

**CITY OF ROME, GEORGIA  
COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2007**

**Prepared By:  
Finance Department**

City of Rome, Georgia  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
Year ended December 31, 2007  
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June 27, 2008

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, 2007, 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, 2007.

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 unqualified opinion on the City of Rome's financial statements for the year ended December 31, 2007. 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 3-18 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. 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, drainage, traffic control, cemetery, community development, transit system, municipal landfill, planning and zoning, recreational activities and cultural events. In addition, the City of Rome includes the Rome Board of Education and the Greater Rome Convention and Visitors Bureau as discretely presented component units in these financial statements because the City has financial accountability for these entities.

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

## ***LOCAL ECONOMY***

The economic condition and outlook of the City has remained fairly stable during the past several years, following several years of slower economic growth attributable to a general decline in manufacturing activity. However, the area has seen new manufacturing entities locate plants in the Rome area as well as expansions of existing industries. In addition, substantial increases in service-related activities also has occurred. The community currently has a 4.7 percent unemployment rate.

Rome continues to be the medical hub of the northwest Georgia area with more doctors per capita than any county in the state. Three 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. There has also been federal approval for the construction of a Veterans Clinic to be located in Rome.

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

A continuing Education Local Option Sales tax has enabled the school system to make major renovations and improvements to most of the City schools. These projects should be nearing completion by early 2008. A thirty nine month SPLOST was approved in 2006 for multiple City and County capital projects for recreation, streets, and a community youth center.

A new development has been built on the site of a former auto dealership and new well known franchised outlets continue to develop in the surrounding area. Local Option Sales Tax revenue declined in 2007 by 2.7% from 2006. This decrease has been an indicator of a slight economic slowing that mirrors the overall national economy. Several larger construction projects have continued to have a positive economic impact on the local economy. Rising costs of fuel and supplies will definitely be a challenge for the City going into the next fiscal year. The 2006 SPLOST projects were begun in 2007 and will equal approximately fifty three million dollars of expenditures which will be an economic boost in the next couple of years.

This year has also been a challenge for the City and its water utility system due to the extreme drought that has plagued the State of Georgia. Although the City of Rome's water system has remained healthy and viable due to our abundance of available river water, the system has been challenged by the State mandated water restrictions.

## ***MAJOR INITIATIVES***

### ***For the Year.***

Several major road projects have been completed during the year with several more projects still under construction. The Riverside Parkway road widening and improvement was completed in 2007, linking major downtown roads with the perimeter bypass. Construction has started on the State DOT Rome bypass. Within the current SPLOST package, there are approximately 7 million dollars in road improvements to be initiated over the next couple of years, including additional turn lanes, and road and bridge widening projects.

As an "Entitlement Community", the City receives grant monies for several 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 Rome Housing Authority in an expanded housing rehabilitation program with the entitlement funds. A couple of the major initiatives within the community development department have been completed in 2007 or early 2008. One is the purchase and christening of the new boating vessel, the "Roman Holiday". The boat was deployed in 2007 not only as a recreational vessel but also with the intent to assist in the education of our waterways. The long anticipated "Pedestrian Bridge" was dedicated in early 2008. This bridge spans the Oostanaula River, linking the main downtown area with properties being developed within the TAD district across the river. The bridge has also linked parking facilities which has expanded the available parking for downtown events. The City also acquired three property parcels within this TAD area for future development. As part of a multi-funded effort, the new Rome Boys and Girls Youth Center is under construction in South Rome. This facility will be an anchor for the South Rome community. Completion of this project is expected by mid 2008.

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 current SPLOST package includes monies for a major streetscape for South Broad Street and East Main Street.

Another continuing initiative for the City in 2007 was the "Neighborhood Focus". This effort was sponsored by the "Keep Rome/Floyd Beautiful" committee and was a collaborative partnership between the City and the neighborhood communities to help clean up pre-designated areas.

Another major accomplishment by the City of Rome in 2007 continues to be a concentrated effort to renovate and replace large older sidewalks around the City. These improvements were partially funded by revenue from the Redlight Enforcement fund.

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

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

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

Every year water and sewer projects are being completed and 2007 was no exception. The largest of these is the \$35 million Waste Water Treatment Plant expansion and improvement project. This project is well underway and expected to be completed in early 2008. The Water Filter Plant upgrade and expansion was also completed in 2007. The City-wide replacement of all water meters was completed in 2007. The City contracted with an outside contractor to perform the work and the change will enable the water and sewer department to decrease their number of meter readers and move them to a maintenance crew. A major expansion to the water tank and distribution system for the West section of the City was completed and put on line in 2007. A major sewer expansion and upgrade on the north side of the county is also under way. The project will allow more available sewer service for the area as well as upgrading older smaller service lines.

The new SPLOST projects initiated in 2007 include a wide variety of proposed improvements. They include road upgrades, sewer plant upgrade, levee system upgrade, City buildings repairs, community development projects and the construction of a town green adjacent to the river and new pedestrian bridge. These projects should be under construction for the next couple of years.

*For the Future.* Transportation is an area that will always receive attention for funding. With the anticipated projects approved with the new SPLOST package, many road expansions and improvements will be completed over the next 3-4 years. The previously mentioned road widening projects head the list of transportation projects. Several major road expansions anticipated in 2008 and beyond include Turner McCall Boulevard Bridge, Primrose Road, US 411, Huffaker Road, and South Broad Street.

The City has entered into an agreement with Floyd County and the Rome/Floyd County Development Authority to build a new parking deck adjacent to the Forum. Construction on this should begin in 2008.

The City will also be seeking bids for construction of a new City owned Mausoleum in Myrtle Hill Cemetery to be managed by the City Cemetery department.

The City implemented its first camera enforced red-light system at a major intersection in 2004. The city is anticipating adding a second camera in 2008.

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 will be a major draw to the downtown area and the expansion of the riverwalk trail system continues to be an important initiative for the future.

A new retail development is proposed for the 411 corridor on the east side of the City.

Enhancement and progression of technology continues to be a vital goal of the City of Rome. The City hopes to move into more e-commerce activities in the coming year. The current website has been redeveloped and online payments for utility billing should be implemented in 2008.

## ***FINANCIAL INFORMATION***

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

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

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations that could have a material affect on a major federal program. The results of the City's single audit for the fiscal year ended December 31, 2007 did note a couple of findings in its compliance of major federal programs. There were no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations related to its major federal programs and appropriate corrective action procedures are to be implemented.

***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.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. The year 2007 ended with General Fund revenues under budget and expenditures slightly under budget. This combination generated a (\$107,386) deficit of revenues over expenditures and a decrease to fund balance. Although the City did see an increase in ad valorem taxes, decreases in sales tax, intangible taxes, and interest and costs offset this increase. Interest income also decreased in 2007 because of lower rates. Expenditures were less or on budget in most all departments due to position vacancy hiring freezes and the delay of filling open positions. The cost of fuel continues to have a large impact on many departments. This increase in costs will continue to be an issue in 2008. Expenses for the General fund in 2007 increased mainly in the Public Safety sector and in the transfer to other funds, mainly to Transit and the Golf funds. Total expenditures for 2007 increased 3.87% which is a modest increase considering the impact of significant increases in fuel costs. This modest increase also reflects a conscious effort by the City's departments to hold expenses within budget.

**General Fund Fund Balance.** The fund balance of the General Fund decreased by \$107,386. The cumulative fund balance of \$11,930,217 still provides the City with a fund balance that is the equivalent of approximately six months of total General fund expenditures and transfers.

**Enterprise Operations.** The City continues to extend sewer to parts of the City and County that are not presently on the City sewer system. The bond coverage ratio of the Water and Sewerage System continues to exceed the minimum outlined in the bond covenants. For 2007 the coverage was 1.72, which is well above the 1.2 requirement.

The Solid Waste Commission (Landfill) facility had a decrease in net assets of \$838,260. This decrease was due to a large closure/postclosure accrual due to the completion of Phase seven.

**Pension Trust Fund Operations.** The City contributed the actuarially determined amount into this fund in 2007. The pension liability continues to remain healthy with an 85.3% funding ratio in 2007. The funding level was 88.4% in 2006. This decrease was the result of a change in actuarial companies and a larger increase in the accrued actuarial liability. Beginning in 2001, the City has used a portion of its budgeted retirement contribution to match employee contributions in a 401-A Defined Contribution plan. Currently the city will match up to 2.5% of an employee's contribution.

**Debt Administration.** The City had water and sewer revenue, golf revenue, and Certificate of Participation bonds outstanding at the end of the fiscal year.

The following is a list of all outstanding bonds, notes payable and capital leases as of December 31, 2007:

	<b>Principal Amount <u>Outstanding</u></b>
Water & Sewer Revenue Bonds	\$65,530,000
Notes Payable-(GEFA)	7,497,891
Capital Leases-(All Funds)	1,138,243
Golf Revenue Bonds	5,320,000
Certificates of Participation (DFACS and GMA Lease)	<u>7,372,000</u>
	<u>\$ 86,858,134</u>

**Cash Management.** Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the U.S. Treasury, and the State of Georgia Investment Pool. The pension trust fund's investment portfolio, which is managed by the Georgia Municipal Employment Benefits System, also includes corporate bonds. The rate of return on pension fund investments is attributable to the long-term nature of most holdings in its portfolio. The City's

investment performance ranks adequately when compared to average yield rates of U.S. Treasury bills and U.S. Treasury notes in 2007. However, as with most investments, interest earnings have seen a decline over the last few years. In 2007, interest earnings were down from 2006. The City earned interest revenue of \$1,566,367 on all investments, including water and sewer bonds construction interest, excluding pension funds, for the year ended December 31, 2007.

The City's investment policy is to minimize credit and market risks while maximizing a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by the City, the Federal Reserve, or the financial institutions holdings in the state collateral pool.

**Risk Management.** The City has a risk management program for liability and workers' compensation. Each department has a departmental safety program that aids in reducing losses. At the beginning of 2002, the City of Rome entered into the GMA Workers Compensation Pool and is no longer self insured. The premium paid for Workers' Compensation insurance in 2007 was \$665,738. The City is still liable for all claims prior to January 1, 2002 up to our stop loss insurance limit of \$250,000.

### **AWARDS AND ACKNOWLEDGEMENTS**

**Awards.** The City of Rome, Georgia Comprehensive Annual Financial Report for the year ended December 31, 2006, 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, 2006

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.



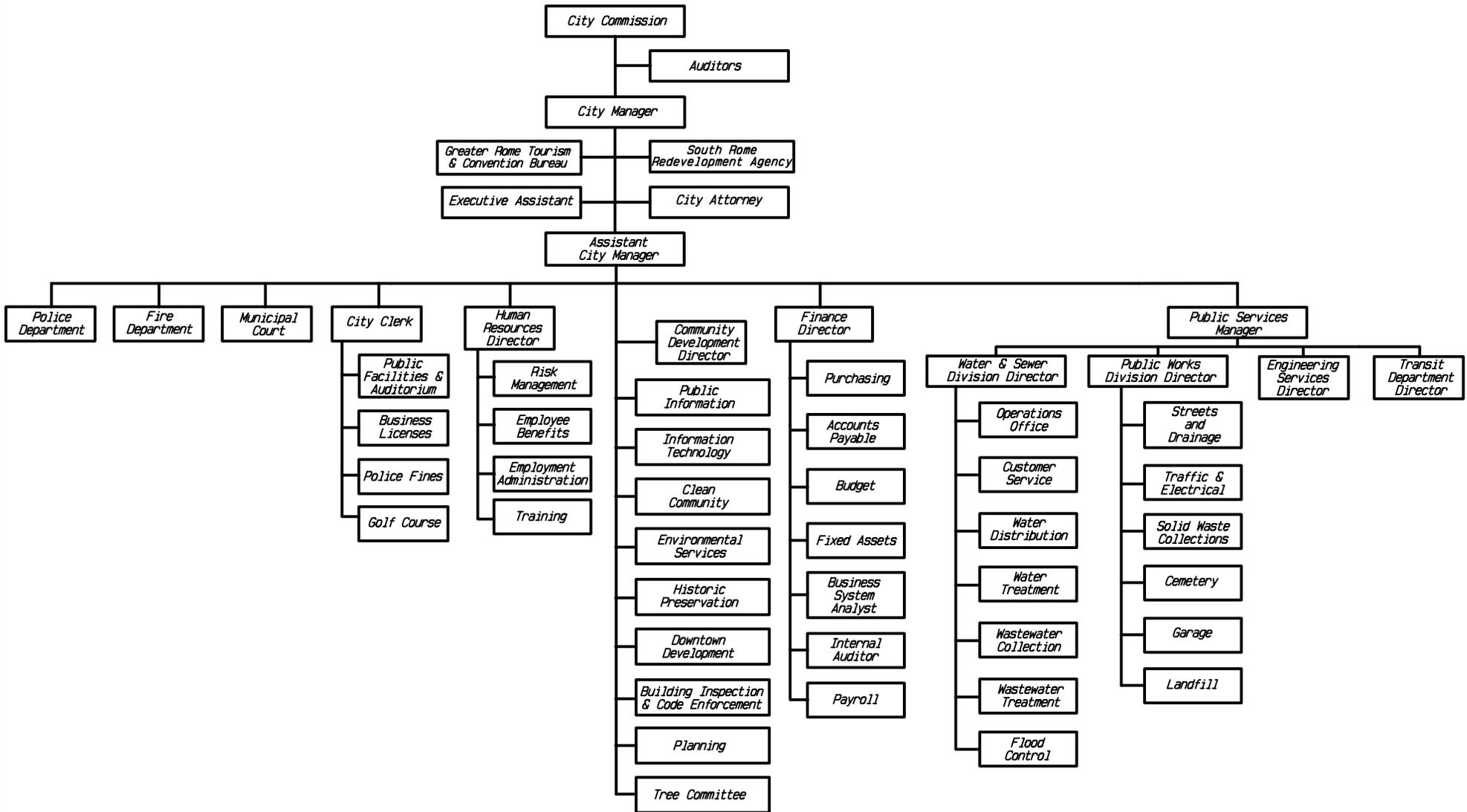
*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

# City of Rome, Georgia Organization Chart



**City of Rome, Georgia**  
**PRINCIPAL OFFICIALS**  
**December 31, 2007**

Ronnie Wallace	Mayor
Jamie Doss	At Large
Bill Collins	At Large
Bill Fricks	At Large
Ann Rigas	At Large
Kim Canada	At Large
Wright Bagby	At Large
Norman Skidmore	At Large
Howard "Buzz" Wachsteter	Mayor, Pro-Tem

\*\*\*\*\*

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 auditors report, the Management's Discussion and Analysis, the basic financial statements including footnotes, and the supplementary information.



## INDEPENDENT AUDITOR'S REPORT

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**Board of Commissioners  
City of Rome, Georgia  
Rome, Georgia**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Rome, Georgia** (the "City") as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rome, Georgia, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2008 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information (on pages 3 through 18 and 81 through 91, respectively) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplemental information, 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 Annotated 48-8-121, and is not a required part of the basic financial statements. The supplemental information and the schedule of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

Mauldin & Jenkins, LLC

## **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, 2007

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, 2007.

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 exceeded its total liabilities by \$232,547,277 in 2007, a 6.5% increase from 2006.
- Total Net assets are made up of the following:
  - 1) Capital assets, net of related debt of \$210,157,109 include property, equipment and infrastructure net of accumulated depreciation and reduced for related debt.
  - 2) Net assets of \$915,592 are restricted by outside entities either by covenants, grant agreements or external legislation.
  - 3) Unrestricted net assets of \$21,474,576 represent the portion available to maintain the City's ongoing obligations.
- The City's combined governmental funds reported a total ending fund balance of \$18,338,024. Of this amount \$11,215,168 is unreserved and undesignated and available for budgetary spending.

The City of Rome had an increase in net assets for the year of 2007 of \$14,224,676.
- The City's General Fund showed an unreserved fund balance of \$11,114,263 at the end of the fiscal year, or 64% of current year expenditures before transfers.

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

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

**City of Rome, Georgia**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2007**

**OVERVIEW OF THE FINANCIAL STATEMENTS – continued**

***Government-wide Financial Statements– continued***

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 19-21 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 twelve 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 94-105 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.

**City of Rome, Georgia**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2007**

**FUND FINANCIAL STATEMENTS - continued**

***Governmental Funds- continued***

The basic governmental fund financial statements are presented on pages 22-26 of this report.

***Proprietary Funds***

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

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

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

The City reports the water, fire 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 27 – 35 with individual data on non-major funds presented in combining statements on pages 108-114.

***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 36-37.

***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 38 to 80.

***Required Supplementary Information***

The budgetary comparison schedule for the General Fund and footnotes are provided for budget compliance presentation. These are presented on pages 81-91.

**City of Rome, Georgia**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2007**

**FUND FINANCIAL STATEMENTS - continued**

***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 96-103.

**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 19-21.

**City of Rome  
Net Assets (Financial Position)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>		<b>Variance</b>
	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	
Current assets	\$ 17,238,900	\$ 18,839,005	\$ 9,039,807	\$ 11,151,141	\$ 26,278,707	\$ 29,990,146	\$ 3,711,439
Capital assets	94,282,582	103,973,335	188,955,144	196,853,309	283,237,726	300,826,644	17,588,918
Other non-current assets	6,862,019	6,686,958	9,494,283	5,138,548	16,356,302	11,825,506	(4,530,796)
<b>Total Assets</b>	<b>118,383,501</b>	<b>129,499,298</b>	<b>207,489,234</b>	<b>213,142,998</b>	<b>325,872,735</b>	<b>342,642,296</b>	<b>16,769,561</b>
Current liabilities	1,890,278	3,010,062	14,276,309	13,944,978	16,166,587	16,955,040	788,453
Long-term liabilities	4,697,018	4,638,456	86,686,530	88,501,523	91,383,548	93,139,979	1,756,431
<b>Total Liabilities</b>	<b>6,587,296</b>	<b>7,648,518</b>	<b>100,962,839</b>	<b>102,446,501</b>	<b>107,550,135</b>	<b>110,095,019</b>	<b>2,544,884</b>
<b>Net Assets:</b>							
Invested in capital assets, net of related debt	89,494,592	99,276,317	112,571,790	110,880,792	202,066,382	210,157,109	8,090,727
Restricted	325,944	631,346	249,077	284,246	575,021	915,592	340,571
Unrestricted	21,975,669	21,943,117	(6,294,471)	(468,541)	15,681,198	21,474,576	5,793,378
<b>Total Net Assets</b>	<b>\$ 111,796,205</b>	<b>\$ 121,850,780</b>	<b>\$ 106,526,396</b>	<b>\$ 110,696,497</b>	<b>\$ 218,322,601</b>	<b>\$ 232,547,277</b>	<b>\$ 14,224,676</b>

As noted, the overall assets of the City increased \$16,769,561 from 2006 with a large increase occurring in capital assets, mainly in completed projects and construction in progress as restricted bond proceeds were used to construct plant facilities. There was still \$3,050,925 in unspent bond proceeds at year-end. The City's total liabilities increased \$2,544,884 due to two new GEFA loans for water/sewer improvements. Overall the City's net assets increased \$14,224,676 or 6.5% from 2006. This is a larger increase in net assets than in the previous year. Capital assets additions make up the majority of this amount with most of the increase coming from new construction and improvements in several school facilities and water plant facilities. These improvements are financed with a special local option sales tax and bond proceeds. Investment in capital assets, net of related debt is the largest component of total net assets with 81% of governmental net assets and 104% of business type net

**City of Rome, Georgia**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2007**

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

assets. The largest component of restricted net assets is restricted assets held for debt service. Neither of these components of net assets, however, represents available resources for the City, but an investment to provide services to citizens.

The unrestricted portion of net assets of \$21,474,576 which is available for spending is 9.2% of total net assets.

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

**City of Rome  
Changes in Net Assets**

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>		<b>Variance</b>
	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	
Revenues:							
Program Revenues							
Charges for services	\$ 3,808,288	\$ 3,837,814	\$ 30,734,035	\$ 32,538,066	\$ 34,542,323	\$ 36,375,880	\$ 1,833,557
Operating Grants & Contributions	342,704	1,024,333	701,155	458,313	1,043,859	1,482,646	438,787
Capital Grants & Contributions	6,529,577	8,740,857	1,915,729	1,640,068	8,445,306	10,380,925	1,935,619
General Revenues							
Property Taxes	10,441,370	10,047,629	-	-	10,441,370	10,047,629	(393,741)
Sales Taxes	8,709,260	10,241,852	-	-	8,709,260	10,241,852	1,532,592
Other Taxes	6,686,202	7,252,314	-	-	6,686,202	7,252,314	566,112
Miscellaneous	799,595	1,258,451	1,245,394	847,250	2,044,989	2,105,701	60,712
Total Revenues	<u>37,316,996</u>	<u>42,403,250</u>	<u>34,596,313</u>	<u>35,483,697</u>	<u>71,913,309</u>	<u>77,886,947</u>	<u>5,973,638</u>

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2007

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

	Governmental Activities		Business Type Activities		Total		Variance
	2006	2007	2006	2007	2006	2007	
Expenses:							
General Government	\$ 3,446,154	\$ 3,554,844	\$ -	\$ -	\$ 3,446,154	\$ 3,554,844	\$ 108,690
Public Safety	7,605,494	7,416,462	-	-	7,605,494	7,416,462	(189,032)
Public Works	9,018,595	8,564,012	-	-	9,018,595	8,564,012	(454,583)
Public Facilities	1,316,093	1,120,974	-	-	1,316,093	1,120,974	(195,119)
Public Services	419,730	277,712	-	-	419,730	277,712	(142,018)
Community Development	1,567,679	1,027,712	-	-	1,567,679	1,027,712	(539,967)
Education	1,059,305	1,080,435	-	-	1,059,305	1,080,435	21,130
Interest on Debt	326,274	245,785	-	-	326,274	245,785	(80,489)
Water and Sewer	-	-	14,710,817	16,899,234	14,710,817	16,899,234	2,188,417
Fire	-	-	9,411,249	10,315,929	9,411,249	10,315,929	904,680
Solid Waste Management	-	-	3,598,080	3,308,538	3,598,080	3,308,538	(289,542)
Transit	-	-	2,843,223	3,107,463	2,843,223	3,107,463	264,240
Building Inspection	-	-	849,226	946,142	849,226	946,142	96,916
Solid Waste Commission	-	-	2,269,626	3,810,416	2,269,626	3,810,416	1,540,790
Municipal Golf	-	-	1,556,527	1,539,713	1,556,527	1,539,713	(16,814)
Public Facilities	-	-	491,772	446,900	491,772	446,900	(44,872)
Total Expenses	<u>24,759,324</u>	<u>23,287,936</u>	<u>35,730,520</u>	<u>40,374,335</u>	<u>60,489,844</u>	<u>63,662,271</u>	<u>3,172,427</u>
Increase (decrease) in net assets before transfers	12,557,672	19,115,314	(1,134,207)	(4,890,638)	11,423,465	14,224,676	2,801,211
Transfers	<u>(9,059,338)</u>	<u>(9,060,739)</u>	<u>9,059,338</u>	<u>9,060,739</u>	<u>-</u>	<u>-</u>	<u>(26,500)</u>
Change in Net Assets	3,498,334	10,054,575	7,925,131	4,170,101	11,423,465	14,224,676	2,801,211
Beginning Net Assets	<u>108,297,871</u>	<u>111,796,205</u>	<u>98,601,265</u>	<u>106,526,396</u>	<u>206,899,136</u>	<u>218,322,601</u>	<u>11,423,465</u>
Ending Net Assets	<u>\$ 111,796,205</u>	<u>\$ 121,850,780</u>	<u>\$ 106,526,396</u>	<u>\$ 110,696,497</u>	<u>\$ 218,322,601</u>	<u>\$ 232,547,277</u>	<u>\$ 14,224,676</u>

**City of Rome, Georgia**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2007**

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

The City's overall revenue increased \$5,973,638 from 2006 or 8.3%. These increases occurred in charges for services in the Water/Sewer operations, capital grants for education and sales taxes. The capital grants and contributions were for special local option sales taxes used to help finance school building improvements. The increase in sales taxes occurred due to the implementation of the new 2006 SPLOST. There was also an increase in capital revenues for grants to help fund the new pedestrian bridge and youth center. Property and other taxes remained fairly constant from 2006.

Total operational expenses for 2007 only increased \$3,172,427 or a moderate 5.2%. Governmental expenses actually decreased \$1,471,388 from 2006. The majority of this decrease was in community development and was due to less capital expenses for 2007. The main increase in business activities expense was in the Water/Sewer Fund. This was due to some increase in operational expenses, but a larger increase in depreciation due to the completion of several large facilities. The Water/Sewer Fund also had a loss on the disposal of assets of \$1,041,244. This was due to the completion of the replacement of all of the water meters that the City bills from and the loss covered the removal of the old meters. The Fire Fund had an increase in payroll expenses. The Solid Waste Commission fund expenses increased \$1,038,912 mainly due to an increase in closure and post-closure accruals. Most all other business-type activities were very close to 2006 expense levels.

The overall change in net assets for 2007 was \$14,224,676, which was a \$2,801,211 or 6.5% increase from 2006. This increase is also inclusive of the loss in the Water/Sewer fund so the operational increase in net assets was very stable for 2007 and continues to indicate good health for the City.

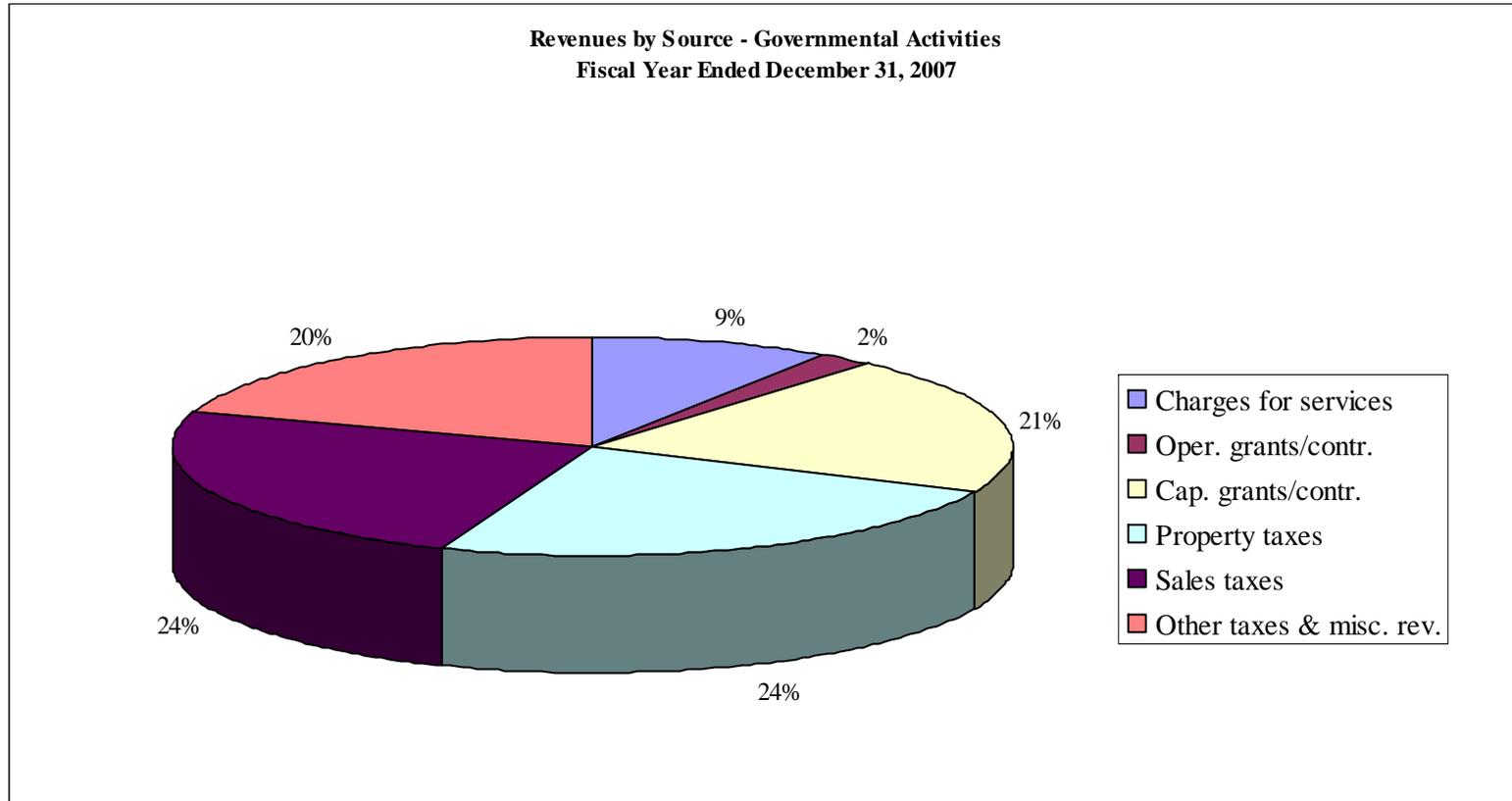
City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2007

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

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



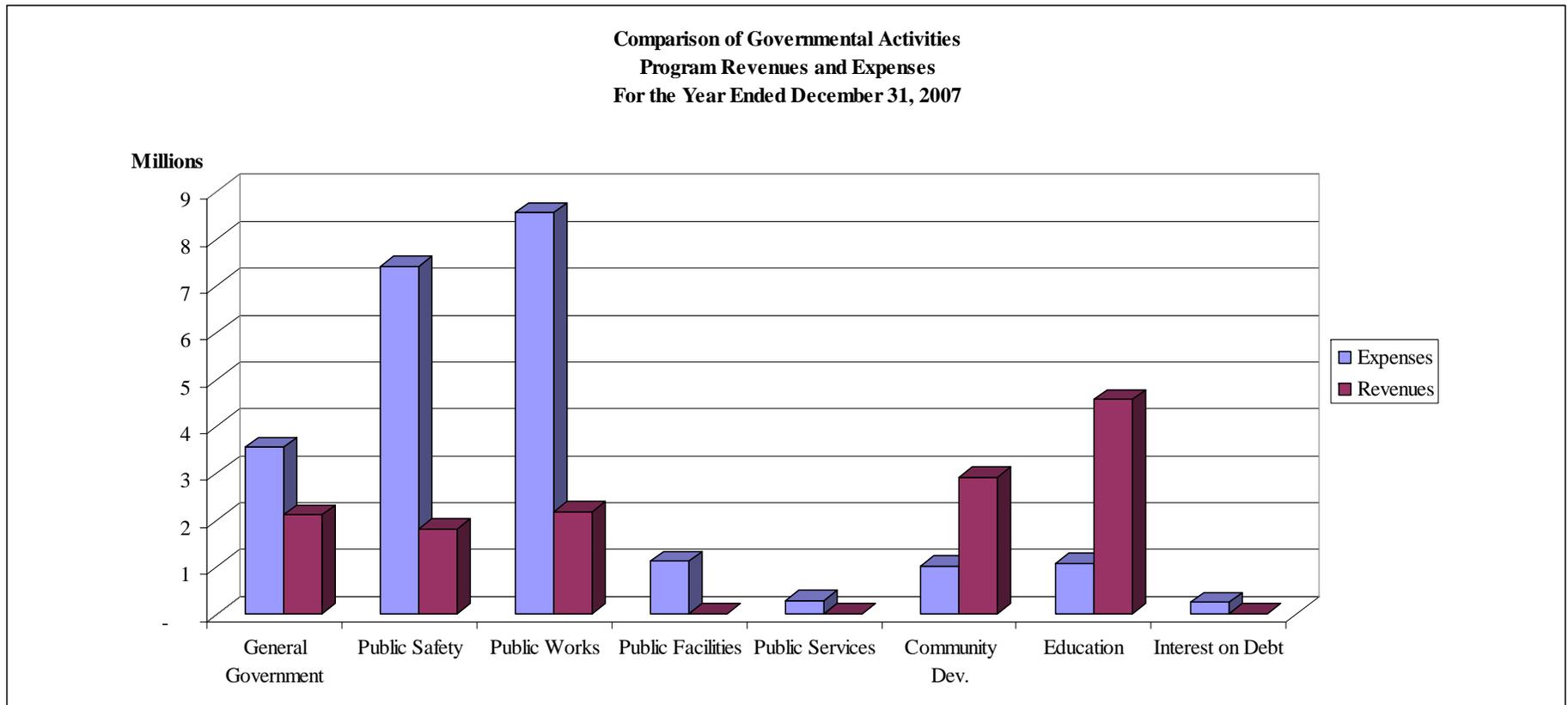
City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2007

**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, Georgia

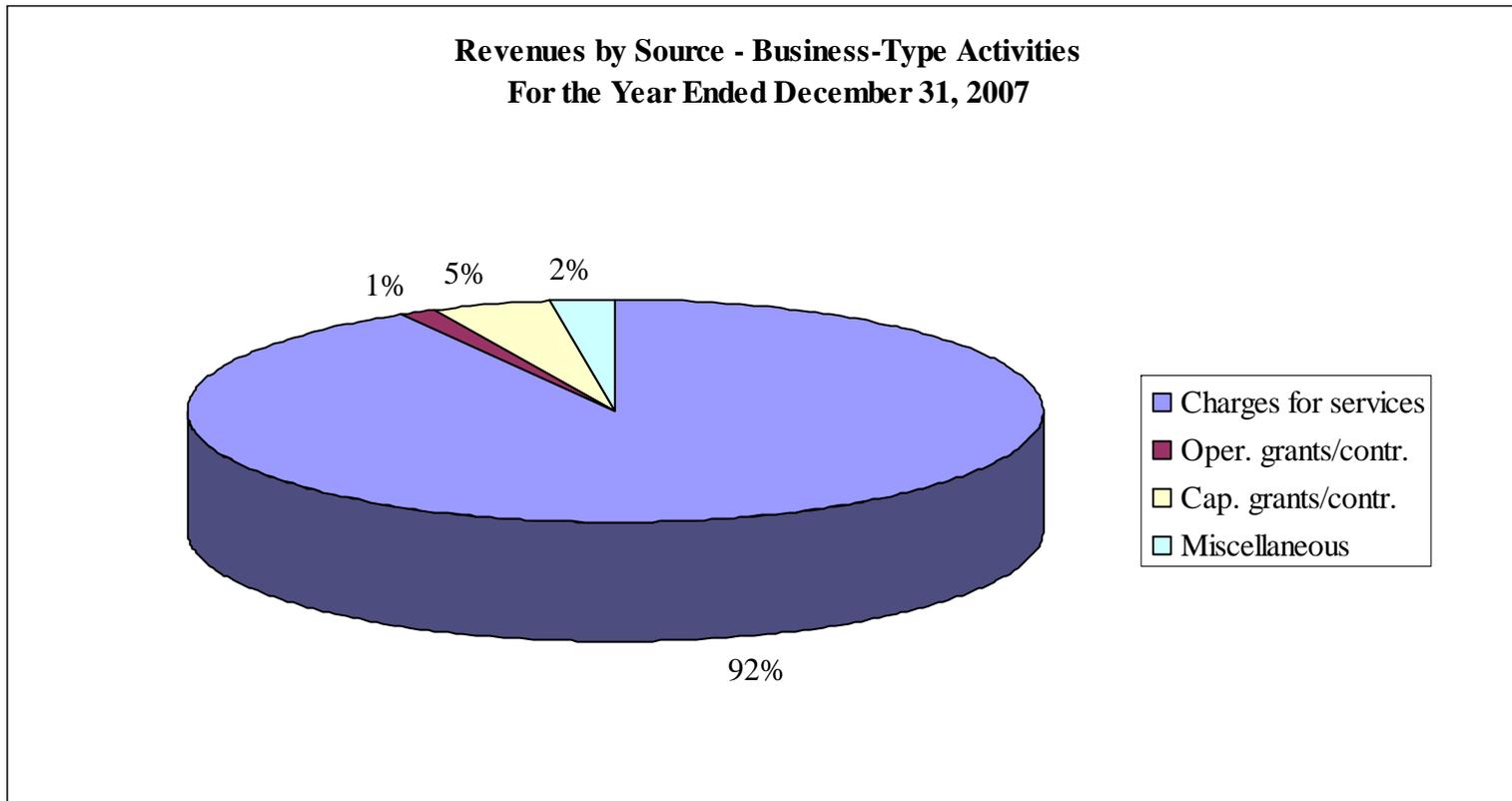
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2007

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

Business-type activities charges for services account for \$32,538,066 or 92% of total revenues. The Capital grant amount of \$1,640,068 represents capital contributions for transit capital purchases and donated water/sewer infrastructure. Transfers of \$9,060,739 are 20% of total business-type revenues.

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



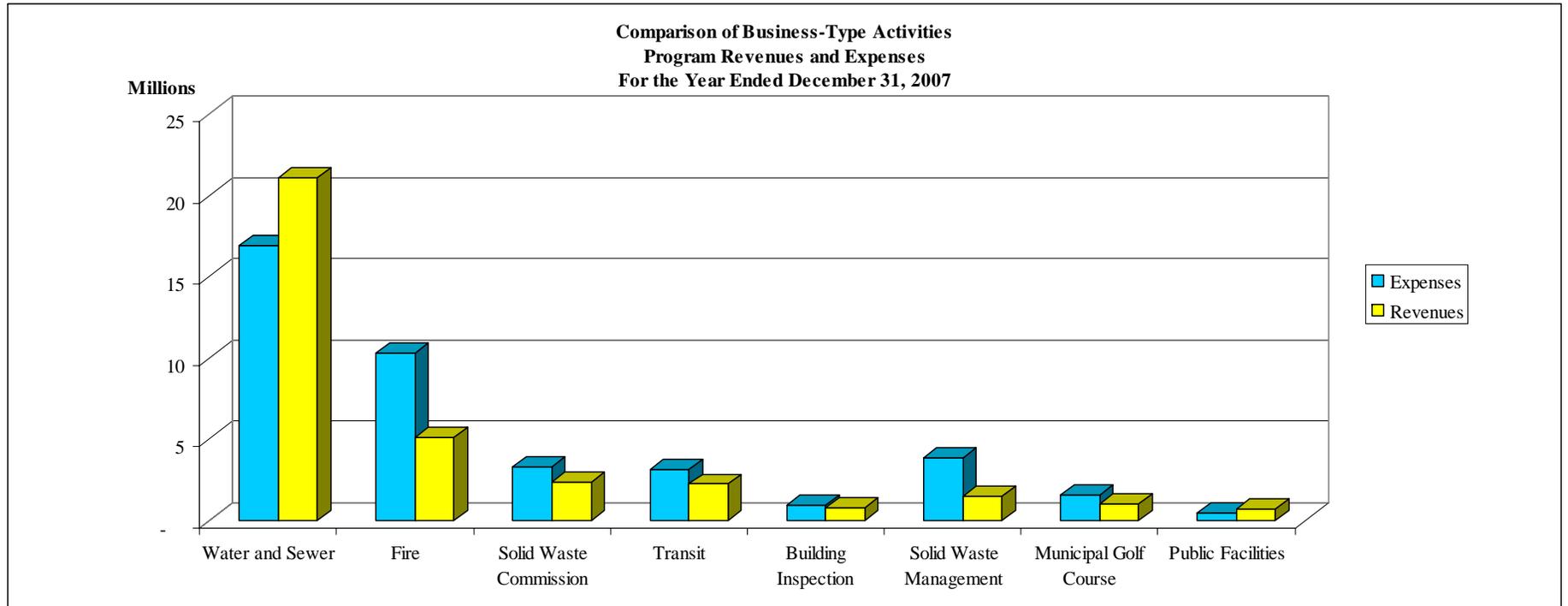
City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2007

**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.



City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2007

**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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending. At the end of the fiscal year 2007 the City's governmental funds reported a combined ending fund balance of \$18,338,024. Of this amount \$14,869,429 is unreserved. The General Fund comprises \$11,114,263 or 75% of this unreserved 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 2007 the fund balance of the General Fund was \$11,930,217 with \$11,114,263 in the unreserved fund balance. Unreserved fund balance represents 64% of total General Fund expenditures while total fund balance represents 69% of the same amount.

The reserved General Fund fund balance of \$815,954 represents a) \$647,244 reserved for cemetery maintenance and b) \$168,710 for prepaids and inventories.

The General Fund's fund balance decreased by \$107,386 during fiscal year 2007. Decreased revenue sources of sales tax, franchise taxes, and interest earnings, along with an increase in transfers out for the year contributed to this decrease.

***Capital Fund***

In 2007 the Capital fund had a net decrease in fund balance of \$104,800. This was an anticipated decrease due to several ongoing projects such as West Third property purchase, construction of the pedestrian bridge, and the new youth center.

***Planning Commission Fund***

The Planning Commission fund has a decrease in fund balance of \$32,437. This was a budgeted decrease to use fund balance to complete a planning and use study.

***Tax Allocation District Fund***

This fund now separately accounts for the collection of taxes for the two tax allocation districts created by the City. Fiscal year 2006 was the first year for the levy of this incremental tax. No debt has been issued for these districts.

***South Rome Redevelopment Agency***

This fund is a component unit of the City of Rome and in 2007 was incorporated into the City's books. This fund accounts for the activity of redevelopment in the South Rome area.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2007

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS-Continued**

***Proprietary Funds***

The City of Rome's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Total Enterprise Funds showed combined net assets of \$108,363,734 at year end with the Water and Sewer Fund comprising \$101,535,577 or 94% of that amount. The Water and Sewer Fund had an increase of \$4,895,704 in net assets for fiscal year 2007. This increase was due to a transfer from the SPLOST fund and capital contributions for donated infrastructure as well as mitigation of operating expenses. The Water and Sewer Fund also had a bond coverage ratio of 1.7 for 2007, which is above the required 1.2. The Fire Fund had a decrease in net assets of \$428,495. This was mainly due to a greater than anticipated depreciation expense. The Solid Waste Commission Fund had a decrease in net assets of \$838,260. This was due to an increase in accruals for closure and post closure expenses. The Building Inspection fund had a decrease in net assets of \$122,756. Although there was a budgeted use of net assets, permit revenues were less than anticipated.

**GENERAL FUND BUDGET HIGHLIGHTS**

The original budget for the General Fund was amended twice with commission approval after the beginning of the fiscal year. As noted earlier, due to shortfalls in several revenue items and an increase in transfers out, the City ended the 2007 fiscal year with a \$107,386 decrease to fund balance. The following are highlighted budgetary changes from the original to final budgets.

- Current Year Property Taxes were increased to more accurately reflect actual receipts.
- Sales Tax revenue budget was decreased due to decrease in actual receipts for the year.
- Franchise taxes were increased to more accurately reflect actual receipts.
- Police Fines budget was increased due to increase in actual receipts.
- Municipal Court budget was increased to account for increase in legal fees.
- Finance budget was decreased to account for personnel shortage.
- Public Safety was increased to account for personnel costs increase.
- Clean It or Lien It Demolition budget was decreased for actual costs.
- Transfers out were increased due to increase in transfers to Municipal Golf, Transit, and Solid Waste Management.
- Many departments' supplies budgets were increased to offset the increase in fuel costs during the year.

General Fund expenditures ended the year \$97,262 under final budget numbers.

**City of Rome, Georgia**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2007**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

The City of Rome has invested \$210,157,109 in capital assets net of debt, with \$99,276,317 in governmental activities and \$110,880,792 in business-type activities. Capital assets for that calculation include machinery and equipment, buildings, land, infrastructure, and bond issuance costs.

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

**City of Rome  
Capital Assets (net of depreciation)  
as of December 31, 2007**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>
Land	\$ 4,165,228	\$ 6,741,418	\$ 7,460,524	\$ 7,507,506	\$ 11,625,752	\$ 14,248,924
Construction in Progress	1,262,721	8,147,268	58,879,376	48,214,876	60,142,097	56,362,144
Buildings	71,236,682	74,683,912	55,161,166	60,358,154	126,397,848	135,042,066
Improvements other than buildings	288,009	375,681	12,390,112	16,988,201	12,678,121	17,363,882
Machinery & Equipment	4,244,969	4,687,280	10,659,265	10,363,459	14,904,234	15,050,739
Vehicles	4,835,353	4,757,576	16,492,002	16,988,389	21,327,355	21,745,965
Infrastructure	105,069,915	106,050,147	104,969,216	118,325,549	210,039,131	224,375,696
Total	191,102,877	205,443,282	266,011,661	278,746,134	457,114,538	484,189,416
Accumulated depreciation	(96,820,295)	(101,469,947)	(77,056,517)	(81,892,825)	(173,876,812)	(183,362,772)
Net Capital Assets	<u>\$ 94,282,582</u>	<u>\$ 103,973,335</u>	<u>\$ 188,955,144</u>	<u>\$ 196,853,309</u>	<u>\$ 283,237,726</u>	<u>\$ 300,826,644</u>

**City of Rome, Georgia**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2007**

**CAPITAL ASSETS AND DEBT ADMINISTRATION - continued**

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

- Construction of new Boys/Girls club for \$1,819,124
- Construction of new pedestrian bridge of \$2,269,878
- Purchase of Roman Holiday boating vessel of \$183,730
- Purchase of West Third property for \$216,379
- School improvements and construction for \$4,576,744

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

- Transit bus fleet replacement of \$273,635
- West Rome Water system improvements of \$1,291,672
- Armuchee Sewer improvements of \$5,625,719
- Fire engine purchase for \$258,754
- Waste Water Treatment Plant Improvements for \$3,372,915
- Solid Waste garbage truck replacements of \$297,695

Additional information on the City of Rome's Capital assets can be found in Note III- (C) on pages 50-53.

***Long-term Debt***

At December 31, 2007 the City of Rome had \$86,778,780 in bonds and notes outstanding which is a decrease of \$1,594,973 over the prior year. Payments of \$4,597,443 were made in 2007 to reduce bonds and notes outstanding principal. New debt of \$3,055,798 was issued for a new GEFA loan for water/sewer. Other long term debt of \$2,752,513 represents monies drawn on an additional GEFA loan but has not yet been completed and moved to the notes payable. Compensated absences have not been included in these calculations.

**City of Rome  
Outstanding Note and Bond Debt  
as of December 31, 2006**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Bonds	\$ 4,527,000	\$ 79,077,217	\$ 83,604,217
Notes Payable	-	4,769,536	4,769,536
Capital Leases	260,990	1,247,307	1,508,297
	<u>\$ 4,787,990</u>	<u>\$ 85,094,060</u>	<u>\$ 89,882,050</u>

The City currently maintains an Aa2 on its General Obligation bonds and A2 on its Water and Sewer bonds. Additional information on the City's long-term debt can be found in Note III-(E) on pages 58 to 67 of this report.

**City of Rome, Georgia**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2007**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Local Option Sales Tax Revenues decreased 2.7% in 2007 over 2006 and prior year taxes and interest earnings decreased significantly from 2006. Intangible taxes and interest and costs also experienced significant decreases. The major expense impact in 2007 was the continued rise in fuel costs and retirement costs. Some personnel vacancies continue to be frozen in 2007 to help offset this increase in expenses. Budgetary factors of concern as the 2008 budgets were prepared are as follows:

- Relative flat revenue expectations in property taxes, sales tax, intangible taxes and business licenses.
- Continued monitoring of vacant personnel positions.
- Projected increases in technology upgrades and improvements.
- Projected increases in fuel costs of as much as 35%.
- Projected increases in retirement and health insurance costs.
- Loss of large water customer in 2007. State mandated water restrictions mitigate water sales.

The City of Rome has been able to weather a decline or stagnation in several major revenue sources. Next year's budgets anticipate a modest increase in revenue sources and expenses have been budgeted accordingly.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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

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

## **BASIC FINANCIAL STATEMENTS**

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

**CITY OF ROME, GEORGIA**  
**STATEMENT OF NET ASSETS**  
**December 31, 2007**

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Greater Rome	Rome Board
	Activities	Activities		Convention & Visitors Bureau	of Education
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash	\$ 7,451,454	\$ 9,743,127	\$ 17,194,581	\$ 24,230	\$ 8,816,313
Accounts receivable, net	3,417,522	4,268,476	7,685,998	-	-
Accounts receivable, loans	514,856	-	514,856	-	-
Taxes receivable	635,865	-	635,865	-	-
Due from primary government	-	-	-	75	-
Due from other governments	2,641,486	357,662	2,999,148	21,366	7,801,495
Internal balances	4,003,259	(4,003,259)	-	-	-
Due from component units	253	730	983	-	-
Inventory	168,510	779,165	947,675	-	89,867
Prepaid items	5,800	5,240	11,040	-	-
<b>Total current assets</b>	<b>18,839,005</b>	<b>11,151,141</b>	<b>29,990,146</b>	<b>45,671</b>	<b>16,707,675</b>
<b>Non Current Assets:</b>					
<b>Restricted Assets</b>					
Cash	923,954	3,803,171	4,727,125	-	-
Investments	2,338,461	-	2,338,461	-	-
Pension asset	3,424,543	-	3,424,543	-	-
<b>Capital Assets</b>					
Non-depreciable assets	14,888,686	55,722,382	70,611,068	-	-
Depreciable assets, net of depreciation	89,084,649	141,130,927	230,215,576	74,603	2,713,123
Deferred charges-bond issuance costs	-	1,335,377	1,335,377	-	75,812
<b>Total noncurrent assets</b>	<b>110,660,293</b>	<b>201,991,857</b>	<b>312,652,150</b>	<b>74,603</b>	<b>2,788,935</b>
<b>TOTAL ASSETS</b>	<b>129,499,298</b>	<b>213,142,998</b>	<b>342,642,296</b>	<b>120,274</b>	<b>19,496,610</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Salaries and benefits payable	-	-	-	-	6,054,021
Accounts payable	1,775,526	4,706,404	6,481,930	5,061	3,691,652
Accrued liabilities	325,988	1,721,331	2,047,319	5,946	-
Unearned revenues	-	111,150	111,150	-	-
Due to primary government	-	-	-	983	-
Due to component units	75	-	75	-	-
Due to other governments	90,055	-	90,055	-	-
Capital leases payable-current	58,562	272,760	331,322	-	217,331
Bonds payable-current	-	4,460,000	4,460,000	-	-
Closure and postclosure care-current	-	216,611	216,611	-	-
Notes payable-current	-	446,007	446,007	-	-
Claims payable	-	640,000	640,000	-	-
Compensated absences payable	759,856	1,370,715	2,130,571	18,936	84,743
<b>Total current liabilities</b>	<b>3,010,062</b>	<b>13,944,978</b>	<b>16,955,040</b>	<b>30,926</b>	<b>10,047,747</b>

See accompanying notes to the basic financial statements.

**CITY OF ROME, GEORGIA  
STATEMENT OF NET ASSETS  
December 31, 2007**

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Greater Rome Convention & Visitors Bureau	Rome Board of Education
	Activities	Activities			
<b>Long-Term Liabilities:</b>					
Capital leases payable (net of current portion)	\$ 111,456	\$ 695,465	\$ 806,921	\$ -	\$ 815,602
Closure and postclosure care-long term	-	7,707,773	7,707,773	-	-
Compensated absences payable-long term	-	-	-	3,000	-
Other long-term liabilities	-	2,752,513	2,752,513	-	-
Notes payable-long term	-	7,051,884	7,051,884	-	-
Bonds payable (net of current portion)	4,527,000	70,293,888	74,820,888	-	2,000,000
<b>Total long term liabilities</b>	<b>4,638,456</b>	<b>88,501,523</b>	<b>93,139,979</b>	<b>3,000</b>	<b>2,815,602</b>
<b>TOTAL LIABILITIES</b>	<b>7,648,518</b>	<b>102,446,501</b>	<b>110,095,019</b>	<b>33,926</b>	<b>12,863,349</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	99,276,317	110,880,792	210,157,109	74,603	(319,810)
Restricted for:					
Capital projects	28,592	-	28,592	-	1,853,453
Other purposes:					
Revolving loans	462,160	-	462,160	-	-
Debt service	-	284,246	284,246	-	546,075
Food services	-	-	-	-	1,824,858
School activities	-	-	-	-	266,129
Tourism & forum promotions	140,594	-	140,594	-	-
Unrestricted	21,943,117	(468,541)	21,474,576	11,745	2,462,556
<b>TOTAL NET ASSETS</b>	<b>\$ 121,850,780</b>	<b>\$ 110,696,497</b>	<b>\$ 232,547,277</b>	<b>\$ 86,348</b>	<b>\$ 6,633,261</b>

**CITY OF ROME, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2007

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Charges for Services, Sales and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-Type Activities	Total	Greater Rome Conv/Vis Bureau	Rome Board of Education
<b>PRIMARY GOVERNMENT:</b>									
<b>Governmental Activities:</b>									
General Government	\$ 3,554,844	\$ 1,823,227	\$ 17,500	\$ 273,230	\$ (1,440,887)	\$ -	\$ (1,440,887)	\$ -	\$ -
Public Safety	7,416,462	1,779,046	28,000	-	(5,609,416)	-	(5,609,416)	-	-
Public Works	8,564,012	-	120,050	2,065,853	(6,378,109)	-	(6,378,109)	-	-
Public Facilities	1,120,974	-	-	-	(1,120,974)	-	(1,120,974)	-	-
Public Services	277,712	-	-	-	(277,712)	-	(277,712)	-	-
Community Development	1,027,712	235,541	858,783	1,825,000	1,891,612	-	1,891,612	-	-
Education	1,080,435	-	-	4,576,774	3,496,339	-	3,496,339	-	-
Interest on Debt	245,785	-	-	-	(245,785)	-	(245,785)	-	-
<b>Total Governmental Activities</b>	<b>23,287,936</b>	<b>3,837,814</b>	<b>1,024,333</b>	<b>8,740,857</b>	<b>(9,684,932)</b>	<b>-</b>	<b>(9,684,932)</b>	<b>-</b>	<b>-</b>
<b>Business-Type Activities:</b>									
Water and Sewer	16,899,234	20,071,369	-	1,046,329	-	4,218,464	4,218,464	-	-
Fire	10,315,929	5,062,698	-	-	-	(5,253,231)	(5,253,231)	-	-
Solid Waste Commission	3,308,538	2,311,146	-	-	-	(997,392)	(997,392)	-	-
Transit	3,107,463	1,172,114	449,214	593,739	-	(892,396)	(892,396)	-	-
Building Inspection	946,142	789,662	-	-	-	(156,480)	(156,480)	-	-
Solid Waste Management	3,810,416	1,476,566	9,099	-	-	(2,324,751)	(2,324,751)	-	-
Municipal Golf Course	1,539,713	1,006,155	-	-	-	(533,558)	(533,558)	-	-
Public Facilities	446,900	648,356	-	-	-	201,456	201,456	-	-
<b>Total Business-Type Activities:</b>	<b>40,374,335</b>	<b>32,538,066</b>	<b>458,313</b>	<b>1,640,068</b>	<b>-</b>	<b>(5,737,888)</b>	<b>(5,737,888)</b>	<b>-</b>	<b>-</b>
<b>Total - Primary Government</b>	<b>\$ 63,662,271</b>	<b>\$ 36,375,880</b>	<b>\$ 1,482,646</b>	<b>\$ 10,380,925</b>	<b>\$ (9,684,932)</b>	<b>\$ (5,737,888)</b>	<b>\$ (15,422,820)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Component Units</b>									
Rome Board of Education	\$ 53,827,815	\$ 1,460,869	\$ 32,311,984	\$ 185,323				\$ -	\$ (19,869,639)
Tourism	524,874	30,283	491,065	-				(3,526)	-
<b>Total - Component Units</b>	<b>\$ 54,352,689</b>	<b>\$ 1,491,152</b>	<b>\$ 32,803,049</b>	<b>\$ 185,323</b>				<b>\$ (3,526)</b>	<b>\$ (19,869,639)</b>
<b>GENERAL REVENUES:</b>									
Taxes:									
Property					\$ 10,047,629	\$ -	\$ 10,047,629	\$ -	\$ 16,201,686
Sales					10,241,852	-	10,241,852	-	5,464,253
Other					7,252,314	-	7,252,314	-	-
Gain on Disposal of Capital Assets					217,617	12,262	229,879	-	1,292
Interest Earned					731,409	834,988	1,566,397	1,542	298,923
Miscellaneous					309,425	-	309,425	-	243,090
<b>Total General Revenues</b>					<b>28,800,246</b>	<b>847,250</b>	<b>29,647,496</b>	<b>1,542</b>	<b>22,209,244</b>
Transfers					(9,060,739)	9,060,739	-		-
<b>Total General Revenues and Transfers</b>					<b>19,739,507</b>	<b>9,907,989</b>	<b>29,647,496</b>	<b>1,542</b>	<b>22,209,244</b>
<b>Change in Net Assets</b>					<b>10,054,575</b>	<b>4,170,101</b>	<b>14,224,676</b>	<b>(1,984)</b>	<b>2,339,605</b>
<b>NET ASSETS BEGINNING OF YEAR</b>					<b>111,796,205</b>	<b>106,526,396</b>	<b>218,322,601</b>	<b>88,332</b>	<b>4,293,656</b>
<b>NET ASSETS END OF YEAR</b>					<b>\$ 121,850,780</b>	<b>\$ 110,696,497</b>	<b>\$ 232,547,277</b>	<b>\$ 86,348</b>	<b>\$ 6,633,261</b>

See accompanying notes to the basic financial statements

**CITY OF ROME, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2007**

	<u>Major Governmental Funds</u>		<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Capital</u>		
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 6,665,730	\$ 526,972	\$ 258,752	\$ 7,451,454
Taxes receivable, net of allowances for uncollectibles	634,155	-	1,710	635,865
Accounts receivable, net of allowances for uncollectibles	3,056,849	7,699	352,974	3,417,522
Accounts receivable loans	-	-	514,856	514,856
Due from other governments	1,495,304	1,100,853	45,329	2,641,486
Due from other funds	952,959	928,431	10,208	1,891,598
Due from component units	87	-	166	253
Prepaid items	200	5,600	-	5,800
Inventories	168,510	-	-	168,510
Restricted cash	647,244	-	276,710	923,954
Restricted investments	-	2,338,461	-	2,338,461
Advances due from other funds	-	2,015,695	-	2,015,695
<b>TOTAL ASSETS</b>	<u>\$ 13,621,038</u>	<u>\$ 6,923,711</u>	<u>\$ 1,460,705</u>	<u>\$ 22,005,454</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ 133,315	\$ 1,492,833	\$ 149,378	\$ 1,775,526
Accrued liabilities	316,996	-	8,992	325,988
Deferred revenue	16,076	500	-	16,576
Due to other funds	1,192,750	17,154	249,306	1,459,210
Due to other governments	31,684	39,790	18,581	90,055
Due to component units	-	-	75	75
<b>TOTAL LIABILITIES</b>	<u>1,690,821</u>	<u>1,550,277</u>	<u>426,332</u>	<u>3,667,430</u>
<b>FUND BALANCES:</b>				
<b>Reserved for:</b>				
Cemetery perpetual care	\$ 647,244	\$ -	\$ -	\$ 647,244
Prepaid items	200	5,600	-	5,800
Inventories	168,510	-	-	168,510
Revolving loans	-	-	462,160	462,160
Tourism and forum promotion	-	-	140,594	140,594
Capital improvements	-	-	28,592	28,592
Long term advances	-	2,015,695	-	2,015,695
<b>Unreserved:</b>				
Designated for grant programs and capital projects reported in:				
Capital Projects Funds	-	3,352,139	169	3,352,308
Special Revenue Funds	-	-	301,953	301,953
Undesignated, reported in:				
General Fund	11,114,263	-	-	11,114,263
Special Revenue Funds	-	-	100,905	100,905
<b>TOTAL FUND BALANCES</b>	<u>11,930,217</u>	<u>5,373,434</u>	<u>1,034,373</u>	<u>18,338,024</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 13,621,038</u>	<u>\$ 6,923,711</u>	<u>\$ 1,460,705</u>	<u>\$ 22,005,454</u>

See accompanying notes to the basic financial statements

**CITY OF ROME, GEORGIA**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO**  
**NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
**For the Year Ended December 31, 2007**

<b>TOTAL GOVERNMENTAL FUND BALANCES</b>		\$ 18,338,024
<b>Amounts reported for governmental activities in the statement of net assets are different because:</b>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost	\$ 206,099,779	
Less accumulated depreciation	<u>(102,126,444)</u>	103,973,335
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. Governmental activities net assets have been increased by the effect of the internal service funds net assets.		
	<u>1,571,752</u>	1,571,752
The net pension not recorded in the fund statements.		
	<u>3,424,543</u>	3,424,543
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.		
Capital leases	170,018	
Compensated absences	759,856	
GMA lease pool contract certificates of participation	<u>4,527,000</u>	<u>(5,456,874)</u>
<b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 121,850,780</u></b>

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, 2007**

	<u>Major Governmental Funds</u>		<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Capital</u>		
<b>REVENUES:</b>				
Taxes	\$ 21,528,617	\$ 1,860,000	\$ 4,136,602	\$ 27,525,219
Licenses and permits	1,599,083	-	-	1,599,083
Intergovernmental	186,163	2,618,118	1,111,400	3,915,681
Charges for services	224,144	-	449,713	673,857
Fines and forfeitures	1,564,874	-	-	1,564,874
Interest earned	375,335	324,282	31,792	731,409
Miscellaneous	59,843	200,954	48,628	309,425
<b>TOTAL REVENUES</b>	<u>25,538,059</u>	<u>5,003,354</u>	<u>5,778,135</u>	<u>36,319,548</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General government	3,491,006	-	-	3,491,006
Public safety	7,404,609	-	88,117	7,492,726
Public works	5,530,736	-	-	5,530,736
Public facilities	397,820	-	528,374	926,194
Public services	457,937	-	-	457,937
Community development	-	-	1,023,588	1,023,588
Capital outlay	-	6,664,849	1,638,306	8,303,155
Debt service				
Principal	-	90,972	-	90,972
Interest	-	245,785	-	245,785
<b>TOTAL EXPENDITURES</b>	<u>17,282,108</u>	<u>7,001,606</u>	<u>3,278,385</u>	<u>27,562,099</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>8,255,951</u>	<u>(1,998,252)</u>	<u>2,499,750</u>	<u>8,757,449</u>

continued

**CITY OF ROME, GEORGIA  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2007**

	<u>Major Governmental Funds</u>		<u>Non- major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Capital</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,303,762	\$ 1,816,647	\$ 533,230	\$ 3,653,639
Transfers out	(9,667,099)	(242,455)	(2,804,824)	(12,714,378)
Proceeds from sale of capital assets	-	319,260	19,200	338,460
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(8,363,337)</u>	<u>1,893,452</u>	<u>(2,252,394)</u>	<u>(8,722,279)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(107,386)	(104,800)	247,356	35,170
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>12,037,603</u>	<u>5,478,234</u>	<u>787,017</u>	<u>18,302,854</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 11,930,217</u>	<u>\$ 5,373,434</u>	<u>\$ 1,034,373</u>	<u>\$ 18,338,024</u>

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, 2007**

<b>NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>		\$ 35,170
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>		
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 outlays exceeded depreciation in the current period.		
Capital outlay	9,268,236	
Depreciation expense	(5,306,149)	3,962,087
The net effect of the disposal of capital assets is to decrease net assets.		(120,843)
Governmental funds do not report the acquisition of capital assets acquired through donations or capital contributions.		
However, in the statement of activities, the costs of those assets are reported at the lower of cost or market.		
Assets acquired through donation or capital contributions-current year		5,849,509
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 governmental activities has been included.		
		240,727
Revenues in the statements of activities that do not provide current financial resources are reported as deferred revenues in the funds.		
Property tax deferred revenue		16,576
The receipt and repayment of bonds and capital lease principal is a revenue and expenditure in the governmental funds, but the activity increases and decreases long-term liabilities in the statement of net assets.		
Capital lease principal payment		90,972
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.		
		(8,880)
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.		
		(10,743)
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>		<b>\$ 10,054,575</b>

See accompanying notes to the basic financial statements

**CITY OF ROME, GEORGIA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
December 31, 2007**

	Enterprise Funds					Internal Service Funds
	Major Enterprise Funds			Non-major Enterprise Funds	Total	
	Water & Sewer System	Fire	Solid Waste Commission			
<b>ASSETS</b>						
<b>Current Assets:</b>						
Cash and cash equivalents	\$ 1,203,885	\$ 605,309	\$ 3,852,119	\$ 308,699	\$ 5,970,012	\$ 3,773,115
Restricted cash	3,050,925	-	-	752,246	3,803,171	-
Accounts receivable, net of allowances for uncollectibles	3,590,949	3,188	215,570	181,385	3,991,092	277,384
Due from other governments	-	-	199,147	158,515	357,662	-
Due from other funds	144,509	4,633	66,278	55,728	271,148	501,519
Due from component units	-	3	-	289	292	438
Prepaid items	-	-	-	5,240	5,240	-
Inventories	523,977	24,822	-	230,366	779,165	-
<b>Total Current Assets</b>	<b>8,514,245</b>	<b>637,955</b>	<b>4,333,114</b>	<b>1,692,468</b>	<b>15,177,782</b>	<b>4,552,456</b>
<b>Noncurrent Assets:</b>						
Bond issuance costs, net of amortization	1,143,931	-	-	191,446	1,335,377	-
Capital assets						
Non-depreciable assets	49,780,777	81,670	365,682	5,494,253	55,722,382	-
Depreciable assets, net of accumulated depreciation	125,321,766	4,050,623	5,384,197	6,374,341	141,130,927	-
<b>Total Noncurrent Assets</b>	<b>176,246,474</b>	<b>4,132,293</b>	<b>5,749,879</b>	<b>12,060,040</b>	<b>198,188,686</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>184,760,719</b>	<b>4,770,248</b>	<b>10,082,993</b>	<b>13,752,508</b>	<b>213,366,468</b>	<b>4,552,456</b>

See accompanying notes to the basic financial statements

continued

**CITY OF ROME, GEORGIA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**December 31, 2007**

	Enterprise Funds					Internal Service Funds
	Major Enterprise Funds			Non-major Enterprise Funds	Total	
	Water & Sewer System	Fire	Solid Waste Commission			
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Closure and post closure care, current	\$ -	\$ -	\$ 216,611	\$ -	\$ 216,611	\$ -
Revenue bonds, current	3,825,000	-	-	635,000	4,460,000	-
Notes payable, current	446,007	-	-	-	446,007	-
Accounts payable	4,460,013	34,144	53,093	137,095	4,684,345	22,059
Accrued liabilities	789,372	198,477	10,614	721,121	1,719,584	1,747
Unearned revenue	111,150	-	-	-	111,150	-
Due to other funds	222,284	36,850	38,271	906,939	1,204,344	711
Compensated absences	265,964	896,262	29,062	179,427	1,370,715	-
Claims payable	-	-	-	-	-	640,000
Capital leases, current	15,366	99,364	-	158,030	272,760	-
<b>Total Current Liabilities</b>	<b>10,135,156</b>	<b>1,265,097</b>	<b>347,651</b>	<b>2,737,612</b>	<b>14,485,516</b>	<b>664,517</b>
<b>Long-Term Liabilities:</b>						
Closure and post closure care	-	-	7,707,773	-	7,707,773	-
Revenue bonds, long-term	62,941,560	-	-	7,352,328	70,293,888	-
Notes payable, long-term	7,051,884	-	-	-	7,051,884	-
Other long term liabilities	2,752,513	-	-	-	2,752,513	-
Advances due to Capital Fund	313,296	550,796	496,400	655,203	2,015,695	-
Capital leases, long-term	30,733	438,715	-	226,017	695,465	-
<b>Total Long-Term Liabilities</b>	<b>73,089,986</b>	<b>989,511</b>	<b>8,204,173</b>	<b>8,233,548</b>	<b>90,517,218</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>83,225,142</b>	<b>2,254,608</b>	<b>8,551,824</b>	<b>10,971,160</b>	<b>105,002,734</b>	<b>664,517</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	98,039,480	3,594,214	5,749,879	3,497,219	110,880,792	-
Restricted for debt service	-	-	-	284,246	284,246	-
Unrestricted	3,496,097	(1,078,574)	(4,218,710)	(1,000,117)	(2,801,304)	3,887,939
<b>TOTAL NET ASSETS</b>	<b>\$ 101,535,577</b>	<b>\$ 2,515,640</b>	<b>\$ 1,531,169</b>	<b>\$ 2,781,348</b>	<b>\$ 108,363,734</b>	<b>\$ 3,887,939</b>

See accompanying notes to the basic financial statements

**CITY OF ROME, GEORGIA**  
**RECONCILIATION OF PROPRIETARY FUND NET ASSETS TO**  
**BUSINESS TYPE ACTIVITIES STATEMENT OF NET ASSETS**  
**For the Year Ended December 31, 2007**

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<b>TOTAL PROPRIETARY FUND NET ASSETS</b>	\$ 108,363,734
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**Amounts reported for business type activities in the statement of net assets are different because:**

Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. Business type activities net assets have been increased by the effect of the internal service funds net assets.

2,332,763

<b>NET ASSETS OF BUSINESS TYPE ACTIVITIES</b>	<u><u>\$ 110,696,497</u></u>
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See accompanying notes to the basic financial statements

**CITY OF ROME, GEORGIA**  
**STATEMENT OF REVENUES,**  
**EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2007**

	<b>Enterprise Funds</b>					
	<b>Major Enterprise Funds</b>			<b>Non-major Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
	<b>Water &amp; Sewer System</b>	<b>Fire</b>	<b>Solid Waste Commission</b>			
<b>OPERATING REVENUES</b>						
Metered sales	\$ 19,666,414	\$ -	\$ -	\$ -	\$ 19,666,414	\$ -
Charges for services	404,955	5,060,000	2,311,056	5,085,394	12,861,405	6,847,010
Miscellaneous	-	2,698	90	7,459	10,247	-
<b>TOTAL OPERATING REVENUES</b>	<b>20,071,369</b>	<b>5,062,698</b>	<b>2,311,146</b>	<b>5,092,853</b>	<b>32,538,066</b>	<b>6,847,010</b>
<b>OPERATING EXPENSES</b>						
Cost of goods sold	-	-	-	102,289	102,289	-
Salaries and employee benefits	4,821,127	8,897,089	627,012	5,622,371	19,967,599	96,447
Supplies	1,016,189	361,656	240,928	797,278	2,416,051	-
Maintenance and repairs	470,984	86,509	155,227	332,087	1,044,807	-
Other services and charges	2,349,485	343,222	301,124	1,423,187	4,417,018	924,946
Depreciation	4,489,534	578,319	548,256	1,066,211	6,682,320	-
Claims	-	-	-	-	-	4,789,331
Closure & postclosure costs	-	-	1,410,025	-	1,410,025	-
Administrative fees	60,619	-	-	-	60,619	638,092
<b>TOTAL OPERATING EXPENSES</b>	<b>13,207,938</b>	<b>10,266,795</b>	<b>3,282,572</b>	<b>9,343,423</b>	<b>36,100,728</b>	<b>6,448,816</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 6,863,431</b>	<b>\$ (5,204,097)</b>	<b>\$ (971,426)</b>	<b>\$ (4,250,570)</b>	<b>\$ (3,562,662)</b>	<b>\$ 398,194</b>

continued

**CITY OF ROME, GEORGIA**  
**STATEMENT OF REVENUES,**  
**EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2007**

	<b>Enterprise Funds</b>					<b>Internal Service Funds</b>
	<b>Major Enterprise Funds</b>			<b>Non-major Enterprise Funds</b>	<b>Total</b>	
	<b>Water &amp; Sewer System</b>	<b>Fire</b>	<b>Solid Waste Commission</b>			
<b>NON-OPERATING INCOME (EXPENSE)</b>						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 458,313	\$ 458,313	\$ 256,478
Intergovernmental expense	-	-	(12,910)	-	(12,910)	-
Interest income	378,302	46,838	183,494	80,098	688,732	146,256
Interest expense	(3,063,997)	(49,134)	(1,717)	(507,211)	(3,622,059)	-
Gain (loss) on disposal of capital assets	(1,041,244)	-	(11,339)	12,262	(1,040,321)	-
<b>TOTAL NON-OPERATING INCOME (EXPENSE)</b>	<b>(3,726,939)</b>	<b>(2,296)</b>	<b>157,528</b>	<b>43,462</b>	<b>(3,528,245)</b>	<b>402,734</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>3,136,492</b>	<b>(5,206,393)</b>	<b>(813,898)</b>	<b>(4,207,108)</b>	<b>(7,090,907)</b>	<b>800,928</b>
Transfers in	1,402,883	5,116,984	3,830	3,837,430	10,361,127	-
Transfers out	(690,000)	(339,086)	(28,192)	(44,000)	(1,101,278)	(199,110)
Capital contributions	1,046,329	-	-	593,739	1,640,068	-
<b>CHANGE IN NET ASSETS</b>	<b>4,895,704</b>	<b>(428,495)</b>	<b>(838,260)</b>	<b>180,061</b>	<b>3,809,010</b>	<b>601,818</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>96,639,873</b>	<b>2,944,135</b>	<b>2,369,429</b>	<b>2,601,287</b>	<b>104,554,724</b>	<b>3,286,121</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 101,535,577</b>	<b>\$ 2,515,640</b>	<b>\$ 1,531,169</b>	<b>\$ 2,781,348</b>	<b>\$ 108,363,734</b>	<b>\$ 3,887,939</b>

See accompanying notes to the basic financial statements

**CITY OF ROME, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS OF PROPRIETARY FUNDS**  
**TO THE BUSINESS TYPE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2007**

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<b>CHANGE IN NET ASSETS-PROPRIETARY FUNDS</b>	\$ 3,809,010
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**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.

361,091

<b>CHANGE IN NET ASSETS OF BUSINESS TYPE ACTIVITIES</b>	<u><u>\$ 4,170,101</u></u>
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See accompanying notes to the basic financial statements

**CITY OF ROME, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2007**

	<b>Enterprise Funds</b>					
	<b>Major Proprietary Funds</b>			<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
	<b>Water System</b>	<b>Fire</b>	<b>Solid Waste Commission</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 19,129,502	\$ 5,121,462	\$ 2,156,524	\$ 5,244,983	\$ 31,652,471	\$ 6,851,795
Receipts from interfund services provided	-	-	-	460	460	266,533
Payments to suppliers	(4,218,571)	(851,132)	(1,071,940)	(2,642,870)	(8,784,513)	(1,595,670)
Payments to employees	(4,797,966)	(8,874,281)	(624,499)	(5,590,398)	(19,887,144)	(96,447)
Claims paid	-	-	-	-	-	(4,764,331)
Payments for interfund services used	(35,012)	(25,037)	(79,525)	(459,942)	(599,516)	-
Net cash provided (used) by operating activities	<u>10,077,953</u>	<u>(4,628,988)</u>	<u>380,560</u>	<u>(3,447,767)</u>	<u>2,381,758</u>	<u>661,880</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfer from other funds	1,402,883	5,116,984	3,830	3,837,430	10,361,127	-
Transfer to other funds	(690,000)	(339,086)	(28,192)	(44,000)	(1,101,278)	(199,110)
Advances from other funds	80,245	258,754	-	297,696	636,695	-
Repayment of advances from other funds	(158,289)	(187,192)	(116,238)	(207,128)	(668,847)	-
Intergovernmental transfers	-	-	(12,910)	9,099	(3,811)	256,478
Subsidy from federal grant	-	-	-	640,374	640,374	-
Net cash provided (used) by noncapital financing activities	<u>634,839</u>	<u>4,849,460</u>	<u>(153,510)</u>	<u>4,533,471</u>	<u>9,864,260</u>	<u>57,368</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital contributions	1,046,329	-	-	593,739	1,640,068	-
Purchases of capital assets	(8,789,144)	(407,633)	(97,499)	(622,469)	(9,916,745)	-
Principal paid on capital debt	(4,021,601)	(95,551)	-	(759,372)	(4,876,524)	-
Interest paid on capital debt	(3,063,997)	(49,134)	(1,717)	(507,211)	(3,622,059)	-
Proceeds from sales of capital assets	10,456	-	54,111	39,681	104,248	-
Net cash (used) by capital and related financing activities	<u>(14,817,957)</u>	<u>(552,318)</u>	<u>(45,105)</u>	<u>(1,255,632)</u>	<u>(16,671,012)</u>	<u>-</u>

continued

**CITY OF ROME, GEORGIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2007**

	<b>Enterprise Funds</b>					
	<b>Major Proprietary Funds</b>			<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
	<b>Water System</b>	<b>Fire</b>	<b>Solid Waste Commission</b>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received	\$ 378,302	\$ 46,838	\$ 183,494	\$ 80,098	\$ 688,732	\$ 146,256
Net cash provided by investing activities	<u>378,302</u>	<u>46,838</u>	<u>183,494</u>	<u>80,098</u>	<u>688,732</u>	<u>146,256</u>
Net increase (decrease) in cash and cash equivalents	(3,726,863)	(285,008)	365,439	(89,830)	(3,736,262)	865,504
Cash and cash equivalents, January 1	<u>7,981,673</u>	<u>890,317</u>	<u>3,486,680</u>	<u>1,150,775</u>	<u>13,509,445</u>	<u>2,907,611</u>
Cash and cash equivalents, December 31	<u><u>\$ 4,254,810</u></u>	<u><u>\$ 605,309</u></u>	<u><u>\$ 3,852,119</u></u>	<u><u>\$ 1,060,945</u></u>	<u><u>\$ 9,773,183</u></u>	<u><u>\$ 3,773,115</u></u>
<b>Reconciliation of Cash and Cash Equivalents:</b>						
Cash and cash equivalents	\$ 1,203,885	\$ 605,309	\$ 3,852,119	\$ 308,699	\$ 5,970,012	\$ 3,773,115
Cash and cash equivalents - restricted	<u>3,050,925</u>	<u>-</u>	<u>-</u>	<u>752,246</u>	<u>3,803,171</u>	<u>-</u>
Total cash and cash equivalents	<u><u>\$ 4,254,810</u></u>	<u><u>\$ 605,309</u></u>	<u><u>\$ 3,852,119</u></u>	<u><u>\$ 1,060,945</u></u>	<u><u>\$ 9,773,183</u></u>	<u><u>\$ 3,773,115</u></u>

continued

**CITY OF ROME, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2007**

	<b>Enterprise Funds</b>					<b>Internal Service Funds</b>
	<b>Major Proprietary Funds</b>			<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
	<b>Water System</b>	<b>Fire</b>	<b>Solid Waste Commission</b>			
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ 6,863,431	\$ (5,204,097)	\$ (971,426)	\$ (4,250,570)	(3,562,662)	\$ 398,194
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	4,489,534	578,319	548,256	1,066,211	6,682,320	-
Amortization expense	33,715	-	-	58,552	92,267	-
(Increase) decrease in accounts receivable	(1,171,097)	61,230	44,525	147,303	(918,039)	4,785
(Increase) decrease in due from other governments	235,080	-	(199,147)	4,827	40,760	-
(Increase) decrease in due from other funds	(124,684)	-	(35,313)	62,295	(97,702)	266,352
Decrease in prepaid items	-	86,251	-	1,982	88,233	-
(Increase) decrease in inventories	(57,691)	(9,899)	-	12,690	(54,900)	-
Increase (decrease) in accounts payable and accrued liabilities	(297,318)	(136,097)	1,035,364	(61,253)	540,696	(7,632)
Increase in compensated absences payable	23,161	22,808	2,513	31,973	80,455	-
(Decrease) in unearned revenue	(5,850)	(2,466)	-	-	(8,316)	-
Increase (decrease) in due to other funds	89,672	(25,037)	(44,212)	(521,777)	(501,354)	181
Total adjustments	<u>3,214,522</u>	<u>575,109</u>	<u>1,351,986</u>	<u>802,803</u>	<u>5,944,420</u>	<u>263,686</u>
Net cash provided (used) by operating activities	<u>\$ 10,077,953</u>	<u>\$ (4,628,988)</u>	<u>\$ 380,560</u>	<u>\$ (3,447,767)</u>	<u>\$ 2,381,758</u>	<u>\$ 661,880</u>

See accompanying notes to the basic financial statements

**CITY OF ROME, GEORGIA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUND**  
**December 31, 2007**

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	<u>Flexible Spending Fund</u>
<b>ASSETS</b>	
Restricted cash	\$ 8,545
<b>TOTAL ASSETS</b>	<u>8,545</u>
<b>NET ASSETS</b>	
Reserved for:	
Claims	<u>8,545</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 8,545</u></u>

See accompanying notes to the basic financial statements

**CITY OF ROME, GEORGIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUND**  
**For the year ended December 31, 2007**

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	<b>Flexible Spending Fund</b>
<b>ADDITIONS</b>	
Contributions	\$ 154,265
Investment earnings	508
Total additions	154,773
 <b>DEDUCTIONS</b>	
Claims paid	157,889
Operating services & charges	525
Total deductions	158,414
 <b>NET DECREASE</b>	(3,641)
 <b>NET ASSETS HELD IN TRUST FOR FLEXIBLE SPENDING</b>	
 <b>NET ASSETS, BEGINNING OF YEAR</b>	12,186
 <b>NET ASSETS, END OF YEAR</b>	\$ 8,545

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.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

*Blended Component Units*

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

City of Rome Recreational Facilities Authority - This entity is governed by a five member board appointed by the Rome City Commission. Although it is legally separate from the City, it is reported as a proprietary fund type 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.

City of Rome South Rome Redevelopment Agency - This entity is governed by a thirteen member board appointed by the Rome City Commission. Although it is legally separate from the City it is reported as a special revenue fund in the City's financial statements. This entity acts as the City of Rome's agent for transactions for the re-development of the South Rome Area. 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, 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 and 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.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

**NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Downtown Development Authority – The Downtown Development Authority promotes the Downtown area of the City of Rome. Financing is provided by special promotional events. The City of Rome funds the Downtown director position. The Downtown Development Authority is fiscally dependent upon the City because the City Commission appoints a voting majority of the board members, and funds the director position. The City does not control operations of the Downtown Development Authority. The financial operations of the Downtown Development Authority for 2007 were not material to the City of Rome financial statements and are not presented in these financial statements.

**B. Basis of Presentation**

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

**Government-wide Financial Statements** – The government wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities which normally are supported by taxes, intergovernmental revenues, and City general revenues are reported separately from business type activities which rely to a significant extent on fees and charges for support from external users. Likewise the primary government is reported separately from any legally separate 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 1) 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.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

**NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**B. Basis of Presentation – Continued**

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

The City reports the following major Proprietary Funds:

Water & Sewer 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.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus

**Government-wide Financial Statements** – The Government-wide Financial Statements are reported using the economic resources measurements 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 revenues available if they are collected within sixty (60) days of the end of the current fiscal period. Revenues generally susceptible to accrual are property taxes, sales taxes, licenses, and other charges for services. Expenditures are generally recorded when a liability is incurred except for debt service expenditures and expenditures related to compensated absences and claims which are normally recorded when payment is due. Governmental fund financial statements therefore include reconciliation to the entity-wide statement to identify these differences.

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

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

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

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

**D. Assets, Liabilities and Equity**

**1. Cash and Cash Equivalents**

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

**2. Investments**

All investments are recorded at fair value.

**3. Receivables and Payables**

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

**4. Inventories**

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

**5. Restricted Assets**

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

**6. Prepaid Items**

Certain payments to vendors reflecting costs applicable to periods beyond December 31, 2007 are recorded as prepaid items.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

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. In 2007, the total interest expense incurred by the Water & Sewer System was \$3,355,014. Of this amount, \$291,017 was included as part of the cost of capital assets under construction in connection with the wastewater treatment facilities construction projects.

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. Neither their historical costs nor related depreciation has historically been reported in the financial statements. 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.

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

**NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**D. Assets, Liabilities and Equity– Continued**

**8. Compensated Absences**

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

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

**9. Deferred Revenue**

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

**10. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, all long term debt and other long term obligations are reported as liabilities in the applicable governmental activities, business type activities or proprietary fund type statement of net assets. Bond premiums, discounts and deferred losses, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium, discounts and deferred loss. Issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs in the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds are reported as debt service expenditures.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

**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 assets”.

Fund Balance

In the fund financial statements governmental funds reserve portions of the fund balance that are legally segregated and restricted by an outside party or legal mandate. Designations of fund balance represent managements’ intent to set aside these resources for specific uses. At the fund reporting level, fund balance is also reserved for any prepaids and inventories.

Net Assets

Net assets represent the difference between assets and liabilities. Amounts shown as net assets invested in capital assets, net of related debt are made up of capital asset costs, net of accumulated depreciation and any outstanding debt used to acquire, construct or improve the associated assets. Net assets are reported as restricted when there are legal limitations or external restrictions imposed upon their use. All other net assets are reported as unrestricted.

**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.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

**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 \$7,125,100, (excluding debt service payments) that were approved by the City Commission. The main reason for these amendments was to better align budgeted expenditures with actual revenues and to include an approved budget for the SPLOST fund. 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.

The following General Fund functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended December 31, 2007.

Public Works	
Garage	<u>\$ 327</u>

**B. Deficit Fund Equity**

Solid Waste Management Fund - The Solid Waste Management Fund had a deficit Net Assets of \$552,520 at December 31, 2007. This deficit resulted primarily from the depreciation of assets purchased by the fund. The City has no immediate plans for eliminating the deficit. This fund can draw from the City's General Fund if needed.

Municipal Golf Fund - The Municipal Golf Fund had a deficit Net Assets of \$86,743 at December 31, 2007. The deficit has resulted mainly from the depreciation of capital assets within the fund. The City continues to monitor the operation closely. Presently, the City contributes the funds necessary on an annual basis to cover the cash deficit of the operations.

**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.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

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 AAAM rated money market funds. However, Georgia Fund One operates in manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. Regulatory oversight of the fund is provided by the Office of Treasury and Fiscal Services. 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 participant's shares sold and redeemed based on \$1.00 per share. As of December 31, 2007, the City of Rome's investment in Georgia Fund One was rated AAAM by Standard & Pools.

The City maintains an account in the State of Georgia, Georgia Fund One that is utilized by all funds and component units except the Board of Education and the Pension Trust Fund. 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, 2007, the City of Rome had the following investments.

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value</u>
Georgia Fund One-included in cash	22 day weighted average	\$ 13,001,386
Guaranteed Investment Contract	June 1, 2028	<u>2,338,461</u>
<b>Totals</b>		<u><u>\$ 15,339,847</u></u>

**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, 2007, all of the City's bank balances were adequately insured and collateralized as defined by the Governmental Accounting Standards Board.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

**B. Receivables**

**1. Accounts Receivable**

Receivables at December 31, 2007 consisted of taxes, loans, and accounts (including billings for user charges and unbilled utility receivables), and intergovernmental receivables. Receivables at December 31, 2007 consist of the following:

<u>Primary Government</u>	Taxes	Loans	Account	Intergov't Receivables	Allowance for Uncollectibles	Net Receivables
General Fund	\$ 2,078,781	\$ -	\$ 3,206,849	\$ 1,495,304	\$ (1,594,626)	\$ 5,186,308
Capital Fund	-	-	37,199	1,100,853	(29,500)	1,108,552
Other Governmental Funds	3,567	1,035,453	385,357	12,946	(522,454)	914,869
Water fund	-	-	4,185,949	-	(595,000)	3,590,949
Fire Fund	-	-	3,188	-	-	3,188
Solid Waste Commission Fund	-	-	225,570	199,147	(10,000)	414,717
Other Proprietary Funds	-	-	217,385	158,515	(36,000)	339,900
Internal Service Funds	-	-	277,384	-	-	277,384
<b>Total Primary Government</b>	2,082,348	1,035,453	8,538,881	2,966,765	(2,787,580)	11,835,867
Greater Rome CVB	-	-	-	21,366	-	21,366
Rome Board of Education	-	-	-	7,801,495	-	7,801,495
<b>Total Reporting Entity</b>	\$ 2,082,348	\$ 1,035,453	\$ 8,538,881	\$ 10,789,626	\$ (2,787,580)	\$ 19,658,728

**2. Property Taxes**

Property taxes were levied on July 23, 2007 and were payable on or before November 15, 2007. 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. During 2000, the City of Rome entered into 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 nominal fee for this service.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

**B. Receivables– Continued**

A summary of outstanding delinquent property taxes receivable at December 31, 2007 is as follows:

<u>Tax Year</u>	
2007	\$ 1,460,843
Prior Years	<u>617,938</u>
	<u>2,078,781</u>
Allowance for uncollectible	<u>(1,444,626)</u>
Net taxes receivable	<u>\$ 634,155</u>

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City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets

Changes in the City's Capital Assets for the year ended December 31, 2007 are as follows:

<u>Primary Government</u>	<u>Beginning Balance 12/31/2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 12/31/2007</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 4,165,228	\$ 2,684,196	\$ (108,006)	\$ 6,741,418
Construction in progress	1,262,721	10,165,868	(3,281,321)	8,147,268
Total capital assets, not being depreciated	<u>5,427,949</u>	<u>12,850,064</u>	<u>(3,389,327)</u>	<u>14,888,686</u>
Capital assets, being depreciated:				
Buildings	71,236,682	3,460,180	(12,950)	74,683,912
Improvements other than buildings	288,009	87,672	-	375,681
Machinery and equipment	4,244,969	525,936	(83,625)	4,687,280
Vehicles	4,835,353	487,785	(565,562)	4,757,576
Infrastructure	105,069,915	982,679	(2,447)	106,050,147
Total capital assets being depreciated	<u>185,674,928</u>	<u>5,544,252</u>	<u>(664,584)</u>	<u>190,554,596</u>
Less accumulated depreciation for:				
Buildings	(13,447,275)	(1,411,041)	12,950	(14,845,366)
Improvements other than buildings	(132,295)	(27,197)	-	(159,492)
Machinery and equipment	(3,426,142)	(409,706)	86,823	(3,749,025)
Vehicles	(3,451,100)	(642,028)	556,724	(3,536,404)
Infrastructure	(76,363,483)	(2,816,177)	-	(79,179,660)
Total accumulated depreciation	<u>(96,820,295)</u>	<u>(5,306,149)</u>	<u>656,497</u>	<u>(101,469,947)</u>
Total capital assets, being depreciated, net	<u>88,854,633</u>	<u>238,103</u>	<u>(8,087)</u>	<u>89,084,649</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 94,282,582</u>	<u>\$ 13,088,167</u>	<u>\$ (3,397,414)</u>	<u>\$ 103,973,335</u>

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

<b>Governmental activities:</b>	
General Government	\$ 81,181
Public Safety	541,245
Public Works	3,332,623
Public Facilities	236,291
Public Services	27,545
Community Development	6,829
Education	1,080,435
	<u>\$ 5,306,149</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Capital Assets for the year ended December 31, 2007 are as follows:

	<u>Beginning Balance 12/31/2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance 12/31/2007</u>
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 7,507,506	\$ -	\$ -	\$ -	\$ 7,507,506
Construction in progress	58,832,394	10,985,956	(21,603,474)	-	48,214,876
Total capital assets, not being depreciated	<u>66,339,900</u>	<u>10,985,956</u>	<u>(21,603,474)</u>	<u>-</u>	<u>55,722,382</u>
Capital assets, being depreciated:					
Buildings	55,161,166	5,196,988	-	-	60,358,154
Improvements other than buildings	12,390,112	4,598,089	-	-	16,988,201
Machinery and equipment	10,659,265	137,752	(433,558)	15,000	10,363,459
Vehicles	16,492,002	1,059,358	(562,971)	210,385	16,988,389
Infrastructure	104,969,216	15,379,371	(2,023,038)	-	118,325,549
Total capital assets being depreciated	<u>199,671,761</u>	<u>26,371,558</u>	<u>(3,019,567)</u>	<u>225,385</u>	<u>223,023,752</u>
Less accumulated depreciation for:					
Buildings	(18,159,624)	(1,822,021)	-	-	(19,981,645)
Improvements other than buildings	(11,771,113)	(285,401)	-	-	(12,056,514)
Machinery and equipment	(7,724,749)	(814,513)	338,339	(15,000)	(8,200,923)
Vehicles	(11,270,454)	(1,258,360)	535,551	(210,385)	(11,993,263)
Infrastructure	(28,130,577)	(2,502,025)	972,122	-	(29,660,480)
Total accumulated depreciation	<u>(77,056,517)</u>	<u>(6,682,320)</u>	<u>1,846,012</u>	<u>(225,385)</u>	<u>(81,892,825)</u>
Total capital assets, being depreciated, net	<u>122,615,244</u>	<u>19,689,238</u>	<u>(1,173,555)</u>	<u>-</u>	<u>141,130,927</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 188,955,144</u>	<u>\$ 30,675,194</u>	<u>\$ (22,777,029)</u>	<u>\$ -</u>	<u>\$ 196,853,309</u>
<b>Depreciation expense was charged to functions/programs of Business-type activities as follows:</b>					
<b>Business-type activities:</b>					
Water and Sewerage Fund	\$ 4,489,534				
Fire Fund	578,319				
Transit Fund	431,848				
Building Inspection Fund	16,308				
Solid Waste Management Fund	282,910				
Municipal Golf Fund	125,440				
Solid Waste Commission Fund	548,256				
Public Buildings Fund	209,705				
	<u>\$ 6,682,320</u>				

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

<u>Component Units</u>	<u>Beginning Balance 12/31/2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 12/31/2007</u>
<b>Greater Rome Convention and Visitors Bureau</b>				
<b>Component unit:</b>				
Capital assets, being depreciated:				
Buildings	\$ 181,429	\$ -	\$ -	\$ 181,429
Machinery and equipment	28,500	-	-	28,500
Total capital assets being depreciated	<u>209,929</u>	<u>-</u>	<u>-</u>	<u>209,929</u>
Less accumulated depreciation for:				
Buildings	(103,197)	(3,629)	-	(106,826)
Machinery and equipment	(28,500)	-	-	(28,500)
Total accumulated depreciation	<u>(131,697)</u>	<u>(3,629)</u>	<u>-</u>	<u>(135,326)</u>
Total capital assets, being depreciated, net	<u>78,232</u>	<u>(3,629)</u>	<u>-</u>	<u>74,603</u>
<b>Greater Rome Convention and Visitors Bureau capital assets, net</b>	<u>\$ 78,232</u>	<u>\$ (3,629)</u>	<u>\$ -</u>	<u>\$ 74,603</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

<u>Component Units</u>	<u>Beginning Balance 6/30/2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 6/30/2007</u>
<b>Rome Board of Education</b>				
<b>Component unit:</b>				
Capital assets, being depreciated:				
Buildings and Improvements	\$ 2,009,897	\$ 41,797	\$ -	\$ 2,051,694
Computers and equipment	2,257,384	502,253	279,684	2,479,953
Vehicles	748,427	421,436	-	1,169,863
Total capital assets being depreciated	<u>5,015,708</u>	<u>965,486</u>	<u>279,684</u>	<u>5,701,510</u>
Less accumulated depreciation for:				
Buildings and Improvements	(559,724)	(56,735)	-	(616,459)
Computers and equipment	(1,590,970)	(333,951)	(279,684)	(1,645,237)
Vehicles	(648,363)	(78,328)	-	(726,691)
Total accumulated depreciation	<u>(2,799,057)</u>	<u>(469,014)</u>	<u>(279,684)</u>	<u>(2,988,387)</u>
Total capital assets, being depreciated, net	<u>2,216,651</u>	<u>496,472</u>	<u>-</u>	<u>2,713,123</u>
<b>Rome Board of Education capital assets, net</b>	<u>\$ 2,216,651</u>	<u>\$ 496,472</u>	<u>\$ -</u>	<u>\$ 2,713,123</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

**D. Interfund Transactions**

Interfund balances at December 31, 2007 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, 2007 are as follows:

	Payable From								Total
	General Fund	Capital Fund	Non-major Governmental Funds	Water Fund	Fire Fund	Solid Waste Commission	Non-major Enterprise Funds	Internal Service Funds	
<b>Payable To:</b>									
General Fund	\$ -	\$ -	\$ 68,297	\$ 139,532	\$ 931	\$ 21,851	\$ 721,959	\$ 389	\$ 952,959
Capital Fund	897,312	-	30,111	-	-	-	1,008	-	928,431
Non-major									
Governmental Funds	1,748	-	4,720	2,958	-	-	722	60	10,208
Water Fund	1,991	-	130,378	-	9,292	968	1,781	99	144,509
Fire fund	640	2,967	-	638	-	-	338	50	4,633
Solid Waste									
Commission Fund	11,704	3,406	-	-	-	-	51,168	-	66,278
Non-major									
Enterprise Funds	20,663	10,781	8,254	1,674	97	13,605	541	113	55,728
Internal Service Funds	258,692	-	7,546	77,482	26,530	1,847	129,422	-	501,519
<b>Total</b>	<u>\$ 1,192,750</u>	<u>\$ 17,154</u>	<u>\$ 249,306</u>	<u>\$ 222,284</u>	<u>\$ 36,850</u>	<u>\$ 38,271</u>	<u>\$ 906,939</u>	<u>\$ 711</u>	<u>\$ 2,664,265</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

D. Interfund Transactions - Continued

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

		<b>Rome Convention and Visitors Bureau</b>	
		<b>Payable From</b>	<b>Payable To</b>
General Fund			
Capital Fund		\$ -	\$ 87
Non-major governmental funds		75	166
Fire Fund		-	3
Non-major enterprise funds		-	289
Internal service funds		-	438
	<b>Total</b>	<b>\$ 75</b>	<b>\$ 983</b>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

D. Interfund Transactions - Continued

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

Interfund advances consist of the following:

	<b>Advances From:</b>	
	Capital Fund	<b>Total</b>
<b>Advances To:</b>		
Water Fund	\$ 313,296	\$ 313,296
Fire Fund	550,796	550,796
Solid Waste Commission Fund	496,400	496,400
Non-major Enterprise Funds	655,203	655,203
<b>Total</b>	<u>\$ 2,015,695</u>	<u>\$ 2,015,695</u>

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 \$496,400 is included as an advance from the Capital fund to the Solid Waste Commission Fund.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

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, 2007 are as follows:

	<b>Transfers In</b>							<b>Total</b>
	General Fund	Capital Fund	Non-major Governmental Funds	Water Fund	Fire Fund	Solid Waste Commission	Non-major Enterprise Funds	
<b>Transfers Out:</b>								
General Fund	\$ -	\$ 500,000	\$ 531,900	\$ -	\$ 5,060,000	\$ -	\$ 3,575,199	\$ 9,667,099
Capital Fund	-	-	-	-	-	-	242,455	242,455
Non-major								
Governmental Funds	140,000	1,316,647	-	1,332,277	8,384	-	7,516	2,804,824
Water Fund	690,000	-	-	-	-	-	-	690,000
Fire Fund	304,000	-	-	35,086	-	-	-	339,086
Solid Waste Commission	28,192	-	-	-	-	-	-	28,192
Non-major								
Enterprise Funds	44,000	-	-	-	-	-	-	44,000
Internal Service Funds	97,570	-	1,330	35,520	48,600	3,830	12,260	199,110
<b>Total</b>	<u>\$ 1,303,762</u>	<u>\$ 1,816,647</u>	<u>\$ 533,230</u>	<u>\$ 1,402,883</u>	<u>\$ 5,116,984</u>	<u>\$ 3,830</u>	<u>\$ 3,837,430</u>	<u>\$ 14,014,766</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt

1. Water and Sewerage System Bonds Payable

Outstanding Water and Sewerage System Bonds were issued as follows:

1999 Issue:	\$28,500,000	in serial bonds maturing through 2014, with interest ranging from 3.90% to 5.25%.
2004 Issue:	\$37,170,000	in serial bonds maturing through 2022, with interest ranging from 2.00% to 4.50%.
2005 Issue:	\$ 9,395,000	in a private placement bond issue, maturing through 2016 at a interest rate of 3.61%

In April 1996, the City issued \$5,000,000 of Water and Sewerage Revenue Bonds, Series 1996. The Series 1996 bonds were issued to (i) pay the costs of making additions, extension and improvements to the City's water and sewer system and (ii) pay the costs of issuance of the Series 1996 Bonds. The final bond payment was made during the current fiscal year.

In June 1999, the City issued \$28,500,000 of Water and Sewerage Revenue Refunding and Improvement Bonds, Series 1999. The Series 1999 bonds were issued to (i) prepay \$3,743,179 in aggregate principal amount of loans made by the Georgia Environmental Facilities authority to the City, (ii) to pay the costs of making additions, extensions and improvements to the City's water and sewer system, and (iii) to pay the costs of issuance of the Series 1999 bonds.

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

1. Water and Sewerage System Bonds Payable – Continued

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 will replace all water meters over a certain age, and equip all meters with an automatic electronic meter reading system and back flow prevention devices.

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, 2007 are as follows:

Water and Sewer Bonds - Series 1999	\$ 22,780,000
Water and Sewer Bonds - Series 2004	34,945,000
Water and Sewer Bonds - Series 2005	<u>7,805,000</u>
Subtotal	65,530,000
Less current maturities	<u>3,825,000</u>
Bonds payable, long term	<u><u>\$ 61,705,000</u></u>

Reconciliation of Bonds Payable to Financial Statements:

Current	
Bonds payable in less than one year	<u><u>\$ 3,825,000</u></u>
Long-term	
Bonds payable in more than one year	\$ 61,705,000
Bond discount, net of amortization	(24,975)
Bond premium, net of amortization	1,390,522
Deferred amount on refunding, net of amortization	(128,987)
	<u><u>\$ 62,941,560</u></u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

**NOTE III - DETAILED NOTES ON ALL FUNDS - Continued**

**E. Long-Term Debt - Continued**

**2. Golf Bonds Payable**

In 1999, the City of Rome Recreation Facilities Authority issued \$6,770,000 of Series 1999 Revenue Bonds to refund all of the Series 1992 Revenue Bonds. Refunding was undertaken to defer debt service payments an additional 12 years and to reduce the present value of the future debt service payments. The 1992 bonds were issued to finance the cost of acquiring constructing, furnishing, and equipping a new municipal golf course. The City defeased the 1992 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, 2007, \$3,635,000 of bonds outstanding are considered defeased.

The Series 1999 Bonds mature through 2024 with interest ranging from 3.50% to 3.75%. At December 31, 2007, \$5,320,000 of these bonds were outstanding. Bonds payable reflected in the financial statements is net of \$156,391 of unamortized loss on defeasance and \$21,281 of bond discount.

**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, 2007, \$2,845,000 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.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt – Continued

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
2008	\$ 3,825,000	\$ 3,010,552	\$ 215,000	\$ 250,115	\$ 420,000	\$ 250,115	\$ -	\$ 215,032	\$ 4,460,000	\$ 3,725,814
2009	3,995,000	2,836,812	225,000	241,085	440,000	241,085	-	215,032	4,660,000	3,534,014
2010	4,175,000	2,653,445	235,000	231,523	460,000	231,523	-	215,032	4,870,000	3,331,523
2011	4,375,000	2,458,046	245,000	221,300	485,000	221,300	-	215,032	5,105,000	3,115,678
2012	4,615,000	2,249,646	255,000	210,520	510,000	210,520	-	215,032	5,380,000	2,885,718
2013-2017	24,125,000	7,821,061	1,455,000	869,523	530,000	199,173	-	1,075,160	26,110,000	9,964,917
2018-2022	20,420,000	2,347,425	1,825,000	495,760	-	-	-	1,075,160	22,245,000	3,918,345
2023-2027	-	-	865,000	65,500	-	-	-	1,075,160	865,000	1,140,660
2028	-	-	-	-	-	-	4,527,000	215,032	4,527,000	215,032
	<u>\$ 65,530,000</u>	<u>\$ 23,376,987</u>	<u>\$ 5,320,000</u>	<u>\$ 2,585,326</u>	<u>\$ 2,845,000</u>	<u>\$ 1,353,716</u>	<u>\$ 4,527,000</u>	<u>\$ 4,515,672</u>	<u>\$ 78,222,000</u>	<u>\$ 31,831,701</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt - Continued

6. Notes Payable

In 1990, 1992, 1998, 1999, 2002, 2002, and 2007 the City entered into various agreements with the Georgia Environmental Facilities Authority (GEFA) and the State Revolving Loan Fund to finance the construction and improvements of various water and sewer facilities. As of December 31, 2007 the City had entered into seven (7) such loan agreements with a loan balance of \$7,497,891. In 2007, the City received drawdowns from the Georgia Environmental Facilities Authority for various water projects in the amount of \$2,752,513. The projects were ongoing as of December 31, 2007. The drawdowns are listed as other long term liabilities.

Year Issued	Interest Rate (%)	Issue Date	Maturity Date	Authorized and Issued	Retired	Outstanding	Current	Long-Term
2007	3.62	4/12/2007	1/1/2028	\$ 3,055,798	\$ -	\$ 3,055,798	\$ 106,065	\$ 2,949,733
2002	4.36	12/2/2002	2/1/2024	577,441	73,866	503,575	21,812	481,763
2002	4.45	8/12/2002	8/1/2023	1,151,245	167,390	983,855	44,176	939,679
1999	4.10	3/22/1999	3/1/2020	1,918,282	565,609	1,352,673	86,883	1,265,790
1998	4.76	7/1/1998	5/1/2019	1,132,014	355,560	776,454	52,026	724,428
1992	4.00	3/27/1992	1/1/2014	1,004,501	582,008	422,493	77,100	345,393
1990	2.00	11/16/1990	3/1/2013	1,397,879	994,836	403,043	57,945	345,098
						<u>\$ 7,497,891</u>	<u>\$ 446,007</u>	<u>\$ 7,051,884</u>

The following is a schedule of the future required principal and interest payments on the notes payable as of December 31, 2007.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 446,007	\$ 286,834	\$ 732,841
2009	462,921	269,920	732,841
2010	480,512	252,329	732,841
2011	498,807	234,034	732,841
2012	517,837	215,004	732,841
2013-2017	2,185,596	800,467	2,986,063
2018-2022	1,807,997	369,267	2,177,264
2023-2025	1,098,214	96,156	1,194,370
Total	<u>\$ 7,497,891</u>	<u>\$ 2,524,011</u>	<u>\$ 10,021,902</u>
Less current maturities	446,007		
Long-term	<u>\$ 7,051,884</u>		

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

7. Capital Leases

The City leases certain equipment. The equipment acquired under the leases represents the use of a portion of the City's share of the proceeds from GMA's issuance of Pool Bond Certificates of Participation, Series 1990. These leases bear interest based on a variable rate determined weekly (not to exceed 15% per annum). Interest on these leases is paid monthly and principal is paid annually. The City has also entered into two lease agreements with BB&T, which is the auxiliary financing party through GMA. These bear interest rates of 3.8% and 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, 2007 are \$170,018 and \$968,225 for governmental and business type activities, respectively.

Total assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Machinery and equipment	\$ 542,505	\$ 1,067,570
Vehicles	892,782	4,223,795
Less accumulated depreciation	(675,056)	(2,403,200)
Total	<u>\$ 760,231</u>	<u>\$ 2,888,165</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

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, 2007.

<u>Year ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2008	\$ 86,887	\$ 313,131	\$ 400,018
2009	71,315	308,668	379,983
2010	28,358	202,862	231,220
2011	-	120,833	120,833
2012	-	120,833	120,833
Total minimum lease payments	186,560	1,066,327	1,252,887
Less amounts representing interest	16,542	98,102	114,644
Present value of minimum lease payments	<u>\$ 170,018</u>	<u>\$ 968,225</u>	<u>\$ 1,138,243</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

7. Capital Leases - Continued

Component Unit - Rome Board of Education

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

The following is a schedule, by year, of future minimum lease payments with the present value of the minimum lease payments as of June 30, 2007.

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 217,331	\$ 50,695	\$ 268,026
2009	229,421	38,605	268,026
2010	242,184	25,842	268,026
2011	255,656	12,370	268,026
2012	88,341	1,001	89,342
Total lease payments	<u>\$ 1,032,933</u>	<u>\$ 128,513</u>	<u>\$ 1,161,446</u>

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

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, 2007. The General Fund has typically been used to liquidate the liability for compensated absences in the governmental activities.

	<u>Balance 12/31/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2007</u>	<u>Due within one year</u>
<b>Governmental Activities:</b>					
Certificates of Participation	\$ 4,527,000	\$ -	\$ -	\$ 4,527,000	\$ -
Capital Lease Obligations	260,990	-	90,972	170,018	58,562
Compensated Absences	<u>750,976</u>	<u>809,524</u>	<u>800,644</u>	<u>759,856</u>	<u>759,856</u>
<b>Total Governmental Activities</b>	<u>\$ 5,538,966</u>	<u>\$ 809,524</u>	<u>\$ 891,616</u>	<u>\$ 5,456,874</u>	<u>\$ 818,418</u>
<b>Business-Type Activities:</b>					
Revenue Bonds	\$ 77,965,000	\$ -	\$ 4,270,000	\$ 73,695,000	\$ 4,460,000
Unamortized deferred loss	(325,871)	-	(40,492)	(285,379)	-
Unamortized bond premium	1,489,846	-	99,324	1,390,522	-
Unamortized bond discount	(51,758)	-	(5,503)	(46,255)	-
Notes Payable	4,769,536	3,055,798	327,443	7,497,891	446,007
Capital Lease Obligations	1,247,307	-	279,082	968,225	272,760
Landfill Closure / Postclosure	6,622,464	1,301,920	-	7,924,384	216,611
Compensated Absences	1,290,260	1,528,536	1,448,081	1,370,715	1,370,715
Other long-term liabilities	<u>-</u>	<u>2,752,513</u>	<u>-</u>	<u>2,752,513</u>	<u>-</u>
<b>Total Business-Type Activities</b>	<u>\$ 93,006,784</u>	<u>\$ 8,638,767</u>	<u>\$ 6,377,935</u>	<u>\$ 95,267,616</u>	<u>\$ 6,766,093</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt – Continued

9. Changes in Long-Term Debt– Continued

Component Unit	<u>Balance 12/31/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2007</u>	<u>Due within one year</u>
<b>Greater Rome Convention and Visitors Bureau</b>					
Compensated Absences	\$ 18,749	\$ 15,195	\$ (12,008)	\$ 21,936	\$ 18,936
<b>Total Greater Rome Convention and Visitors Bureau</b>	<u>\$ 18,749</u>	<u>\$ 15,195</u>	<u>\$ (12,008)</u>	<u>\$ 21,936</u>	<u>\$ 18,936</u>

Component Unit	<u>Balance 6/30/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2007</u>	<u>Due within one year</u>
<b>Rome Board of Education</b>					
Capital leases payable	\$ 1,238,810	\$ -	\$ 205,877	\$ 1,032,933	\$ 217,331
Compensated Absences	84,731	180,869	180,857	84,743	84,743
Construction Bonds	2,000,000	-	-	2,000,000	-
<b>Total Rome Board of Education</b>	<u>\$ 3,323,541</u>	<u>\$ 180,869</u>	<u>\$ 386,734</u>	<u>\$ 3,117,676</u>	<u>\$ 302,074</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

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 1.25% 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 September 1, 2007, the date of the most recent actuarial valuation, the plan membership included the following categories of participants.

Retirees and beneficiaries receiving benefits	257
Terminated vested participants not yet receiving benefits	92
Active participants	<u>570</u>
Total membership	<u><u>919</u></u>

b) Summary of Significant Accounting Policies

**Basis of Accounting**

The financial statements of the Plan are prepared on the accrual basis of accounting. Contributions from the City are recognized as revenue in the period in which the contributions are due. Investment income is recognized by the Plan when earned.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

**Method Used to Value Investments**

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on exchanges are valued at last reported sales price. No investments represented more than 5% of Plan net assets at December 31, 2007.

c) Funding Policy

City contributions to the Plan are authorized and may be amended by the City Commission. The City's contribution to the Plan are primarily based upon annual actuarial valuations. The City's funding policy provides for annual contributions at actuarially determined rates that are sufficient to accumulate sufficient assets to pay benefits when due. The City's contributions are determined under the projected unit credit actuarial method. The City's funding policy is to contribute the normal cost for the current year plus (1) the amount to amortize the remainder of the initial unfunded actuarial accrued liability over 30 years from 1982 and (2) current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year. Significant actuarial assumptions used in the valuation include (a) rate of return on the investment of present and future assets of 8% a year compounded annually (b) projected salary increases of 5.5% a year compounded annually (5% 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.

d) Annual Pension Cost

The City's annual pension cost and net pension asset for 2007 were computed as follows:

Annual required contribution	\$ 2,314,904
Interest on net pension asset	(274,823)
Adjustment to annual required contribution	<u>287,712</u>
Annual pension cost	2,327,793
Contributions made	<u>2,317,050</u>
(Decrease) in net pension asset	(10,743)
Net pension asset beginning of year	<u><u>3,435,286</u></u>
Net pension asset end of year	<u><u>\$ 3,424,543</u></u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

e) Schedule of Employer Contributions

<u>Year Ended December 31,</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
2001	\$ 605,450	194%	\$ 614,012	191%	\$ 2,841,213
2002	701,808	170%	712,477	167%	3,319,850
2003	1,103,977	112%	1,116,442	110%	3,436,787
2004	1,230,151	103%	1,243,046	102%	3,461,211
2005	1,854,826	100%	1,867,813	99%	3,448,224
2006	1,963,241	100%	1,976,179	99%	3,435,286
2007	2,314,904	100%	2,327,793	99%	3,424,543

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

f) Schedule of Funding Progress

Actuarial valuation date	<u>9/1/07</u>	<u>9/1/06</u>	<u>9/1/05</u>	<u>9/1/04</u>	<u>9/1/03</u>	<u>9/1/02</u>	<u>9/1/01</u>
Actuarial value of assets	45,360,675	42,081,949	39,475,090	37,261,618	35,620,847	34,122,496	33,934,689
Actuarial accrued liability (AAL)	53,163,980	47,593,869	43,426,011	39,080,729	36,529,741	34,574,769	31,081,041
Unfunded (overfunded) actuarial accrued liability	7,803,305	5,511,920	3,950,921	1,819,111	908,894	452,273	(2,853,648)
Funded ratio	85.3 %	88.4 %	90.9 %	95.3 %	97.5 %	98.7 %	109.2 %
Covered payroll	22,227,916	21,068,259	19,900,848	19,901,418	19,498,694	18,494,796	17,664,307
UAAL as a percentage of covered payroll	35.11 %	26.16 %	19.9 %	9.1 %	4.7 %	2.4 %	(16.2) %

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

**NOTE III - DETAILED NOTES ON ALL FUNDS - Continued**

**F. Pension Plans - Continued**

**2. City of Rome Defined Contribution Plan**

**a) Plan Description**

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

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

The City's contributions will be made to match all or a portion of an employee's contribution to an eligible 457(b) deferred compensation plan, including the GMA Deferred Compensation Plan. For each pay period in which the employee contributes to a 457 Plan of the City, the City will contribute on a dollar for dollar matching basis up to a maximum of 2 ½ % of salary per plan year. City contributions to the plan for the year ended December 31, 2007 totaled \$441,319.

**3. Component Unit - Rome Board of Education**

**Teachers Retirement System of Georgia (TRS)**

**a) Plan Description**

Substantially all teachers, administrative and clerical personnel employed by a local school systems are covered by the Teachers Retirement System of Georgia (TRS), which is a cost-sharing multiple employer public employee retirement system.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

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

TRS provides service retirement, disability retirement and survivor's benefits for its members. A member is eligible for retirement after 30 years of 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. If an employee retires under this provision, the benefit will be permanently reduced by the lesser of one-twelfth of 7% for each month below age 60, or 7% for each year or fraction of a year less than 30 years of creditable service. Retirement benefits paid to members are equal to 2% of the average of the member's two consecutive highest paid years of service multiplied by the number of years of credible service up to 40 years. The normal retirement pension is payable monthly for life. Options are available for distribution of the member's monthly pension at a reduced rate to a designated beneficiary on the member's death.

Retirement benefits also include death and disability benefits whereby the disabled member or surviving spouse is entitled to receive annually an amount equal to the member's service retirement benefit or disability retirement, whichever is greater. The benefit is based on the member's creditable service (minimum of 10 years) and compensation up to the date of death.

Members become fully vested after ten years of service. If a member terminates with less than ten years of service, no vesting of employer contributions occurs, but the member's contributions are refunded with interest.

TRS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by calling (404) 352-6500.

b) Funding Policy

Employees of the School System who are covered by TRS are required to pay 5% of their gross earnings to TRS. The School System makes monthly employer contribution to TRS at rates adopted by the TRS Board of Trustees, as advised by their independent actuary. The employer contribution rate is 9.28% for the year ended June 30, 2007 and 9.24% for each of the years ended June 30, 2006 and 2005.

The School System's actual and required contributions to TRS for the years ended June 30, 2007, 2006 and 2005 were \$2,545,905; \$2,412,966; and \$2,237,504 respectively.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

**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 local school systems are covered by the Public School Employees Retirement System of Georgia (PSERS), which is a cost-sharing multiple employer public employee retirement system. All employer contributions are made by the State of Georgia.

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 service and retiring between the ages of 60 and 65 receives a reduced benefit. Monthly retirement benefits paid to members are equal to \$8.00 multiplied by the number of years of creditable service. Options are available for distribution of the member's monthly pension at a reduced rate to a designated beneficiary on the member's death.

Retirement provisions include death and disability benefits. Disability benefits are the same as if the employee had retired at age 65 as long as the employee has 15 or more years of creditable service. Death benefits are dependent upon the number of years of service. If there are less than ten years of service, a lump sum refund of the employee's contributions and interest are made to the beneficiary. If there are more than ten years of service, the beneficiary shall receive for life half of what the employed would have received upon retirement.

Members become fully vested after ten years of service. If a member terminates with less than ten years of service, nonvesting of employer contributions occurs, but the member's contributions are refunded with interest.

PSERS issues a public available financial report that includes financial statements and required supplementary information. That report may be obtained by calling (404) 352-6500.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

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) - Continued

b) Funding Policy

Covered employees are required by State statute to contribute \$4.00 a month for the nine-month school year. Unlike TRS, the School System makes no contribution to PSERS. The State of Georgia is required by statute to make employer contributions as actuarially determined and approved by the PSERS Board of Trustees. Total actual and required contributions from the State of Georgia to PSERS for the School System for fiscal years ended June 30, 2007, 2006 and 2005 were \$3,068, \$2,924;and \$2,852 respectively.

G. Post-Retirement Health Care and Life Insurance Benefits

The Rome City Commission has contracted with the Stangard 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 I). 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%. Currently, 82 retirees are enrolled in post-retirement health care benefits. These post-retirement benefits are funded on a pay-as-you-go-basis. In 2007, the net cost of premiums for providing post-retirement benefits for retirees was approximately \$178,778.

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.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

H. Risk Management - Continued

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 are 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 claims for the plan year beginning October 1, 2007 total \$4,335,410. 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:

	<u>Beginning of Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal-Year Liability</u>
2006	\$ 300,000	\$ 3,627,598	\$ (3,577,598)	\$ 350,000
2007	350,000	4,251,342	(4,251,342)	350,000

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

H. Risk Management - Continued

2. Workers' Compensation Self-Insurance Fund

The Workers' Compensation Self-Insurance Fund was established to provide resources for payment of workers' compensation claims to the City and Greater Rome Convention and 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 2007, the City recorded a reimbursement of \$256,478 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, 2007. This liability is based upon historical experience and other factors. Changes in the balances of claims liabilities were as follows:

	<u>Beginning of Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal-Year Liability</u>
2006	\$ 455,000	\$ 398,272	\$ (588,272)	\$ 265,000
2007	265,000	537,989	(512,989)	290,000

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

**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.

**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 thirty years after closure. Although these postclosure care costs will be paid only after the date that the landfill stops accepting waste, the City has reported these postclosure care costs as an operating expense in the current and prior years based on landfill capacity used as of each balance sheet date. The \$3,001,084 (\$131,692 current) reported as postclosure care liability at December 31, 2007, represents the cumulative amount reported to date based on the use of 100% of the capacity of Phase I - VI of the landfill and 2% of the capacity of Phase VII. The \$947,884 (\$32,913 current) reported as postclosure care liability at December 31, 2007 represents the cumulative amount reported to date based on the use of 96% of the capacity of Phase I of C&D. In addition, \$2,571,247 has been accrued at December 31, 2007 for closure costs for Phases IV, V, VI, and VII and the C&D sites. The estimated remaining life of the Walker Mountain landfill is 50 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 \$1,404,169 (\$52,006 current) has been recognized in the Solid Waste Commission Fund as of December 31, 2007. 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, 2007 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 a combination of user fees and special purpose sales tax revenues. 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 and special purpose sales tax revenues.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

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 Coosa Valley Regional Development Center (CVRDC). Membership in a CVRDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the CVRDC. Membership in the CVRDC 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 CVRDC. During fiscal year 2007, the City paid dues in the amount of \$37,949 to the CVRDC. Separate financial statements may be obtained from the Coosa Valley Regional Development Center, Jackson Hill, Rome, Georgia 30161.

**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, 2007 is as follows:

	<u>5% Levy</u>	<u>1% Levy</u>
Balance as of December 31, 2006	\$ 45,307	\$ 28,769
2007 Tax Revenues	523,855	104,773
2007 Interest Revenue	3,057	612
2007 Expenses		
Greater Rome Convention and Visitors Bureau	420,000	29,294
City of Rome	90,500	-
Floyd County	-	78,580
Balance as of December 31, 2007	<u>\$ 61,719</u>	<u>\$ 26,280</u>

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 \$107,874 made during 2007 were 102.96% of total 2007 1% tax collections and expenditures of \$510,500 were 97.4% of 2007 5% tax collections.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

**M. Related Organizations**

The Rome City Commission is responsible for appointing all board members of the City of Rome 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 \$2,900,000 of Tax Anticipation Notes in May of 2007 and \$3,100,000 of Tax Anticipation Notes in June of 2007. These notes matured on November 30, 2007 and December 31, 2007, respectively, and were paid in full on those dates. Interest expense of \$118,239 was paid on the borrowing.

<u>Fiscal Year Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Fiscal Year Balance</u>
-	\$6,000,000	\$6,000,000	-

**O. Agency Agreement**

In May of 2004 the School Building Authority was created by an act of the General Assembly of the State of Georgia. This Authority is a separate legal entity whose sole purpose was to issue Quality Zone Academy Bonds for the School District. In June 2004 the City of Rome, through the City of Rome School Building Authority entered into an agency agreement with the Rome Board of Education.

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

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

**P. Subsequent Events**

In March, 2008, the Rome-Floyd County Development Authority issued Revenue Bonds, series 2008 in the amount of \$7,880,000 for the construction of a parking deck. The bonds will be paid through an Intergovernmental Agreement between the City of Rome, Georgia and Floyd County, Georgia. The City and County are equally responsible for the payment of the debt.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

**Q. Construction Commitments**

The City of Rome has several active construction projects as of December 31, 2007. These projects are associated with water and sewer improvements, construction of a pedestrian bridge, and a new youth center being financed with bond proceeds, grants, and special local option sales taxes.

<u>Project</u>	<u>Current Year</u>	<u>Remaining</u>
Water Meter Replacement	\$ 272,450	\$ -
West Rome Water System Improvements	1,291,672	-
Wastewater Treatment Plant Improvements-Construction	2,803,571	630,660
Wastewater Treatment Plant Improvements-Engineering	569,344	63,373
Armuchee Sewer Extension	5,625,719	333,530
Landfill Expansion	85,606	-
Pedestrian Bridge	2,269,878	289,416
Boys / Girls Club	1,819,124	261,821

**R. Change in Reporting Entity**

Effective January 1, 2007, the City has included the City of Rome South Rome Redevelopment Agency (“Agency”) as a blended component unit under the non-major special revenue funds. See the Reporting Entity note for a further description of the Agency. Due to the Agency having no beginning fund balance there was no change in the reporting entity’s beginning fund balance.

## **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.

**CITY OF ROME, GEORGIA  
GENERAL FUND  
SCHEDULE OF REVENUES & EXPENDITURES  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2007**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES:</b>				
Ad valorem taxes:				
Real and personal property:				
Current year	\$ 6,000,000	\$ 6,600,000	\$ 7,012,018	\$ 412,018
Prior years	750,000	750,000	509,290	(240,710)
Public utilities	255,000	255,000	226,097	(28,903)
Motor vehicles	675,000	675,000	648,204	(26,796)
Mobile homes	3,500	3,500	1,540	(1,960)
Total ad valorem taxes	<u>7,683,500</u>	<u>8,283,500</u>	<u>8,397,149</u>	<u>113,649</u>
Other taxes:				
Intangible tax	430,000	450,000	380,126	(69,874)
Insurance premium tax	1,900,000	1,910,000	1,911,968	1,968
Franchise tax	2,944,500	3,094,500	3,166,074	71,574
Local option sales tax	7,130,000	6,910,000	6,771,319	(138,681)
Real estate transfer tax	52,000	52,000	45,371	(6,629)
Tax on liquor and wine	800,000	800,000	800,967	967
Mixed drink tax	60,000	60,000	55,643	(4,357)
Total other taxes	<u>13,316,500</u>	<u>13,276,500</u>	<u>13,131,468</u>	<u>(145,032)</u>
Licenses, permits and fees:				
Business licenses	1,560,000	1,580,000	1,551,468	(28,532)
Permits and fees	60,000	60,000	47,615	(12,385)
Total licenses, permits and fees	<u>1,620,000</u>	<u>1,640,000</u>	<u>1,599,083</u>	<u>(40,917)</u>
Intergovernmental:				
Highway maintenance	120,000	120,000	120,050	50
Traffic signals	28,000	28,000	28,000	-
County environmental information	31,800	31,800	17,500	(14,300)
Housing authority	60,000	60,000	20,613	(39,387)
Total intergovernmental	<u>239,800</u>	<u>239,800</u>	<u>186,163</u>	<u>(53,637)</u>

continued

**CITY OF ROME, GEORGIA  
GENERAL FUND  
SCHEDULE OF REVENUES & EXPENDITURES  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2007**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Fines and forfeitures:				
Police court fines and fees	\$ 1,510,000	\$ 1,549,000	\$ 1,564,874	\$ 15,874
Total fines and forfeitures	<u>1,510,000</u>	<u>1,549,000</u>	<u>1,564,874</u>	<u>15,874</u>
Other revenues:				
Interest and costs	275,000	275,000	170,365	(104,635)
Cemetery revenue	183,000	183,000	192,925	9,925
Rent	20,000	20,000	31,219	11,219
Interest on investments	245,000	245,000	204,970	(40,030)
Miscellaneous revenue	55,000	55,000	59,843	4,843
Total other revenues	<u>778,000</u>	<u>778,000</u>	<u>659,322</u>	<u>(118,678)</u>
<b>TOTAL REVENUES</b>	<u>25,147,800</u>	<u>25,766,800</u>	<u>25,538,059</u>	<u>(228,741)</u>

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**CITY OF ROME, GEORGIA  
GENERAL FUND  
SCHEDULE OF REVENUES & EXPENDITURES  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2007**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>EXPENDITURES:</b>				
<b>GENERAL GOVERNMENT</b>				
City Commission:				
Personal services	\$ 140,590	\$ 140,590	\$ 134,799	\$ 5,791
Supplies	6,950	6,950	12,947	(5,997)
Other services and charges	57,750	57,750	43,120	14,630
Total City Commission	<u>205,290</u>	<u>205,290</u>	<u>190,866</u>	<u>14,424</u>
Municipal Court:				
Personal services	42,630	42,630	42,011	619
Supplies	50	50	-	50
Other services and charges	42,050	57,050	55,767	1,283
Total Municipal Court	<u>84,730</u>	<u>99,730</u>	<u>97,778</u>	<u>1,952</u>
Manager's Office:				
Personal services	246,090	255,090	255,077	13
Supplies	7,750	11,750	11,711	39
Other services and charges	9,880	8,880	7,989	891
Total Manager's Office	<u>263,720</u>	<u>275,720</u>	<u>274,777</u>	<u>943</u>
Clerk's Office:				
Personal services	304,560	311,060	310,810	250
Supplies	15,250	17,250	16,942	308
Other services and charges	17,050	16,050	15,434	616
Total Clerk's Office	<u>336,860</u>	<u>344,360</u>	<u>343,186</u>	<u>1,174</u>
Finance:				
Personal services	433,850	413,850	410,038	3,812
Supplies	15,095	15,095	14,537	558
Other services and charges	11,850	11,850	12,082	(232)
Total Finance	<u>460,795</u>	<u>440,795</u>	<u>436,657</u>	<u>4,138</u>

continued

**CITY OF ROME, GEORGIA  
GENERAL FUND  
SCHEDULE OF REVENUES & EXPENDITURES  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2007**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Human Resources:				
Personal services	\$ 250,410	\$ 250,510	\$ 250,479	\$ 31
Supplies	20,850	20,750	17,362	3,388
Other services and charges	46,550	46,550	43,735	2,815
Total Human Resources	<u>317,810</u>	<u>317,810</u>	<u>311,576</u>	<u>6,234</u>
Purchasing:				
Personal services	241,080	243,100	243,088	12
Supplies	7,170	7,170	6,245	925
Other services and charges	10,400	8,880	8,308	572
Total Purchasing	<u>258,650</u>	<u>259,150</u>	<u>257,641</u>	<u>1,509</u>
Information Technology:				
Personal services	213,590	217,590	217,373	217
Supplies	173,730	168,730	157,631	11,099
Other services and charges	7,750	8,750	7,810	940
Total Information Technology	<u>395,070</u>	<u>395,070</u>	<u>382,814</u>	<u>12,256</u>
Business Systems Analyst:				
Personal services	74,950	74,950	73,043	1,907
Supplies	1,800	2,800	2,980	(180)
Other services and charges	2,220	2,220	3,142	(922)
Total Assistant City Manager	<u>78,970</u>	<u>79,970</u>	<u>79,165</u>	<u>805</u>
Assistant City Manager:				
Personal services	150,100	145,100	140,201	4,899
Supplies	3,550	3,550	2,056	1,494
Other services and charges	9,600	9,600	10,805	(1,205)
Total Assistant City Manager	<u>163,250</u>	<u>158,250</u>	<u>153,062</u>	<u>5,188</u>
General Administration:				
Personal services	39,400	39,400	38,367	1,033
Supplies	27,900	27,900	28,980	(1,080)
Other services and charges	902,250	900,350	896,137	4,213
Total General Administration	<u>969,550</u>	<u>967,650</u>	<u>963,484</u>	<u>4,166</u>

continued

**CITY OF ROME, GEORGIA  
GENERAL FUND  
SCHEDULE OF REVENUES & EXPENDITURES  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2007**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Total General Government:				
Personal services	\$ 2,137,250	\$ 2,133,870	\$ 2,115,286	\$ 18,584
Supplies	280,095	281,995	271,391	10,604
Other services and charges	1,117,350	1,127,930	1,104,329	23,601
<b>TOTAL GENERAL GOVERNMENT</b>	<u>3,534,695</u>	<u>3,543,795</u>	<u>3,491,006</u>	<u>52,789</u>
 <b>PUBLIC SAFETY</b>				
Police:				
Personal services	6,328,080	6,442,080	6,441,151	929
Supplies	561,400	555,400	558,258	(2,858)
Other services and charges	221,790	208,790	205,757	3,033
Payments for jail services	70,000	81,000	80,715	285
Total Police	<u>7,181,270</u>	<u>7,287,270</u>	<u>7,285,881</u>	<u>1,389</u>
Police Training Center:				
Supplies	46,650	41,650	40,532	1,118
Other services and charges	77,700	77,700	78,196	(496)
Total Police Training Center	<u>124,350</u>	<u>119,350</u>	<u>118,728</u>	<u>622</u>
Total Public Safety:				
Personal services	6,328,080	6,442,080	6,441,151	929
Supplies	608,050	597,050	598,790	(1,740)
Other services and charges	299,490	286,490	283,953	2,537
Payments	70,000	81,000	80,715	285
<b>TOTAL PUBLIC SAFETY</b>	<u>7,305,620</u>	<u>7,406,620</u>	<u>7,404,609</u>	<u>2,011</u>
 <b>PUBLIC WORKS</b>				
Public Works Office:				
Personal services	221,830	231,830	231,119	711
Supplies	21,570	29,570	29,608	(38)
Other services and charges	13,520	11,520	10,635	885
Total Public Works Office	<u>256,920</u>	<u>272,920</u>	<u>271,362</u>	<u>1,558</u>

continued

**CITY OF ROME, GEORGIA  
GENERAL FUND  
SCHEDULE OF REVENUES & EXPENDITURES  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2007**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Engineering:				
Personal services	\$ 502,080	\$ 482,080	\$ 481,716	\$ 364
Supplies	25,050	25,050	25,140	(90)
Other services and charges	9,940	9,940	7,880	2,060
Total Engineering	<u>537,070</u>	<u>517,070</u>	<u>514,736</u>	<u>2,334</u>
Streets and Drainage:				
Personal services	1,826,900	1,764,900	1,763,904	996
Supplies	329,700	274,700	271,620	3,080
Other services and charges	74,230	101,230	100,919	311
Payments for inmate charges	-	3,500	3,260	240
Total Streets and Drainage	<u>2,230,830</u>	<u>2,144,330</u>	<u>2,139,703</u>	<u>4,627</u>
Clean It or Lien It Demolition:				
Supplies	-	-	1,963	(1,963)
Other services and charges	55,000	10,000	(7,395)	17,395
Total Clean It or Lien It Demolition	<u>55,000</u>	<u>10,000</u>	<u>(5,432)</u>	<u>15,432</u>
Electrical/Traffic Control:				
Personal services	687,950	703,950	703,907	43
Supplies	113,640	112,640	112,584	56
Other services and charges	53,210	50,710	50,658	52
Total Electrical/Traffic Control	<u>854,800</u>	<u>867,300</u>	<u>867,149</u>	<u>151</u>
Street Lighting:				
Supplies	5,250	3,250	1,520	1,730
Other services and charges	640,000	655,000	652,615	2,385
Total Street Lighting	<u>645,250</u>	<u>658,250</u>	<u>654,135</u>	<u>4,115</u>
Buildings and Grounds:				
Supplies	5,000	5,000	3,598	1,402
Other services and charges	1,600	1,600	1,670	(70)
Payments for contract services	300	300	-	300
Total Buildings and Grounds	<u>6,900</u>	<u>6,900</u>	<u>5,268</u>	<u>1,632</u>

continued

**CITY OF ROME, GEORGIA  
GENERAL FUND  
SCHEDULE OF REVENUES & EXPENDITURES  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2007**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
<b>Cemetery:</b>				
Personal services	\$ 306,690	\$ 294,190	\$ 292,652	\$ 1,538
Supplies	33,300	33,300	30,468	2,832
Other services and charges	22,980	20,980	17,405	3,575
Payments for inmate charges	39,660	39,660	40,873	(1,213)
<b>Total Cemetery</b>	<b>402,630</b>	<b>388,130</b>	<b>381,398</b>	<b>6,732</b>
<b>Garage:</b>				
Personal services	610,270	580,270	578,406	1,864
Supplies	84,830	84,830	80,678	4,152
Other services and charges	36,990	36,990	43,333	(6,343)
<b>Total Garage</b>	<b>732,090</b>	<b>702,090</b>	<b>702,417</b>	<b>(327)</b>
<b>Total Public Works:</b>				
Personal services	4,155,720	4,057,220	4,051,704	5,516
Supplies	618,340	568,340	557,179	11,161
Other services and charges	907,470	897,970	877,720	20,250
Payments	39,960	43,460	44,133	(673)
<b>TOTAL PUBLIC WORKS</b>	<b>5,721,490</b>	<b>5,566,990</b>	<b>5,530,736</b>	<b>36,254</b>
<b>PUBLIC FACILITIES</b>				
<b>City Auditorium:</b>				
Personal services	162,300	171,300	171,132	168
Supplies	49,850	59,150	59,106	44
Other services and charges	71,010	83,010	82,905	105
<b>Total City Auditorium</b>	<b>283,160</b>	<b>313,460</b>	<b>313,143</b>	<b>317</b>
<b>Civic Center:</b>				
Supplies	12,450	10,450	9,862	588
Other services and charges	15,140	15,140	15,317	(177)
<b>Total Civic Center</b>	<b>27,590</b>	<b>25,590</b>	<b>25,179</b>	<b>411</b>

continued

**CITY OF ROME, GEORGIA  
GENERAL FUND  
SCHEDULE OF REVENUES & EXPENDITURES  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2007**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Other Facilities:				
Personal services	\$ -	\$ -	\$ 525	\$ (525)
Supplies	20,720	22,220	20,518	1,702
Other services and charges	34,090	38,590	38,455	135
Total Other Facilities	<u>54,810</u>	<u>60,810</u>	<u>59,498</u>	<u>1,312</u>
Total Public Facilities:				
Personal services	162,300	171,300	171,657	(357)
Supplies	83,020	91,820	89,486	2,334
Other services and charges	120,240	136,740	136,677	63
<b>TOTAL PUBLIC FACILITIES</b>	<u>365,560</u>	<u>399,860</u>	<u>397,820</u>	<u>2,040</u>
<b>PUBLIC SERVICES</b>				
Community Services:				
Other services and charges	181,200	212,100	210,896	1,204
Total Community Development	<u>181,200</u>	<u>212,100</u>	<u>210,896</u>	<u>1,204</u>
Environmental Information:				
Personal Services	132,660	132,660	132,608	52
Supplies	11,900	11,900	9,559	2,341
Other services and charges	11,800	11,800	13,644	(1,844)
Total Environmental Information	<u>156,360</u>	<u>156,360</u>	<u>155,811</u>	<u>549</u>
Public Information Coordinator:				
Personal services	50,645	50,645	50,486	159
Supplies	1,200	1,200	318	882
Other services and charges	4,150	3,600	2,621	979
Total Public Information Coordinator	<u>55,995</u>	<u>55,445</u>	<u>53,425</u>	<u>2,020</u>
Community Events:				
Supplies	4,750	5,400	5,342	58
Other services and charges	12,700	12,400	12,394	6
Total Community Events	<u>17,450</u>	<u>17,800</u>	<u>17,736</u>	<u>64</u>

continued

**CITY OF ROME, GEORGIA  
GENERAL FUND  
SCHEDULE OF REVENUES & EXPENDITURES  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2007**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
Roman Holiday Boat:				
Supplies	\$ -	\$ 3,600	\$ 3,504	\$ 96
Other services and charges	-	13,100	13,045	55
<b>Total Roman Holiday Boat</b>	<b>-</b>	<b>16,700</b>	<b>16,549</b>	<b>151</b>
Trolley:				
Personal services	-	2,400	2,312	88
Supplies	-	600	584	16
Other services and charges	-	700	624	76
<b>Total Trolley</b>	<b>-</b>	<b>3,700</b>	<b>3,520</b>	<b>180</b>
Total Public Services:				
Personal services	183,305	185,705	185,406	299
Supplies	17,850	22,700	19,307	3,393
Other services and charges	209,850	253,700	253,224	476
<b>TOTAL PUBLIC SERVICES</b>	<b>411,005</b>	<b>462,105</b>	<b>457,937</b>	<b>4,168</b>
<b>TOTAL EXPENDITURES</b>	<b>17,338,370</b>	<b>17,379,370</b>	<b>17,282,108</b>	<b>97,262</b>
<b>OTHER FINANCING SOURCES AND USES:</b>				
<b>TRANSFERS IN:</b>				
Water and Sewer Fund	690,000	690,000	690,000	-
Transit Fund	44,000	44,000	44,000	-
Fire Fund	304,000	304,000	304,000	-
Red Light Enforcement Fund	50,000	50,000	50,000	-
Solid Waste Commission Fund	65,000	65,000	28,192	(36,808)
Health Insurance Fund	97,570	97,570	97,570	-
Hotel/Motel Tax Fund	20,000	30,000	90,000	60,000
<b>TOTAL TRANSFERS IN</b>	<b>1,270,570</b>	<b>1,280,570</b>	<b>1,303,762</b>	<b>23,192</b>

continued

**CITY OF ROME, GEORGIA  
GENERAL FUND  
SCHEDULE OF REVENUES & EXPENDITURES  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2007**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
<b>TRANSFERS OUT:</b>				
Planning Commission Fund	\$ 170,000	\$ 170,000	\$ 170,000	\$ -
Capital Fund	500,000	500,000	500,000	-
Transit Fund	620,000	805,000	804,199	801
Community Development Fund	133,000	148,000	147,900	100
Fire Fund	5,060,000	5,060,000	5,060,000	-
South Rome Redevelopment Agency	64,000	64,000	64,000	-
Golf Fund	350,000	588,000	588,000	-
Solid Waste Management Fund	2,033,000	2,183,000	2,183,000	-
Downtown Development Fund	150,000	150,000	150,000	-
<b>TOTAL TRANSFERS OUT</b>	<u>9,080,000</u>	<u>9,668,000</u>	<u>9,667,099</u>	<u>901</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(7,809,430)</u>	<u>(8,387,430)</u>	<u>(8,363,337)</u>	<u>24,093</u>
Net change in fund balance	-	-	(107,386)	
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>12,037,603</u>	<u>12,037,603</u>	<u>12,037,603</u>	
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 12,037,603</u>	<u>\$ 12,037,603</u>	<u>\$ 11,930,217</u>	

City of Rome, Georgia

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

December 31, 2007

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 \$7,125,100, (excluding debt service payments) that were approved by the City Commission. The main reason for these amendments was to better align budgeted expenditures with an increase in actual revenues and to include an approved budget for the SPLOST fund. 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.

The Garage department in the General Fund had an excess of expenditures over budget of \$327. This was due to a larger utility cost accrual than anticipated.

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.

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINED STATEMENTS**

**CITY OF ROME, GEORGIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2007**

	<u>Nonmajor Governmental Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	
<b>ASSETS</b>			
Cash	\$ 258,557	\$ 195	\$ 258,752
Restricted cash	276,710	-	276,710
Taxes receivable, net of allowance for uncollectibles	1,710	-	1,710
Accounts receivable, net of allowance for uncollectibles	108,999	243,975	352,974
Accounts receivable loans	514,856	-	514,856
Due from other funds	10,208	-	10,208
Due from other governments	32,383	12,946	45,329
Due from component units	166	-	166
	<u>166</u>	<u>-</u>	<u>166</u>
Total assets	<u>\$ 1,203,589</u>	<u>\$ 257,116</u>	<u>\$ 1,460,705</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 23,334	\$ 126,044	\$ 149,378
Accrued liabilities	8,992	-	8,992
Due to component unit	75	-	75
Due to other governments	18,581	-	18,581
Due to other funds	118,403	130,903	249,306
Total liabilities	<u>169,385</u>	<u>256,947</u>	<u>426,332</u>
<b>FUND BALANCES</b>			
Reserved for:			
Revolving loans	462,160	-	462,160
Tourism & forum promotion	140,594	-	140,594
Capital improvements	28,592	-	28,592
Designated for grant programs and capital projects	301,953	169	302,122
Undesignated	100,905	-	100,905
Total fund balances	<u>1,034,204</u>	<u>169</u>	<u>1,034,373</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,203,589</u>	<u>\$ 257,116</u>	<u>\$ 1,460,705</u>

**CITY OF ROME, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2007**

	Nonmajor Governmental Funds		Total Nonmajor Governmental Funds
	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	
<b>REVENUES</b>			
Intergovernmental	\$ 838,170	\$ 273,230	\$ 1,111,400
Charges for services	449,713	-	449,713
Taxes	666,069	3,470,533	4,136,602
Interest earned	31,626	166	31,792
Miscellaneous	48,628	-	48,628
<b>TOTAL REVENUES</b>	<b>2,034,206</b>	<b>3,743,929</b>	<b>5,778,135</b>
<b>EXPENDITURES</b>			
Public safety	88,117	-	88,117
Community development	1,023,588	-	1,023,588
Public facilities	528,374	-	528,374
Capital outlay	439,298	1,199,008	1,638,306
<b>TOTAL EXPENDITURES</b>	<b>2,079,377</b>	<b>1,199,008</b>	<b>3,278,385</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(45,171)</b>	<b>2,544,921</b>	<b>2,499,750</b>
<b>OTHER FINANCING SOURCES AND USES</b>			
Proceeds from the sale of capital assets	19,200	-	19,200
Transfers in	533,230	-	533,230
Transfers out	(260,070)	(2,544,754)	(2,804,824)
	292,360	(2,544,754)	(2,252,394)
<b>NET CHANGE IN FUND BALANCES</b>	<b>247,189</b>	<b>167</b>	<b>247,356</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>787,015</b>	<b>2</b>	<b>787,017</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 1,034,204</b>	<b>\$ 169</b>	<b>\$ 1,034,373</b>

## NONMAJOR GOVERNMENTAL FUNDS

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

- Redlight Enforcement Fund* – to account for funds associated with the Redlight Enforcement cameras.
- Downtown Development Fund* – to account for activities related to improvements and development in the downtown district.
- 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.
- South Rome Redevelopment-Agency Fund* to account for the activities related to development projects in the South Rome area.

**CITY OF ROME, GEORGIA  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS  
December 31, 2007**

	Special Revenue Funds							Total Nonmajor Special Revenue Funds	
	Redlight Enforcement Fund	Downtown Development Fund	Community Development Fund	Planning Commission Fund	Hotel/Motel Tax Fund	Business Improvement District Fund	Tax Allocation District Fund		South Rome Redevelopment Agency Fund
<b>ASSETS</b>									
Cash	\$ 139,485	\$ 55,411	\$ 38,649	\$ 25,012	\$ -	\$ -	\$ -	\$ -	\$ 258,557
Restricted cash	-	52,919	-	-	127,665	50,642	28,579	16,905	276,710
Taxes receivable	-	-	-	-	-	1,710	-	-	1,710
Accounts receivable, net of allowance for uncollectibles	-	-	25,148	44,680	38,915	243	13	-	108,999
Accounts receivable-loans	-	462,160	52,696	-	-	-	-	-	514,856
Due from other funds	2,907	3,968	2,481	852	-	-	-	-	10,208
Due from other governments	-	-	-	32,383	-	-	-	-	32,383
Due from component units	-	116	-	50	-	-	-	-	166
	<u>-\$ 142,392</u>	<u>\$ 574,574</u>	<u>\$ 118,974</u>	<u>\$ 102,977</u>	<u>\$ 166,580</u>	<u>\$ 52,595</u>	<u>\$ 28,592</u>	<u>\$ 16,905</u>	<u>\$ 1,203,589</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities									
Accounts payable	\$ 4,747	\$ 4,398	\$ 10,675	\$ 2,791	\$ -	\$ -	\$ -	\$ 723	\$ 23,334
Accrued liabilities	46	130	-	7,628	-	-	-	1,188	8,992
Due to component unit	-	-	-	75	-	-	-	-	75
Due to other governments	-	-	-	-	18,581	-	-	-	18,581
Due to other funds	8,477	8,061	29,992	11,403	60,000	-	-	470	118,403
Total liabilities	<u>13,270</u>	<u>12,589</u>	<u>40,667</u>	<u>21,897</u>	<u>78,581</u>	<u>-</u>	<u>-</u>	<u>2,381</u>	<u>169,385</u>
<b>FUND BALANCES</b>									
Reserved for:									
Revolving loans	-	462,160	-	-	-	-	-	-	462,160
Tourism & forum promotion	-	-	-	-	87,999	52,595	-	-	140,594
Capital improvements	-	-	-	-	-	-	28,592	-	28,592
Unreserved, designated for grant programs and capital projects	129,122	-	78,307	80,000	-	-	-	14,524	301,953
Unreserved, undesignated	-	99,825	-	1,080	-	-	-	-	100,905
Total fund balances	<u>129,122</u>	<u>561,985</u>	<u>78,307</u>	<u>81,080</u>	<u>87,999</u>	<u>52,595</u>	<u>28,592</u>	<u>14,524</u>	<u>1,034,204</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 142,392</u>	<u>\$ 574,574</u>	<u>\$ 118,974</u>	<u>\$ 102,977</u>	<u>\$ 166,580</u>	<u>\$ 52,595</u>	<u>\$ 28,592</u>	<u>\$ 16,905</u>	<u>\$ 1,203,589</u>

**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, 2007**

	Special Revenue Funds							Total Nonmajor Special Revenue Funds	
	Redlight Enforcement Fund	Downtown Development Fund	Community Development Fund	Planning Commission Fund	Hotel/Motel Tax Fund	Business Improvement District Fund	Tax Allocation District Fund		South Rome Redevelopment Agency Fund
<b>REVENUES</b>									
Intergovernmental	\$ -	\$ 264,000	\$ 271,051	\$ 303,119	\$ -	\$ -	\$ -	\$ -	\$ 838,170
Charges for services	214,172	106,331	71,600	33,470	-	24,140	-	-	449,713
Taxes	-	-	-	-	628,628	25,685	11,756	-	666,069
Interest earned	10,106	9,700	1,540	3,704	3,669	1,524	745	638	31,626
Miscellaneous	-	-	48,628	-	-	-	-	-	48,628
<b>TOTAL REVENUES</b>	<b>224,278</b>	<b>380,031</b>	<b>392,819</b>	<b>340,293</b>	<b>632,297</b>	<b>51,349</b>	<b>12,501</b>	<b>638</b>	<b>2,034,206</b>
<b>EXPENDITURES</b>									
Public safety	88,117	-	-	-	-	-	-	-	88,117
Community development	-	230,041	171,051	528,366	-	24,340	476	69,314	1,023,588
Public facilities	-	-	-	-	528,374	-	-	-	528,374
Capital outlay	-	23,358	400,696	15,244	-	-	-	-	439,298
<b>TOTAL EXPENDITURES</b>	<b>88,117</b>	<b>253,399</b>	<b>571,747</b>	<b>543,610</b>	<b>528,374</b>	<b>24,340</b>	<b>476</b>	<b>69,314</b>	<b>2,079,377</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>136,161</b>	<b>126,632</b>	<b>(178,928)</b>	<b>(203,317)</b>	<b>103,923</b>	<b>27,009</b>	<b>12,025</b>	<b>(68,676)</b>	<b>(45,171)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Proceeds from sale of capital assets	-	-	-	-	-	-	-	19,200	19,200
Transfers in	-	150,450	147,900	170,880	-	-	-	64,000	533,230
Transfers out	(162,554)	(7,516)	-	-	(90,000)	-	-	-	(260,070)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(162,554)</b>	<b>142,934</b>	<b>147,900</b>	<b>170,880</b>	<b>(90,000)</b>	<b>-</b>	<b>-</b>	<b>83,200</b>	<b>292,360</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(26,393)</b>	<b>269,566</b>	<b>(31,028)</b>	<b>(32,437)</b>	<b>13,923</b>	<b>27,009</b>	<b>12,025</b>	<b>14,524</b>	<b>247,189</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>155,515</b>	<b>292,419</b>	<b>109,335</b>	<b>113,517</b>	<b>74,076</b>	<b>25,586</b>	<b>16,567</b>	<b>-</b>	<b>787,015</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 129,122</b>	<b>\$ 561,985</b>	<b>\$ 78,307</b>	<b>\$ 81,080</b>	<b>\$ 87,999</b>	<b>\$ 52,595</b>	<b>\$ 28,592</b>	<b>\$ 14,524</b>	<b>\$ 1,034,204</b>

**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, 2007**

	<b>Redlight Enforcement</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>				
Charges for services	\$ 246,000	\$ 250,000	\$ 214,172	\$ (35,828)
Interest earned	8,000	9,000	10,106	1,106
Total revenues	<u>254,000</u>	<u>259,000</u>	<u>224,278</u>	<u>(34,722)</u>
<b>EXPENDITURES</b>				
Public safety	94,000	94,000	88,117	5,883
Total expenditures	<u>94,000</u>	<u>94,000</u>	<u>88,117</u>	<u>5,883</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	160,000	165,000	136,161	28,839
<b>OTHER FINANCING USES</b>				
Transfers out	(160,000)	(165,000)	(162,554)	2,446
	<u>(160,000)</u>	<u>(165,000)</u>	<u>(162,554)</u>	<u>2,446</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(26,393)	(26,393)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>155,515</u>	<u>155,515</u>	<u>155,515</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 155,515</u>	<u>\$ 155,515</u>	<u>\$ 129,122</u>	<u>\$ (26,393)</u>

**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, 2007**

	<b>Downtown Development</b>			<b>Variance Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>REVENUES</b>				
Charges for services	\$ 86,000	\$ 95,800	\$ 106,331	\$ 10,531
Interest earned	10,200	9,500	9,700	200
Intergovernmental	14,000	14,000	264,000	250,000
Miscellaneous	-	150	-	(150)
Total revenues	<u>110,200</u>	<u>119,450</u>	<u>380,031</u>	<u>260,581</u>
<b>EXPENDITURES</b>				
Community development	225,650	234,900	230,041	4,859
Capital outlay	<u>28,000</u>	<u>28,000</u>	<u>23,358</u>	<u>4,642</u>
Total expenditures	<u>253,650</u>	<u>262,900</u>	<u>253,399</u>	<u>9,501</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(143,450)	(143,450)	126,632	270,082
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	150,450	150,450	150,450	-
Transfers out	<u>(7,000)</u>	<u>(7,000)</u>	<u>(7,516)</u>	<u>(516)</u>
	<u>143,450</u>	<u>143,450</u>	<u>142,934</u>	<u>(516)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	269,566	269,566
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>292,419</u>	<u>292,419</u>	<u>292,419</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 292,419</u>	<u>\$ 292,419</u>	<u>\$ 561,985</u>	<u>\$ 269,566</u>

**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, 2007**

	Community Development			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Charges for services	\$ 14,000	\$ 96,000	\$ 71,600	\$ (24,400)
Intergovernmental	100,000	335,000	271,051	(63,949)
Miscellaneous	-	68,000	48,628	(19,372)
Interest earned	-	-	1,540	1,540
Total revenues	<u>114,000</u>	<u>499,000</u>	<u>392,819</u>	<u>(106,181)</u>
<b>EXPENDITURES</b>				
Community development	227,000	237,000	171,051	65,949
Capital outlay	<u>100,000</u>	<u>410,000</u>	<u>400,696</u>	<u>9,304</u>
Total expenditures	<u>327,000</u>	<u>647,000</u>	<u>571,747</u>	<u>75,253</u>
<b>(DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>	(213,000)	(148,000)	(178,928)	(30,928)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>213,000</u>	<u>148,000</u>	<u>147,900</u>	<u>(100)</u>
	<u>213,000</u>	<u>148,000</u>	<u>147,900</u>	<u>(100)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(31,028)	(31,028)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>109,335</u>	<u>109,335</u>	<u>109,335</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 109,335</u>	<u>\$ 109,335</u>	<u>\$ 78,307</u>	<u>\$ (31,028)</u>

**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, 2007**

	Planning Commission			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Intergovernmental	\$ 257,000	\$ 286,000	\$ 303,119	\$ 17,119
Charges for services	26,500	26,500	33,470	6,970
Interest earned	6,000	6,000	3,704	(2,296)
Miscellaneous	880	880	-	(880)
Total revenues	<u>290,380</u>	<u>319,380</u>	<u>340,293</u>	<u>20,913</u>
<b>EXPENDITURES</b>				
Community development	478,380	532,380	528,366	4,014
Capital outlay	62,000	17,000	15,244	1,756
Total expenditures	<u>540,380</u>	<u>549,380</u>	<u>543,610</u>	<u>5,770</u>
<b>(DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>	(250,000)	(230,000)	(203,317)	26,683
<b>OTHER FINANCING SOURCES</b>				
Transfers in	170,000	170,000	170,880	(880)
	<u>170,000</u>	<u>170,000</u>	<u>170,880</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(80,000)	(60,000)	(32,437)	27,563
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>113,517</u>	<u>113,517</u>	<u>113,517</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 33,517</u>	<u>\$ 53,517</u>	<u>\$ 81,080</u>	<u>\$ (27,563)</u>

**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, 2007**

	<b>Hotel/Motel Tax</b>			<b>Variance Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>REVENUES</b>				
Taxes	\$ 515,000	\$ 620,000	\$ 628,628	\$ 8,628
Interest earned	1,000	1,000	3,669	2,669
Total revenues	<u>516,000</u>	<u>621,000</u>	<u>632,297</u>	<u>11,297</u>
<b>EXPENDITURES</b>				
Public facilities	486,000	531,000	528,374	2,626
Total expenditures	<u>486,000</u>	<u>531,000</u>	<u>528,374</u>	<u>2,626</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	30,000	90,000	103,923	13,923
<b>OTHER FINANCING USES</b>				
Transfers out	(30,000)	(90,000)	(90,000)	-
	<u>(30,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	13,923	13,923
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>74,076</u>	<u>74,076</u>	<u>74,076</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 74,076</u>	<u>\$ 74,076</u>	<u>\$ 87,999</u>	<u>\$ 13,923</u>

**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, 2007**

	<b>Business Improvement District</b>			<b>Variance Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>REVENUES</b>				
Charges for services	\$ 20,000	\$ 20,000	\$ 24,140	\$ 4,140
Taxes	25,000	25,000	25,685	685
Interest earned	500	500	1,524	1,024
Total revenues	<u>45,500</u>	<u>45,500</u>	<u>51,349</u>	<u>5,849</u>
<b>EXPENDITURES</b>				
Community development	45,500	45,500	24,340	21,160
Total expenditures	<u>45,500</u>	<u>45,500</u>	<u>24,340</u>	<u>21,160</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	27,009	27,009
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>25,586</u>	<u>25,586</u>	<u>25,586</u>	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 25,586</u>	<u>\$ 25,586</u>	<u>\$ 52,595</u>	<u>\$ 27,009</u>

**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, 2007**

	Tax Allocation District			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Taxes	\$ 20,000	\$ 20,000	\$ 11,756	\$ (8,244)
Interest earned	-		745	745
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>12,501</u>	<u>(7,499)</u>
<b>EXPENDITURES</b>				
Community development	20,000	20,000	476	19,524
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>476</u>	<u>19,524</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	12,025	12,025
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>16,567</u>	<u>16,567</u>	<u>16,567</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 16,567</u>	<u>\$ 16,567</u>	<u>\$ 28,592</u>	<u>\$ 12,025</u>

**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, 2007**

	<b>South Rome Redevelopment Agency</b>			<b>Variance</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Positive (Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 10,000	\$ -	\$ (10,000)
Interest earned	-	500	638	138
Total revenues	<u>-</u>	<u>10,500</u>	<u>638</u>	<u>(9,862)</u>
<b>EXPENDITURES</b>				
Community development	-	74,500	69,314	5,186
Capital Outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>74,500</u>	<u>69,314</u>	<u>5,186</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	-	(64,000)	(68,676)	(4,676)
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	-	-	19,200	(19,200)
Transfers in	-	64,000	64,000	-
	<u>-</u>	<u>64,000</u>	<u>83,200</u>	<u>(19,200)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	14,524	14,524
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,524</u>	<u>\$ 14,524</u>

**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.

*Special Local Option Sales Tax Fund* – to account for capital activities funded by a special local option sales tax.

**CITY OF ROME, GEORGIA  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS GOVERNMENTAL FUNDS  
 December 31, 2007**

	<u>Entitlement Fund</u>	<u>Special Local Option Sales Tax Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>ASSETS</b>			
Cash	\$ 29	\$ 166	\$ 195
Accounts receivable	-	243,975	243,975
Due from other governments	12,946	-	12,946
Total assets	<u>\$ 12,975</u>	<u>\$ 244,141</u>	<u>\$ 257,116</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 12,323	\$ 113,721	\$ 126,044
Due to other funds	650	130,253	130,903
Total liabilities	<u>12,973</u>	<u>243,974</u>	<u>256,947</u>
<b>FUND BALANCES</b>			
Designated for grant programs and capital projects	<u>2</u>	<u>167</u>	<u>169</u>
Total fund balances	<u>2</u>	<u>167</u>	<u>169</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 12,975</u>	<u>\$ 244,141</u>	<u>\$ 257,116</u>

**CITY OF ROME, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR CAPITAL PROJECTS GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2007**

	<u>Entitlement Fund</u>	<u>Special Local Option Sales Tax Fund</u>	<u>Total Nonmajor Governmental Capital Projects Fund</u>
<b>REVENUES</b>			
Intergovernmental	\$ 273,230	\$ -	\$ 273,230
Taxes	-	3,470,533	3,470,533
Interest	-	166	166
<b>TOTAL REVENUES</b>	<u>273,230</u>	<u>3,470,699</u>	<u>3,743,929</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>273,230</u>	<u>925,778</u>	<u>1,199,008</u>
<b>TOTAL EXPENDITURES</b>	<u>273,230</u>	<u>925,778</u>	<u>1,199,008</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>2,544,921</u>	<u>2,544,921</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>-</u>	<u>(2,544,754)</u>	<u>(2,544,754)</u>
	<u>-</u>	<u>(2,544,754)</u>	<u>(2,544,754)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	167	167
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>2</u>	<u>-</u>	<u>2</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2</u>	<u>\$ 167</u>	<u>\$ 169</u>

## **SPECIAL REPORTS**

SCHEDULE OF PROJECTS CONSTRUCTED  
WITH SPECIAL SALES TAX PROCEEDS

**CITY OF ROME, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED**  
**WITH SPECIAL SALES TAX PROCEEDS**  
**December 31, 2007**

<u>Project</u>	<u>Total Allocated Splost Costs (Unaudited)</u>	<u>Total Allocated Splost Costs Adjusted (Unaudited)</u>	<u>Expenditures</u>			<u>Estimated Percentage of Completion (Unaudited)</u>
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	
<b>1996 SPLOST</b>						
<i>Fire Stations:</i>						
John Davenport	\$ 350,000	\$ 413,134	\$ 413,134	\$ -	\$ 413,134	100%
Woods Road	400,000	484,968	484,968	-	484,968	100%
Wilshire Road	350,000	417,960	417,960	-	417,960	100%
Armuchee	450,000	528,158	528,158	-	528,158	100%
Wax Road	450,000	450,000	475	-	475	<1%
Burnett Ferry	450,000	574,696	574,696	-	574,696	100%
	<u>2,450,000</u>	<u>2,868,916</u>	<u>2,419,391</u>	<u>-</u>	<u>2,419,391</u>	
<b>2003 SPLOST</b>						
Armuchee Sewer	3,000,000	3,000,000	1,902,425	1,095,160	2,997,585	99%
Blacks Bluff WWTP	8,150,000	8,160,000	8,160,000	-	8,160,000	100%
	<u>11,150,000</u>	<u>11,160,000</u>	<u>10,062,425</u>	<u>1,095,160</u>	<u>11,157,585</u>	

continued

**CITY OF ROME, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED**  
**WITH SPECIAL SALES TAX PROCEEDS**  
**December 31, 2007**

Project	Total Allocated Splost Costs (Unaudited)	Total Allocated Splost Costs Adjusted (Unaudited)	Expenditures			Estimated Percentage of Completion (Unaudited)
			Prior Years	Current Year	Total	
<b>2006 SPLOST</b>						
Second Avenue Levee	\$ 1,955,000	\$ 1,955,000	\$ -	\$ 216,855	\$ 216,855	11%
Boys/Girls Club	2,000,000	2,000,000	-	1,204,093	1,204,093	60%
North Fifth Avenue Turn Lane	550,000	550,000	-	50,179	50,179	37%
North Broad Turn Lane	330,000	330,000	-	214,645	214,645	100%
Rome High Access Road	2,900,000	2,900,000	-	-	-	0%
BioSolids Disposal	5,200,000	5,200,000	-	237,117	237,117	5%
Renovate Marine Armory	1,600,000	1,600,000	-	-	-	0%
Redmond Road Turn Lane	1,470,000	1,470,000	-	-	-	0%
Fire Training Facility	500,000	500,000	-	8,384	8,384	2%
Turner McCall Bridge	2,000,000	2,000,000	-	-	-	0%
River Education Center	834,825	834,825	-	29,555	29,555	3%
South Broad Corridor	2,000,000	2,000,000	-	11,580	11,580	1%
North Rome Swim Center	530,000	530,000	-	149,456	149,456	28%
New Tennis Courts	600,000	600,000	-	5,228	5,228	1%
City Park Practice Fields	200,000	200,000	-	101,152	101,152	51%
Town Green	1,690,000	1,690,000	-	51,979	51,979	3%
City Hall/Carnegie Repairs	1,500,000	1,500,000	-	95,150	95,150	6%
	<u>25,859,825</u>	<u>25,859,825</u>	<u>-</u>	<u>2,375,373</u>	<u>2,375,373</u>	
<b>Total Projects</b>	<u>\$ 39,459,825</u>	<u>\$ 39,888,741</u>	<u>\$ 12,481,816</u>	<u>\$ 3,470,533</u>	<u>\$ 15,952,349</u>	

**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 the provision of transit services to residents of the City.
- Building Inspection* – to account for the provision for building inspection services to the City of Rome and Floyd County.
- Solid Waste Management*– to account for the provision of solid waste collection services to the residents of the City.
- Municipal Golf*– to account for the activities related to the City’s golf course.
- Public Facilities Fund* – to account for the operating lease and debt of the public facilities building housing the State of Georgia Department of Family and Children Services.

**CITY OF ROME, GEORGIA**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR PROPRIETARY - ENTERPRISE FUNDS**  
**December 31, 2007**

	<u>Transit Fund</u>	<u>Building Inspection Fund</u>	<u>Solid Waste Management Fund</u>	<u>Municipal Golf Fund</u>	<u>Public Facilities Fund</u>	<u>Total</u>
<b>ASSETS</b>						
<b>Current Assets:</b>						
Cash and cash equivalents	\$ 1,874	\$ 58,948	\$ 2,243	\$ 12,546	\$ 233,088	\$ 308,699
Restricted cash	-	468,000	-	-	284,246	752,246
Accounts receivable, net of allowance for uncollectibles	-	-	170,730	10,655	-	181,385
Due from other governments	158,515	-	-	-	-	158,515
Due from other funds	27,229	1,749	25,940	7	803	55,728
Due from component units	-	267	22	-	-	289
Prepaid items	-	-	-	5,240	-	5,240
Inventories	205,457	-	-	24,909	-	230,366
<b>Total current assets</b>	<u>393,075</u>	<u>528,964</u>	<u>198,935</u>	<u>53,357</u>	<u>518,137</u>	<u>1,692,468</u>
<b>Non-current Assets:</b>						
Deferred bond issuance, net of accumulated amortization	-	-	-	118,711	72,735	191,446
Capital assets:						
Non-depreciable assets	334,600	-	-	4,609,653	550,000	5,494,253
Depreciable assets, net of accumulated depreciation	2,198,810	42,168	1,208,270	443,585	2,481,508	6,374,341
<b>Total long-term assets</b>	<u>2,533,410</u>	<u>42,168</u>	<u>1,208,270</u>	<u>5,171,949</u>	<u>3,104,243</u>	<u>12,060,040</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,926,485</u>	<u>\$ 571,132</u>	<u>\$ 1,407,205</u>	<u>\$ 5,225,306</u>	<u>\$ 3,622,380</u>	<u>\$ 13,752,508</u>

continued

**CITY OF ROME, GEORGIA**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR PROPRIETARY - ENTERPRISE FUNDS**  
**December 31, 2007**

	<u>Transit Fund</u>	<u>Building Inspection Fund</u>	<u>Solid Waste Management Fund</u>	<u>Municipal Golf Fund</u>	<u>Public Facilities Fund</u>	<u>Total</u>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Revenue bonds, current	\$ -	\$ -	\$ -	\$ 215,000	\$ 420,000	\$ 635,000
Accounts payable	17,018	16,356	65,122	37,283	1,316	137,095
Accrued liabilities	45,553	482,097	50,120	131,971	11,380	721,121
Due to other funds	159,446	6,631	740,395	467	-	906,939
Compensated absences	82,844	31,745	64,838	-	-	179,427
Capital leases, current	-	-	158,030	-	-	158,030
<b>Total current liabilities</b>	<u>304,861</u>	<u>536,829</u>	<u>1,078,505</u>	<u>384,721</u>	<u>432,696</u>	<u>2,737,612</u>
<b>Long-term Liabilities:</b>						
Revenue bonds, long-term, net	-	-	-	4,927,328	2,425,000	7,352,328
Advances due to Capital Fund	-	-	655,203	-	-	655,203
Capital leases, long term	-	-	226,017	-	-	226,017
<b>Total long-term liabilities</b>	<u>-</u>	<u>-</u>	<u>881,220</u>	<u>4,927,328</u>	<u>2,425,000</u>	<u>8,233,548</u>
<b>TOTAL LIABILITIES</b>	<u>304,861</u>	<u>536,829</u>	<u>1,959,725</u>	<u>5,312,049</u>	<u>2,857,696</u>	<u>10,971,160</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	2,533,410	42,168	824,223	29,621	259,243	3,688,665
Restricted for debt service	-	-	-	-	284,246	284,246
Unrestricted	88,214	(7,865)	(1,376,743)	(116,364)	221,195	(1,191,563)
<b>TOTAL NET ASSETS</b>	<u>\$ 2,621,624</u>	<u>\$ 34,303</u>	<u>\$ (552,520)</u>	<u>\$ (86,743)</u>	<u>\$ 764,684</u>	<u>\$ 2,781,348</u>

**CITY OF ROME, GEORGIA**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENSES AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR PROPRIETARY - ENTERPRISE FUNDS**  
**For the Year Ended December 31, 2007**

	<u>Transit Fund</u>	<u>Building Inspection Fund</u>	<u>Solid Waste Management Fund</u>	<u>Municipal Golf Fund</u>	<u>Public Facilities Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>						
Charges for services	\$ 1,171,742	\$ 789,441	\$ 1,474,792	\$ 1,001,063	\$ 648,356	\$ 5,085,394
Miscellaneous	372	221	1,774	5,092	-	7,459
<b>TOTAL OPERATING REVENUES</b>	<u>1,172,114</u>	<u>789,662</u>	<u>1,476,566</u>	<u>1,006,155</u>	<u>648,356</u>	<u>5,092,853</u>
<b>OPERATING EXPENSES</b>						
Cost of goods sold	-	-	-	102,289	-	102,289
Salaries and employee benefits	1,979,724	759,346	2,373,825	509,476	-	5,622,371
Supplies	368,876	56,169	209,612	139,347	23,274	797,278
Maintenance and repairs	81,991	3,980	156,645	51,531	37,940	332,087
Operating services and charges	245,024	110,339	749,741	296,262	21,821	1,423,187
Depreciation	431,848	16,308	282,910	125,440	209,705	1,066,211
<b>TOTAL OPERATING EXPENSES</b>	<u>3,107,463</u>	<u>946,142</u>	<u>3,772,733</u>	<u>1,224,345</u>	<u>292,740</u>	<u>9,343,423</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(1,935,349)</u>	<u>(156,480)</u>	<u>(2,296,167)</u>	<u>(218,190)</u>	<u>355,616</u>	<u>(4,250,570)</u>
<b>NON-OPERATING INCOME (EXPENSE)</b>						
Intergovernmental	449,214	-	9,099	-	-	458,313
Interest income	712	29,924	4,579	9,881	35,002	80,098
Interest expense	-	-	(37,683)	(315,368)	(154,160)	(507,211)
Gain on sale of capital assets	-	-	7,766	4,496	-	12,262
<b>TOTAL NON-OPERATING INCOME (EXPENSE)</b>	<u>449,926</u>	<u>29,924</u>	<u>(16,239)</u>	<u>(300,991)</u>	<u>(119,158)</u>	<u>43,462</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<u>(1,485,423)</u>	<u>(126,556)</u>	<u>(2,312,406)</u>	<u>(519,181)</u>	<u>236,458</u>	<u>(4,207,108)</u>

continued

**CITY OF ROME, GEORGIA  
 COMBINING STATEMENT OF REVENUES,  
 EXPENSES AND CHANGES IN FUND NET ASSETS  
 NONMAJOR PROPRIETARY - ENTERPRISE FUNDS  
 For the Year Ended December 31, 2007**

	<u>Transit Fund</u>	<u>Building Inspection Fund</u>	<u>Solid Waste Management Fund</u>	<u>Municipal Golf Fund</u>	<u>Public Facilities Fund</u>	<u>Total</u>
Transfers in	\$ 815,595	\$ 3,800	\$ 2,414,580	\$ 603,455	\$ -	\$ 3,837,430
Transfers out	(44,000)	-	-	-	-	(44,000)
Capital contributions	593,739	-	-	-	-	593,739
	<u>1,365,334</u>	<u>3,800</u>	<u>2,414,580</u>	<u>603,455</u>	<u>-</u>	<u>4,387,169</u>
<b>CHANGE IN NET ASSETS</b>	(120,089)	(122,756)	102,174	84,274	236,458	180,061
<b>NET ASSETS (DEFICIT) - BEGINNING OF YEAR</b>	<u>2,741,713</u>	<u>157,059</u>	<u>(654,694)</u>	<u>(171,017)</u>	<u>528,226</u>	<u>2,601,287</u>
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<u><u>\$ 2,621,624</u></u>	<u><u>\$ 34,303</u></u>	<u><u>\$ (552,520)</u></u>	<u><u>\$ (86,743)</u></u>	<u><u>\$ 764,684</u></u>	<u><u>\$ 2,781,348</u></u>

**CITY OF ROME, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY - ENTERPRISE FUNDS**  
**For the Year Ended December 31, 2007**

	<b>Transit Fund</b>	<b>Building Inspection Fund</b>	<b>Solid Waste Management Fund</b>	<b>Municipal Golf Fund</b>	<b>Public Facilities Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 1,197,365	\$ 789,662	\$ 1,602,057	\$ 1,007,543	\$ 648,356	\$ 5,244,983
Receipts from interfund services provided	-	-	-	460	-	460
Payments to suppliers	(715,536)	(229,265)	(1,100,956)	(528,340)	(68,773)	(2,642,870)
Payments to employees	(1,958,172)	(749,052)	(2,373,698)	(509,476)	-	(5,590,398)
Payments for interfund services used	(246,073)	(883)	(208,659)	-	(4,327)	(459,942)
Net cash provided (used) by operating activities	<u>(1,722,416)</u>	<u>(189,538)</u>	<u>(2,081,256)</u>	<u>(29,813)</u>	<u>575,256</u>	<u>(3,447,767)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfer from other funds	815,595	3,800	2,414,580	603,455	-	3,837,430
Transfer to other funds	(44,000)	-	-	-	-	(44,000)
Advances from other funds	-	-	297,696	-	-	297,696
Repayment of advances from other funds	-	-	(151,787)	(55,341)	-	(207,128)
Intergovernmental transfers	-	-	9,099	-	-	9,099
Subsidy from federal grant	640,374	-	-	-	-	640,374
Net cash provided by noncapital financing activities	<u>1,411,969</u>	<u>3,800</u>	<u>2,569,588</u>	<u>548,114</u>	<u>-</u>	<u>4,533,471</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital contributions	593,739	-	-	-	-	593,739
Purchases of capital assets	(286,310)	-	(336,159)	-	-	(622,469)
Proceeds from the sale of capital assets	-	-	35,185	4,496	-	39,681
Principal paid on capital debt	-	-	(154,372)	(205,000)	(400,000)	(759,372)
Interest paid on capital debt	-	-	(37,683)	(315,368)	(154,160)	(507,211)
Net cash provided (used) by capital and related financing activities	<u>307,429</u>	<u>-</u>	<u>(493,029)</u>	<u>(515,872)</u>	<u>(554,160)</u>	<u>(1,255,632)</u>

continued

**CITY OF ROME, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY - ENTERPRISE FUNDS**  
**For the Year Ended December 31, 2007**

	<u>Transit Fund</u>	<u>Building Inspection Fund</u>	<u>Solid Waste Management Fund</u>	<u>Municipal Golf Fund</u>	<u>Public Facilities Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received	712	29,924	4,579	9,881	35,002	80,098
Net cash provided by investing activities	712	29,924	4,579	9,881	35,002	80,098
Net increase (decrease) in cash and cash equivalents	(2,306)	(155,814)	(118)	12,310	56,098	(89,830)
Cash and cash equivalents, January 1	4,180	682,762	2,361	236	461,236	1,150,775
Cash and cash equivalents, December 31	<u>\$ 1,874</u>	<u>\$ 526,948</u>	<u>\$ 2,243</u>	<u>\$ 12,546</u>	<u>\$ 517,334</u>	<u>\$ 1,060,945</u>
<b>Reconciliation of Cash and Cash Equivalents:</b>						
Cash and cash equivalents	\$ 1,874	\$ 58,948	\$ 2,243	\$ 12,546	\$ 233,088	\$ 308,699
Cash and cash equivalents - restricted	-	468,000	-	-	284,246	752,246
Total cash and cash equivalents	<u>\$ 1,874</u>	<u>\$ 526,948</u>	<u>\$ 2,243</u>	<u>\$ 12,546</u>	<u>\$ 517,334</u>	<u>\$ 1,060,945</u>

continued

**CITY OF ROME, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY - ENTERPRISE FUNDS**  
**For the Year Ended December 31, 2007**

	<u>Transit Fund</u>	<u>Building Inspection Fund</u>	<u>Solid Waste Management Fund</u>	<u>Municipal Golf Fund</u>	<u>Public Facilities Fund</u>	<u>Total</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ (1,935,349)	\$ (156,480)	\$ (2,296,167)	\$ (218,190)	\$ 355,616	\$ (4,250,570)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	431,848	16,308	282,910	125,440	209,705	1,066,211
Amortization expense	-	-	-	44,005	14,547	58,552
Decrease in accounts receivable	20,424	-	125,491	1,388	-	147,303
Decrease in due from other governments	4,827	-	-	-	-	4,827
(Increase) decrease in due from other funds	83,205	(1,236)	(19,674)	-	-	62,295
Decrease in prepaid items	-	-	-	1,982	-	1,982
Decrease in inventories	10,310	-	-	2,380	-	12,690
Increase (decrease) in accounts payable and accrued liabilities	(29,955)	(58,777)	15,042	12,722	(285)	(61,253)
Increase in compensated absences payable	21,552	10,294	127	-	-	31,973
Increase (decrease) in due to other funds	(329,278)	353	(188,985)	460	(4,327)	(521,777)
Total adjustments	<u>212,933</u>	<u>(33,058)</u>	<u>214,911</u>	<u>188,377</u>	<u>219,640</u>	<u>802,803</u>
Net cash provided (used) by operating activities	<u>\$ (1,722,416)</u>	<u>\$ (189,538)</u>	<u>\$ (2,081,256)</u>	<u>\$ (29,813)</u>	<u>\$ 575,256</u>	<u>\$ (3,447,767)</u>

## **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.

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

**CITY OF ROME, GEORGIA**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**December 31, 2007**

	<b>Health Insurance Fund</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,229,308	\$ 543,807	\$ 3,773,115
Accounts receivable, net	20,906	256,478	277,384
Due from other funds	501,519	-	501,519
Due from component unit	438	-	438
<b>TOTAL ASSETS</b>	<b>3,752,171</b>	<b>800,285</b>	<b>4,552,456</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	248	21,811	22,059
Accrued liabilities	1,747	-	1,747
Claims payable	350,000	290,000	640,000
Due to other funds	711	-	711
<b>TOTAL LIABILITIES</b>	<b>352,706</b>	<b>311,811</b>	<b>664,517</b>
<b>NET ASSETS</b>			
Unrestricted	3,399,465	488,474	3,887,939
<b>TOTAL NET ASSETS</b>	<b>\$ 3,399,465</b>	<b>\$ 488,474</b>	<b>\$ 3,887,939</b>

**CITY OF ROME, GEORGIA  
COMBINING STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2007**

	Health Insurance Fund	Workers' Compensation Fund	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 5,761,960	\$ 1,085,050	\$ 6,847,010
<b>TOTAL OPERATING REVENUES</b>	<u>5,761,960</u>	<u>1,085,050</u>	<u>6,847,010</u>
<b>OPERATING EXPENSES</b>			
Salaries and employee benefits	96,447	-	96,447
Other services and charges	259,208	665,738	924,946
Claims	4,251,342	537,989	4,789,331
Administrative fees	618,914	19,178	638,092
<b>TOTAL OPERATING EXPENSES</b>	<u>5,225,911</u>	<u>1,222,905</u>	<u>6,448,816</u>
<b>OPERATING INCOME (LOSS)</b>	536,049	(137,855)	398,194
<b>OTHER INCOME</b>			
Intergovernmental	-	256,478	256,478
Interest income	130,756	15,500	146,256
<b>INCOME BEFORE TRANSFERS</b>	666,805	134,123	800,928
Transfers Out	(199,110)	-	(199,110)
<b>CHANGE IN NET ASSETS</b>	467,695	134,123	601,818
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>2,931,770</u>	<u>354,351</u>	<u>3,286,121</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 3,399,465</u>	<u>\$ 488,474</u>	<u>\$ 3,887,939</u>

**CITY OF ROME, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended December 31, 2007**

	<b>Health Insurance Fund</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 5,769,959	\$ 1,081,836	\$ 6,851,795
Payments for interfund services provided	266,533	-	266,533
Payments to suppliers	(877,655)	(718,015)	(1,595,670)
Payments to employees	(96,447)	-	(96,447)
Claims paid	(4,251,342)	(512,989)	(4,764,331)
Net cash provided (used) by operating activities	<u>811,048</u>	<u>(149,168)</u>	<u>661,880</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Intergovernmental revenue	-	256,478	256,478
Transfer out	(199,110)	-	(199,110)
Net cash provided (used) by non capital financing activities	<u>(199,110)</u>	<u>256,478</u>	<u>57,368</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	130,756	15,500	146,256
Net cash provided by investing activities	<u>130,756</u>	<u>15,500</u>	<u>146,256</u>
Net increase in cash and cash equivalents	742,694	122,810	865,504
Cash and cash equivalents, January 1	<u>2,486,614</u>	<u>420,997</u>	<u>2,907,611</u>
Cash and cash equivalents, December 31	<u>\$ 3,229,308</u>	<u>\$ 543,807</u>	<u>\$ 3,773,115</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>			
Operating income (loss)	\$ 536,049	\$ (137,855)	\$ 398,194
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
(Increase) decrease in accounts receivable	7,999	(3,214)	4,785
Decrease in due from other funds	266,352	-	266,352
Increase (decrease) in accounts and claims payable	467	(8,099)	(7,632)
Increase in due to other funds	181	-	181
Total adjustments	<u>274,999</u>	<u>(11,313)</u>	<u>263,686</u>
Net cash provided (used) by operating activities	<u>\$ 811,048</u>	<u>\$ (149,168)</u>	<u>\$ 661,880</u>

**COMPONENT UNIT**  
**GREATER ROME CONVENTION AND VISITORS BUREAU**

*Greater Rome Convention and 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, 2007**

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	<b>Greater Rome Convention &amp; Visitors Bureau</b>
<b>ASSETS</b>	<u>                    </u>
Cash	\$ 24,230
Due from other governments	21,366
Due from primary government	<u>75</u>
Total assets	<u><u>\$ 45,671</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 5,061
Accrued liabilities	5,946
Due from primary government	<u>983</u>
Total liabilities	<u>11,990</u>
<b>FUND BALANCE</b>	
Undesignated	<u>33,681</u>
Total fund balance	<u>33,681</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 45,671</u></u>

**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, 2007**

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	<b>Greater Rome Convention &amp; Visitors Bureau</b>
<b>REVENUES</b>	
Intergovernmental	\$ 468,320
Interest earned	1,542
Contributions	53,028
<b>TOTAL REVENUES</b>	522,890
<b>EXPENDITURES</b>	
Personal services	356,996
Supplies	23,750
Other services and charges	137,003
Capital outlay	309
<b>TOTAL EXPENDITURES</b>	518,058
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	4,832
<b>NET CHANGE IN FUND BALANCE</b>	4,832
<b>FUND BALANCE - BEGINNING OF YEAR</b>	28,849
<b>FUND BALANCE - END OF YEAR</b>	\$ 33,681

## STATISTICAL SECTION

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

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

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

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

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

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; the schedules presenting government – wide information include information beginning in that year.

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

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Governmental activities</b>					
Invested in capital assets, net of related debt	\$ 83,080	\$ 88,931	\$ 85,540	\$ 89,494	\$ 99,276
Restricted	4,190	4,059	326	326	631
Unrestricted	10,486	11,421	21,444	21,976	21,943
Total governmental activities net assets	<u>\$ 97,756</u>	<u>\$ 104,411</u>	<u>\$ 107,310</u>	<u>\$ 111,796</u>	<u>\$ 121,850</u>
<b>Business - type activities</b>					
Invested in capital assets, net of related debt	\$ 66,758	\$ 68,369	\$ 75,743	\$ 112,572	\$ 110,881
Restricted	-	-	582	249	284
Unrestricted	1,951	5,407	22,276	(6,294)	(469)
Total business - type activities net assets	<u>\$ 68,709</u>	<u>\$ 73,776</u>	<u>\$ 98,601</u>	<u>\$ 106,527</u>	<u>\$ 110,696</u>
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ 149,838	\$ 157,300	\$ 161,283	\$ 202,066	\$ 210,157
Restricted	4,190	4,059	908	575	915
Unrestricted	12,437	16,828	43,720	15,682	21,474
Total primary government net assets	<u>\$ 166,465</u>	<u>\$ 178,187</u>	<u>\$ 205,911</u>	<u>\$ 218,323</u>	<u>\$ 232,546</u>

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

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Expenses:</b>					
Governmental activities:					
General government	\$ 3,453	\$ 3,673	\$ 3,248	\$ 3,446	\$ 3,555
Public safety	6,924	6,932	7,228	7,605	7,416
Public Works	11,957	7,360	8,459	9,019	8,564
Public Facilities	1,149	880	1,068	1,316	1,121
Public Services	733	131	399	420	278
Community Development	1,129	1,365	1,218	1,568	1,028
Education	1,214	758	898	1,059	1,080
Interest on debt	282	88	249	326	246
Total governmental activities expenses	<u>26,841</u>	<u>21,187</u>	<u>22,767</u>	<u>24,759</u>	<u>23,288</u>
Business - type activities:					
Water and Sewer	12,526	14,295	14,353	14,711	16,899
Fire	8,501	9,126	9,143	9,411	10,316
Solid Waste Commission	3,730	3,158	3,907	2,270	3,309
Transit	2,312	2,397	2,460	2,843	3,107
Building Inspection	681	748	776	849	946
Solid Waste Management	3,038	3,136	3,391	3,598	3,810
Municipal Golf Fund	1,367	1,436	1,525	1,557	1,540
Public Facilities	547	536	524	492	447
Total business - type activities expenses	<u>32,702</u>	<u>34,832</u>	<u>36,079</u>	<u>35,731</u>	<u>40,374</u>
Total primary government expenses	<u>\$ 59,543</u>	<u>\$ 56,019</u>	<u>\$ 58,846</u>	<u>\$ 60,490</u>	<u>\$ 63,662</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General Government	\$ 1,346	\$ 1,803	\$ 1,509	\$ 1,569	\$ 1,823
Public Safety	1,431	1,420	1,668	1,512	1,779
Public Works	170	312	302	378	-
Public Facilities	44	51	71	90	-
Community Development	46	57	-	259	236
Education	-	-	173	-	-
Operating grants and contributions	449	3,094	312	343	1,024
Capital grants and contributions	2,916	6,660	10,191	6,530	8,741
Total governmental activities program revenues	<u>6,402</u>	<u>13,397</u>	<u>14,226</u>	<u>10,681</u>	<u>13,603</u>
Business - type activities:					
Charges for services:					
Water and Sewer	16,236	18,312	17,921	18,571	20,071
Fire	4,374	4,527	4,678	4,856	5,063
Solid Waste Commission	3,428	4,071	3,600	2,281	2,311
Transit	611	692	951	1,193	1,172
Building Inspection	702	831	741	781	790
Solid Waste Management	1,089	1,107	1,276	1,392	1,477
Municipal Golf Fund	781	884	991	1,057	1,006
Public Facilities	603	603	603	603	648
Operating grants and contributions	511	568	643	701	458
Capital grants and contributions	818	640	1,494	1,916	1,640
Total business- type activities program revenues	<u>29,153</u>	<u>32,235</u>	<u>32,898</u>	<u>33,351</u>	<u>34,636</u>
Total primary government program revenues	<u>\$ 35,555</u>	<u>\$ 45,632</u>	<u>\$ 47,124</u>	<u>\$ 44,032</u>	<u>\$ 48,239</u>

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Net (expense)/ revenue					
Governmental activities	\$ (20,439)	\$ (7,790)	\$ (8,541)	\$ (14,078)	\$ (9,685)
Business- type activities	(3,549)	(2,597)	(3,181)	(2,380)	(5,738)
Total primary government net expense	<u>\$ (23,988)</u>	<u>\$ (10,387)</u>	<u>\$ (11,722)</u>	<u>\$ (16,458)</u>	<u>\$ (15,423)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 8,930	\$ 9,486	\$ 9,702	\$ 10,441	\$ 10,048
Sales taxes	5,571	6,094	6,483	8,709	10,242
Other taxes	5,840	5,546	6,361	6,686	7,252
Gain on Sale of Capital Assets	15	-	521	-	218
Interst Earnings	52	83	449	578	731
Miscellaneous	353	22	227	221	309
Transfers	(3,331)	(6,785)	(6,773)	(9,059)	(9,061)
Total governmental activities	<u>17,430</u>	<u>14,446</u>	<u>16,970</u>	<u>17,576</u>	<u>19,739</u>
Business- type activities:					
Sales taxes	-	-	8,150	-	-
Gain on Sale of Capital Assets	93	217	15	37	12
Investment earnings	117	542	1,090	1,209	835
Miscellaneous	307	93	8	-	-
Transfers	6,700	6,812	6,773	9,059	9,061
Total business- type activities	<u>7,217</u>	<u>7,664</u>	<u>16,036</u>	<u>10,305</u>	<u>9,908</u>
Total primary government	<u>\$ 24,647</u>	<u>\$ 22,110</u>	<u>\$ 33,006</u>	<u>\$ 27,881</u>	<u>\$ 29,647</u>
<b>Change in Net Assets</b>					
Governmental activities	\$ (3,009)	\$ 6,656	\$ 8,429	\$ 3,498	\$ 10,054
Business- type activities	3,668	5,067	12,855	7,925	4,170
Total primary government	<u>\$ 659</u>	<u>\$ 11,723</u>	<u>\$ 21,284</u>	<u>\$ 11,423</u>	<u>\$ 14,224</u>

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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General fund										
Reserved	\$ 2,083	\$ 2,201	\$ 905	\$ 486	\$ 527	\$ 551	\$ 593	\$ 597	\$ 776	\$ 816
Unreserved	5,672	4,879	6,292	9,549	9,360	9,281	9,409	11,007	11,261	11,114
Total general fund	<u>\$ 7,755</u>	<u>\$ 7,080</u>	<u>\$ 7,197</u>	<u>\$ 10,035</u>	<u>\$ 9,887</u>	<u>\$ 9,832</u>	<u>\$ 10,002</u>	<u>\$ 11,604</u>	<u>\$ 12,037</u>	<u>\$ 11,930</u>
All other governmental funds										
Reserved	\$ 4,530	\$ 83	\$ 7,676	\$ 1,184	\$ 1,373	\$ 203	\$ 4	\$ 2,623	\$ 2,399	\$ 2,653
Unreserved, reported in:										
Special revenue funds	195	170	170	(160)	226	-	124	520	445	403
Capital projects funds	-	-	666	-	-	1,172	1,647	3,638	3,422	3,352
Total all other governmental funds	<u>\$ 4,725</u>	<u>\$ 253</u>	<u>\$ 8,512</u>	<u>\$ 1,024</u>	<u>\$ 1,599</u>	<u>\$ 1,375</u>	<u>\$ 1,775</u>	<u>\$ 6,781</u>	<u>\$ 6,266</u>	<u>\$ 6,408</u>

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

	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Revenues</b>										
Taxes	\$ 17,791	\$ 18,239	\$ 19,422	\$ 19,022	\$ 19,539	\$ 20,310	\$ 21,175	\$ 22,540	\$ 25,844	\$ 27,525
Licenses and permits	1,073	1,108	1,155	1,283	1,333	1,375	1,524	1,500	1,582	1,599
Intergovernmental	3,676	4,010	1,978	2,020	1,637	701	696	1,883	2,790	3,916
Charges for services	21	18	17	22	32	221	416	549	682	674
Grant Revenue	-	-	-	-	-	518	600	-	-	-
Fines	1,123	1,203	1,394	1,443	1,323	1,431	1,290	1,478	1,331	1,565
Investment earnings	-	-	-	-	-	52	83	449	578	732
Miscellaneous	795	900	1,582	903	616	388	3,505	172	147	309
<b>Total revenues</b>	<b>24,479</b>	<b>25,478</b>	<b>25,548</b>	<b>24,693</b>	<b>24,480</b>	<b>24,996</b>	<b>29,289</b>	<b>28,571</b>	<b>32,954</b>	<b>36,320</b>
<b>Expenditures</b>										
General government	2,073	2,201	2,443	2,652	2,605	2,460	2,574	3,070	3,351	3,491
Public safety	4,703	4,857	5,292	5,572	5,769	6,100	6,343	6,782	7,140	7,493
Public works	3,868	3,948	4,176	4,364	4,490	4,717	4,939	5,306	5,557	5,531
Public facilities	367	392	442	462	458	307	332	836	880	926
Public services	594	580	561	585	594	616	64	395	436	458
Community development	347	368	222	1,580	765	760	799	764	825	1,024
Other services and charges	248	316	330	315	578	377	840	-	-	-
Intergovernmental	217	249	322	233	200	150	143	-	-	-
Claims paid	91	82	109	106	98	-	-	-	-	-
Capital outlay	6,751	10,222	3,039	1,681	2,084	2,549	3,273	3,357	5,363	8,303
Debt service										
Bond issuance costs										
Principal	201	-	-	-	-	-	-	-	-	-
Interest	822	918	1,654	3,318	3,421	3,646	2,927	69	71	91
Interest	366	549	617	690	520	337	146	249	326	246
<b>Total expenditures</b>	<b>20,648</b>	<b>24,682</b>	<b>19,207</b>	<b>21,558</b>	<b>21,582</b>	<b>22,019</b>	<b>22,380</b>	<b>20,828</b>	<b>23,949</b>	<b>27,563</b>
Excess of revenues over expenditures	3,831	796	6,341	3,135	2,898	2,977	6,909	7,743	9,005	8,757

continued

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

	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Other financing sources (uses)</b>										
Transfers in	2,171	2,135	2,227	1,950	2,112	1,959	2,380	2,179	2,249	3,654
Transfers out	(6,893)	(7,359)	(7,863)	(7,813)	(8,440)	(8,668)	(9,165)	(8,952)	(11,308)	(12,714)
Transfers to component units	(271)	(315)	(2,863)	(8,317)	(360)	(375)	-	-	-	-
Transfers from component units	-	-	991	3,793	3,776	3,754	-	-	-	-
Proceeds from sale of bonds	-	14	10,000	-	-	-	-	-	-	-
Certificates of participation bond proceeds	5,565	-	-	-	-	-	-	-	-	-
Capital leases	147	335	42	221	441	73	448	620	110	-
Sale of capital assets	-	-	-	-	-	-	-	-	23	338
Total other financing sources (uses)	<u>719</u>	<u>(5,190)</u>	<u>2,534</u>	<u>(10,166)</u>	<u>(2,471)</u>	<u>(3,257)</u>	<u>(6,337)</u>	<u>(6,153)</u>	<u>(8,926)</u>	<u>(8,722)</u>
Net change in fund balances	<u>\$ 4,550</u>	<u>\$ (4,394)</u>	<u>\$ 8,875</u>	<u>\$ (7,031)</u>	<u>\$ 427</u>	<u>\$ (280)</u>	<u>\$ 572</u>	<u>\$ 1,590</u>	<u>\$ 79</u>	<u>\$ 35</u>
Debt service as a percentage of noncapital expenditures	8.5%	10.1%	14.0%	20.1%	20.2%	20.4%	25.7%	1.8%	2.0%	1.9%

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Insurance Premium Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Other Taxes</u>	<u>Total</u>
1998	5,610	5,286	2,363	1,190	795	2,547	17,791
1999	5,616	5,363	2,467	1,233	824	2,736	18,239
2000	6,379	5,637	2,391	1,310	846	2,859	19,422
2001	5,930	5,592	2,406	1,271	841	2,982	19,022
2002	6,205	5,692	2,454	1,394	831	2,963	19,539
2003	6,585	5,571	2,491	1,503	848	3,312	20,310
2004	6,874	6,094	2,442	1,628	857	3,280	21,175
2005	7,027	6,484	2,807	1,752	836	3,634	22,540
2006	8,424	*	8,709	2,973	1,833	3,071	25,844
2007	8,397	*	10,242	3,166	1,912	2,951	27,525
% Increase between 1998 & 2007	49.68%	93.76%	33.98%	60.67%	7.80%	15.86%	54.71%

(\*) Includes Special Purpose Local Option Sales Tax.

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

<b>Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public Utilities</b>	<b>Motor Vehicles</b>	<b>Mobile Homes</b>	<b>Total Assessed Value City</b>	<b>Less School Tax Exemption</b>	<b>Total Assessed Value School</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Assessed Value to Estimated Actual Value</b>
1998	470,654,487	185,899,654	25,800,042	61,856,646	303,848	744,514,677	(15,111,286)	729,403,391	9.28	1,823,508,477	40%
1999	486,199,259	176,761,458	26,231,846	58,570,563	290,225	748,053,351	(25,397,010)	722,656,341	9.43	1,806,640,853	40%
2000	546,541,411	193,881,935	28,637,952	62,315,472	(1) 48,820	831,425,589	(16,048,006)	815,377,583	9.12	2,038,443,960	40%
2001	579,718,068	(2) 192,232,826	25,172,692	69,914,938	117,501	867,156,023	(17,828,104)	849,327,919	8.35	2,123,319,802	40%
2002	612,419,119	171,457,195	23,926,804	71,020,473	117,089	878,940,680	(18,951,556)	859,989,124	8.44	2,149,972,810	40%
2003	637,357,052	173,963,932	25,890,000	72,821,900	113,540	909,602,250	(3) (51,290,256)	864,972,386	8.67	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	8.66	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	8.58	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	8.45	2,559,556,918	40%
2007	801,947,393	197,628,142	27,215,000	76,976,990	179,621	1,103,947,146	(69,130,918)	1,074,634,142	8.48	2,686,585,355	40%

Source-Floyd County Tax Assessors Office

- (1) Denotes change in tax assessment calculation from prior years
- (2) Personal Property assessments declined due to closure of a large mfg company
- (3) 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%.

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

<u>Year</u>	<u>City of Rome</u>			<u>Overlapping Rates</u>				
	<u>General Fund</u>	<u>Capital Fund</u>	<u>Debt Service</u>	<u>City Schools</u>	<u>Total</u>	<u>Floyd County</u>	<u>State of Georgia</u>	<u>Total</u>
1998	6.37	1.66	1.25	14.55	23.83	10.990	0.25	35.07
1999	6.47	1.71	1.25	15.04	24.47	10.860	0.25	35.58
2000	6.30	1.65	1.17	14.98	24.10	9.780	0.25	34.13
2001	6.70	1.65	*	14.98	23.33	8.505	0.25	32.09
2002	6.80	1.64	-	15.54	23.98	8.100	0.25	32.33
2003	6.80	1.87	-	15.93	24.60	8.200	0.25	33.05
2004	6.79	1.87	-	16.04	24.70	8.200	0.25	33.15
2005	6.68	1.90	-	16.00	24.58	7.968	0.25	32.80
2006	6.60	1.85	-	16.00	24.45	7.968	0.25	32.67
2007	6.58	1.90	-	15.95	24.43	8.100	0.25	32.78

Source-City of Rome Finance Department  
Floyd County Finance Office

\* City of Rome retired its debt in 2000

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, 2007**  
(amounts expressed in thousands)

<b>Taxpayer</b>	<b>2007</b>			<b>1998</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Redmond Regional Medical Center	\$ 49,198	1	4.46%	\$ 25,527	2	3.33%
Bekaert Corporation	18,520	2	1.68%	29,539	1	3.85%
Wal-Mart Stores	15,205	3	1.38%	8,544	8	1.11%
Georgia Power Company	13,227	4	1.20%	11,491	5	1.50%
Larry C. Martin	12,609	5	1.14%			
Keebler Company	11,422	6	1.03%			
Mount Berry Square Mall, LLC	11,159	7	1.01%	9,604	6	1.25%
Harbin Properties, LLC	9,309	8	0.84%	5,752	10	0.75%
Southeastern Mills	9,076	9		24,925	3	3.25%
River Root Partners, LLC	8,731	10	0.79%			
General Electric Company				8,668	7	1.13%
Zartic				6,533	9	0.85%
Bellsouth Telecommuncations				11,927	4	1.55%
<b>Totals</b>	<b>\$ 158,456</b>		<b>13.5%</b>	<b>\$ 142,510</b>		<b>18.57%</b>

Source-Floyd County Tax Assessor Office

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

<b>Fiscal Year Ended December 31</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
1998	\$ 16,022	\$ 14,929	93.2%	\$ 1,095	\$ 16,024	100.0%
1999	16,453	15,285	92.9%	947	16,232	98.7%
2000	17,944	16,106	89.8%	938	17,044	95.0%
2001	17,702	16,275	91.9%	1,116	17,391	98.2%
2002	18,825	17,448	92.7%	1,157	18,605	98.8%
2003	19,862	18,530	93.3%	1,391	19,921	100.3%
2004	20,990	19,240	91.7%	1,457	20,697	98.6%
2005	22,019	20,188	91.7%	1,280	21,468	97.5%
2006	23,544	21,492	91.3%	1,029	22,521	95.7%
2007	24,528	23,067	94.0%	859	23,926	97.5%

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

Fiscal Year	Governmental Activities			Business- Type Activities			Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Bonded Debt	Notes Payable	Capital Leases			
1998	\$ 4,470	\$ -	\$ 486	\$ 30,435	\$ 6,786	\$ 1,526	\$ 43,703	6.30%	\$ 1,401
1999	3,845	-	417	57,060	6,039	3,141	70,502	9.77%	2,260
2000	12,460	-	300	54,290	6,094	3,061	76,205	9.37%	2,179
2001	9,345	-	318	51,390	5,829	2,836	69,718	8.10%	1,992
2002	6,080	-	602	48,355	6,457	2,757	64,251	7.25%	1,836
2003	2,655	-	453	45,175	5,481	2,509	56,273	5.91%	1,597
2004	-	-	630	75,805	5,389	2,234	84,058	8.51%	2,381
2005	-	4,527	223	82,030	5,085	703	92,568	9.56%	2,604
2006	-	4,527	261	77,965	4,770	897	88,420	8.45%	2,426
2007	-	4,527	170	73,695	7,498	968	89,356	8.05%	2,420

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)

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u> **	<u>Per Capita</u> ***
1998	\$ 4,470	\$ -	\$ 4,470	0.6	\$ 143
1999	3,845	-	3,845	0.5	123
2000	12,460 *	-	12,460	1.5	356
2001	9,345	-	9,345	1.1	267
2002	6,080	-	6,080	0.7	174
2003	2,655	-	2,655	0.3	75
2004	-	-	-	N/A	N/A
2005	-	-	-	N/A	N/A
2006	-	-	-	N/A	N/A
2007	-	-	-	N/A	N/A

\* Includes 2000 issue of \$10,000,000 E-LOST bonds.

\*\* 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, 2007**

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

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)**

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt limit	\$ 74,451,468	\$ 74,805,335	\$ 83,142,559	\$ 86,715,603	\$ 87,894,068	\$ 90,960,225	\$ 94,822,243	\$ 99,865,703	\$ 105,562,899	\$ 110,394,715
Total net debt applicable to limit	<u>4,470,000</u>	<u>3,845,000</u>	<u>12,460,000</u>	<u>9,345,000</u>	<u>6,080,000</u>	<u>2,655,000</u>	-	-	-	-
Legal debt margin	<u>\$ 69,981,468</u>	<u>\$ 70,960,335</u>	<u>\$ 70,682,559</u>	<u>\$ 77,370,603</u>	<u>\$ 81,814,068</u>	<u>\$ 88,305,225</u>	<u>\$ 94,822,243</u>	<u>\$ 99,865,703</u>	<u>\$ 105,562,899</u>	<u>\$ 110,394,715</u>
Total net debt applicable to the limit as a percentage of debt limit	6.00%	5.14%	14.99%	10.78%	6.92%	2.92%	0.00%	0.00%	0.00%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2007**

Total assessed value	\$ 1,103,947,146
Debt limit (10% of total assessed value)	110,394,715
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 110,394,715</u>

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**

<b>Fiscal Year</b>	<b>Water &amp; Sewer Charges &amp; Other (1)</b>	<b>Less: Operating Expenses (2)</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
1998	\$ 12,676,541	\$ 5,601,850	\$ 7,074,691	\$1,485,000	\$ 903,485	3.0
1999	14,003,708	6,007,297	7,996,411	2,365,000	1,676,223	2.0
2000	15,675,894	6,282,017	9,393,877	2,045,000	2,171,582	2.2
2001	14,735,720	6,719,064	8,016,656	2,135,000	2,079,435	1.9
2002	16,000,194	6,691,239	9,308,955	2,230,000	1,982,935	2.2
2003	16,538,349	7,018,260	9,520,089	2,335,000	1,878,888	2.3
2004	17,705,484	7,792,756	9,912,728	2,765,000	2,928,532	1.7
2005	18,738,678	8,041,271	10,697,407	2,615,000	3,083,046	1.8
2006	19,404,739	8,681,217	10,723,522	3,485,000	3,354,631	1.6
2007	20,449,671	8,684,689	11,764,982	3,665,000	3,166,379	1.7

(1) Includes interest income

(2) Excludes depreciation and amortization expense

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

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>Personal Income (in thousands)</b>	<b>(2) Per Capita Personal Income</b>	<b>(3) School Enrollment</b>	<b>(4) Unemployment Rate</b>
1998	31,200 *	\$ 693,888	\$ 22,240	5,066	5.6%
1999	31,200 *	721,656	23,130	5,106	4.1%
2000	34,980 **	812,935	23,240	5,239	5.0%
2001	35,000 *	860,615	24,589	5,381	5.6%
2002	35,000 *	886,795	25,337	5,257	6.1%
2003	35,237 *	951,963	27,016	5,315	5.7%
2004	35,303 *	987,884	27,983	5,305	4.7%
2005	35,551 *	967,947	27,227	5,346	5.3%
2006	36,446 *	1,045,937	28,698	5,239	4.3%
2007	36,928 *	1,109,613	30,048	5,235	4.7%

Data Sources:

- (1) Rome/Floyd County Planning Commission
- (2) U.S. Department of Commerce, Bureau of Economic Analysis
- (3) Rome Board of Education
- (4) State Department of Labor
- \* Trend Estimate
- \*\* 2000 Census

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

<b>Employer</b>	<b>2007</b>			<b>2004</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Floyd Medical Center	2,100	1	12.11%	1,880	1	10.50%
Harbin Clinic	1,230	2	7.10%	749	5	4.19%
Redmond Regional Medical Center	1,200	3	6.92%	1,050	2	5.87%
Mohawk Carpet	1,080	4	6.23%	607	8	3.39%
Zartic Corporation	804	5	4.64%	804	3	4.49%
North West Georgia Regional Hospital	760	6	4.38%			
Rome City Schools	757	7	4.37%			
Floyd County Government	725	8	4.18%	710	6	3.97%
City of Rome	665	9	3.84%	676	7	3.78%
Kellogg's	625	10	3.61%	762	4	4.26%
N/A				N/A	9	N/A
N/A				N/A	10	N/A
<b>Totals</b>	<b>9,946</b>		<b>57.4%</b>	<b>7,238</b>		<b>40.44%</b>

Source-Rome Chamber of Commerce

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

<b>Function</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
General government	28	28	27	27	27	28	28	28	29	29
Legislative and judicial										
Commission	9	9	9	9	9	9	9	9	9	9
Municipal court	1	1	1	1	1	2	2	2	2	2
Attorney	1	1	1	1	1	1	1	1	1	1
Public safety										
Police										
Officers	92	93	97	97	98	98	98	98	98	98
Civilians	11	11	11	11	11	11	11	11	11	11
Public services	4	7	7	7	7	7	8	8	10	7
Public facilities	4	4	4	4	4	4	4	4	4	4
Fire										
Firefighters and officers	7	7	7	7	7	7	7	7	7	7
Civilians	146	146	146	146	146	146	146	146	146	146
Public works										
Public works office	4	4	4	4	4	4	4	4	4	5
Engineering	7	7	7	8	8	8	8	8	8	8
Street	43	42	42	42	42	42	42	43	43	46
Traffic	13	12	12	12	12	12	12	12	12	12
Cemetery	7	7	7	7	7	7	7	7	7	7
Garage	13	13	14	13	13	13	13	13	13	13
Building inspection	10	10	9	12	12	11	12	12	12	12
Transit	38	40	40	40	40	41	41	41	43	43
Planning commission	-	-	5	7	7	7	7	7	6	6
Solid Waste Management	64	71	71	71	71	71	71	72	72	72
Culture and recreation	5	5	6	6	6	6	6	6	12	12
Water and sewer	113	112	112	113	113	115	116	116	116	120
<b>Total</b>	<b>620</b>	<b>630</b>	<b>639</b>	<b>645</b>	<b>646</b>	<b>650</b>	<b>653</b>	<b>655</b>	<b>665</b>	<b>670</b>

Source-City of Rome Human Resource Department

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

<b>Function</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Public Safety:										
Police arrests	3,360	3,427	3,936	2,698	2,461	2,465	2,131	2,026	1,845	2,267
Parking/Traffic violations	14,703	15,257	15,869	15,859	14,031	14,437	14,407	16,602	14,173	17,349
Public Works:										
Street resurfacing (miles)	5.50	15.82	6.13	6.22	8.17	8.54	7.30	6.35	5.26	4.77
Public Facilities:										
Rentals-Aud/Civic Center	53,574	58,660	53,787	54,265	50,321	40,398	47,132	46,215	48,328	45,645
Senior Citizen Center	4,440	3,940	6,334	5,540	4,980	3,213	3,881	2,975	2,357	1,550
Education:										
School Enrollment	5,066	5,106	5,239	5,381	5,257	5,315	5,305	5,346	5,239	5,235
Water and Sewer:										
Customers										
Water	17,520	17,795	18,074	18,322	18,625	18,923	19,163	19,501	19,734	19,875
Sewer	18,379	18,649	18,856	19,091	19,372	19,709	20,046	20,484	20,769	20,952
Water - (millions of gallons)										
Average daily production	10.7	12.2	11.0	11.2	10.1	9.8	10.1	9.7	9.7	9.0
Maximum daily production	15.5	15.6	16.2	13.0	13.7	12.8	13.9	13.6	13.9	14.3
Wastewater - (millions of gallons)										
Average daily sewage treatment	14.9	12.6	10.4	12.9	13.3	15.1	12.6	13.4	10.3	8.1
Maximum daily sewage treatment	28.4	27.2	27.7	28.6	37.1	(1) 46.9	33.6	28.6	25.6	21.1
Fire										
Number of responses	3,296	4,257	4,340	4,475	4,422	4,236	4,651	4,394	4,705	4,784
Inspections	1,167	1,045	1,243	1,151	761	660	1,321	1,563	1,584	1,424
Solid Waste Management:										
Refuse collected (tons)										
Inert	6,009	6,195	6,474	7,578	5,194	5,542	5,878	4,976	4,603	6,229
Trash	2,047	2,024	1,595	2,133	2,300	2,840	2,879	2,647	2,453	2,447
Garbage	13,362	16,270	15,982	16,539	14,618	15,759	16,220	16,113	16,225	15,361
Recycling	728	895	1,038	1,083	1,127	1,106	922	956	869	994
Transit:										
Transit miles	511,807	479,208	487,827	492,010	496,324	519,867	525,160	539,745	573,884	586,643
Transit passengers	751,298	741,651	770,745	781,403	809,002	826,945	839,484	857,276	879,394	893,268
Building Inspection:										
Permits	1,177	745	436	497	510	395	394	553	360	344
Solid Waste Commission:										
Inert tonnage	9,136	6,681	2,787	1,177	1,887	658	544	992	(2) 377	353
C&D tonnage	-	-	-	-	-	-	-	12,494	11,750	16,117
Garbage tonnage	60,799	130,971	107,880	74,513	83,463	88,548	104,429	100,624	59,304	54,821
Municipal Golf:										
Rounds played	29,033	30,499	30,159	27,744	25,247	22,390	27,892	28,677	31,311	31,893

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.

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

**Principal Water Customers (in descending order):**

	2007		1998
1)	Floyd County Wholesale		1) Image Carpets
2)	Zartic		2) Floyd County Wholesale
3)	Mohawk Industries		3) Bekaert Steel
4)	Bekaert Steel		4) Zartic
5)	Floyd Medical Center		5) Rome Housing Authority
6)	Rome Housing Authority		6) Floyd Medical Center
7)	Floyd County Government		7) Redmond Regional Medical Center
8)	Kelloggs		8) Floyd County Government
9)	Redmond Regional Medical Center		9) World Carpet
10)	Northwest GA Regional		10) Southeastern Mills

**Principal Sewer Customers (in descending order):**

1)	Zartic	1) Image Carpets
2)	Bekaert	2) Greenwood Industries
3)	Berry College	3) Bekaert Steel Wire Corporation
4)	Marglen	4) Galey & Lord
5)	Crothall Laundry	5) Rome Housing Authority
6)	Floyd Medical Center	6) Zartic
7)	Metal Container	7) Floyd Medical Center
8)	Rome Housing Authority	8) Redmond Regional Medical Center
9)	Mohawk Industries	9) Floyd County Government
10)	Floyd County Government	10) Southeastern Mills

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

<b>Function</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Public Safety:</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Vehicles	83	84	84	85	86	86	86	86	86	81
<b>Public Works:</b>										
Streets (miles)	245.50	248.90	250.77	251.89	254.74	256.12	258.83	261.29	262.81	269
Street lights	4,107	4,185	4,217	4,260	4,292	4,321	4,369	4,369	4,425	4,425
Traffic signals	*	*	*	*	*	*	91	91	92	92
Signage	*	*	*	*	*	*	10,000	10,100	10,106	10,203
<b>Public Facilities:</b>										
Parks	22	22	22	22	22	22	22	22	22	22
Auditoriums and Civic Centers	2	3	3	3	3	3	3	3	3	3
<b>Public Services:</b>										
Volumes in Library	242,000	242,000	275,000	300,000	335,765	342,907	321,197	320,471	322,000	332,378
<b>Water:</b>										
Water mains (miles)	249	250	253	267	267	284	270	270	284	285
Fire hydrants	1,264	1,266	1,266	1,339	1,416	1,417	1,461	1,585	1,643	1,627
<b>Sewer:</b>										
Sanitary sewers (miles)	366	367	370	373	373	376	376	414	408	410
Storm sewers (miles)										
<b>Fire:</b>										
Fire stations	10	10	10	10	10	10	10	10	10	10
<b>Solid Waste Management:</b>										
Collection Vehicles	28	32	36	36	42	42	42	42	42	40
<b>Transit:</b>										
Buses	38	38	40	40	41	41	42	42	42	43

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.