CITY OF ROME, GEORGIA
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2009

Prepared By:
Finance Department

CITY OF ROME, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

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John Bennett
City Manager
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June 16, 2010

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, 2009, 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, 2009.

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, 2009. 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 3-20 and contains additional information on the City of Rome's basic financial statements.

PROFILE OF THE GOVERNMENT

The City of Rome is located in the northwestern part of the State of Georgia, which ranks as one of the top growth areas in the state. The City limits incorporate over thirty-one square miles and has a population of approximately 37,000. The City government operates under a commission-manager form of government. Commission elections are non-partisan and commissioners serve staggered terms. There are nine commissioners serving on the City Commission with the Mayor and Mayor Pro Tem elected from within the commission.

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

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

LOCAL ECONOMY

The economic condition and outlook of the City has remained fairly stable during the past several years, following several years of slower economic growth attributable to a general decline in manufacturing activity. However, the area has also been impacted by the national economic slowdown and has seen a reduction in workforce in several major manufacturing entities. The City had a 12.4% unemployment rate at the end of the year which was slightly over the state average and above the overall Floyd County rate of 10.9%.

Rome does continue 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. A new Cancer Center affiliated with Harbin Clinic is under construction and should enhance the current medical facilities within the city.

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

Rome was the venue for the National NAIA football championship in 2009 and will also host this event in 2010. There are current negotiations for an eight year agreement.

A continuing Education Local Option Sales tax has enabled the school system to make major renovations and improvements to most of the City schools. In September, 2008, a new five year E-LOST was approved by the voters and is projected to generate about $90 million dollars of school improvements into the City and County school systems. A new county school for the eastern part of the county is planned as well as major renovations and additions to the existing Rome High and Middle schools. A thirty nine month SPLOST approved in 2006 for multiple City and County capital projects for recreation, streets, and a community youth center continues to generate a positive economic impact for the city. These continued projects have been an economic impact for the community in light of the current national downturn in normal construction.

Local Option Sales Tax revenue again declined in 2009 by 7% from 2008. This decrease has been an indicator of an economic slowing that mirrors the overall national economy even with several larger construction projects that have continued to have a positive economic impact on the local economy. Other declining revenues associated with the national economic issues such as business licenses and franchise fees have challenged the City to look at additional budget cuts and streamlining for the 2010 fiscal year. Two significant employers within the City have announced office relocations or closings through 2010 which will affect unemployment, the tax base, and water/sewer revenues as one of the closings is a plant that is a major water/sewer customer. This comes on the heels of a year that has seen the Water/Sewer fund regain some momentum after the drought year of 2008. 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 State mandated water restrictions. These restrictions continued throughout the early part of 2009, and although the year did see some mitigation of these by the state, the system has experienced a significant reduction in revenues for the year.

LONG TERM FINANCIAL PLANNING:

In response to the overall economic downturn and the likely prospect that neither 2010 nor 2011 will see significant upturns, the City has taken budgetary steps to ensure that the City will continue to be healthy through out the current recession. The City has trimmed its workforce some 8% and continues to have a hiring freeze for most vacant positions. No raises have been budgeted in 2009 and 2010. The City has implemented shared workers and changes in public safety operations to maximize coverage in those areas. Capital spending has been minimized but long term needs must still be addressed. The City has a commitment to the community to maintain the highest level of service possible and still exist within its current revenue resources.

RELEVANT FINANCIAL POLICIES:

The past fiscal year has been a challenge to all revenue sources within the City. The City did see an increase in revenues within the Building Inspection Fund and Solid Waste Commission Fund due to the impact of an early 2009 storm that left many homeowners with roof damage that was subsequently repaired or replaced. This unusual fluctuation in revenues did help these enterprise funds maintain stability during this time, but budgetary forecasts have taken this anomaly into consideration.

MAJOR INITIATIVES

For the Year.

Several major road projects have been completed during the year with several more projects still under construction. Construction has started on the State DOT Rome bypass. Within the 2006 SPLOST package, there are approximately 7 million dollars in road improvements to be initiated over the next couple of years, including additional turn lanes, and road and bridge widening projects. Two of the turn lanes have been completed, with two more in the construction phase and expected to be completed by mid 2010. The Chatillion connector has been completed.

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. The year also saw progress on two major road and sidewalk improvements at Lyons Drive and South Blanche Avenue. Entitlement monies also helped with an elevator at the History Museum located in the City's downtown historic district. Another partnered project with the Rome Housing Authority is the construction of the new senior housing units on Pennington Place. These units should be completed and available for rental by mid 2010.

The South Rome Redevelopment Agency and Community Development continues its progress with rehabilitation and improvements within the South Rome area of the City. The 2006 SPLOST package includes monies for a major streetscape for South Broad Street and East Main Street.

Another continuing initiative for the City in 2009 was the "Neighborhood Focus". This effort is sponsored by the "Keep Rome/Floyd Beautiful" committee and is a collaborative partnership between the City, Floyd County, and the neighborhood communities to help clean up predesignated areas.

Another major accomplishment by the City of Rome in 2009 continues to be a concentrated effort to renovate and replace large older sidewalks around the City.

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 new jointly owned City/County parking deck located at the Forum has been completed and opened in early 2009. This deck will greatly expand the marketability of the downtown area with its additional parking adjacent to the Forum.

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 2009 saw the $35 million Waste Water Treatment Plant expansion and improvement project go on line. An enhancement for BioSolids treatment is also under construction which is being funded by the 2006 SPLOST. This project should be completed in early 2010.

The SPLOST projects initiated in 2006 include a wide variety of proposed improvements. Projects completed in 2009 include turn lanes at two major intersections, recreation practice field improvements, and repairs to the City Auditorium.

One of the anticipated project completions of 2009 was the Town Green park and interactive fountain situated between the new parking deck and the Forum Civic Center. This park sits adjacent to the river and pedestrian bridge and has already become a major destination place for families and tourists. This project was funded with the 2006 SPLOST package along with contributions by the City and County.

For the Future. Transportation is an area that will always receive attention for funding. With the projects approved with the 2006 SPLOST package, many road expansions and improvements will be completed over the next three-four years. The previously mentioned road widening projects head the list of transportation projects. Several major road expansions anticipated in 2010 and beyond include Turner McCall Boulevard Bridge, Huffaker Road, and South Broad Street.

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

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 current site of the old Marine Armory has been vacated by the federal government and this facility is currently under renovation using 2006 SPLOST funds for a new recreation administrative office and gymnastic center.

The rivers are a major part of this community along with the City's downtown development. The City will continue to focus on the development of the three rivers in downtown Rome. The addition of the pedestrian bridge and the Town Green has already proven to be a major draw to the downtown area and the expansion of the river walk trail system continues to be an important initiative for the future.

Enhancement and progression of technology continues to be a vital goal of the City of Rome. The current website has been redeveloped and has been rolled out with a joint City/County interactive website. The City hopes to move into more e-commerce activities in the coming year.

A new SPLOST referendum was approved in 2009. The major initiative in the package was a $26 million project to completely replace and enhance the communication equipment county-wide for all public safety, public works and auxiliary agencies. Another project included major renovations to the Barron Stadium including new artificial turf, a new enhanced track facility, new scoreboard, and renovation of restrooms and kitchen facilities. A new Fire Department Administration building is also included along with a new E-911/ Emergency Management facility.

The City is also rolling out in 2010 a new trash/recycling cart system for all city residents. Residents will be given new sixty five gallon carts for garbage and recycling. This new process will streamline equipment needed for pickup as well as help with uniformity.

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, 2009 noted one finding in its compliance of major federal programs. There was one instance of a material weakness in the internal control structure or significant violations of applicable laws and regulations related to its major federal programs.

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

AWARDS AND ACKNOWLEDGEMENTS

Awards. The City of Rome, Georgia Comprehensive Annual Financial Report for the year ended December 31, 2008, 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

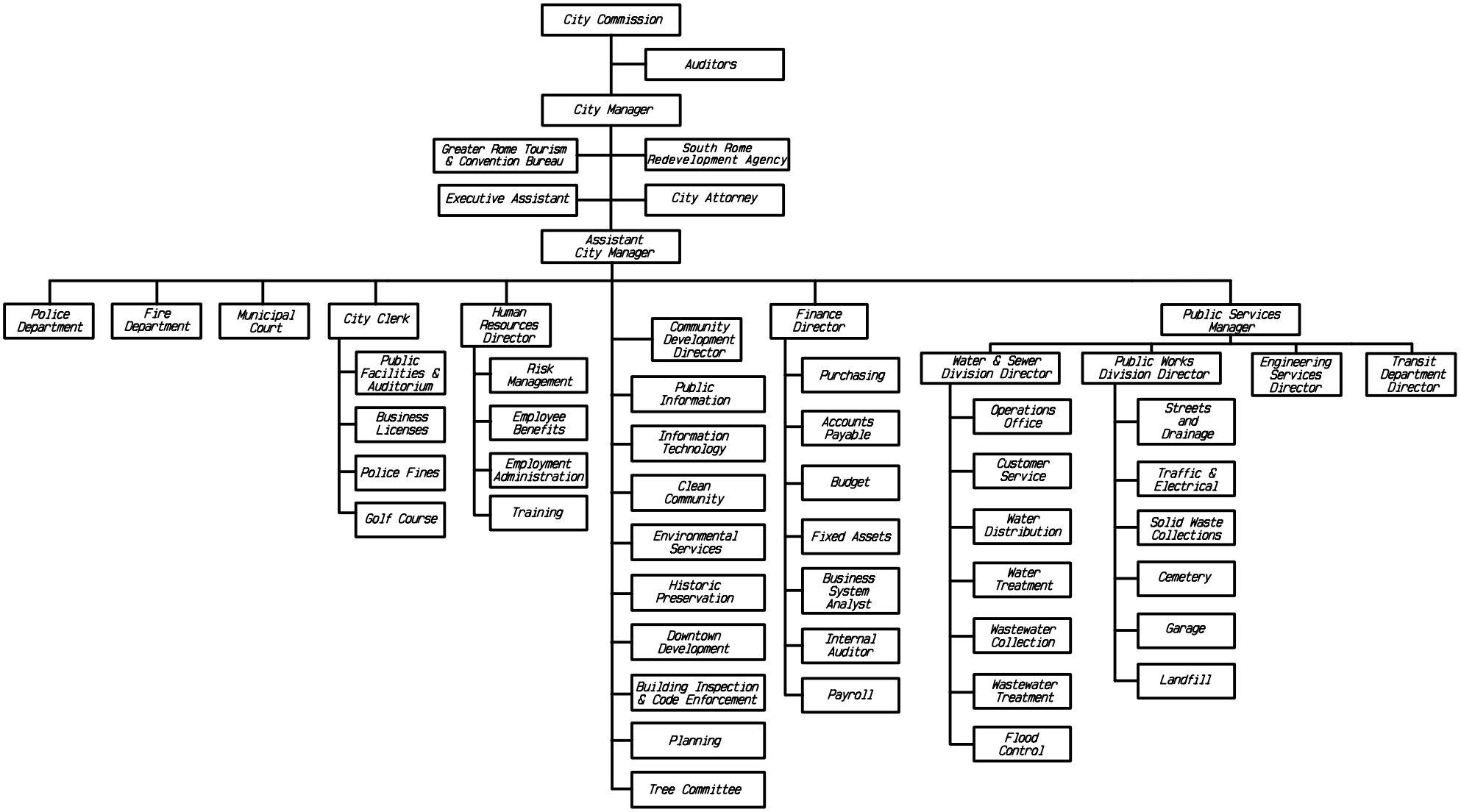
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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

President

Executive Director

City of Rome, Georgia
Organization Chart



CITY OF ROME, GEORGIA
PRINCIPAL OFFICIALS
DECEMBER 31, 2009

Wright Bagby ..... **Mayor**
Jamie Doss ..... **At Large**
Bill Collins ..... **At Large**
Bill Fricks ..... **At Large**
Milton Slack ..... **At Large**
Kim Canada ..... **At Large**
Howard "Buzz" Wachsteter ..... **At Large**
Evie McNiece ..... **At Large**
Duane Reid ..... **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 auditor's report, the Management's Discussion and Analysis, the basic financial statements including footnotes, and the supplementary information.

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
City of Rome, Georgia
Rome, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Rome, Georgia** (the "City") as of and for the year ended December 31, 2009, 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, 2009, 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 16, 2010 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis (on pages 3 through 20) and budgetary comparison information (on pages 86 through 95) and schedules of funding progress (on page 97) 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.

Atlanta, Georgia
June 16, 2010

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, 2009

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, 2009.

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

FINANCIAL HIGHLIGHTS

- The City of Rome's total assets exceeded its total liabilities by $253,394,300 in 2009, a 2.5% increase from 2008.
- Total Net assets are made up of the following:
  1) Capital assets, net of related debt of $230,096,126 include property, equipment, and infrastructure, net of accumulated depreciation and reduced for related debt.
  2) Net assets of $1,100,016 are restricted by outside entities either by covenants, grant agreements or external legislation.
  3) Unrestricted net assets of $22,132,691 represent the portion available to maintain the City's ongoing obligations and have increased 6.9% from 2008.
- The City's combined governmental funds reported a total ending fund balance of $17,932,714. Of this amount $9,814,960 is unreserved and undesignated and available for budgetary spending.
- The City of Rome had an increase in net assets for the year of 2009 of $6,147,546.
- The City's General Fund had a net reduction in fund balance of $936,596 for 2009.
- The City's General Fund showed an unreserved fund balance of $9,652,212 at the end of the fiscal year, or 56% of current year expenditures before transfers.
- The City has implemented GASB 45 and the amount for health and life insurance post employment benefits has been accrued in the government wide statements in the amount of $1,898,137.

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.

OVERVIEW OF THE FINANCIAL STATEMENTS – continued

Government-wide Financial Statements– continued

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

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

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

The City's government-wide financial statements are presented on pages 21-23 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.

FUND FINANCIAL STATEMENTS - continued

***Governmental Funds*- continued**

The City of Rome maintains thirteen individual governmental funds. Information is presented separately for the General, Capital and Special Local Option Sales Tax funds, all considered major funds. The other funds are combined into a single aggregated presentation. Individual data for each of these non-major governmental funds is provided in the form of combining statements on pages 98-110 of the report.

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

The basic governmental fund financial statements are presented on pages 24-28 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 29 – 37 with individual data on non-major funds presented in combining statements on pages 113-119.

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 38 and 39.

FUND FINANCIAL STATEMENTS - continued

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 40 - 85.

Required Supplementary Information

The budgetary comparison schedule for the General Fund and footnotes are provided for budget compliance presentation. The schedules of funding progress for the City's GMEBS Retirement Plan and the OPEB Health Care Plan are also provided in the required supplementary information section. These are presented on pages 86-97.

Other Supplemental Information

Other supplemental information includes combining individual fund statements for non-major funds aggregated in the basic financial statements. Budgetary comparisons for non-major governmental funds are also presented. This supplemental information is presented on pages 98-110.

The Special Report for Sales Tax proceeds is shown on page 111 and 112. This schedule shows expenditures for the 1996, 2003 and 2006 SPLOST issues.

FINANCIAL ANALYSIS OF THE CITY'S POSITION AND OPERATIONS

The City's overall financial position and operations for this fiscal year is summarized as follows based on information found in the government-wide financial statements on pages 21-23.

	Governmental Activities		Business-Type Activities		Total		
	2009	2008	2009	2008	2009	2008	Variance
Assets:							
Current assets	$ 18,496,427	$ 16,759,839	$ 13,567,746	$ 11,313,945	$ 32,064,173	$ 28,073,784	$ 3,990,389
Capital assets	120,129,316	118,488,893	196,535,108	197,898,386	316,664,424	316,387,279	277,145
Other non-current assets	6,413,926	7,204,208	1,921,802	3,891,198	8,335,728	11,095,406	(2,759,678)
Total assets	145,039,669	142,452,940	212,024,656	213,103,529	357,064,325	355,556,469	1,507,856
Liabilities:							
Current liabilities	2,559,166	1,449,516	6,053,290	12,308,189	8,612,456	13,757,705	(5,145,249)
Long-term liabilities	11,867,165	10,660,714	83,190,404	83,891,296	95,057,569	94,552,010	505,559
Total liabilities	14,426,331	12,110,230	89,243,694	96,199,485	103,670,025	108,309,715	(4,639,690)
Invested in capital assets, net of related debt	109,793,379	108,946,434	120,302,747	116,570,467	230,096,126	225,516,901	4,579,225
Restricted	810,030	674,296	355,453	295,278	1,165,483	969,574	195,909
Unrestricted	20,009,929	20,721,980	2,122,762	38,299	22,132,691	20,760,279	1,372,412
Total net assets	$ 130,613,338	$ 130,342,710	$ 122,780,962	$ 116,904,044	$ 253,394,300	$ 247,246,754	$ 6,147,546

As noted, the overall assets of the City only increased $1,507,856 from 2008 mainly because of the decrease in non-current assets due to the spend down of restricted cash. The City's total liabilities decreased $4,639,690 due to a decrease in accounts and retainage payable at year end. Overall the City's net assets increased $6,147,546 from 2008 or 2.5%. Capital assets additions make up the majority of this amount with most of the increase coming from new construction and improvements. 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 84% of governmental net assets and 98% of business type net 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 $22,132,691 which is available for spending is 8.7% of total net assets and increased $1,372,412 from 2008.

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

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

City of Rome
Changes in Net Assets

	Governmental Activities		Business Type Activities		Total		
	2008	2009	2008	2009	2008	2009	Variance
Revenues:							
Program Revenues							
Charges for services	$ 4,037,573	$ 3,804,310	$ 32,721,110	$ 33,578,793	$ 36,758,683	$ 37,383,103	$ 624,420
Operating Grants & Contributions	1,841,895	1,122,765	461,224	517,076	2,303,119	1,639,841	(663,278)
Capital Grants & Contributions	19,347,589	7,579,833	1,365,030	1,165,035	20,712,619	8,744,868	(11,967,751)
General Revenues							
Property Taxes	8,685,512	9,661,665	-	-	8,685,512	9,661,665	976,153
Sales Taxes	6,653,920	6,127,541	-	-	6,653,920	6,127,541	(526,379)
Other Taxes	7,306,001	7,086,136	-	-	7,306,001	7,086,136	(219,865)
Miscellaneous	771,333	670,851	409,543	123,444	1,180,876	794,295	(386,581)
Total Revenues	48,643,823	36,053,101	34,956,907	35,384,348	83,600,730	71,437,449	(12,163,281)

Continued

	Governmental Activities		Business Type Activities		Total		
	2008	2009	2008	2009	2008	2009	Variance
Expenses:							
General Government	5,681,057	3,459,431	-	-	5,681,057	3,459,431	(2,221,626)
Public Safety	8,751,810	8,330,201	-	-	8,751,810	8,330,201	(421,609)
Public Works	10,589,251	9,901,356	-	-	10,589,251	9,901,356	(687,895)
Public Facilities	1,193,909	1,259,112	-	-	1,193,909	1,259,112	65,203
Public Services	516,062	447,828	-	-	516,062	447,828	(68,234)
Community Development	1,178,440	1,087,895	-	-	1,178,440	1,087,895	(90,545)
Education	1,113,725	1,183,090	-	-	1,113,725	1,183,090	69,365
Interest on Debt	320,402	368,538	-	-	320,402	368,538	48,136
Water and Sewer	-	-	17,201,344	17,631,139	17,201,344	17,631,139	429,795
Fire	-	-	10,474,356	10,246,440	10,474,356	10,246,440	(227,916)
Solid Waste Commission	-	-	2,104,350	2,466,241	2,104,350	2,466,241	361,891
Transit	-	-	3,236,024	2,970,187	3,236,024	2,970,187	(265,837)
Building Inspection	-	-	893,444	773,944	893,444	773,944	(119,500)
Solid Waste Management	-	-	3,750,515	3,463,304	3,750,515	3,463,304	(287,211)
Municipal Golf	-	-	1,440,263	1,293,506	1,440,263	1,293,506	(146,757)
Public Facilities	-	-	456,301	407,691	456,301	407,691	(48,610)
Total Expenses	29,344,656	26,037,451	39,556,597	39,252,452	68,901,253	65,289,903	(3,611,350)
Increase (decrease) in net assets before transfers	19,299,167	10,015,650	(4,599,690)	(3,868,104)	14,699,477	6,147,546	(8,551,931)
Transfers	(10,807,237)	(9,745,022)	10,807,237	9,745,022	-	-	(26,500)
Change in Net Assets	8,491,930	270,628	6,207,547	5,876,918	14,699,477	6,147,546	(8,551,931)
Beginning Net Assets	121,850,780	130,342,710	110,696,497	116,904,044	232,547,277	247,246,754	14,699,477
Ending Net Assets	$ 130,342,710	$ 130,613,338	$ 116,904,044	$ 122,780,962	$ 247,246,754	$ 253,394,300	$ 6,147,546

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

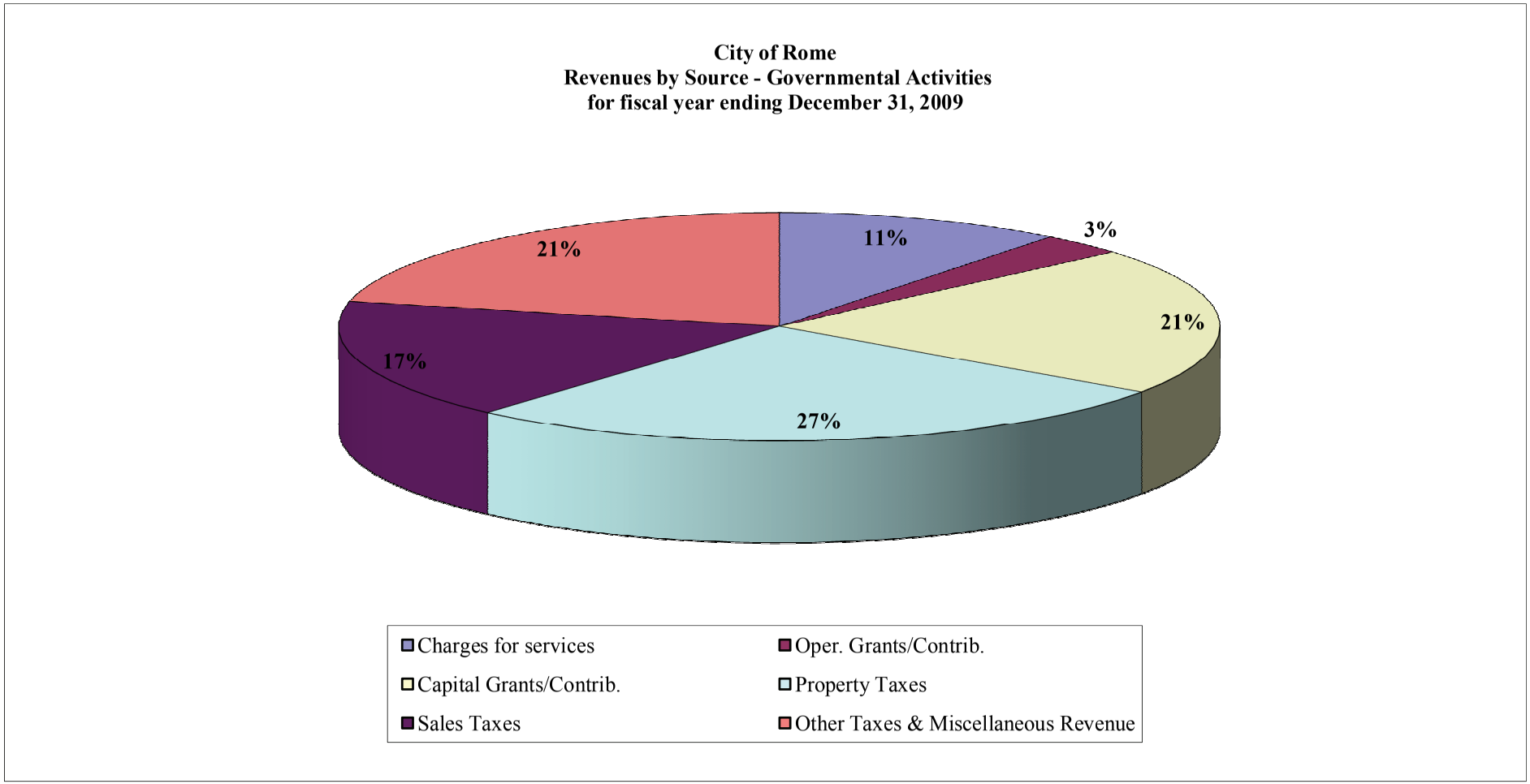
The City's overall revenue decreased $12,163,281 from 2008 or 14.5% with most of this decrease coming in the capital grant revenues. This is slightly skewed because there were large capital grant revenues in 2008 for several construction projects which were completed last year. Although program revenues were up some over 2008, operating grants and contributions, taxes, and miscellaneous revenues were below 2008. Property tax revenues show an increase for 2009, but the homestead tax credit held by the State in 2008 is not accounted for in the 2008 calculations. Actual collected revenues at the fund level are some $318,000 below 2008. These revenue decreases were the greatest challenge for the City in 2009. The City made significant reductions during 2009 to align expenses with actual revenues and still had net asset reductions in several areas.

Total operational expenses for 2009 decreased some $3,611,350 in response to the reduction in operating revenues. Governmental Activities had the majority of the decrease as the City made operational reductions and changes to match declining tax revenues. Business Activities expenses decreased from 2008 again mirroring the purposeful expenses reduction in the governmental activities. The Water & Sewer System Fund had an increase in total expenses but was mainly all in depreciation expense as operating expenses were right in line with 2008. The Solid Waste Commission Fund had an increase in expenses over 2008 primarily due to the increase in landfill closure and postclosure accruals.

The overall change in net assets for 2009 was $6,147,546 which was a modest increase and with most of this increase coming from the Water & Sewer System Fund. However, given the economic downturn and the decline in most revenues, management feels this increase is reflective of a cooperative effort among City departments to keep expenses within the current revenue stream.

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

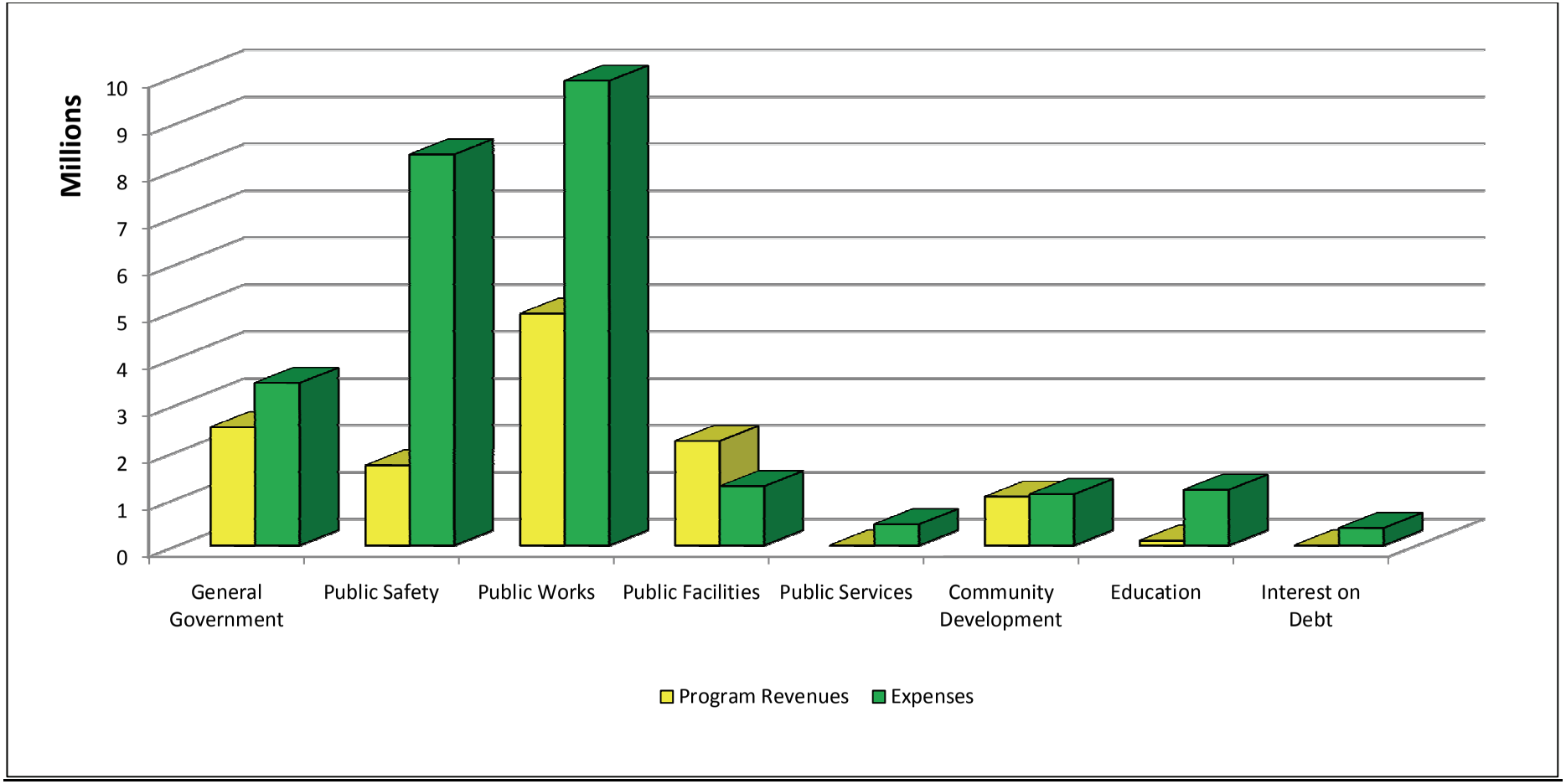
The following chart depicts the allocation by source of all governmental activities revenue.



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

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

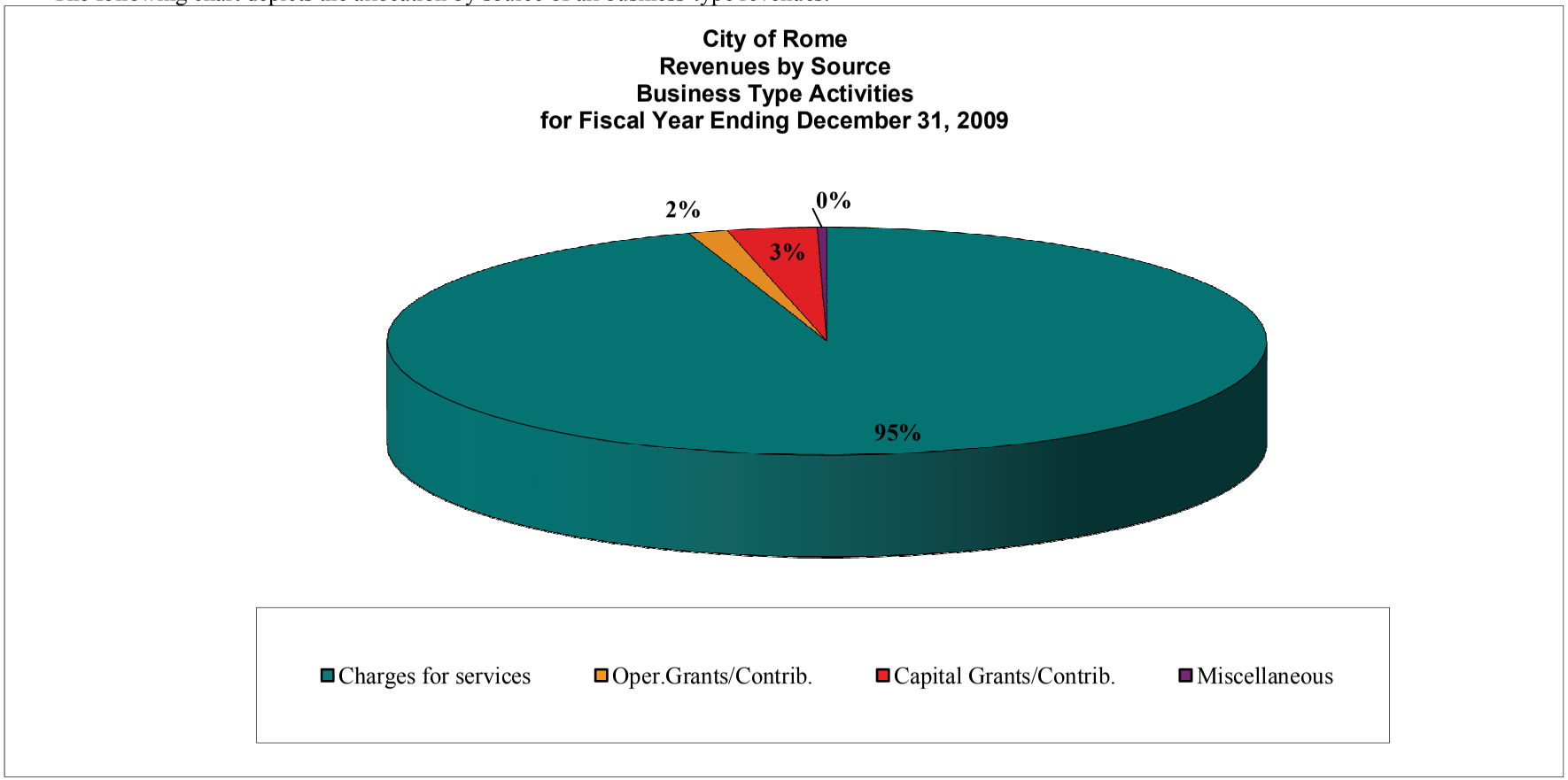
City of Rome
Comparison of Governmental Activities
Program Revenues and Expenses
For year ending December 31, 2009



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

Business-type activities Charges for Services account for $33,578,793 or 94.8% of total revenues. The Capital grant amount of $1,165,035 represents capital contributions for transit capital purchases and donated water/sewer infrastructure. Transfers in of $9,745,022 are 28% of total business-type revenues but is $1,062,215 less than 2008. This decrease is due to less SPLOST monies transferred in.

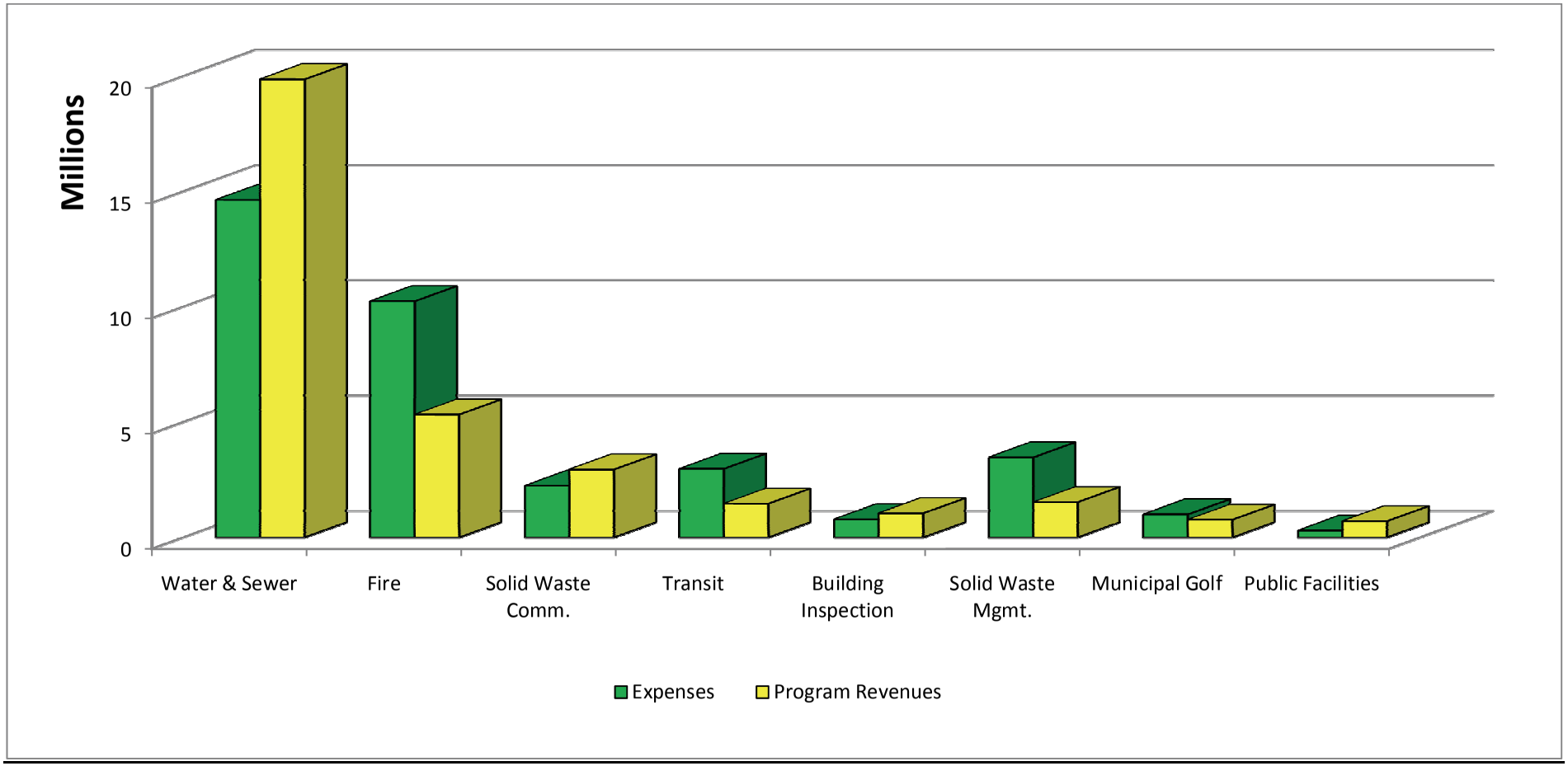
The following chart depicts the allocation by source of all business-type revenues.



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

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

Comparison of Business-Type Activities
Program Revenues and Expenses
For year ending December 31, 2009



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 2009 the City's governmental funds reported a combined ending fund balance of $17,932,714. Of this amount $14,745,851 is unreserved which is a 3% decrease from 2008. The General Fund comprises $9,652,212 or 65% 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 2009 the fund balance of the General Fund was $10,507,719 with $9,652,212 in the unreserved fund balance. Unreserved fund balance represents 56% of General Fund operating expenditures while total fund balance represents 61% of the same amount. The reserved General Fund fund balance of $855,507 represents a) $738,100 reserved for cemetery maintenance and b) $117,407 for prepaids and inventories.

The General Fund's fund balance decreased by $936,596 during fiscal year 2009. Decreased revenue sources of sales tax, franchise taxes, property taxes, and interest earnings, contributed to this decrease. The City made major expense budget revisions during the year to help mitigate this revenue decrease, but was not able to cover all of the decrease with these reductions. This decrease is more than the budgeted use of fund balance of $80,000.

Capital Fund

In 2009 the Capital fund had a net increase in fund balance of $586,495. This increase was due to increased earnings from the GMA lease pool, some reimbursements for capital projects not projected, and some reductions in certain capital project expenditures.

Planning Commission Fund

The Planning Commission fund has a decrease in fund balance of $11,495. This was less than the budgeted use of fund balance of $20,000 and was mainly due to a reduction in operating expenses.

Red Light Enforcement Fund

This fund accounts for the monies collected by the red light cameras at signal intersections. Due to a change in state law, revenues in this fund have dropped some 45% from 2008 and the fund realized a decrease in fund balance of $36,297. The City has renegotiated its contract with the red-light camera vendor in order to minimize expenses and align them more with the actual realized revenues.

Community Development Fund

This fund accounts for community development grants and expenses. This fund had a decrease in fund balance of $28,121 due mainly to less grant monies received than anticipated.

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 $120,624,761 at year end with the Water & Sewer System Fund comprising $109,833,820 or 91% of that amount. The Water & Sewer System Fund had an increase of $3,879,886 in net assets for fiscal year 2009. 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 & Sewer System Fund also had a bond coverage ratio of 1.7 for 2009, which is above the required 1.2. The Fire Fund had an increase in net assets of $95,262, mainly due to a reduction in overall operating expenses. The Solid Waste Commission Fund had an increase in net assets of $468,899. This was due to an increase in revenues and a decrease in operating expenses. The Transit Fund had an increase in net assets of $648,568 due to the reimbursement of capital contributions for the purchase of buses. The Building Inspection Fund had an increase to net assets of $289,295. This was due to a large increase in permit revenue due to significant numbers of roof replacements and repairs due to an early year storm. The Solid Waste Management Fund had a net increase in net assets of $284,453. This was due to a reduction of expenses.

GENERAL FUND BUDGET HIGHLIGHTS

The original budget for the General Fund was amended twice with commission approval after the beginning of the fiscal year with an ended approved amount of $1,231,300 less than the original budget or 4.4%. As noted earlier, due to shortfalls in several revenue items and an increase in transfers out, the City ended the 2009 fiscal year with a $936,596 decrease to fund balance. The following are highlighted budgetary changes from the original to final budgets.

- Current Year Property Taxes were decreased to more accurately reflect projected decrease in actual receipts.
- Prior Year Tax and Motor vehicle budgets were decreased due to actual decrease in receipts.
- Sales Tax revenue budget was decreased 9% due to decrease in actual receipts for the year.
- Business Licenses and permits were decreased 3% due to decrease in actual receipts.
- Interest on Investments budget was reduced 66% due to decrease in market interest rates.
- All departmental budgets were reduced to help offset revenue shortages.
- Finance budget was decreased to account for personnel shortage.
- General Administration budget was reduced for lower interest costs and a reduction in insurance costs.
- Public Safety was decreased as personnel and supply reductions were made to expenses.
- Street department budget was decreased to reflect personnel reductions and reductions in fuel and supply expenses.
- Street Lighting was increased to reflect increased usage and rate increase.
- Transfers out to Golf were increased to reflect actual monies transferred.

GENERAL FUND BUDGET HIGHLIGHTS-Continued

Budget to actual Variances within the General fund occur due to unforeseen revenue or expenditures. Significant variances for 2009 include:

- Real and personal property revenues came in under budget due to lower collection rates. Actual receipts were still some 4% under revised budget.
- Motor Vehicle revenue was under budget due to decrease in receipts.
- Franchise fee revenue was down due to unanticipated reduction in power company franchise fees.
- Local Option Sales tax revenue was under budget due to decrease in actual receipts.
- Total Other Tax revenue was still 3.3% under the revised budgeted amounts.
- Police fines and fees were under budgeted amounts due to decrease in fines in third and fourth quarter.
- Interest on investments were under budget due to drastic decline in interest rates.
- Total General Fund operating revenues were under "revised budgets" by 3.5%.

General Fund operating expenditures ended the year $40,525 under final budget numbers. This close budget to actual within the expense side however, could not offset the large variance on the revenue side.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Rome has invested $230,096,126 in capital assets net of debt, with $109,793,379 in governmental activities and $120,302,747 in business-type activities. Capital assets for that calculation include machinery and equipment, buildings, land, and infrastructure.

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

City of Rome
Capital Assets (net of accumulated depreciation)
as of December 31, 2009

	Governmental Activities		Business-Type Acivities		Total	
	2008	2009	2008	2009	2008	2009
Land	$ 6,812,188	$ 8,516,291	$ 7,510,737	$ 7,510,737	$ 14,322,925	$ 16,027,028
Construction in Progress	5,981,295	5,664,685	44,246,858	5,339,464	50,228,153	11,004,149
Buildings	82,875,624	86,669,025	60,358,154	101,588,389	143,233,778	188,257,414
Improvements other than buildings	509,175	1,327,526	17,353,363	17,661,725	17,862,538	18,989,251
Machinery & Equipment	4,612,133	4,570,595	9,965,686	10,704,259	14,577,819	15,274,854
Vehicles	4,615,195	4,772,314	17,051,396	17,576,475	21,666,591	22,348,789
Infrastructure	119,307,774	120,197,288	129,642,647	131,564,626	248,950,421	251,761,914
Total	224,713,384	231,717,724	286,128,841	291,945,675	510,842,225	523,663,399
Accumulated depreciation	(106,224,491)	(111,588,408)	(88,230,455)	(95,410,567)	(194,454,946)	(206,998,975)
Net Capital Assets	$ 118,488,893	$ 120,129,316	$ 197,898,386	$ 196,535,108	$ 316,387,279	$ 316,664,424

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CAPITAL ASSETS AND DEBT ADMINISTRATION - continued

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

- Construction of new Town Green and Fountain of $1,045,958
- Construction of new River Education Center of $719,538
- Construction of Pennington Place Housing of $554,107
- Repairs to City Hall and Carnegie buildings of $549,753
- Turner McCall/Fifth Avenue Turn Lane of $438,282
- Construction of new Levee Gates of $316,564

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

- Transit bus fleet replacement of $889,070
- BioSolids construction in Water & Sewer System Fund of $2,280,589
- Purchase of SCBA air packs in Fire Fund of $726,091

Additional information on the City of Rome's Capital assets can be found in Note III- (C) on pages 52-55.

Long-term Debt

At December 31, 2009 the City of Rome had $86,568,298 in bonds and notes outstanding which is a decrease of $4,321,425 over the prior year. Bond refundings had additions of $25,054,340 and note and bond principal payments, and refundings of $30,367,637 were made. New debt of $300,000 was issued for the purchase of property on Etowah Terrace and the remaining $691,872 for the City's portion of its commitment on the debt for the joint City/County parking deck has been all accrued under Intergovernmental agreements. Compensated absences have not been included in these calculations

City of Rome
Outstanding Debt
as of December 31, 2009

	Governmental Activities	Business-Type Activities	Total
Bonds	$ 4,527,000	$ 65,993,260	$ 70,520,260
Notes Payable	1,841,830	9,823,924	11,665,754
Intergovernmental Agreement	3,940,000	-	3,940,000
Capital Leases	27,107	415,177	442,284
	$ 10,335,937	$ 76,232,361	$ 86,568,298

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 60 - 70 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Local Option Sales Tax Revenues again decreased in 2009 and prior year taxes and interest earnings decreased significantly from 2008. Intangible taxes and interest and costs also experienced significant decreases. Most all revenues have continued to trend downward. The greatest challenges for the City for the next fiscal year are to try to adjust expenditures to live within this projected downward trend in revenues. Budgetary factors of concern as the 2010 budgets were prepared are as follows:

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

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, 2009

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Greater Rome Convention & Visitors Bureau	Rome Board of Education
ASSETS					
Current Assets:					
Cash	$ 6,027,238	$ 11,820,439	$ 17,847,677	$ 54,946	$ 7,978,617
Accounts receivable, net	3,864,178	2,948,573	6,812,751	-	-
Accounts receivable, loans	596,638	-	596,638	-	-
Taxes receivable, net	2,095,519	-	2,095,519	-	-
Due from primary government	-	-	-	4,475	-
Due from other governments	2,412,913	1,366,277	3,779,190	1,999	8,401,459
Internal balances	3,368,762	(3,368,762)	-	-	-
Due from component units	188	982	1,170	-	-
Inventory	117,207	761,356	878,563	-	71,938
Prepaid items	13,784	38,881	52,665	386	-
Total current assets	18,496,427	13,567,746	32,064,173	61,806	16,452,014
Non Current Assets:					
Restricted Assets					
Cash	11,845	498,953	510,798	-	-
Investments	2,887,427	-	2,887,427	-	-
Pension asset	3,514,654	-	3,514,654	-	-
Capital Assets					
Non-depreciable assets	14,180,976	12,850,201	27,031,177	-	-
Depreciable assets, net of depreciation	105,948,340	183,684,907	289,633,247	67,345	2,321,928
Deferred charges-bond issuance costs	-	1,422,849	1,422,849	-	62,028
Total noncurrent assets	126,543,242	198,456,910	325,000,152	67,345	2,383,956
TOTAL ASSETS	145,039,669	212,024,656	357,064,325	129,151	18,835,970
LIABILITIES					
Current Liabilities:					
Salaries and benefits payable	-	-	-	-	7,086,501
Accounts payable	773,197	982,115	1,755,312	13,427	1,042,606
Accrued liabilities	79,199	1,151,619	1,230,818	196	-
Accrued interest payable	123,358	-	123,358		
Retainage payable	119,694	-	119,694	-	-
Unearned revenues	49,770	152,208	201,978	-	-
Due to primary government	-	-	-	1,170	-
Due to component units	4,375	100	4,475	-	-
Due to other governments	262,556	-	262,556	-	600,000
Capital leases payable-current	27,107	187,241	214,348	-	242,183
Intergovernmental agreements payable-current	95,000	-	95,000	-	-
Bonds payable-current	-	709,968	709,968	-	-
Closure and postclosure care-current	-	211,457	211,457	-	-
Notes payable-current	439,829	599,719	1,039,548	-	-
Claims payable	-	1,120,000	1,120,000	-	-
Compensated absences payable	585,081	938,863	1,523,944	14,708	-
Total current liabilities	2,559,166	6,053,290	8,612,456	29,501	8,971,290

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF NET ASSETS
December 31, 2009

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Greater Rome Convention & Visitors Bureau	Rome Board of Education
Long-Term Liabilities:					
Capital leases payable (net of current portion)	$ -	$ 227,936	$ 227,936	$ -	$ 343,998
Closure and postclosure care-long term	-	8,142,016	8,142,016	-	-
Compensated absences payable-long term	195,027	312,955	507,982	4,752	-
Net other post employment benefits obligation	1,898,137	-	1,898,137	-	-
Intergovernmental agreements payable-long term	3,845,000	-	3,845,000	-	-
Notes payable-long term	1,402,001	9,224,205	10,626,206	-	-
Bonds payable (net of current portion)	4,527,000	65,283,292	69,810,292	-	2,000,000
Total long term liabilities	11,867,165	83,190,404	95,057,569	4,752	2,343,998
TOTAL LIABILITIES	14,426,331	89,243,694	103,670,025	34,253	11,315,288
NET ASSETS					
Invested in capital assets, net of related debt	109,793,379	120,302,747	230,096,126	67,345	(264,253)
Restricted for:					
Capital projects	86,828	-	86,828	-	3,488,217
Other purposes:					
Revolving loans	596,638	-	596,638	-	-
Debt service	-	355,453	355,453	-	-
Food services	-	-	-	-	2,638,501
School activities	-	-	-	-	1,353,408
Tourism & forum promotions	126,564	-	126,564	-	-
Unrestricted	20,009,929	2,122,762	22,132,691	27,553	304,809
TOTAL NET ASSETS	$ 130,613,338	$ 122,780,962	$ 253,394,300	$ 94,898	$ 7,520,682

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2009

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
					Primary Government			Component Units	
	Expenses	Charges for Services, Sales and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Greater Rome Conv/Vis Bureau	Rome Board of Education
PRIMARY GOVERNMENT:									
Governmental Activities:									
General Government	$ 3,459,431	$ 1,879,599	$ 225,851	$ 408,319	$ (945,662)	$ -	$ (945,662)	$ -	$ -
Public Safety	8,330,201	1,666,789	-	33,967	(6,629,445)	-	(6,629,445)	-	-
Public Works	9,901,356	-	120,051	4,816,854	(4,964,451)	-	(4,964,451)	-	-
Public Facilities	1,259,112	-	-	2,221,243	962,131	-	962,131	-	-
Public Services	447,828	-	-	-	(447,828)	-	(447,828)	-	-
Community Development	1,087,895	257,922	776,863	-	(53,110)	-	(53,110)	-	-
Education	1,183,090	-	-	99,450	(1,083,640)	-	(1,083,640)	-	-
Interest on Debt	368,538	-	-	-	(368,538)	-	(368,538)	-	-
Total Governmental Activities	26,037,451	3,804,310	1,122,765	7,579,833	(13,530,543)	-	(13,530,543)	-	-
Business-Type Activities:									
Water and Sewer	17,631,139	19,855,503	-	83,640	-	2,308,004	2,308,004	-	-
Fire	10,246,440	5,317,834	-	-	-	(4,928,606)	(4,928,606)	-	-
Solid Waste Commission	2,466,241	2,936,315	-	-	-	470,074	470,074	-	-
Transit	2,970,187	1,456,160	517,076	1,081,395	-	84,444	84,444	-	-
Building Inspection	773,944	1,037,620	-	-	-	263,676	263,676	-	-
Solid Waste Management	3,463,304	1,521,096	-	-	-	(1,942,208)	(1,942,208)	-	-
Municipal Golf Course	1,293,506	760,605	-	-	-	(532,901)	(532,901)	-	-
Public Facilities	407,691	693,660	-	-	-	285,969	285,969	-	-
Total Business-Type Activities:	39,252,452	33,578,793	517,076	1,165,035	-	(3,991,548)	(3,991,548)	-	-
Total - Primary Government	$ 65,289,903	$ 37,383,103	$ 1,639,841	$ 8,744,868	$ (13,530,543)	$ (3,991,548)	$ (17,522,091)	$ -	$ -
Component Units									
Rome Board of Education	$ 58,293,211	$ 1,230,492	$ 33,090,001	$ 59,182				$ -	$ (23,913,536)
Tourism	514,522	47,024	458,751	-				(8,747)	-
Total - Component Units	$ 58,807,733	$ 1,277,516	$ 33,548,752	$ 59,182				$ (8,747)	$ (23,913,536)
		GENERAL REVENUES:							
		Taxes:							
		Property			$ 9,661,665	$ -	$ 9,661,665	$ -	$ 18,805,573
		Sales			6,127,541	-	6,127,541	-	5,060,593
		Franchise			3,419,638	-	3,419,638	-	-
		Insurance Premium			1,939,400	-	1,939,400	-	-
		Alcoholic Beverage			861,115	-	861,115	-	-
		Intangible			232,794	-	232,794	-	-
		Hotel/Motel			567,922	-	567,922	-	-
		Other			65,267	-	65,267	-	-
		Gain on Disposal of Capital Assets			-	26,756	26,756	-	-
		Interest Earned			562,218	59,182	621,400	234	116,244
		Miscellaneous			108,633	37,506	146,139	-	31,903
		Total General Revenues			23,546,193	123,444	23,669,637	234	24,014,313
		Transfers			(9,745,022)	9,745,022	-	-	-
		Total General Revenues and Transfers			13,801,171	9,868,466	23,669,637	234	24,014,313
		Change in Net Assets			270,628	5,876,918	6,147,546	(8,513)	100,777
		NET ASSETS BEGINNING OF YEAR			130,342,710	116,904,044	247,246,754	103,411	7,419,905
		NET ASSETS END OF YEAR			$ 130,613,338	$ 122,780,962	$ 253,394,300	$ 94,898	$ 7,520,682

See accompanying notes to the basic financial statements

CITY OF ROME, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2009

	Major Governmental Funds				
	General	Capital	Special Local Option Sales Tax	Non-major Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	$ 5,363,049	$ 272,419	$ 325	$ 391,445	$ 6,027,238
Taxes receivable, net of allowances for uncollectibles	2,092,171	-	-	3,348	2,095,519
Accounts receivable, net of allowances for uncollectibles	3,694,818	114,941	-	54,419	3,864,178
Accounts receivable loans	-	-	-	596,638	596,638
Due from other governments	1,435,845	261,434	666,197	49,437	2,412,913
Due from other funds	947,561	1,686,565	120,195	77,355	2,831,676
Due from component units	22	-	-	166	188
Prepaid items	200	-	-	13,584	13,784
Inventories	117,207	-	-	-	117,207
Restricted cash	-	-	-	11,845	11,845
Restricted investments	-	2,887,427	-	-	2,887,427
Advances due from other funds	-	1,573,209	-	-	1,573,209
TOTAL ASSETS	$ 13,650,873	$ 6,795,995	$ 786,717	$ 1,198,237	$ 22,431,822
LIABILITIES:					
Accounts payable	$ 235,109	$ 186,479	$ 326,375	$ 25,234	$ 773,197
Accrued liabilities	78,345	-	-	854	79,199
Retainage payable	-	31,867	87,827	-	119,694
Deferred revenue	741,714	500	-	49,270	791,484
Due to other funds	2,074,715	128,338	133,893	131,657	2,468,603
Due to other governments	13,271	-	238,296	10,989	262,556
Due to component units	-	-	-	4,375	4,375
TOTAL LIABILITIES	3,143,154	347,184	786,391	222,379	4,499,108
FUND BALANCES:					
Reserved for:					
Cemetery perpetual care	738,100	-	-	-	738,100
Prepaid items	200	-	-	13,584	13,784
Inventories	117,207	-	-	-	117,207
Revolving loans	-	-	-	596,638	596,638
Tourism and forum promotion	-	-	-	126,564	126,564
Capital improvements	-	2,887,427	-	86,828	2,974,255
Long term advances	-	1,573,209	-	-	1,573,209
Unreserved:					
Designated for grant programs and capital projects reported in:					
Capital Projects Funds	-	1,988,175	326	2	1,988,503
Special Revenue Funds	-	-	-	7,352	7,352
Undesignated, reported in:					
General Fund	9,652,212	-	-	-	9,652,212
Special Revenue Funds	-	-	-	144,890	144,890
TOTAL FUND BALANCES	10,507,719	6,448,811	326	975,858	17,932,714
TOTAL LIABILITIES AND FUND BALANCES	$ 13,650,873	$ 6,795,995	$ 786,717	$ 1,198,237	$ 22,431,822

See accompanying notes to the basic financial statements

CITY OF ROME, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
December 31, 2009

TOTAL GOVERNMENTAL FUND BALANCES		$ 17,932,714
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost	$ 231,717,724	
Less accumulated depreciation	(111,588,408)	120,129,316
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. Governmental activities net assets have been increased by the effect of the internal service funds net assets.	1,432,480	1,432,480
The net pension asset is not a current financial resource and is not recorded in the fund statements.	3,514,654	3,514,654
Other long-term assets are not available to pay for current-period expenditures and , therefore, are deferred in the funds.		
Property taxes	693,145	
Sales taxes	48,569	741,714
Net other post employment benefits obligations are not due and payable in the current period and therefore not reported in the funds	1,898,137	(1,898,137)
Long-term liabilities, including capital leases, compensated absences, and the GMA lease contract bonds are not due and payable in the current period and therefore are not reported in the fund statements.		
Accrued interest	123,358	
Capital leases	27,107	
Compensated absences	780,108	
Notes payable	1,841,830	
GMA lease pool contract certificates of participation	4,527,000	
Intergovermental agreements	3,940,000	(11,239,403)
NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ 130,613,338

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, 2009

	Major Governmental Funds				
	General	Capital	Special Local Option Sales Tax	Non- major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	$ 19,924,581	$ 1,800,000	$ -	$ 633,189	$ 22,357,770
Licenses and permits	1,675,141	-	-	-	1,675,141
Intergovernmental	345,902	1,287,012	5,643,967	1,185,182	8,462,063
Charges for services	204,458	-	-	381,853	586,311
Fines and forfeitures	1,542,858	-	-	-	1,542,858
Interest earned	257,456	287,122	77	17,563	562,218
Miscellaneous	27,159	35,155	-	46,319	108,633
TOTAL REVENUES	23,977,555	3,409,289	5,644,044	2,264,106	35,294,994
EXPENDITURES:					
Current:					
General government	3,478,514	-	-	-	3,478,514
Public safety	7,396,413	-	-	126,465	7,522,878
Public works	5,586,035	-	-	-	5,586,035
Public facilities	392,177	-	-	566,935	959,112
Public services	390,636	-	-	-	390,636
Community development	-	-	-	1,072,456	1,072,456
Capital outlay	-	2,266,063	3,329,412	1,165,789	6,761,264
Debt service			-		
Principal	-	198,394	-	-	198,394
Interest	-	245,180	-	-	245,180
TOTAL EXPENDITURES	17,243,775	2,709,637	3,329,412	2,931,645	26,214,469
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,733,780	699,652	2,314,632	(667,539)	9,080,525

continued

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2009

	Major Governmental Funds				
	General	Capital	Special Local Option Sales Tax	Non- major Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)					
Transfers in	$ 1,464,052	$ 109,000	$ -	$ 446,400	$ 2,019,452
Transfers out	(9,134,428)	(235,000)	(2,314,556)	(80,490)	(11,764,474)
Proceeds from note payable	-	-	-	300,000	300,000
Proceeds from sale of capital assets	-	12,843	-	-	12,843
TOTAL OTHER FINANCING SOURCES (USES)	(7,670,376)	(113,157)	(2,314,556)	665,910	(9,432,179)
NET CHANGE IN FUND BALANCES	(936,596)	586,495	76	(1,629)	(351,654)
FUND BALANCES - BEGINNING OF YEAR	11,444,315	5,862,316	250	977,487	18,284,368
FUND BALANCES - END OF YEAR	$ 10,507,719	$ 6,448,811	$ 326	$ 975,858	$ 17,932,714

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, 2009

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$	(351,654)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.			
Capital outlay	6,597,247		
Depreciation expense	(5,557,863)		1,039,384
The net effect of the disposal of capital assets is to decrease net assets.			(282,799)
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			191,966
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds.The effect of current year internal service fund income (loss) for governmental activities has been included.			(166,746)
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			517,572
Sales tax deferred revenue			48,569
The receipt and repayment of bonds, notes payable and capital lease principal is a revenue and expenditure in the governmental funds, but the activity increases and decreases long-term liabilities in the statement of net assets.			
Issuance of notes payable			(300,000)
Accrual of interest expense			(123,358)
Capital lease principal payment			198,394
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.			(3,964)
The increase in other post employment benefits obligations did not require the use of current financial resources and therefore was not reported as expenditures in governmental funds, but is an expense in the Statement of Activities			(581,501)
The increase 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.			84,765
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		$	270,628

See accompanying notes to the basic financial statements

CITY OF ROME, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2009

	Enterprise Funds					
	Major Enterprise Funds			Non-major Enterprise Funds	Total	Internal Service Funds
	Water & Sewer System	Fire	Solid Waste Commission			
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 532,420	$ 666,843	$ 6,478,284	$ 798,585	$ 8,476,132	$ 3,344,307
Restricted cash	-	-	-	498,953	498,953	-
Accounts receivable, net of allowances						-
for uncollectibles	1,764,442	-	280,985	156,389	2,201,816	746,757
Due from other governments	955,004	-	-	411,273	1,366,277	-
Due from other funds	159,696	26,271	31,739	130,962	348,668	700,904
Due from component units	-	3	-	289	292	690
Prepaid items	-	18,599	-	10,128	28,727	10,154
Inventories	487,310	22,563	-	251,483	761,356	-
Total Current Assets	3,898,872	734,279	6,791,008	2,258,062	13,682,221	4,802,812
Noncurrent Assets:						
Bond issuance costs, net of amortization	1,210,456	-	-	212,393	1,422,849	-
Capital assets						
Non-depreciable assets	6,868,776	80,575	377,036	5,523,814	12,850,201	-
Depreciable assets, net of accumulated depreciation	169,022,158	4,789,926	4,457,876	5,414,947	183,684,907	-
Total Noncurrent Assets	177,101,390	4,870,501	4,834,912	11,151,154	197,957,957	-
TOTAL ASSETS	181,000,262	5,604,780	11,625,920	13,409,216	211,640,178	4,802,812

See accompanying notes to the basic financial statements

continued

CITY OF ROME, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2009

	Enterprise Funds					
	Major Enterprise Funds			Non-major Enterprise Funds	Total	Internal Service Funds
	Water & Sewer System	Fire	Solid Waste Commission			
LIABILITIES						
Current Liabilities:						
Closure and post closure care, current	$ -	$ -	$ 211,457	$ -	$ 211,457	$ -
Revenue bonds, current	-	-	-	709,968	709,968	-
Notes payable, current	599,719	-	-	-	599,719	-
Accounts payable	382,669	40,968	178,165	307,218	909,020	73,095
Accrued liabilities	847,887	10,044	4,090	289,421	1,151,442	177
Unearned revenue	90,000	-	-	62,208	152,208	-
Due to other funds	459,327	183,980	50,056	698,423	1,391,786	20,859
Due to component unit	-	-	-	100	100	-
Compensated absences, current	203,147	594,582	22,702	118,432	938,863	-
Claims payable	-	-	-	-	-	1,120,000
Capital leases, current	15,501	107,451	-	64,289	187,241	-
Total Current Liabilities	2,598,250	937,025	466,470	2,250,059	6,251,804	1,214,131
Long-Term Liabilities:						
Closure and post closure care	-	-	8,142,016	-	8,142,016	-
Revenue bonds, long-term	59,163,633	-	-	6,119,659	65,283,292	-
Notes payable, long-term	9,224,205	-	-	-	9,224,205	-
Advances due to Capital Fund	112,638	790,021	438,000	232,550	1,573,209	-
Compensated absences, long term	67,716	198,194	7,567	39,478	312,955	-
Capital leases, long-term	-	227,936	-	-	227,936	-
Total Long-Term Liabilities	68,568,192	1,216,151	8,587,583	6,391,687	84,763,613	-
TOTAL LIABILITIES	71,166,442	2,153,176	9,054,053	8,641,746	91,015,417	1,214,131
NET ASSETS						
Invested in capital assets, net of related debt	106,887,876	4,535,114	4,834,912	4,044,845	120,302,747	-
Restricted for debt service	-	-	-	355,453	355,453	-
Unrestricted	2,945,944	(1,083,510)	(2,263,045)	367,172	(33,439)	3,588,681
TOTAL NET ASSETS	$ 109,833,820	$ 3,451,604	$ 2,571,867	$ 4,767,470	$ 120,624,761	$ 3,588,681

See accompanying notes to the basic financial statements

CITY OF ROME, GEORGIA
RECONCILIATION OF PROPRIETARY FUND NET ASSETS TO
BUSINESS TYPE ACTIVITIES STATEMENT OF NET ASSETS
December 31, 2009

TOTAL PROPRIETARY FUND NET ASSETS	$ 120,624,761
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.	2,156,201
NET ASSETS OF BUSINESS TYPE ACTIVITIES	$ 122,780,962

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, 2009

	Enterprise Funds					
	Major Enterprise Funds			Non-major Enterprise Funds		Internal Service Funds
	Water & Sewer System	Fire	Solid Waste Commission		Total	
OPERATING REVENUES						
Metered sales	$ 19,400,642	$ -	$ -	$ -	$ 19,400,642	$ -
Charges for services	451,890	5,313,500	2,933,937	5,466,287	14,165,614	7,100,364
Miscellaneous	2,971	4,334	2,378	2,854	12,537	431,142
TOTAL OPERATING REVENUES	19,855,503	5,317,834	2,936,315	5,469,141	33,578,793	7,531,506
OPERATING EXPENSES						
Cost of goods sold	-	-	-	89,226	89,226	-
Salaries and employee benefits	4,681,257	8,940,399	602,966	5,295,465	19,520,087	81,537
Supplies	1,127,592	300,517	205,077	695,949	2,329,135	-
Maintenance and repairs	664,992	43,625	276,374	247,865	1,232,856	-
Other services and charges	2,596,572	328,484	284,180	1,174,342	4,383,578	1,186,667
Depreciation	5,520,226	621,632	477,677	985,152	7,604,687	-
Claims	-	-	-	-	-	5,969,124
Closure & postclosure costs	-	-	385,591	-	385,591	-
Administrative fees	33,009	-	-	-	33,009	674,309
TOTAL OPERATING EXPENSES	14,623,648	10,234,657	2,231,865	8,487,999	35,578,169	7,911,637
OPERATING INCOME (LOSS)	5,231,855	(4,916,823)	704,450	(3,018,858)	(1,999,376)	(380,131)

continued

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2009

	Enterprise Funds					
	Major Enterprise Funds			Non-major Enterprise Funds	Total	Internal Service Funds
	Water & Sewer System	Fire	Solid Waste Commission			
NON-OPERATING INCOME (EXPENSE)						
Intergovernmental revenue	$ -	$ -	$ -	$ 517,076	$ 517,076	$ 193,405
Intergovernmental expense	-	-	(234,376)	-	(234,376)	-
Interest income	8,215	4,027	25,877	6,034	44,153	15,029
Interest expense	(2,987,511)	(11,783)	-	(420,633)	(3,419,927)	-
Miscellaneous revenue	37,506	-	-	-	37,506	-
Gain on disposal of capital assets	-	12,966	-	13,790	26,756	-
TOTAL NON-OPERATING INCOME (EXPENSE)	(2,941,790)	5,210	(208,499)	116,267	(3,028,812)	208,434
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	2,290,065	(4,911,613)	495,951	(2,902,591)	(5,028,188)	(171,697)
Transfers in	2,316,181	5,367,467	-	3,541,018	11,224,666	-
Transfers out	(810,000)	(360,592)	(27,052)	(47,000)	(1,244,644)	(235,000)
Capital contributions	83,640	-	-	1,081,395	1,165,035	-
CHANGE IN NET ASSETS	3,879,886	95,262	468,899	1,672,822	6,116,869	(406,697)
NET ASSETS - BEGINNING OF YEAR	105,953,934	3,356,342	2,102,968	3,094,648	114,507,892	3,995,378
NET ASSETS - END OF YEAR	$ 109,833,820	$ 3,451,604	$ 2,571,867	$ 4,767,470	$ 120,624,761	$ 3,588,681

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, 2009

CHANGE IN NET ASSETS-PROPRIETARY FUNDS	$	6,116,869
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 (loss) for business type activities has been included.		(239,951)
CHANGE IN NET ASSETS OF BUSINESS TYPE ACTIVITIES	$	5,876,918

See accompanying notes to the basic financial statements

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2009

	Enterprise Funds					
	Major Proprietary Funds			Nonmajor Enterprise Funds	Total	Internal Service Funds
	Water & Sewer System	Fire	Solid Waste Commission			
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 19,959,608	$ 5,317,834	$ 3,032,045	$ 5,554,681	$ 33,864,168	$ 7,077,118
Receipts from interfund services provided	44,878	278,819	95,714	24	419,435	(4,675)
Payments to suppliers	(7,439,167)	(808,970)	(756,630)	(2,084,679)	(11,089,446)	(1,831,713)
Payments to employees	(4,682,735)	(9,018,715)	(604,507)	(5,314,429)	(19,620,386)	(81,537)
Claims paid	-	-	-	-	-	(5,389,124)
Payments for interfund services used	-	-	-	(524,397)	(524,397)	-
Net cash provided (used) by operating activities	7,882,584	(4,231,032)	1,766,622	(2,368,800)	3,049,374	(229,931)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer from other funds	2,316,181	5,367,467	-	3,541,018	11,224,666	-
Transfer to other funds	(810,000)	(360,592)	(27,052)	(47,000)	(1,244,644)	(235,000)
Advances from other funds	-	426,416	-	-	426,416	-
Repayment of advances from other funds	(117,172)	-	(29,200)	(211,326)	(357,698)	-
Intergovernmental revenue (expense)	-	-	(234,376)	-	(234,376)	193,405
Miscellaneous revenues	37,506	-	-	-	37,506	-
Subsidy from federal grant	-	-	-	440,679	440,679	-
Net cash provided (used) by noncapital financing activities	1,426,515	5,433,291	(290,628)	3,723,371	10,292,549	(41,595)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	83,640	-	-	1,081,395	1,165,035	-
Purchases of capital assets	(4,516,022)	(791,370)	(11,354)	(948,982)	(6,267,728)	-
Principal paid on capital debt	(4,193,663)	(103,328)	-	(825,605)	(5,122,596)	-
Interest paid on capital debt	(2,987,511)	(11,783)	-	(420,633)	(3,419,927)	-
Defeasance of bonds	(20,208,594)	-	-	(5,036,719)	(25,245,313)	-
Proceeds from long-term borrowings	20,210,375	-	-	5,145,143	25,355,518	-
Proceeds from sales of capital assets	-	12,966	-	40,110	53,076	-
Net cash (used) by capital and related financing activities	(11,611,775)	(893,515)	(11,354)	(965,291)	(13,481,935)	-

continued

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2009

	Enterprise Funds					
	Major Proprietary Funds			Nonmajor Enterprise Funds	Total	Internal Service Funds
	Water & Sewer System	Fire	Solid Waste Commission			
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	$ 8,215	$ 4,027	$ 25,877	$ 6,034	$ 44,153	$ 15,029
Net cash provided by investing activities	8,215	4,027	25,877	6,034	44,153	15,029
Net increase (decrease) in cash and cash equivalents	(2,294,461)	312,771	1,490,517	395,314	(95,859)	(256,497)
Cash and cash equivalents, January 1	2,826,881	354,072	4,987,767	902,224	9,070,944	3,600,804
Cash and cash equivalents, December 31	$ 532,420	$ 666,843	$ 6,478,284	$ 1,297,538	$ 8,975,085	$ 3,344,307
Reconciliation of Cash and Cash Equivalents:						
Cash and cash equivalents	$ 532,420	$ 666,843	$ 6,478,284	$ 798,585	$ 8,476,132	$ 3,344,307
Cash and cash equivalents - restricted	-	-	-	498,953	498,953	-
Total cash and cash equivalents	$ 532,420	$ 666,843	$ 6,478,284	$ 1,297,538	$ 8,975,085	$ 3,344,307

continued

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2009

	Enterprise Funds					
	Major Proprietary Funds			Nonmajor Enterprise Funds	Total	Internal Service Funds
	Water & Sewer System	Fire	Solid Waste Commission			
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	$ 5,231,855	$ (4,916,823)	$ 704,450	$ (3,018,858)	(1,999,376)	$ (380,131)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	5,520,226	621,632	477,677	985,152	7,604,687	-
Amortization expense	(256,446)	-	-	(46,286)	(302,732)	-
(Increase) decrease in accounts receivable	159,414	-	(54,270)	(4,931)	100,213	(454,388)
(Increase) decrease in due from other governments	(53,509)	-	150,000	41,292	137,783	-
(Increase) in due from other funds	8,459	218,608	60,984	16,619	304,670	(24,056)
(Increase) in prepaid items	-	19,114	-	(3,103)	16,011	1,421
(Increase) decrease in inventories	38,442	1,774	-	25,610	65,826	-
Increase (decrease) in accounts payable and accrued liabilities	(2,798,998)	(157,232)	394,592	146,482	(2,415,156)	607,842
Increase (decrease) in compensated absences payable	(1,478)	(78,316)	(1,541)	(18,964)	(100,299)	-
Increase (decrease) in unearned revenue	(1,800)	-	-	49,179	47,379	-
Increase (decrease) in due to other funds	36,419	60,211	34,730	(540,992)	(409,632)	19,381
Total adjustments	2,650,729	685,791	1,062,172	650,058	5,048,750	150,200
Net cash provided (used) by operating activities	$ 7,882,584	$ (4,231,032)	$ 1,766,622	$ (2,368,800)	$ 3,049,374	$ (229,931)
Noncash capital and related financing activities:						
Capital contributions	$ 83,640	$ -	$ -	$ -	$ 83,640	$ -

See accompanying notes to the basic financial statements

CITY OF ROME, GEORGIA
STATEMENT OF FIDUCIARY NET ASSETS
EMPLOYEE BENEFIT TRUST FUND
December 31, 2009

	Flexible Spending Fund
ASSETS	
Cash	$ 13,147
Accounts receivable	5,488
TOTAL ASSETS	18,635
NET ASSETS	
Reserved for:	
Claims	18,635
TOTAL NET ASSETS	$ 18,635

See accompanying notes to the basic financial statements

CITY OF ROME, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
EMPLOYEE BENEFIT TRUST FUND
For the Year Ended December 31, 2009

	Flexible Spending Fund
ADDITIONS	
Contributions	$ 157,898
Investment earnings	43
Total additions	157,941
DEDUCTIONS	
Claims paid	158,059
Operating services & charges	756
Total deductions	158,815
NET DECREASE	(874)
NET ASSETS HELD IN TRUST FOR FLEXIBLE SPENDING	
NET ASSETS, BEGINNING OF YEAR	19,509
NET ASSETS, END OF YEAR	$ 18,635

See accompanying notes to the basic financial statements

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Blended Component Units

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

City of Rome Recreational Facilities Authority - This entity is governed by a five member board appointed by the Rome City Commission. Although it is legally separate from the City, the Authority's activity is reported within the Municipal Golf Fund, a proprietary fund in the City's financial statements. The main purpose was to refinance the debt of the Stonebridge Golf Club, which is owned and operated by the City. Separate financial statements are not prepared for this component unit.

City of Rome South Rome Redevelopment Agency – This entity is governed by a 13 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 and operates solely to provide services to the City of Rome. These services include but are not limited to property transactions and grant acquisitions. 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 & Visitors Bureau - The Greater Rome Convention and Visitors Bureau (the "Bureau") promotes tourism and convention activity for the City. Financing is provided by a special hotel/motel tax. The Bureau is fiscally dependent upon the City because the City Commission appoints a voting majority of the board members and approves the budget, but does not control operations of the Bureau. The Bureau is presented as a governmental fund type. Separate component unit financial statements are not prepared for the Greater Rome Convention and Visitors Bureau.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

A. Reporting Entity - (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 2009 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 discretely presented component units for which the primary government is financially accountable. The statement of activities demonstrates the degree to which the direct expenses of each function of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 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.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Basis of Presentation – Continued

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

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

The City reports the following major Proprietary Funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Basis of Presentation – Continued

Fiduciary Fund Type

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

C. Measurement Focus

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

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

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

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

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Equity

1. Cash and Cash Equivalents

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

2. Investments

All investments are recorded at fair value.

3. Receivables and Payables

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

4. Inventories

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

5. Restricted Assets

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

6. Prepaid Items

Certain payments to vendors reflecting costs applicable to periods beyond December 31, 2009 are recorded as prepaid items.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Equity- Continued

7. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e. g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital equipment assets are defined by the government as assets with an initial individual cost of more than $5,000 and an estimated life of more than one fiscal year. Such assets are recorded at actual cost or estimated historical cost if actual costs are not available. They are updated for additions and retirements during the year. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are expensed. Improvements to capital assets are capitalized. Interest incurred during the construction of capital assets for business-type activities is capitalized. The City had no capitalized interest during the current year.

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Equity– Continued

8. Compensated Absences

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

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

9. Deferred Revenue

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

10. Long-Term Obligations

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Equity– Continued

11. Fund Equity

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.

NOTE II - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In August of each year, all departments of the City submit a budgetary request to the City Manager. In November, the City Manager presents the proposed budgets to the Finance Committee of the City Commission. The City Commission adopts the final budgets in December of each year. During the year, the City made budgetary amendments totaling $1,793,290, (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. 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.

B. Deficit Fund Equity

Solid Waste Management Fund - The Solid Waste Management Fund had a deficit Net Assets of $175,979 at December 31, 2009. The City has no immediate plans for eliminating the deficit. This fund can draw from the City's General Fund if needed.

Redlight Enforcement Fund - The Redlight Enforcement Fund had a deficit Fund Balance of $1,846 at December 31, 2009. The deficit has resulted mainly from the transfer to the Capital 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.

South Rome Redevelopment Agency Fund - The South Rome Redevelopment Agency Fund had a deficit Fund Balance of $4,391 at December 31, 2009. The deficit has resulted mainly from capital outlay expenses. 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.

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 participants' shares sold and redeemed based on $1.00 per share. As of December 31, 2009, the City of Rome's investment in Georgia Fund One was rated AAAm by Standard & Poor's.

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

As of December 31, 2009, the City of Rome had the following investments.

Investment Type	Maturities	Fair Value
Georgia Fund One-included in cash	56 day weighted average	$ 7,985,822
Guaranteed Investment Contract	June 1, 2028	2,887,427
Totals		$ 10,873,249

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, 2009, all of the City's bank balances were adequately insured and collateralized as defined by the Governmental Accounting Standards Board.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

B. Receivables

1. Accounts Receivable

Receivables at December 31, 2009 consisted of taxes, loans, and accounts (including billings for user charges and unbilled utility receivables), and intergovernmental receivables. Receivables at December 31, 2009 consist of the following:

Primary Government	Taxes	Loans	Account	Intergov't Receivables	Allowance for Uncollectibles	Net Receivables
General Fund	$ 4,178,722	$ -	$ 3,885,818	$ 1,435,845	$ (2,277,551)	$ 7,222,834
Capital Fund	-	-	146,941	261,434	(32,000)	376,375
SPLOST Fund	-	-	-	666,197	-	666,197
Other Governmental Funds	12,679	867,962	54,419	49,437	(280,655)	703,842
Water fund	-	-	2,402,442	955,004	(638,000)	2,719,446
Solid Waste Commission Fund	-	-	299,985	-	(19,000)	280,985
Other Proprietary Funds	-	-	201,389	411,348	(45,075)	567,662
Internal Service Funds	-	-	746,757	-	-	746,757
Total Primary Government	4,191,401	867,962	7,737,751	3,779,265	(3,292,281)	13,284,098
Greater Rome CVB	-	-	-	1,999	-	1,999
Rome Board of Education	-	-	-	8,401,459	-	8,401,459
Total Reporting Entity	$ 4,191,401	$ 867,962	$ 7,737,751	$ 12,182,723	$ (3,292,281)	$ 21,687,556

The City has $271,324 in forgivable loans receivable. These loans are recorded in the following nonmajor governmental funds: Community Development Fund and Downtown Development Fund. Amounts represent loans to individuals in conjunction with the rehabilitation of private property and financing for locally owned businesses. Provided the terms of the loans are not violated, these loans will be forgiven at the end of the loan term. As the likelihood of violation of the loan terms, and thus cash repayment is remote, the City has elected to record an allowance for the total outstanding balance of the loans.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

B. Receivables– Continued

2. Property Taxes

Property taxes were levied on August 14, 2009 and were payable on or before November 16, 2009. An interest penalty of 12% per annum is charged on property taxes paid after that date. Property taxes become an enforceable lien on January 1 each year. City property tax revenues are recognized when levied to the extent that they are collected within the current fiscal year or within 60 days of fiscal year end. The City of Rome has an agreement with Floyd County and the Floyd County Tax Commissioner to collect the City's property taxes. This agreement allows taxpayers to pay all of their property taxes at one location since the County can now bill all taxes due on one bill. The City pays a fee for this service.

A summary of outstanding delinquent property taxes receivable at December 31, 2009 is as follows:

Tax Year	
2009	$ 3,117,635
Prior Years	1,061,087
	4,178,722
Allowance for uncollectible	(2,086,551)
Net taxes receivable	$ 2,092,171

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NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets

Changes in the City's Capital Assets for the year ended December 31, 2009 are as follows:

Primary Government	Beginning Balance 12/31/2008	Increases	Decreases	Construction in progress Transfers	Ending Balance 12/31/2009
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 6,812,188	$ 1,704,103	$ -	$ -	$ 8,516,291
Construction in progress	5,981,295	4,804,745	(224,370)	(4,896,985)	5,664,685
Total capital assets, not being depreciated	12,793,483	6,508,848	(224,370)	(4,896,985)	14,180,976
Capital assets, being depreciated:					
Buildings	82,875,624	51,662	(68,740)	3,810,479	86,669,025
Improvements other than buildings	509,175	-	-	818,351	1,327,526
Machinery and equipment	4,612,133	68,061	(109,599)	-	4,570,595
Vehicles	4,615,195	231,155	(74,036)	-	4,772,314
Infrastructure	119,307,774	621,359	-	268,155	120,197,288
Total capital assets being depreciated	211,919,901	972,237	(252,375)	4,896,985	217,536,748
Less accumulated depreciation for:					
Buildings	(16,327,856)	(1,626,961)	10,311	-	(17,944,506)
Improvements other than buildings	(187,156)	(32,219)	-	-	(219,375)
Machinery and equipment	(3,885,877)	(268,182)	109,599	-	(4,044,460)
Vehicles	(3,587,573)	(525,573)	74,036	-	(4,039,110)
Infrastructure	(82,236,029)	(3,104,928)	-	-	(85,340,957)
Total accumulated depreciation	(106,224,491)	(5,557,863)	193,946	-	(111,588,408)
Total capital assets, being depreciated, net	105,695,410	(4,585,626)	(58,429)	4,896,985	105,948,340
Governmental activities capital assets, net	$ 118,488,893	$ 1,923,222	$ (282,799)	$ -	$ 120,129,316

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

Governmental activities:	
General Government	$ 76,947
Public Safety	440,555
Public Works	3,513,732
Public Facilities	297,548
Public Services	32,391
Community Development	13,600
Education	1,183,090
	$ 5,557,863

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Capital Assets for the year ended December 31, 2009 are as follows:

	Beginning Balance 12/31/2008	Increases	Decreases	Transfers	Ending Balance 12/31/2009
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 7,510,737	$ -	$ -	$ -	$ 7,510,737
Construction in progress	44,246,858	2,568,506	-	(41,475,900)	5,339,464
Total capital assets, not being depreciated	51,757,595	2,568,506	-	(41,475,900)	12,850,201
Capital assets, being depreciated:					
Buildings	60,358,154	-	-	41,230,235	101,588,389
Improvements other than buildings	17,353,363	62,697	-	245,665	17,661,725
Machinery and equipment	9,965,686	827,093	(166,792)	78,272	10,704,259
Vehicles	17,051,396	889,069	(392,805)	28,815	17,576,475
Infrastructure	129,642,647	1,921,979	-	-	131,564,626
Total capital assets being depreciated	234,371,246	3,700,838	(559,597)	41,582,987	279,095,474
Less accumulated depreciation for:					
Buildings	(21,855,663)	(2,451,732)	-	-	(24,307,395)
Improvements other than buildings	(12,345,734)	(331,521)	-	-	(12,677,255)
Machinery and equipment	(8,425,902)	(549,787)	138,857	(78,272)	(8,915,104)
Vehicles	(12,976,523)	(1,116,842)	392,805	(28,815)	(13,729,375)
Infrastructure	(32,626,633)	(3,154,805)	-	-	(35,781,438)
Total accumulated depreciation	(88,230,455)	(7,604,687)	531,662	(107,087)	(95,410,567)
Total capital assets, being depreciated, net	146,140,791	(3,903,849)	(27,935)	41,475,900	183,684,907
Business-type activities capital assets, net	$ 197,898,386	$ (1,335,343)	$ (27,935)	$ -	$ 196,535,108

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

Business-type activities:	
Water and Sewer System Fund	$ 5,520,226
Fire Fund	621,632
Transit Fund	395,054
Building Inspection Fund	13,840
Solid Waste Management Fund	303,006
Municipal Golf Fund	63,547
Solid Waste Commission Fund	477,677
Public Facilities Fund	209,705
	$ 7,604,687

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

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

Invested in Capital Assets	Governmental Activities	Business-type Activities	Total
Capital assets, nondepreciable	$ 14,180,976	$ 12,850,201	$ 27,031,177
Capital assets, net	105,948,340	183,684,907	289,633,247
Intergovernmental agreements payable	(3,940,000)	-	(3,940,000)
Bonds payable	(4,527,000)	(65,993,260)	(70,520,260)
Capital leases payable	(27,107)	(415,177)	(442,284)
Notes payable	(1,841,830)	(9,823,924)	(11,665,754)
	$ 109,793,379	$ 120,302,747	$ 230,096,126

Component Units	**Beginning Balance 12/31/2008**	**Increases**	**Decreases**	**Ending Balance 12/31/2009**
Greater Rome Convention and Visitors Bureau Component unit:				
Capital assets, being depreciated:				
Buildings	$ 181,429	$ -	$ -	$ 181,429
Machinery and equipment	35,000	-	(28,000)	7,000
Total capital assets being depreciated	216,429	-	(28,000)	188,429
Less accumulated depreciation for:				
Buildings	(110,455)	(3,629)	-	(114,084)
Machinery and equipment	(35,000)	-	28,000	(7,000)
Total accumulated depreciation	(145,455)	(3,629)	28,000	(121,084)
Total capital assets, being depreciated, net	70,974	(3,629)	-	67,345
Greater Rome Convention and Visitors Bureau capital assets, net	$ 70,974	$ (3,629)	$ -	$ 67,345

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Component Units	Beginning Balance 6/30/2008	Increases	Decreases	Ending Balance 6/30/2009
Rome Board of Education				
Component unit:				
Capital assets, being depreciated:				
Buildings and Improvements	$ 2,094,087	$ 221,547	$ -	$ 2,315,634
Computers and equipment	2,144,625	74,451	-	2,219,076
Vehicles	1,169,863	-	-	1,169,863
Total capital assets being depreciated	5,408,575	295,998	-	5,704,573
Less accumulated depreciation for:				
Buildings and Improvements	(671,069)	(60,646)	-	(731,715)
Computers and equipment	(1,511,289)	(256,294)	-	(1,767,583)
Vehicles	(805,019)	(78,328)	-	(883,347)
Total accumulated depreciation	(2,987,377)	(395,268)	-	(3,382,645)
Total capital assets, being depreciated, net	2,421,198	(99,270)	-	2,321,928
Rome Board of Education capital assets, net	$ 2,421,198	$ (99,270)	$ -	$ 2,321,928

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

D. Interfund Transactions

Interfund balances at December 31, 2009 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, 2009 are as follows:

	Payable From									
	General Fund	Capital Fund	SPLOST Fund	Non-major Governmental Funds	Water & Sewer System Fund	Fire Fund	Solid Waste Commission Fund	Non-major Enterprise Funds	Internal Service Funds	**Total**
Payable To:										
General Fund	$ -	$ 71	$ 1,540	$ 77,280	$ 249,800	$ 1,783	$ 37,314	$ 579,566	$ 207	$ 947,561
Capital Fund	1,667,231	-	6,142	8,431	-	-	3,753	1,008	-	1,686,565
SPLOST Fund	-	120,195	-	-	-	-	-	-	-	120,195
Non-major Governmental Funds	49,961	270	-	26,135	126	-	-	788	75	77,355
Water & Sewer System Fund	5,643	648	126,211	125	-	9,237	968	16,694	170	159,696
Fire Fund	1,007	2,967	-	-	638	-	-	1,383	20,276	26,271
Solid Waste Commission Fund	-	3,406	-	-	1,301	-	-	27,032	-	31,739
Non-major Enterprise Funds	84,888	781	-	8,554	29,042	575	5,787	1,204	131	130,962
Internal Service Funds	265,985	-	-	11,132	178,420	172,385	2,234	70,748	-	700,904
Total	$ 2,074,715	$ 128,338	$ 133,893	$ 131,657	$ 459,327	$ 183,980	$ 50,056	$ 698,423	$ 20,859	$ 3,881,248

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

D. Interfund Transactions - Continued

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

	Rome Convention & Visitors Bureau	
	Payable From	Payable To
General Fund	$ -	$ 22
Non-major governmental funds	4,375	166
Fire Fund	-	3
Non-major enterprise funds	100	289
Internal service funds	-	690
Total	$ 4,475	$ 1,170

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

D. Interfund Transactions - Continued

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

Interfund advances consist of the following:

	Advances From:	
	Capital Fund	Total
Advances To:		
Water Fund	$ 112,638	$ 112,638
Fire Fund	790,021	790,021
Solid Waste Commission Fund	438,000	438,000
Non-major Enterprise Funds	232,550	232,550
Total	$ 1,573,209	$ 1,573,209

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 $438,000 is included as an advance from the Capital Fund to the Solid Waste Commission Fund.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

D. Interfund Transactions - Continued

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

Interfund transfers for the year ended December 31, 2009 are as follows:

	Transfers In						
	General Fund	Capital Fund	Non-major Governmental Funds	Water & Sewer System Fund	Fire Fund	Non-major Enterprise Funds	**Total**
Transfers Out:							
General Fund	$ -	$ 75,000	$ 446,400	$ -	$ 5,313,500	$ 3,299,528	$ 9,134,428
Capital Fund	-	-	-	-	-	235,000	235,000
SPLOST Fund	-	-	-	2,280,589	33,967	-	2,314,556
Non-major Governmental Funds	40,000	34,000	-	-	-	6,490	80,490
Water & Sewer System Fund	810,000	-	-	-	-	-	810,000
Fire Fund	325,000	-	-	35,592	-	-	360,592
Solid Waste Commission Fund	27,052	-	-	-	-	-	27,052
Non-major Enterprise Funds	47,000	-	-	-	-	-	47,000
Internal Service Funds	215,000	-	-	-	20,000	-	235,000
Total	$ 1,464,052	$ 109,000	$ 446,400	$ 2,316,181	$ 5,367,467	$ 3,541,018	$ 13,244,118

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt

1. Water and Sewerage System Bonds Payable

Outstanding Water and Sewerage System Bonds were issued as follows:

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

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

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.

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

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

1. Water and Sewerage System Bonds Payable - Continued

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

Bonds outstanding at December 31, 2009 are as follows:

Water and Sewer Bonds - Series 2004	$ 34,110,000
Water and Sewer Bonds - Series 2005	6,055,000
Water and Sewer Bonds - Series 2009	18,345,000
Subtotal	58,510,000
Less current maturities	-
Bonds payable, long term	$ 58,510,000

Reconciliation of Bonds Payable to Financial Statements:	
Current	
Bonds payable in less than one year	$ -
Long-term	
Bonds payable in more than one year	$ 58,510,000
Bond premium, net of amortization	1,199,529
Deferred amount on refunding, net of amortization	(545,896)
	$ 59,163,633

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

2. Golf Bonds Payable

In 2009, The City of Rome Recreation Facilities Authority issued $4,955,000 of Series 2009 Revenue Bonds to (i) refund all of the Series 1999 Revenue Bonds and pay the one percent (1%) redemption premium due in connection therewith (ii) pay the costs of issuing the Series 2009 Bonds. Refunding was undertaken to save on the debt service payments maturing through 2024. The refunding reduced the total debt service payments by $276,911 over the next 15 years and resulted in an economic gain of $241,505. The City defeased the 1999 bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2009, $4,880,000 of bonds outstanding are considered defeased. The City has pledged its full faith and credit and taxing power to service the debt.

The Series 2009 Bonds mature through 2024 with interest ranging from 3.0% to 5.0%. At December 31, 2009, $4,955,000 of these bonds were outstanding. Bonds payable reflected in the financial statements is net of $301,178 of unamortized loss on defeasance and $190,143 of unamortized bond premium.

3. Certificates of Participation (COP) Bonds Payable

In October 1998, the City issued $5,565,000 City of Rome Public Facilities, Inc. Georgia Certificates of Participation Bonds, Series 1998. These bonds were issued to acquire, construct, install and equip a facility to be used as administrative offices for the Floyd County Department of Family and Children Services, Department of Child Support Enforcement, and Department of Rehabilitation Services. These bonds mature through 2013 at a rate of 5.18%. The City entered into an operating lease agreement with the State of Georgia through the Georgia Department of Human Resources with the lease payment from the state being used to repay the bonds. At December 31, 2009, $1,985,662 of COP bonds were outstanding. These bonds are reported in the Public Facilities Fund.

4. Certificates of Participation – Georgia Municipal Association

In June 1998, the City entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of $150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the City of Rome's participation totaling $4,527,000. The lease pool agreement with the Association provides that the City owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal of $4,527,000 is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The City draws from the investment account to lease equipment from the Association. The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt – Continued

4. Certificates of Participation –Georgia Municipal Association - Continued

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay (1) a semi-annual (and beginning July 1, 2003, a monthly) floating rate of interest based on the TBMA Municipal Swap Index (plus a spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the Contract times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semi-annual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Under the Swap Agreement, the City's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the TBMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028. In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength. At December 31, 2009, the floating rate being paid by the City is 3.17% and the market value of this agreement is $616,140.

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
2010	$ -	$ -	$ 250,000	$ 165,264	$ 459,968	$ 95,312	$ -	$ 215,032	$ 709,968	$ 475,608
2011	4,465,000	2,297,805	240,000	180,775	484,966	73,234	-	215,032	5,189,966	2,766,846
2012	4,605,000	2,158,798	250,000	173,575	509,965	49,955	-	215,032	5,364,965	2,597,360
2013	4,780,000	2,014,142	250,000	166,075	530,763	24,677	-	215,032	5,560,763	2,419,926
2014	4,930,000	1,863,945	260,000	158,575	-	-	-	215,032	5,190,000	2,237,552
2015-2019	24,085,000	6,622,222	1,680,000	624,875	-	-	-	1,075,160	25,765,000	8,322,257
2020-2024	15,645,000	1,428,525	2,025,000	273,075	-	-	-	1,075,160	17,670,000	2,776,760
2025-2028	-	-	-	-	-	-	4,527,000	860,128	4,527,000	860,128
	$ 58,510,000	$ 16,385,437	$ 4,955,000	$ 1,742,214	$ 1,985,662	$ 243,178	$ 4,527,000	$ 4,085,608	$ 69,977,662	$ 22,456,437

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt - Continued

6. Notes Payable

In 1990, 1992, 1998, 1999, 2002, 2007, and 2008 the City entered into various agreements with the Georgia Environmental Facilities Authority (GEFA) and the State Revolving Loan Fund to finance the construction and improvements of various water and sewer facilities. As of December 31, 2009 the City had entered into eight (8) such loan agreements with a loan balance of $9,823,924. In 2008, Floyd County issued debt in the amount of $7,880,000 (City's portion $3,940,000) at an interest rate between 3.10% to 5.00%, in order to finance the costs of constructing the Forum parking deck. The City of Rome purchased one half of the project through an intergovernmental agreement from Floyd County and agreed to make installment payments to pay one half of the principal and interest on the debt when due. One half of the total project was capitalized on the City's books. The City has also entered into an agreement with three property owners to purchase property for $1,675,000 at an interest rate of 5%. The City will make three annual payments with a balloon note payment due August 1, 2012.

The following is a schedule of the future required principal and interest payments on the GEFA loan agreements as of December 31, 2009.

Year Issued	Interest Rate (%)	Issue Date	Maturity Date	Authorized and Issued	Retired	Outstanding	Current	Long-Term
2008	3.62	12/31/2008	1/1/2029	$ 3,331,693	$ 106,049	$ 3,225,645	$ 119,550	$ 3,106,095
2007	3.62	4/12/2007	1/1/2028	3,055,798	206,717	2,849,081	113,674	2,735,407
2002	4.36	12/2/2002	2/1/2024	577,441	118,457	458,984	23,788	435,196
2002	4.45	8/12/2002	8/1/2023	1,151,245	257,741	893,504	48,264	845,240
1999	4.10	3/22/1999	3/1/2020	1,918,282	742,992	1,175,290	94,268	1,081,022
1998	4.76	7/1/1998	5/1/2019	1,132,014	462,133	669,881	57,191	612,690
1992	4.00	3/27/1992	1/1/2014	1,004,501	737,764	266,737	80,239	186,498
1990	2.00	11/16/1990	3/1/2013	1,397,879	1,113,077	284,802	62,745	222,057
						$ 9,823,924	$ 599,719	$ 9,224,205

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt - Continued

6. Notes Payable - Continued

The following is a schedule of the future required principal and interest payments on the intergovernmental agreememnt as of December 31, 2009.

	Governmental Activities		
Year Ended December 31,	Principal	Interest	Total
2010	$ 95,000	$ 181,046	$ 276,046
2011	100,000	178,121	278,121
2012	100,000	175,121	275,121
2013	105,000	171,784	276,784
2014	110,000	167,196	277,196
2015-2019	632,500	755,764	1,388,264
2020-2024	787,500	596,927	1,384,427
2025-2029	1,005,000	381,730	1,386,730
2030-2033	1,005,000	103,625	1,108,625
Total	3,940,000	$ 2,711,314	$ 6,651,314
Less current maturities	95,000		
Long-term	$ 3,845,000		

The following is a schedule of the future required principal and interest payments on the notes payable as of December 31, 2009.

	Governmental Activities			Business-type Activities		
Year Ended December 31,	Principal	Interest	Total	Principal	Interest	Total
2010	$ 439,829	$ 77,091	$ 516,920	$ 599,719	$ 367,464	$ 967,183
2011	146,820	70,100	216,920	622,402	344,782	967,184
2012	1,255,181	62,759	1,317,940	645,947	321,236	967,183
2013	-	-	-	606,464	296,989	903,453
2014	-	-	-	553,611	273,696	827,307
2015-2019	-	-	-	2,977,822	1,023,173	4,000,995
2020-2024	-	-	-	2,303,884	489,362	2,793,246
2025-2029	-	-	-	1,514,075	105,062	1,619,137
Total	1,841,830	$ 209,950	$ 2,051,780	9,823,924	$ 3,221,764	$ 13,045,688
Less current maturities	439,829			599,719		
Long-term	$ 1,402,001			$ 9,224,205		

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

7. Capital Leases

The City leases certain equipment. Interest on these leases is paid monthly and principal is paid annually. The City has entered into several lease agreements with BB&T, which is the auxiliary financing party through GMA. These bear interest rates ranging from 2.96% to 3.99%. Interest is paid semiannually and principal is paid annually. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The balances of all leases at December 31, 2009 are $27,107 and $415,177 for governmental and business type activities, respectively.

Total assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
Asset		
Machinery and equipment	$ 333,930	$ 942,335
Vehicles	929,309	2,758,852
Less accumulated depreciation	(812,514)	(2,217,948)
Total	$ 450,725	$ 1,483,239

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, 2009.

Year ending December 31,	Governmental Activities	Business-Type Activities	Total
2010	$ 27,974	$ 202,482	$ 230,456
2011	-	120,833	120,833
2012	-	120,833	120,833
Total minimum lease payments	27,974	444,148	472,122
Less amounts representing interest	867	28,971	29,838
Present value of minimum lease payments	$ 27,107	$ 415,177	$ 442,284

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

7. Capital Leases - Continued

Component Unit - Rome Board of Education

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

The following is a schedule, by year, of future minimum lease payments with the present value of the minimum lease payments as of June 30, 2009.

Year ending June 30,	Principal	Interest	Total
2010	$ 242,183	$ 25,842	$ 268,025
2011	255,656	12,370	268,026
2012	88,342	1,001	89,343
Total lease payments	$ 586,181	$ 39,213	$ 625,394

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

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, 2009. The General Fund has typically been used to liquidate the liability for compensated absences, notes payable and other long-term liabilities in the governmental activities.

	Balance 12/31/2008	Additions	Deletions	Balance 12/31/2009	Due within one year	Due in more than one year
Governmental Activities:						
Certificates of Participation	$ 4,527,000	$ -	$ -	$ 4,527,000	$ -	$ 4,527,000
Capital Lease Obligations	92,331	-	65,224	27,107	27,107	-
Notes Payable	1,675,000	300,000	133,170	1,841,830	439,829	1,402,001
Net OPEB Obligation	1,316,636	1,316,636	735,135	1,898,137	-	1,898,137
Other long-term liabilities	3,248,128	691,872	3,940,000	-	-	-
Intergovernmental Agreements	-	3,940,000	-	3,940,000	95,000	3,845,000
Compensated Absences	776,144	788,170	784,206	780,108	585,081	195,027
Total Governmental Activities	$ 11,635,239	$ 7,036,678	$ 5,657,735	$ 13,014,182	$ 1,147,017	$ 11,867,165
Business-Type Activities:						
Revenue Bonds	$ 69,235,000	$ 25,600,000	$ 29,384,338	$ 65,450,662	$ 709,968	$ 64,740,694
Unamortized deferred loss	(244,887)	(735,803)	133,617	(847,073)	-	(847,073)
Unamortized bond premium	1,291,199	190,143	(91,671)	1,389,671	-	1,389,671
Unamortized bond discount	(40,752)	-	40,752	-	-	-
Notes Payable	10,392,563	-	(568,639)	9,823,924	599,719	9,224,205
Capital Lease Obligations	694,796	-	(279,619)	415,177	187,241	227,936
Landfill Closure / Postclosure	8,105,500	247,973	-	8,353,473	211,457	8,142,016
Compensated Absences	1,352,117	1,299,767	1,400,066	1,251,818	938,863	312,955
Total Business-Type Activities	$ 90,785,536	$ 26,602,080	$ 30,018,844	$ 85,837,652	$ 2,647,248	$ 83,190,404

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt – Continued

9. Changes in Long – Term Debt – Continued

Component Unit	Balance 12/31/2008	Additions	Deletions	Balance 12/31/2009	Due within one year	Due in more than one year
Greater Rome Convention & Visitors Bureau						
Compensated Absences	$ 25,244	$ 13,295	$ 19,079	$ 19,460	$ 14,708	$ 4,752
Total Greater Rome Convention and Visitors Bureau	$ 25,244	$ 13,295	$ 19,079	$ 19,460	$ 14,708	$ 4,752

Component Unit Rome Board of Education	Balance 6/30/2008	Additions	Deletions	Balance 6/30/2009	Due within one year	Due within one year
Capital leases payable	$ 815,602	$ -	$ 229,421	$ 586,181	$ 242,183	$ 343,998
Compensated Absences	114,330	-	114,330	-	-	-
Construction Bonds	2,000,000	-	-	2,000,000	-	2,000,000
Total Rome Board of Education	$ 2,929,932	$ -	$ 343,751	$ 2,586,181	$ 242,183	$ 2,343,998

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 October 1, 2009, the date of the most recent actuarial valuation, the plan membership included the following categories of participants.

Retirees and beneficiaries receiving benefits	271
Terminated vested participants not yet receiving benefits	93
Active participants	560
Total membership	924

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

b) Funding Policy

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

c) Annual Pension Cost

The City's annual pension cost and net pension asset for 2009 were computed as follows:

Annual required contribution	$ 2,546,483
Interest on net pension asset	(274,391)
Adjustment to annual required contribution	287,260
Annual pension cost	2,559,352
Contributions made	2,644,117
Increase in net pension asset	84,765
Net pension asset beginning of year	$ 3,429,889
Net pension asset end of year	$ 3,514,654

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

c) Annual Pension Cost Trend - Continued

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

Year Ended December 31,	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2007	$ 2,314,904	100%	$ 2,327,793	99%	$ 3,424,543
2008	2,613,319	101%	2,626,168	100%	3,429,889
2009	2,546,483	104%	2,559,352	103%	3,514,654

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

d) Schedule Schedule of Funding Progress

As of the most recent valuation date, October 1, 2009, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded/ (Surplus) AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2009	$ 44,938,084	$ 58,557,392	$ 13,619,308	76.74%	$ 22,669,898	60.08%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of the plan net assets in increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of October 1, 2009.

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, 2009 totaled $449,457.

3. Component Unit - Rome Board of Education

Teachers Retirement System of Georgia (TRS)

a) Plan Description

The TRS is a cost-sharing multiple-employer defined benefit plan created in 1943 by an act of the Georgia General Assembly to provide retirement benefits for qualifying employees in educational service.

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

A Board of Trustees comprised of active and retired members and ex-officio State employees is ultimately responsible for the administration of TRS. The Teachers Retirement System of Georgia issues a separate stand alone financial audit report and a copy can be obtained from the Teachers Retirement System of Georgia, Two Northside 75, Suite 100, Atlanta, GA 30318.

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

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

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

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education – Continued

Teachers Retirement System of Georgia (TRS) – Continued

b) **Funding Policy**

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

Fiscal Year	Percentage Contributed	Required Contribution
2009	100%	$ 2,919,819
2008	100%	$ 2,726,225
2007	100%	$ 2,545,905

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education - Continued

Public School Employees Retirement System of Georgia (PSERS)

a) Plan Description

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

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

Covered employees are required by state statute to contribute four dollars per month for the nine month school year. Unlike TRS, the School District makes no contribution to PSERS. Total contributions from employees of the School District were $3,508, $3,236, and $2,984 for the fiscal years ended December 31, 2009, 2008, and 2007, respectively.

The State of Georgia is required by statute to make an annual contribution to PSERS based upon an actuarial calculation. The state's contribution for School District employees was $17,032 $3,266, and $3,068 for the fiscal years ended December 31, 2009, 2008, and 2007, respectively.

Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions are refunded with interest. There were 100, 98, and 92 employees (members) covered under PSERS for the fiscal years ended December 31, 2009, 2008, and 2007, respectively.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

G. Post-Retirement Health Care and Life Insurance Benefits

In accordance with GASB 45 requirements, the City of Rome is required to attribute the cost of postretirement benefits to the time during which the employee is working for the employer. GASB 45 requires allocation of the costs of a postretirement benefit plan onto the years of active employment; it does not require the funding of such benefits. GASB 45 requirements have been implemented by the City of Rome for the year ended December 31, 2009. The City has elected not to establish a separate trust fund to account for other post-employment benefits, and has not funded the plan as of December 31, 2009.

The Rome City Commission has contracted with the Standard Insurance Company to administer post retirement life insurance benefits to all employees who retire under early or normal retirement provisions. The City's obligation to provide these benefits was created under a City ordinance. At age 65, life insurance coverage is reduced to 65% of the amount previously allowed under the plan and at age 70, the coverage is reduced to 50% of the amount previously allowed under the plan.

The City of Rome currently contracts with Blue Cross Blue Shield to administer the post retirement health care benefits. The City's obligation to provide these benefits was created under a City ordinance. Upon termination of employment, eligible employees are entitled to continue coverage, at their own cost, under the City's medical self-insurance plan (Note H.1). After 15 years of service, the City pays 10% of the retiree's share of charges from the City's medical self-insurance fund and life insurance carriers. The City's portion is increased 1% for each year of service to a maximum of 30%. Currently, 62 retirees are enrolled in post-retirement health care benefits. These post-retirement benefits are funded on a pay-as-you-go-basis. In 2009, the net cost of premiums for providing post-retirement benefits for retirees was approximately $105,000.

Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Health Care Plan as of September 1, 2008.

Active members	543
Retired members	198
Total	741

Contributions

The City contributed $735,135 to the OPEB Health Care Plan in fiscal year 2009. The annual required contribution amount is determined using actuarial methods and assumptions approved by the Commission. The Commission established and may amend the funding policy for the OPEB Health Care Plan.

Annual Required Contribution	1,316,636
Annual OPEB Cost	1,316,636
Actual Contributions made	735,135
Increase in net OPEB obligation	581,501
Net OPEB Liability, December 31, 2008	1,316,636
Net OPEB Liability, December 31, 2009	1,898,137

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

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

OPEB Health Care Plan

As of the most recent valuation date, September 1, 2008, the funded status of the OPEB Health Care Plan was as follows:

Actuarial Value of Asset	-
Actuarial Accrued Liability (AAL)	12,010,276
Unfunded Actuarial Accrued Liability (UAAL)	12,010,276
Funded Ratio	0.00%
Covered Payroll	20,830,401
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	57.66%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at September 1, 2008. The assumptions used in the September 1, 2008 actuarial valuation is as follows:

Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value of Assets
Assumed Rate of Return on Investments	4.00%
Medical Cost Trend Rate	9.00%
Ultimate Medical Cost Trend Rate	5.00%
Year of Ultimate Trend Rate	2017
Amortization Method	Level dollar, closed
Remaining Amortization Period	25 years
Payroll Inflation Rate	3.00%

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

H. Risk Management

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

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

1. Health Insurance Fund

The Health Insurance Fund was established to provide resources for and payment of employee medical claims. The Fund covers all of the City's employees and employees of the Greater Rome Visitors and Convention Bureau component unit. The City pays approximately 85% of the employee's premiums and approximately 75% of dependent medical premiums. The City's portion of the medical premiums 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, 2009 total $5,544,211. After the City's paid claims reach 110% of the annual projected claims, a private insurance carrier will pay the next $1,000,000 of claims. If the private insurance were to be exhausted, the City would be liable for any additional claims filed during the year. In addition to the annual limit, claims for any one claim which exceed $150,000 in the annual claims year will be covered by the private insurance carrier. The City has entered into a contract with a third party to administer the program.

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

	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	End of Fiscal-Year Liability
2008	$ 350,000	$ 4,542,064	$ (4,542,064)	$ 350,000
2009	350,000	5,442,908	(4,842,908)	950,000

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

H. Risk Management - Continued

2. Workers' Compensation Self-Insurance Fund

The Workers' Compensation Fund was established to provide resources for payment of workers' compensation claims to the City and Greater Rome Convention & Visitors Bureau component unit employees. Individual departments and component units were charged for workers' compensation based upon previous insurance carriers' cost charges. Charges to other funds and component units are treated as operating revenues in the self-insurance fund. As of January 1, 2002, the City became fully insured through participation in the GMA Workers Compensation risk pool. This pool operates as a common risk management and insurance program for member local governments. As part of this risks pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claims or loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds. The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. Therefore, the City is not liable for workers' compensation claims occurring subsequent to January 1, 2002. However, the City continues to be responsible for outstanding claims filed prior to January 1, 2002. There is a stop-loss limit of $250,000 per claim covered through a private insurance carrier. Also, during 2009, the City recorded a reimbursement of $193,405 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, 2009. This liability is based upon historical experience and other factors. Changes in the balances of claims liabilities were as follows:

	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	End of Fiscal-Year Liability
2008	290,000	481,743	(581,743)	190,000
2009	190,000	526,216	(546,216)	170,000

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

I. Contingent Liabilities

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

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

J. Landfill Closure and Postclosure Care Cost

The City has closed and placed a final cover on its Walker Mountain Phase I - III landfill site and is currently operating Phases IV, V , VI and VII sites and C&D construction and demolition Phase I site. State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at these sites for 30 years after closure. Although these postclosure care costs will be paid only after the date that the landfill stops accepting waste, the City has reported these postclosure care costs as an operating expense in the current and prior years based on landfill capacity used as of each balance sheet date. The $2,462,565 ($112,515 current) reported as postclosure care liability at December 31, 2009, represents the cumulative amount reported to date based on the use of 100% of the capacity of Phase I - VI of the landfill and 12% of the capacity of Phase VII. The $1,184,947 ($44,144 current) reported as postclosure care liability at December 31, 2009 represents the cumulative amount reported to date based on the use of 96% of the capacity of Phase I of C&D. In addition, $3,336,008 has been accrued at December 31, 2009 for closure costs for Phases IV, V, VI, and VII and the C&D sites based on the landfill capacity used as of the balance sheet date. The estimated remaining life of the Walker Mountain landfill is 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 $1,369,953 ($54,798 current) has been recognized in the Solid Waste Commission Fund as of December 31, 2009. 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, 2009 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.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

K. Joint Venture

Under Georgia law, the City in conjunction with other cities and counties in the Northwest Georgia area, is a member of the North West Georgia Regional Commission (NWGRC). Membership in a NWGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the NWGRC. Membership in the NWGRC includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a NWGRC. During fiscal year 2009, the City paid dues in the amount of $36,041 to the NWGRC. The financial burdens of the City related to the NWGRC are limited to the amount of the City's annual dues. Separate financial statements may be obtained from the Northwest Georgia Regional Commission, PO Box 1798, Rome, Georgia 30162.

L. Hotel/Motel Tax

The City of Rome levies a 6% lodging tax. In 1995, the City of Rome and Floyd County imposed a 1% tax for the purpose of promoting tourism, conventions and trade shows. A summary of transactions for the fiscal year ended December 31, 2009 is as follows:

	5% Levy	1% Levy
Balance as of December 31, 2008	$ 37,118	$ 26,120
2009 Tax Revenues	473,271	94,651
2009 Interest Revenue	147	30
2009 Expenditures		
Greater Rome Convention & Visitors Bureau	420,700	24,957
City of Rome	40,000	600
Floyd County	-	70,989
Balance as of December 31, 2009	$ 49,836	$ 24,255

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 $96,546 made during 2009 were 102.0% of total 2009 1% tax collections and expenditures of $460,700 were 97.3% of 2009 5% tax collections.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

M. Related Organizations

The Rome City Commission is responsible for appointing all board members of the 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 $3,000,000 and $5,000,000 of Tax Anticipation Notes in April and May of 2009, respectively. These notes matured and were paid in full on November 30, 2009 and December 31, 2009, respectively. Interest expense of $102,275 was paid on the borrowings.

Fiscal Year Beginning Balance	Additions	Deletions	Ending Fiscal Year Balance
-	$8,000,000	$8,000,000	-

O. Agency Agreement

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

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

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

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

P. Construction Commitments

The City of Rome has several active construction projects as of December 31, 2009. These projects are associated with water and sewer improvements, community development construction, a new Eco River Education facility and restoration to the City Hall. They are all financed with SPLOST proceeds and grants.

Project	Current Year	Remaining
BioSolids Disposal	$ 2,133,439	$ 382,143
Wastewater Treatment Plant Improvements-Construction	80,000	-
Pennington Place	496,309	66,694
Levee Gate Construction	164,025	874,775
Eco Center	614,495	159,650
City Hall Restoration	105,000	30,250

Q. Subsequent Events

In May 2010, Zartic Industries announced the closing of its Rome processing plant. Zartic is the second principal water customer and number one sewer customer of the City.

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, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Ad valorem taxes:				
Real and personal property:				
Current year	$ 6,670,000	$ 6,540,000	$ 6,255,255	$ (284,745)
Prior years	650,000	500,000	514,868	14,868
Public utilities	240,000	220,000	227,521	7,521
Motor vehicles	680,000	625,000	570,329	(54,671)
Mobile homes	2,000	2,000	1,546	(454)
Timber tax	1,500	4,200	2,094	(2,106)
Total ad valorem taxes	8,243,500	7,891,200	7,571,613	(319,587)
Other taxes:				
Intangible tax	300,000	220,000	212,502	(7,498)
Insurance premium tax	2,030,000	2,030,000	1,939,400	(90,600)
Franchise tax	3,324,500	3,334,500	3,192,117	(142,383)
Local option sales tax	6,900,000	6,275,000	6,127,541	(147,459)
Real estate transfer tax	40,000	25,000	20,293	(4,707)
Tax on liquor and wine	815,000	815,000	800,666	(14,334)
Mixed drink tax	75,000	75,000	60,449	(14,551)
Total other taxes	13,484,500	12,774,500	12,352,968	(421,532)
Licenses, permits and fees:				
Business licenses	1,647,000	1,612,000	1,623,574	11,574
Permits and fees	92,000	75,000	51,567	(23,433)
Total licenses, permits and fees	1,739,000	1,687,000	1,675,141	(11,859)
Intergovernmental:				
Highway maintenance	120,000	120,000	127,735	7,735
Traffic signals	30,000	66,000	67,103	1,103
County environmental information	51,000	51,000	83,556	32,556
Entitlement reimbursement	3,000	23,000	25,426	2,426
Housing authority	30,000	42,000	42,082	82
Total intergovernmental	234,000	302,000	345,902	43,902

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Fines and forfeitures:				
Police court fines and fees	$ 1,704,000	$ 1,734,000	$ 1,542,858	$ (191,142)
Total fines and forfeitures	1,704,000	1,734,000	1,542,858	(191,142)
Other revenues:				
Interest and costs	175,000	175,000	242,213	67,213
Cemetery revenue	200,000	185,000	168,867	(16,133)
Rent	23,000	23,000	35,591	12,591
Interest on investments	150,000	50,000	15,243	(34,757)
Miscellaneous revenue	25,000	25,000	27,159	2,159
Total other revenues	573,000	458,000	489,073	31,073
TOTAL REVENUES	25,978,000	24,846,700	23,977,555	(869,145)

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CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES:				
GENERAL GOVERNMENT				
City Commission:				
Personal services	$ 146,690	$ 141,690	$ 138,856	$ 2,834
Supplies	8,050	7,050	9,763	(2,713)
Other services and charges	44,170	31,470	30,032	1,438
Total City Commission	198,910	180,210	178,651	1,559
Municipal Court:				
Personal services	45,310	46,450	46,448	2
Supplies	50	50	-	50
Other services and charges	50,570	45,000	44,493	507
Total Municipal Court	95,930	91,500	90,941	559
Manager's Office:				
Personal services	283,360	273,360	271,766	1,594
Supplies	9,420	8,870	8,063	807
Other services and charges	8,930	6,000	5,406	594
Total Manager's Office	301,710	288,230	285,235	2,995
Clerk's Office:				
Personal services	328,200	324,000	323,695	305
Supplies	14,230	13,000	12,995	5
Other services and charges	14,580	11,300	11,191	109
Total Clerk's Office	357,010	348,300	347,881	419
Finance:				
Personal services	467,590	447,590	446,195	1,395
Supplies	14,390	11,000	10,819	181
Other services and charges	12,050	8,680	7,808	872
Total Finance	494,030	467,270	464,822	2,448

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Human Resources:				
Personal services	$ 273,650	$ 264,000	$ 263,086	$ 914
Supplies	16,250	14,700	14,700	-
Other services and charges	33,850	18,000	17,056	944
Total Human Resources	323,750	296,700	294,842	1,858
Purchasing:				
Personal services	256,520	254,520	252,887	1,633
Supplies	5,170	3,320	2,713	607
Other services and charges	7,770	3,300	2,964	336
Total Purchasing	269,460	261,140	258,564	2,576
Information Technology:				
Personal services	220,980	207,480	205,779	1,701
Supplies	35,990	33,000	31,239	1,761
Other services and charges	9,300	4,000	3,795	205
Total Information Technology	266,270	244,480	240,813	3,667
Business Systems Analyst:				
Personal services	80,480	81,000	80,637	363
Supplies	138,620	128,000	126,363	1,637
Other services and charges	2,650	2,650	2,908	(258)
Total Assistant City Manager	221,750	211,650	209,908	1,742
Assistant City Manager:				
Personal services	134,260	133,500	133,267	233
Supplies	2,600	2,100	1,967	133
Other services and charges	12,150	12,000	11,983	17
Total Assistant City Manager	149,010	147,600	147,217	383
General Administration:				
Personal services	41,440	41,440	40,561	879
Supplies	27,900	26,000	25,667	333
Other services and charges	990,620	894,000	893,412	588
Total General Administration	1,059,960	961,440	959,640	1,800

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Total General Government:				
Personal services	$ 2,278,480	$ 2,215,030	$ 2,203,177	$ 11,853
Supplies	272,670	247,090	244,289	2,801
Other services and charges	1,186,640	1,036,400	1,031,048	5,352
TOTAL GENERAL GOVERNMENT	3,737,790	3,498,520	3,478,514	20,006
PUBLIC SAFETY				
Police:				
Personal services	6,715,980	6,585,000	6,583,097	1,903
Supplies	576,900	467,000	465,413	1,587
Other services and charges	223,500	268,000	266,959	1,041
Payments for jail services	-	-	-	-
Total Police	7,516,380	7,320,000	7,315,469	4,531
Police Training Center:				
Supplies	41,150	29,000	28,031	969
Other services and charges	72,600	53,000	52,913	87
Total Police Training Center	113,750	82,000	80,944	1,056
Total Public Safety:				
Personal services	6,715,980	6,585,000	6,583,097	1,903
Supplies	618,050	496,000	493,444	2,556
Other services and charges	296,100	321,000	319,872	1,128
TOTAL PUBLIC SAFETY	7,630,130	7,402,000	7,396,413	5,587
PUBLIC WORKS				
Public Works Office:				
Personal services	353,650	328,000	327,933	67
Supplies	25,850	16,350	15,990	360
Other services and charges	15,630	14,000	13,789	211
Total Public Works Office	395,130	358,350	357,712	638

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Engineering:				
Personal services	$ 502,080	$ 478,000	$ 477,391	$ 609
Supplies	25,300	14,500	14,041	459
Other services and charges	8,570	11,600	11,565	35
Total Engineering	535,950	504,100	502,997	1,103
Streets and Drainage:				
Personal services	1,755,760	1,582,000	1,581,093	907
Supplies	334,650	235,000	234,011	989
Other services and charges	67,600	130,000	129,273	727
Total Streets and Drainage	2,158,010	1,947,000	1,944,377	2,623
Clean It or Lien It Demolition:				
Supplies	25,000	24,500	24,033	467
Other services and charges	20,000	14,500	14,244	256
Total Clean It or Lien It Demolition	45,000	39,000	38,277	723
Electrical/Traffic Control:				
Personal services	752,700	740,000	738,701	1,299
Supplies	120,420	90,000	90,109	(109)
Other services and charges	48,680	56,500	56,319	181
Total Electrical/Traffic Control	921,800	886,500	885,129	1,371
Street Lighting:				
Supplies	4,000	4,000	3,877	123
Other services and charges	737,000	762,000	761,480	520
Total Street Lighting	741,000	766,000	765,357	643
Buildings and Grounds:				
Supplies	3,800	3,300	3,245	55
Other services and charges	1,400	2,000	1,975	25
Total Buildings and Grounds	5,200	5,300	5,220	80

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Cemetery:				
Personal services	$ 316,690	$ 319,500	$ 319,228	$ 272
Supplies	33,710	21,500	21,114	386
Other services and charges	19,700	18,000	17,794	206
Payments for inmate charges	40,000	40,000	40,000	-
Total Cemetery	410,100	399,000	398,136	864
Garage:				
Personal services	631,800	585,000	584,447	553
Supplies	87,720	64,000	63,371	629
Other services and charges	40,240	41,500	41,012	488
Total Garage	759,760	690,500	688,830	1,670
Total Public Works:				
Personal services	4,312,680	4,032,500	4,028,793	3,707
Supplies	660,450	473,150	469,791	3,359
Other services and charges	958,820	1,050,100	1,047,451	2,649
Payments	40,000	40,000	40,000	-
TOTAL PUBLIC WORKS	5,971,950	5,595,750	5,586,035	9,715
PUBLIC FACILITIES				
City Auditorium:				
Personal services	171,060	160,000	159,598	402
Supplies	53,750	51,500	51,122	378
Other services and charges	86,550	82,500	82,499	1
Total City Auditorium	311,360	294,000	293,219	781
Civic Center:				
Supplies	10,800	9,500	9,278	222
Other services and charges	17,270	16,000	15,889	111
Total Civic Center	28,070	25,500	25,167	333

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Other Facilities:				
Supplies	$ 22,400	$ 28,850	$ 28,396	$ 454
Other services and charges	36,650	45,300	45,395	(95)
Total Other Facilities	59,050	74,150	73,791	359
Total Public Facilities:				
Personal services	171,060	160,000	159,598	402
Supplies	86,950	89,850	88,796	1,054
Other services and charges	140,470	143,800	143,783	17
TOTAL PUBLIC FACILITIES	398,480	393,650	392,177	1,473
PUBLIC SERVICES				
Community Services:				
Other services and charges	190,480	174,400	173,111	1,289
Total Community Development	190,480	174,400	173,111	1,289
Environmental Information:				
Personal Services	142,060	138,560	138,129	431
Supplies	9,600	8,000	7,125	875
Other services and charges	13,690	10,300	10,027	273
Total Environmental Information	165,350	156,860	155,281	1,579
Public Information Coordinator:				
Personal services	53,280	24,500	24,421	79
Supplies	2,320	170	163	7
Other services and charges	3,450	350	347	3
Total Public Information Coordinator	59,050	25,020	24,931	89
Community Events:				
Supplies	4,000	9,200	9,106	94
Other services and charges	8,700	6,400	6,230	170
Total Community Events	12,700	15,600	15,336	264

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Roman Holiday Boat:				
Supplies	$ 5,200	$ 1,800	$ 1,751	$ 49
Other services and charges	15,800	15,500	15,165	335
Total Roman Holiday Boat	21,000	17,300	16,916	384
Trolley:				
Personal services	4,520	4,200	4,163	37
Supplies	3,050	500	499	1
Other services and charges	500	500	399	101
Total Trolley	8,070	5,200	5,061	139
Total Public Services:				
Personal services	199,860	167,260	166,713	547
Supplies	24,170	19,670	18,644	1,026
Other services and charges	232,620	207,450	205,279	2,171
TOTAL PUBLIC SERVICES	456,650	394,380	390,636	3,744
TOTAL EXPENDITURES	18,195,000	17,284,300	17,243,775	40,525
OTHER FINANCING SOURCES AND USES:				
TRANSFERS IN:				
Water and Sewer Fund	800,000	810,000	810,000	-
Transit Fund	47,000	47,000	47,000	-
Fire Fund	325,000	325,000	325,000	-
Red Light Enforcement Fund	75,000	-	-	-
Solid Waste Commission Fund	40,000	40,000	27,052	(12,948)
Health Insurance Fund	165,000	165,000	165,000	-
Tourism Fund	26,500	26,500	-	(26,500)
Workers Compensation Fund	50,000	50,000	50,000	-
Hotel/Motel Tax Fund	60,000	30,000	40,000	10,000
TOTAL TRANSFERS IN	1,588,500	1,493,500	1,464,052	(29,448)

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
TRANSFERS OUT:				
Planning Commission Fund	$ 177,500	$ 148,500	$ 148,500	$ -
Capital Fund	200,000	75,000	75,000	-
Transit Fund	675,000	595,000	594,166	834
Community Development Fund	130,000	105,000	105,000	-
Fire Fund	5,500,000	5,313,500	5,313,500	-
South Rome Redevelopment Agency	69,000	68,000	68,000	-
Golf Fund	400,000	691,000	690,362	638
Solid Waste Management Fund	2,130,000	1,991,000	1,991,000	-
Building Inspection Fund	30,000	24,000	24,000	-
Downtown Development Fund	145,000	124,900	124,900	-
TOTAL TRANSFERS OUT	9,456,500	9,135,900	9,134,428	1,472
TOTAL OTHER FINANCING SOURCES (USES)	(7,868,000)	(7,642,400)	(7,670,376)	(27,976)
Net change in fund balance	(85,000)	(80,000)	(936,596)	
FUND BALANCE, BEGINNING OF YEAR	11,444,315	11,444,315	11,444,315	
FUND BALANCE, END OF YEAR	$ 11,359,315	$ 11,364,315	$ 10,507,719	

City of Rome, Georgia

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

December 31, 2009

NOTE I – BUDGETARY INFORMATION AND RECONCILIATION

A. Budgetary Information

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

In August of each year, all departments of the City submit a budgetary request to the City Manager. In November, the City Manager presents the proposed budgets to the Finance Committee of the City Commission. The City Commission adopts the final budgets in December of each year. During the year, the City made budgetary amendments totaling $1,793,290, (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.

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

B. Budget/GAAP Reconciliation

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

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

CITY OF ROME, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2009

SCHEDULES OF FUNDING PROGRESS

GMEBS Plan

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Over (Under) Funded (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
9/1/2004	$ 37,261,618	$ 39,080,729	95.35%	$ 1,819,111	$ 19,901,418	9.14%
9/1/2005	39,475,090	43,426,011	90.90%	3,950,921	19,900,848	19.85%
9/1/2006	42,081,949	47,593,869	88.42%	5,511,920	21,068,259	26.16%
9/1/2007	45,360,675	53,163,980	85.32%	7,803,305	22,227,916	35.11%
9/1/2008	48,388,418	55,006,811	87.97%	6,618,393	22,775,449	29.06%
10/1/2009	44,938,084	58,557,392	76.74%	13,619,308	22,669,898	60.08%

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

OPEB Health Care Plan

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Over (Under) Funded (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
9/1/2008 *	$ -	$ 12,010,276	0.00%	$ 12,010,276	20,830,401	57.66%

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

*Most recent actuarial date

NONMAJOR GOVERNMENTAL FUNDS
COMBINED STATEMENTS

CITY OF ROME, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009

	Nonmajor Governmental Funds		
	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds (Entitlement Fund)	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 342,173	$ 49,272	$ 391,445
Restricted cash	11,845	-	11,845
Taxes receivable, net of allowance for uncollectibles	3,348	-	3,348
Accounts receivable, net of allowance for uncollectibles	54,419	-	54,419
Accounts receivable loans	596,638	-	596,638
Prepaid items	13,584	-	13,584
Due from other funds	77,355	-	77,355
Due from other governments	31,373	18,064	49,437
Due from component units	166	-	166
Total assets	$ 1,130,901	$ 67,336	$ 1,198,237
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 11,933	$ 13,301	$ 25,234
Accrued liabilities	854	-	854
Deferred Revenue	-	49,270	49,270
Due to component unit	4,375	-	4,375
Due to other governments	10,989	-	10,989
Due to other funds	126,894	4,763	131,657
Total liabilities	155,045	67,334	222,379
FUND BALANCES			
Reserved for:			
Prepaid items	13,584	-	13,584
Revolving loans	596,638	-	596,638
Tourism & forum promotion	126,564	-	126,564
Capital improvements	86,828	-	86,828
Designated for grant programs and capital projects	7,352	2	7,354
Undesignated	144,890	-	144,890
Total fund balances	975,856	2	975,858
TOTAL LIABILITIES AND FUND BALANCES	$ 1,130,901	$ 67,336	$ 1,198,237

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2009

	Nonmajor Governmental Funds		
	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds (Entitlement Fund)	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	$ 776,863	$ 408,319	$ 1,185,182
Charges for services	381,853	-	381,853
Taxes	633,189	-	633,189
Interest earned	17,563	-	17,563
Miscellaneous	46,319	-	46,319
TOTAL REVENUES	1,855,787	408,319	2,264,106
EXPENDITURES			
Public safety	126,465	-	126,465
Community development	1,072,456	-	1,072,456
Public facilities	566,935	-	566,935
Capital outlay	757,470	408,319	1,165,789
TOTAL EXPENDITURES	2,523,326	408,319	2,931,645
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(667,539)	-	(667,539)
OTHER FINANCING SOURCES AND USES			
Proceeds from notes payable	300,000	-	300,000
Transfers in	446,400	-	446,400
Transfers out	(80,490)	-	(80,490)
	665,910	-	665,910
NET CHANGE IN FUND BALANCES	(1,629)	-	(1,629)
FUND BALANCES - BEGINNING OF YEAR	977,485	2	977,487
FUND BALANCES - END OF YEAR	$ 975,856	$ 2	$ 975,858

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.
Forum Parking Deck Fund -	to account for the activities related to a parking deck jointly owned with Floyd County.
South Rome Redevelopment Agency Fund -	to account for the activities related to development projects in the South Rome area.

NONMAJOR GOVERNMENTAL FUNDS – Continued

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

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

CITY OF ROME, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
December 31, 2009

	Special Revenue Funds									Total
	Redlight Enforcement Fund	Downtown Development Fund	Community Development Fund	Planning Commission Fund	Hotel/Motel Tax Fund	Business Improvement District Fund	Tax Allocation District Fund	Forum Parking Deck Fund	South Rome Redevelopment Agency Fund	Nonmajor Special Revenue Funds
ASSETS										
Cash	$ 3,704	$ 81,109	$ 16,226	$ 5,637	$ 90,168	$ 53,478	$ 49,724	$ 41,943	$ 184	$ 342,173
Restricted cash	-	11,845	-	-	-	-	-	-	-	11,845
Taxes receivable	-	-	-	-	-	2,852	496	-	-	3,348
Accounts receivable, net of allowance for uncollectibles	-	-	13,769	-	39,212	-	-	-	1,438	54,419
Accounts receivable-loans	-	531,171	65,467	-	-	-	-	-	-	596,638
Prepaid items	126	595	354	1,014	-	-	-	-	11,495	13,584
Due from other funds	125	23,701	4,863	11,403	-	-	36,608	655	-	77,355
Due from other governments	-	-	-	30,598	-	775	-	-	-	31,373
Due from component units	-	116	-	50	-	-	-	-	-	166
Total assets	$ 3,955	$ 648,537	$ 100,679	$ 48,702	$ 129,380	$ 57,105	$ 86,828	$ 42,598	$ 13,117	$ 1,130,901
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	$ 2,770	$ 739	$ 1,280	$ 248	$ -	$ 4,632	$ -	$ 2,173	$ 91	$ 11,933
Accrued liabilities	109	177	139	306	-	-	-	-	123	854
Due to component unit	-	-	-	75	4,300	-	-	-	-	4,375
Due to other governments	-	-	-	-	10,989	-	-	-	-	10,989
Due to other funds	2,922	12,141	26,087	7,450	40,000	-	-	21,000	17,294	126,894
Total liabilities	5,801	13,057	27,506	8,079	55,289	4,632	-	23,173	17,508	155,045
FUND BALANCES (DEFICIT)										
Reserved for:										
Prepaid items	126	595	354	1,014	-	-	-	-	11,495	13,584
Revolving loans	-	531,171	65,467	-	-	-	-	-	-	596,638
Tourism & forum promotion	-	-	-	-	74,091	52,473	-	-	-	126,564
Capital improvements	-	-	-	-	-	-	86,828	-	-	86,828
Unreserved, designated for grant programs and capital projects	-	-	7,352	-	-	-	-	-	-	7,352
Unreserved, undesignated	(1,972)	103,714	-	39,609	-	-	-	19,425	(15,886)	144,890
Total fund balances (deficit)	(1,846)	635,480	73,173	40,623	74,091	52,473	86,828	19,425	(4,391)	975,856
TOTAL LIABILITIES AND FUND BALANCES	$ 3,955	$ 648,537	$ 100,679	$ 48,702	$ 129,380	$ 57,105	$ 86,828	$ 42,598	$ 13,117	$ 1,130,901

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, 2009

	Special Revenue Funds									Total
	Redlight Enforcement Fund	Downtown Development Fund	Community Development Fund	Planning Commission Fund	Hotel/Motel Tax Fund	Business Improvement District Fund	Tax Allocation District Fund	Forum Parking Deck Fund	South Rome Redevelopment Agency Fund	Nonmajor Special Revenue Funds
REVENUES										
Intergovernmental	$ -	$ 2,276	$ 513,230	$ 261,357	$ -	$ -	$ -	$ -	$ -	$ 776,863
Charges for services	123,931	140,369	147	23,628	-	24,707	-	69,071	-	381,853
Taxes	-	-	-	-	567,922	27,596	37,671	-	-	633,189
Interest earned	237	14,613	1,880	139	177	177	194	43	103	17,563
Miscellaneous	-	-	31,408	-	-	-	-	-	14,911	46,319
TOTAL REVENUES	124,168	157,258	546,665	285,124	568,099	52,480	37,865	69,114	15,014	1,855,787
EXPENDITURES										
Public safety	126,465	-	-	-	-	-	-	-	-	126,465
Community development	-	246,603	219,401	425,919	-	57,082	1,621	-	121,830	1,072,456
Public facilities	-	-	-	-	517,246	-	-	49,689	-	566,935
Capital outlay	-	-	460,385	19,200	-	-	-	-	277,885	757,470
TOTAL EXPENDITURES	126,465	246,603	679,786	445,119	517,246	57,082	1,621	49,689	399,715	2,523,326
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,297)	(89,345)	(133,121)	(159,995)	50,853	(4,602)	36,244	19,425	(384,701)	(667,539)
OTHER FINANCING SOURCES (USES)										
Proceeds from note payable	-	-	-	-	-	-	-	-	300,000	300,000
Transfers in	-	124,900	105,000	148,500	-	-	-	-	68,000	446,400
Transfers out	(34,000)	(6,490)	-	-	(40,000)	-	-	-	-	(80,490)
TOTAL OTHER FINANCING SOURCES (USES)	(34,000)	118,410	105,000	148,500	(40,000)	-	-	-	368,000	665,910
NET CHANGE IN FUND BALANCES	(36,297)	29,065	(28,121)	(11,495)	10,853	(4,602)	36,244	19,425	(16,701)	(1,629)
FUND BALANCES - BEGINNING OF YEAR	34,451	606,415	101,294	52,118	63,238	57,075	50,584	-	12,310	977,485
FUND BALANCES (DEFICIT) - END OF YEAR	$ (1,846)	$ 635,480	$ 73,173	$ 40,623	$ 74,091	$ 52,473	$ 86,828	$ 19,425	$ (4,391)	$ 975,856

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, 2009

	Redlight Enforcement			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 600,000	$ 370,000	$ 123,931	$ (246,069)
Interest earned	6,600	6,600	237	(6,363)
Total revenues	606,600	376,600	124,168	(252,432)
EXPENDITURES				
Public safety	361,600	361,600	126,465	235,135
Total expenditures	361,600	361,600	126,465	235,135
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	245,000	15,000	(2,297)	(17,297)
OTHER FINANCING USES				
Transfers in	-	-	-	-
Transfers out	(245,000)	(15,000)	(34,000)	(19,000)
	(245,000)	(15,000)	(34,000)	(19,000)
NET CHANGE IN FUND BALANCE	-	-	(36,297)	(36,297)
FUND BALANCE, BEGINNING OF YEAR	34,451	34,451	34,451	-
FUND BALANCE (DEFICIT), END OF YEAR	$ 34,451	$ 34,451	$ (1,846)	$ (36,297)

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, 2009

	Downtown Development			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 114,000	$ 136,000	$ 140,369	$ 4,369
Interest earned	18,000	3,000	14,613	11,613
Intergovernmental	-	-	2,276	2,276
Total revenues	132,000	139,000	157,258	18,258
EXPENDITURES				
Community development	259,000	255,900	246,603	9,297
Capital outlay	5,000	-	-	-
Total expenditures	264,000	255,900	246,603	9,297
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	(132,000)	(116,900)	(89,345)	27,555
OTHER FINANCING SOURCES (USES)				
Transfers in	140,000	124,900	124,900	-
Transfers out	(8,000)	(8,000)	(6,490)	1,510
	132,000	116,900	118,410	1,510
NET CHANGE IN FUND BALANCE	-	-	29,065	29,065
FUND BALANCE, BEGINNING OF YEAR	606,415	606,415	606,415	-
FUND BALANCE, END OF YEAR	$ 606,415	$ 606,415	$ 635,480	$ 29,065

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, 2009

	Community Development			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 38,000	$ 38,000	$ 147	$ (37,853)
Intergovernmental	1,000,000	1,025,000	513,230	(511,770)
Miscellaneous	-	-	31,408	31,408
Interest earned	130	130	1,880	1,750
Total revenues	1,038,130	1,063,130	546,665	(516,465)
EXPENDITURES				
Community development	268,130	268,130	219,401	48,729
Capital outlay	900,000	900,000	460,385	439,615
Total expenditures	1,168,130	1,168,130	679,786	488,344
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(130,000)	(105,000)	(133,121)	(28,121)
OTHER FINANCING SOURCES				
Transfers in	130,000	105,000	105,000	-
	130,000	105,000	105,000	-
NET CHANGE IN FUND BALANCE	-	-	(28,121)	(28,121)
FUND BALANCE, BEGINNING OF YEAR	101,294	101,294	101,294	-
FUND BALANCE, END OF YEAR	$ 101,294	$ 101,294	$ 73,173	$ (28,121)

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, 2009

	Planning Commission			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 301,500	$ 272,500	$ 261,357	$ (11,143)
Charges for services	25,800	25,800	23,628	(2,172)
Interest earned	3,000	3,000	139	(2,861)
Miscellaneous	-	-	-	-
Total revenues	330,300	301,300	285,124	(16,176)
EXPENDITURES				
Community development	507,800	449,800	425,919	23,881
Capital outlay	20,000	20,000	19,200	800
Total expenditures	527,800	469,800	445,119	24,681
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(197,500)	(168,500)	(159,995)	8,505
OTHER FINANCING SOURCES				
Transfers in	177,500	148,500	148,500	-
	177,500	148,500	148,500	-
NET CHANGE IN FUND BALANCE	(20,000)	(20,000)	(11,495)	8,505
FUND BALANCE, BEGINNING OF YEAR	52,118	52,118	52,118	-
FUND BALANCE, END OF YEAR	$ 32,118	$ 32,118	$ 40,623	$ 8,505

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, 2009

	Hotel/Motel Tax			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 590,000	$ 560,700	$ 567,922	$ 7,222
Interest earned	2,000	50	177	127
Total revenues	592,000	560,750	568,099	7,349
EXPENDITURES				
Public facilities	532,000	520,750	517,246	3,504
Total expenditures	532,000	520,750	517,246	3,504
EXCESS OF REVENUES OVER EXPENDITURES	60,000	40,000	50,853	10,853
OTHER FINANCING USES				
Transfers out	(60,000)	(40,000)	(40,000)	-
	(60,000)	(40,000)	(40,000)	-
NET CHANGE IN FUND BALANCE	-	-	10,853	10,853
FUND BALANCE, BEGINNING OF YEAR	63,238	63,238	63,238	-
FUND BALANCE, END OF YEAR	$ 63,238	$ 63,238	$ 74,091	$ 10,853

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, 2009

	Business Improvement District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 23,500	$ 23,500	$ 24,707	$ 1,207
Taxes	25,000	25,000	27,596	2,596
Interest earned	1,500	500	177	(323)
Total revenues	50,000	49,000	52,480	3,480
EXPENDITURES				
Community development	50,000	59,500	57,082	2,418
Total expenditures	50,000	59,500	57,082	2,418
NET CHANGE IN FUND BALANCE	-	(10,500)	(4,602)	5,898
FUND BALANCE, BEGINNING OF YEAR	57,075	57,075	57,075	-
FUND BALANCE, END OF YEAR	$ 57,075	$ 46,575	$ 52,473	$ 5,898

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, 2009

	Tax Allocation District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 28,000	$ 28,000	$ 37,671	$ 9,671
Interest earned	500	500	194	(306)
Total revenues	28,500	28,500	37,865	9,365
EXPENDITURES				
Community development	28,500	28,500	1,621	26,879
Total expenditures	28,500	28,500	1,621	26,879
NET CHANGE IN FUND BALANCE	-	-	36,244	36,244
FUND BALANCE, BEGINNING OF YEAR	50,584	50,584	50,584	-
FUND BALANCE, END OF YEAR	$ 50,584	$ 50,584	$ 86,828	$ 36,244

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, 2009

	Forum Parking Deck			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ -	$ 317,760	$ 69,071	$ (248,689)
Interest earned	-	-	43	43
Total revenues	-	317,760	69,114	(248,646)
EXPENDITURES				
Public facilities	-	92,600	49,689	42,911
Capital outlay	-	-	-	-
Total expenditures	-	92,600	49,689	42,911
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	225,160	19,425	(205,735)
OTHER FINANCING SOURCES				
Transfers out	-	(225,160)	-	(225,160)
	-	(225,160)	-	(225,160)
NET CHANGE IN FUND BALANCE	-	-	19,425	19,425
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 19,425	$ 19,425

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, 2009

	South Rome Redevelopment Agency			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Interest earned	$ 380	$ 380	103	$ (277)
Miscellaneous	-	-	14,911	14,911
Total revenues	380	380	15,014	14,634
EXPENDITURES				
Community development	69,380	122,180	121,830	350
Capital outlay	-	278,000	277,885	115
Total expenditures	69,380	400,180	399,715	465
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(69,000)	(399,800)	(384,701)	15,099
OTHER FINANCING SOURCES				
Proceeds from note payable	-	315,000	300,000	15,000
Transfers in	69,000	68,000	68,000	-
	69,000	383,000	368,000	15,000
NET CHANGE IN FUND BALANCE	-	(16,800)	(16,701)	99
FUND BALANCE, BEGINNING OF YEAR	12,310	12,310	12,310	-
FUND BALANCE (DEFICIT), END OF YEAR	$ 12,310	$ (4,490)	$ (4,391)	$ 99

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, 2009

Project	Total Allocated Splost Costs (Unaudited)	Total Allocated Splost Costs Adjusted (Unaudited)	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Estimated Percentage of Completion (Unaudited)
1996 SPLOST						
Fire Stations:						
John Davenport	$ 350,000	$ 413,134	$ 413,134	$ -	$ 413,134	100%
Woods Road	400,000	484,968	484,968	-	484,968	100%
Wilshire Road	350,000	417,960	417,960	-	417,960	100%
Armuchee	450,000	528,158	528,158	-	528,158	100%
Wax Road	450,000	450,000	475	-	475	<1%
Burnett Ferry	450,000	574,696	574,696	-	574,696	100%
	2,450,000	2,868,916	2,419,391	-	2,419,391	
2003 SPLOST						
Armuchee Sewer	3,000,000	3,000,000	2,997,585	-	2,997,585	100%
Blacks Bluff WWTP	8,150,000	8,160,000	8,160,000	-	8,160,000	100%
	11,150,000	11,160,000	11,157,585	-	11,157,585	
2006 SPLOST						
Second Avenue Levee	1,955,000	1,955,000	335,566	316,564	652,130	30%
Boys/Girls Club	2,000,000	2,000,000	2,125,800	-	2,125,800	100%
North Fifth Avenue Turn Lane	550,000	550,000	68,070	438,282	506,352	100%
North Broad Turn Lane	330,000	330,000	214,645	-	214,645	100%
Rome High Access Road	2,900,000	2,900,000	122,084	115,615	237,699	4%
BioSolids Disposal	5,200,000	5,200,000	2,402,379	2,280,588 **(A)**	4,682,967	90%
Renovate Marine Armory	1,600,000	1,600,000	-	43,650	43,650	1%
Redmond Road Turn Lane	1,470,000	1,470,000	67,533	214,480	282,013	10%
Fire Training Facility	500,000	500,000	543,823	3,732 **(A)**	547,555	100%

continued

CITY OF ROME, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
December 31, 2009

Project	Total Allocated Splost Costs (Unaudited)	Total Allocated Splost Costs Adjusted (Unaudited)	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Estimated Percentage of Completion (Unaudited)
2006 SPLOST (continued)						
Turner McCall Bridge	2,000,000	2,000,000	-	-	-	0%
River Education Center	834,825	834,825	90,372	563,343	653,715	90%
South Broad Corridor	2,000,000	2,000,000	162,170	23,228	185,398	10%
North Rome Swim Center	530,000	530,000	508,113	4,508	512,621	100%
New Tennis Courts	600,000	600,000	6,431	-	6,431	1%
City Park Practice Fields	200,000	200,000	160,877	14,031	174,908	95%
Town Green	1,690,000	1,690,000	590,744	1,045,958	1,636,702	100%
City Hall/Carnegie Repairs	1,500,000	1,500,000	343,920	549,753	893,673	75%
	25,859,825	25,859,825	7,742,527	5,613,732	13,356,259	
Total Projects	$ 39,459,825	$ 39,888,741	$ 21,319,503	$ 5,613,732	$ 26,933,235	
Fire Station Renovations (Floyd County SPLOST)			548,368	30,236 **(A)**	578,604	
Total SPLOST Expenditures			$ 21,867,871	$ 5,643,968	$ 27,511,839	

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

Total Expenditures	$ 3,329,412	
Transfers out	2,314,556	**(A)**
	$ 5,643,968	

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

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

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

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

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

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2009

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 1,389	$ 397,028	$ 24,995	$ 29,645	$ 345,528	$ 798,585
Restricted cash	-	143,500	-	-	355,453	498,953
Accounts receivable, net of allowance for uncollectibles	-	-	156,389	-	-	156,389
Due from other governments	411,273	-	-	-	-	411,273
Due from other funds	67,197	27,021	35,934	7	803	130,962
Due from component units	-	267	22	-	-	289
Prepaid items	-	1,778	-	8,350	-	10,128
Inventories	232,636	-	-	18,847	-	251,483
Total current assets	712,495	569,594	217,340	56,849	701,784	2,258,062
Non-current Assets:						
Deferred bond issuance, net of accumulated amortization	-	-	-	168,752	43,641	212,393
Capital assets:						
Non-depreciable assets	364,161	-	-	4,609,653	550,000	5,523,814
Depreciable assets, net of accumulated depreciation	2,471,132	12,020	589,493	280,204	2,062,098	5,414,947
Total long-term assets	2,835,293	12,020	589,493	5,058,609	2,655,739	11,151,154
TOTAL ASSETS	3,547,788	581,614	806,833	5,115,458	3,357,523	13,409,216

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2009

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
LIABILITIES						
Current Liabilities:						
Revenue bonds, current	$ -	$ -	$ -	$ 250,000	$ 459,968	$ 709,968
Accounts payable	211,197	373	60,838	34,356	454	307,218
Accrued liabilities	25,914	144,342	23,100	88,125	7,940	289,421
Due to other funds	151,486	4,779	541,040	1,094	24	698,423
Due to component unit	-	-	-	100	-	100
Unearned revenue	-	-	-	4,411	57,797	62,208
Compensated absences, current	55,014	17,672	45,746	-	-	118,432
Capital leases, current	-	-	64,289	-	-	64,289
Total current liabilities	443,611	167,166	735,013	378,086	526,183	2,250,059
Long-term Liabilities:						
Revenue bonds, long-term, net	-	-	-	4,593,965	1,525,694	6,119,659
Advances due to Capital Fund	-	-	232,550	-	-	232,550
Compensated absences, long term	18,338	5,891	15,249	-	-	39,478
Total long-term liabilities	18,338	5,891	247,799	4,593,965	1,525,694	6,391,687
TOTAL LIABILITIES	461,949	173,057	982,812	4,972,051	2,051,877	8,641,746
NET ASSETS						
Invested in capital assets, net of related debt	2,835,293	12,020	525,204	45,892	626,436	4,044,845
Restricted for debt service	-	-	-	-	355,453	355,453
Unrestricted	250,546	396,537	(701,183)	97,515	323,757	367,172
TOTAL NET ASSETS	$ 3,085,839	$ 408,557	$ (175,979)	$ 143,407	$ 1,305,646	$ 4,767,470

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, 2009

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
OPERATING REVENUES						
Charges for services	$ 1,455,022	$ 1,037,620	$ 1,519,380	$ 760,605	$ 693,660	$ 5,466,287
Miscellaneous	1,138	-	1,716	-	-	2,854
TOTAL OPERATING REVENUES	1,456,160	1,037,620	1,521,096	760,605	693,660	5,469,141
OPERATING EXPENSES						
Cost of goods sold	-	-	-	89,226	-	89,226
Salaries and employee benefits	1,923,111	676,480	2,241,775	454,099	-	5,295,465
Supplies	303,783	21,997	187,369	151,261	31,539	695,949
Maintenance and repairs	60,948	2,428	133,030	26,690	24,769	247,865
Operating services and charges	287,291	59,199	594,320	207,156	26,376	1,174,342
Depreciation	395,054	13,840	303,006	63,547	209,705	985,152
TOTAL OPERATING EXPENSES	2,970,187	773,944	3,459,500	991,979	292,389	8,487,999
OPERATING INCOME (LOSS)	(1,514,027)	263,676	(1,938,404)	(231,374)	401,271	(3,018,858)
NON-OPERATING INCOME (EXPENSE)						
Intergovernmental	517,076	-	-	-	-	517,076
Interest income	98	1,619	741	251	3,325	6,034
Interest expense	-	-	(3,804)	(301,527)	(115,302)	(420,633)
Gain (loss) on sale of capital assets	10,370	-	(80)	3,500	-	13,790
TOTAL NON-OPERATING INCOME (EXPENSE)	527,544	1,619	(3,143)	(297,776)	(111,977)	116,267
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(986,483)	265,295	(1,941,547)	(529,150)	289,294	(2,902,591)

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, 2009

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
Transfers in	$ 600,656	$ 24,000	$ 2,226,000	$ 690,362	$ -	$ 3,541,018
Transfers out	(47,000)	-	-	-	-	(47,000)
Capital contributions	1,081,395	-	-	-	-	1,081,395
	1,635,051	24,000	2,226,000	690,362	-	4,575,413
CHANGE IN NET ASSETS	648,568	289,295	284,453	161,212	289,294	1,672,822
NET ASSETS (DEFICIT) - BEGINNING OF YEAR	2,437,271	119,262	(460,432)	(17,805)	1,016,352	3,094,648
NET ASSETS (DEFICIT) - END OF YEAR	$ 3,085,839	$ 408,557	$ (175,979)	$ 143,407	$ 1,305,646	$ 4,767,470

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2009

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 1,509,811	$ 1,037,620	$ 1,503,163	$ 752,630	$ 751,457	$ 5,554,681
Receipts from interfund services provided	-	-	-	-	24	24
Payments to suppliers	(427,587)	(98,091)	(895,842)	(578,730)	(84,429)	(2,084,679)
Payments to employees	(1,925,514)	(683,151)	(2,251,665)	(454,099)	-	(5,314,429)
Payments for interfund services used	(324,187)	(21,448)	(178,762)	-	-	(524,397)
Net cash provided (used) by operating activities	(1,167,477)	234,930	(1,823,106)	(280,199)	667,052	(2,368,800)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer from other funds	600,656	24,000	2,226,000	690,362	-	3,541,018
Transfer to other funds	(47,000)	-	-	-	-	(47,000)
Repayment of advances from other funds	-	-	(211,326)	-	-	(211,326)
Subsidy from federal grant	440,679	-	-	-	-	440,679
Net cash provided by noncapital financing activities	994,335	24,000	2,014,674	690,362	-	3,723,371
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	1,081,395	-	-	-	-	1,081,395
Purchases of capital assets	(918,631)	-	(30,351)	-	-	(948,982)
Proceeds from the sale of capital assets	10,370	-	26,240	3,500	-	40,110
Payments to escrow agents for defeasance of bonds	-	-	-	(5,036,719)	-	(5,036,719)
Proceeds from long-term borrowings	-	-	-	5,145,143	-	5,145,143
Principal paid on capital debt	-	-	(161,267)	(225,000)	(439,338)	(825,605)
Interest paid on capital debt	-	-	(3,804)	(301,527)	(115,302)	(420,633)
Net cash provided (used) by capital and related financing activities	173,134	-	(169,182)	(414,603)	(554,640)	(965,291)

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2009

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	98	1,619	741	251	3,325	6,034
Net cash provided by investing activities	98	1,619	741	251	3,325	6,034
Net increase (decrease) in cash and cash equivalents	90	260,549	23,127	(4,189)	115,737	395,314
Cash and cash equivalents, January 1	1,299	279,979	1,868	33,834	585,244	902,224
Cash and cash equivalents, December 31	$ 1,389	$ 540,528	$ 24,995	$ 29,645	$ 700,981	$ 1,297,538
Reconciliation of Cash and Cash Equivalents:						
Cash and cash equivalents	$ 1,389	$ 397,028	$ 24,995	$ 29,645	$ 345,528	$ 798,585
Cash and cash equivalents - restricted	-	143,500	-	-	355,453	498,953
Total cash and cash equivalents	$ 1,389	$ 540,528	$ 24,995	$ 29,645	$ 700,981	$ 1,297,538

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2009

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	$ (1,514,027)	$ 263,676	$ (1,938,404)	$ (231,374)	$ 401,271	$ (3,018,858)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	395,054	13,840	303,006	63,547	209,705	985,152
Amortization expense	-	-	-	(60,833)	14,547	(46,286)
(Increase) decrease in accounts receivable	12,359	-	(17,933)	643	-	(4,931)
(Increase) decrease in due from other governments	41,292	-	-	-	-	41,292
(Increase) decrease in due from other funds	26,195	(21,928)	12,352	-	-	16,619
(Increase) decrease in prepaid items	-	2,163	-	(5,266)	-	(3,103)
(Increase) decrease in inventories	22,765	-	-	2,845	-	25,610
Increase (decrease) in accounts payable and accrued liabilities	201,670	(16,630)	18,877	(41,143)	(16,292)	146,482
Increase (decrease) in compensated absences payable	(2,403)	(6,671)	(9,890)	-	-	(18,964)
Increase (decrease) in unearned revenue	-	-	-	(8,618)	57,797	49,179
Increase (decrease) in due to other funds	(350,382)	480	(191,114)	-	24	(540,992)
Total adjustments	346,550	(28,746)	115,298	(48,825)	265,781	650,058
Net cash provided (used) by operating activities	$ (1,167,477)	$ 234,930	$ (1,823,106)	$ (280,199)	$ 667,052	$ (2,368,800)

INTERNAL SERVICE FUNDS

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

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

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

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
December 31, 2009

	Health Insurance Fund	Workers' Compensation Fund	Total
ASSETS			
Cash and cash equivalents	$ 2,989,713	$ 354,594	$ 3,344,307
Accounts receivable, net	463,276	283,481	746,757
Due from other funds	700,904	-	700,904
Due from component unit	690	-	690
Prepaid items	10,154	-	10,154
TOTAL ASSETS	4,164,737	638,075	4,802,812
LIABILITIES			
Current Liabilities			
Accounts payable	3,557	69,538	73,095
Accrued liabilities	177	-	177
Claims payable	950,000	170,000	1,120,000
Due to other funds	20,859	-	20,859
TOTAL LIABILITIES	974,593	239,538	1,214,131
NET ASSETS			
Unrestricted	3,190,144	398,537	3,588,681
TOTAL NET ASSETS	$ 3,190,144	$ 398,537	$ 3,588,681

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2009

	Health Insurance Fund	Workers' Compensation Fund	Total
OPERATING REVENUES			
Charges for services	$ 5,946,284	$ 1,154,080	$ 7,100,364
Miscellaneous income	431,142	-	431,142
TOTAL OPERATING REVENUES	6,377,426	1,154,080	7,531,506
OPERATING EXPENSES			
Salaries and employee benefits	81,537	-	81,537
Other services and charges	281,160	905,507	1,186,667
Claims	5,442,908	526,216	5,969,124
Administrative fees	672,309	2,000	674,309
TOTAL OPERATING EXPENSES	6,477,914	1,433,723	7,911,637
OPERATING INCOME (LOSS)	(100,488)	(279,643)	(380,131)
NON-OPERATING INCOME			
Intergovernmental	-	193,405	193,405
Interest income	14,106	923	15,029
LOSS BEFORE TRANSFERS	(86,382)	(85,315)	(171,697)
Transfers Out	(185,000)	(50,000)	(235,000)
CHANGE IN NET ASSETS	(271,382)	(135,315)	(406,697)
NET ASSETS - BEGINNING OF YEAR	3,461,526	533,852	3,995,378
NET ASSETS - END OF YEAR	$ 3,190,144	$ 398,537	$ 3,588,681

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2009

	Health Insurance Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 5,941,681	$ 1,135,437	$ 7,077,118
Payments for interfund services provided	(4,675)	-	(4,675)
Payments to suppliers	(956,074)	(875,639)	(1,831,713)
Payments to employees	(81,537)	-	(81,537)
Claims paid	(4,842,908)	(546,216)	(5,389,124)
Net cash provided (used) by operating activities	56,487	(286,418)	(229,931)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Intergovermental revenue	-	193,405	193,405
Transfer out	(185,000)	(50,000)	(235,000)
Net cash provided (used) by non capital financing activities	(185,000)	143,405	(41,595)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	14,106	923	15,029
Net cash provided by investing activities	14,106	923	15,029
Net decrease in cash and cash equivalents	(114,407)	(142,090)	(256,497)
Cash and cash equivalents, January 1	3,104,120	496,684	3,600,804
Cash and cash equivalents, December 31	$ 2,989,713	$ 354,594	$ 3,344,307
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ (100,488)	$ (279,643)	$ (380,131)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
(Increase) in accounts receivable	(435,745)	(18,643)	(454,388)
Increase in prepaids	1,421	-	1,421
Increase (decrease) in due from other funds	(24,056)	-	(24,056)
Increase in accounts and claims payable	595,974	11,868	607,842
Increase in due to other funds	19,381	-	19,381
Total adjustments	156,975	(6,775)	150,200
Net cash provided (used) by operating activities	$ 56,487	$ (286,418)	$ (229,931)

COMPONENT UNIT
GREATER ROME CONVENTION & VISITORS BUREAU

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

CITY OF ROME, GEORGIA
BALANCE SHEET
COMPONENT UNIT- GREATER ROME CONVENTION & VISITORS BUREAU
December 31, 2009

	Greater Rome Convention & Visitors Bureau
ASSETS	
Cash	$ 54,946
Due from other governments	1,999
Due from primary government	4,475
Prepaid items	386
Total assets	$ 61,806
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 13,427
Accrued liabilities	196
Due to primary government	1,170
Total liabilities	14,793
FUND BALANCE	
Undesignated	47,013
Total fund balance	47,013
TOTAL LIABILITIES AND FUND BALANCE	$ 61,806

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, 2009

	Greater Rome Convention & Visitors Bureau
REVENUES	
Intergovernmental	$ 458,751
Interest earned	234
Contributions	47,024
TOTAL REVENUES	506,009
EXPENDITURES	
Personal services	350,918
Supplies	24,547
Other services and charges	141,212
TOTAL EXPENDITURES	516,677
NET CHANGE IN FUND BALANCE	(10,668)
FUND BALANCE - BEGINNING OF YEAR	57,681
FUND BALANCE - END OF YEAR	$ 47,013

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 Seven Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year						
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Governmental activities							
Invested in capital assets, net of related debt	$ 83,080	$ 88,931	$ 85,540	$ 89,494	$ 99,276	$ 108,946	$ 109,793
Restricted	4,190	4,059	326	326	631	675	810
Unrestricted	10,486	11,421	21,444	21,976	21,943	20,722	20,010
Total governmental activities net assets	$ 97,756	$ 104,411	$ 107,310	$ 111,796	$ 121,850	$ 130,343	$ 130,613
Business - type activities							
Invested in capital assets, net of related debt	$ 66,758	$ 68,369	$ 75,743	$ 112,572	$ 114,969	$ 116,571	$ 120,303
Restricted	-	-	582	249	284	295	355
Unrestricted	1,951	5,407	22,276	(6,294)	(4,556)	38	2,123
Total business - type activities net assets	$ 68,709	$ 73,776	$ 98,601	$ 106,527	$ 110,697	$ 116,904	$ 122,781
Primary government							
Invested in capital assets, net of related debt	$ 149,838	$ 157,300	$ 161,283	$ 202,066	$ 214,245	$ 225,517	$ 230,096
Restricted	4,190	4,059	908	575	915	970	1,165
Unrestricted	12,437	16,828	43,720	15,682	17,387	20,760	22,133
Total primary government net assets	$ 166,465	$ 178,187	$ 205,911	$ 218,323	$ 232,547	$ 247,247	$ 253,394

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

	Fiscal Year						
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Expenses:							
Governmental activities:							
General government	$ 3,453	$ 3,673	$ 3,248	$ 3,446	$ 3,555	$ 5,681	$ 3,459
Public safety	6,924	6,932	7,228	7,605	7,416	8,752	8,330
Public Works	11,957	7,360	8,459	9,019	8,564	10,590	9,902
Public Facilities	1,149	880	1,068	1,316	1,121	1,194	1,259
Public Services	733	131	399	420	278	516	448
Community Development	1,129	1,365	1,218	1,568	1,028	1,178	1,088
Education	1,214	758	898	1,059	1,080	1,114	1,183
Interest on debt	282	88	249	326	246	320	369
Total governmental activities expenses	26,841	21,187	22,767	24,759	23,288	29,345	26,038
Business - type activities:							
Water and Sewer	12,526	14,295	14,353	14,711	16,899	17,201	17,631
Fire	8,501	9,126	9,143	9,411	10,316	10,474	10,246
Solid Waste Commission	3,730	3,158	3,907	2,270	3,309	2,104	2,466
Transit	2,312	2,397	2,460	2,843	3,107	3,236	2,970
Building Inspection	681	748	776	849	946	894	774
Solid Waste Management	3,038	3,136	3,391	3,598	3,810	3,751	3,463
Municipal Golf Fund	1,367	1,436	1,525	1,557	1,540	1,440	1,294
Public Facilities	547	536	524	492	447	456	408
Total business - type activities expenses	32,702	34,832	36,079	35,731	40,374	39,556	39,252
Total primary government expenses	$ 59,543	$ 56,019	$ 58,846	$ 60,490	$ 63,662	$ 68,901	$ 65,290
Program Revenues							
Governmental activities:							
Charges for services:							
General Government	$ 1,346	$ 1,803	$ 1,509	$ 1,569	$ 1,823	$ 1,972	$ 1,879
Public Safety	1,431	1,420	1,668	1,512	1,779	1,886	1,667
Public Works	170	312	302	378	-	-	-
Public Facilities	44	51	71	90	-	-	-
Community Development	46	57	-	259	236	180	258
Education	-	-	173	-	-	-	-
Operating grants and contributions	449	3,094	312	343	1,024	1,842	1,123
Capital grants and contributions	2,916	6,660	10,191	6,530	8,741	13,432	7,580
Total governmental activities program revenues	6,402	13,397	14,226	10,681	13,603	19,312	12,507
Business - type activities:							
Charges for services:							
Water and Sewer	16,236	18,312	17,921	18,571	20,071	19,540	19,856
Fire	4,374	4,527	4,678	4,856	5,063	5,254	5,318
Solid Waste Commission	3,428	4,071	3,600	2,281	2,311	2,597	2,936
Transit	611	692	951	1,193	1,172	1,303	1,456
Building Inspection	702	831	741	781	790	937	1,038
Solid Waste Management	1,089	1,107	1,276	1,392	1,477	1,471	1,521
Municipal Golf Fund	781	884	991	1,057	1,006	925	760
Public Facilities	603	603	603	603	648	694	694
Operating grants and contributions	511	568	643	701	458	461	517
Capital grants and contributions	818	640	1,494	1,916	1,640	1,365	1,165
Total business- type activities program revenues	29,153	32,235	32,898	33,351	34,636	34,547	35,261
Total primary government program revenues	$ 35,555	$ 45,632	$ 47,124	$ 44,032	$ 48,239	$ 53,859	$ 47,768

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

	Fiscal Year						
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Net (expense)/ revenue							
Governmental activities	$ (20,439)	$ (7,790)	$ (8,541)	$ (14,078)	$ (9,685)	$ (10,033)	$ (13,530)
Business- type activities	(3,549)	(2,597)	(3,181)	(2,380)	(5,738)	(5,009)	(3,992)
Total primary government net expense	$ (23,988)	$ (10,387)	$ (11,722)	$ (16,458)	$ (15,423)	$ (15,042)	$ (17,522)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	$ 8,930	$ 9,486	$ 9,702	$ 10,441	$ 10,048	$ 8,683	9,662
Sales taxes	5,571	6,094	6,483	8,709	10,242	12,570	6,128
Other taxes	5,840	5,546	6,361	6,686	7,252	7,306	7,085
Gain on Sale of Capital Assets	15	-	521	-	218	2	-
Interst Earnings	52	83	449	578	731	594	562
Miscellaneous	353	22	227	221	309	177	109
Transfers	(3,331)	(6,785)	(6,773)	(9,059)	(9,061)	(10,807)	(9,745)
Total governmental activities	17,430	14,446	16,970	17,576	19,739	18,525	13,801
Business- type activities:							
Sales taxes	-	-	8,150	-	-	-	-
Gain on Sale of Capital Assets	93	217	15	37	12	71	27
Investment earnings	117	542	1,090	1,209	835	339	59
Miscellaneous	307	93	8	-	-	-	37
Transfers	6,700	6,812	6,773	9,059	9,061	10,807	9,745
Total business- type activities	7,217	7,664	16,036	10,305	9,908	11,217	9,868
Total primary government	$ 24,647	$ 22,110	$ 33,006	$ 27,881	$ 29,647	$ 29,742	$ 23,669
Change in Net Assets							
Governmental activities	$ (3,009)	$ 6,656	$ 8,429	$ 3,498	$ 10,054	$ 8,492	271
Business- type activities	3,668	5,067	12,855	7,925	4,170	6,208	5,877
Total primary government	$ 659	$ 11,723	$ 21,284	$ 11,423	$ 14,224	$ 14,700	$ 6,148

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General fund										
Reserved	$ 905	$ 486	$ 527	$ 551	$ 593	$ 597	$ 776	$ 816	$ 869	$ 856
Unreserved	6,292	9,549	9,360	9,281	9,409	11,007	11,261	11,114	10,575	9,652
Total general fund	$ 7,197	$ 10,035	$ 9,887	$ 9,832	$ 10,002	$ 11,604	$ 12,037	$ 11,930	$ 11,444	$ 10,508
All other governmental funds										
Reserved	$ 7,676	$ 1,184	$ 1,373	$ 203	$ 4	$ 2,623	$ 2,399	$ 2,653	$ 2,179	$ 5,284
Unreserved, reported in:										
Special revenue funds	170	(160)	226	-	124	520	445	403	303	152
Capital projects funds	666	-	-	1,172	1,647	3,638	3,422	3,352	4,358	1,989
Total all other governmental funds	$ 8,512	$ 1,024	$ 1,599	$ 1,375	$ 1,775	$ 6,781	$ 6,266	$ 6,408	$ 6,840	$ 7,425

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	$ 19,422	$ 19,022	$ 19,539	$ 20,310	$ 21,175	$ 22,540	$ 25,844	$ 27,525	$ 28,385	$ 22,358
Licenses and permits	1,155	1,283	1,333	1,375	1,524	1,500	1,582	1,599	1,738	1,675
Intergovernmental	1,978	2,020	1,637	701	696	1,883	2,790	3,916	3,495	8,462
Charges for services	17	22	32	221	416	549	682	674	538	586
Grant Revenue	-	-	-	518	600	-	-	-	-	-
Fines	1,394	1,443	1,323	1,431	1,290	1,478	1,331	1,565	1,762	1,543
Investment earnings	-	-	-	52	83	449	578	732	594	562
Miscellaneous	1,582	903	616	388	3,505	172	147	309	216	109
Total revenues	25,548	24,693	24,480	24,996	29,289	28,571	32,954	36,320	36,728	$ 35,295
Expenditures										
General government	2,443	2,652	2,605	2,460	2,574	3,070	3,351	3,491	3,584	3,479
Public safety	5,292	5,572	5,769	6,100	6,343	6,782	7,140	7,493	7,688	7,523
Public works	4,176	4,364	4,490	4,717	4,939	5,306	5,557	5,531	5,858	5,586
Public facilities	442	462	458	307	332	836	880	926	937	959
Public services	561	585	594	616	64	395	436	458	456	391
Community development	222	1,580	765	760	799	764	825	1,024	1,172	1,072
Other services and charges	330	315	578	377	840	-	-	-	-	-
Intergovernmental	322	233	200	150	143	-	-	-	-	-
Claims paid	109	106	98	-	-	-	-	-	-	-
Capital outlay	3,039	1,681	2,084	2,549	3,273	3,357	5,363	8,303	5,928	6,761
Debt service										
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Principal	1,654	3,318	3,421	3,646	2,927	69	71	91	78	198
Interest	617	690	520	337	146	249	326	246	320	245
Total expenditures	19,207	21,558	21,582	22,019	22,380	20,828	23,949	27,563	26,021	26,214
Excess of revenues over (under) expenditures	6,341	3,135	2,898	2,977	6,909	7,743	9,005	8,757	10,707	9,081

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Other financing sources (uses)										
Transfers in	2,227	1,950	2,112	1,959	2,380	2,179	2,249	3,654	3,205	2,019
Transfers out	(7,863)	(7,813)	(8,440)	(8,668)	(9,165)	(8,952)	(11,308)	(12,714)	(14,012)	(11,764)
Transfers to component units	(2,863)	(8,317)	(360)	(375)	-	-	-	-	-	-
Transfers from component units	991	3,793	3,776	3,754	-	-	-	-	-	-
Proceeds from sale of bonds/notes	10,000	-	-	-	-	-	-	-	-	300
Capital leases	42	221	441	73	448	620	110	-	-	-
Sale of capital assets	-	-	-	-	-	-	23	338	47	13
Total other financing sources (uses)	2,534	(10,166)	(2,471)	(3,257)	(6,337)	(6,153)	(8,926)	(8,722)	(10,760)	(9,432)
Net change in fund balances	$ 8,875	$ (7,031)	$ 427	$ (280)	$ 572	$ 1,590	$ 79	$ 35	$ (53)	$ (351)
Debt service as a percentage of noncapital expenditures	14.0%	20.1%	20.2%	20.4%	25.7%	1.8%	2.0%	1.9%	2.2%	2.3%

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

Fiscal Year	Property Tax		Sales Tax	Franchise Tax	Insurance Premium Tax	Alcoholic Beverage Tax	Other Taxes	Total
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	834	3,071	25,844
2007	8,397	*	10,242	3,166	1,912	857	2,951	27,525
2008	7,652	*	12,570	3,373	1,958	871	1,961	28,385
2009	7,572		6,128	3,192	1,939	861	2,666	22,358
% change between 2000 & 2009	18.70%		8.70%	33.50%	48.02%	1.77%	-6.75%	15.12%

(*) Includes Special Purpose Local Option Sales Tax.

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

Year	Real Property	Personal Property	Public Utilities	Motor Vehicles	Mobile Homes	Total Assessed Value City	Less School Tax Exemption	Total Assessed Value School	Total Direct Tax Rate *	Estimated Actual Value	Assessed Value to Estimated Actual Value
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	24.10	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	23.33	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	23.98	2,149,972,810	40%
2003	637,357,052	173,963,932	25,890,000	72,821,900	113,540	909,602,250	(3) (51,290,256)	864,972,386	24.60	2,162,430,965	40%
2004	680,968,036	172,075,125	22,275,000	72,715,870	188,399	948,222,430	(63,159,822)	903,668,752	24.70	2,259,171,880	40%
2005	714,751,021	188,013,500	23,613,000	72,071,960	207,546	998,657,027	(65,263,380)	960,343,305	24.58	2,400,858,263	40%
2006	765,223,983	196,925,161	25,439,000	67,836,580	204,266	1,055,628,990	(67,313,704)	1,023,822,767	24.45	2,559,556,918	40%
2007	801,947,393	197,628,142	27,215,000	76,976,990	179,621	1,103,947,146	(69,130,918)	1,074,634,142	24.43	2,686,585,355	40%
2008	839,467,255	189,522,031	26,486,216	77,543,520	169,428	1,133,188,450	(70,163,632)	1,109,377,341	24.43	2,773,443,353	40%
2009	855,730,720	188,100,111	26,556,590	77,936,110	176,001	1,148,499,532	(71,744,994)	1,120,352,248	24.42	2,800,880,620	40%

Source-Floyd County Tax Assessors Office
(1) Denotes change in tax assessment calculation from prior years
(2) Personal Property assessments declined due to the closing of a large manufacturing 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%.

* Includes General, Capital and School Tax Rates

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

	City of Rome				Overlapping Rates			
Year	**General Fund**	**Capital Fund**	**Debt Service**	**City Schools**	**Direct Rate**	**Floyd County**	**State of Georgia**	**Total**
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
2008	6.63	1.85	-	15.95	24.43	8.767	0.25	33.45
2009	6.67	1.85	-	15.90	24.42	8.767	0.25	33.44

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, 2009
(amounts expressed in thousands)

	2009			2000		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Redmond Regional Medical Center	$ 34,609	1	3.01%	$ 24,676	2	3.10%
Larry Martin	15,107	2	1.32%			
Walmart Stores	15,037	3	1.31%	6,996	9	0.88%
Georgia Power	13,570	4	1.18%	12,015	5	1.51%
Harbin Properties, LLC	13,510	5	1.18%			
Bekaert Corporation	17,929	6	1.56%	30,448	1	3.83%
Keebler Company	13,781	7	1.20%			
Southeastern Mills	13,668	8	1.19%	11,884	6	1.49%
River Roots Partners, LLC	8,731	9	0.76%			
Rome/Floyd County Development Authority	8,344	10	0.73%			
Crown America Properties				10,212	7	1.28%
Aladdin Manufacturing				8,451	8	1.06%
Bellsouth Telecommuncations				12,267	4	1.54%
Lester Precision Die Casting, Inc.				13,536	3	1.70%
Image Industries				6,830	10	0.86%
Totals	$ 154,286		13.4%	$ 137,315		17.25%

Source-Floyd County Tax Assessor Office

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	17,944	16,106	89.8%	1,829	17,935	99.9%
2001	17,702	16,275	91.9%	1,416	17,691	99.9%
2002	18,825	17,448	92.7%	1,354	18,802	99.9%
2003	19,862	18,530	93.3%	1,310	19,840	99.9%
2004	20,990	19,240	91.7%	1,690	20,930	99.7%
2005	22,019	20,188	91.7%	1,756	21,944	99.7%
2006	23,544	21,492	91.3%	1,833	23,325	99.1%
2007	24,528	23,067	94.0%	1,046	24,113	98.3%
2008	25,372	** 21,661	85.4%	143	21,804	85.9%
2009	25,513	22,395	87.8%	* 1,366	23,761	93.1%

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

* Includes Homestead Tax

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

	Governmental Activities				Business- Type Activities					
Fiscal Year	General Obligation Bonds	Notes Payable	Special Assessment Bonds	Capital Leases	Bonded Debt	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
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	7.90%	1,946
2002	6,080		-	602	48,355	6,457	2,757	64,251	7.03%	1,771
2003	2,655		-	453	45,175	5,481	2,509	56,273	6.00%	1,546
2004	-		-	630	75,805	5,389	2,234	84,058	8.51%	2,307
2005	-		4,527	223	82,030	5,085	703	92,568	9.24%	2,543
2006	-		4,527	261	77,965	4,770	897	88,420	8.57%	2,424
2007	-		4,527	170	73,695	7,498	968	86,858	8.16%	2,382
2008	-	4,923	4,527	92	69,235	10,393	695	89,865	8.07%	2,424
2009	-	5,782	4,527	27	65,451	9,824	415	86,026	7.53%	2,380

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

(1) See the Schedule of Demographics and Economic Statistics for personal income and population data

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

Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property **	Per Capita ***
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
2008	-	-	-	N/A	N/A
2009	-	-	-	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.
*** Poplulation data can be found in the Schedule of Demographic and Economic Statistics.

City of Rome, Georgia
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2009

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

Source-Rome Board of Education

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

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	$ 83,142,559	$ 86,715,603	$ 87,894,068	$ 90,960,225	$ 94,822,243	$ 99,865,703	$ 105,562,899	$ 110,394,715	$ 113,238,941	$ 114,849,953
Total net debt applicable to limit	12,460,000	9,345,000	6,080,000	2,655,000	-	-	-	-	-	-
Legal debt margin	$ 70,682,559	$ 77,370,603	$ 81,814,068	$ 88,305,225	$ 94,822,243	$ 99,865,703	$ 105,562,899	$ 110,394,715	$ 113,238,941	$ 114,849,953
Total net debt applicable to the limit as a percentage of debt limit	14.99%	10.78%	6.92%	2.92%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2009

Total assessed value	$ 1,148,499,532
Debt limit (10% of total assessed value)	114,849,953
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	$ 114,849,953

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

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

	Water & Sewer Revenue Bonds					
				Debt Service		
Fiscal Year	Water & Sewer Charges & Other (1)	Less: Operating Expenses (2)	Net Available Revenue	Principal	Interest	Coverage
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	8,718,404	11,731,267	3,665,000	3,166,379	1.7
2008	19,653,969	9,268,673	10,385,296	3,825,000	3,010,552	1.5
2009	19,863,718	9,103,422	10,760,296	3,610,000	2,600,893	1.7

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

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

Fiscal Year	(1) Population		Personal Income (in thousands)	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2000	34,980	**	812,935	23,240	5,239	5.0%
2001	35,821	*	882,056	24,624	5,381	5.6%
2002	36,271	*	914,174	25,204	5,257	6.1%
2003	36,388	*	938,010	25,778	5,315	5.7%
2004	36,431	*	987,572	27,108	5,305	4.7%
2005	36,399	*	1,001,482	27,514	5,346	5.3%
2006	36,524	*	1,031,182	28,233	5,239	4.3%
2007	36,463	*	1,064,683	29,199	5,235	4.7%
2008	37,067	*	1,113,715	30,046	5,612	8.0%
2009	36,142	*	1,141,792	31,591	5,571	12.4%

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 Five Years Ago**

	2009			2004**		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Floyd Medical Center	2,324	1	13.41%	1,880	1	10.50%
Redmond Regional Medical Center	1,200	2	6.92%	1,050	2	5.87%
Harbin Clinic	1,134	3	6.54%	749	5	4.19%
Floyd County Government	800	4	4.61%	710	6	3.97%
Rome City Schools	757	5	4.37%			
City of Rome	649	6	3.74%	676	7	3.78%
Kellogg's	558	7	3.22%			
Mohawk Industries	452	8	2.61%	607	8	3.39%
Sara Lee Food Services	340	9	1.96%	762	4	4.26%
Southeastern Mills	307	10	1.77%			
Zartic Corporation				804	3	4.49%
				N/A	9	N/A
				N/A	10	N/A
Totals	8,521		49.2%	7,238		40.44%

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

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Function											
General government	27	27	27	28	28	28	29	29	29	29	
Legislative and judicial											
Commission	9	9	9	9	9	9	9	9	9	9	
Municipal court	1	1	1	2	2	2	2	2	2	2	
Attorney	1	1	1	1	1	1	1	1	1	1	
Public safety											
Police											
Officers	97	97	98	98	98	98	98	98	98	98	
Civilians	11	11	11	11	11	11	11	11	11	11	
Public services	7	7	7	7	8	8	10	7	7	7	
Public facilities	4	4	4	4	4	4	4	4	4	4	
Fire											
Civilians	7	7	7	7	7	7	7	7	7	3	
Firefighters and officers	146	146	146	146	146	146	146	146	146	146	
Public works											
Public works office	4	4	4	4	4	4	4	5	5	4	
Engineering	7	8	8	8	8	8	8	8	8	7	
Street	42	42	42	42	42	43	43	46	46	39	*
Traffic	12	12	12	12	12	12	12	12	12	12	
Cemetery	7	7	7	7	7	7	7	7	7	6	
Garage	14	13	13	13	13	13	13	13	13	12	
Building inspection	9	12	12	11	12	12	12	12	12	9	
Transit	40	40	40	41	41	41	43	43	43	43	
Planning commission	5	7	7	7	7	7	6	6	7	6	
Solid Waste Management	71	71	71	71	71	72	72	72	71	61	
Culture and recreation	6	6	6	6	6	6	12	12	12	12	
Water and sewer	112	113	113	115	116	116	116	120	120	104	
Total	639	645	646	650	653	655	665	670	670	625	*

Source-City of Rome Human Resource Department

* Decrease is due to reduction of workforce in response to economic conditions.

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

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety:										
Police arrests	3,936	2,698	2,461	2,465	2,131	2,026	1,845	2,267	2,388	2,168
Parking/Traffic violations	15,869	15,859	14,031	14,437	14,407	16,602	14,173	17,349	18,797	16,251
Public Works:										
Street resurfacing (miles)	6.13	6.22	8.17	8.54	7.30	6.35	5.26	4.77	0.40	0.40
Public Facilities:										
Rentals-Aud/Civic Center	53,787	54,265	50,321	40,398	47,132	46,215	48,328	45,645	41,754	48,668
Senior Citizen Center	6,334	5,540	4,980	3,213	3,881	2,975	2,357	1,550	2,333	2,610
Education:										
School Enrollment	5,239	5,381	5,257	5,315	5,305	5,346	5,239	5,235	5,612	5,571
Water and Sewer:										
Customers										
Water	18,074	18,322	18,625	18,923	19,163	19,501	19,734	19,875	20,006	(4) 17,500
Sewer	18,856	19,091	19,372	19,709	20,046	20,484	20,769	20,952	21,069	19,600
Water - (millions of gallons)										
Average daily production	11.0	11.2	10.1	9.8	10.1	9.7	9.7	9.0	8.1	7.6
Maximum daily production	16.2	13.0	13.7	12.8	13.9	13.6	13.9	14.3	11.0	12.0
Wastewater - (millions of gallons)										
Average daily sewage treatment	10.4	12.9	13.3	15.1	12.6	13.4	10.3	8.1	9.0	14.0
Maximum daily sewage treatment	27.7	28.6	37.1	(1) 46.9	33.6	28.6	25.6	21.1	27.4	57.9
Fire										
Number of responses	4,340	4,475	4,422	4,236	4,651	4,394	4,705	4,784	4,294	4,275
Inspections	1,243	1,151	761	660	1,321	1,563	1,584	1,424	1,224	911
Solid Waste Management:										
Refuse collected (tons)										
Inert	6,474	7,578	5,194	5,542	5,878	4,976	4,603	6,229	6,967	9,673
Trash	1,595	2,133	2,300	2,840	2,879	2,647	2,453	2,447	2,200	2,150
Garbage	15,982	16,539	14,618	15,759	16,220	16,113	16,225	15,361	14,539	14,530
Recycling	1,038	1,083	1,127	1,106	922	956	869	994	960	912
Transit:										
Transit miles	487,827	492,010	496,324	519,867	525,160	539,745	573,884	586,643	589,640	593,820
Transit passengers	770,745	781,403	809,002	826,945	839,484	857,276	879,394	893,268	967,390	962,500
Building Inspection:										
Permits	436	497	510	395	394	553	360	344	228	194
Solid Waste Commission:									-	-
Inert tonnage	2,787	1,177	1,887	658	544	992	(2) 377	353	241	225
C&D tonnage	-	-	-	-	-	12,494	11,750	16,117	17,527	(3) 34,759
Garbage tonnage	107,880	74,513	83,463	88,548	104,429	100,624	59,304	54,821	85,360	78,326
Municipal Golf:										
Rounds played	30,159	27,744	25,247	22,390	27,892	28,677	31,311	31,893	32,714	27,142

Source: City of Rome Trends Publication

Note: Operating indicators are not available for General Government, Public Services, and Community Development

(1) Sharp increase in maximum daily sewage treatment due to very wet year and increase in commercial users

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

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

(4) Decrease in actual customers and inactivation of old accounts

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

Principal Water Customers (in descending order):

	2009		2000
1)	Floyd County Wholesale	1)	Floyd County
2)	Zartic*	2)	Mohawk Industries
3)	Floyd Medical Center	3)	Zartic
4)	Rome Housing Authority	4)	Bekaert Steel
5)	Kelloggs	5)	Rome Housing Authority
6)	Bekaert Steel	6)	Floyd Medical Center
7)	Floyd County Government	7)	Redmond Regional Medical Center
8)	Mohawk Industries	8)	Floyd County Government
9)	Redmond Regional Medical Center	9)	Southeastern Mills
10)	Alliance Laundry	10)	Darlington School

Principal Sewer Customers (in descending order):

	2009		2000
1)	Zartic*	1)	Mohawk Industries
2)	Berry College	2)	Greenwood Industries
3)	Crothall	3)	Zartic
4)	Floyd Medical Center	4)	Bekaert Steel
5)	Rome Housing Authority	5)	Galey & Lord
6)	Kellogs	6)	Rome Housing Authority
7)	Bekaert Steel	7)	Floyd Medical Center
8)	Metal Container	8)	Redmond Regional Medical Center
9)	Floyd County Government	9)	Floyd County Government
10)	Marglen	10)	Metal Containers, Inc.

* See Subsequent Event Note.

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

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Vehicles	84	85	86	86	86	86	86	81	70	65
Public Works:										
Streets (miles)	250.77	251.89	254.74	256.12	258.83	261.29	262.81	269	273	275
Street lights	4,217	4,260	4,292	4,321	4,369	4,369	4,425	4,425	4,959	4,959
Traffic signals	*	*	*	*	91	91	92	92	91	93
Signage	*	*	*	*	10,000	10,100	10,106	10,203	10,248	10,248
Public Facilities:										
Parks	22	22	22	22	22	22	22	22	22	22
Auditoriums and Civic Centers	3	3	3	3	3	3	3	3	3	3
Public Services:										
Volumes in Library	275,000	300,000	335,765	342,907	321,197	320,471	322,000	332,378	344,692	350,528
Water:										
Water mains (miles)	253	267	267	284	270	270	284	285	285	285
Fire hydrants	1,266	1,339	1,416	1,417	1,461	1,585	1,643	1,627	1,648	1,644
Sewer:										
Sanitary sewers (miles)	370	373	373	376	376	414	408	410	399	399
Storm sewers (miles)										
Fire:										
Fire stations	10	10	10	10	10	10	10	10	10	10
Solid Waste Management:										
Collection Vehicles	36	36	42	42	42	42	42	40	41	40
Transit:										
Buses	40	40	41	41	42	42	42	43	44	48

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

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

CITY OF ROME, GEORGIA

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

DECEMBER 31, 2009

CITY OF ROME, GEORGIA

SINGLE AUDIT OF FEDERAL PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2009

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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

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

We have audited the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rome, Georgia as of and for the year ended December 31, 2009, which collectively comprise the City of Rome, Georgia's basic financial statements and have issued our report thereon dated June 16, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Rome, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Rome, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Rome, Georgia's internal control over financial reporting.

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City of Rome, Georgia in a separate letter dated June 16, 2010.

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 16, 2010

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

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

Compliance

We have audited the compliance of City of Rome, Georgia (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Rome, Georgia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and are described in the accompanying schedule of findings and questioned costs as item 2009-1.

Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-1 to be a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rome, Georgia as of and for the year ended December 31, 2009, and have issued our report thereon dated June 16, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City of Rome, Georgia's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The City of Rome, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City of Rome, Georgia's response and, accordingly, we express no opinion on it.

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 16, 2010

CITY OF ROME, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

Federal Grantor/Pass-Through Program Title	CFDA Number	Agency or Pass-through Grantor Number	Expenditures
U.S. Department of Transportation			
Passed through the Georgia Department of Transportation:			
Metropolitan Transportation Planning Services Program	20.505	PL-0008-00(508)	$ 101,524
Highway Planning and Construction Program	20.205	GA-80-0004	46,540
Subtotal Highway Planning and Construction Program			148,064
Federal Transit - Capital Investment Grant	20.500	GA-90-0223	289,389
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0242	336,816
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0254	31,552
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0085	112,272
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0259	93,388
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0006	74,948
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-X222	480,000
Subtotal Federal Transit Cluster			1,418,365
Total U.S. Department of Transportation			1,566,429
U.S. Department of Justice			
Passed through the Bureau of Justice Assistance:			
Bulletproof Vest Partnership Program	16.607	2009BUBX08043628	2,339
Metro Task Force Overtime Program (Special Investigation)	16.001	SE-GAN-408	5,346
Subtotal Bureau of Justice Assistance			7,685
Passed through Floyd County, Georgia			
Local Law Enforcement Block Grant (Police Equipment)	16.738	2007-DJ-BX-0553	1,981
Local Law Enforcement Block Grant (Police Equipment)	16.738	2008-DJ-BX-0260	2,038
Local Law Enforcement Block Grant (Police Equipment)	16.738	2009-DJ-BX-0501	30,836
Subtotal Floyd County, Georgia			34,855
American Recovery & Reinvestment Act Funds			
Edward Byrne Memorial Justice Assistance Grant	16.804	2009-SB-B9-0063	986
Subtotal American Recovery & Reinvestment Act			986
Total U.S. Department of Justice			43,526

Continued

CITY OF ROME, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

Federal Grantor/Pass-Through Program Title	CFDA Number	Agency or Pass-through Grantor Number	Expenditures
U.S. Department of Housing and Urban Development			
Community Development Block Grant -			
Entitlement Grant	14.218	B-06-MC-13-0014	17,040
Entitlement Grant	14.218	B-07-MC-13-0014	94,163
Entitlement Grant	14.218	B-08-MC-13-0014	204,698
Entitlement Grant	14.218	B-09-MC-13-0014	92,418
			408,319
Community Home Investment Partnerships			
Grant - Pennington Place	14.239	07m-x-057-2-2966	465,888
Community Home Investment Partnerships			
Downpayment Assistance Program	14.239	09m-x-057-2-6019	4,663
			470,551
Total U.S. Department of Housing and Urban Development			878,870
U.S. Environmental Protection Agency			
Brownfield Assessment and Cleanup Cooperative Grant	66.818	GA080604012	38,361
Total U.S. Environmental Protection Agency			38,361
U.S. Department of Agriculture			
Passed through Georgia Forestry Commission			
Urban & Community Forestry Grant	10.664	8:26	18,760
Total U.S. Department of Agriculture			18,760
U.S. Department of Energy			
Passed through Georgia Department of Energy			
American Recovery & Reinvestment Act -			
Energy Efficiency & Conservation Block Grant	81.128	DE-EE0002192	156,195
Total Expenditures of Federal Awards			$ 2,702,141

See accompanying note to Schedule of Expenditures of Federal Awards.

CITY OF ROME, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Rome, Georgia (the "City") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

CITY OF ROME, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	_____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	_____ yes __X__ no

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	__X__ yes ____ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes __X__ no
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	__X__ yes ____ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grant
14.239	Community Home Investment Partnerships Grant
81.128	ARRA – Energy Efficiency & Conservation Block Grant

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

CITY OF ROME, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009

Section II – Financial Statement Findings and Responses

None reported.

Section III - Federal Awards Findings and Questioned Costs

2009-01: Reporting – ARRA - Energy Efficiency & Conservation Block Grant (EEFCBG) (CFDA 81.128)

Criteria: The Federal Financial Report (SF-425/425A), which is intended to supersede the SF-269 and SF-272, has been approved by OMB under the Paperwork Reduction Act and is available to the Federal awarding agencies for inclusion in award requirements. Per review of the Grant Agreement the Federal Financial Report is to be submitted quarterly.

Condition and Context: The City of Rome did not submit the required Federal Financial Reports for the EEFCBG 2009 funding. The reports are due quarterly and the City did not file any of the reports during the year.

Known and Likely Questioned Cost: N/A

Effects or Possible Effects: The City of Rome is to report the financial activities to the Department of Energy for review. Without this report the Department of Energy would not have sufficient information to monitor the City of Rome.

Cause: The City of Rome was not aware of the requirement to submit the Federal Financial Report on a quarterly basis to the Department of Energy.

Recommendation: We recommend that the City of Rome submit the Federal Financial Report on a quarterly basis to the Department of Energy as required.

Views of Responsible Officials:

We concur with the finding. The Federal Financial Report for the Energy Efficiency & Conservation Block Grant was not filed timely. The City's management has taken steps to ensure this report is filed timely in the future.

Section IV – Prior Year Federal Awards Findings and Questioned Costs

None noted.

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

Corrective Action Plan
City of Rome Response
Finding 2009-01
For year ended 12-31-09

Finding 2009-01

The City will take administrative oversight steps to ensure that timely quarterly reports for the Department of Energy Grant are filed appropriately.

John W. Bennett
City Manager

Sheree T. Shore
Finance Director

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