

**CITY OF ROME, GEORGIA
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2015**

**Prepared By:
Finance Department**

**CITY OF ROME, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

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Sammy Rich
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June 24, 2016

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, 2015, 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, 2015.

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

Mauldin & Jenkins, LLC has issued an unqualified opinion on the City of Rome's financial statements for the year ended December 31, 2015. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

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

LOCAL ECONOMY

The economic condition and outlook of the City has remained fairly stable during the past several years, following several years of slower economic growth attributable to a general decline in manufacturing activity. However, in the last several years, the area has also been impacted by the national economic slowdown and has seen a reduction in workforce in several major manufacturing entities. The City has experienced a slight increase in economic activity including expansions and additional employment hiring. The unemployment rate for the City at the end of the year was 5.8%. This is significantly less than last year. This rate was just slightly higher than the state average of 5.5% but comparable to the Floyd County rate of 5.9%. More encouraging news is that this rate has continued to slightly decrease through the first of 2016.

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

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

The City is a host for several USTA Tennis tournaments, ranging from junior league to adult mixed. Rome has also been the site for several other sporting events that draw participants and spectators from outside the community. Berry College began their inaugural football season with their newly constructed stadium in 2015. The Wings over North Georgia Air show held in the fall has become a large regional draw for the event, and was the highest estimated economic impact event for 2015, with over 30,000 in attendance for the one day event.

Rome has also made its mark in the film production arena, with small portions of the major motion picture "Allegiant" filmed locally, along with smaller venues for several TV shows. The next year also promises other productions both for TV and major motion pictures. 2015 was the second year for the hosting of the Counterpoint Music and Arts Festival, a weekend event for multiple bands and performers. This event was estimated to have had over 45,000 in attendance.

A continuing Education Local Option Sales tax has enabled the school system to make major renovations and improvements to many of the City schools. As this issue comes to an end a new county high school in the western part of the county is nearing completion, and major renovations at the Rome High and Middle School have been completed. One of the larger ELOST projects completed in 2015 was the new Anna K. Davie Elementary school in South Rome which was the combination of two previously separate neighborhood elementary schools in the area. Also launched during 2015 was the South Rome Early Learning Center which is housed at Anna K. Davie School. This is a public/private partnership with the school system, Berry College, and private enterprises as the South Rome Redevelopment Corporation to help pre-school kids become ready for official school entry.

Local Option Sales Tax revenue, one of the City's largest revenue sources outside of property taxes, has been very stagnant over the last several years. Consistent decreases in this revenue stream have mirrored the economic downturn the last three years. New implemented legislation completely eliminated the sales tax on vehicles in 2013 and the sales tax on manufacturing energy consumption was decreased to .25%. This decrease is the third part of the implementation to phase that sales tax out over four years. These changes have significantly impacted overall sales tax revenues and since that implementation sales tax revenues have fallen dramatically. In 2014, sales taxes inched up slightly, and 2015 gross collections were slightly up again.

However, the most revenue impactful event to the City in 2015 was the refund to the State of Georgia Department of Revenue for overpaid sales taxes from a local entity. The overall refund was just short of \$4 million and the City's portion of that was \$555,000 for LOST collections and over \$418,000 for SPLOST. This was almost a 12% reduction in the City's overall sales tax revenues for 2015.

The City has seen several market growth additions over the last year, and the 2015 digest had a 2.16% increase. This was one of the largest increases in several years and was timely in helping the City overcome the reduction in sales tax.

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

LONG TERM FINANCIAL PLANNING

The City has taken budgetary steps to ensure that the City will continue to be healthy throughout a continual stagnation of many revenue sources. Although the City went four years without normal merit raises for employees, 2015 did see a modest merit raise budget increase of 1% for employees. The City has trimmed its workforce over 10% in the last several years and continues to have a hiring freeze for many vacant positions. The City has implemented shared workers and changes in public safety operations to maximize coverage in those areas. However, the need for long range planning in pay and benefits for public safety employees continues to be a concern in recruitment and retention. Capital spending has been minimized but long term needs must still be addressed. There has been more capital spending in the Water/Sewer system for 2015 reflecting needs that have been mitigated for the last couple of years. The City has a commitment to the community to maintain the highest level of service possible and still operate within its current revenue resources. This commitment, under what appears to be more long term restraints has been a challenge for City management.

RELEVANT FINANCIAL POLICIES

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

The local and national housing crisis continues to impact the City's tax digest. Although there has been a slight growth in the digest numbers, it is mainly from some new market factors rather than an overall growth of digest. It is anticipated that the housing correction will continue for at least a couple more years.

MAJOR INITIATIVES

For the Current Year:

As an "Entitlement Community", the City receives Federal grant monies for capital improvement projects. Projects include street and sidewalk improvements, and several home rehabilitation programs for lower income families. The City of Rome has partnered with the Northwest Georgia Housing Authority in an expanded housing rehabilitation program with the entitlement funds. The main focus in 2015 was the continued replacement of the sidewalks in the North Rome area of redevelopment.

The Community Development department worked with the Regional Development Commission in securing federal funds to purchase property and demolish the old McCall hospital building in the South Rome area. This redevelopment will now be developed by Laurel Street Residential Development and will include affordable apartment housing not only for that single site, but also for two other sites within the South Rome area.

Another continuing initiative for the City in 2015 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.

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

Also opened in 2015 was the Downtown Visitor Center satellite office which was funded by the current SPLOST issue. This will enable visitors to the downtown area access to tourism and visitor information.

Also in 2015, the Business Improvement District tax area was expanded geographically, and enhanced to generate more development monies to be used in our downtown area.

Every year water and sewer projects are being completed. One major water initiative in 2015 was the bypass and replacement of 100 year old water lines down the City's Broad Street. Also nearing completion is the Northeast sewer interceptor project, a one million dollar SPLOST funded project to replace and upgrade older lines in the Northeast part of the City.

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

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

The new Hampton Inn in the Downtown area was completed and will add another anchor hotel for tourism and conventions.

The new Hight Square Retail Development opened with the Publix Supermarket anchoring the development. Other retail and restaurant establishments have developed and the new Housing Authority Administration Building has been completed within that complex. This development has continued to flourish and is now fully occupied.

For the Future:

A new Marriott Courtyard Hotel has been committed and began construction in early 2016. The hotel is Phase 1 of a multiphase program for development of the City owned four acres along that corridor.

A major parcel of property in the West Rome area of the City has been donated by the General Electric Company and tentative plans include the development of passive recreation with plans to start building trails in one section in 2016.

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

The rivers are a major part of this community along with the City's downtown development. The City will continue to focus on the development of the three rivers in downtown Rome. The addition of the pedestrian bridge and the Town Green has already proven to be a major draw to the downtown area and the expansion of the river walk trail system continues to be an important initiative for the future. The Town Green is becoming a focal point for other festivals, and events in the downtown area. Re-installation of the dock for the Roman Holiday riverboat is expected in 2016.

Technology upgrades and advancements continue to be a priority for the City. The City launched its interactive "My Rome App" earlier this year, and a new upgraded joint City/County website was recently unveiled. The City of Rome Transit department recently rolled out new software and hardware to outfit all buses and drivers with the new software Route Match. This interactive software allows the drivers and Transit supervisors to map buses, manage delays or route changes and keep more in touch with drivers. The City of Rome is also upgrading its phone system in 2016 with a complete change to a VOIP system.

Community Development continues to be a priority for the City. The City will continue to host the Neighborhood Enhancement Programs (NEPS) in 2016, which are a step above the Neighbor focus clean-up efforts, and will be a multi departmental and agency effort to concentrate clean up, code enforcement and infrastructure renewal in pre-determined hot spots around the City.

The 2013 SPLOST package that was approved is underway. One of the most anticipated projects is the construction of the \$12 million multi court tennis facility which should be completed in mid 2016. This facility will be one of the largest in the country and is anticipated to be a significant economic draw to the community. Other projects include major road improvements on Burnett Ferry Road and at Chulio Hills, as well as various in City road paving projects. Money has also been allocated for major sewer improvements and upgrades to City buildings and facilities. There is also \$1.8 million allocated for expansion of the City's trails. These projects will be funded and constructed over the next five years. Also expecting completion in mid 2016, is the \$2 million SPLOST upgrade to the City Auditorium and offices. This upgrade includes major technology improvements in the auditorium, as well as a major addition to the rear of the auditorium building.

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, 2015 ended with no findings of noncompliance for its federal programs.

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

AWARDS AND ACKNOWLEDGEMENTS

Awards. The City of Rome, Georgia Comprehensive Annual Financial Report for the year ended December 31, 2014, 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.

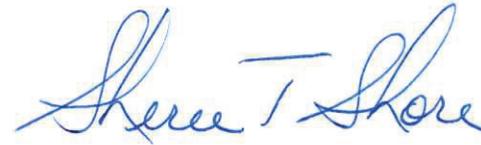
A Certificate of Achievement is valid for a period of one year only. We believe our comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements and we are submitting our comprehensive annual financial report for the current year to the GFOA.

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,

A handwritten signature in blue ink, appearing to read "Sammy Rich", with a large, sweeping flourish underneath.

Sammy Rich
City Manager

A handwritten signature in blue ink, appearing to read "Sheree T. Shore", with a large, sweeping flourish underneath.

Sheree T. Shore
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

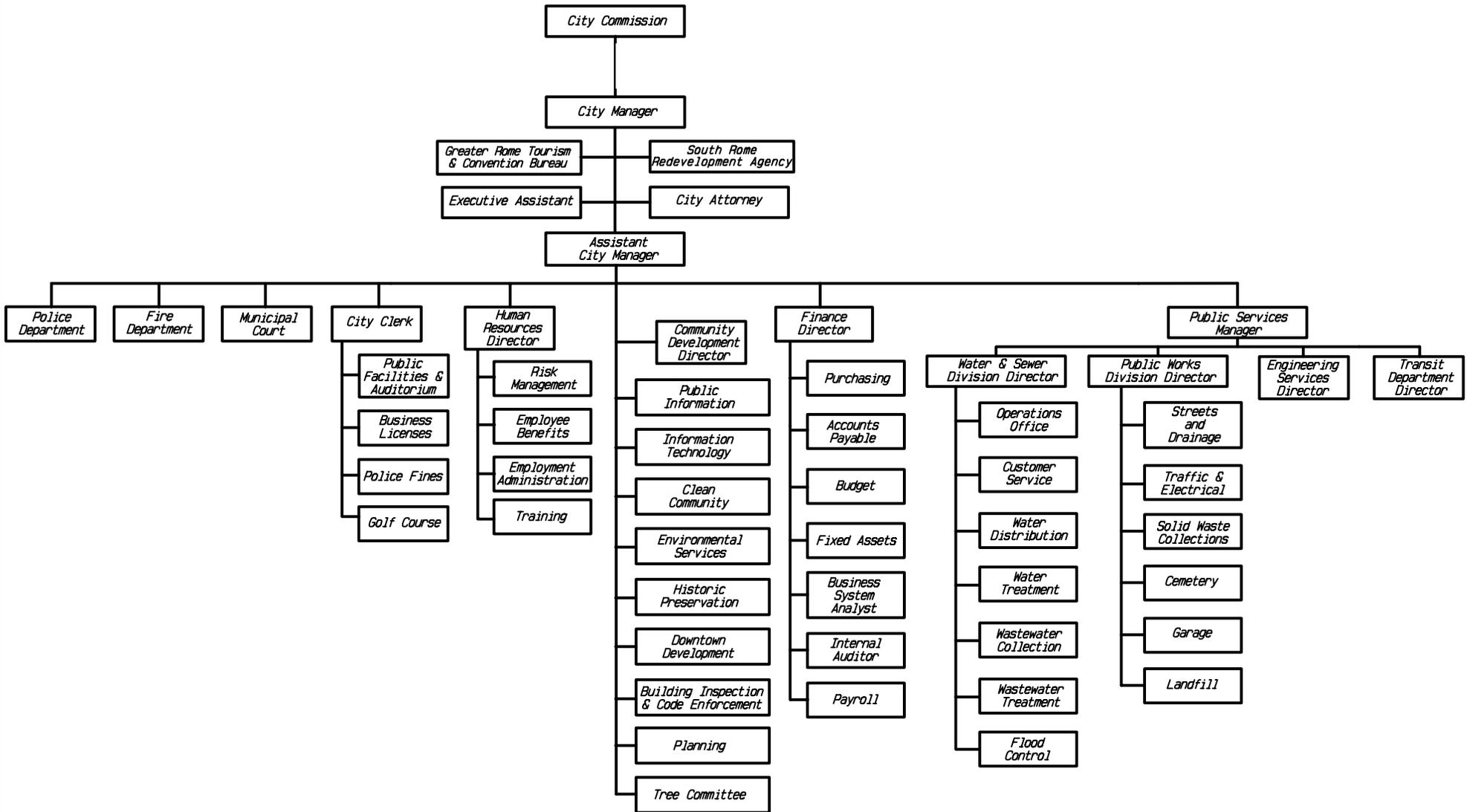
**City of Rome
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

City of Rome, Georgia Organization Chart



**CITY OF ROME, GEORGIA
PRINCIPAL OFFICIALS
DECEMBER 31, 2015**

Jamie Doss **Mayor**
Milton Slack **Mayor, Pro Tem**
Bill Collins **At Large**
Sue Lee **At Large**
Evie McNiece **At Large**
Kim Canada **At Large**
Howard “Buzz” Wachsteter **At Large**
Bill Irmscher **At Large**
Wendy Davis **At Large**

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

FINANCIAL SECTION

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



INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
City of Rome, Georgia
Rome, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Rome, Georgia (the "City")** as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes III F and Q, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of January 1, 2015. These standards significantly changed the accounting for the City’s net pension liability and the related disclosures. Our opinions are not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis on pages 4–23, Schedule of Changes in the City’s Net Pension Liability on page 111, Schedule of City Contributions on page 112, Schedule of Funding Progress on page 117, and budgetary comparison information on pages 100 through 109 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Atlanta, Georgia
June 24, 2016

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, 2015

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, 2015.

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

FINANCIAL HIGHLIGHTS

- The City of Rome's total assets and deferred outflows exceeded its total liabilities and deferred inflows by \$297,730,451 in 2015, which is an increase of 5.8% from 2014. This change is due to the implementation of the new GASB pension standard which restated the prior year net position and decreased the beginning net position by \$23,170,014.
- The City's long term liabilities increased \$19,667,695 with the net pension liability implementation and the addition of the calculated amount owed.
- Total City of Rome Net Position is made up of the following:
 - 1) Net Investment in capital assets of \$276,507,850 includes property, equipment, and infrastructure, net of accumulated depreciation and reduced for related debt.
 - 2) The restricted portion of the Net Position of \$21,750,102 is significantly up over 2014 due to the bond proceeds held in the SPLOST fund for the construction of the new Tennis Center. The balance of the restricted portion is restricted by outside entities either by covenants, grant agreements or external legislation.
 - 3) Unrestricted Net Position of \$(527,501) represents the portion available to maintain the City's ongoing obligations and has decreased from 2014 due to the recording of the net pension liability in Governmental Activities. Overall Net position has improved, but this change in pension accounting has flipped the unrestricted net position portion to a negative balance.
- The City of Rome had an overall increase in Net Position for 2015 of \$16,272,794 which is less than 2014 and represents larger SPLOST and grant reimbursements for constructions projects and restricted unspent SPLOST and SPLOST bond proceeds in restricted cash.
- The City's combined governmental funds reported a total ending fund balance of \$33,586,066 which is an increase of \$12,890,829 from 2014. This is due to a moderate increase in the fund balance in the General Fund, but a substantial increase in the SPLOST fund for unspent SPLOST collections and Tennis Center bond proceeds that will be spent for construction in the next fiscal year. Of this amount \$12,666,594 is unrestricted and unassigned and available for budgetary spending. This is an increase from 2014.
- The City's General Fund had a significant reduction in sales tax revenue in 2015 of some 7.6%. This was due to the refund to the Department of Revenue of \$555,431.
- The City's General Fund had a net increase in fund balance of \$554,707 for 2015. This is lower than 2014 but is a significant financial impact given the sales tax refund. Higher than anticipated revenues in prior year taxes was the main contributor as well as less than budgeted expenditures.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

- The City's General Fund showed an unrestricted and unassigned fund balance of \$12,666,594 at the end of the fiscal year, or 64.4% of current year expenditures before transfers. This is a \$565,713 increase from 2014. This increase continues to be a purposeful intention to increase the fund balance to offset prior year decreases that occurred during the beginning of the most recent economic downturn.
- The City's Capital Fund had a net increase in fund balance of \$707,797. This is due to a moderation of capital outlay and additional property tax revenue.
- The City's SPLOST fund had a net increase in fund balance of \$11,408,751 due to the accounting of received but unspent SPLOST revenues and the issuance of \$10,785,000 in bonds for the construction of the Tennis Center. This increase is the majority of the overall increase in the governmental funds' fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the City of Rome's basic financial statements. The basic financial statements are comprised of three components 1) government-wide financial statements, 2) fund financial statements and, 3) notes to the financial statements. This report also includes supplementary information in addition to these basic financial statements.

Government-wide Financial Statements

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

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

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

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

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

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

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

The City of Rome maintains ten individual governmental funds. Information is presented separately for the General, Capital and SPLOST, all considered major funds. The other funds are combined into a single aggregated presentation. Individual data for each of these non-major governmental funds is provided in the form of combining statements on pages 118-121 of the report.

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

The basic governmental fund financial statements are presented on pages 27-30 of this report.

Proprietary Funds

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

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

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

The City's proprietary funds are presented on pages 32-40 with individual data on non-major funds presented in combining statements on pages 130-136.

Fiduciary Funds

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

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

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 43 to 99.

Required Supplementary Information

The budgetary comparison schedule for the General Fund and footnotes are provided for budget compliance presentation. The schedules applicable to the newly implemented Pension Liability standard for the City of Rome's GMEBS Retirement Plan and schedules for the OPEB Health Care Plan are also provided in the Required Supplementary Information. These are presented on pages 100-117.

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 118-127.

The Special Report for Sales Tax proceeds is shown on pages 128 and 129. This schedule shows expenditures for the 1996, 2006, 2009 and 2013 SPLOST issues.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

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FINANCIAL ANALYSIS OF THE CITY'S POSITION AND OPERATIONS

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

City of Rome
Net Position (Financial Position)

	Governmental Activities		Business-Type Activities		Totals		Variance
	2015	2014	2015	2014	2015	2014	
Assets:							
Current assets	\$ 24,465,257	\$ 21,835,300	\$ 30,077,315	\$ 26,040,283	\$ 54,542,572	\$ 47,875,583	\$ 6,666,989
Capital assets	146,357,018	140,039,758	181,115,501	184,930,644	327,472,519	324,970,402	2,502,117
Other non-current assets	15,107,407	3,548,651	1,195,412	1,231,436	16,302,819	4,780,087	11,522,732
Total Assets	<u>185,929,682</u>	<u>165,423,709</u>	<u>212,388,228</u>	<u>212,202,363</u>	<u>398,317,910</u>	<u>377,626,072</u>	<u>20,691,838</u>
Deferred Outflows of Resources	<u>3,698,011</u>	<u>2,385,844</u>	<u>1,598,589</u>	<u>1,927,419</u>	<u>5,296,600</u>	<u>4,313,263</u>	<u>983,337</u>
Liabilities:							
Current liabilities	5,738,910	2,380,848	5,028,440	4,930,192	10,767,350	7,311,040	3,456,310
Long-term liabilities	<u>39,558,618</u>	<u>32,714,564</u>	<u>51,614,167</u>	<u>59,187,948</u>	<u>91,172,785</u>	<u>91,902,512</u>	<u>(729,727)</u>
Total Liabilities	<u>45,297,528</u>	<u>35,095,412</u>	<u>56,642,607</u>	<u>64,118,140</u>	<u>101,940,135</u>	<u>99,213,552</u>	<u>2,726,583</u>
Deferred Inflows of Resources	<u>3,943,924</u>	<u>1,268,126</u>	<u>-</u>	<u>-</u>	<u>3,943,924</u>	<u>1,268,126</u>	<u>2,675,798</u>
Net investment in capital assets	137,041,326	132,207,394	139,466,524	136,589,714	276,507,850	268,797,108	7,710,742
Restricted	20,177,986	5,985,516	1,572,116	697,509	21,750,102	6,683,025	15,067,077
Unrestricted	<u>(16,833,071)</u>	<u>(6,746,895)</u>	<u>16,305,570</u>	<u>12,724,419</u>	<u>(527,501)</u>	<u>5,977,524</u>	<u>(6,505,025)</u>
Total Net Position	<u>\$ 140,386,241</u>	<u>\$ 131,446,015</u>	<u>\$ 157,344,210</u>	<u>\$ 150,011,642</u>	<u>\$ 297,730,451</u>	<u>\$ 281,457,657</u>	<u>\$ 16,272,794</u>

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

With the implementation of GASB 63, certain assets and liabilities have been reclassified to deferred outflows and inflows of resources. For 2015 the deferred outflows represent deferred charges for bond refunding and pension calculations. The deferred inflows represent the change in the fair value of a derivative instrument and pension plan changes.

The overall assets of the City increased \$20,691,838 with the majority of the increase in amounts held in restricted cash for construction of the Tennis Center. Current liabilities increased from 2014 due to the first payment due for the Tennis Center bonds. Overall liabilities increased \$2,726,583 with the majority of this increase being the change in the City of Rome Pension plan net liability, and the Tennis Center Bonds.

Net investment in capital assets increased \$7,710,742 or 2.8%. The majority of this increase was due to a major school construction project. Overall the City's Net Position decreased \$16,272,794 from 2014. This was due to the posting of the long term debt for the pension liability and the restatement of prior year net position also for the pension liability accounting.

Investment in capital assets is the largest component of total net position with 98% of governmental net position and 89% of business type net position. The largest component of the restricted portion of net position is restricted assets held for the GMA lease pool, and restricted bond proceeds. Neither of these components of net position, however, represents available resources for the City's operation, but an investment to provide services to citizens.

The unrestricted portion of net position of \$(527,501) which is available for future spending has moved to a modest negative position after the posting of the net pension liabilities. It is expected that this will improve as total net position will increase in the future.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

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

**City of Rome
Changes in Net Position**

	Governmental Activities		Business Type Activities		Total		Variance
	2015	2014	2015	2014	2015	2014	
Revenues:							
Program Revenues							
Charges for services	\$ 3,647,142	\$ 3,484,324	\$38,044,246	\$37,653,024	\$41,691,388	\$41,137,348	\$ 554,040
Operating Grants & Contributions	706,859	861,674	943,897	1,077,499	1,650,756	1,939,173	(288,417)
Capital Grants & Contributions	13,886,399	16,662,014	957,139	1,027,750	14,843,538	17,689,764	(2,846,226)
General Revenues							
Property Taxes	11,790,435	10,967,354	-	-	11,790,435	10,967,354	823,081
Sales Taxes	5,319,854	5,761,709	-	-	5,319,854	5,761,709	(441,855)
Other Taxes	7,930,597	7,787,910	-	-	7,930,597	7,787,910	142,687
Miscellaneous	1,267,861	982,437	142,166	186,039	1,410,027	1,168,476	241,551
Total Revenues	<u>\$44,549,147</u>	<u>\$46,507,422</u>	<u>\$40,087,448</u>	<u>\$39,944,312</u>	<u>\$84,636,595</u>	<u>\$86,451,734</u>	<u>\$ (1,815,139)</u>

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

	Governmental Activities		Business Type Activities		Total		Variance
	2015	2014	2015	2014	2015	2014	
Expenses:							
General Government	\$ 5,643,138	\$ 4,037,395	\$ -	\$ -	\$ 5,643,138	\$ 4,037,395	\$ 1,605,743
Public Safety	7,849,538	7,706,159	-	-	7,849,538	7,706,159	143,379
Public Works	10,626,182	10,730,492	-	-	10,626,182	10,730,492	(104,310)
Public Facilities	1,355,749	1,588,463	-	-	1,355,749	1,588,463	(232,714)
Public Services	448,905	468,153	-	-	448,905	468,153	(19,248)
Community Development	1,079,420	1,135,971	-	-	1,079,420	1,135,971	(56,551)
Education	1,425,286	1,458,437	-	-	1,425,286	1,458,437	(33,151)
Interest on Debt	933,083	473,721	-	-	933,083	473,721	459,362
Water and Sewer	-	-	17,219,504	17,851,712	17,219,504	17,851,712	(632,208)
Fire	-	-	11,167,135	11,499,538	11,167,135	11,499,538	(332,403)
Solid Waste Commission	-	-	1,482,874	2,267,513	1,482,874	2,267,513	(784,639)
Transit	-	-	3,573,943	3,464,192	3,573,943	3,464,192	109,751
Building Inspection	-	-	623,797	690,109	623,797	690,109	(66,312)
Solid Waste Management	-	-	3,353,350	3,512,753	3,353,350	3,512,753	(159,403)
Municipal Golf	-	-	1,249,807	1,309,077	1,249,807	1,309,077	(59,270)
Public Facilities	-	-	323,703	319,258	323,703	319,258	4,445
Tennis Center	-	-	8,387	997	-	-	-
Total Expenses	<u>29,361,301</u>	<u>27,598,791</u>	<u>39,002,500</u>	<u>40,915,149</u>	<u>68,355,414</u>	<u>68,512,943</u>	<u>(157,529)</u>
Increase (decrease) in net position before transfers	15,187,846	18,908,631	1,084,948	(970,837)	16,272,794	17,937,794	(1,665,000)
Transfers	<u>(6,247,620)</u>	<u>(7,378,783)</u>	<u>6,247,620</u>	<u>7,378,783</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	8,940,226	11,529,848	7,332,568	6,407,946	16,272,794	17,937,794	(1,665,000)
Beginning Net Position	131,446,015	143,086,181	150,011,642	143,603,696	281,457,657	286,689,877	(5,232,220)
Restatement	<u>-</u>	<u>(23,170,014)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,170,014)</u>	<u>23,170,014</u>
Ending Net Position	<u>\$140,386,241</u>	<u>\$131,446,015</u>	<u>\$157,344,210</u>	<u>\$150,011,642</u>	<u>\$297,730,451</u>	<u>\$281,457,657</u>	<u>\$ 16,272,794</u>

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

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

The City's overall revenues decreased \$1,815,139 or 2% from 2014. Most of this decrease was in the Governmental Activities Capital Grants and Contributions and is related to a decrease in SPLOST proceeds for school construction and grants proceeds for infrastructure, as these projects were completed.

Property Taxes had a moderate increase, attributable mainly to a higher than anticipated collection rate for prior year taxes in 2015. Sales Tax revenues decreased \$441,855 or 7.66% due to the refund to the Georgia Department of Revenue. Other revenue sources, as previously noted, had modest increases or have remained stagnant during 2015.

On the expense side, General Government expenses increased due to the re-allocation of retirement expenses. Interest on debt is up for the year due to the issuance costs and interest paid on the 2015 Tennis Center SPLOST Bonds. Most other expense line items were in line with 2014 expenditures.

In the Business Activities, Water and Sewer, Fire, Transit and Solid Waste Management expenses were down due to a reallocation of expenses that transferred down to the transfer out expense.

Solid Waste Commission expenses are down due to a change in postclosure/closure estimates for the C/D portion of the Landfill.

The Tennis Center had additional expenses as the center is gearing up to be operational in 2016.

These combined decreases in revenues and general decrease in expenditures has created an increase in net position of \$8,940,226 for the Governmental Activities for 2015. Business Type Activities ended the year with a \$7,332,568 increase to net position with the majority of that increase generating from the change in the Solid Waste Commission estimates which lowered current year expenses.

The overall change in net position for the City was \$16,272,794, an increase over 2014. The City, in 2015, was encouraged by a higher than anticipated tax collection rate and modest increases in revenue sources tied to economic drivers such as intangible taxes, and real estate transfer taxes. The City did have a significant impact financially, with the Department of Revenue sales tax refund. Although other revenue sources have continued to be flat, the modest increase in overall revenues is encouraging for future growth.

The City has continued to work diligently to minimize expenses for 2015 with most departments and funds at or below budgeted amounts. This continued combination has helped the City to continue to live within its revenues for 2015.

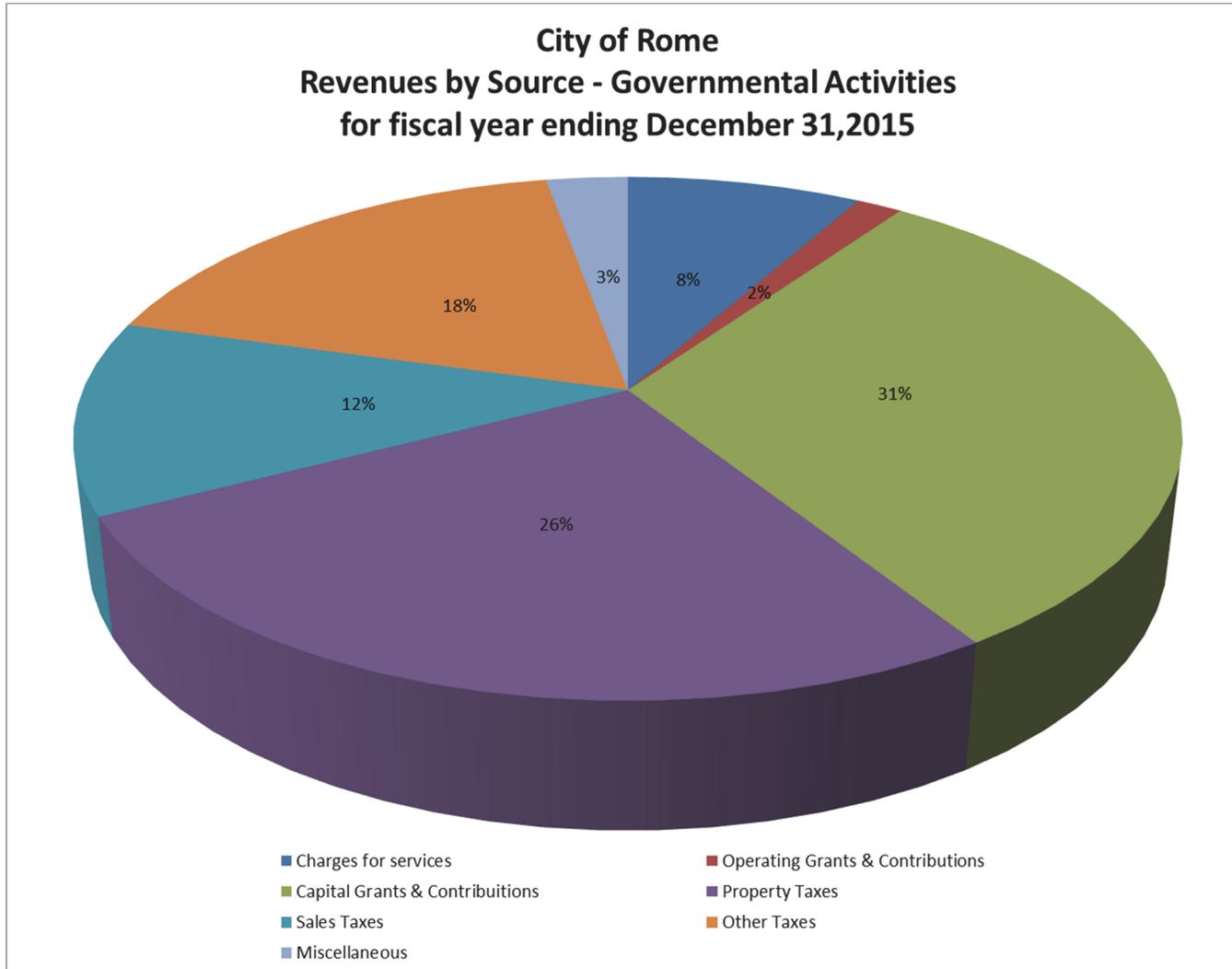
City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

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

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



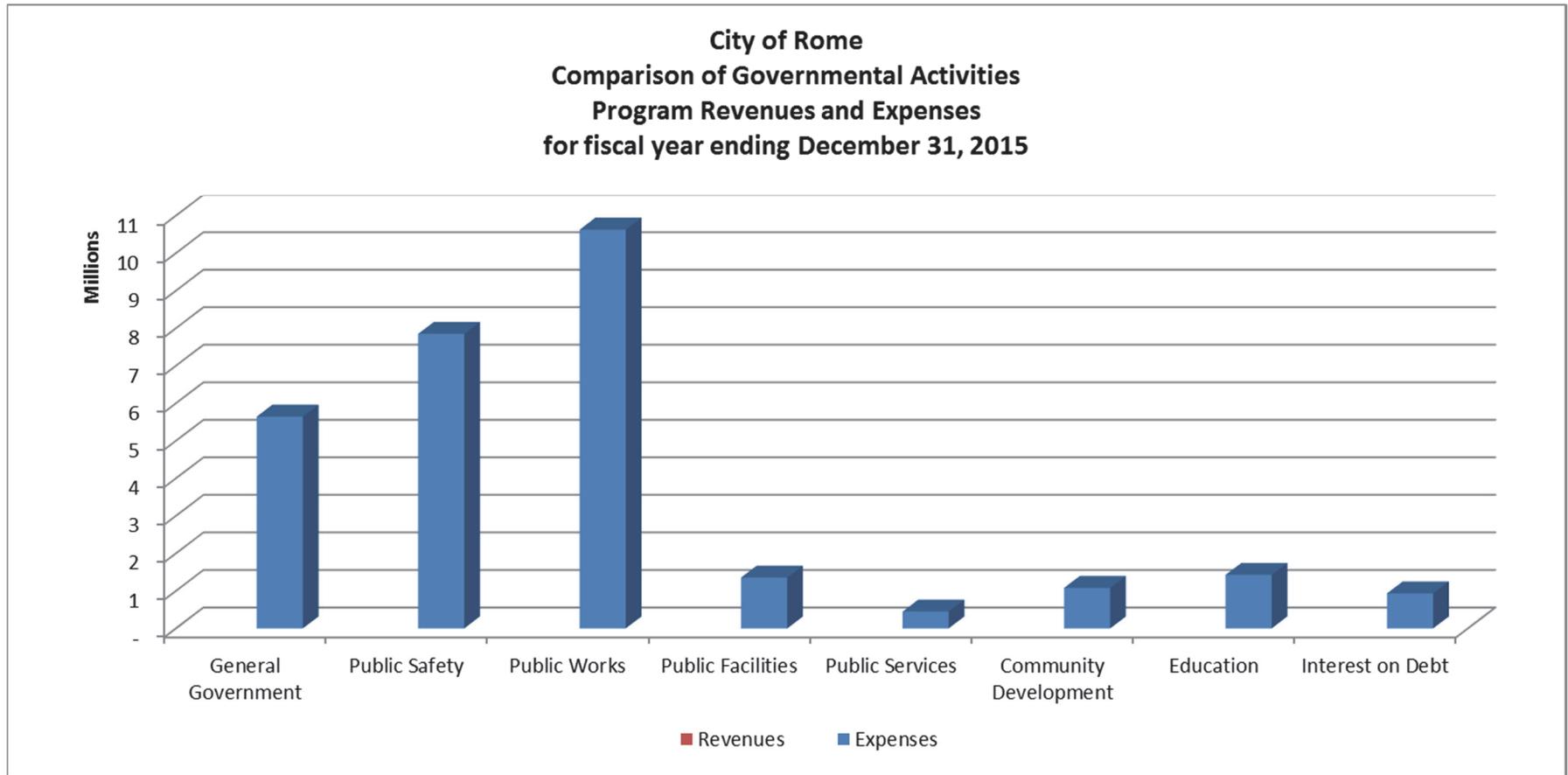
City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

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

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



City of Rome, Georgia

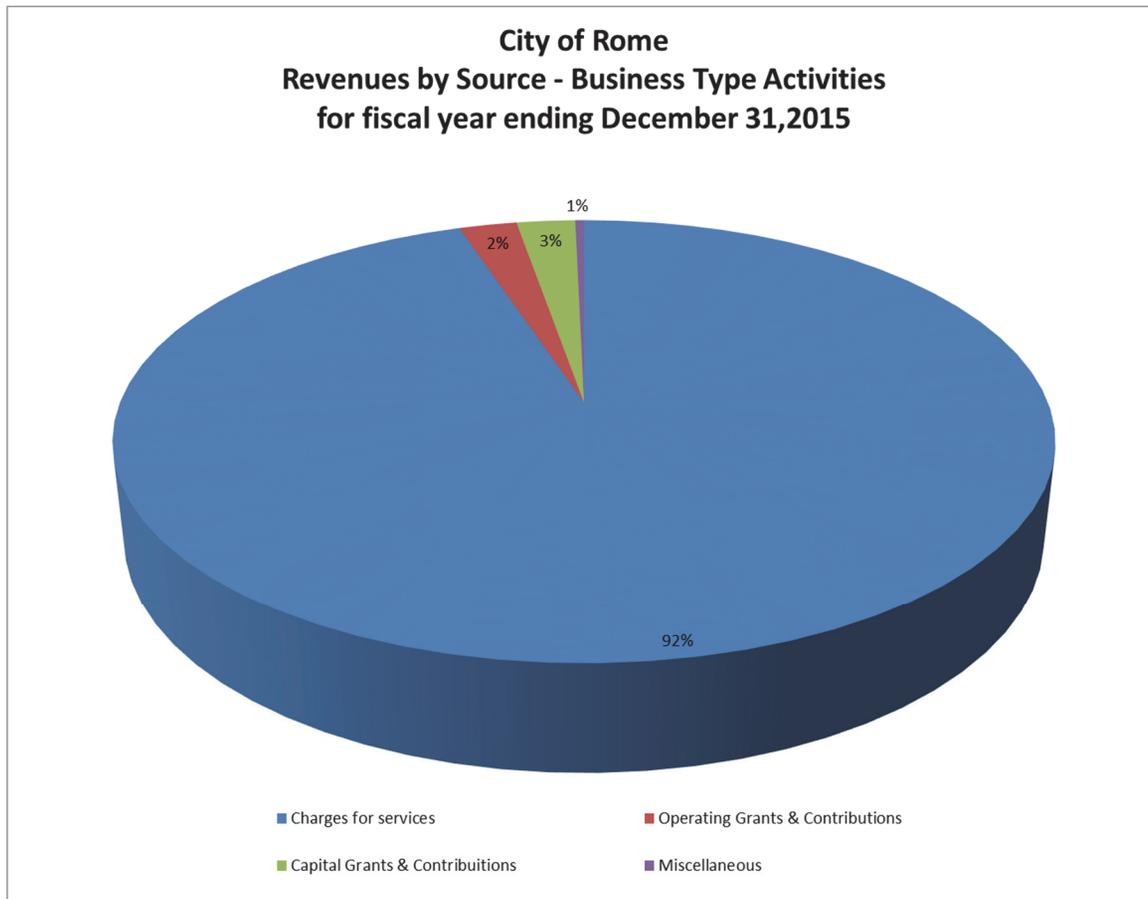
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

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

Business-type activities Charges for Services account for \$38,044,246 or 95% of total operating revenues. Capital Grant revenues mainly include DOT reimbursements for Transit operating and capital purchases. The Tennis Center also has recorded the capital contribution for the donation of land for the construction of the center. Transfers in of \$6,247,620 represent 13% of total business-type revenues and transfers. This amount is mainly due to General Fund monies transferred to the Fire Fund for operations.

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



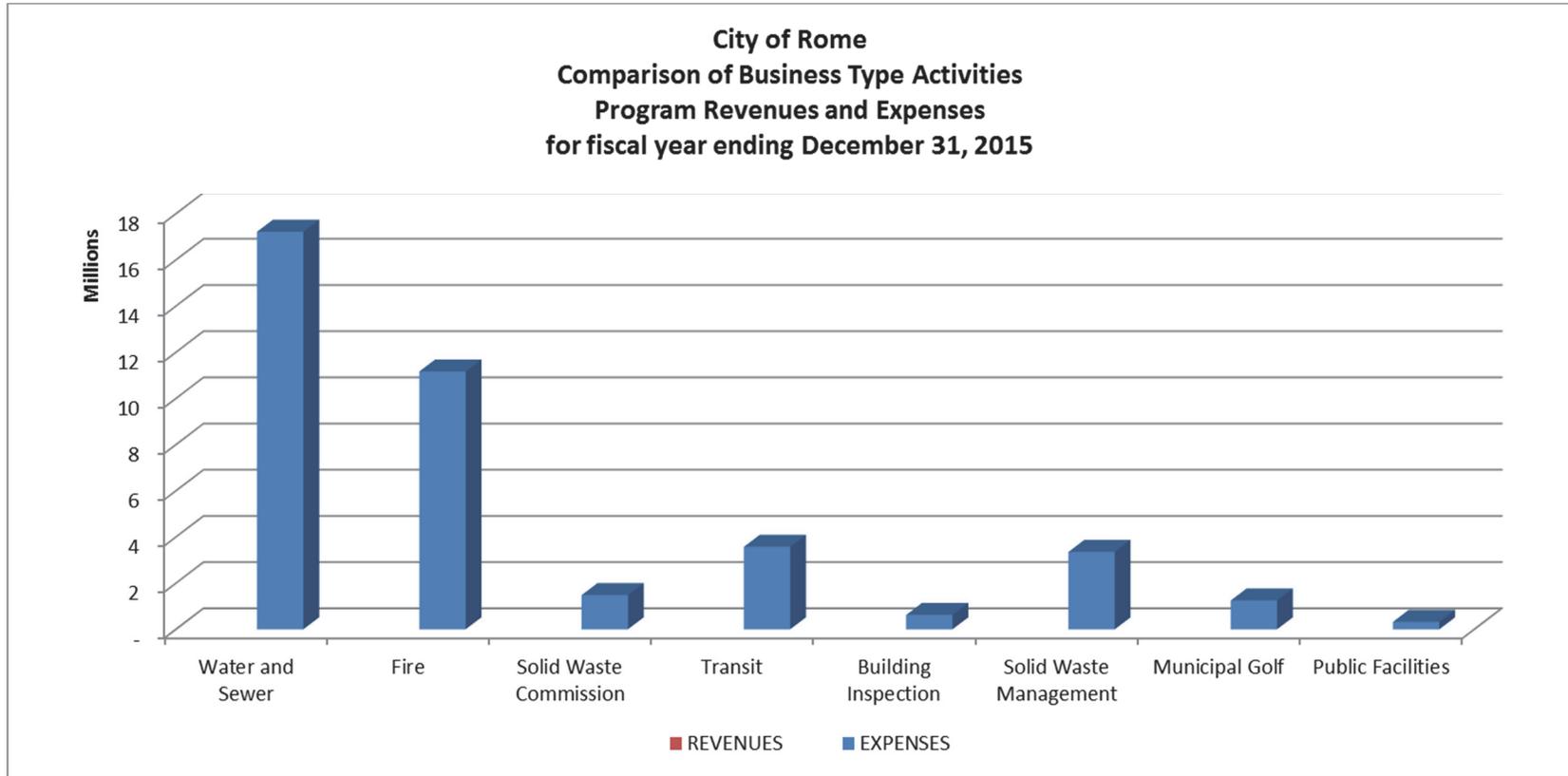
City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

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

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



City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

As noted, the City of Rome's governmental funds' focus is to provide information on short term inflows and outflows and balances of expendable resources. Such information is useful in assessing the City's financial requirements. In particular, unrestricted and unassigned fund balance may serve as a useful measure of a government's net resources available for future spending. At the end of the fiscal year 2015 the City's governmental funds reported a combined ending fund balance of \$33,586,066 which is an increase of \$12,890,829 over 2014 with most of this increase occurring in the SPLOST fund with the issuance of the SPLOST Tennis Center Bonds. Of this amount \$12,666,594 is unrestricted and unassigned which is actually a slight increase from 2014 and demonstrates a conscious growth for future needs and expenditures. The General Fund comprises the majority of this unassigned balance. The General Fund is the major source of service delivery in the governmental funds.

General Fund

The General Fund is the City's primary operating fund. At the end of 2015 the fund balance of the General Fund was \$14,173,063 with \$12,666,594 in the unrestricted and unassigned portion of fund balance. This fund balance amount represents 64% of General Fund operating expenditures while total fund balance represents 72% of the same amount.

The Nonspendable amount of fund balance of \$705,804 represents amounts held in inventories, prepaids, and the advance from the Capital Fund. The Restricted amount of \$800,665 is restricted for Cemetery maintenance.

The General Fund's fund balance increased by \$554,707 in 2015. Although most revenue sources were about the same in 2015, current year and prior year taxes were slightly up over 2014. This was due to a higher than anticipated current year collection and the collection of some larger prior year tax billings. Title Tax did exceed anticipated original budget numbers. Sales Tax revenues were down 7.6 % due to the unanticipated refund back to the state. Another factor in the fund balance increase was that most all departments were at or below their anticipated expenditure budgets.

Capital Fund

In 2015 the Capital Fund had an increase to fund balance of \$707,797. This increase was due mainly to an increase in the allocation of property tax revenue.

Community Development Fund

The Community Development fund had a decrease to fund balance of \$25,512. This is due to revenues ending the year under budgeted amounts mainly in grant reimbursements.

Hotel/Motel Tax Fund

The Hotel/Motel Tax fund had a significant increase of \$146,615 to fund balance due to an increase in overall revenues.

SPLOST Fund

The SPLOST fund had an increase in fund balance of \$11,408,751 due to SPLOST proceeds held in restricted cash, and the issuance of the 2015 SPLOST Tennis Center bonds.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

FINANCIAL ANALYSIS OF THE CITY'S FUNDS-Continued

Business Improvement District Fund

The BID fund had an increase in fund balance of \$19,333 due to an overall increase in revenues, and less expenditures than the prior year.

Proprietary Funds

The City of Rome's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Total Enterprise Funds showed combined net position of \$155,641,540 at year end with the Water and Sewer Fund comprising \$133,885,463 or 86% of that amount.

The Water and Sewer Fund had an increase of \$5,594,630 in net position for fiscal year 2015. This increase was due to an increase in operating revenues. The Water and Sewer Fund also had a bond coverage ratio of 1.9 for 2015, which is well above the covenant requirement of 1.2.

The Fire Fund had a decrease in net position of \$578,844. The fund had budgeted an allocation of net position of \$395,000 but depreciation expense was more than anticipated.

The Solid Waste Commission Fund had an increase in net position due to the change in the estimates of closure and postclosure costs for the C/D portion of the Landfill.

The Building Inspection Fund had an increase to net position of \$154,789. This was due to an increase in overall permit revenue, and hopefully a good economic indicator of improvement in the economy.

The Public Facilities Fund had an increase in net position of \$370,638. The contract agreement between the City and Department of Family and Children's Services will be renegotiated in 2016.

The Tennis Center Fund is a new proprietary fund and will account for operations of the soon to be constructed Tennis Center. A 2% additional hotel/motel tax was implemented in 2014 to assist with the operations of this fund. The increase to net position of \$752,223 is mainly comprised of \$489,150 for donation of land for the construction.

GENERAL FUND BUDGET HIGHLIGHTS

The original budget for the General Fund was amended with commission approval after the beginning of the fiscal year with an ended approved amount of \$2,316,175 more in operating expenses than the original budget. This increase was mainly due to the consolidation of three previously separate special revenue funds that were collapsed into the General fund under the new GASB 54 pronouncement and the General fund making the retirement contributions for the City. The City ended the year with slightly less in revenues than budget and significantly under in expenditures for an increase to fund balance of \$554,707. There were minimum changes to the original budget due to revenues and expenses tracking extremely close to original estimates.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

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

- Current Year and Prior Year Property Taxes were increased to more accurately reflect projected increases in receipts, and actual numbers did exceed those expectations.
- City Manager office was increased due to higher personnel costs due to a retirement.
- General Administration was adjusted to account for the transfer of all retirement costs.
- Community Development expenses were increased to accommodate the consolidation of the special revenue funds.
- Public Facilities were increased due to the repair/maintenance of several HVAC units.
- Transfer to Golf Fund was increased due to a cash shortfall in that fund.

Budget to actual Variances within the General fund occur due to unforeseen revenue or expenditures. Significant variances for 2015 include:

- Prior Year and Current Year Tax revenues were over budget due to increased collections.
- Motor Vehicle receipts were also down over anticipated budget, but the increase is in the Title Tax Portion of the revenue total.
- Franchise fee revenue for Georgia Power was slightly above anticipated collections.
- Local Option Sales Tax ended the year significantly under budget.
- Police fines and fees were under budgeted amounts due to decrease in collection of fines.
- Interest and Costs were up to reflect the increase in collection of prior year taxes.
- Charges for Services include revenues for Parking included in the consolidation of the special revenue funds.
- Human Resources were under budget with less than anticipated city-wide training expenditures.
- Purchasing department was under budget due to personnel changes.
- Police Department ended the year with expenditures under budget by \$40,865. This is significant because this department is one of the largest General Fund departmental budgets.
- General Administration expenditures ended up below the revised budget by \$57,314 due to a decrease in interest and insurance costs.
- Engineering office is under budget due to a personnel vacancy.
- Street department was under budget in supplies—mainly in fuel costs.
- Garage was under budget in personal services due to personnel changes.

General Fund operating expenditures ended the year under final budget number by some \$582,863. This was the main reason that the fund ended the year with an increase to fund balance of \$554,707.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Rome has invested \$276,507,850 in capital assets net of debt, with \$137,041,326 in governmental activities and \$139,466,524 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 as follows:

**City of Rome
Capital Assets (net of depreciation)
as of December 31, 2015**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 12,007,375	\$ 9,860,021	\$ 8,081,487	\$ 7,592,337	\$ 20,088,862	\$ 17,452,358
Construction in Progress	7,622,009	12,907,541	1,013,124	171,685	8,635,133	13,079,226
Buildings	120,398,412	106,552,140	108,946,328	107,900,103	229,344,740	214,452,243
Improvements other than buildings	6,303,780	6,178,357	18,930,430	18,641,158	25,234,210	24,819,515
Machinery & Equipment	5,904,901	5,837,440	14,980,303	14,513,335	20,885,204	20,350,775
Vehicles	5,521,733	5,096,169	21,992,214	22,540,957	27,513,947	27,637,126
Infrastructure	134,758,365	133,044,792	149,659,634	147,663,871	284,417,999	280,708,663
Total	292,516,575	279,476,460	323,603,520	319,023,446	616,120,095	598,499,906
Accumulated depreciation	(146,159,557)	(139,436,702)	(142,488,019)	(134,092,802)	(288,647,576)	(273,529,504)
Net Capital Assets	\$ 146,357,018	\$ 140,039,758	\$ 181,115,501	\$ 184,930,644	\$ 327,472,519	\$ 324,970,402

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

CAPITAL ASSETS AND DEBT ADMINISTRATION - continued

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

- Crescent Avenue Bridge construction of \$147,715
- City Hall/Auditorium Renovations and Improvements 1,175,210
- Street Department equipment purchases of \$296,718
- McCall Demolition Expenses of \$200,162
- Tennis Center Construction Expenses of \$3,692,259
- Police Vehicle purchases of \$183,984

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

- Transit Capital Equipment Improvements of \$239,679
- Solid Waste Equipment purchases of \$171,700
- Fire Equipment purchases of \$228,880
- Improvements at WWTP for Floating Digester of \$723,842
- NorthEast Sewer Improvements of \$348,341

Additional information on the City of Rome's Capital assets can be found in Note III- (C) on pages 56-59.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

Long-term Debt

At December 31, 2015 the City of Rome had \$59,374,666 in bonds, capital leases, intergovernmental agreements and notes payable. Although this amount is consistent with 2014 levels, it does include a reduction in the Business Activities bonds due to normal re-payment, but does include the issuance of the Tennis Center SPLOST Bonds in the Governmental Activities column. Compensated absences nor Landfill closure or post-closure debt has been included in these calculations.

**City of Rome
Outstanding Note and Bond Debt
as of December 31, 2015**

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
Bonds	\$ 16,172,361	\$ 40,797,360	\$ 56,969,721
Notes Payable	934,272	2,364,799	3,299,071
Intergovernmental Agreement	3,387,500	-	3,387,500
Capital Leases	-	234,939	234,939
	<u>\$ 20,494,133</u>	<u>\$ 43,397,098</u>	<u>\$ 63,891,231</u>

The City currently maintains an Aa2 on its Intergovernmental Agreement bonds and A+ and Aa3 on its Water and Sewer bonds. Additional information on the City's long-term debt can be found in Note III-(E) on pages 63-72 this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Revenue source collections during the 2015 fiscal year have once again continued to be unpredictable. The City had better than anticipated revenues in property tax collections and other revenue sources such as intangible taxes, franchise fees, business licenses, and real estate transfer taxes. Other revenues such as motor vehicle continued their decline. Local option sales tax revenues overall were up slightly—but with the refund to the State ended the year some 7.6% lower. Slightly up in 2015 were Insurance premium tax and Police Fines.. There are areas that do seem to be on an upward trend, but the City is still dealing with many revenue sources that are still declining. The greatest challenge for the City for the next fiscal year is to try to adjust expenditures to live within this projected up and down with revenues, while trying to assess whether these modest increases do indicate a possible upswing in the economy. Another challenge for the next several years is the housing market adjustments that will affect the City tax digest. The tax digest, after taking substantial decreases for several years, has inched up slightly in the last couple of years, but still is not increasing at a pace to generate new tax revenues. New legislation which became effective in 2013 has had a major impact on the City's revenue sources. Sales Taxes on automobiles have been eliminated and have been replaced with a motor vehicle title fee. The ad valorem on new vehicles after this implementation is also eliminated. The sales tax on energy consumption in manufacturing will be completely phased out in 2016. All of these factors will weigh heavily on the new several fiscal years' budgets.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET-continued

Also of some concern is that because the City was not able to give personnel merit raises for several years, the City has become vulnerable to loss of personnel back to the private sector as their economic conditions improve. This is especially a concern in the Public Safety and Water/Sewer plant operators' area. Budgetary factors of concern as the 2016 budgets were prepared are as follows:

- Continued stagnation and unknown parameters in many revenue sources.
- Continued monitoring of vacant personnel positions and salary competitiveness with the private sector, especially in the Public Safety area.
- Balance of finances with municipal provided services.
- Projected uncertainty of fuel costs and associated products.
- Projected increases in retirement and workers compensation costs.
- Projected increases in health insurance costs relating to the City as a self-insured entity.
- State of Georgia budget crisis continues to affect local municipalities and funding.
- Impact of new legislation on revenue sources, especially as it relates to the long term sources of the Title Tax, and newly enacted legislation to re-vamp the gasoline tax for road improvements.

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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

BASIC FINANCIAL STATEMENTS

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

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
December 31, 2015

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Greater Rome Convention & Visitors Bureau	Rome Board of Education
ASSETS					
Current Assets:					
Cash	\$ 14,834,028	\$ 25,550,968	\$ 40,384,996	\$ 70,524	\$ 14,658,940
Accounts receivable, net	4,424,513	2,588,479	7,012,992	155	-
Accounts receivable, loans	294,392	-	294,392	-	-
Taxes receivable, net	1,978,448	-	1,978,448	-	-
Due from primary government	-	-	-	7,907	-
Due from other governments	2,126,265	1,662,328	3,788,593	8,065	6,604,366
Internal balances	691,732	(691,732)	-	-	-
Due from component units	75	1,351	1,426	-	-
Inventory	115,604	941,214	1,056,818	-	51,112
Prepaid items	200	24,707	24,907	-	-
Total current assets	24,465,257	30,077,315	54,542,572	86,651	21,314,418
Non Current Assets:					
Restricted Assets					
Cash	11,398,656	1,045,880	12,444,536	-	-
Investments	2,354,754	-	2,354,754	-	-
Other noncurrent assets, derivative	1,353,997	-	1,353,997	-	-
Prepaid bond insurance	-	149,532	149,532	-	-
Capital Assets					
Non-depreciable assets	19,629,384	9,094,611	28,723,995	-	157,048
Depreciable assets, net of depreciation	126,727,634	172,020,890	298,748,524	49,168	5,610,117
Total noncurrent assets	161,464,425	182,310,913	343,775,338	49,168	5,767,165
TOTAL ASSETS	185,929,682	212,388,228	398,317,910	135,819	27,081,583
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	138,684	1,598,589	1,737,273	-	-
Pension plan contributions subsequent to the measurement date	2,300,482	-	2,300,482	-	3,923,441
Difference between employer contributions and employer proportionate share of contributions	-	-	-	-	401,237
Pension plan experience difference	1,258,845	-	1,258,845	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,698,011	1,598,589	5,296,600	-	4,324,678
LIABILITIES					
Current Liabilities:					
Accounts payable	1,587,737	925,353	2,513,090	7,521	2,452,082
Accrued liabilities	589,839	581,253	1,171,092	5,803	6,313,408
Accrued interest payable	181,463	-	181,463	-	-
Retainage payable	11,630	-	11,630	-	-
Unearned revenues	-	174,151	174,151	-	-
Due to primary government	-	-	-	1,426	-
Due to component units	7,907	-	7,907	-	-
Due to other governments	82,510	33,293	115,803	-	-
Capital leases payable-current	-	116,263	116,263	-	-
Intergovernmental agreements payable-current	150,000	-	150,000	-	-
Bonds payable-current	2,200,000	952,000	3,152,000	-	-
Closure and postclosure care-current	-	227,588	227,588	-	-
Notes payable-current	222,077	101,532	323,609	-	-
Claims payable	-	964,076	964,076	-	-
Compensated absences payable	705,747	952,931	1,658,678	23,509	61,676
Total current liabilities	5,738,910	5,028,440	10,767,350	38,259	8,827,166

continued

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
December 31, 2015

	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)	\$ -	\$ 118,676	\$ 118,676	\$ -	\$ -
Customer deposits	-	882,402	882,402	-	-
Closure and postclosure care-long term	-	8,186,924	8,186,924	-	-
Compensated absences payable-long term	235,249	317,538	552,787	7,836	-
Net other post employment benefits obligation	1,733,618	-	1,733,618	-	-
Intergovernmental agreements payable-long term	3,237,500	-	3,237,500	-	-
Notes payable-long term	712,195	2,263,267	2,975,462	-	-
Bonds payable (net of current portion)	13,972,361	39,845,360	53,817,721	-	2,000,000
Net pension liability	19,667,695	-	19,667,695	-	33,133,344
Total long term liabilities	39,558,618	51,614,167	91,172,785	7,836	35,133,344
TOTAL LIABILITIES	45,297,528	56,642,607	101,940,135	46,095	43,960,510
DEFERRED INFLOWS OF RESOURCES					
Deferred change in fair value of hedging derivative instruments	1,353,997	-	1,353,997	-	-
Net difference between projected and actual pension plan investment earnings	883,836	-	883,836	-	11,550,986
Pension plan assumption changes	1,706,091	-	1,706,091	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	3,943,924	-	3,943,924	-	11,550,986
NET POSITION					
Net investment in capital assets	137,041,326	139,466,524	276,507,850	49,168	3,767,165
Restricted for:					
Capital projects	16,046,785	-	16,046,785	-	446,456
Other purposes:					
Revolving loans and housing initiatives	460,514	-	460,514	-	-
Debt service	-	703,601	703,601	-	-
Tennis center	-	868,515	868,515	-	-
Food services	-	-	-	-	1,522,207
School activities	-	-	-	-	1,774,657
Tourism and forum promotions	428,003	-	428,003	-	-
Planning and zoning activities	46,967	-	46,967	-	-
Forum parking deck operations	40,298	-	40,298	-	-
Cemetery perpetual care	800,665	-	800,665	-	-
GMA leasepool	2,354,754	-	2,354,754	-	-
Unrestricted	(16,833,071)	16,305,570	(527,501)	40,556	(31,615,720)
TOTAL NET POSITION	\$ 140,386,241	\$ 157,344,210	\$ 297,730,451	\$ 89,724	\$ (24,105,235)

**CITY OF ROME, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services, Sales and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-Type Activities	Total	Greater Rome Conv/Vis Bureau	Rome Board of Education
PRIMARY GOVERNMENT:									
Governmental Activities:									
General Government	\$ 5,643,138	\$ 2,270,311	\$ 63,431	\$ 750,662	\$ (2,558,734)	\$ -	\$ (2,558,734)	\$ -	\$ -
Public Safety	7,849,538	1,260,117	47,824	250,168	(6,291,429)	-	(6,291,429)	-	-
Public Works	10,626,182	-	184,275	4,297,319	(6,144,588)	-	(6,144,588)	-	-
Public Facilities	1,355,749	-	-	3,632,431	2,276,682	-	2,276,682	-	-
Public Services	448,905	-	-	-	(448,905)	-	(448,905)	-	-
Community Development	1,079,420	116,714	411,329	-	(551,377)	-	(551,377)	-	-
Education	1,425,286	-	-	4,955,819	3,530,533	-	3,530,533	-	-
Interest on Debt	933,083	-	-	-	(933,083)	-	(933,083)	-	-
Total Governmental Activities	29,361,301	3,647,142	706,859	13,886,399	(11,120,901)	-	(11,120,901)	-	-
Business-Type Activities:									
Water and Sewer	17,219,504	23,247,589	-	-	-	6,028,085	6,028,085	-	-
Fire	11,167,135	5,889,183	-	5,000	-	(5,272,952)	(5,272,952)	-	-
Solid Waste Commission	1,482,874	2,763,323	-	-	-	1,280,449	1,280,449	-	-
Transit	3,573,943	1,670,993	899,968	462,989	-	(539,993)	(539,993)	-	-
Building Inspection	623,797	782,839	43,929	-	-	202,971	202,971	-	-
Solid Waste Management	3,353,350	2,078,824	-	-	-	(1,274,526)	(1,274,526)	-	-
Municipal Golf Course	1,249,807	917,936	-	-	-	(331,871)	(331,871)	-	-
Public Facilities	323,703	693,559	-	-	-	369,856	369,856	-	-
Tennis Center	8,387	-	-	489,150	-	480,763	480,763	-	-
Total Business-Type Activities:	39,002,500	38,044,246	943,897	957,139	-	942,782	942,782	-	-
Total - Primary Government	\$ 68,363,801	\$ 41,691,388	\$ 1,650,756	\$ 14,843,538	\$ (11,120,901)	\$ 942,782	\$ (10,178,119)	\$ -	\$ -
Component Units									
Rome Board of Education	\$ 57,636,603	\$ 741,484	\$ 37,577,619	\$ 937,111				-	(18,380,389)
Greater Rome Convention & Visitors Bureau	619,022	19,589	617,121	-				17,688	-
Total - Component Units	\$ 58,255,625	\$ 761,073	\$ 38,194,740	\$ 937,111				\$ 17,688	\$ (18,380,389)
GENERAL REVENUES:									
Taxes:									
Property					\$ 11,790,435	\$ -	\$ 11,790,435	\$ -	\$ 18,163,557
Sales					5,319,854	-	5,319,854	-	4,916,461
Franchise					3,700,092	-	3,700,092	-	-
Insurance Premium					2,091,968	-	2,091,968	-	-
Alcoholic Beverage					862,042	-	862,042	-	-
Intangible					191,676	-	191,676	-	-
Hotel/Motel					1,084,819	-	1,084,819	-	-
Other					177,835	-	177,835	-	-
Gain on Disposal of Capital Assets					17,323	55,061	72,384	-	48
Interest Earned					715,098	80,122	795,220	-	71,038
Miscellaneous					357,605	6,983	364,588	-	-
Total General Revenues					26,308,747	142,166	26,450,913	-	23,151,104
Transfers					(6,247,620)	6,247,620	-	-	-
Total General Revenues and Transfers					20,061,127	6,389,786	26,450,913	-	23,151,104
Change in Net Position Before Special Item					8,940,226	7,332,568	16,272,794	17,688	4,770,715
Special Item, Contribution to City of Rome					-	-	-	-	(14,341,508)
NET POSITION BEGINNING OF YEAR, RESTATED					131,446,015	150,011,642	281,457,657	72,036	(14,534,442)
NET POSITION END OF YEAR					\$ 140,386,241	\$ 157,344,210	\$ 297,730,451	\$ 89,724	\$ (24,105,235)

**CITY OF ROME, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015**

	<u>Major Governmental Funds</u>			<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Capital</u>	<u>SPLOST</u>		
ASSETS:					
Cash and cash equivalents	\$ 10,408,033	\$ 2,492	\$ 3,565,248	\$ 858,255	\$ 14,834,028
Taxes receivable, net of allowances for uncollectibles	1,974,192	-	-	4,256	1,978,448
Accounts receivable, net of allowances for uncollectibles	3,798,504	562,388	-	63,621	4,424,513
Accounts receivable loans	-	-	-	294,392	294,392
Due from other governments	1,234,235	281,130	483,069	127,831	2,126,265
Due from other funds	249,765	1,789,521	-	24,121	2,063,407
Due from component units	75	-	-	-	75
Prepaid items	200	-	-	-	200
Inventories	115,604	-	-	-	115,604
Restricted cash	347,269	-	\$ 11,051,387	-	11,398,656
Restricted investments	-	2,354,754	-	-	2,354,754
Advances due from other funds	590,000	1,461,990	-	-	2,051,990
TOTAL ASSETS	<u>\$ 18,717,877</u>	<u>\$ 6,452,275</u>	<u>\$ 15,099,704</u>	<u>\$ 1,372,476</u>	<u>\$ 41,642,332</u>
LIABILITIES:					
Accounts payable	\$ 915,707	\$ 285,909	\$ 381,129	\$ 4,992	\$ 1,587,737
Accrued liabilities	244,931	-	338,411	6,497	589,839
Retainage payable	-	11,630	-	-	11,630
Due to other funds	2,093,167	36,500	626,795	160,564	2,917,026
Due to other governments	73,144	403	-	8,963	82,510
Due to component units	-	-	-	7,907	7,907
Advances due to other funds	-	1,641,752	-	-	1,641,752
TOTAL LIABILITIES	<u>3,326,949</u>	<u>1,976,194</u>	<u>1,346,335</u>	<u>188,923</u>	<u>6,838,401</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	1,217,865	-	-	-	1,217,865
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,217,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,217,865</u>
FUND BALANCES:					
Nonspendable:					
Prepaid items	200	-	-	-	200
Inventories	115,604	-	-	-	115,604
Advances due from other funds	590,000	-	-	-	590,000
Restricted for:					
Revolving loans and housing initiatives	-	-	-	460,514	460,514
Planning and zoning activities	-	-	-	46,967	46,967
Tourism and forum promotion	-	-	-	428,003	428,003
Capital improvements	-	2,121,327	13,753,369	172,089	16,046,785
Forum parking deck operations	-	-	-	40,298	40,298
Cemetery perpetual care	800,665	-	-	-	800,665
GMA leasepool	-	2,354,754	-	-	2,354,754
Assigned for:					
Community development operations	-	-	-	35,682	35,682
Unassigned	<u>12,666,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,666,594</u>
TOTAL FUND BALANCES	<u>14,173,063</u>	<u>4,476,081</u>	<u>13,753,369</u>	<u>1,183,553</u>	<u>33,586,066</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 18,717,877</u>	<u>\$ 6,452,275</u>	<u>\$ 15,099,704</u>	<u>\$ 1,372,476</u>	<u>\$ 41,642,332</u>

**CITY OF ROME, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES**

December 31, 2015

TOTAL GOVERNMENTAL FUND BALANCES		\$ 33,586,066
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 292,516,575	
Less accumulated depreciation	<u>(146,159,557)</u>	146,357,018
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. Governmental activities net position have been increased by the effect of the internal service fund's net position.	<u>1,135,113</u>	1,135,113
The derivative is not a current financial resource and is not recorded in the fund statements.	<u>1,353,997</u>	1,353,997
Other long-term assets or deferred inflows and outflows of resources are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Property taxes	1,217,865	
Deferred charges on refunding	138,684	
Derivative - effective hedge	<u>(1,353,997)</u>	2,552
Net other post employment benefits obligations are not due and payable in the current period and therefore not reported in the funds	<u>1,733,618</u>	(1,733,618)
The deferred outflows of resources, deferred inflows of resources, and the net pension liability related to the City's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.	<u>(18,698,295)</u>	(18,698,295)
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	181,463	
Compensated absences	940,996	
Notes payable	934,272	
GMA lease pool contract certificates of participation	4,527,000	
Bonds payable	10,785,000	
Bond issuance premium	860,361	
Intergovernmental agreements	<u>3,387,500</u>	<u>(21,616,592)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 140,386,241</u></u>

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	<u>Major Governmental Funds</u>			<u>Non- major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Capital</u>	<u>SPLOST</u>		
REVENUES:					
Taxes	\$ 21,489,261	\$ 2,130,000	\$ -	\$ 1,262,654	\$ 24,881,915
Licenses and permits	1,889,716	-	-	-	1,889,716
Intergovernmental	295,530	569,180	5,976,565	779,972	7,621,247
Charges for services	380,595	-	-	116,714	497,309
Fines and forfeitures	1,260,117	-	-	-	1,260,117
Interest earned	426,902	260,320	18,840	9,036	715,098
Miscellaneous	71,002	268,669	-	17,934	357,605
TOTAL REVENUES	<u>25,813,123</u>	<u>3,228,169</u>	<u>5,995,405</u>	<u>2,186,310</u>	<u>37,223,007</u>
EXPENDITURES:					
Current:					
General government	5,347,446	-	-	-	5,347,446
Public safety	7,658,695	-	-	-	7,658,695
Public works	5,446,700	-	-	-	5,446,700
Public facilities	478,020	-	-	650,066	1,128,086
Public services	435,532	-	-	-	435,532
Community development	303,454	-	-	777,576	1,081,030
Capital outlay	-	1,909,061	5,247,054	368,643	7,524,758
Debt service					
Principal	-	332,982	-	31,204	364,186
Interest	-	491,652	-	23,796	515,448
Bond issuance costs	-	-	245,361	-	245,361
TOTAL EXPENDITURES	<u>19,669,847</u>	<u>2,733,695</u>	<u>5,492,415</u>	<u>1,851,285</u>	<u>29,747,242</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>6,143,276</u>	<u>494,474</u>	<u>502,990</u>	<u>335,025</u>	<u>7,475,765</u>

continued

**CITY OF ROME, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015**

	<u>Major Governmental Funds</u>			<u>Non- major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Capital</u>	<u>SPLOST</u>		
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 3,079,002	\$ 196,000	\$ 5,525	\$ 251,465	\$ 3,531,992
Transfers out	(8,667,571)	-	(745,125)	(366,916)	(9,779,612)
Proceeds from issuance of long-term debt	-	-	10,785,000	-	10,785,000
Premium on issuance of long-term debt	-	-	860,361	-	860,361
Proceeds from sale of capital assets	-	17,323	-	-	17,323
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,588,569)</u>	<u>213,323</u>	<u>10,905,761</u>	<u>(115,451)</u>	<u>5,415,064</u>
NET CHANGE IN FUND BALANCES	554,707	707,797	11,408,751	219,574	12,890,829
FUND BALANCES - BEGINNING OF YEAR	<u>13,618,356</u>	<u>3,768,284</u>	<u>2,344,618</u>	<u>963,979</u>	<u>20,695,237</u>
FUND BALANCES - END OF YEAR	<u>\$ 14,173,063</u>	<u>\$ 4,476,081</u>	<u>\$ 13,753,369</u>	<u>\$ 1,183,553</u>	<u>\$ 33,586,066</u>

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, 2015

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	12,890,829
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 depreciation expense exceeded capital outlay in the current period.		
Capital outlay		6,381,409
Depreciation expense		(7,036,160)
		(654,751)
Governmental funds do not report the acquisition of capital assets acquired through donations or capital contributions.		
However, in the statement of activities, the costs of those assets are reported at market value.		
Assets acquired through donation or capital contributions-current year		6,972,011
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.		
		(124,923)
Revenues in the statements of activities that do not provide current financial resources are reported as deferred inflow of resources in the funds.		
Property tax deferred inflows		336,806
The receipt and repayment of bonds, notes payable and capital lease principal is a revenue and expenditure in the governmental funds, but the activity increases and decreases long-term liabilities in the statement of net position.		
Issuance of bonds payable		(10,785,000)
Bond issuance premium		(860,361)
Amortization of deferred charges on refunding		(8,158)
Accrual of interest expense		(164,116)
Long-term debt principal payment		364,186
Some expenses reported in the statement of activities, such as compensated absences and pension related items do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		18,767
Pension expense		977,905
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		
		(22,969)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	8,940,226

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2015

	Enterprise Funds					Internal Service Funds
	Major Enterprise Funds			Non-major Enterprise Funds	Total	
	Water & Sewer System	Fire	Solid Waste Commission			
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 8,630,692	\$ 971,133	\$ 9,631,732	\$ 3,731,367	\$ 22,964,924	\$ 2,586,044
Restricted cash	703,601	-	-	342,279	1,045,880	-
Accounts receivable, net of allowances for uncollectibles	2,114,785	-	228,747	244,409	2,587,941	538
Due from other governments	1,109,335	31,235	117	397,670	1,538,357	123,971
Due from other funds	684,710	-	-	256,594	941,304	198,020
Due from component units	-	-	-	40	40	1,311
Prepaid items	-	12,373	-	6,767	19,140	5,567
Inventories	618,071	10,349	-	312,794	941,214	-
Total Current Assets	13,861,194	1,025,090	9,860,596	5,291,920	30,038,800	2,915,451
Noncurrent Assets:						
Advances due from other funds	-	-	-	-	-	1,051,752
Prepaid bond insurance	149,532	-	-	-	149,532	-
Capital assets						
Non-depreciable assets	2,554,506	148,424	408,278	5,983,403	9,094,611	-
Depreciable assets, net of accumulated depreciation	157,974,626	5,351,044	3,339,774	5,355,446	172,020,890	-
Total Noncurrent Assets	160,678,664	5,499,468	3,748,052	11,338,849	181,265,033	1,051,752
TOTAL ASSETS	174,539,858	6,524,558	13,608,648	16,630,769	211,303,833	3,967,203
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	1,417,882	-	-	180,707	1,598,589	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,417,882	-	-	180,707	1,598,589	-

continued

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2015

	Enterprise Funds					Internal Service Funds
	Major Enterprise Funds			Non-major Enterprise Funds	Total	
	Water & Sewer System	Fire	Solid Waste Commission			
LIABILITIES						
Current Liabilities:						
Closure and post closure care, current	\$ -	\$ -	\$ 227,588	\$ -	\$ 227,588	\$ -
Revenue bonds, current	627,000	-	-	325,000	952,000	-
Accounts payable	591,934	25,807	14,318	131,494	763,553	161,800
Accrued liabilities	239,161	129,590	11,571	199,568	579,890	1,363
Unearned revenue	80,550	-	-	93,601	174,151	-
Due to other governments	1,702	10,492	21,099	-	33,293	-
Due to other funds	16,598	47,658	8,349	210,919	283,524	2,181
Compensated absences, current	221,885	574,279	19,959	136,808	952,931	-
Claims payable	-	-	-	-	-	964,076
Notes payable, current	101,532	-	-	-	101,532	-
Capital leases, current	-	116,263	-	-	116,263	-
Total Current Liabilities	1,880,362	904,089	302,884	1,097,390	4,184,725	1,129,420
Long-Term Liabilities:						
Closure and post closure care	-	-	8,186,924	-	8,186,924	-
Customer deposits	882,402	-	-	-	882,402	-
Revenue bonds, long-term	36,693,815	-	-	3,151,545	39,845,360	-
Notes payable, long-term	2,263,267	-	-	-	2,263,267	-
Advances due to Capital Fund	278,576	358,792	262,800	561,822	1,461,990	-
Compensated absences, long term	73,855	191,427	6,653	45,603	317,538	-
Capital leases, long-term	-	118,676	-	-	118,676	-
Total Long-Term Liabilities	40,191,915	668,895	8,456,377	3,758,970	53,076,157	-
TOTAL LIABILITIES	42,072,277	1,572,984	8,759,261	4,856,360	57,260,882	1,129,420
NET POSITION						
Net investment in capital assets	122,410,932	5,264,529	3,748,052	8,043,011	139,466,524	-
Restricted for debt service	703,601	-	-	-	703,601	-
Restricted for tennis center	-	-	-	868,515	868,515	-
Unrestricted (deficit)	10,770,930	(312,955)	1,101,335	3,043,590	14,602,900	2,837,783
TOTAL NET POSITION	\$ 133,885,463	\$ 4,951,574	\$ 4,849,387	\$ 11,955,116	\$ 155,641,540	\$ 2,837,783

CITY OF ROME, GEORGIA
RECONCILIATION OF PROPRIETARY FUND NET POSITION TO
BUSINESS TYPE ACTIVITIES STATEMENT OF NET POSITION
December 31, 2015

TOTAL PROPRIETARY FUND NET POSITION \$ 155,641,540

Amounts reported for business type activities in the statement of net position are different because:

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

1,702,670

NET POSITION OF BUSINESS TYPE ACTIVITIES \$ 157,344,210

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2015

	Enterprise Funds					Internal Service Funds
	Major Enterprise Funds			Non-major Enterprise Funds	Total	
	Water & Sewer System	Fire	Solid Waste Commission			
OPERATING REVENUES						
Metered sales	\$ 22,702,233	\$ -	\$ -	\$ -	\$ 22,702,233	\$ -
Charges for services	541,343	5,875,000	2,760,895	6,134,607	15,311,845	8,378,808
Miscellaneous	4,013	14,183	2,428	9,544	30,168	-
TOTAL OPERATING REVENUES	23,247,589	5,889,183	2,763,323	6,144,151	38,044,246	8,378,808
OPERATING EXPENSES						
Cost of goods sold	-	-	-	108,248	108,248	-
Salaries and employee benefits	4,985,585	9,412,328	597,726	4,972,011	19,967,650	108,099
Supplies	1,355,309	456,532	184,393	718,702	2,714,936	-
Maintenance and repairs	610,497	121,585	149,134	296,720	1,177,936	-
Other services and charges	2,044,003	386,785	229,512	1,478,360	4,138,660	1,834,957
Depreciation	6,366,356	793,693	574,192	1,429,288	9,163,529	-
Claims	-	-	-	-	-	6,502,805
Closure and postclosure costs	-	-	(414,398)	-	(414,398)	-
Administrative fees	37,301	-	-	-	37,301	463,838
TOTAL OPERATING EXPENSES	15,399,051	11,170,923	1,320,559	9,003,329	36,893,862	8,909,699
OPERATING INCOME (LOSS)	7,848,538	(5,281,740)	1,442,764	(2,859,178)	1,150,384	(530,891)

continued

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2015

	Enterprise Funds					Internal Service Funds
	Major Enterprise Funds			Non-major Enterprise Funds	Total	
	Water & Sewer System	Fire	Solid Waste Commission			
NON-OPERATING INCOME (EXPENSE)						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 943,897	\$ 943,897	\$ 179,798
Intergovernmental expense	-	-	(162,315)	-	(162,315)	-
Interest income	15,949	558	22,177	2,651	41,335	38,787
Interest expense	(1,594,283)	3,788	-	(129,658)	(1,720,153)	-
Miscellaneous revenue	6,983	-	-	-	6,983	-
Gain on disposal of capital assets	23,845	8,628	-	22,588	55,061	-
TOTAL NON-OPERATING INCOME (EXPENSE)	(1,547,506)	12,974	(140,138)	839,478	(835,192)	218,585
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	6,301,032	(5,268,766)	1,302,626	(2,019,700)	315,192	(312,306)
Transfers in	683,541	5,993,331	-	2,622,496	9,299,368	-
Transfers out	(1,389,943)	(1,308,409)	(82,245)	(271,151)	(3,051,748)	-
Capital contributions	-	5,000	-	952,139	957,139	-
CHANGE IN NET POSITION	5,594,630	(578,844)	1,220,381	1,283,784	7,519,951	(312,306)
NET POSITION - BEGINNING OF YEAR	128,290,833	5,530,418	3,629,006	10,671,332	148,121,589	3,150,089
NET POSITION - END OF YEAR	\$ 133,885,463	\$ 4,951,574	\$ 4,849,387	\$ 11,955,116	\$ 155,641,540	\$ 2,837,783

CITY OF ROME, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION OF PROPRIETARY FUNDS
TO THE BUSINESS TYPE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

CHANGE IN NET POSITION-PROPRIETARY FUNDS \$ 7,519,951

Amounts reported for business type activities in the statement of activities are different because:

Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. The effect of current year internal service fund income for business type activities has been included.

(187,383)

CHANGE IN NET POSITION OF BUSINESS TYPE ACTIVITIES \$ 7,332,568

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2015

	Enterprise Funds					Internal Service Funds
	Major Proprietary Funds			Nonmajor Enterprise Funds	Total	
	Water & Sewer System	Fire	Solid Waste Commission			
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 23,187,225	\$ 5,889,072	\$ 2,790,076	\$ 6,020,865	\$ 37,887,238	\$ 8,327,201
Receipts from interfund services provided	-	7,721	19,773	72,038	99,532	136,100
Payments to suppliers	(4,094,449)	(955,367)	(735,980)	(2,603,411)	(8,389,207)	(2,192,149)
Payments to employees	(5,016,721)	(9,379,733)	(599,939)	(4,965,837)	(19,962,230)	(108,099)
Claims paid	-	-	-	-	-	(6,668,729)
Payments for interfund services used	(694,812)	(29,570)	-	(17,414)	(741,796)	-
Net cash provided (used) by operating activities	<u>13,381,243</u>	<u>(4,467,877)</u>	<u>1,473,930</u>	<u>(1,493,759)</u>	<u>8,893,537</u>	<u>(505,676)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer from other funds	683,541	5,875,000	-	2,622,496	9,181,037	-
Transfer to other funds	(1,389,943)	(1,308,409)	(82,245)	(271,151)	(3,051,748)	-
Advances from other funds	-	-	-	117,025	117,025	-
Repayment of advances from other funds	(92,858)	(205,072)	(29,200)	(315,588)	(642,718)	-
Intergovernmental revenue	-	-	-	43,929	43,929	179,798
Intergovernmental expense	-	-	(162,315)	-	(162,315)	-
Subsidy from federal grant	-	-	-	899,968	899,968	-
Net cash provided (used) by noncapital financing activities	<u>(799,260)</u>	<u>4,361,519</u>	<u>(273,760)</u>	<u>3,096,679</u>	<u>6,385,178</u>	<u>179,798</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	-	5,000	-	462,989	467,989	-
Transfer from other funds	-	118,331	-	-	118,331	-
Purchases of capital assets	(4,388,329)	(265,817)	(24,220)	(183,719)	(4,862,085)	-
Principal paid on capital debt	(5,915,191)	(113,900)	-	(310,000)	(6,339,091)	-
Interest paid on capital debt	(1,594,283)	3,788	-	(129,658)	(1,720,153)	-
Advances to other funds	-	-	-	-	-	150,000
Proceeds from sales of capital assets	23,845	11,477	-	22,588	57,910	-
Net cash provided (used) by capital and related financing activities	<u>(11,873,958)</u>	<u>(241,121)</u>	<u>(24,220)</u>	<u>(137,800)</u>	<u>(12,277,099)</u>	<u>150,000</u>

continued

**CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2015**

	Enterprise Funds					Internal Service Funds
	Major Proprietary Funds			Nonmajor Enterprise Funds	Total	
	Water & Sewer System	Fire	Solid Waste Commission			
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	\$ 15,949	\$ 558	\$ 22,177	\$ 2,651	\$ 41,335	\$ 38,787
Net cash provided by investing activities	15,949	558	22,177	2,651	41,335	38,787
Net increase (decrease) in cash and cash equivalents	723,974	(346,921)	1,198,127	1,467,771	3,042,951	(137,091)
Cash and cash equivalents, January 1	8,610,319	1,318,054	8,433,605	2,605,875	20,967,853	2,723,135
Cash and cash equivalents, December 31	<u>\$ 9,334,293</u>	<u>\$ 971,133</u>	<u>\$ 9,631,732</u>	<u>\$ 4,073,646</u>	<u>\$ 24,010,804</u>	<u>\$ 2,586,044</u>
Reconciliation of Cash and Cash Equivalents:						
Cash and cash equivalents	\$ 8,630,692	\$ 971,133	\$ 9,631,732	\$ 3,731,367	\$ 22,964,924	\$ 2,586,044
Cash and cash equivalents - restricted	703,601	-	-	342,279	1,045,880	-
Total cash and cash equivalents	<u>\$ 9,334,293</u>	<u>\$ 971,133</u>	<u>\$ 9,631,732</u>	<u>\$ 4,073,646</u>	<u>\$ 24,010,804</u>	<u>\$ 2,586,044</u>

continued

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2015

	Enterprise Funds					Internal Service Funds
	Major Proprietary Funds			Nonmajor Enterprise Funds	Total	
	Water & Sewer System	Fire	Solid Waste Commission			
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 7,848,538	\$ (5,281,740)	\$ 1,442,764	\$ (2,859,178)	\$ 1,150,384	\$ (530,891)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	6,366,356	793,693	574,192	1,429,288	9,163,529	-
Amortization expense	(356,485)	-	-	3,624	(352,861)	-
Miscellaneous revenues	6,983	-	-	-	6,983	-
(Increase) decrease in accounts receivable	(22,819)	(111)	26,352	100,575	103,997	26,226
(Increase) decrease in due from other governments	(44,528)	-	401	(180,103)	(224,230)	38,427
(Increase) decrease in due from other funds	(647,325)	7,721	15,952	11,107	(612,545)	17,692
Increase in due from component unit	-	-	-	(40)	(40)	-
Increase in prepaid items	-	(9,873)	-	-	(9,873)	-
(Increase) decrease in inventories	(6,927)	887	-	57,006	50,966	-
Increase (decrease) in accounts payable and accrued liabilities	314,371	18,521	(587,339)	(58,763)	(313,210)	(59,278)
Increase (decrease) in due to other governments	1,702	-	-	(3,248)	(1,546)	-
Increase (decrease) in compensated absences payable	(31,136)	32,595	(2,213)	6,174	5,420	-
Decrease in unearned revenue	-	-	-	(43,758)	(43,758)	-
Increase (decrease) in due to other funds	(47,487)	(29,570)	3,821	43,557	(29,679)	2,148
Total adjustments	<u>5,532,705</u>	<u>813,863</u>	<u>31,166</u>	<u>1,365,419</u>	<u>7,743,153</u>	<u>25,215</u>
Net cash provided (used) by operating activities	<u>\$ 13,381,243</u>	<u>\$ (4,467,877)</u>	<u>\$ 1,473,930</u>	<u>\$ (1,493,759)</u>	<u>\$ 8,893,537</u>	<u>\$ (505,676)</u>
Schedule of non-cash capital and related financing activities:						
Contributions of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (489,150)</u>	<u>\$ (489,150)</u>	<u>\$ -</u>

**CITY OF ROME, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
EMPLOYEE BENEFIT TRUST FUND
December 31, 2015**

	<u>Flexible Spending Fund</u>
ASSETS	
Cash	\$ 19,781
TOTAL ASSETS	<u>19,781</u>
NET POSITION	
Held in trust for flexible spending	<u>19,781</u>
TOTAL NET POSITION	<u><u>\$ 19,781</u></u>

CITY OF ROME, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
EMPLOYEE BENEFIT TRUST FUND
For the Year Ended December 31, 2015

	Flexible Spending Fund
ADDITIONS	
Contributions	\$ 134,074
Investment earnings	5
Total additions	134,079
DEDUCTIONS	
Claims paid	128,902
Total deductions	128,902
NET INCREASE	5,177
NET POSITION HELD IN TRUST FOR FLEXIBLE SPENDING	
NET POSITION, BEGINNING OF YEAR	14,604
NET POSTION, END OF YEAR	\$ 19,781

NOTES TO THE FINANCIAL STATEMENTS

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Blended Component Units

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

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

Discretely Presented Component Units

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

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Basis of Presentation

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

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

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

The City reports the following major governmental funds:

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

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

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Basis of Presentation – Continued

The City reports the following major Proprietary Funds:

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

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

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

Additionally, the City reports the following fund types:

Governmental Fund Types

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

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

Proprietary Fund Types

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

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

Fiduciary Fund Type

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus – Basis of Accounting

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

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

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

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

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

1. Cash and Cash Equivalents

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

2. Investments

All investments are recorded at fair value.

3. Receivables and Payables

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

4. Inventories

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

5. Restricted Assets

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

6. Prepaid Items

Certain payments to vendors reflecting costs applicable to periods beyond December 31, 2015 are recorded as prepaid items.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Deferred Outflows/Inflows of Resources, 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 <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Improvements other than buildings	10 – 60 years	10 – 60 years
Buildings	40 – 60 years	40 – 60 years
Machinery and equipment	3 – 15 years	3 – 15 years
Infrastructure	40 – 60 years	20 – 40 years
Vehicles	3 – 5 years	3 – 5 years

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

8. Compensated Absences

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

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

9. Unavailable Revenue

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

10. Long-Term Obligations

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

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

11. Fund Equity

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

Fund Balance

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

Fund balances are classified as follows:

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

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

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

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

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

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

11. Fund Equity - Continued

Net Position

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

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

12. Pensions

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

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, deferred outflows/inflows of resources, and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

14. Deferred outflows/inflows of resources

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

14. Deferred outflows/inflows of resources - Continued

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

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

NOTE II - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In August of each year, all departments of the City submit a budgetary request to the City Manager. In November, the City Manager presents the proposed budgets to the Finance Committee of the City Commission. The City Commission adopts the final budgets in December of each year. During the year, the City made budgetary amendments totaling \$2,296,680 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.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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 City's policy to limit any investments in these to the top rating issued by NRSROs.

The investment in the Georgia Fund 1 represents the City's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in the Georgia Fund 1 is valued at fair market value. As of December 31, 2015, the City of Rome's investment in Georgia Fund 1 was rated AAf by Standard & Poor's.

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

As of December 31, 2015, the City of Rome had the following investments:

Investment Type	Maturities	Fair Value
Georgia Fund 1-included in cash	36 day weighted average	\$ 18,391,974
Guaranteed Investment Contract	June 1, 2028	2,354,754
Totals		\$ 20,746,728

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, 2015, all of the City's bank balances were adequately insured and collateralized as defined by the Governmental Accounting Standards Board.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

B. Receivables

1. Accounts Receivable

Receivables at December 31, 2015 consisted of taxes, loans, accounts (including billings for user charges and unbilled utility receivables), and intergovernmental receivables. Receivables at December 31, 2015 consist of the following:

<u>Primary Government</u>	Taxes	Loans	Account	Intergov't Receivables	Allowance for Uncollectibles	Net Receivables
General Fund	\$ 3,895,676	\$ -	\$ 4,049,504	\$ 1,234,235	\$ (2,172,484)	\$ 7,006,931
Capital Fund	-	375,000	256,388	281,130	(69,000)	843,518
SPLOST Fund	-	-	-	483,069	-	483,069
Nonmajor Governmental Funds	21,468	503,932	63,621	127,830	(226,751)	490,100
Water and Sewer Fund	-	-	3,224,785	1,109,335	(1,110,000)	3,224,120
Fire Fund	-	-	-	31,235	-	31,235
Solid Waste Commission Fund	-	-	234,747	117	(6,000)	228,864
Nonmajor Proprietary Funds	-	-	339,410	397,669	(95,000)	642,079
Internal Service Funds	-	-	538	123,971	-	124,509
Total Primary Government	3,917,144	878,932	8,168,993	3,788,591	(3,679,235)	13,074,425
Greater Rome CVB	-	-	155	8,065	-	8,220
Rome Board of Education	-	-	-	6,604,366	-	6,604,366
Total Reporting Entity	\$ 3,917,144	\$ 878,932	\$ 8,169,148	\$ 10,401,022	\$ (3,679,235)	\$ 19,687,011

The City has \$81,230 in forgivable loans receivable. These loans are recorded in the following nonmajor governmental fund: Community Development Fund. Amounts represent loans to individuals in conjunction with the rehabilitation of private property and financing for locally owned businesses. Provided the terms of the loans are not violated, these loans will be forgiven at the end of the loan term. As the likelihood of violation of the loan terms, and thus cash repayment is remote, the City has elected to record an allowance for the total outstanding balance of the loans.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

B. Receivables– Continued

2. Property Taxes

Property taxes were levied on July 27, 2015 and were payable on or before November 16, 2015. 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, 2015 is as follows:

<u>Tax Year</u>	
2015	\$ 2,527,892
Prior Years	<u>1,389,253</u>
	<u>3,917,145</u>
Allowance for uncollectible	<u>(1,938,697)</u>
Net taxes receivable	<u>\$ 1,978,448</u>

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City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets

Changes in the City's Capital Assets for the year ended December 31, 2015 are as follows:

<u>Primary Government</u>	<u>Beginning Balance 12/31/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Construction in progress Transfers</u>	<u>Ending Balance 12/31/2015</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 9,860,021	\$ 2,014,192	\$ -	\$ 133,162	\$ 12,007,375
Construction in progress	12,907,541	10,501,815	-	(15,787,347)	7,622,009
Total capital assets, not being depreciated	<u>22,767,562</u>	<u>12,516,007</u>	<u>-</u>	<u>(15,654,185)</u>	<u>19,629,384</u>
Capital assets, being depreciated:					
Buildings	106,552,140	-	-	13,846,272	120,398,412
Improvements other than buildings	6,178,357	-	-	125,423	6,303,780
Machinery and equipment	5,837,440	239,698	(172,237)	-	5,904,901
Vehicles	5,096,169	425,564	-	-	5,521,733
Infrastructure	133,044,792	172,151	(141,068)	1,682,490	134,758,365
Total capital assets being depreciated	<u>256,708,898</u>	<u>837,413</u>	<u>(313,305)</u>	<u>15,654,185</u>	<u>272,887,191</u>
Less accumulated depreciation for:					
Buildings	(27,007,629)	(2,221,428)	-	-	(29,229,057)
Improvements other than buildings	(1,631,992)	(448,421)	-	-	(2,080,413)
Machinery and equipment	(4,302,232)	(461,998)	172,237	-	(4,591,993)
Vehicles	(4,380,604)	(237,034)	-	-	(4,617,638)
Infrastructure	(102,114,245)	(3,667,279)	141,068	-	(105,640,456)
Total accumulated depreciation	<u>(139,436,702)</u>	<u>(7,036,160)</u>	<u>313,305</u>	<u>-</u>	<u>(146,159,557)</u>
Total capital assets, being depreciated, net	<u>117,272,196</u>	<u>(6,198,747)</u>	<u>-</u>	<u>15,654,185</u>	<u>126,727,634</u>
Governmental activities capital assets, net	<u>\$ 140,039,758</u>	<u>\$ 6,317,260</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,357,018</u>

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

Governmental activities:	
General Government	\$ 936,653
Public Safety	333,484
Public Works	4,083,667
Public Facilities	232,329
Public Services	7,159
Community Development	17,582
Education	1,425,286
	<u>\$ 7,036,160</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Capital Assets for the year ended December 31, 2015 are as follows:

	Beginning Balance 12/31/2014	Increases	Decreases	Transfer
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 7,592,337	\$ 489,150	\$ -	\$ -
Construction in progress	171,685	1,654,713	(2,849)	(81,000)
Total capital assets, not being depreciated	<u>7,764,022</u>	<u>2,143,863</u>	<u>(2,849)</u>	<u>(81,000)</u>
Capital assets, being depreciated:				
Buildings	107,900,103	235,800	-	81,000
Improvements other than buildings	18,641,158	289,272	-	-
Machinery and equipment	14,513,335	544,747	(77,779)	-
Vehicles	22,540,957	141,790	(690,533)	-
Infrastructure	147,663,871	1,995,763	-	-
Total capital assets being depreciated	<u>311,259,424</u>	<u>3,207,372</u>	<u>(768,312)</u>	<u>81,000</u>
Less accumulated depreciation for:				
Buildings	(39,764,881)	(3,172,243)	-	-
Improvements other than buildings	(14,991,325)	(432,726)	-	-
Machinery and equipment	(10,805,897)	(1,052,287)	77,779	-
Vehicles	(16,442,382)	(1,253,392)	690,533	-
Infrastructure	(52,088,317)	(3,252,881)	-	-
Total accumulated depreciation	<u>(134,092,802)</u>	<u>(9,163,529)</u>	<u>768,312</u>	<u>-</u>
Total capital assets, being depreciated, net	<u>177,166,622</u>	<u>(5,956,157)</u>	<u>-</u>	<u>81,000</u>
Business-type activities capital assets, net	<u>\$ 184,930,644</u>	<u>\$ (3,812,294)</u>	<u>\$ (2,849)</u>	<u>\$ -</u>
Depreciation expense was charged to functions/programs of Business-type activities as follows:				
Business-type activities:				
Water and Sewer System Fund	\$ 6,366,356			
Fire Fund	793,693			
Transit Fund	711,675			
Solid Waste Management Fund	448,837			
Municipal Golf Fund	55,894			
Solid Waste Commission Fund	574,192			
Building Inspection Fund	3,177			
Public Facilities Fund	209,705			
	<u>\$ 9,163,529</u>			

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

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

	Governmental Activities	Business-type Activities	Total
Net Invested in Capital Assets			
Capital assets, nondepreciable	\$ 19,629,384	\$ 9,094,611	\$ 28,723,995
Capital assets, net	126,727,634	172,020,890	298,748,524
Prepaid bond insurance	-	149,532	149,532
Deferred charges on refunding	138,684	1,598,589	1,737,273
Retainage payable	(11,630)	-	(11,630)
Intergovernmental agreements payable	(3,387,500)	-	(3,387,500)
Bonds payable	(16,172,361)	(40,797,360)	(56,969,721)
Capital leases payable	-	(234,939)	(234,939)
Notes payable	(934,272)	(2,364,799)	(3,299,071)
Unspent bond proceeds	11,051,387	-	11,051,387
	<u>\$ 137,041,326</u>	<u>\$ 139,466,524</u>	<u>\$ 276,507,850</u>

Component Units

	Beginning Balance 12/31/2014	Increases	Decreases	Ending Balance 12/31/2015
Greater Rome Convention and Visitors Bureau				
Component unit:				
Capital assets, being depreciated:				
Buildings	\$ 181,429	\$ -	\$ -	\$ 181,429
Machinery and equipment	7,000	-	-	7,000
Total capital assets being depreciated	<u>188,429</u>	<u>-</u>	<u>-</u>	<u>188,429</u>
Less accumulated depreciation for:				
Buildings	(129,629)	(2,632)	-	(132,261)
Machinery and equipment	(7,000)	-	-	(7,000)
Total accumulated depreciation	<u>(136,629)</u>	<u>(2,632)</u>	<u>-</u>	<u>(139,261)</u>
Total capital assets, being depreciated, net	<u>51,800</u>	<u>(2,632)</u>	<u>-</u>	<u>49,168</u>
Greater Rome Convention and Visitors Bureau capital assets, net	<u>\$ 51,800</u>	<u>\$ (2,632)</u>	<u>\$ -</u>	<u>\$ 49,168</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

<u>Component Units</u>	<u>Beginning Balance 6/30/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 6/30/2015</u>
Rome Board of Education				
Component unit:				
Capital assets, not being depreciated:				
Land	\$ 1,783,902	\$ 157,049	\$ 1,783,903	\$ 157,048
Construction in progress	6,170,668	6,370,681	12,541,349	-
Total capital assets not being depreciated	<u>7,954,570</u>	<u>6,527,730</u>	<u>14,325,252</u>	<u>157,048</u>
Capital assets, being depreciated:				
Buildings and Improvements	2,315,633	13,018,494	12,554,829	2,779,298
Computers and equipment	3,153,241	3,302,525	120,481	6,335,285
Vehicles	1,588,102	221,579	67,241	1,742,440
Total capital assets being depreciated	<u>7,056,976</u>	<u>16,542,598</u>	<u>12,742,551</u>	<u>10,857,023</u>
Less accumulated depreciation for:				
Buildings and Improvements	(1,034,946)	(175,220)	(117,705)	(1,092,461)
Computers and equipment	(2,488,638)	(453,541)	-	(2,942,179)
Vehicles	(1,182,522)	(96,985)	(67,241)	(1,212,266)
Total accumulated depreciation	<u>(4,706,106)</u>	<u>(725,746)</u>	<u>(184,946)</u>	<u>(5,246,906)</u>
Total capital assets, being depreciated, net	<u>2,350,870</u>	<u>15,816,852</u>	<u>12,557,605</u>	<u>5,610,117</u>
Rome Board of Education capital assets, net	<u>\$ 10,305,440</u>	<u>\$ 22,344,582</u>	<u>\$ 26,882,857</u>	<u>\$ 5,767,165</u>

Legal title to most land, buildings and building improvements used by the schools are in the name of the City of Rome, Georgia. Therefore, a net of \$14,351,508 of capital assets has been transferred to the City of Rome and has not been included in the capital assets reported in the above table. This amount is reported as a special item in the statement of activities.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

D. Interfund Transactions

Interfund balances at December 31, 2015 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, 2015 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	\$ -	\$ 5,000	\$ -	\$ 101,999	\$ 1,724	\$ -	\$ 6,421	\$ 134,621	\$ -	\$ 249,765
Capital Fund	1,783,521	-	-	6,000	-	-	-	-	-	1,789,521
Non-major										
Governmental Funds	726	-	-	23,395	-	-	-	-	-	24,121
Water & Sewer System Fund	359	-	626,795	-	-	15,440	-	39,935	2,181	684,710
Fire Fund	-	-	-	-	-	-	-	-	-	-
Solid Waste Commission Fund	-	-	-	-	-	-	-	-	-	-
Non-major										
Enterprise Funds	195,321	31,500	-	28,018	-	1,755	-	-	-	256,594
Internal Service Funds	113,240	-	-	1,152	14,874	30,463	1,928	36,363	-	198,020
Total	<u>\$ 2,093,167</u>	<u>\$ 36,500</u>	<u>\$ 626,795</u>	<u>\$ 160,564</u>	<u>\$ 16,598</u>	<u>\$ 47,658</u>	<u>\$ 8,349</u>	<u>\$ 210,919</u>	<u>\$ 2,181</u>	<u>\$ 3,202,731</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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		\$ -	\$ 75
Non-major governmental funds		7,907	-
Non-major enterprise funds		-	40
Internal service funds		-	1,311
Total		\$ 7,907	\$ 1,426

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

Interfund advances consist of the following:

Advances From:				
	General Fund	Capital Fund	Internal Service Fund	Total
Advances To:				
Capital Fund	\$ 590,000	\$ -	\$ 1,051,752	\$ 1,641,752
Water and Sewer Fund	-	278,576	-	278,576
Fire Fund	-	358,792	-	358,792
Solid Waste Commission Fund	-	262,800	-	262,800
Non-major Enterprise Funds	-	561,822	-	561,822
Total	\$ 590,000	\$ 1,461,990	\$ 1,051,752	\$ 3,103,742

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 \$262,800 is included as an advance from the Capital Fund to the Solid Waste Commission Fund.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

D. Interfund Transactions - Continued

In 2012, the Rome City Commission authorized the borrowing of up to \$1.5 million from the Health Insurance Fund to assist in the construction of the City Mausoleum. The advance will be repaid over a maximum of ten years at 3% interest. As of December 31, 2015, the principal amount outstanding was \$1,051,752.

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

Interfund transfers for the year ended December 31, 2015 are as follows:

	Transfers In							Total
	General Fund	Capital Fund	SPLOST Fund	Non-major Governmental Funds	Water & Sewer System Fund	Fire Fund	Non-major Enterprise Funds	
Transfers Out:								
General Fund	\$ -	\$ 190,000	\$ -	\$ 251,465	\$ -	\$ 5,875,001	\$ 2,351,105	\$ 8,667,571
SPLOST Fund	-	-	-	-	626,795	118,330	-	745,125
Non-major								
Governmental Funds	84,000	6,000	5,525	-	-	-	271,391	366,916
Water & Sewer System Fund	1,389,943	-	-	-	-	-	-	1,389,943
Fire Fund	1,251,663	-	-	-	56,746	-	-	1,308,409
Solid Waste Commission Fund	82,245	-	-	-	-	-	-	82,245
Non-major								
Enterprise Funds	271,151	-	-	-	-	-	-	271,151
Total	\$ 3,079,002	\$ 196,000	\$ 5,525	\$ 251,465	\$ 683,541	\$ 5,993,331	\$ 2,622,496	\$12,831,360

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt

1. Water and Sewerage System Bonds Payable

Outstanding Water and Sewerage System Bonds were issued as follows:

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

In May 2012, the City issued \$32,125,000 of Water and Sewerage Revenue Refunding and Improvement bonds. The 2012 bonds were issued to (i) refund \$33,540,000 in aggregate principal of its 2004 A Water and Sewerage Revenue Refunding and Improvement bonds and (ii) pay the costs of issuance of the 2012 bonds. The net proceeds from the issuance of the water revenue bonds were used to purchase general obligations of the United States of America and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments of the prior bonds when due or called. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. Outstanding bonds from the refunded debt outstanding at December 31, 2015, considered defeased, totaled \$29,355,000.

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

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City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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, 2015 are as follows:

Water and Sewer Bonds - Series 2012	\$ 28,015,000
Water and Sewer Bonds - Series 2013	<u>6,809,000</u>
Subtotal	34,824,000
Less current maturities	<u>627,000</u>
Bonds payable, long term	<u><u>\$ 34,197,000</u></u>

Reconciliation of Bonds Payable to Financial Statements:

Current	
Bonds payable in less than one year	<u><u>\$ 627,000</u></u>
Long-term	
Bonds payable in more than one year	\$ 34,197,000
Bond premium, net of amortization	<u>2,496,815</u>
	<u><u>\$ 36,693,815</u></u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

2. Golf Bonds Payable

In 2009, The City of Rome Recreation Facilities Authority issued \$4,955,000 of Series 2009 Revenue Bonds to (i) refund all of the Series 1999 Revenue Bonds and pay the one percent (1%) redemption premium due in connection therewith and (ii) pay the costs of issuing the Series 2009 Bonds. Refunding was undertaken to save on the debt service payments maturing through 2024. The City defeased the 1999 bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2015, \$3,310,000 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, 2015, \$3,395,000 of these bonds were outstanding. Bonds payable reflected in the financial statements is net of \$81,545 of unamortized bond premium.

3. Governmental Bonds Payable

In 2015, The City of Rome Recreation Facilities Authority issued \$10,785,000 of Series 2015 Revenue Bonds to (i) provide funds to finance the acquisition, construction and equipping of a Rome Tennis Center of Georgia at Berry College for the City and (ii) pay the costs of issuance of the Bonds. The City has pledged its full faith and credit and taxing power to service the debt. The Series 2015 Bonds mature through 2019 with interest ranging from 2.0% to 5.0%. At December 31, 2015, \$10,785,000 of these bonds were outstanding. Bonds payable reflected in the financial statements is net of \$860,361 of unamortized bond premium.

4. Certificates of Participation – Georgia Municipal Association

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt – Continued

4. Certificates of Participation – Georgia Municipal Association - Continued

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay (1) a semiannual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the “Swap Payment”); and the Swap Counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semiannual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the City’s obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus .05% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap’s fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody’s. At December 31, 2015, the floating rate being paid by the City is 0.32% and the market value of this agreement is \$1,353,997, an increase of \$85,871 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on December 31, 2015 based on the derivative contract. This market value is reported as another asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as a deferred inflow of resources in the statement of net position.

5. Debt Service to Maturity for all Bond Issues

	<u>Water and Sewer</u>		<u>Golf</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 627,000	\$ 821,324	\$ 325,000	\$ 138,375	\$ 952,000	\$ 959,699
2017	4,877,000	1,358,923	330,000	125,375	5,207,000	1,484,298
2018	5,021,000	1,217,270	350,000	112,175	5,371,000	1,329,445
2019	5,206,000	1,027,741	365,000	98,175	5,571,000	1,125,916
2020	5,362,000	831,570	375,000	85,400	5,737,000	916,970
2021-2025	12,522,000	1,032,175	1,650,000	187,675	14,172,000	1,219,850
2026-2028	1,209,000	41,209	-	-	1,209,000	41,209
	<u>\$ 34,824,000</u>	<u>\$ 6,330,212</u>	<u>\$ 3,395,000</u>	<u>\$ 747,175</u>	<u>\$ 38,219,000</u>	<u>\$ 7,077,387</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt – Continued

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

	Tennis Center Bonds Payable		GMA COP		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,200,000	\$ 410,198	\$ -	\$ 215,032	\$ 2,200,000	\$ 625,230
2017	2,750,000	373,150	-	215,032	2,750,000	588,182
2018	2,860,000	263,150	-	215,032	2,860,000	478,182
2019	2,975,000	148,750	-	215,032	2,975,000	363,782
2020	-	-	-	215,032	-	215,032
2021-2025	-	-	-	1,075,160	-	1,075,160
2026-2028	-	-	4,527,000	645,096	4,527,000	645,096
	<u>\$ 10,785,000</u>	<u>\$ 1,195,248</u>	<u>\$ 4,527,000</u>	<u>\$ 2,795,416</u>	<u>\$ 15,312,000</u>	<u>\$ 3,990,664</u>

6. Notes Payable and Intergovernmental Agreement

In 2013, the City entered into an agreement with the Georgia Environmental Finance Authority (GEFA) and the State Revolving Loan Fund to finance the construction and improvements of various water and sewer facilities. As of December 31, 2015, the City had entered into one (1) such loan agreement with a loan balance of \$2,364,799.

The following is a schedule of the future required principal and interest payments on the GEFA loan agreements as of December 31, 2015:

Issue Date	Interest Rate (%)	Maturity Date	Authorized and Issued	Retired	Outstanding	Current	Long-Term
12/31/2014	2.13%	1/1/2035	\$ 2,455,990	\$ 91,191	\$ 2,364,799	\$ 101,532	\$ 2,263,267

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt - Continued

6. Notes Payable and Intergovernmental Agreement - Continued

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

The following is a schedule of the future required principal and interest payments on the intergovernmental agreement as of December 31, 2015:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 150,000	\$ 118,215	\$ 268,215
2017	155,000	111,165	266,165
2018	162,500	104,015	266,515
2019	170,000	97,515	267,515
2020	175,000	90,715	265,715
2021-2025	955,000	380,570	1,335,570
2026-2030	1,110,000	232,213	1,342,213
2031-2033	510,000	30,800	540,800
Total	<u>3,387,500</u>	<u>\$ 1,165,208</u>	<u>\$ 4,552,708</u>
Less current maturities	150,000		
Long-term	<u>\$ 3,237,500</u>		

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt - Continued

6. Notes Payable and Intergovernmental Agreement - Continued

The following is a schedule of the future required principal and interest payments on the notes payable as of December 31, 2015:

Year Ended December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 222,077	\$ 49,847	\$ 271,924	\$ 101,532	\$ 49,383	\$ 150,915
2017	233,452	38,468	271,920	103,716	47,199	150,915
2018	206,853	26,508	233,361	105,947	44,968	150,915
2019	39,145	15,855	55,000	108,225	42,689	150,914
2020	41,427	13,573	55,000	110,553	40,361	150,914
2021-2025	191,318	28,682	220,000	589,474	165,099	754,573
2026-2030	-	-	-	655,656	98,917	754,573
2031-2034	-	-	-	589,696	26,539	616,235
Total	934,272	\$ 172,933	\$ 1,107,205	2,364,799	\$ 515,155	\$ 2,879,954
Less current maturities	222,077			101,532		
Long-term	\$ 712,195			\$ 2,263,267		

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 SunTrust. These bear an interest rate of 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 balance of all leases at December 31, 2015 is \$234,939 for business type activities. Annual depreciation of these assets is included in depreciation expense.

Total assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Machinery and equipment	\$ 1,129,532	\$ 216,254
Vehicles	444,543	3,876,098
Less accumulated depreciation	(725,937)	(1,609,971)
Total	\$ 848,138	\$ 2,482,381

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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, 2015:

Year ending December 31,	Business-Type Activities
2016	\$ 121,138
2017	121,138
Total minimum lease payments	242,276
Less amounts representing interest	7,337
Present value of minimum lease payments	\$ 234,939

Component Unit - Rome Board of Education

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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, 2015. 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.

	<u>Balance</u> <u>12/31/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2015</u>	<u>Due within</u> <u>one year</u>	<u>Due in more</u> <u>than one year</u>
Governmental Activities:						
Certificates of Participation	\$ 4,527,000	\$ -	\$ -	\$ 4,527,000	\$ -	\$ 4,527,000
Bonds Payable	-	10,785,000	-	10,785,000	2,200,000	8,585,000
Unamortized Bond Premium	-	860,361	-	860,361	-	860,361
Capital Lease Obligations	10,435	-	10,435	-	-	-
Notes Payable	1,145,523	-	211,251	934,272	222,077	712,195
Net OPEB Obligation	1,710,649	1,093,233	1,070,264	1,733,618	-	1,733,618
Intergovernmental Agreements	3,530,000	-	142,500	3,387,500	150,000	3,237,500
Net Pension Liability	21,915,202	2,150,967	4,398,474	19,667,695	-	19,667,695
Compensated Absences	959,763	634,315	653,082	940,996	705,747	235,249
Total Governmental Activities	<u>\$ 33,798,572</u>	<u>\$ 15,523,876</u>	<u>\$ 6,486,006</u>	<u>\$ 42,836,442</u>	<u>\$ 3,277,824</u>	<u>\$ 39,558,618</u>
Business-Type Activities:						
Revenue Bonds	\$ 44,353,000	\$ -	\$ 6,134,000	\$ 38,219,000	\$ 952,000	\$ 37,267,000
Unamortized Bond Premium	3,302,430	-	724,070	2,578,360	-	2,578,360
Notes Payable	2,455,990	-	91,191	2,364,799	101,532	2,263,267
Capital Lease Obligations	348,839	-	113,900	234,939	116,263	118,676
Landfill Closure / Postclosure	8,908,410	191,038	684,936	8,414,512	227,588	8,186,924
Compensated Absences	1,265,049	1,068,747	1,063,327	1,270,469	952,931	317,538
Total Business-Type Activities	<u>\$ 60,633,718</u>	<u>\$ 1,259,785</u>	<u>\$ 8,811,424</u>	<u>\$ 53,082,079</u>	<u>\$ 2,350,314</u>	<u>\$ 50,731,765</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

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

Component Unit	Balance 12/31/2014	Additions	Deletions	Balance 12/31/2015	Due within one year	Due in more than one year
Greater Rome Convention & Visitors Bureau						
Compensated Absences	\$ 34,511	\$ 19,527	\$ 22,693	\$ 31,345	\$ 23,509	\$ 7,836
Total Greater Rome Convention and Visitors Bureau	<u>\$ 34,511</u>	<u>\$ 19,527</u>	<u>\$ 22,693</u>	<u>\$ 31,345</u>	<u>\$ 23,509</u>	<u>\$ 7,836</u>

Component Unit	Balance 6/30/2014	Additions	Deletions	Balance 6/30/2015	Due within one year	Due in more than one year
Rome Board of Education						
Construction Bonds	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000
Compensated Absences	55,923	142,893	137,140	61,676	61,676	-
Net Pension Liability	45,206,412	2,763,550	14,836,618	33,133,344	-	-
Total Rome Board of Education	<u>\$ 47,262,335</u>	<u>\$ 2,906,443</u>	<u>\$ 14,973,758</u>	<u>\$ 35,195,020</u>	<u>\$ 61,676</u>	<u>\$ 2,000,000</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans

1. City of Rome

a) Plan Description

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

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

Plan Membership. At July 1, 2015, the date of the most recent actuarial valuation, there were 1,011 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	324
Terminated vested participants not yet receiving benefits	110
Active employees - vested	329
Active employees - nonvested	248
Total	<u>1,011</u>

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan is to contribute an amount equal to or greater than the recommended contribution described below. For 2015, the actuarially determined contribution rate was 13.41% of covered payroll. The City makes all contributions to the plan. For 2015, the City's contribution to the Plan was \$3,067,144.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

b) Net Pension Liability of the City

Effective January 1, 2015, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which significantly changed the City’s accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The City’s net pension liability was measured as of March 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 with update procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2015.

Actuarial assumptions. The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates for the July 1, 2014 valuation were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2010–June 30, 2013.

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

b) Net Pension Liability of the City - Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2015 are summarized in the table below:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	50%	5.95%
International equity	15%	6.45
Fixed income	25%	1.55
Real estate	10%	3.75
Cash	—%	
Total	100%	

* Rates shown are net of the 3.25% assumed rate of inflation

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

b) Net Pension Liability of the City - Continued

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended December 31, 2015 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 12/31/14	\$ 79,234,488	\$ 57,319,286	\$ 21,915,202
Changes for the year:			
Service cost	789,416	-	789,416
Interest	5,972,746	-	5,972,746
Differences between expected and actual experience	1,678,459	-	1,678,459
Assumption Changes	(2,274,787)	-	(2,274,787)
Contributions—employer	-	3,005,912	(3,005,912)
Contributions—employee	-	-	-
Net investment income	-	5,492,303	(5,492,303)
Benefit payments, including refunds of employee contributions	(4,333,589)	(4,333,589)	-
Administrative expense	-	(84,874)	84,874
Other changes	-	-	-
Net changes	1,832,245	4,079,752	(2,247,507)
Balances at 12/31/15	\$ 81,066,733	\$ 61,399,038	\$ 19,667,695

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

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

b) Net Pension Liability of the City - Continued

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	\$ 28,335,762	\$ 19,667,695	\$ 12,301,952

Changes in the Net Pension Liability of the City. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2015 and the current sharing pattern of costs between employer and employee.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

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

For the fiscal year ended December 31, 2015, the City recognized pension expense of \$2,089,487. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,258,845	\$ -
Changes in assumptions	-	1,706,091
Net difference between projected and actual earnings on pension plan investments	-	883,836
City contributions subsequent to the measurement date	<u>2,300,482</u>	<u>-</u>
Total	<u>\$ 3,559,327</u>	<u>\$ 2,589,927</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

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

City contributions subsequent to the measurement date of \$2,300,482 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:

2016	\$	(370,041)
2017		(370,041)
2018		(370,041)
2019		<u>(220,959)</u>
Total	\$	<u><u>(1,331,082)</u></u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

2. City of Rome Defined Contribution Plan

a) Plan Description

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

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

The City's contributions will be made to match all or a portion of an employee's contribution to an eligible 457(b) deferred compensation plan, including the GMA Deferred Compensation Plan. For each pay period in which the employee contributes to a 457 Plan of the City, the City will contribute on a dollar for dollar matching basis up to a maximum of 1¼ % of salary per Plan year. City contributions to the Plan for the year ended December 31, 2015 totaled \$217,240.

3. Component Unit - Rome Board of Education

General Information about the Teachers Retirement System of Georgia (TRS)

Plan Description: All teachers of the District as defined in §47-3-60 of the Official Code of Georgia Annotated (O.C.G.A.) and certain other support personnel as defined by §47-3-63 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education – Continued

General Information about the Teachers Retirement System of Georgia (TRS) – Continued

Benefits provided: TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee 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. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00 % of their annual pay during fiscal year 2015. The School District's contractually required contribution rate for the year ended June 30, 2015 was 13.15% of annual school district payroll. District contributions to TRS were \$2,995,535 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Effective July 1, 2014, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which significantly changed the District's accounting for pension amounts. The information disclosed below is presented in accordance with these new standards.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education – Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the District by the State of Georgia for certain public school support personnel. The amount recognized by the District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 33,133,344
State of Georgia's proportionate share of the net pension liability associated with the District	<u>560,177</u>
Total	<u>\$ 33,693,521</u>

The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2014. At June 30, 2014, the District's proportion was 0.262262%, which was an increase of 0.002826% from its proportion measured as of June 30, 2013.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education – Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

For the year ended June 30, 2015, the District recognized pension expense of \$2,362,313 and revenue of \$81,959 for support provided by the State of Georgia for certain support personnel. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 11,550,986
Changes in proportion and differences between District contributions and proportionate share of contributions	401,237	-
District contributions subsequent to the measurement date	<u>3,923,441</u>	<u>-</u>
Total	<u>\$ 4,324,678</u>	<u>\$ 11,550,986</u>

District contributions subsequent to the measurement date of \$3,923,441 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ (2,796,556)
2017	(2,796,556)
2018	(2,796,556)
2019	(2,796,558)
2020	<u>36,477</u>
Total	<u>\$ (11,149,749)</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education – Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

Actuarial assumptions: The total pension liability as of June 30, 2014 was determined by an actuarial valuation as of June 30, 2013 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75 – 7.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females set back two years for males and set back three years for females.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education – Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Fixed income	30.00%	3.00%
Domestic large equities	39.70	6.50
Domestic mid equities	3.70	10.00
Domestic small equities	1.60	13.00
International developed market equities	18.90	6.50
International emerging market equities	6.10	11.00
Total	<u>100.00%</u>	

* Rates shown are net of the 3.00% assumed rate of inflation

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education – Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current discount rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
District's proportionate share of the net pension liability	\$ 61,060,308	\$ 33,133,344	\$ 10,136,070

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publically available at www.trsga.com/publications.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education - Continued

General Information About the Public School Employees Retirement System of Georgia (PSERS)

Plan description: – PSERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia. The ERS Board of Trustees, plus two additional trustees, administers PSERS. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. PSERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs.

Benefits provided: A member may retire and elect to receive normal monthly retirement benefits after completion of ten years of creditable service and attainment of age 65. A member may choose to receive reduced benefits after age 60 and upon completion of ten years of service.

Upon retirement, the member will receive a monthly benefit of \$14.75, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

Contributions: The general assembly makes an annual appropriation to cover the employer contribution to PSERS on behalf of local school employees (bus drivers, cafeteria workers, and maintenance staff). The annual employer contribution required by statute is actuarially determined and paid directly to PSERS by the State Treasurer in accordance with O.C.G.A. §47-4-29(a) and 60(b). Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Individuals who became members prior to July 1, 2012 contribute \$4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute \$10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education - Continued

General Information About the Public School Employees Retirement System of Georgia (PSERS) - Continued

Pension Liabilities and Pension Expense

At June 30, 2015, the District did not have a liability for a proportionate share of the net pension liability because of the related State of Georgia support. The amount of the State's proportionate share of the net pension liability associated with the District is as follows:

State of Georgia's proportionate share of the Net Pension Liability associated with the District	\$ <u>290,547</u>
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The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2014.

For the year ended June 30, 2015, the District recognized pension expense of \$25,232 and revenue of \$25,232 for support provided by the State of Georgia.

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increase	N/A
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table set forward one year for males for the period after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back two years for males and set forward one year for females for the period after disability retirement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education - Continued

General Information About the Public School Employees Retirement System of Georgia (PSERS) - Continued

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Fixed income	30.00%	3.00%
Domestic large stocks	39.70	6.50
Domestic mid stocks	3.70	10.00
Domestic small stocks	1.60	13.00
International developed market stocks	18.90	6.50
International emerging market stocks	6.10	11.00
Total	<u>100.00%</u>	

* Rates shown are net of the 3.00% assumed rate of inflation

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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 post-retirement benefits to the time during which the employee is working for the employer. GASB 45 requires allocation of the costs of a post-retirement benefit plan onto the years of active employment; it does not require the funding of such benefits. GASB 45 requirements were implemented by the City of Rome as of the year ended December 31, 2009. The City has elected not to establish a separate trust fund to account for other post-employment benefits, and has not funded the Plan as of December 31, 2015. The City of Rome Retirement Pension Insurance Plan is a single-employer defined benefit post-employment health care plan or other post-employment benefit (OPEB) plan.

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

The City of Rome currently contracts with Blue Cross Blue Shield to administer the post-retirement health care benefits. The City's obligation to provide these benefits was created under a City ordinance. Upon termination of employment, eligible employees are entitled to continue coverage, at their own cost, under the City's medical self-insurance plan (Note H.1). After 15 years of service, the City pays 10% of the retiree's share of charges from the City's medical self-insurance fund and life insurance carriers. The City's portion is increased 1% for each year of service to a maximum of 30%. For any employee hired after January 1, 2006, they are not eligible for post-retirement health benefits. Currently, 100 retirees are enrolled in post-retirement health care benefits. These post-retirement benefits are funded on a pay-as-you-go-basis. In 2015, the net cost of premiums for providing post-retirement benefits for retirees was approximately \$161,201.

Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Health Care Plan as of July 1, 2014:

Active members	552
Retired members	220
Total	<u>772</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

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

Contributions

The City's Health Insurance Fund contributed \$1,070,264 to the OPEB Health Care Plan in fiscal year 2015. 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	\$ 1,163,118
Interest on Existing NOO	68,426
ARC Adjustment	(138,311)
Annual OPEB Cost	<u>1,093,233</u>
Actual Contributions made	<u>1,070,264</u>
Increase in net OPEB obligation	22,969
Net OPEB Liability, December 31, 2014	<u>1,710,649</u>
Net OPEB Liability, December 31, 2015	<u><u>\$ 1,733,618</u></u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

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

OPEB Health Care Plan

Fiscal Year Ended December 31,	(1) Annual OPEB Cost	(2) Actual OPEB Contribution	(3) Percentage of OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 1,027,089	\$ 1,439,828	140.19%	\$ 1,889,226
2014	1,100,376	1,278,953	116.23%	1,710,649
2015	1,093,233	1,070,264	97.90%	1,733,618

As of the most recent valuation date, July 1, 2014, the funded status of the OPEB Health Care Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (ALL)	Unfunded ALL (UALL)	Funded Ratio	Covered Payroll	UALL as a Percentage of Covered Payroll
7/1/2014 *	\$ -	\$ 10,962,835	\$ 10,962,835	0%	\$ 21,730,248	50.45%

* Date of the most recent actuarial valuation.

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the Plan assets is increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at July 1, 2014. The assumptions used in the July 1, 2014 actuarial valuation are as follows:

Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value of Assets
Assumed Rate of Return on Investments	4.00%
Inflation Rate	3.00%
Medical Cost Trend Rate	7.00%
Ultimate Medical Cost Trend Rate	5.00%
Year of Ultimate Trend Rate	2020
Amortization Method	Level dollar, closed
Remaining Amortization Period	18 years
Payroll Inflation Rate	3.00%

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

H. Risk Management

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

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

1. Health Insurance Fund

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

The self-insurance program is designed so that the City pays actual aggregate claims up to 110% of annual projected claims. Projected maximum claims for the Plan year beginning January 1, 2015 total \$8,134,816. After the City's paid claims reach 110% of the annual projected claims, a private insurance carrier will pay the next \$1,000,000 of claims. If the private insurance were to be exhausted, the City would be liable for any additional claims filed during the year. In addition to the annual limit, claims for any one claim which exceed \$150,000 in the annual claims year will be covered by the private insurance carrier. The City has entered into a contract with a third party to administer the program.

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

	<u>Beginning of Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal-Year Liability</u>
2014	\$ 465,000	\$ 6,215,249	\$ (5,845,249)	\$ 835,000
2015	835,000	6,098,525	(6,234,449)	699,076

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

H. Risk Management - Continued

2. Workers' Compensation Self-Insurance Fund

The Workers' Compensation Fund was established to provide resources for payment of workers' compensation claims to the City and Greater Rome Convention & Visitors Bureau component unit employees. Individual departments and component units were charged for workers' compensation based upon previous insurance carriers' cost charges. Charges to other funds and component units are treated as operating revenues in the self-insurance fund. As of January 1, 2002, the City became fully insured through participation in the GMA Workers Compensation risk pool. This pool operates as a common risk management and insurance program for member local governments. As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claims or loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds. The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. Therefore, the City is not liable for workers' compensation claims occurring subsequent to January 1, 2002. However, the City continues to be responsible for outstanding claims filed prior to January 1, 2002. There is a stop-loss limit of \$250,000 per claim covered through a private insurance carrier. Also, during 2015, the City recorded a reimbursement of \$179,798 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, 2015. Also included in the accrued liability for workers' compensation claims are the outstanding deductibles owed by the City for all current claims. This liability is based upon historical experience and other factors. Changes in the balances of claims liabilities were as follows:

	<u>Beginning of Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal-Year Liability</u>
2014	\$ 286,000	\$ 493,478	\$ (484,478)	\$ 295,000
2015	295,000	374,280	(404,280)	265,000

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

I. Contingent Liabilities

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

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

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

J. Landfill Closure and Postclosure Care Cost

The City has closed and placed a final cover on its Walker Mountain Phase I - III landfill site and is currently operating Phases IV, V, VI and VII sites and C&D construction and demolition Phase I site. State and Federal laws and regulations require the City to perform certain maintenance and monitoring functions at these sites for 30 years after closure. Although these postclosure care costs will be paid only after the date that the landfill stops accepting waste, the City has reported these postclosure care costs as an operating expense in the current and prior years based on landfill capacity used as of each statement of net position date. The \$2,471,507 (\$122,582 current) reported as postclosure care liability at December 31, 2015, represents the cumulative amount reported to date based on the use of 100% of the capacity of Phase I - VI of the landfill and 54% of the capacity of Phase VII. The \$1,296,893 (\$45,031 current) reported as postclosure care liability at December 31, 2015 represents the cumulative amount reported to date based on the use of 96% of the capacity of Phase I of C&D. In addition, \$3,506,587 has been accrued at December 31, 2015 for closure costs for Phases IV, V, VI, and VII and the C&D sites based on the landfill capacity used as of the statement of net position date. The estimated remaining life of the Walker Mountain landfill is 30 years.

Under an agreement with Floyd County, the County will provide certain financial resources to the City's Solid Waste Commission Fund and the Solid Waste Commission Fund will pay for the post closure care costs at a landfill site previously operated by the County (Berryhill site). Accordingly, a liability for postclosure costs totaling \$1,139,525 (\$59,975 current) has been recognized in the Solid Waste Commission Fund as of December 31, 2015. 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, 2015 and is subject to changes resulting from inflation, deflation, technology or changes in laws or regulations. These costs are expected to be funded by revenues generated from future landfill operations. The Subtitle D landfill is jointly owned by the City and Floyd County and is operated by the Solid Waste Commission Fund. This fund is intended to be self-supporting by user fees. However, under a contract between the City and the County, the City and County are each responsible for fifty percent of any costs not funded by user fees.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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 2015, the City paid dues in the amount of \$35,997 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 8% lodging tax. In 1995, the City of Rome and Floyd County imposed a 1% tax for the purpose of promoting tourism, conventions and trade shows. In July 2014, the lodging tax was increased to 8%. The additional 2% is for operations and maintenance of the Rome Tennis Center at Berry College. A summary of transactions for the fiscal year ended December 31, 2015 is as follows:

	5% Levy	1% Levy	2% Levy
Balance as of December 31, 2014	\$ 250,979	\$ 30,408	\$ -
2015 Tax Revenues	677,732	135,696	271,391
2015 Interest Revenue	110	22	-
2015 Miscellaneous Revenue	-	-	-
2015 Expenditures			
Greater Rome Convention & Visitors Bureau	490,000	27,001	-
City of Rome	63,000	5,525	-
Floyd County	-	81,418	-
Transfer to Tennis Center	-	-	271,391
Balance as of December 31, 2015	\$ 375,821	\$ 52,182	\$ -

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 \$113,944 made during 2015 were 84.0% of total 2015 1% tax collections and expenditures of \$553,000 were 81.6% of 2015 5% tax collections.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

M. Related Organizations

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

N. Short Term Debt

In anticipation of tax receipts in November, the City of Rome issued \$6,490,000 of Tax Anticipation Notes in June of 2015. These notes matured and were paid in full on December 30, 2015. Interest expense of \$21,741 was paid on the borrowings.

<u>Fiscal Year Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Fiscal Year Balance</u>
\$ -	\$6,490,000	\$6,490,000	\$ -

O. Agency Agreement

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

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

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

P. Construction Commitments

The City of Rome has a several active construction projects as of December 31, 2015. These projects are associated with water and sewer improvements and public works construction. They are all financed with SPLOST proceeds and grant funds.

<u>Project</u>	<u>Remaining Commitment</u>
Etowah Sewer Project	\$ 628,537
City Auditorium Renovations	859,784
Tennis Center Construction	7,231,188
McCall Hospital Demolition	19,130

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

Q. Change in Accounting Principle

1. City of Rome

As discussed in Note III. F. (1), the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* as well as Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective January 1, 2015. The new standards significantly changed the City’s accounting for the net pension liability and related disclosures. As a result of this change in accounting principle, the City was required to restate beginning net position for the following:

Net position, governmental activities, as previously reported	\$ 154,616,029
City's net pension asset, prior year ending balance	(3,493,814)
City's net pension liability, beginning balance	(21,915,202)
Deferred outflows of resources, pension related items, beginning balance	2,239,002
Beginning net position, governmental activities, restated	<u><u>\$ 131,446,015</u></u>

2. Component Unit - Rome Board of Education

As discussed in Note III. F. (2), the Rome Board of Education implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective July 1, 2014. The new standard requires that the School District’s proportionate share of the Net Pension Liability be recorded on the Statement of Net Position.

Therefore, in conjunction with the implementation of Statement No. 68 and Statement No. 71, the following restatement was required to the beginning net position of the School District to properly recognize its net pension liability and related deferred outflows of resources for contributions subsequent to the measurement date as of the end of the prior period:

	Governmental
	<u>Activities</u>
Net position, as previously reported	\$ 27,386,338
Restatement for implementation of GASB Statement No. 68 and 71:	
Net pension liability as of June 30, 2014	(45,206,412)
Deferred outflows of resources - contributions	3,285,632
Net position, as restated	<u><u>\$ (14,534,442)</u></u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

R. Subsequent Events

In 2016, the City of Rome entered into a development agreement with Duke Lodging Rome, LLC to deliver a Tax Allocation District (TAD) I Note in the amount of \$2,504,379 upon completion of the hotel project. The note is expected to be delivered by the City of Rome to Duke Lodging Rome, LLC in 2018. Payments of principal in the amount of \$208,698 are expected to begin in December 2018 and continue annually until December 2029.

REQUIRED SUPPLEMENTARY INFORMATION

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

The General Fund is the primary operating fund of the City and is presented as a major fund in the basic financial statements.

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

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
Ad valorem taxes:				
Real and personal property:				
Current year	\$ 6,550,000	\$ 6,700,000	\$ 6,723,560	\$ 23,560
Prior years	875,000	1,300,000	1,321,729	21,729
Public utilities	285,000	285,000	255,415	(29,585)
Motor vehicles	1,225,000	1,229,175	1,233,269	4,094
Mobile homes	2,000	2,000	1,542	(458)
Timber tax	1,000	1,000	44	(956)
Total ad valorem taxes	<u>8,938,000</u>	<u>9,517,175</u>	<u>9,535,559</u>	<u>18,384</u>
Other taxes:				
Intangible tax	150,000	150,000	191,676	41,676
Insurance premium tax	1,985,000	1,985,000	2,091,968	106,968
Franchise tax	3,397,000	3,397,000	3,444,677	47,677
Local option sales tax	5,825,000	5,825,000	5,319,854	(505,146)
Real estate transfer tax	20,000	20,000	43,485	23,485
Tax on liquor and wine	800,000	800,000	784,661	(15,339)
Mixed drink tax	72,000	72,000	77,381	5,381
Total other taxes	<u>12,249,000</u>	<u>12,249,000</u>	<u>11,953,702</u>	<u>(295,298)</u>
Licenses, permits and fees:				
Business licenses	1,731,000	1,731,000	1,816,722	85,722
Permits and fees	86,000	86,000	72,994	(13,006)
Total licenses, permits and fees	<u>1,817,000</u>	<u>1,817,000</u>	<u>1,889,716</u>	<u>72,716</u>
Intergovernmental:				
Highway maintenance	122,000	122,000	121,310	(690)
Traffic signals	54,000	54,000	62,965	8,965
County environmental information	55,000	55,000	51,500	(3,500)
Entitlement reimbursement	30,000	30,000	-	(30,000)
Housing authority	52,000	52,000	47,824	(4,176)
Grant reimbursement	-	-	11,931	11,931
Total intergovernmental	<u>313,000</u>	<u>313,000</u>	<u>295,530</u>	<u>(17,470)</u>

continued

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Fines and forfeitures:				
Police court fines and fees	\$ 1,389,000	\$ 1,389,000	\$ 1,260,117	\$ (128,883)
Total fines and forfeitures	<u>1,389,000</u>	<u>1,389,000</u>	<u>1,260,117</u>	<u>(128,883)</u>
Other revenues:				
Charges for services	-	-	153,074	153,074
Interest and costs	350,000	350,000	418,978	68,978
Cemetery revenue	155,000	155,000	143,093	(11,907)
Rent	65,000	65,000	84,428	19,428
Interest on investments	6,000	6,000	7,924	1,924
Miscellaneous revenue	40,000	40,000	71,002	31,002
Total other revenues	<u>616,000</u>	<u>616,000</u>	<u>878,499</u>	<u>262,499</u>
TOTAL REVENUES	<u>25,322,000</u>	<u>25,901,175</u>	<u>25,813,123</u>	<u>(88,052)</u>

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**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
EXPENDITURES:				
GENERAL GOVERNMENT				
City Commission:				
Personal services	\$ 154,000	\$ 154,200	\$ 154,193	\$ 7
Supplies	6,880	9,500	9,403	97
Other services and charges	38,750	47,000	46,916	84
Total City Commission	<u>199,630</u>	<u>210,700</u>	<u>210,512</u>	<u>188</u>
Municipal Court:				
Personal services	290,430	290,430	283,180	7,250
Supplies	9,500	9,500	5,604	3,896
Other services and charges	48,050	50,050	60,129	(10,079)
Total Municipal Court	<u>347,980</u>	<u>349,980</u>	<u>348,913</u>	<u>1,067</u>
Manager's Office:				
Personal services	252,070	274,000	273,853	147
Supplies	8,425	10,200	10,176	24
Other services and charges	9,790	10,400	10,538	(138)
Total Manager's Office	<u>270,285</u>	<u>294,600</u>	<u>294,567</u>	<u>33</u>
Clerk's Office:				
Personal services	321,940	321,940	321,390	550
Supplies	12,500	12,500	9,730	2,770
Other services and charges	15,250	15,250	15,205	45
Total Clerk's Office	<u>349,690</u>	<u>349,690</u>	<u>346,325</u>	<u>3,365</u>
Finance:				
Personal services	483,150	484,700	484,681	19
Supplies	12,100	11,150	11,150	-
Other services and charges	8,300	7,700	7,684	16
Total Finance	<u>503,550</u>	<u>503,550</u>	<u>503,515</u>	<u>35</u>

continued

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Human Resources:				
Personal services	\$ 268,190	\$ 268,190	\$ 262,302	\$ 5,888
Supplies	14,345	14,345	14,476	(131)
Other services and charges	35,350	35,350	26,681	8,669
Total Human Resources	<u>317,885</u>	<u>317,885</u>	<u>303,459</u>	<u>14,426</u>
Purchasing:				
Personal services	291,650	291,650	284,771	6,879
Supplies	5,260	5,260	3,789	1,471
Other services and charges	9,000	9,000	8,577	423
Total Purchasing	<u>305,910</u>	<u>305,910</u>	<u>297,137</u>	<u>8,773</u>
Information Technology:				
Personal services	231,790	231,790	231,628	162
Supplies	61,610	61,610	58,887	2,723
Other services and charges	10,915	10,915	7,426	3,489
Total Information Technology	<u>304,315</u>	<u>304,315</u>	<u>297,941</u>	<u>6,374</u>
Business Systems Analyst:				
Personal services	92,060	92,900	92,881	19
Supplies	137,270	136,430	131,881	4,549
Other services and charges	3,460	3,460	3,399	61
Total Business Systems Analyst	<u>232,790</u>	<u>232,790</u>	<u>228,161</u>	<u>4,629</u>
Assistant City Manager:				
Personal services	109,220	109,220	108,418	802
Supplies	1,850	1,850	1,536	314
Other services and charges	10,650	10,650	5,256	5,394
Total Assistant City Manager	<u>121,720</u>	<u>121,720</u>	<u>115,210</u>	<u>6,510</u>
General Administration:				
Personal services	185,920	2,076,920	1,942,115	134,805
Supplies	21,600	21,600	6,747	14,853
Other services and charges	360,500	360,500	452,844	(92,344)
Total General Administration	<u>568,020</u>	<u>2,459,020</u>	<u>2,401,706</u>	<u>57,314</u>

continued

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Total General Government:				
Personal services	\$ 2,680,420	\$ 4,595,940	\$ 4,439,412	\$ 156,528
Supplies	291,340	293,945	263,379	30,566
Other services and charges	550,015	560,275	644,655	(84,380)
TOTAL GENERAL GOVERNMENT	<u>3,521,775</u>	<u>5,450,160</u>	<u>5,347,446</u>	<u>102,714</u>
PUBLIC SAFETY				
Police:				
Personal services	6,668,570	6,668,570	6,663,172	5,398
Supplies	612,900	612,900	496,390	116,510
Other services and charges	302,470	302,470	381,325	(78,855)
Total Police	<u>7,583,940</u>	<u>7,583,940</u>	<u>7,540,887</u>	<u>43,053</u>
Police Training Center:				
Supplies	42,170	42,170	43,356	(1,186)
Other services and charges	73,450	73,450	74,452	(1,002)
Total Police Training Center	<u>115,620</u>	<u>115,620</u>	<u>117,808</u>	<u>(2,188)</u>
Total Public Safety:				
Personal services	6,668,570	6,668,570	6,663,172	5,398
Supplies	655,070	655,070	539,746	115,324
Other services and charges	375,920	375,920	455,777	(79,857)
TOTAL PUBLIC SAFETY	<u>7,699,560</u>	<u>7,699,560</u>	<u>7,658,695</u>	<u>40,865</u>
PUBLIC WORKS				
Public Works Office:				
Personal services	238,940	240,300	240,283	17
Supplies	11,830	23,100	23,048	52
Other services and charges	20,010	7,800	7,793	7
Total Public Works Office	<u>270,780</u>	<u>271,200</u>	<u>271,124</u>	<u>76</u>

continued

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Engineering:				
Personal services	\$ 423,740	\$ 423,740	\$ 404,674	\$ 19,066
Supplies	21,250	21,250	14,815	6,435
Other services and charges	6,190	6,190	4,830	1,360
Total Engineering	<u>451,180</u>	<u>451,180</u>	<u>424,319</u>	<u>26,861</u>
Streets and Drainage:				
Personal services	1,617,920	1,617,920	1,543,964	73,956
Supplies	358,730	358,730	229,775	128,955
Other services and charges	58,790	58,790	57,008	1,782
Total Streets and Drainage	<u>2,035,440</u>	<u>2,035,440</u>	<u>1,830,747</u>	<u>204,693</u>
Clean It or Lien It Demolition:				
Supplies	20,000	20,000	(1,444)	21,444
Other services and charges	15,000	15,000	(3,563)	18,563
Total Clean It or Lien It Demolition	<u>35,000</u>	<u>35,000</u>	<u>(5,007)</u>	<u>40,007</u>
Electrical/Traffic Control:				
Personal services	865,660	866,500	866,436	64
Supplies	117,200	116,360	104,585	11,775
Other services and charges	57,420	57,420	51,866	5,554
Total Electrical/Traffic Control	<u>1,040,280</u>	<u>1,040,280</u>	<u>1,022,887</u>	<u>17,393</u>
Street Lighting:				
Supplies	3,000	3,000	2,749	251
Other services and charges	914,000	914,000	909,258	4,742
Total Street Lighting	<u>917,000</u>	<u>917,000</u>	<u>912,007</u>	<u>4,993</u>
Buildings and Grounds:				
Supplies	1,000	3,000	2,887	113
Other services and charges	2,500	1,600	1,577	23
Total Buildings and Grounds	<u>3,500</u>	<u>4,600</u>	<u>4,464</u>	<u>136</u>

continued

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Cemetery:				
Personal services	\$ 306,440	\$ 306,440	\$ 289,088	\$ 17,352
Supplies	37,020	37,020	24,186	12,834
Other services and charges	29,620	29,620	27,240	2,380
Payments for inmate charges	44,500	44,500	47,300	(2,800)
Total Cemetery	<u>417,580</u>	<u>417,580</u>	<u>387,814</u>	<u>29,766</u>
Garage:				
Personal services	543,370	543,370	484,588	58,782
Supplies	79,220	79,220	82,156	(2,936)
Other services and charges	40,800	40,800	31,601	9,199
Total Garage	<u>663,390</u>	<u>663,390</u>	<u>598,345</u>	<u>65,045</u>
Total Public Works:				
Personal services	3,996,070	3,998,270	3,829,033	169,237
Supplies	649,250	661,680	482,757	178,923
Other services and charges	1,144,330	1,131,220	1,087,610	43,610
Payments	44,500	44,500	47,300	(2,800)
TOTAL PUBLIC WORKS	<u>5,834,150</u>	<u>5,835,670</u>	<u>5,446,700</u>	<u>388,970</u>
PUBLIC FACILITIES				
City Auditorium:				
Personal services	149,300	153,500	153,478	22
Supplies	51,100	58,300	58,241	59
Other services and charges	93,000	88,100	88,011	89
Total City Auditorium	<u>293,400</u>	<u>299,900</u>	<u>299,730</u>	<u>170</u>
Civic Center:				
Supplies	7,750	15,000	14,892	108
Other services and charges	26,170	24,300	24,251	49
Total Civic Center	<u>33,920</u>	<u>39,300</u>	<u>39,143</u>	<u>157</u>

continued

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Other Facilities:				
Supplies	\$ 42,300	\$ 72,560	\$ 68,708	\$ 3,852
Other services and charges	62,450	72,050	70,439	1,611
Total Other Facilities	<u>104,750</u>	<u>144,610</u>	<u>139,147</u>	<u>5,463</u>
Total Public Facilities:				
Personal services	149,300	153,500	153,478	22
Supplies	101,150	145,860	141,841	4,019
Other services and charges	181,620	184,450	182,701	1,749
TOTAL PUBLIC FACILITIES	<u>432,070</u>	<u>483,810</u>	<u>478,020</u>	<u>5,790</u>
PUBLIC SERVICES				
Community Services:				
Other services and charges	203,600	204,700	184,862	19,838
Total Community Services	<u>203,600</u>	<u>204,700</u>	<u>184,862</u>	<u>19,838</u>
Environmental Information:				
Personal Services	156,430	167,500	167,435	65
Supplies	9,850	5,500	5,479	21
Other services and charges	22,090	18,500	18,222	278
Total Environmental Information	<u>188,370</u>	<u>191,500</u>	<u>191,136</u>	<u>364</u>
Public Information Coordinator:				
Other services and charges	13,000	13,000	13,000	-
Total Public Information Coordinator	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>-</u>
Community Events:				
Supplies	3,000	3,000	3,370	(370)
Other services and charges	8,400	8,400	7,933	467
Total Community Events	<u>11,400</u>	<u>11,400</u>	<u>11,303</u>	<u>97</u>

continued

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Roman Holiday Boat:				
Supplies	\$ 6,700	\$ 8,200	\$ 8,134	\$ 66
Other services and charges	18,300	25,800	25,677	123
Total Roman Holiday Boat	<u>25,000</u>	<u>34,000</u>	<u>33,811</u>	<u>189</u>
Trolley:				
Personal services	1,090	1,090	573	517
Supplies	1,200	1,200	108	1,092
Other services and charges	320	320	739	(419)
Total Trolley	<u>2,610</u>	<u>2,610</u>	<u>1,420</u>	<u>1,190</u>
Total Public Services:				
Personal services	157,520	168,590	168,008	582
Supplies	20,750	17,900	17,091	809
Other services and charges	265,710	270,720	250,433	20,287
TOTAL PUBLIC SERVICES	<u>443,980</u>	<u>457,210</u>	<u>435,532</u>	<u>21,678</u>
COMMUNITY DEVELOPMENT				
Personal services	-	269,330	263,742	5,588
Supplies	-	51,970	19,674	32,296
Other services and charges	5,000	5,000	20,038	(15,038)
TOTAL COMMUNITY DEVELOPMENT	<u>5,000</u>	<u>326,300</u>	<u>303,454</u>	<u>22,846</u>
TOTAL EXPENDITURES	<u>17,936,535</u>	<u>20,252,710</u>	<u>19,669,847</u>	<u>582,863</u>
OTHER FINANCING SOURCES AND USES:				
TRANSFERS IN:				
Water and Sewer Fund	875,000	1,375,000	1,389,943	14,943
Building Inspection Fund	-	50,000	48,231	(1,769)
Transit Fund	50,000	225,000	222,920	(2,080)
Fire Fund	360,000	1,250,000	1,251,663	1,663
Solid Waste Commission Fund	28,000	80,000	82,245	2,245
Forum Parking Deck	-	-	21,000	21,000
Workers Compensation Fund	75,000	75,000	-	(75,000)
Hotel/Motel Tax Fund	63,000	63,000	63,000	-
TOTAL TRANSFERS IN	<u>1,451,000</u>	<u>3,118,000</u>	<u>3,079,002</u>	<u>(38,998)</u>

continued

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
TRANSFERS OUT:				
Planning Commission Fund	\$ 148,465	\$ 148,465	\$ 148,465	\$ -
Capital Fund	190,000	190,000	190,000	-
Transit Fund	475,000	470,000	422,381	47,619
Community Development Fund	103,000	103,000	103,000	-
Fire Fund	5,875,000	5,875,000	5,875,000	-
Golf Fund	480,000	680,000	665,500	14,500
Solid Waste Management Fund	1,420,000	1,300,000	1,263,225	36,775
Downtown Development Fund	145,000	-	-	-
TOTAL TRANSFERS OUT	<u>8,836,465</u>	<u>8,766,465</u>	<u>8,667,571</u>	<u>98,894</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(7,385,465)</u>	<u>(5,648,465)</u>	<u>(5,588,569)</u>	<u>59,896</u>
Net change in fund balance	-	-	554,707	
FUND BALANCE, BEGINNING OF YEAR	<u>13,618,356</u>	<u>13,618,356</u>	<u>13,618,356</u>	
FUND BALANCE, END OF YEAR	<u>\$ 13,618,356</u>	<u>\$ 13,618,356</u>	<u>\$ 14,173,063</u>	

City of Rome, Georgia

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

December 31, 2015

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 \$2,296,680, which were approved by the City Commission. The main reason for these amendments was to better align budgeted expenditures with a decrease in actual revenues. This information was not available during the original budget process.

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

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

B. Budget/GAAP Reconciliation

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

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

CITY OF ROME, GEORGIA

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

	2015
Total pension liability	
Service cost	\$ 789,416
Interest on total pension liability	5,972,746
Differences between expected and actual experience	1,678,459
Changes of assumptions	(2,274,787)
Benefit payments, including refunds of employee contributions	(4,333,589)
Net change in total pension liability	1,832,245
Total pension liability - beginning	79,234,488
Total pension liability - ending (a)	\$ 81,066,733
Plan fiduciary net position	
Contributions - employer	\$ 3,005,912
Net investment income	5,492,303
Benefit payments, including refunds of member contributions	(4,333,589)
Administrative expenses	(84,874)
Net change in plan fiduciary net position	4,079,752
Plan fiduciary net position - beginning	57,319,286
Plan fiduciary net position - ending (b)	\$ 61,399,038
City's net pension liability - ending (a) - (b)	\$ 19,667,695
Plan fiduciary net position as a percentage of the total pension liability	75.74%
Covered-employee payroll	\$ 23,529,213
City's net pension liability as a percentage of covered-employee payroll	83.59%
Notes to the Schedule:	
The schedule will present 10 years of information once it is accumulated.	

CITY OF ROME, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION RETIREMENT PLAN SCHEDULE OF CITY CONTRIBUTIONS

	2015
Actuarially determined contribution	\$ 3,007,137
Contributions in relation to the actuarially determined contribution	3,067,144
Contribution deficiency (excess)	\$ (60,007)
Covered-employee payroll	\$ 22,872,066
Contributions as a percentage of covered-employee payroll	13.41%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	July 1, 2015
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost-of-living Adjustment	3.25% for Class 5; 0.00% otherwise
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective period of 10 years

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

CITY OF ROME, GEORGIA

COMPONENT UNIT - ROME CITY SCHOOLS REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY TEACHERS RETIREMENT SYSTEM OF GEORGIA FOR THE FISCAL YEAR ENDED JUNE 30

	<u>2015</u>
District's proportion of the net pension liability	0.262262%
District's proportionate share of the net pension liability	\$ 33,133,344
State of Georgia's proportionate share of the net pension liability associated with the District	<u>560,177</u>
Total	<u>\$ 33,693,521</u>
District's covered-employee payroll	\$ 27,211,010
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	121.76%
Plan fiduciary net position as a percentage of the total pension liability	84.03%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF ROME, GEORGIA

COMPONENT UNIT - ROME CITY SCHOOLS REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS TEACHERS RETIREMENT SYSTEM OF GEORGIA FOR THE FISCAL YEAR ENDED JUNE 30

	2015	2014
Contractually required contributions	\$ 3,923,441	\$ 3,285,632
Contributions in relation to the contractually required contributions	<u>3,923,441</u>	<u>3,285,632</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	29,836,054	27,211,010
Contributions as a percentage of covered-employee payroll	13.15%	12.07%

CITY OF ROME, GEORGIA

COMPONENT UNIT - ROME CITY SCHOOLS REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY PUBLIC SCHOOLS EMPLOYEES RETIREMENT SYSTEM OF GEORGIA FOR THE FISCAL YEAR ENDED JUNE 30

	<u>2015</u>
District's proportion of the net pension liability	0.000000%
District's proportionate share of the net pension liability	\$ -
State of Georgia's proportionate share of the net pension liability associated with the District	<u>290,547</u>
Total	<u>\$ 290,547</u>
District's covered-employee payroll	\$ 1,165,742
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A
Plan fiduciary net position as a percentage of the total pension liability	88.29%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF ROME, GEORGIA

COMPONENT UNIT - ROME CITY SCHOOLS REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY PUBLIC SCHOOLS EMPLOYEES RETIREMENT SYSTEM OF GEORGIA FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Teachers Retirement System of Georgia:

Changes of assumptions: In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for year ended June 30, 2015 reported in that schedule:

Valuation date	June 30, 2012
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Asset valuation method	Seven-year smoothed market
Inflation rate	3.00%
Salary increases	3.75 – 7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

Public Schools Employees Retirement System of Georgia:

Changes of assumptions: The last experience investigation was prepared for the five-year period ending June 30, 2009, and based on the results of the investigation various assumptions and methods were revised and adopted by the board on December 16, 2010. The next experience investigation will be prepared for the period July 1, 2009 through June 30, 2014.

CITY OF ROME, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2015

SCHEDULE OF FUNDING PROGRESS

OPEB Health Care Plan

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

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

* Most recent actuarial valuation.

**NONMAJOR GOVERNMENTAL FUNDS
COMBINED STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

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

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

**NONMAJOR GOVERNMENTAL FUNDS –
Continued**

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

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

**CITY OF ROME, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2015**

	<u>Nonmajor Governmental Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds (Entitlement Fund)</u>	
ASSETS			
Cash	\$ 858,253	\$ 2	\$ 858,255
Taxes receivable, net of allowance for uncollectibles	4,256	-	4,256
Accounts receivable, net of allowance for uncollectibles	63,621	-	63,621
Accounts receivable loans	294,392	-	294,392
Due from other funds	24,121	-	24,121
Due from other governments	109,270	18,561	127,831
Total assets	<u>\$ 1,353,913</u>	<u>\$ 18,563</u>	<u>\$ 1,372,476</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 4,669	\$ 323	\$ 4,992
Accrued liabilities	6,497	-	6,497
Due to component unit	7,907	-	7,907
Due to other governments	8,963	-	8,963
Due to other funds	142,326	18,238	160,564
Total liabilities	<u>170,362</u>	<u>18,561</u>	<u>188,923</u>
FUND BALANCES			
Restricted for:			
Revolving loans and housing initiatives	460,514	-	460,514
Planning and zoning activities	46,967	-	46,967
Tourism & forum promotion	428,003	-	428,003
Capital improvements	172,087	2	172,089
Forum parking deck operations	40,298	-	40,298
Assigned for:			
Community development operations	35,682	-	35,682
Total fund balances	<u>1,183,551</u>	<u>2</u>	<u>1,183,553</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,353,913</u>	<u>\$ 18,563</u>	<u>\$ 1,372,476</u>

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	<u>Nonmajor Governmental Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds (Entitlement Fund)</u>	
REVENUES			
Intergovernmental	\$ 411,329	\$ 368,643	\$ 779,972
Charges for services	116,714	-	116,714
Taxes	1,262,654	-	1,262,654
Interest earned	9,036	-	9,036
Miscellaneous	17,934	-	17,934
TOTAL REVENUES	<u>1,817,667</u>	<u>368,643</u>	<u>2,186,310</u>
EXPENDITURES			
Community development	777,576	-	777,576
Public facilities	650,066	-	650,066
Capital outlay	-	368,643	368,643
Debt service:			
Principal	31,204	-	31,204
Interest	23,796	-	23,796
TOTAL EXPENDITURES	<u>1,482,642</u>	<u>368,643</u>	<u>1,851,285</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>335,025</u>	<u>-</u>	<u>335,025</u>
OTHER FINANCING SOURCES AND USES			
Transfers in	251,465	-	251,465
Transfers out	(366,916)	-	(366,916)
	<u>(115,451)</u>	<u>-</u>	<u>(115,451)</u>
NET CHANGE IN FUND BALANCES	219,574	-	219,574
FUND BALANCES - BEGINNING OF YEAR	<u>963,977</u>	<u>2</u>	<u>963,979</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,183,551</u>	<u>\$ 2</u>	<u>\$ 1,183,553</u>

**CITY OF ROME, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
December 31, 2015**

	Community Development Fund	Planning Commission Fund	Hotel/Motel Tax Fund	Business Improvement District Fund	Tax Allocation District Fund	Forum Parking Deck Fund	Total Nonmajor Special Revenue Funds
ASSETS							
Cash	\$ 181,974	\$ 24,552	\$ 430,539	\$ 30,287	\$ 136,486	\$ 54,415	\$ 858,253
Taxes receivable, net of allowance for uncollectibles	-	-	-	206	4,050	-	4,256
Accounts receivable, net of allowance for uncollectibles	-	-	63,621	-	-	-	63,621
Accounts receivable loans	294,392	-	-	-	-	-	294,392
Due from other funds	23,396	-	702	-	-	23	24,121
Due from other governments	79,191	29,021	-	434	624	-	109,270
Total assets	<u>\$ 578,953</u>	<u>\$ 53,573</u>	<u>\$ 494,862</u>	<u>\$ 30,927</u>	<u>\$ 141,160</u>	<u>\$ 54,438</u>	<u>\$ 1,353,913</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 658	\$ 1,932	\$ -	\$ -	\$ -	\$ 2,079	\$ 4,669
Accrued liabilities	2,267	4,169	-	-	-	61	6,497
Due to component unit	-	-	7,907	-	-	-	7,907
Due to other governments	-	-	2,963	-	-	6,000	8,963
Due to other funds	79,832	505	55,989	-	-	6,000	142,326
Total liabilities	<u>82,757</u>	<u>6,606</u>	<u>66,859</u>	<u>-</u>	<u>-</u>	<u>14,140</u>	<u>170,362</u>
FUND BALANCES							
Restricted for:							
Revolving loans and housing initiatives	460,514	-	-	-	-	-	460,514
Planning and zoning activities	-	46,967	-	-	-	-	46,967
Tourism & forum promotion	-	-	428,003	-	-	-	428,003
Capital improvements	-	-	-	30,927	141,160	-	172,087
Forum parking deck operations	-	-	-	-	-	40,298	40,298
Assigned for:							
Community development operations	35,682	-	-	-	-	-	35,682
Total fund balances	<u>496,196</u>	<u>46,967</u>	<u>428,003</u>	<u>30,927</u>	<u>141,160</u>	<u>40,298</u>	<u>1,183,551</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 578,953</u>	<u>\$ 53,573</u>	<u>\$ 494,862</u>	<u>\$ 30,927</u>	<u>\$ 141,160</u>	<u>\$ 54,438</u>	<u>\$ 1,353,913</u>

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Community Development Fund	Planning Commission Fund	Hotel/Motel Tax Fund	Business Improvement District Fund	Tax Allocation District Fund	Forum Parking Deck Fund	Total Nonmajor Special Revenue Funds
REVENUES							
Intergovernmental	\$ 117,712	\$ 293,617	\$ -	\$ -	\$ -	\$ -	\$ 411,329
Charges for services	1,163	6,775	-	25,748	-	83,028	116,714
Taxes	-	-	1,084,819	35,975	141,860	-	1,262,654
Interest earned	8,831	14	131	8	31	21	9,036
Miscellaneous	17,934	-	-	-	-	-	17,934
TOTAL REVENUES	145,640	300,406	1,084,950	61,731	141,891	83,049	1,817,667
EXPENDITURES							
Community development	274,152	445,406	-	42,398	15,620	-	777,576
Public facilities	-	-	598,419	-	-	51,647	650,066
Debt Service:							
Principal	-	-	-	-	31,204	-	31,204
Interest	-	-	-	-	23,796	-	23,796
TOTAL EXPENDITURES	274,152	445,406	598,419	42,398	70,620	51,647	1,482,642
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(128,512)	(145,000)	486,531	19,333	71,271	31,402	335,025
OTHER FINANCING SOURCES (USES)							
Transfers in	103,000	148,465	-	-	-	-	251,465
Transfers out	-	-	(339,916)	-	-	(27,000)	(366,916)
TOTAL OTHER FINANCING SOURCES (USES)	103,000	148,465	(339,916)	-	-	(27,000)	(115,451)
NET CHANGE IN FUND BALANCES	(25,512)	3,465	146,615	19,333	71,271	4,402	219,574
FUND BALANCES - BEGINNING OF YEAR	521,708	43,502	281,388	11,594	69,889	35,896	963,977
FUND BALANCES - END OF YEAR	\$ 496,196	\$ 46,967	\$ 428,003	\$ 30,927	\$ 141,160	\$ 40,298	\$ 1,183,551

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, 2015**

	Community Development			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental	\$ 417,400	\$ 417,400	\$ 117,712	\$ (299,688)
Charges for services	-	-	1,163	1,163
Interest earned	-	-	8,831	8,831
Miscellaneous	-	-	17,934	17,934
Total revenues	<u>417,400</u>	<u>417,400</u>	<u>145,640</u>	<u>(271,760)</u>
EXPENDITURES				
Community development	520,400	520,400	274,152	246,248
Total expenditures	<u>520,400</u>	<u>520,400</u>	<u>274,152</u>	<u>246,248</u>
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(103,000)	(103,000)	(128,512)	(25,512)
OTHER FINANCING SOURCES				
Transfers in	103,000	103,000	103,000	-
	<u>103,000</u>	<u>103,000</u>	<u>103,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(25,512)	(25,512)
FUND BALANCE, BEGINNING OF YEAR	521,708	521,708	521,708	-
FUND BALANCE, END OF YEAR	<u>\$ 521,708</u>	<u>\$ 521,708</u>	<u>\$ 496,196</u>	<u>\$ (25,512)</u>

**CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	Planning Commission			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental	\$ 283,965	\$ 283,965	\$ 293,617	\$ 9,652
Charges for services	16,500	16,500	6,775	(9,725)
Interest earned	30	30	14	(16)
Total revenues	<u>300,495</u>	<u>300,495</u>	<u>300,406</u>	<u>(89)</u>
EXPENDITURES				
Community development	448,960	448,960	445,406	3,554
Total expenditures	<u>448,960</u>	<u>448,960</u>	<u>445,406</u>	<u>3,554</u>
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(148,465)	(148,465)	(145,000)	3,465
OTHER FINANCING SOURCES				
Transfers in	148,465	148,465	148,465	-
	<u>148,465</u>	<u>148,465</u>	<u>148,465</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	3,465	3,465
FUND BALANCE, BEGINNING OF YEAR	<u>43,502</u>	<u>43,502</u>	<u>43,502</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 43,502</u>	<u>\$ 43,502</u>	<u>\$ 46,967</u>	<u>\$ 3,465</u>

**CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	Hotel/Motel Tax			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 944,000	\$ 983,000	\$ 1,084,819	\$ 101,819
Interest earned	-	-	131	131
Total revenues	<u>944,000</u>	<u>983,000</u>	<u>1,084,950</u>	<u>101,950</u>
 EXPENDITURES				
Public facilities	<u>645,000</u>	<u>645,000</u>	<u>598,419</u>	<u>46,581</u>
Total expenditures	<u>645,000</u>	<u>645,000</u>	<u>598,419</u>	<u>46,581</u>
 EXCESS OF REVENUES OVER EXPENDITURES	299,000	338,000	486,531	148,531
 OTHER FINANCING USES				
Transfers out	<u>(299,000)</u>	<u>(338,000)</u>	<u>(339,916)</u>	<u>1,916</u>
	<u>(299,000)</u>	<u>(338,000)</u>	<u>(339,916)</u>	<u>1,916</u>
 NET CHANGE IN FUND BALANCE	-	-	146,615	146,615
 FUND BALANCE, BEGINNING OF YEAR	<u>281,388</u>	<u>281,388</u>	<u>281,388</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 281,388</u>	<u>\$ 281,388</u>	<u>\$ 428,003</u>	<u>\$ 146,615</u>

**CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	Business Improvement District			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for services	\$ 28,000	\$ 28,000	\$ 25,748	\$ (2,252)
Taxes	25,100	25,100	35,975	10,875
Interest earned	-	-	8	8
Total revenues	<u>53,100</u>	<u>53,100</u>	<u>61,731</u>	<u>8,631</u>
EXPENDITURES				
Community development	53,100	53,100	42,398	10,702
Total expenditures	<u>53,100</u>	<u>53,100</u>	<u>42,398</u>	<u>10,702</u>
NET CHANGE IN FUND BALANCE	-	-	19,333	19,333
FUND BALANCE, BEGINNING OF YEAR	<u>11,594</u>	<u>11,594</u>	<u>11,594</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 11,594</u>	<u>\$ 11,594</u>	<u>\$ 30,927</u>	<u>\$ 19,333</u>

**CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	Tax Allocation District			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 140,000	\$ 140,000	\$ 141,860	\$ 1,860
Interest earned	-	-	31	31
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>141,891</u>	<u>1,891</u>
EXPENDITURES				
Community development	85,000	85,000	15,620	69,380
Debt service				
Principal	31,000	31,000	31,204	(204)
Interest	<u>24,000</u>	<u>24,000</u>	<u>23,796</u>	<u>204</u>
Total expenditures	<u>140,000</u>	<u>140,000</u>	<u>70,620</u>	<u>69,380</u>
NET CHANGE IN FUND BALANCE	-	-	71,271	71,271
FUND BALANCE, BEGINNING OF YEAR	<u>69,889</u>	<u>69,889</u>	<u>69,889</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 69,889</u>	<u>\$ 69,889</u>	<u>\$ 141,160</u>	<u>\$ 71,271</u>

**CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2015**

	Forum Parking Deck			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Charges for services	\$ 70,000	\$ 81,500	\$ 83,028	\$ 1,528
Interest earned	15	20	21	1
Total revenues	<u>70,015</u>	<u>81,520</u>	<u>83,049</u>	<u>1,529</u>
EXPENDITURES				
Public facilities	49,015	60,520	51,647	8,873
Total expenditures	<u>49,015</u>	<u>60,520</u>	<u>51,647</u>	<u>8,873</u>
EXCESS OF REVENUES OVER EXPENDITURES	21,000	21,000	31,402	10,402
OTHER FINANCING USES				
Transfers out	<u>(21,000)</u>	<u>(21,000)</u>	<u>(27,000)</u>	<u>(6,000)</u>
	<u>(21,000)</u>	<u>(21,000)</u>	<u>(27,000)</u>	<u>(6,000)</u>
NET CHANGE IN FUND BALANCE	-	-	4,402	4,402
FUND BALANCE, BEGINNING OF YEAR	<u>35,896</u>	<u>35,896</u>	<u>35,896</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 35,896</u>	<u>\$ 35,896</u>	<u>\$ 40,298</u>	<u>\$ 4,402</u>

SPECIAL REPORTS

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS

CITY OF ROME, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
For the Year Ended December 31, 2015

Project	Total Allocated Splost Costs (Unaudited)	Total Allocated Splost Costs Adjusted (Unaudited)	Expenditures			Estimated Percentage of Completion (Unaudited)
			Prior Years	Current Year	Total	
1996 SPLOST						
<i>Fire Stations:</i>						
John Davenport	\$ 350,000	\$ 413,134	\$ 413,134	\$ -	\$ 413,134	100%
Woods Road	400,000	484,968	484,968	-	484,968	100%
Wilshire Road	350,000	417,960	417,960	-	417,960	100%
Armuchee	450,000	528,158	528,158	-	528,158	100%
Wax Road	450,000	450,000	54,373	-	54,373	12%
Burnett Ferry	450,000	574,696	574,696	-	574,696	100%
	<u>2,450,000</u>	<u>2,868,916</u>	<u>2,473,289</u>	<u>-</u>	<u>2,473,289</u>	
2006 SPLOST						
Second Avenue Levee	1,955,000	2,031,898	2,031,898	-	2,031,898	100%
Boys/Girls Club	2,000,000	2,125,800	2,125,800	-	2,125,800	100%
North Fifth Avenue Turn Lane	550,000	535,057	535,057	-	535,057	100%
North Broad Turn Lane	330,000	214,645	214,645	-	214,645	100%
Rome High Access Road	2,900,000	1,905,925	1,905,925	-	1,905,925	100%
BioSolids Disposal	5,200,000	5,102,060	5,102,060	-	5,102,060	100%
Renovate Marine Armory	1,600,000	2,363,838	2,363,838	-	2,363,838	100%
Redmond Road Turn Lane	1,470,000	1,610,572	1,402,353	208,219	1,610,572	100%
Fire Training Facility	500,000	547,555	547,555	-	547,555	100%
Turner McCall Bridge	2,000,000	2,000,000	-	-	-	0%
River Education Center	834,825	917,605	917,605	-	917,605	100%
South Broad Corridor	2,000,000	2,128,347	2,128,347	-	2,128,347	100%
North Rome Swim Center	530,000	512,621	512,621	-	512,621	100%
New Tennis Courts	600,000	702,853	108,273	594,580	702,853	100%
City Park Practice Fields	200,000	174,908	174,908	-	174,908	100%
Town Green	1,690,000	1,684,818	1,684,818	-	1,684,818	100%
City Hall/Carnegie Repairs	1,500,000	1,131,220	1,131,220	-	1,131,220	100%
	<u>25,859,825</u>	<u>25,689,722</u>	<u>22,886,923</u>	<u>802,799</u>	<u>23,689,722</u>	
2009 SPLOST						
Barron Stadium	3,369,000	3,986,231	3,986,231	-	3,986,231	100%
NWGRC Building	1,899,631	1,302,403	1,302,403	-	1,302,403	100%
Fire Station Improvements	4,000,000	4,093,858	4,093,858	-	4,093,858	100%
	<u>9,268,631</u>	<u>9,268,631</u>	<u>9,382,492</u>	<u>-</u>	<u>9,382,492</u>	

continued

CITY OF ROME, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
December 31, 2015

Project	Total Allocated Splost Costs (Unaudited)	Total Allocated Splost Costs Adjusted (Unaudited)	Expenditures			Estimated Percentage of Completion (Unaudited)
			Prior Years	Current Year	Total	
2013 SPLOST						
Tennis Center	11,400,000	11,400,000	136,645	3,097,679	3,234,324	30%
Chulio Hills Back Entrance for Bus	800,000	800,000	5,523	-	5,523	1%
Trail Connectivity Expansion	1,800,000	1,800,000	8,989	-	8,989	1%
Fire Equipment & Fire Facility Improvements	750,000	750,000	-	118,330 (A)	118,330	16%
Police Training Facility Improvements	396,000	396,000	355,417	31,071	386,488	97%
City Hall Auditorium Modernization	1,700,000	1,700,000	149,382	1,175,210	1,324,592	70%
City Street Milling and Paving	500,000	500,000	104,659	100,000	204,659	40%
Unity Point/ South Broad Bridge Renovations	1,800,000	1,800,000	-	-	-	0%
Jackson Hill Fort Norton Renovation	200,000	200,000	-	16,080	16,080	8%
Downtown Visitor Information Center	50,000	50,000	46,037	3,963	50,000	100%
Sewer Improvements	1,000,000	1,000,000	64,994	626,795 (A)	691,789	70%
Burnett Ferry Road	2,721,000	2,721,000	22,400	-	22,400	1%
Playground Improvements	500,000	500,000	4,800	-	4,800	1%
	<u>23,617,000</u>	<u>23,617,000</u>	<u>898,846</u>	<u>5,169,128</u>	<u>6,067,974</u>	
Total Projects	<u>\$ 61,195,456</u>	<u>\$ 61,444,269</u>	<u>\$ 35,641,550</u>	<u>\$ 5,971,927</u>	<u>\$ 41,613,477</u>	
Fire Station Renovations (Floyd County SPLOST) Burnett Ferry			578,604 40,870	- 14,727	578,604 55,597	
Total SPLOST Expenditures			<u>\$ 36,261,024</u>	<u>\$ 5,986,654</u>	<u>\$ 42,247,678</u>	
Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds						
Special Purpose Local Option Sales Tax Fund						
Total Expenditures						
Transfers out						
Transfers in						
Bond issuance costs						
<u>\$ 5,492,415</u>						
745,125 (A)						
(5,525) (B)						
<u>(245,361)</u>						
<u>\$ 5,986,654</u>						

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

(B) Transfers in were recorded in order to properly record contributions from other funds for SPLOST projects. Projects were approved SPLOST projects per the referendums above.

NONMAJOR PROPRIETARY FUNDS
ENTERPRISE FUNDS

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

- | | |
|--------------------------------------|--|
| <i>Transit Fund</i> – | to account for all activity in the provision of transit services to the residents of the City of Rome and Floyd County. |
| <i>Building Inspection Fund</i> – | to account for the provision for building inspection services to the City of Rome and Floyd County. |
| <i>Solid Waste Management Fund</i> – | to account for the provision of solid waste collection services to the residents of the City. |
| <i>Municipal Golf Fund</i> – | to account for the activities related to the City’s golf course. |
| <i>Public Facilities Fund</i> – | to account for the operating lease and debt of the public facilities building housing the State of Georgia Department of Family and Children Services. |
| <i>Tennis Center Fund</i> - | to account for the activities related to the tennis center operations. |

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2015

	<u>Transit Fund</u>	<u>Building Inspection Fund</u>	<u>Solid Waste Management Fund</u>	<u>Municipal Golf Fund</u>	<u>Public Facilities Fund</u>	<u>Tennis Center Fund</u>	<u>Total</u>
ASSETS							
Current Assets:							
Cash and cash equivalents	\$ 1,150,712	\$ 204,152	\$ 366,682	\$ 30,529	\$ 1,620,565	\$ 358,727	\$ 3,731,367
Restricted cash	-	-	-	-	342,279	-	342,279
Accounts receivable, net of allowance for uncollectibles	-	-	241,014	3,395	-	-	244,409
Due from other governments	397,670	-	-	-	-	-	397,670
Due from other funds	127,137	5,030	-	101,438	-	22,989	256,594
Due from component units	-	40	-	-	-	-	40
Prepaid items	-	-	-	6,767	-	-	6,767
Inventories	289,858	-	-	22,936	-	-	312,794
Total current assets	<u>1,965,377</u>	<u>209,222</u>	<u>607,696</u>	<u>165,065</u>	<u>1,962,844</u>	<u>381,716</u>	<u>5,291,920</u>
Non-current Assets:							
Capital assets:							
Non-depreciable assets	334,600	-	-	4,609,653	550,000	489,150	5,983,403
Depreciable assets, net of accumulated depreciation	3,169,412	6,353	1,120,328	255,485	803,868	-	5,355,446
Total non-current assets	<u>3,504,012</u>	<u>6,353</u>	<u>1,120,328</u>	<u>4,865,138</u>	<u>1,353,868</u>	<u>489,150</u>	<u>11,338,849</u>
TOTAL ASSETS	<u>5,469,389</u>	<u>215,575</u>	<u>1,728,024</u>	<u>5,030,203</u>	<u>3,316,712</u>	<u>870,866</u>	<u>16,630,769</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charge on refunding	-	-	-	180,707	-	-	180,707
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>180,707</u>	<u>-</u>	<u>-</u>	<u>180,707</u>

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2015

	<u>Transit Fund</u>	<u>Building Inspection Fund</u>	<u>Solid Waste Management Fund</u>	<u>Municipal Golf Fund</u>	<u>Public Facilities Fund</u>	<u>Tennis Center Fund</u>	<u>Total</u>
LIABILITIES							
Current Liabilities:							
Revenue bonds, current	\$ -	\$ -	\$ -	\$ 325,000	\$ -	\$ -	\$ 325,000
Accounts payable	32,514	902	53,260	30,954	11,901	1,963	131,494
Accrued liabilities	47,629	6,429	44,250	100,872	-	388	199,568
Unearned revenue	-	-	-	35,804	57,797	-	93,601
Due to other governments	-	-	-	-	-	-	-
Due to other funds	21,674	1,952	148,887	-	38,406	-	210,919
Compensated absences, current	58,602	16,080	62,126	-	-	-	136,808
Total current liabilities	<u>160,419</u>	<u>25,363</u>	<u>308,523</u>	<u>492,630</u>	<u>108,104</u>	<u>2,351</u>	<u>1,097,390</u>
Long-term Liabilities:							
Revenue bonds, long-term, net	-	-	-	3,151,545	-	-	3,151,545
Advances due to Capital Fund	-	-	522,130	39,692	-	-	561,822
Compensated absences, long term	19,534	5,360	20,709	-	-	-	45,603
Total long-term liabilities	<u>19,534</u>	<u>5,360</u>	<u>542,839</u>	<u>3,191,237</u>	<u>-</u>	<u>-</u>	<u>3,758,970</u>
TOTAL LIABILITIES	<u>179,953</u>	<u>30,723</u>	<u>851,362</u>	<u>3,683,867</u>	<u>108,104</u>	<u>2,351</u>	<u>4,856,360</u>
NET POSITION							
Net investment in capital assets	3,504,012	6,353	1,120,328	1,569,300	1,353,868	-	7,553,861
Restricted for tennis center	-	-	-	-	-	868,515	868,515
Unrestricted	1,785,424	178,499	(243,666)	(42,257)	1,854,740	-	3,532,740
TOTAL NET POSITION	<u>\$ 5,289,436</u>	<u>\$ 184,852</u>	<u>\$ 876,662</u>	<u>\$ 1,527,043</u>	<u>\$ 3,208,608</u>	<u>\$ 868,515</u>	<u>\$ 11,955,116</u>

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2015

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
OPERATING REVENUES							
Charges for services	\$ 1,669,753	\$ 776,939	\$ 2,078,570	\$ 915,786	\$ 693,559	\$ -	\$ 6,134,607
Miscellaneous	1,240	5,900	254	2,150	-	-	9,544
TOTAL OPERATING REVENUES	1,670,993	782,839	2,078,824	917,936	693,559	-	6,144,151
OPERATING EXPENSES							
Cost of goods sold	-	-	-	108,248	-	-	108,248
Salaries and employee benefits	2,015,108	558,375	1,940,089	458,439	-	-	4,972,011
Supplies	325,698	17,466	216,311	112,105	47,122	-	718,702
Maintenance and repairs	63,977	2,294	172,561	38,395	19,493	-	296,720
Operating services and charges	457,485	42,485	591,502	331,118	47,383	8,387	1,478,360
Depreciation	711,675	3,177	448,837	55,894	209,705	-	1,429,288
TOTAL OPERATING EXPENSES	3,573,943	623,797	3,369,300	1,104,199	323,703	8,387	9,003,329
OPERATING INCOME (LOSS)	(1,902,950)	159,042	(1,290,476)	(186,263)	369,856	(8,387)	(2,859,178)
NON-OPERATING INCOME (EXPENSE)							
Intergovernmental	899,968	43,929	-	-	-	-	943,897
Interest income	1,496	49	181	74	782	69	2,651
Interest expense	-	-	15,950	(145,608)	-	-	(129,658)
Gain on sale of capital assets	5,330	-	17,258	-	-	-	22,588
TOTAL NON-OPERATING INCOME (EXPENSE)	906,794	43,978	33,389	(145,534)	782	69	839,478
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(996,156)	203,020	(1,257,087)	(331,797)	370,638	(8,318)	(2,019,700)

continued

**CITY OF ROME, GEORGIA
 COMBINING STATEMENT OF REVENUES,
 EXPENSES, AND CHANGES IN FUND NET POSITION
 NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
 For the Year Ended December 31, 2015**

	<u>Transit Fund</u>	<u>Building Inspection Fund</u>	<u>Solid Waste Management Fund</u>	<u>Municipal Golf Fund</u>	<u>Public Facilities Fund</u>	<u>Tennis Center Fund</u>	<u>Total</u>
Transfers in	\$ 422,381	\$ -	\$ 1,263,224	\$ 665,500	\$ -	\$ 271,391	\$ 2,622,496
Transfers out	(222,920)	(48,231)	-	-	-	-	(271,151)
Capital contributions	462,989	-	-	-	-	489,150	952,139
	<u>662,450</u>	<u>(48,231)</u>	<u>1,263,224</u>	<u>665,500</u>	<u>-</u>	<u>760,541</u>	<u>3,303,484</u>
CHANGE IN NET POSITION	(333,706)	154,789	6,137	333,703	370,638	752,223	1,283,784
NET POSITION - BEGINNING OF YEAR	<u>5,623,142</u>	<u>30,063</u>	<u>870,525</u>	<u>1,193,340</u>	<u>2,837,970</u>	<u>116,292</u>	<u>10,671,332</u>
NET POSITION - END OF YEAR	<u>\$ 5,289,436</u>	<u>\$ 184,852</u>	<u>\$ 876,662</u>	<u>\$ 1,527,043</u>	<u>\$ 3,208,608</u>	<u>\$ 868,515</u>	<u>\$ 11,955,116</u>

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2015

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$ 1,489,356	\$ 782,839	\$ 2,178,155	\$ 875,422	\$ 693,559	\$ 1,534	\$ 6,020,865
Receipts from interfund services provided	21,741	-	11,089	-	39,208	-	72,038
Payments to suppliers	(784,124)	(62,927)	(1,068,793)	(577,546)	(103,985)	(6,036)	(2,603,411)
Payments to employees	(2,008,089)	(564,544)	(1,934,765)	(458,439)	-	-	(4,965,837)
Payments for interfund services used	-	(16,914)	-	(500)	-	-	(17,414)
Net cash provided (used) by operating activities	<u>(1,281,116)</u>	<u>138,454</u>	<u>(814,314)</u>	<u>(161,063)</u>	<u>628,782</u>	<u>(4,502)</u>	<u>(1,493,759)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfer from other funds	422,381	-	1,263,224	665,500	-	271,391	2,622,496
Transfer to other funds	(222,920)	(48,231)	-	-	-	-	(271,151)
Advances from other funds	-	-	117,025	-	-	-	117,025
Repayment of advances from other funds	-	-	(295,742)	(19,846)	-	-	(315,588)
Intergovernmental revenue	-	43,929	-	-	-	-	43,929
Subsidy from federal grant	899,968	-	-	-	-	-	899,968
Net cash provided (used) by noncapital financing activities	<u>1,099,429</u>	<u>(4,302)</u>	<u>1,084,507</u>	<u>645,654</u>	<u>-</u>	<u>271,391</u>	<u>3,096,679</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital contributions	462,989	-	-	-	-	-	462,989
Purchases of capital assets	(39,763)	-	(143,956)	-	-	-	(183,719)
Proceeds from the sale of capital assets	5,330	-	17,258	-	-	-	22,588
Principal paid on capital debt	-	-	-	(310,000)	-	-	(310,000)
Interest paid on capital debt	-	-	15,950	(145,608)	-	-	(129,658)
Net cash provided (used) by capital and related financing activities	<u>428,556</u>	<u>-</u>	<u>(110,748)</u>	<u>(455,608)</u>	<u>-</u>	<u>-</u>	<u>(137,800)</u>

continued

**CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2015**

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	\$ 1,496	\$ 49	\$ 181	\$ 74	\$ 782	\$ 69	\$ 2,651
Net cash provided by investing activities	<u>1,496</u>	<u>49</u>	<u>181</u>	<u>74</u>	<u>782</u>	<u>69</u>	<u>2,651</u>
Net increase in cash and cash equivalents	248,365	134,201	159,626	29,057	629,564	266,958	1,467,771
Cash and cash equivalents, January 1	<u>902,347</u>	<u>69,951</u>	<u>207,056</u>	<u>1,472</u>	<u>1,333,280</u>	<u>91,769</u>	<u>2,605,875</u>
Cash and cash equivalents, December 31	<u><u>\$ 1,150,712</u></u>	<u><u>\$ 204,152</u></u>	<u><u>\$ 366,682</u></u>	<u><u>\$ 30,529</u></u>	<u><u>\$ 1,962,844</u></u>	<u><u>\$ 358,727</u></u>	<u><u>\$ 4,073,646</u></u>
Reconciliation of Cash and Cash Equivalents:							
Cash and cash equivalents	\$ 1,150,712	\$ 204,152	\$ 366,682	\$ 30,529	\$ 1,620,565	\$ 358,727	\$ 3,731,367
Cash and cash equivalents - restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>342,279</u>	<u>-</u>	<u>342,279</u>
Total cash and cash equivalents	<u><u>\$ 1,150,712</u></u>	<u><u>\$ 204,152</u></u>	<u><u>\$ 366,682</u></u>	<u><u>\$ 30,529</u></u>	<u><u>\$ 1,962,844</u></u>	<u><u>\$ 358,727</u></u>	<u><u>\$ 4,073,646</u></u> continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2015

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (1,902,950)	\$ 159,042	\$ (1,290,476)	\$ (186,263)	\$ 369,856	\$ (8,387)	\$ (2,859,178)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	711,675	3,177	448,837	55,894	209,705	-	1,429,288
Amortization expense	-	-	-	3,624	-	-	3,624
Decrease in accounts receivable	-	-	99,331	1,244	-	-	100,575
(Increase) decrease in due from other governments	(181,637)	-	-	-	-	1,534	(180,103)
(Increase) decrease in due from other funds	10,351	(426)	880	(500)	802	-	11,107
Decrease in due from component unit	-	(40)	-	-	-	-	(40)
Decrease in inventories	33,696	-	-	23,310	-	-	57,006
Increase (decrease) in accounts payable and accrued liabilities	32,588	(682)	(88,419)	(14,614)	10,013	2,351	(58,763)
Decrease in due to other governments	(3,248)	-	-	-	-	-	(3,248)
Increase (decrease) in compensated absences payable	7,019	(6,169)	5,324	-	-	-	6,174
Decrease in unearned revenue	-	-	-	(43,758)	-	-	(43,758)
Increase (decrease) in due to other funds	11,390	(16,448)	10,209	-	38,406	-	43,557
Total adjustments	<u>621,834</u>	<u>(20,588)</u>	<u>476,162</u>	<u>25,200</u>	<u>258,926</u>	<u>3,885</u>	<u>1,365,419</u>
Net cash provided (used) by operating activities	<u>\$ (1,281,116)</u>	<u>\$ 138,454</u>	<u>\$ (814,314)</u>	<u>\$ (161,063)</u>	<u>\$ 628,782</u>	<u>\$ (4,502)</u>	<u>\$ (1,493,759)</u>
Schedule of noncash capital and related financing activities:							
Capital contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (489,150)</u>	<u>\$ (489,150)</u>

INTERNAL SERVICE FUNDS

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

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

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

**CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2015**

	Health Insurance Fund	Workers' Compensation Fund	Total
ASSETS			
Cash and cash equivalents	\$ 1,673,331	\$ 912,713	\$ 2,586,044
Accounts receivable, net	538	-	538
Due from other funds	81,760	116,260	198,020
Due from other governments	-	123,971	123,971
Due from component unit	1,311	-	1,311
Advances due from other funds	1,051,752	-	1,051,752
Prepaid items	5,567	-	5,567
TOTAL ASSETS	2,814,259	1,152,944	3,967,203
LIABILITIES			
Current Liabilities			
Accounts payable	30,764	131,036	161,800
Accrued liabilities	1,363	-	1,363
Due to other funds	2,181	-	2,181
Claims payable	699,076	265,000	964,076
TOTAL LIABILITIES	733,384	396,036	1,129,420
NET POSITION			
Unrestricted	2,080,875	756,908	2,837,783
TOTAL NET POSITION	\$ 2,080,875	\$ 756,908	\$ 2,837,783

**CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015**

	Health Insurance Fund	Workers' Compensation Fund	Total
OPERATING REVENUES			
Charges for services	\$ 7,380,348	\$ 998,460	\$ 8,378,808
TOTAL OPERATING REVENUES	7,380,348	998,460	8,378,808
OPERATING EXPENSES			
Salaries and employee benefits	108,099	-	108,099
Other services and charges	1,001,331	833,626	1,834,957
Claims	6,098,525	404,280	6,502,805
Administrative fees	433,488	30,350	463,838
TOTAL OPERATING EXPENSES	7,641,443	1,268,256	8,909,699
OPERATING LOSS	(261,095)	(269,796)	(530,891)
NON-OPERATING INCOME			
Intergovernmental	-	179,798	179,798
Interest income	37,228	1,559	38,787
CHANGE IN NET POSITION	(223,867)	(88,439)	(312,306)
NET POSITION - BEGINNING OF YEAR	2,304,742	845,347	3,150,089
NET POSITION - END OF YEAR	\$ 2,080,875	\$ 756,908	\$ 2,837,783

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015

	Health Insurance Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 7,406,574	\$ 920,627	\$ 8,327,201
Payments for interfund services provided	136,100	-	136,100
Payments to suppliers	(1,428,692)	(763,457)	(2,192,149)
Payments to employees	(108,099)	-	(108,099)
Claims paid	(6,234,449)	(434,280)	(6,668,729)
Net cash (used) by operating activities	<u>(228,566)</u>	<u>(277,110)</u>	<u>(505,676)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Repayment of advances to other funds	150,000	-	150,000
Net cash provided by capital financing activities	<u>150,000</u>	<u>-</u>	<u>150,000</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Intergovernmental revenue	-	179,798	179,798
Net cash provided by non capital financing activities	<u>-</u>	<u>179,798</u>	<u>179,798</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	37,228	1,559	38,787
Net cash provided by investing activities	<u>37,228</u>	<u>1,559</u>	<u>38,787</u>
Net decrease in cash and cash equivalents	(41,338)	(95,753)	(137,091)
Cash and cash equivalents, January 1	1,714,669	1,008,466	2,723,135
Cash and cash equivalents, December 31	<u>\$ 1,673,331</u>	<u>\$ 912,713</u>	<u>\$ 2,586,044</u>
Reconciliation of operating (loss) to net cash (used) by operating activities			
Operating loss	\$ (261,095)	\$ (269,796)	\$ (530,891)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Decrease in accounts receivable	26,226	-	26,226
(Increase) decrease in due from other funds	133,952	(116,260)	17,692
Decrease in due from other governments	-	38,427	38,427
Increase (decrease) in accounts and claims payable	(129,797)	70,519	(59,278)
Increase in due to other funds	2,148	-	2,148
Total adjustments	<u>32,529</u>	<u>(7,314)</u>	<u>25,215</u>
Net cash (used) by operating activities	<u>\$ (228,566)</u>	<u>\$ (277,110)</u>	<u>\$ (505,676)</u>

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, 2015**

	Greater Rome Convention & Visitors Bureau
ASSETS	
Cash	\$ 70,524
Accounts Receivable, net of allowance	155
Due from other governments	8,065
Due from primary government	<u>7,907</u>
Total assets	<u><u>\$ 86,651</u></u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 7,521
Accrued liabilities	5,803
Due to primary government	<u>1,426</u>
Total liabilities	<u>14,750</u>
 FUND BALANCE	
Unrestricted	<u>71,901</u>
Total fund balance	<u>71,901</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 86,651</u></u>

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMPONENT UNIT- GREATER ROME CONVENTION & VISITORS BUREAU
For the Year Ended December 31, 2015

	Greater Rome Convention & Visitors Bureau
REVENUES	
Intergovernmental	\$ 550,565
Charges for services	19,589
Contributions	66,556
TOTAL REVENUES	636,710
EXPENDITURES	
Personal services	407,639
Supplies	30,668
Other services and charges	181,249
TOTAL EXPENDITURES	619,556
NET CHANGE IN FUND BALANCE	17,154
FUND BALANCE - BEGINNING OF YEAR	54,747
FUND BALANCE - END OF YEAR	\$ 71,901

STATISTICAL SECTION

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

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

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

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

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

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

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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 89,494	\$ 99,276	\$ 108,946	\$ 109,793	\$ 117,293	\$ 125,089	\$ 124,859	\$ 122,991	\$ 132,207	\$ 137,041
Restricted	326	631	675	745	741	3,255	3,696	3,459	5,986	20,178
Unrestricted	21,976	21,943	20,722	20,075	19,618	16,251	15,538	16,636	(6,747)	(16,833)
Total governmental activities net position	<u>\$ 111,796</u>	<u>\$ 121,850</u>	<u>\$ 130,343</u>	<u>\$ 130,613</u>	<u>\$ 137,652</u>	<u>\$ 144,595</u>	<u>\$ 144,093</u>	<u>\$ 143,086</u>	<u>\$ 131,446</u>	<u>\$ 140,386</u>
Business - type activities										
Net investment in capital assets	\$ 112,572	\$ 114,969	\$ 116,571	\$ 120,303	\$ 122,951	\$ 128,164	\$ 131,764	\$ 134,833	\$ 136,590	\$ 139,466
Restricted	249	284	295	355	368	372	377	942	698	1,572
Unrestricted	(6,294)	(4,556)	38	2,123	5,011	5,957	7,031	7,829	12,724	16,306
Total business - type activities net position	<u>\$ 106,527</u>	<u>\$ 110,697</u>	<u>\$ 116,904</u>	<u>\$ 122,781</u>	<u>\$ 128,330</u>	<u>\$ 134,493</u>	<u>\$ 139,172</u>	<u>\$ 143,604</u>	<u>\$ 150,012</u>	<u>\$ 157,344</u>
Primary government										
Net investment in capital assets	\$ 202,066	\$ 214,245	\$ 225,517	\$ 230,096	\$ 240,244	\$ 253,253	\$ 256,623	\$ 257,824	\$ 268,797	\$ 276,507
Restricted	575	915	970	1,100	1,109	3,627	4,073	4,401	6,684	21,750
Unrestricted	15,682	17,387	20,760	22,198	24,629	22,208	22,569	24,465	5,977	(527)
Total primary government net position	<u>\$ 218,323</u>	<u>\$ 232,547</u>	<u>\$ 247,247</u>	<u>\$ 253,394</u>	<u>\$ 265,982</u>	<u>\$ 279,088</u>	<u>\$ 283,265</u>	<u>\$ 286,690</u>	<u>\$ 281,458</u>	<u>\$ 297,730</u>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities:										
General government	\$ 3,446	\$ 3,555	\$ 5,681	\$ 3,459	\$ 3,726	\$ 4,504	\$ 3,651	\$ 3,701	\$ 4,037	\$ 5,643
Public safety	7,605	7,416	8,752	8,330	7,659	7,167	7,393	7,546	7,706	7,850
Public Works	9,019	8,564	10,590	9,902	8,881	10,441	10,850	11,781	10,731	10,626
Public Facilities	1,316	1,121	1,194	1,259	1,381	1,419	1,916	1,516	1,589	1,356
Public Services	420	278	516	447	397	514	431	448	468	449
Community Development	1,568	1,028	1,178	1,088	1,759	1,315	1,217	2,113	1,136	1,079
Education	1,059	1,080	1,114	1,183	1,185	1,275	1,466	1,463	1,458	1,425
Interest on debt	326	246	320	369	241	153	274	538	474	933
Total governmental activities expenses	<u>24,759</u>	<u>23,288</u>	<u>29,345</u>	<u>26,037</u>	<u>25,229</u>	<u>26,788</u>	<u>27,198</u>	<u>\$ 29,106</u>	<u>\$ 27,599</u>	<u>\$ 29,361</u>
Business - type activities:										
Water and Sewer	14,711	16,899	17,201	17,631	17,279	18,187	18,156	17,501	17,852	17,220
Fire	9,411	10,316	10,474	10,247	10,249	10,645	12,748	11,959	11,500	11,167
Solid Waste Commission	2,270	3,309	2,104	2,466	1,988	2,076	3,093	1,899	2,267	1,483
Transit	2,843	3,107	3,236	2,970	3,092	3,120	3,589	3,734	3,464	3,574
Building Inspection	849	946	894	774	839	853	782	755	690	624
Solid Waste Management	3,598	3,810	3,751	3,463	3,304	3,503	3,551	3,495	3,513	3,353
Municipal Golf Fund	1,557	1,540	1,440	1,294	1,256	1,158	1,163	1,242	1,309	1,250
Public Facilities	492	447	456	408	394	460	388	364	319	324
Tennis Center	-	-	-	-	-	-	0	-	1	8
Total business - type activities expenses	<u>35,731</u>	<u>40,374</u>	<u>39,556</u>	<u>39,253</u>	<u>38,401</u>	<u>40,002</u>	<u>43,470</u>	<u>40,949</u>	<u>40,915</u>	<u>39,003</u>
Total primary government expenses	<u>\$ 60,490</u>	<u>\$ 63,662</u>	<u>\$ 68,901</u>	<u>\$ 65,290</u>	<u>\$ 63,630</u>	<u>\$ 66,790</u>	<u>\$ 70,668</u>	<u>\$ 70,055</u>	<u>\$ 68,514</u>	<u>\$ 68,364</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 1,569	\$ 1,823	\$ 1,972	\$ 1,879	\$ 1,880	\$ 1,992	\$ 2,063	\$ 2,078	\$ 2,191	\$ 2,270
Public Safety	1,512	1,779	1,886	1,667	1,581	1,302	1,244	1,358	1,176	1,260
Public Works	378	-	-	-	-	-	-	-	-	-
Public Facilities	90	-	-	-	-	-	-	-	-	-
Community Development	259	236	180	258	258	122	131	134	117	117
Education	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	343	1,024	1,842	1,123	711	881	871	943	862	707
Capital grants and contributions	6,530	8,741	13,432	7,580	11,259	14,201	7,054	6,556	16,662	13,886
Total governmental activities program revenues	<u>10,681</u>	<u>13,603</u>	<u>19,312</u>	<u>12,507</u>	<u>15,689</u>	<u>18,498</u>	<u>11,363</u>	<u>11,069</u>	<u>21,008</u>	<u>18,240</u>
Business-type activities:										
Charges for services:										
Water and Sewer	18,571	20,071	19,540	19,856	21,403	21,408	21,975	21,960	23,446	23,248
Fire	4,856	5,063	5,254	5,318	5,351	5,403	5,530	5,607	5,792	5,889
Solid Waste Commission	2,281	2,311	2,597	2,936	2,550	2,439	2,377	2,454	2,468	2,763
Transit	1,193	1,172	1,303	1,456	1,397	1,403	1,458	1,492	1,509	1,671
Building Inspection	781	790	937	1,038	702	797	693	615	726	783
Solid Waste Management	1,392	1,477	1,471	1,521	1,653	1,829	1,923	1,913	2,041	2,079
Municipal Golf Fund	1,057	1,006	925	760	801	795	1,024	963	977	918
Public Facilities	603	648	694	694	694	694	694	694	694	694
Operating grants and contributions	701	458	461	517	708	744	1,618	1,243	1,077	944
Capital grants and contributions	1,916	1,640	1,365	1,165	1,034	2,924	895	1,359	1,028	957
Total business-type activities program revenues	<u>33,351</u>	<u>34,636</u>	<u>34,547</u>	<u>35,261</u>	<u>36,293</u>	<u>38,436</u>	<u>38,187</u>	<u>38,300</u>	<u>39,758</u>	<u>39,946</u>
Total primary government program revenues	<u>\$ 44,032</u>	<u>\$ 48,239</u>	<u>\$ 53,859</u>	<u>\$ 47,768</u>	<u>\$ 51,982</u>	<u>\$ 56,934</u>	<u>\$ 49,550</u>	<u>\$ 49,369</u>	<u>\$ 60,766</u>	<u>\$ 58,186</u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (expense)/ revenue										
Governmental activities	\$ (14,078)	\$ (9,685)	\$ (10,033)	\$ (13,530)	\$ (9,539)	\$ (8,290)	\$ (15,836)	\$ (18,037)	\$ (6,591)	\$ (11,121)
Business- type activities	(2,380)	(5,738)	(5,009)	(3,992)	(2,108)	(1,566)	(5,283)	(2,649)	(1,157)	943
Total primary government net expense	<u>\$ (16,458)</u>	<u>\$ (15,423)</u>	<u>\$ (15,042)</u>	<u>\$ (17,522)</u>	<u>\$ (11,647)</u>	<u>(9,856)</u>	<u>(21,119)</u>	<u>\$ (20,686)</u>	<u>\$ (7,748)</u>	<u>\$ (10,178)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 10,441	\$ 10,048	\$ 8,683	\$ 9,662	\$ 10,007	\$ 9,749	\$ 10,221	\$ 10,074	\$ 10,967	\$ 11,790
Sales taxes	8,709	10,242	12,570	6,128	5,980	6,162	6,232	5,590	5,762	5,320
Other taxes	6,686	7,252	7,306	7,085	7,188	7,147	7,211	7,294	7,788	8,109
Gain on Sale of Capital Assets	-	218	2	-	-	-	-	-	66	17
Interest Earnings	578	731	594	562	654	714	790	599	654	715
Miscellaneous	221	309	177	109	150	501	684	691	263	358
Transfers	(9,059)	(9,061)	(10,807)	(9,745)	(7,401)	(8,549)	(9,803)	(7,018)	(7,379)	(6,248)
Total governmental activities	<u>17,576</u>	<u>19,739</u>	<u>18,525</u>	<u>13,801</u>	<u>16,578</u>	<u>15,724</u>	<u>15,335</u>	<u>17,230</u>	<u>18,121</u>	<u>20,061</u>
Business- type activities:										
Sales taxes	-	-	-	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	37	12	71	27	50	109	82	-	110	55
Investment earnings	1,209	835	339	59	42	27	32	62	63	80
Miscellaneous	-	-	-	37	165	12	44	1	13	7
Transfers	9,059	9,061	10,807	9,745	7,401	8,549	9,803	7,018	7,379	6,248
Total business- type activities	<u>10,305</u>	<u>9,908</u>	<u>11,217</u>	<u>9,868</u>	<u>7,658</u>	<u>8,697</u>	<u>9,961</u>	<u>7,081</u>	<u>7,565</u>	<u>6,390</u>
Total primary government	<u>\$ 27,881</u>	<u>\$ 29,647</u>	<u>\$ 29,742</u>	<u>\$ 23,669</u>	<u>\$ 24,236</u>	<u>\$ 24,421</u>	<u>\$ 25,296</u>	<u>24,311</u>	<u>25,686</u>	<u>26,451</u>
Change in Net Position										
Governmental activities	\$ 3,498	\$ 10,054	\$ 8,492	\$ 271	\$ 7,038	\$ 7,434	\$ (502)	\$ (807)	\$ 11,530	\$ 8,940
Business- type activities	7,925	4,170	6,208	5,876	5,549	7,131	4,679	4,432	6,408	7,333
Total primary government	<u>\$ 11,423</u>	<u>\$ 14,224</u>	<u>\$ 14,700</u>	<u>\$ 6,147</u>	<u>\$ 12,587</u>	<u>\$ 14,565</u>	<u>\$ 4,177</u>	<u>\$ 3,625</u>	<u>\$ 17,938</u>	<u>\$ 16,273</u>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Reserved	\$ 776	\$ 816	\$ 869	\$ 856	\$ 891	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	11,261	11,114	10,575	9,652	10,120	-	-	-	-	-
Nonspendable						216	792	763	735	705
Restricted						790	771	784	782	801
Assigned						-	25	-	-	-
Unassigned						10,661	11,012	11,260	12,101	12,667
Total General fund	<u>\$ 12,037</u>	<u>\$ 11,930</u>	<u>\$ 11,444</u>	<u>\$ 10,508</u>	<u>\$ 11,011</u>	<u>11,667</u>	<u>\$ 12,600</u>	<u>\$ 12,807</u>	<u>\$ 13,618</u>	<u>\$ 14,173</u>
All other governmental funds										
Reserved	\$ 2,399	\$ 2,653	\$ 2,179	\$ 5,284	\$ 4,978	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:						-	-	-	-	-
Special revenue funds	445	403	303	152	125	-	-	-	-	-
Capital projects funds	3,422	3,352	4,358	1,989	1,633	-	-	-	-	-
Nonspendable						2,828	2,221	2,365	-	-
Restricted						2,465	2,925	2,676	7,030	19,377
Assigned, reported in										
Special revenue funds						57	74	83	47	36
Capital projects funds						1,617	-	-	-	-
Unassigned						-	(165)	(226)	-	-
Total all other governmental funds	<u>\$ 6,266</u>	<u>\$ 6,408</u>	<u>\$ 6,840</u>	<u>\$ 7,425</u>	<u>\$ 6,736</u>	<u>\$ 6,967</u>	<u>\$ 5,055</u>	<u>\$ 4,898</u>	<u>\$ 7,077</u>	<u>\$ 19,413</u>

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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 25,844	\$ 27,525	\$ 28,385	\$ 22,358	\$ 23,053	\$ 23,069	\$ 23,450	\$ 23,010	\$ 24,651	\$ 24,882
Licenses and permits	1,582	1,599	1,738	1,675	1,681	1,658	1,722	1,735	1,813	1,890
Intergovernmental	2,790	3,916	3,495	8,462	9,911	10,019	5,164	5,268	5,950	7,621
Charges for services	682	674	538	586	542	464	472	476	495	497
Fines/Forfeitures	1,331	1,565	1,762	1,543	1,496	1,294	1,244	1,358	1,176	1,260
Investment earnings	578	732	594	562	654	715	790	599	653	715
Miscellaneous	147	309	216	109	150	500	684	691	263	358
Total revenues	32,954	36,320	36,728	\$ 35,295	\$ 37,487	\$ 37,719	\$ 33,526	\$ 33,137	\$ 35,001	\$ 37,223
Expenditures										
General government	3,351	3,491	3,584	3,478	3,313	3,143	3,138	3,181	3,477	5,347
Public safety	7,140	7,493	7,688	7,523	7,414	7,222	7,122	7,372	7,397	7,659
Public works	5,557	5,531	5,858	5,586	5,430	5,670	5,623	5,577	5,614	5,447
Public facilities	880	926	937	959	1,023	1,007	1,035	1,039	1,116	1,128
Public services	436	458	456	391	379	388	407	433	442	436
Community development	825	1,024	1,172	1,072	1,126	1,135	1,204	1,163	1,120	1,081
Capital outlay	5,363	8,303	5,928	6,762	11,165	9,416	5,658	6,907	4,692	7,525
Debt service										
Principal	71	91	78	198	262	557	319	306	376	364
Interest	326	246	320	245	245	245	276	542	469	515
Bond Issuance Costs	-	-	-	-	-	0	-	-	-	245
Total expenditures	23,949	27,563	26,021	26,214	30,357	28,783	24,782	26,520	24,703	29,747
Excess of revenues over (under) expenditures	9,005	8,757	10,707	9,081	7,130	8,936	8,744	6,617	10,298	7,476

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other financing sources (uses)										
Transfers in	2,249	3,654	3,205	2,019	1,847	2,672	1,807	1,903	1,909	3,532
Transfers out	(11,308)	(12,714)	(14,012)	(11,764)	(9,248)	(11,221)	(11,610)	(8,922)	(9,288)	(9,780)
Proceeds from sale of bonds/notes	-	-	-	300	-	-	-	-	-	10,785
Premium on issuance of Long Term Debt	-	-	-	-	-	-	-	-	-	861
Capital leases	110	-	-	-	-	50	-	-	-	-
Sale of capital assets	23	338	47	13	85	449	80	452	70	17
Total other financing sources (uses)	<u>(8,926)</u>	<u>(8,722)</u>	<u>(10,760)</u>	<u>(9,432)</u>	<u>(7,316)</u>	<u>(8,050)</u>	<u>(9,723)</u>	<u>(6,567)</u>	<u>(7,309)</u>	<u>5,415</u>
Net change in fund balances	<u>\$ 79</u>	<u>\$ 35</u>	<u>\$ (53)</u>	<u>\$ (351)</u>	<u>\$ (186)</u>	<u>\$ 886</u>	<u>\$ (979)</u>	<u>\$ 50</u>	<u>\$ 2,989</u>	<u>\$ 12,891</u>
Debt service as a percentage of noncapital expenditures	2.0%	1.9%	2.2%	2.3%	2.7%	4.0%	2.9%	3.8%	4.0%	5.3%

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Insurance Premium Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Other Taxes</u>	<u>Total</u>
2006	10,134	* 8,709	2,973	1,833	834	1,361	25,844
2007	10,257	* 10,242	3,166	1,912	857	1,091	27,525
2008	9,815	* 12,569	3,373	1,958	871	36	28,622
2009	9,372	6,128	3,192	1,939	861	866	22,358
2010	10,207	6,029	3,352	1,883	825	757	23,053
2011	10,047	6,162	3,553	1,703	812	792	23,069
2012	10,403	6,232	3,357	1,809	841	808	23,450
2013	10,612	5,590	3,236	1,873	855	844	23,010
2014	11,554	5,762	3,428	1,958	869	1,080	24,651
2015	11,844	5,320	3,445	2,092	862	1,319	24,882
% change between 2006 & 2015	16.87%	-38.91%	15.88%	14.13%	3.36%	-3.09%	-3.72%

(*) 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
2006	765,223,983	196,925,161	25,439,000	67,836,580	204,266	1,055,628,990	(67,313,704)	1,023,822,767	24.45	2,559,556,918	40%
2007	801,947,393	197,628,142	27,215,000	76,976,990	179,621	1,103,947,146	(69,130,918)	1,075,107,154	24.43	2,686,585,355	40%
2008	839,467,255	189,522,031	25,717,175	77,543,520	169,428	1,132,419,409	(70,163,632)	1,109,377,341	24.43	2,773,443,353	40%
2009	855,730,720	188,100,111	26,556,590	77,936,110	176,001	1,148,499,532	(71,744,994)	1,120,352,248	24.42	2,800,880,620	40%
2010	829,091,871	185,601,135	25,503,243	68,205,850	172,014	1,108,574,113	(71,811,792)	1,078,630,642	26.15	2,696,576,605	40%
2011	816,351,825	186,162,190	28,265,457	69,194,300	192,965	1,100,166,737	(71,808,416)	1,062,672,937	26.15	2,656,682,342	40%
2012	815,093,673	185,918,089	28,265,457	70,303,830	170,110	1,099,751,159	(70,124,530)	1,045,889,201	26.15	2,614,723,003	40%
2013	810,347,679	189,949,428	29,001,905	76,515,750	180,990	1,105,995,752	(69,730,929)	1,050,919,941	26.15	2,627,299,853	40%
2014	811,586,270	198,147,609	31,601,367	66,616,670	174,465	1,108,126,381	(68,821,009)	1,053,960,998	26.15	2,634,902,495	40%
2015	834,527,447	199,249,790	32,520,350	47,345,722	165,982	1,113,809,291	(70,736,324)	1,056,420,392	26.14	2,641,050,980	40%

Source-Floyd County Tax Assessors Office

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

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

* Includes General, Capital and School Tax Rates

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

Year	City of Rome				Overlapping Rates **			
	General Fund	Capital Fund	Debt Service	City Schools	Total Direct Rate	Floyd County	State of Georgia	Total Rate
2006	6.60	1.85	-	16.00	24.45	7.968	0.25	32.67
2007	6.58	1.90	-	15.95	24.43	8.100	0.25	32.78
2008	6.63	1.85	-	15.95	24.43	8.767	0.25	33.45
2009	6.67	1.85	-	15.90	24.42	8.767	0.25	33.44
2010	6.80	1.90	-	17.45	26.15	8.767	0.25	35.17
2011	6.80	1.90	-	17.45	26.15	8.767	0.25	35.17
2012	6.80	1.90	-	17.45	26.15	8.767 *	0.20	35.12
2013	6.80	1.90	-	17.45	26.15	8.767	0.15	35.07
2014	6.80	1.90	-	17.45	26.15	8.767	0.10	35.02
2015	6.80	1.89	-	17.45	26.14	9.600	0.05	35.79

Source-City of Rome Finance Department
Floyd County Finance Office

* First year of phase out of State tax

** Overlapping rates are those of county and state governments that apply to taxpayers within the City of Rome

City of Rome, Georgia
Principal Property Taxpayers
December 31, 2015
(amounts expressed in thousands)

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Southeastern Mills	33,923	1	3.05%			
Redmond Regional Medical Center	31,235	2	2.80%	42,879	1	4.06%
Harbin Properties, LLC	24,948	3	2.24%	8,662	10	0.82%
Duke Realty	18,456	4	1.66%			
Georgia Power	17,187	5	1.54%	12,864	5	1.22%
Bekaert Corporation	16,296	6	1.46%	18,336	3	1.74%
Walmart	12,246	7	1.10%	15,172	4	1.44%
Neaton Rome	11,108	8	1.00%			
River Root Partners LLC	9,891	9	0.89%	8,731	9	0.83%
Floyd Physician's Buildings	9,580	10	0.86%			
Keebler Company				20,798	2	1.97%
Larry Martin				12,119	6	1.14%
Mount Berry Square Mall LLC				11,186	7	1.06%
Bellsouth/AT&T				10,847	8	1.02%
Totals	\$ 184,870		16.60%	\$ 161,594		15.30%

Source-Floyd County Tax Assessor Office
Ranking is based on net tax dollars paid

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	23,544	21,492	91.3%	1,833	23,325	99.1%
2007	24,528	23,067	94.0%	1,046	24,113	98.3%
2008	25,372	** 21,661	85.4%	143	21,804	85.9%
2009	25,513	22,395	87.8%	* 1,366	23,761	93.1%
2010	26,281	23,044	87.7%	1,287	24,331	92.6%
2011	25,709	22,690	88.3%	1,866	24,556	95.5%
2012	25,523	23,081	90.4%	1,780	24,861	97.4%
2013	25,597	23,437	91.6%	1,189	24,626	96.2%
2014	26,229	23,994	91.5%	1,787	25,781	98.3%
2015	27,219	24,690	90.7%	1,872	26,562	97.6%

**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)

Fiscal Year	Governmental Activities				Business- Type Activities			Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
	General Obligation Bonds	Notes Payable	Certificates of Participation	Capital Leases	Bonded Debt	Notes Payable	Capital Leases			
2006	-	-	4,527	261	77,965	4,770	897	88,420	8.57%	2,424
2007	-	-	4,527	170	73,695	7,498	968	86,858	8.16%	2,382
2008	-	4,923	4,527	92	69,235	10,393	695	89,865	8.07%	2,424
2009	-	5,782	4,527	27	65,451	9,824	415	86,026	7.53%	2,380
2010	-	5,547	4,527	-	60,276	9,224	228	79,802	6.90%	2,197
2011	-	5,492	4,527	40	54,946	8,602	793	74,400	6.36%	2,056
2012	-	5,183	4,527	30	52,744	7,956	570	71,010	5.95%	1,976
2013	-	4,886	4,527	20	54,241	1,336 *	460	65,470	5.29%	1,810
2014	-	4,676	4,527	10	44,353	2,456	349	56,371	4.40%	1,567
2015	10,785	4,322	4,527	-	38,219	2,365	235	60,453	4.08%	1,380

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

* Prior GEFA balance became bonded debt in 2013

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

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u> **	<u>Per Capita</u> ***
2006	-	-	-	N/A	N/A
2007	-	-	-	N/A	N/A
2008	-	-	-	N/A	N/A
2009	-	-	-	N/A	N/A
2010	-	-	-	N/A	N/A
2011	-	-	-	N/A	N/A
2012	-	-	-	N/A	N/A
2013	-	-	-	N/A	N/A
2014	-	-	-	N/A	N/A
2015	10,785	-	10,785	0.41%	300

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

*** Population data can be found in the Schedule of Demographic and Economic Statistics.

City of Rome, Georgia
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2015

<u>Governmental Unit</u>	<u>Certificates of Participation</u>	<u>General Obligation Bonds</u>	<u>Notes Payable</u>	<u>Other Debt Outstanding</u>	<u>Percent Applicable to City of Rome</u>	<u>Amount Applicable to City of Rome</u>
City of Rome	\$ 4,527,000	10,785,000	934,272	\$ 3,387,500	100%	\$ 19,633,772
Rome Board of Education-Quality Zone Academy Bonds	-	-	-	2,000,000	100%	2,000,000
	<u>\$ 4,527,000</u>	<u>10,785,000</u>	<u>934,272</u>	<u>\$ 5,387,500</u>		<u>\$ 21,633,772</u>

Source-Rome Board of Education

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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	105,562,899	110,394,715	113,238,941	114,849,953	110,857,411	110,016,673	109,975,116	110,599,575	110,812,638	111,380,929
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	10,785,000
Legal debt margin	<u>\$ 105,562,899</u>	<u>\$ 110,394,715</u>	<u>\$ 113,238,941</u>	<u>\$ 114,849,953</u>	<u>\$ 110,857,411</u>	<u>109,852,761</u>	<u>\$ 109,975,116</u>	<u>\$ 110,599,575</u>	<u>\$ 110,812,638</u>	<u>\$ 100,595,929</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2015

Total assessed value	\$ 1,113,809,291
Debt limit (10% of total assessed value)	111,380,929
Debt applicable to limit:	
General obligation bonds	10,785,000
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>10,785,000</u>
Legal debt margin	<u>\$ 100,595,929</u>

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

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

Fiscal Year	Water & Sewer Revenue Bonds			Debt Service		Coverage
	Water & Sewer Charges & Other (1)	Less: Operating Expenses (2)	Net Available Revenue	Principal	Interest	
2006	19,404,739	8,681,217	10,723,522	3,485,000	3,354,631	1.6
2007	20,449,671	8,718,404	11,731,267	3,665,000	3,166,379	1.7
2008	19,653,969	9,268,673	10,385,296	3,825,000	3,010,552	1.5
2009	19,863,718	9,103,422	10,760,296	3,610,000	2,600,893	1.7
2010	21,411,092	8,978,125	12,432,967	4,465,000	2,297,715	1.8
2011	21,413,544	9,677,717	11,735,827	4,605,000	2,159,128	1.7
2012	21,980,265	10,163,561	11,816,704	4,780,000	1,321,847	1.9
2013	21,965,249	9,361,007	12,604,242	5,441,000	1,826,484	1.7
2014	23,466,061	9,634,424	13,831,637	5,601,000	1,633,467	1.9
2015	23,263,538	9,032,695	14,230,843	5,824,000	1,542,939	1.9

(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
2006	36,524 *	1,031,182	28,233	5,239	4.3%
2007	36,463 *	1,064,683	29,199	5,235	4.7%
2008	37,067 *	1,113,715	30,046	5,612	8.0%
2009	36,142 *	1,141,762	31,591	5,571	12.4%
2010	36,303	1,155,888	31,840	5,579	10.6%
2011	36,181 **	1,169,768 **	32,331	5,737	12.7%
2012	35,942 **	1,191,801 **	33,159	5,669	11.8%
2013	36,159 **	1,237,723 **	34,230	6,006	9.0%
2014	35,973 **	1,280,603 **	35,599	6,114	7.9%
2015	35,997 **	1,216,231 **	33,787	6,210	5.8%

Data Sources:

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

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

Employer	2015			2007*		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Floyd Medical Center	2,800	1	12.20%	2,100	1	12.11%
Redmond Regional Medical Center	1,200	2	5.23%	1,200	3	6.92%
Harbin Clinic	950	3	4.14%	1,230	2	7.10%
Rome City Schools	750	4	3.27%	757	7	4.37%
Floyd County Government	658	5	2.87%	725	8	4.18%
City of Rome	651	6	2.84%	665	9	3.84%
Kellogg's	575	7	2.51%	625	10	3.61%
Berry College	571	8	2.49%			
Neaton Rome	525	9	2.29%			
Shorter College	385	10	1.68%			
Mohawk Industries				1,080	4	6.23%
Zartic Corporation				804	5	4.64%
Northwest Georgia Regional Hospital				760	6	4.38%
Totals	9,065		39.5%	9,946		53.00%

Source-Rome Chamber of Commerce

* Data not available for 10 year comparison.

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

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	29	29	29	29	28	28	28	27	28	27
Legislative and judicial										
Commission	9	9	9	9	9	9	9	9	9	9
Municipal court	2	2	2	2	2	2	2	7	5	6
Attorney	1	1	1	1	1	1	1	1	1	1
Public safety										
Police										
Officers	98	98	98	98	92	95	95	101	98	96
Civilians	11	11	11	11	11	15	15	15	18	20
Public services	10	7	7	7	4	4	4	3	3	3
Public facilities	4	4	4	4	4	4	4	4	4	3
Fire										
Civilians	7	7	7	3	3	2	1	2	2	11
Firefighters and officers	146	146	146	146	148	149 **	162	161	161	154
Public works										
Public works office	4	5	5	4	4	4	4	4	4	3
Engineering	8	8	8	7	7	7	6	6	6	5
Street	43	46	46	39	31	31	31	31	31	29
Traffic	12	12	12	12	13	13	13	13	13	13
Cemetery	7	7	7	6	6	6	6	6	6	5
Garage	13	13	13	12	11	12	12	12	13	12
Building inspection	12	12	12	9	9	9	9	8	9	9
Transit	43	43	43	43	43	43	43	43	43	51
Planning commission	6	6	7	6	6	6	6	6	6	5
Solid Waste Management	72	72	71	61	56	55	57	57	57	56
Culture and recreation	12	12	12	12	11	19	21	24	24	28
Water and sewer	116	120	120	104	102	102	102	105	105	105
Total	665	670	670 *	625 *	601	616	631	645	646	651

Source-City of Rome Human Resource Department

* Includes Personnel Reduction due to Revenue Decreases

** Includes increase for personnel funded with SAFER grant

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

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety:										
Police arrests	1,845	2,267	2,388	2,168	2,030	1,858	1,793	2,197	2,008	1,952
Parking/Traffic violations	14,173	17,349	18,797	16,251	14,455	13,228	12,270	14,253	11,452	11,520
Public Works:										
Street resurfacing (miles)	5.26	4.77	0.40	2.02	10.50	5.78	4.25	3.64	4.19	3.73
Public Facilities:										
Rentals-Aud/Civic Center	48,328	45,645	41,754	48,668	54,072	58,773	57,613	57,007	58,156	61,275
Senior Citizen Center	2,357	1,550	2,333	2,610	2,803	2,795	2,371	2,935	2,740	4,971
Education:										
School Enrollment	5,239	5,235	5,612	5,571	5,579	5,737	5,669	6,006	6,114	6,210
Water and Sewer:										
Customers										
Water	19,734	19,875	20,006	20,034	20,065	20,083	20,094	20,120	20,155	20,186
Sewer	20,769	20,952	21,069	21,113	21,163	21,173	21,181	21,211	21,254	21,299
Water - (millions of gallons)										
Average daily production	9.7	9.0	8.1	7.6	7.9	7.6	7.4	7.1	7.5	6.8
Maximum daily production	13.9	14.3	11.0	12.0	10.9	12.1	11.1	9.7	10.8	9.9
Wastewater - (millions of gallons)										
Average daily sewage treatment	10.3	8.1	9.0	14.0	10.8	10.7	9.1	13.9 (1)	11.3	12.0
Maximum daily sewage treatment	25.6	21.1	27.4	57.9	51.5	56.3	31.1	50.0	53.7	53.7
Fire										
Number of responses	4,705	4,784	4,294	4,275	4,292	4,401	4,483	4,630	5,061	5,290
Inspections	1,584	1,424	1,224	911	1,045	1,413	1,915	1,751	1,352	1,361
Solid Waste Management:										
Refuse collected (tons)										
Inert	4,603	6,229	6,967	9,673	9,075	8,330	6,879	6,535	8,847	7,647
Trash	2,453	2,447	2,200	2,150	1,865	1,578	1,423	1,407	1,456	1,749
Garbage	16,225	15,361	14,539	14,530	13,801	14,248	13,755	14,311	14,164	14,703
Recycling	869	994	960	912	1,017	1,409	1,472	1,325	1,329	1,589
Transit:										
Transit miles	573,884	586,643	589,640	593,820	591,152	585,837	589,766	604,407	591,300	614,038
Transit passengers	879,394	893,268	967,390	962,500	982,471	1,014,181	1,053,540	1,075,603	1,069,526	1,110,252
Building Inspection:										
New Construction Permits	360	344	228	114	67 (4)	36	55	62	93	121
Solid Waste Commission:										
Inert tonnage	377 (2)	353	241	225	194	816 (5)	733	488	697	2,224
C&D tonnage	11,750	16,117	17,527	34,759 (3)	24,753	22,654	20,030	24,117	20,041	22,663
Garbage tonnage	59,304	54,821	85,360	78,326	73,410	70,417	70,179	69,416	72,939	79,320
Municipal Golf:										
Rounds played	31,311	31,893	32,714	27,142	28,542	29,405	39,715 (6)	34,113	30,243	34,406

Source: City of Rome Trends Publication

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

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

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

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

(4) Permit decrease due to economic downturn

(5) Increase due to storm related incidents

(6) Increased play contributed to conversion of greens

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

Principal Water Customers (in descending order):

	2015		2006
1)	Floyd County Wholesale		1) Floyd County
2)	Floyd Medical Center		2) Mohawk Industries
3)	Rome Housing Authority		3) Zartic
4)	Syntec Industries		4) Bekaert Steel
5)	Redmond Regional Medical Center		5) Rome Housing Authority
6)	Kelloggs		6) Floyd County Government
7)	Bekaert		7) Kellogg's
8)	Floyd County Jail		8) Floyd Medical Center
9)	Mohawk Spinning		9) Redmond Regional Medical Center
10)	Alliance Laundry		10) NWGA Regional Hospital

Principal Sewer Customers (in descending order):

1)	Floyd Medical Center	1) Mohawk Industries
2)	Berry College	2) Zartic
3)	Ball Corporation	3) Bekaert Steel
4)	Crothall	4) Berry College
5)	Rome Housing Authority	5) Rome Housing Authority
6)	Syntec Industries	6) Floyd County Government
7)	General Electric groundwater	7) Marglen Industries
8)	Marglen Industries	8) Metal Containers
9)	Redmond Regional Medical Center	9) Crothall
10)	Kelloggs	10) Kellogg's

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

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Vehicles	86	81	70	65	65	65	71	71	72	80
Public Works:										
Streets (miles) **	262.81	268.87	273	275	266	267	267	265	267	268
Street lights	4,425	4,425	4,520	4,566	4,566	4,566	4,566	4,566	4,566	1,570
Traffic signals	92	92	91	93	93	93	95	95	95	95
Signage	10,106	10,203	10,248	10,248	10,248	10,250	10,253	10,257	10,257	10,257
Public Facilities:										
Parks	22	22	22	22	22	22	22	22	22	22
Auditoriums and Civic Centers	3	3	3	3	3	3	3	3	3	3
Public Services:										
Volumes in Library System	322,000	332,378	344,692	350,528	359,188	364,338	366,293	366,383	362,859	323,302
Water:										
Water mains (miles)	284	285	285	285	285	285	285	285	285	285
Fire hydrants	1,643	1,627	1,648	1,644	1,661	1,718	1,800	1,800	1,339	1,339
Sewer:										
Sanitary sewers (miles)	408	410	399	399	399	399	401	401	399	399
Storm sewers (miles)										
Fire:										
Fire stations	10	10	10	10	10	10	10	10	10	10
Solid Waste Management:										
Collection Vehicles	42	40	41	40	40	40	37	37	35	36
Transit:										
Buses	42	43	44	48	48	49	58	59	64	58

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

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

** Includes State Route 34.66 miles

CITY OF ROME, GEORGIA

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

DECEMBER 31, 2015

CITY OF ROME, GEORGIA
SINGLE AUDIT OF FEDERAL PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Rome, Georgia** (the “City”) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated June 24, 2016. Our report also includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*, as of January 1, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 24, 2016



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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Rome, Georgia's (the "City's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Rome Board of Education, which received \$8,593,762 in federal awards which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2015.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Rome, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

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

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

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

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

Report of Schedule of Expenditures of Federal Awards as required by the Uniform Guidance

We have audited the financial statements of the City of Rome, Georgia as of and for the year ended December 31, 2015, and have issued our report thereon dated June 24, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 24, 2016

CITY OF ROME, GEORGIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Federal Grantor/Pass-Through Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass-through Grantor Number</u>	<u>Expenditures</u>
U.S. Department of Transportation			
Passed through the Georgia Department of Transportation:			
Metropolitan Transportation Planning Services Program	20.505	T005312	\$ 46,973
Passed through the Georgia Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction Program	20.205	PL 000-0012-00-936	106,133
Heritage Riverways	20.219	NRT-11(17)	9,784
Subtotal Highway Planning and Construction Cluster			<u>115,917</u>
Passed through the Georgia Department of Transportation:			
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-X334-1	870,641
Federal Transit - Urbanized Area Formula Grant - ARRA	20.507	GA-96-X012	133,730
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0286	218,729
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0259-01	23,886
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-X309-03	50,060
Subtotal Federal Transit Cluster			<u>1,297,046</u>
Passed through the Georgia Governor's Office of Highway Safety			
Mountain Traffic Enforcement Network	20.600	TEN-2016-000-00290	<u>14,532</u>
Total U.S. Department of Transportation			<u>1,474,468</u>
U.S. Department of Justice			
Passed through the Bureau of Justice Assistance:			
Bulletproof Vest Partnership Program	16.607	2014	1,383
Bulletproof Vest Partnership Program	16.607	2015	4,573
Subtotal Bureau of Justice Assistance			<u>5,956</u>
Justice Assistance Grant Program:			
Local Law Enforcement Block Grant (Police Equipment Grant)	16.738	2015-DJ-BX-0365	<u>18,566</u>
Subtotal Justice Assistance Grant Program			<u>18,566</u>
Total U.S. Department of Justice			<u>24,522</u>

Continued

CITY OF ROME, GEORGIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Federal Grantor/Pass-Through Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass-through Grantor Number</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grant -			
Entitlement Grant	14.218	B-13-MC-13-0014	\$ 167,443
Entitlement Grant	14.218	B-14-MC-13-0014	179,303
Entitlement Grant	14.218	B-15-MC-13-0014	21,897
Subtotal Community Development Block Grant			<u>368,643</u>
Community Home Investment Partnerships -			
Downpayment Assistance Program	14.239	2013-874	<u>117,711</u>
Passed through the Northwest Georgia Regional Commission			
Neighborhood Stabilization Program	14.256	08-NS-5052	<u>200,162</u>
Subtotal Northwest Georgia Regional Commission			<u>200,162</u>
Total U.S. Department of Housing and Urban Development			<u>686,516</u>
U.S. Department of Interior			
Historic Preservation Fund Grant	15.904	PF15AF00076	<u>2,145</u>
Total U.S. Department of Interior			<u>2,145</u>
U.S. Department of Homeland Security			
Passed through Federal Emergency Management Agency			
Public Property Disaster Assistance	97.036	FEMA-1973-DR-GA	<u>5,975</u>
Subtotal Federal Emergency Management Agency			<u>5,975</u>
Total U.S. Department of Homeland Security			<u>5,975</u>
Total Expenditures of Federal Awards			<u>\$ 2,193,626</u>

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, 2015

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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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, 2015**

**SECTION I
SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? _____ yes X no

Significant deficiencies identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:
Material weaknesses identified? _____ yes X no

Significant deficiencies identified? _____ yes X none reported

Type of auditor's report issued on compliance for
major programs Unmodified

Any audit findings disclosed that are required to
be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.507	Federal Transit Cluster

Dollar threshold used to distinguish between
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes _____ no

CITY OF ROME, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Section II – Financial Statement Findings and Questioned Costs

None reported

CITY OF ROME, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Section III - Federal Awards Findings and Questioned Costs

None reported

CITY OF ROME, GEORGIA
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015

None reported