Circular A-133.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

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Basis for Qualified Opinion on Federal Transit Cluster

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding CFDA 20.507 Federal Transit Cluster as described in finding number 2012-3 for the Davis-Bacon Act. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Qualified Opinion on Federal Transit Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City of Rome, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Federal Transit Cluster for the year ended December 31, 2012.

Other Matters

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

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Rome, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2012-3 to be a material weakness.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report of Schedule of Expenditures of Federal Awards as required by OMB Circular A-133

We have audited the financial statements of the City of Rome, Georgia as of and for the year ended December 31, 2012, and have issued our report thereon dated June 24, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 24, 2013

CITY OF ROME, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

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	20.205	PL-0010-00-266	$ 114,696
Highway Planning and Construction Program	20.205	T004226	43,086
Urban Riverfront	20.205	CSTEE-0007-00(399)	242,820
Subtotal Highway Planning and Construction Cluster			400,602
Passed through the Georgia Department of Transportation:			
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0286	97,620
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0309	74,947
Federal Transit - Urbanized Area Formula Grant - ARRA	20.507	GA-90-0259-01	259,346
Federal Transit - Urbanized Area Formula Grant	20.507	GA-96-X012-01	109,583
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-4309	800,000
Subtotal Federal Transit Cluster			1,341,496
Total U.S. Department of Transportation			1,742,098
U.S. Department of Justice			
Direct Award			
COPS Hiring Program (CHP)	16.710	2010UMWX0083	155,974
Subtotal Direct Award			155,974
Passed through the Bureau of Justice Assistance:			
Bulletproof Vest Partnership Program	16.607	2010BUBX10053538	12,389
Subtotal Bureau of Justice Assistance			12,389
Passed through Floyd County, Georgia			
Edward Byrne Memorial Justice Assistance Grant -ARRA	16.804	2009-SB-B9-0063	10,300
Local Law Enforcement Block Grant (Police Equipment Grant)	16.738	2010-DJ-BX-0643	1,952
Local Law Enforcement Block Grant (Police Equipment Grant)	16.738	2011-DJ-BX-3150	21,430
Local Law Enforcement Block Grant (Police Equipment Grant)	16.738	2012-DJ-BX-0410	18,593
			41,975
Subtotal Justice Assistance Grant Program Cluster			52,275
Total U.S. Department of Justice			220,638

Continued

CITY OF ROME, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

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-09-MC-13-0014	15,926
Entitlement Grant	14.218	B-10-MC-13-0014	17,596
Entitlement Grant	14.218	B-11-MC-13-0014	361,860
Entitlement Grant	14.218	B-12-MC-13-0014	61,317
Subtotal Community Development Block Grant Cluster			456,699
Community Home Investment Partnerships			
Downpayment Assistance Program	14.239	09m-x-057-2-6019	61,182
Downpayment Assistance Program	14.239	2012-835	425
Subtotal Community Home Investment Partnerships			61,607
Total U.S. Department of Housing and Urban Development			518,306
U.S. Environmental Protection Agency			
Five Star Restoration Program	66.462	NACO 2010-GA-01	8,751
Total U.S. Environmental Protection Agency			8,751
Appalachian Regional Commission			
Passed through Georgia Department of Community Affairs			
North Floyd Industrial Park Sewer Project	23.002	5409	256,788
Total U.S. Department of Energy			256,788
U.S. Department of Homeland Security			
SAFER Grant	97.083	EMW-2011-FH-01084	78,911
Total U.S. Department of Homeland Security			78,911
Total Expenditures of Federal Awards			$ 2,825,492

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, 2012

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, 2012

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements	
Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	__X__ yes _____ no
Significant deficiencies identified?	_____ yes __X__ none reported
Noncompliance material to financial statements noted?	_____ yes __X__ no
Federal Awards	
Internal Control over major programs:	
Material weaknesses identified?	__X__ yes ____ no
Significant deficiencies identified?	_____ yes __X__ none reported
Type of auditor's report issued on compliance for major programs	Qualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	__X__ yes ____ no

Identification of major programs:

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

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

Section II – Financial Statement Findings and Responses

2012-1 Restatement of Prior Year Balances

Criteria: Internal controls should be in place to ensure that financial statements are properly presenting the financial position and results of the City in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to detect a material misstatement in the City's financial statements for the year ended December 31, 2011.

Context/Cause: During our audit for the year ended December 31, 2012, an adjustment was required to record a note payable in the amount of $491,726 for the Governmental Activities which was entered into during a prior year, but not properly recorded in the period in which the note was obtained.

Effects: The City made an audit adjustment to reduce the Net Position as of and for the year ending December 31, 2011, in the amount of $491,726, to properly record the omitted note payable.

Recommendation: We recommend the City carefully review the financial statements and applicable reporting requirements under generally accepted accounting principles to ensure that all information and financial data is properly stated.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that all balances are properly stated.

Section II – Financial Statement Findings and Responses - Continued

2012-2 Customer Deposit Liabilities

Criteria: Internal controls should be in place to ensure that amounts reported as customer deposit liabilities are appropriate and properly valued in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to detect a material misstatement in the reporting of the City's customer deposit liability for the year ended December 31, 2012.

Context/Cause: During our audit for the year ended December 31, 2012, an adjustment was required to reduce the customer deposit liability in the amount of $101,092 in the Water and Sewer Fund as the customer deposit listing was not being properly updated during the year.

Effects: The City made an audit adjustment to reduce the customer deposit liability for the year ending December 31, 2012, in the amount of $101,092, to remove a portion of the customer deposit liability.

Recommendation: We recommend the City carefully review the customer deposit listing to ensure that all customer deposits are recorded at their proper value.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that all customer deposit balances are properly stated.

Section III - Federal Awards Findings and Questioned Costs

2012-3 Davis Bacon Act-

Program: U.S. Department of Transportation (CFDA No. 20.507)
CFDA Program Title: Federal Transit – Urbanized Area Formula Grant - ARRA and Non-ARRA
Grant Number: GA-90-0286, GA-90-0309, GA-90-0259-01, GA-96-X012-01, and GA-90-4309

Criteria: Non-federal entities shall include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the DOL regulations (29 CFR part 5, Labor Standards Provisions Applicable to Contacts Governing Federally Financed and Assisted Construction). This includes a requirement for the contractor or subcontractor to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls).

Condition: Internal controls were not sufficient to enable the City to obtain the weekly certified payrolls as required.

Context/Cause: During our testing of the grant, we were not able to obtain the certified payroll documents from the City for the one contractor used in the activity of this program. Upon request of the documents, management of the City was able to contact the contractor to obtain the reports, but the request were made after the close of the fiscal year and were not being obtained on a weekly basis throughout the project.

Effects: The City did not obtain the weekly certified payrolls, and as such, the City was non-compliant with the requirements of the Davis Bacon Act. It was noted the City was able to obtain the needed payroll reports after the year end, however the reports should have been obtained weekly as the work was performed.

Questioned Costs: There are no questioned costs. The City was able to receive subsequent copies of the certified payrolls; however, the reports should have been obtained prior to the City paying the invoices to the contractor.

Recommendation: Certified payroll reports, when the Davis Bacon Act applies, should be obtained from contractors prior to payment of the invoice.

Auditee's Response: We concur. The City has implemented procedures to ensure all certified payroll information is being obtained.

CITY OF ROME, GEORGIA

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012

None reported.