

**CITY OF ROME, GEORGIA
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2016**

**Prepared By:
Finance Department**

**CITY OF ROME, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

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Sammy Rich
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June 26, 2017

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, 2016, 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, 2016.

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, 2016. 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 36,000. 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 5.6%. This is lower than in 2015. This rate was just slightly higher than the state average of 5.5% but comparable to the Floyd County rate of 5.6%. More encouraging news is that this rate has continued to slightly decrease through the first of 2017. The City has seen some increase in job creation due to expansions at existing facilities, and the addition to the community of a call center, and two new manufacturing plants set to gear up in 2017.

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 their outlying complexes. Floyd Medical Center, the community public hospital, continues to upgrade and modernize, and is completing a new expansion of their Urgent Care facilities at their outlying complex. 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. With the opening of the new 60 court tennis facility, the Rome Tennis Center at Berry has already hosted several regional and national tournaments and will be the host for the 2017 NCAA College tournament finals. This facility has already seen national recognition and currently has upwards of 80 tournaments of various sizes booked for 2017. This is a major economic impact for the City as these tournaments bring in participants and family from out of town who eat, sleep and shop in Rome.

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 and won their division national championship their first year. 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 2016, with over 30,000 in attendance for the two day event.

Rome has also made its mark in the film production arena, with small portions of several major motion pictures filmed locally, along with smaller venues for several TV shows. The next year also promises other productions both for TV and major motion pictures.

The continued development of the downtown area of the City also is hopeful for continued economic impact. The opening of the new Hampton Inn Hotel at the tip of the downtown area added much needed lodging and the Marriott Hotel is slated to open in 2017 as it borders the west end of the downtown area. The development of lofts and apartments in the downtown area has blossomed as four current projects are under current construction. The City has initiated the “Roman Chariot” which is a larger seating golf cart that will transport guests from the lodging points and up and down the downtown areas. Also newly installed are bicycle lanes and the roll out of a “Personal Transportation Vehicle (PTV)” policy to allow registered vehicles to use the downtown streets for transportation. This is certainly important as the number of citizens living in the downtown area increases.

A continuing Education Local Option Sales tax has enabled the City of Rome 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. Also launched 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. New implemented legislation completely eliminated the sales tax on vehicles in 2013 and the sales tax on manufacturing energy consumption was completely phased out in 2016. These changes have significantly impacted overall sales tax revenues and since that implementation sales tax revenues have fallen dramatically. 2016 Sales tax collections were less than gross receipts for 2015. Also of some concern is the loss of several larger retail stores that closed in 2016. Although this seems to be a part of a national trend, retail sales loss is a concern going forward for the local economy. The City has been encouraged by an upward trend in economic indicator revenue sources such as business licenses, intangible taxes and real estate transfer taxes.

The City has also seen an upward swing in the number of new housing starts and construction during the year as well as requests for new water/sewer taps. These increases are positive signs of a possible modest growth in the local economy.

The City has seen several market growth additions over the last year, and the 2016 tax digest had a very modest increase.

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 several years without market competitive merit raises for employees, 2016 did see a modest merit raise budget increase of 1.5% 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 2016 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, most 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 decline of the revenue source appeared in 2016. 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 2016, the longer term impacts are yet to be addressed. New legislation that will affect health care coverage for certain diseases for firefighters will certainly impact future costs as well. 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 2016 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 is now being 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. These properties should be available for residence in 2017.

Another continuing initiative for the City in 2016 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 pre-designated areas.

The City's Eco Center has been expanded with additional services and exhibits and is growing as a destination facility housing more educational school tours and other community events.

The Business Improvement District tax area was expanded geographically, and enhanced to generate more development monies to be used in our downtown area. Plans are to market the Fifth Avenue street section for an Arts District which will geographically link to the downtown area and the new Marriott hotel. Budget has been set aside for utility, infrastructure, and façade improvements for the area. Also expanded was the concept of more art options in the downtown areas. With a live theatre and other street art projects already on site—collaborative efforts with the arts community has spurred a film festival, and an outdoor Shakespeare play venue.

Every year water and sewer projects are being completed. One major water initiative in 2016 was the bypass and replacement of 100 year old water lines down the City's Broad Street. Also completed 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 various track events.

As part of property donated to the City by General Electric, 2016 marked the grand opening of several trail options for the first phase of that passive recreation development for the property. Trail access continues to be a priority for the future as SPLOST and other funding sources are budgeted to improve and extend trail connectivity within the City.

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.

Also under construction is a large upscale apartment complex adjacent to the Rome Braves Stadium which will give the community more higher end apartment inventory.

The City has also partnered with an energy consultant to review more energy efficient options for all city-owned buildings and facilities. Energy conservation projects could include retro-fitting lighting, HVAC, and more technology options for energy consumption.

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 2017.

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 2017.

Technology upgrades and advancements continue to be a priority for the City. The City launched its interactive “My Rome App”, and a new upgraded joint City/County website was recently unveiled. The City of Rome is also upgrading its phone system with a complete change to a VOIP system. The City is also upgrading cameras and integrated security systems to better monitor certain facilities.

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 was the completion of the Rome Tennis Center at Berry College. Other projects include major road improvements on Burnett Ferry Road and at Chulio Hills, as well as various road paving projects within the City. Money has also been allocated for major sewer improvements and upgrades to City buildings and facilities. Additionally, there is \$1.8 million allocated for expansion of the City’s trails. These projects will be funded and constructed over the next couple of years.

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, 2016 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, 2015, 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,



Sammy Rich
City Manager



Sheree T. Shore
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

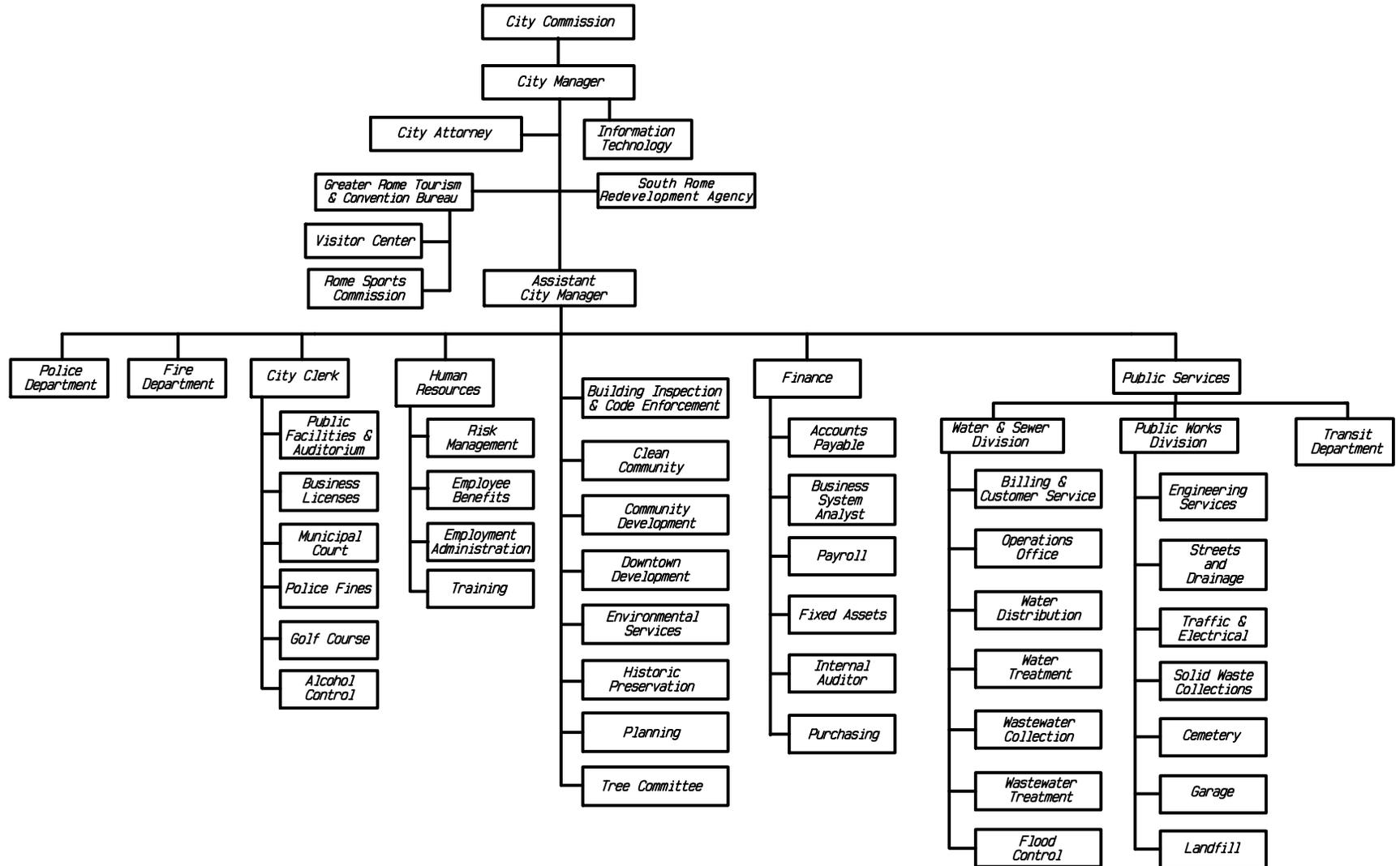
**City of Rome
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

City of Rome, Georgia Organization Chart



**CITY OF ROME, GEORGIA
PRINCIPAL OFFICIALS
DECEMBER 31, 2016**

Jamie Doss **Mayor**
Milton Slack **Mayor, Pro Tem**
Bill Collins **At Large**
Sue Lee **At Large**
Evie McNiece **At Large**
Craig McDaniel **At Large**
Sundai Stevenson **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, 2016, 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, 2016, 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.

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 102, Schedule of City Contributions on page 103, Schedule of Funding Progress on page 104, and budgetary comparison information on pages 91 through 100 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.

Other Information (Continued)

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 26, 2017, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 26, 2017

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, 2016

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, 2016.

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 \$308,446,211 in 2016, which is an increase of 3.6% from 2015. This increase is mainly due to a strong increase in net position in the Business Type Activities.
- The City's long term liabilities decreased \$3,996,076 even with a substantial increase in the pension liability of \$5,556,156.
- Total City of Rome Net Position is made up of the following:
 - 1) Net Investment in capital assets of \$275,423,778 includes property, equipment, and infrastructure, net of accumulated depreciation and reduced for related debt.
 - 2) The restricted portion of the Net Position of \$15,274,330 is significantly down from 2015 as the bond proceeds previously held in the SPLOST fund for the construction of the new Tennis Center have been spent. The balance of the restricted portion is restricted by outside entities either by covenants, grant agreements or external legislation.
 - 3) Unrestricted Net Position of \$17,748,103 represents the portion available to maintain the City's ongoing obligations and has increased substantially from 2015 as the restricted bond proceeds previously restricted for construction have been spent, and the asset recorded.
- The City of Rome had an overall increase in Net Position for 2016 of \$10,715,760 which is less than the increase for 2015 but represents stronger increases in the Business Type Activities. The large increase in transfers represents the transfer of the completed Tennis Center which was constructed with SPLOST monies in Governmental Activities, to a separate enterprise fund in the Business Type Activities.
- The City's combined governmental funds reported a total ending fund balance of \$30,694,919 which is a decrease of \$2,891,147 from 2015. This is due to a moderate increase in the fund balance in the General Fund, but a substantial decrease in the SPLOST fund for the expenses associated with the completion of the Tennis Center. Of this amount \$15,230,021 is unrestricted and unassigned and available for budgetary spending. This is a moderate increase from 2015 and reflects the strong increase in fund balance of the General Fund.
- The City's General Fund had a net increase in fund balance of \$3,110,276 for 2016. This is significantly higher than the increase for 2015. The increase was due to lower than budgeted expenses, mainly in Police and Public Works, and higher property tax revenues from an increase in the millage rate and a higher than average annual collection rate.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

- The City's General Fund showed an unrestricted and unassigned fund balance of \$15,230,021 at the end of the fiscal year, or 74.7% of current year expenditures before transfers. This is a \$2,563,427 increase from 2015. 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 and to also position the City for projected needs in the future.
- The City's Capital Fund had a net increase in fund balance of \$382,451. This is due to a moderation of capital outlay and additional property tax revenue.
- The City's SPLOST fund had a net decrease to fund balance of \$6,775,785 due to the completed construction of the Tennis Center project. This was also the main reason for the overall decrease in fund balance of the governmental funds but was anticipated due to the large increase in 2015 from the issuance of the bonds for the project.

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, tennis center, 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.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

The City of Rome maintains ten individual governmental funds. Information is presented separately for the General, 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 105-108 of the report.

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

The basic governmental fund financial statements are presented on pages 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 105-108.

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 43-90.

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 91-100.

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 105-108.

The Special Report for Sales Tax proceeds is shown on pages 115 and 116. This schedule shows expenditures for the 1996, 2006, 2009 and 2013 SPLOST issues.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

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
	2016	2015	2016	2015	2016	2015	
Assets:							
Current assets	\$ 28,246,342	\$ 24,465,257	\$ 35,511,553	\$ 30,077,315	\$ 63,757,895	\$ 54,542,572	\$ 9,215,323
Capital assets	139,770,173	146,357,018	188,302,572	181,115,501	328,072,745	327,472,519	600,226
Other non-current assets	6,761,580	15,107,407	1,165,375	1,195,412	7,926,955	16,302,819	(8,375,864)
Total Assets	<u>174,778,095</u>	<u>185,929,682</u>	<u>224,979,500</u>	<u>212,388,228</u>	<u>399,757,595</u>	<u>398,317,910</u>	<u>1,439,685</u>
Deferred Outflows of Resources	<u>7,615,476</u>	<u>3,698,011</u>	<u>1,342,197</u>	<u>1,598,589</u>	<u>8,957,673</u>	<u>5,296,600</u>	<u>3,661,073</u>
Liabilities:							
Current liabilities	5,679,419	5,738,910	5,113,617	5,028,440	10,793,036	10,767,350	25,686
Long-term liabilities	41,452,972	39,558,618	45,723,737	51,614,167	87,176,709	91,172,785	(3,996,076)
Total Liabilities	<u>47,132,391</u>	<u>45,297,528</u>	<u>50,837,354</u>	<u>56,642,607</u>	<u>97,969,745</u>	<u>101,940,135</u>	<u>(3,970,390)</u>
Deferred Inflows of Resources	<u>2,299,312</u>	<u>3,943,924</u>	<u>-</u>	<u>-</u>	<u>2,299,312</u>	<u>3,943,924</u>	<u>(1,644,612)</u>
Net investment in capital assets	123,002,184	137,041,326	152,421,594	139,466,524	275,423,778	276,507,850	(1,084,072)
Restricted	14,191,832	20,177,986	1,082,498	1,572,116	15,274,330	21,750,102	(6,475,772)
Unrestricted	(4,232,148)	(16,833,071)	21,980,251	16,305,570	17,748,103	(527,501)	18,275,604
Total Net Position	<u>\$ 132,961,868</u>	<u>\$ 140,386,241</u>	<u>\$ 175,484,343</u>	<u>\$ 157,344,210</u>	<u>\$ 308,446,211</u>	<u>\$ 297,730,451</u>	<u>\$ 10,715,760</u>

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

With the implementation of GASB 63, certain assets and liabilities have been reclassified to deferred outflows and inflows of resources. For 2016 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 a modest \$1,439,685. Current assets increased in cash and the non-current asset decrease was the spend-down of the restricted bond proceeds for the Tennis Center construction. Long term liabilities decreased \$3,996,076 but there was a substantial increase in the Pension liability from 2015. Overall liabilities decreased \$3,970,390 due to normal decreases for debt payments.

Net investment in capital assets decreased \$1,084,072 or .4%. reflecting the normal payment of debt and depreciation.

Overall the City's Net Position increased \$10,715,760 from 2015. This was due to strong increases in net position in the Business Type Activities.

Investment in capital assets is the largest component of total net position with 92.5% of governmental net position and 86.9% 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. The Restricted portion of Net Position decreased \$6,475,772 with the use of the previously restricted cash for the Tennis Center. 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 \$17,748,103 which is available for future spending has moved to a stronger positive position after the initial posting of the pension liability in 2015. This was a \$18,275,604 increase from 2015. It is expected that this will improve as total net position increases in the future.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

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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
	2016	2015	2016	2015	2016	2015	
Revenues:							
Program Revenues							
Charges for services	\$ 3,781,067	\$ 3,647,142	\$ 39,628,233	\$ 38,044,246	\$ 43,409,300	\$ 41,691,388	\$ 1,717,912
Operating Grants & Contributions	848,753	706,859	954,335	943,897	1,803,088	1,650,756	152,332
Capital Grants & Contributions	6,589,171	13,886,399	515,536	957,139	7,104,707	14,843,538	(7,738,831)
General Revenues							
Property Taxes	12,088,214	11,790,435	-	-	12,088,214	11,790,435	297,779
Sales Taxes	5,681,450	5,319,854	-	-	5,681,450	5,319,854	361,596
Other Taxes	8,194,490	7,930,597	-	-	8,194,490	7,930,597	263,893
Miscellaneous	1,799,055	1,267,861	142,643	142,166	1,941,698	1,410,027	531,671
Total Revenues	<u>\$ 38,982,200</u>	<u>\$ 44,549,147</u>	<u>\$ 41,240,747</u>	<u>\$ 40,087,448</u>	<u>\$ 80,222,947</u>	<u>\$ 84,636,595</u>	<u>\$ (4,413,648)</u>

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

	Governmental Activities		Business Type Activities		Total		Variance
	2016	2015	2016	2015	2016	2015	
Expenses:							
General Government	\$ 7,475,476	\$ 5,643,138	\$ -	\$ -	\$ 7,475,476	\$ 5,643,138	\$ 1,832,338
Public Safety	7,636,513	7,849,538	-	-	7,636,513	7,849,538	(213,025)
Public Works	8,836,404	10,626,182	-	-	8,836,404	10,626,182	(1,789,778)
Public Facilities	1,431,980	1,355,749	-	-	1,431,980	1,355,749	76,231
Public Services	423,478	448,905	-	-	423,478	448,905	(25,427)
Community Development	1,095,466	1,079,420	-	-	1,095,466	1,079,420	16,046
Education	1,681,555	1,425,286	-	-	1,681,555	1,425,286	256,269
Interest on Debt	520,096	933,083	-	-	520,096	933,083	(412,987)
Water and Sewer	-	-	17,414,985	17,219,504	17,414,985	17,219,504	195,481
Fire	-	-	11,068,639	11,167,135	11,068,639	11,167,135	(98,496)
Solid Waste Commission	-	-	2,213,673	1,482,874	2,213,673	1,482,874	730,799
Transit	-	-	3,530,948	3,573,943	3,530,948	3,573,943	(42,995)
Building Inspection	-	-	686,892	623,797	686,892	623,797	63,095
Solid Waste Management	-	-	3,338,796	3,353,350	3,338,796	3,353,350	(14,554)
Municipal Golf	-	-	1,266,507	1,249,807	1,266,507	1,249,807	16,700
Public Facilities	-	-	332,706	323,703	332,706	323,703	9,003
Tennis Center	-	-	553,073	8,387	-	-	-
Total Expenses	<u>29,100,968</u>	<u>29,361,301</u>	<u>40,406,219</u>	<u>39,002,500</u>	<u>68,954,114</u>	<u>68,355,414</u>	<u>598,700</u>
Increase (decrease) in net position before transfers	9,881,232	15,187,846	834,528	1,084,948	10,715,760	16,272,794	(5,557,034)
Transfers	<u>(17,305,605)</u>	<u>(6,247,620)</u>	<u>17,305,605</u>	<u>6,247,620</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	(7,424,373)	8,940,226	18,140,133	7,332,568	10,715,760	16,272,794	(5,557,034)
Beginning 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>
Ending Net Position	<u>\$ 132,961,868</u>	<u>\$ 140,386,241</u>	<u>\$ 175,484,343</u>	<u>\$ 157,344,210</u>	<u>\$ 308,446,211</u>	<u>\$ 297,730,451</u>	<u>\$ 10,715,760</u>

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

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

The City's overall revenues decreased \$4,413,648 or 5.2% from 2015. 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 2016 and a tax millage rate increase. Sales Tax revenues increased some \$361,596 from 2015 due to the refund remitted back to the Georgia Department of Revenue in 2015. Other revenue sources, as previously noted, had modest increases or have remained flat during 2016.

On the expense side, General Government expenses increased due to the re-allocation of retirement and additional health insurance expenses. Public Works was up due to more capital expenses. Most other expense line items were in line with 2015 expenditures.

In the Business Activities, Water and Sewer, Fire, Transit, and Solid Waste Management expenses had very modest increases due to a reallocation of retirement expenses that moved down to the transfer out expense.

Solid Waste Commission expenses are up over 2015 due to additional expenses for closure and post-closure costs.

The Tennis Center had additional expenses as the center was operational as of August of 2016.

The increase in the transfers between Governmental and Business Activities reflect the asset transfer of the Tennis Center.

These combined decreases in revenues, modest increase in expenditures, and the larger transfer out has created a decrease in net position of \$7,424,373 for the Governmental Activities for 2016.

Business Type Activities ended the year with a \$18,140,133 increase to net position with the majority of that increase generating from the larger transfer in from the Governmental Activities.

The overall change in net position for the City was \$10,715,760 which was a lower increase than 2015. The City, in 2016, 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. Although other revenue sources have continued to be flat, the modest increase in some revenues is encouraging for future growth.

The City has continued to work diligently to minimize expenses for 2016 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 2016.

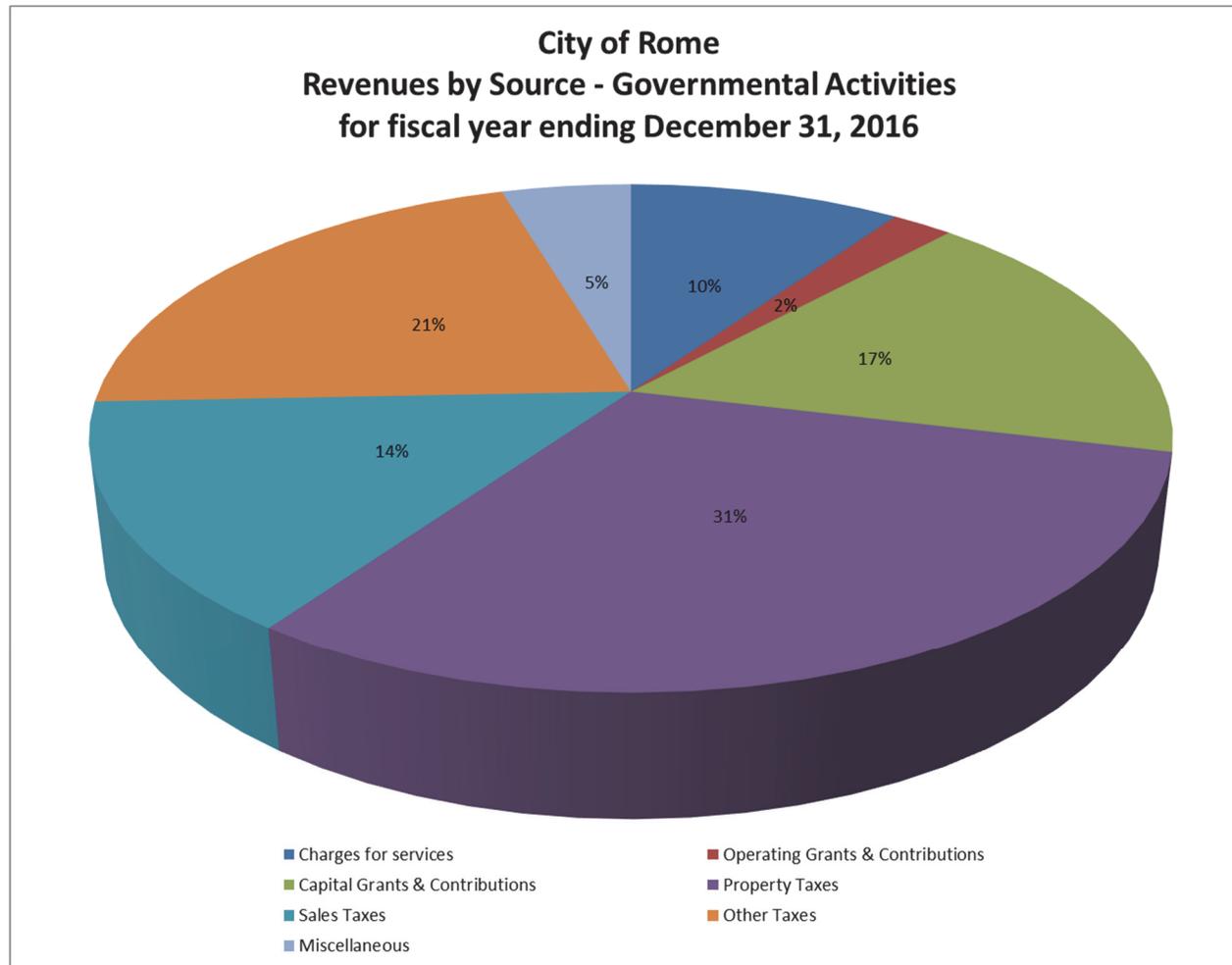
City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

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

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



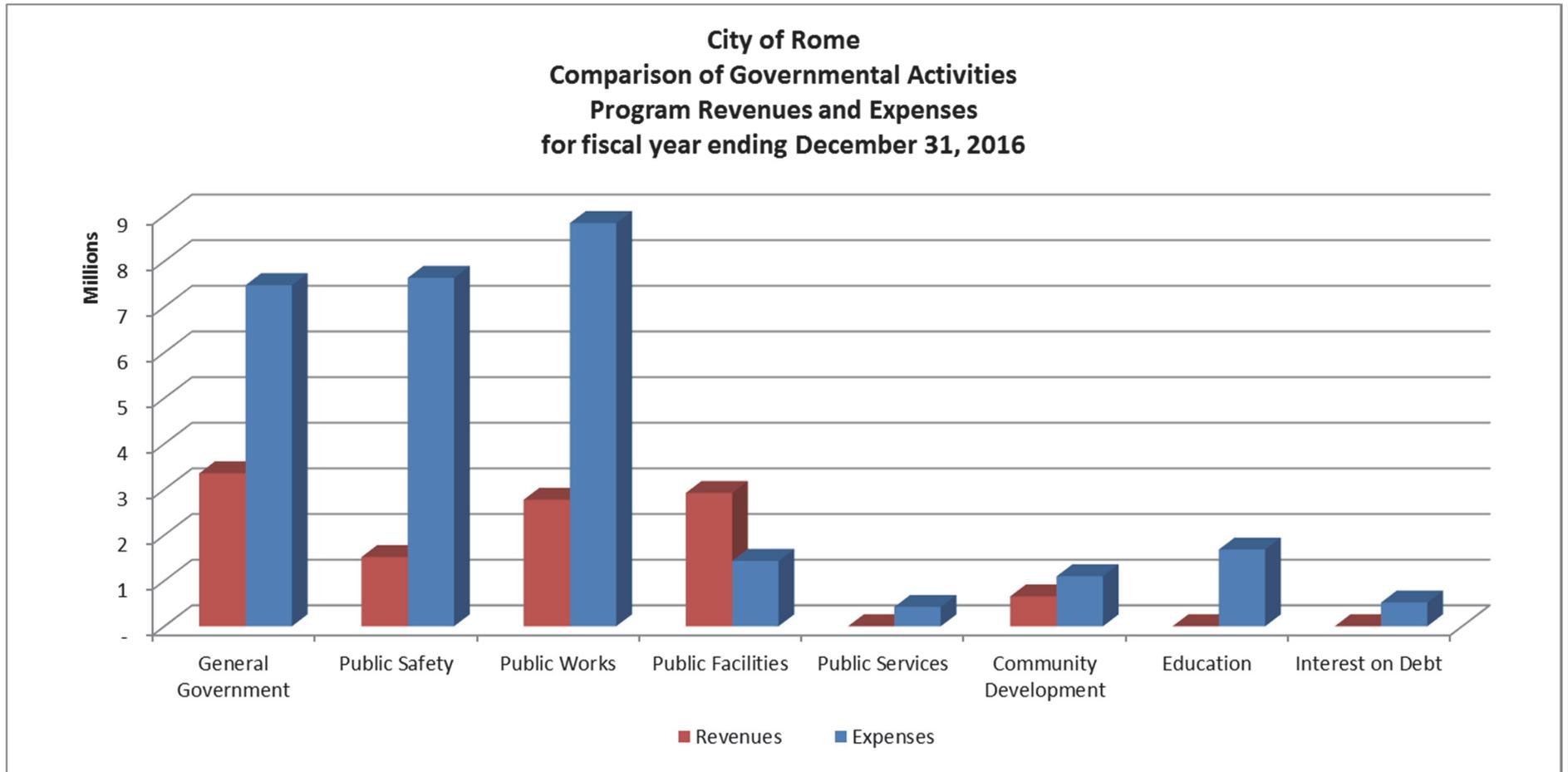
City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

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

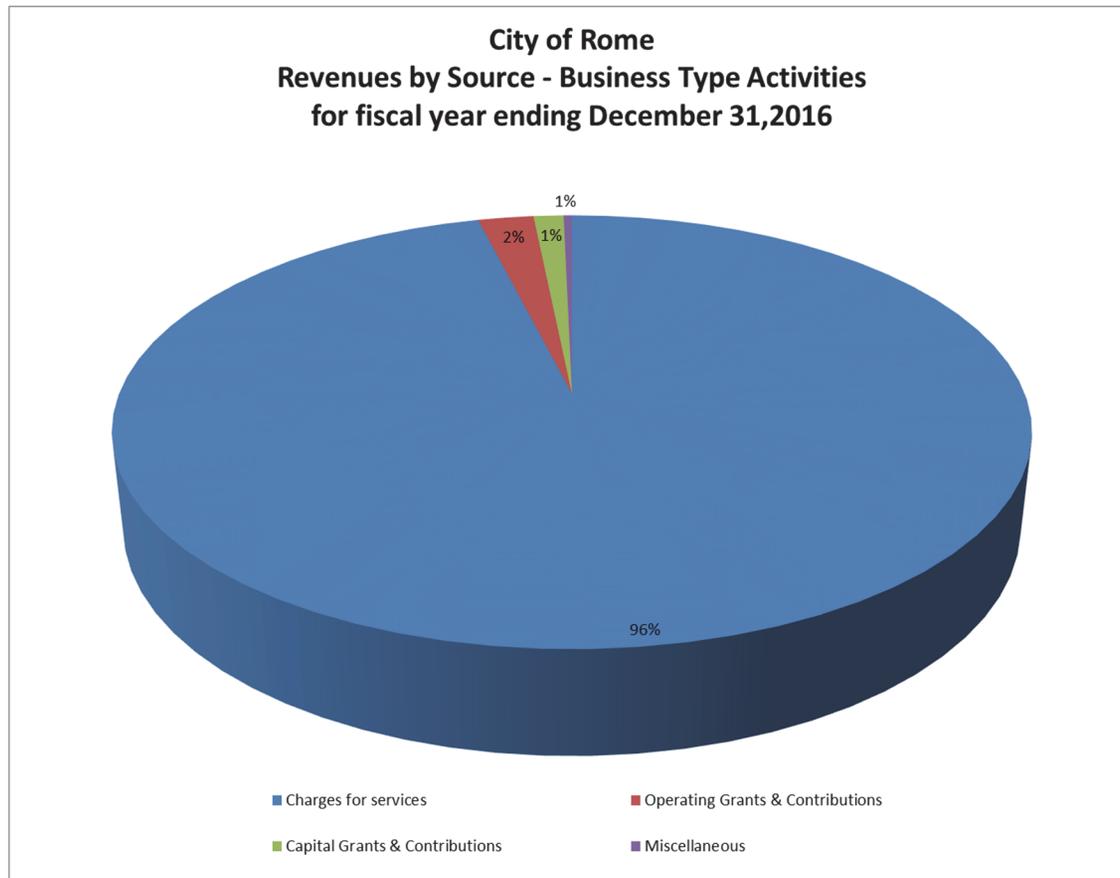
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

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

Business-type activities Charges for Services account for \$39,628,233 or 96.1% of total operating revenues. Capital Grant revenues mainly include DOT reimbursements for Transit operating and capital purchases. Transfers in of \$17,305,605 represent 29.6% of total business-type revenues and transfers. This amount is mainly due to General Fund monies transferred to the Fire Fund and the transfer of the Tennis Center from the Governmental Activities.

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



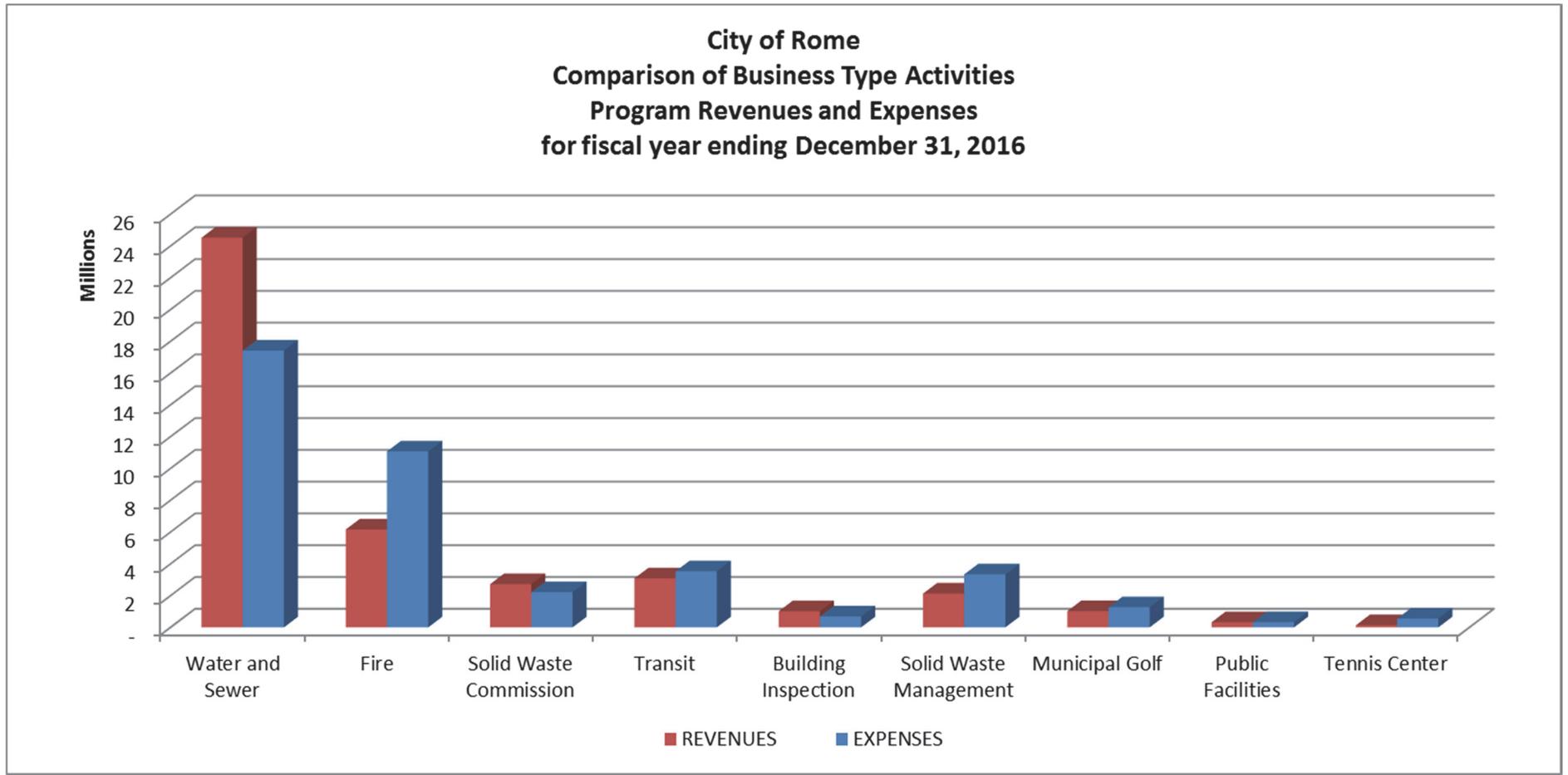
City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

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, 2016

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 2016 the City's governmental funds reported a combined ending fund balance of \$30,694,919 which is a decrease of \$2,891,147 from 2015 with most of this decrease occurring in the SPLOST fund with the completion of the SPLOST funded Tennis Center. Of this amount \$15,230,021 is unrestricted and unassigned which is a substantial increase from 2015 and demonstrates a conscious growth for future needs and expenditures. The General Fund comprises all 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 2016 the fund balance of the General Fund was \$17,283,339 with \$15,230,021 in the unrestricted and unassigned portion of fund balance. This fund balance amount represents 74.7% of General Fund operating expenditures while total fund balance represents 84.8% of the same amount.

The Nonspendable amount of fund balance of \$720,928 represents amounts held in inventories, prepaids, and the advance from the Capital Fund. The Restricted amount of \$812,390 is restricted for Cemetery maintenance. The assigned portion of the General Fund fund balance of \$520,000 is for an employee pay supplement to be paid in 2017.

The General Fund's fund balance increased by \$3,110,276 in 2016. Although most revenue sources were about the same in 2016, current year and prior year taxes were up over 2015. This was due to a higher than anticipated current year collection rate and a 1.5 mil increase in the millage rate. Sales Tax revenues were down again in 2016 some 4.6%. Title Tax decreased \$183,000 and the Georgia Power franchise fee also decreased 3.2%. Revenues up in 2016 included intangible taxes, insurance premium tax and business licenses—both encouraging economic indicators of growth. The City also had a one-time sale of property of \$600,000. On the expense side, total expenses were less than the original budget by more than \$934,000.

Capital Fund

In 2016 the Capital Fund had an increase to fund balance of \$382,451. This increase was due mainly to an increase in the allocation of property tax revenue.

Tax Allocation District Fund

The Tax Allocation District Fund had an increase in fund balance of \$121,924 due to an increase in taxes generated.

Hotel/Motel Tax Fund

The Hotel/Motel Tax fund had a significant increase of \$192,550 to fund balance due to an increase in overall revenues.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

FINANCIAL ANALYSIS OF THE CITY'S FUNDS-Continued

SPLOST Fund

The SPLOST fund had a decrease in fund balance of \$6,775,785 due to the construction expenses of the Tennis Center.

Business Improvement District Fund

The BID fund had an increase in fund balance of \$43,562 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 a combined net position of \$173,794,861 at year end with the Water and Sewer Fund comprising \$139,840,554 or 80% of that total.

The Water and Sewer Fund had an increase of \$5,955,091 in net position for fiscal year 2016. This increase was due to an increase in operating revenues. The Water and Sewer Fund also had a bond coverage ratio of 2.4 for 2016, which is well above the covenant requirement of 1.2. This increase was anticipated due to the increase in revenues and also a decrease in bond payments.

The Fire Fund had a decrease in net position of \$112,231. The fund had budgeted an allocation of net position of \$100,000 but depreciation expense was more than anticipated.

The Solid Waste Commission Fund had an increase in net position of \$454,413 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 \$257,327. This was due to a substantial increase in overall permit revenue, and hopefully a good economic indicator of improvement in the economy.

The Municipal Golf Fund had an increase in net position of \$342,373. This was due to an increase in revenues and an increase in the transfer from the General Fund.

The Tennis Center Fund is a new proprietary fund and accounted for operations of the Tennis Center which was operational in 2016. A 2% additional hotel/motel tax was implemented in 2014 to assist with the operations of this fund. The increase to net position of \$11,565,332 is mainly comprised of \$11,689,385 for the transfer of the completed asset from the SPLOST fund.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

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 \$3,378,165 more in operating expenses than the original budget. This increase was mainly due to the consolidation of three separate special revenue funds that are collapsed into the General fund and the General fund making the entire retirement contributions for the City. Also expensed from the General Fund is the net effect of the retirees OPEB costs. The City ended the year with slightly more in revenues than budget and significantly under in expenditures for an increase to fund balance of \$3,110,276. There were changes to the original budget due to the retirement and OPEB payments.

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.
- Transfers in from other funds revenues were increased to reflect the re-allocation of retirement and OPEB health costs from the Business Type Activity funds.
- General Administration was adjusted to account for the expenses for retirement and additional health insurance costs.
- Community Development expenses were increased to accommodate the consolidation of the special revenue funds.
- Public Works department was increased due to personnel addition.
- 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 2016 include:

- Prior Year and Current Year Tax revenues were over budget due to increased collections and increase in tax millage rate.
- Title Tax Fee revenue decreased from prior year and significantly below anticipated budget
- Franchise fee revenue for Georgia Power was slightly below 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.
- Business Licenses and Alcohol fees were up over budget.
- Charges for Services include revenues for Parking included in the consolidation of the special revenue funds.
- Purchasing department was under budget due to personnel changes.
- Police Department ended the year with expenditures under budget by \$628,115. This is significant because this department is one of the largest General Fund departmental budgets.
- Engineering office is under budget due to a personnel vacancy.
- Street department was under budget mainly due to a personnel vacancy.
- Garage was under budget in personal services due to personnel changes.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

General Fund operating expenditures ended the year under final budget numbers by some \$1,352,149. This was one of the main reasons that the fund ended the year with an increase to fund balance of \$3,110,276.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Rome has invested \$275,423,778 in capital assets net of debt, with \$123,002,184 in governmental activities and \$152,421,594 in business-type activities. Capital assets for that calculation include machinery and equipment, buildings, land, and infrastructure. The 2016 Activity includes the transfer of the completed Tennis Center from Governmental Activities to Business Type Activities.

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, 2016**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 11,893,092	\$ 12,007,375	\$ 8,081,487	\$ 8,081,487	\$ 19,974,579	\$ 20,088,862
Construction in Progress	6,048,149	7,622,009	1,963,999	1,013,124	8,012,148	8,635,133
Buildings	121,854,713	120,398,412	115,267,693	108,946,328	237,122,406	229,344,740
Improvements other than buildings	6,020,507	6,303,780	24,509,710	18,930,430	30,530,217	25,234,210
Machinery & Equipment	6,192,264	5,904,901	15,663,604	14,980,303	21,855,868	20,885,204
Vehicles	5,771,133	5,521,733	22,087,473	21,992,214	27,858,606	27,513,947
Infrastructure	134,996,167	134,758,365	151,507,635	149,659,634	286,503,802	284,417,999
Total	292,776,025	292,516,575	339,081,601	323,603,520	631,857,626	616,120,095
Accumulated depreciation	(153,005,852)	(146,159,557)	(150,779,029)	(142,488,019)	(303,784,881)	(288,647,576)
Net Capital Assets	<u>\$ 139,770,173</u>	<u>\$ 146,357,018</u>	<u>\$ 188,302,572</u>	<u>\$ 181,115,501</u>	<u>\$ 328,072,745</u>	<u>\$ 327,472,519</u>

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

CAPITAL ASSETS AND DEBT ADMINISTRATION - continued

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

- New City Phone system of \$130,376
- City Hall/Auditorium Renovations and Improvements \$887,057
- Street Department equipment purchases of \$512,180
- Street Improvements of \$430,872
- Tennis Center Construction Expenses of \$7,726,088
- Police Vehicle purchases of \$202,557

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

- Transit Capital Equipment Improvements of \$262,765
- Solid Waste Equipment purchases of \$318,682
- Fire Equipment purchases of \$354,055
- Landfill Equipment and Improvements of \$408,325
- NorthEast Sewer Improvements of \$308,212

Additional information on the City of Rome's Capital assets can be found in Note III- (C) on pages 56-60.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

Long-term Debt

At December 31, 2016 the City of Rome had \$54,960,986 in bonds, capital leases, intergovernmental agreements and notes payable. This is a \$8,930,245 decrease from 2015 and reflects normal annual debt service payments. 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, 2016

	Governmental	Business-Type	Total
	Activities	Activities	
Bonds	\$ 13,677,093	\$ 34,952,255	\$ 48,629,348
Notes Payable	712,195	2,263,267	2,975,462
Intergovernmental Agreement	3,237,500	-	3,237,500
Capital Leases	-	118,676	118,676
	<u>\$ 17,626,788</u>	<u>\$ 37,334,198</u>	<u>\$ 54,960,986</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 64-73 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Revenue source collections during the 2016 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 and title tax fees continued their decline. Local option sales tax revenues overall were down from 2015 gross receipts. Slightly up in 2016 were the insurance premium tax and Alcohol taxes. 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 or at best flat. 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 was phased completely out in 2016. The Title tax fee was substantially down in 2016 due to the re-allocation of the distribution from the state. 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, 2016

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET-continued

Also of some concern is that because the City was not able to give competitive 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 area with the continued loss of Police and Firemen. The City had a tax millage increase in 2016, the first significant increase in over 25 years. This increase was to help raise current revenues and to help ensure some increase of future revenues. Budgetary factors of concern as the 2017 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 as the costs of these services is outpacing any corresponding revenues.
- 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.
- New legislation affecting health insurance coverage (cancer) for firefighters.

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, 2016

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Greater Rome Convention & Visitors Bureau	Rome Board of Education
	Activities	Activities			
ASSETS					
Current Assets:					
Cash	\$ 20,120,790	\$ 30,459,482	\$ 50,580,272	\$ 113,643	\$ 14,107,962
Accounts receivable, net	3,876,487	2,591,393	6,467,880	148	-
Accounts receivable, loans	240,074	-	240,074	-	-
Taxes receivable, net	1,931,142	-	1,931,142	-	-
Due from primary government	-	-	-	4,064	-
Due from other governments	1,819,820	1,547,044	3,366,864	9,625	7,316,916
Internal balances	126,574	(126,574)	-	-	-
Due from component units	527	2,644	3,171	-	-
Inventory	130,728	1,022,830	1,153,558	-	35,354
Prepaid items	200	14,734	14,934	-	-
Total current assets	28,246,342	35,511,553	63,757,895	127,480	21,460,232
Non Current Assets:					
Restricted Assets					
Cash	3,160,180	1,054,352	4,214,532	-	-
Investments	2,439,482	-	2,439,482	-	-
Other noncurrent assets, derivative	1,161,918	-	1,161,918	-	-
Prepaid bond insurance	-	111,023	111,023	-	-
Capital Assets					
Non-depreciable assets	17,941,241	10,045,486	27,986,727	-	157,048
Depreciable assets, net of depreciation	121,828,932	178,257,086	300,086,018	56,036	7,604,888
Total noncurrent assets	146,531,753	189,467,947	335,999,700	56,036	7,761,936
TOTAL ASSETS	174,778,095	224,979,500	399,757,595	183,516	29,222,168
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	130,526	1,342,197	1,472,723	-	-
Pension plan contributions subsequent to the measurement date	2,300,243	-	2,300,243	-	4,395,332
Difference between employer contributions and employer proportionate share of contributions	-	-	-	-	2,492,209
Pension plan investment earnings differences	2,956,279	-	2,956,279	-	-
Pension plan experience difference	2,228,428	-	2,228,428	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	7,615,476	1,342,197	8,957,673	-	6,887,541
LIABILITIES					
Current Liabilities:					
Accounts payable	1,029,201	1,000,593	2,029,794	13,307	1,122,309
Accrued liabilities	549,744	650,577	1,200,321	7,640	6,437,671
Accrued interest payable	164,824	-	164,824	-	-
Retainage payable	-	26,734	26,734	-	-
Unearned revenues	-	140,889	140,889	-	-
Due to primary government	-	-	-	3,171	-
Due to component units	3,588	476	4,064	-	-
Due to other governments	44,224	63,051	107,275	-	-
Capital leases payable-current	-	118,676	118,676	-	-
Intergovernmental agreements payable-current	155,000	-	155,000	-	-
Bonds payable-current	2,750,000	972,000	3,722,000	-	-
Closure and postclosure care-current	-	229,538	229,538	-	-
Notes payable-current	233,452	103,716	337,168	-	-
Claims payable	-	779,076	779,076	-	-
Compensated absences payable	749,386	1,028,291	1,777,677	23,794	53,836
Total current liabilities	5,679,419	5,113,617	10,793,036	47,912	7,613,816

continued

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
December 31, 2016

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Greater Rome	Rome Board
	Activities	Activities		Convention & Visitors Bureau	of Education
Long-Term Liabilities:					
Customer deposits	\$ -	\$ 932,178	\$ 932,178	\$ -	\$ -
Closure and postclosure care-long term	-	8,308,990	8,308,990	-	-
Compensated absences payable-long term	249,797	342,763	592,560	7,932	-
Net other post employment benefits obligation	1,490,988	-	1,490,988	-	-
Intergovernmental agreements payable-long term	3,082,500	-	3,082,500	-	-
Notes payable-long term	478,743	2,159,551	2,638,294	-	-
Bonds payable (net of current portion)	10,927,093	33,980,255	44,907,348	-	2,000,000
Net pension liability	25,223,851	-	25,223,851	-	42,340,856
Total long term liabilities	41,452,972	45,723,737	87,176,709	7,932	44,340,856
TOTAL LIABILITIES	47,132,391	50,837,354	97,969,745	55,844	51,954,672
DEFERRED INFLOWS OF RESOURCES					
Deferred change in fair value of hedging derivative instruments	1,161,918	-	1,161,918	-	-
Net difference between projected and actual pension plan investment earnings	-	-	-	-	3,571,496
Experience differences - pension	-	-	-	-	372,410
Pension plan assumption changes	1,137,394	-	1,137,394	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	2,299,312	-	2,299,312	-	3,943,906
NET POSITION					
Net investment in capital assets	123,002,184	152,421,594	275,423,778	56,036	5,761,936
Restricted for:					
Capital projects	9,734,209	-	9,734,209	-	2,472,619
Other purposes:					
Revolving loans and housing initiatives	469,221	-	469,221	-	-
Debt service	-	711,548	711,548	-	-
Tennis center	-	370,950	370,950	-	-
Food services	-	-	-	-	531,041
School activities	-	-	-	-	1,870,458
Tourism and forum promotions	620,553	-	620,553	-	-
Planning and zoning activities	59,715	-	59,715	-	-
Forum parking deck operations	56,262	-	56,262	-	-
Cemetery perpetual care	812,390	-	812,390	-	-
GMA leasepool	2,439,482	-	2,439,482	-	-
Unrestricted	(4,232,148)	21,980,251	17,748,103	71,636	(30,424,923)
TOTAL NET POSITION	\$ 132,961,868	\$ 175,484,343	\$ 308,446,211	\$ 127,672	\$ (19,788,869)

CITY OF ROME, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

	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	\$ 7,475,476	\$ 2,412,813	\$ 110,092	\$ 829,630	\$ (4,122,941)	\$ -	\$ (4,122,941)	\$ -	\$ -
Public Safety	7,636,513	1,219,412	56,831	240,616	(6,119,654)	-	(6,119,654)	-	-
Public Works	8,836,404	-	175,541	2,596,933	(6,063,930)	-	(6,063,930)	-	-
Public Facilities	1,431,980	-	-	2,921,992	1,490,012	-	1,490,012	-	-
Public Services	423,478	-	-	-	(423,478)	-	(423,478)	-	-
Community Development	1,095,466	148,842	506,289	-	(440,335)	-	(440,335)	-	-
Education	1,681,555	-	-	-	(1,681,555)	-	(1,681,555)	-	-
Interest on Debt	520,096	-	-	-	(520,096)	-	(520,096)	-	-
Total Governmental Activities	29,100,968	3,781,067	848,753	6,589,171	(17,881,977)	-	(17,881,977)	-	-
Business-Type Activities:									
Water and Sewer	17,414,985	24,518,634	-	-	-	7,103,649	7,103,649	-	-
Fire	11,068,639	6,137,287	2,854	21,500	-	(4,906,998)	(4,906,998)	-	-
Solid Waste Commission	2,213,673	2,721,435	-	-	-	507,762	507,762	-	-
Transit	3,530,948	1,678,259	910,226	494,036	-	(448,427)	(448,427)	-	-
Building Inspection	686,892	969,686	41,255	-	-	324,049	324,049	-	-
Solid Waste Management	3,338,796	2,125,899	-	-	-	(1,212,897)	(1,212,897)	-	-
Municipal Golf Course	1,266,507	1,018,795	-	-	-	(247,712)	(247,712)	-	-
Public Facilities	332,706	322,021	-	-	-	(10,685)	(10,685)	-	-
Tennis Center	553,073	136,217	-	-	-	(416,856)	(416,856)	-	-
Total Business-Type Activities:	40,406,219	39,628,233	954,335	515,536	-	691,885	691,885	-	-
Total - Primary Government	\$ 69,507,187	\$ 43,409,300	\$ 1,803,088	\$ 7,104,707	\$ (17,881,977)	\$ 691,885	\$ (17,190,092)	\$ -	\$ -
Component Units									
Rome Board of Education	\$ 60,440,941	\$ 754,943	\$ 40,174,076	\$ 131,123	-	-	-	\$ -	\$ (19,380,799)
Greater Rome Convention & Visitors Bureau	653,110	19,013	672,045	-	-	-	-	37,948	-
Total - Component Units	\$ 61,094,051	\$ 773,956	\$ 40,846,121	\$ 131,123	-	-	-	\$ 37,948	\$ (19,380,799)
GENERAL REVENUES:									
Taxes:									
Property					\$ 12,088,214	\$ -	\$ 12,088,214	\$ -	\$ 18,380,755
Sales					5,681,450	-	5,681,450	-	5,222,183
Franchise					3,629,318	-	3,629,318	-	-
Insurance Premium					2,280,737	-	2,280,737	-	-
Alcoholic Beverage					879,011	-	879,011	-	-
Intangible					212,097	-	212,097	-	-
Hotel/Motel					1,193,327	-	1,193,327	-	-
Other					251,316	-	251,316	-	-
Gain on Disposal of Capital Assets					-	26,237	26,237	-	-
Interest Earned					711,133	112,756	823,889	-	94,227
Miscellaneous					836,606	3,650	840,256	-	-
Total General Revenues					27,763,209	142,643	27,905,852	-	23,697,165
Transfers					(17,305,605)	17,305,605	-	-	-
Total General Revenues and Transfers					10,457,604	17,448,248	27,905,852	-	23,697,165
Change in Net Position					(7,424,373)	18,140,133	10,715,760	37,948	4,316,366
NET POSITION BEGINNING OF YEAR					140,386,241	157,344,210	297,730,451	89,724	(24,105,235)
NET POSITION END OF YEAR					\$ 132,961,868	\$ 175,484,343	\$ 308,446,211	\$ 127,672	\$ (19,788,869)

**CITY OF ROME, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016**

	<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	\$ 13,576,323	\$ 269,463	\$ 5,009,575	\$ 1,265,429	\$ 20,120,790
Taxes receivable, net of allowances for uncollectibles	1,926,430	-	-	4,712	1,931,142
Accounts receivable, net of allowances for uncollectibles	3,767,151	23,186	-	86,150	3,876,487
Accounts receivable loans	-	-	-	240,074	240,074
Due from other governments	945,144	37,620	535,767	301,289	1,819,820
Due from other funds	293,694	2,481,280	-	21,620	2,796,594
Due from component units	527	-	-	-	527
Prepaid items	200	-	-	-	200
Inventories	130,728	-	-	-	130,728
Restricted cash	399,070	-	2,761,110	-	3,160,180
Restricted investments	-	2,439,482	-	-	2,439,482
Advances due from other funds	590,000	1,194,438	-	-	1,784,438
TOTAL ASSETS	<u>\$ 21,629,267</u>	<u>\$ 6,445,469</u>	<u>\$ 8,306,452</u>	<u>\$ 1,919,274</u>	<u>\$ 38,300,462</u>
LIABILITIES:					
Accounts payable	\$ 800,614	\$ 15,883	\$ 130,945	\$ 81,759	\$ 1,029,201
Accrued liabilities	284,369	-	257,733	7,642	549,744
Due to other funds	2,836,165	50,000	940,190	233,370	4,059,725
Due to other governments	26,773	-	-	17,451	44,224
Due to component units	-	-	-	3,588	3,588
Advances due to other funds	-	1,521,054	-	-	1,521,054
TOTAL LIABILITIES	<u>3,947,921</u>	<u>1,586,937</u>	<u>1,328,868</u>	<u>343,810</u>	<u>7,207,536</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	398,007	-	-	-	398,007
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>398,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>398,007</u>
FUND BALANCES:					
Nonspendable:					
Prepaid items	200	-	-	-	200
Inventories	130,728	-	-	-	130,728
Advances due from other funds	590,000	-	-	-	590,000
Restricted for:					
Revolving loans and housing initiatives	-	-	-	469,221	469,221
Planning and zoning activities	-	-	-	59,715	59,715
Tourism and forum promotion	-	-	-	620,553	620,553
Capital improvements	-	2,419,050	6,977,584	337,575	9,734,209
Forum parking deck operations	-	-	-	56,262	56,262
Cemetery perpetual care	812,390	-	-	-	812,390
GMA leasepool	-	2,439,482	-	-	2,439,482
Assigned for:					
Community development operations	-	-	-	32,138	32,138
Employee pay supplement	520,000	-	-	-	520,000
Unassigned	<u>15,230,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,230,021</u>
TOTAL FUND BALANCES	<u>17,283,339</u>	<u>4,858,532</u>	<u>6,977,584</u>	<u>1,575,464</u>	<u>30,694,919</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 21,629,267</u>	<u>\$ 6,445,469</u>	<u>\$ 8,306,452</u>	<u>\$ 1,919,274</u>	<u>\$ 38,300,462</u>

CITY OF ROME, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2016

TOTAL GOVERNMENTAL FUND BALANCES		\$ 30,694,919
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	\$ 292,776,025	
Less accumulated depreciation	<u>(153,005,852)</u>	139,770,173
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.		
		1,126,321
The derivative is not a current financial resource and is not recorded in the fund statements.		
		1,161,918
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	398,007	
Deferred charges on refunding	130,526	
Derivative - effective hedge	<u>(1,161,918)</u>	(633,385)
Net other post employment benefits obligations are not due and payable in the current period and, therefore, not reported in the funds		
		(1,490,988)
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.		
		(18,876,295)
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	164,824	
Compensated absences	999,183	
Notes payable	712,195	
GMA lease pool contract certificates of participation	4,527,000	
Bonds payable	9,150,093	
Intergovernmental agreements	<u>3,237,500</u>	<u>(18,790,795)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 132,961,868</u>

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	Major Governmental Funds			Non- major Governmental Funds	Total Governmental Funds
	General	Capital	SPLOST		
REVENUES:					
Taxes	\$ 23,697,685	\$ 1,893,000	\$ -	\$ 1,444,643	\$ 27,035,328
Licenses and permits	1,946,583	-	-	-	1,946,583
Intergovernmental	342,464	510,837	4,962,186	968,487	6,783,974
Charges for services	466,230	-	-	148,842	615,072
Fines and forfeitures	1,219,412	-	-	-	1,219,412
Interest earned	406,552	265,832	29,907	8,842	711,133
Miscellaneous	739,904	96,702	-	-	836,606
TOTAL REVENUES	28,818,830	2,766,371	4,992,093	2,570,814	39,148,108
EXPENDITURES:					
Current:					
General government	6,494,650	-	-	-	6,494,650
Public safety	7,243,435	-	-	-	7,243,435
Public works	5,389,963	-	-	-	5,389,963
Public facilities	511,658	-	-	693,596	1,205,254
Public services	418,662	-	-	-	418,662
Community development	324,933	-	-	752,910	1,077,843
Capital outlay	-	2,301,697	8,539,862	462,198	11,303,757
Debt service					
Principal	-	339,053	2,200,000	33,024	2,572,077
Interest	-	390,421	411,448	21,976	823,845
TOTAL EXPENDITURES	20,383,301	3,031,171	11,151,310	1,963,704	36,529,486
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,435,529	(264,800)	(6,159,217)	607,110	2,618,622

continued

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	<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	\$ 3,951,878	\$ 590,800	\$ -	\$ 238,715	\$ 4,781,393
Transfers out	(9,277,131)	(50,000)	(616,568)	(453,914)	(10,397,613)
Proceeds from sale of capital assets	-	106,451	-	-	106,451
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,325,253)</u>	<u>647,251</u>	<u>(616,568)</u>	<u>(215,199)</u>	<u>(5,509,769)</u>
NET CHANGE IN FUND BALANCES	3,110,276	382,451	(6,775,785)	391,911	(2,891,147)
FUND BALANCES - BEGINNING 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>
FUND BALANCES - END OF YEAR	<u>\$ 17,283,339</u>	<u>\$ 4,858,532</u>	<u>\$ 6,977,584</u>	<u>\$ 1,575,464</u>	<u>\$ 30,694,919</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, 2016

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	(2,891,147)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures.		
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		
Capital outlay	\$ 12,027,236	
Depreciation expense	<u>(7,429,437)</u>	4,597,799
Governmental funds do not report the acquisition of capital assets acquired through donations or capital contributions.		
However, in the statement of activities, the costs of those assets are reported at market value.		
Assets acquired through donation or capital contributions-current year		653,950
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals) to decrease net position.		
		(11,838,594)
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.		
		(8,792)
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		(819,858)
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.		
Bond issuance premium	295,268	
Amortization of deferred charges on refunding	(8,158)	
Accrual of interest expense	16,639	
Long-term debt principal payment	<u>2,572,077</u>	2,875,826
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	(58,187)	
Pension expense	<u>(178,000)</u>	(236,187)
The decrease in other post employment benefits obligations did not provide financial resources and, therefore, was not reported as in governmental funds, but is in the Statement of Activities.		
		<u>242,630</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>(7,424,373)</u></u>

**CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2016**

	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	\$ 12,195,564	\$ 1,043,090	\$ 10,256,593	\$ 4,463,397	\$ 27,958,644	\$ 2,500,838
Restricted cash	711,548	-	-	342,804	1,054,352	-
Accounts receivable, net of allowances for uncollectibles	2,127,929	-	217,397	246,067	2,591,393	-
Due from other governments	1,173,847	33,509	194	339,494	1,547,044	-
Due from other funds	981,936	-	-	333,987	1,315,923	209,784
Due from component units	-	-	-	40	40	2,604
Prepaid items	-	-	-	9,167	9,167	5,567
Inventories	689,005	9,653	-	324,172	1,022,830	-
Total Current Assets	17,879,829	1,086,252	10,474,184	6,059,128	35,499,393	2,718,793
Noncurrent Assets:						
Advances due from other funds	-	-	-	-	-	931,054
Prepaid bond insurance	111,023	-	-	-	111,023	-
Capital assets						
Non-depreciable assets	3,183,930	148,424	729,729	5,983,403	10,045,486	-
Depreciable assets, net of accumulated depreciation	153,968,647	5,059,366	3,164,895	16,064,178	178,257,086	-
Total Noncurrent Assets	157,263,600	5,207,790	3,894,624	22,047,581	188,413,595	931,054
TOTAL ASSETS	175,143,429	6,294,042	14,368,808	28,106,709	223,912,988	3,649,847
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	1,181,569	-	-	160,628	1,342,197	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,181,569	-	-	160,628	1,342,197	-

continued

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2016

	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	\$ -	\$ -	\$ 229,538	\$ -	\$ 229,538	\$ -
Revenue bonds, current	642,000	-	-	330,000	972,000	-
Accounts payable	600,690	35,578	155,209	155,899	947,376	53,217
Retainage payable	-	-	26,734	-	26,734	-
Accrued liabilities	237,211	179,068	11,846	220,749	648,874	1,703
Unearned revenue	80,550	-	-	60,339	140,889	-
Due to other governments	3,555	13,369	46,127	-	63,051	-
Due to other funds	38,108	94,475	23,815	106,130	262,528	48
Due to component unit	-	-	-	476	476	-
Compensated absences, current	245,517	609,253	21,862	151,659	1,028,291	-
Claims payable	-	-	-	-	-	779,076
Notes payable, current	103,716	-	-	-	103,716	-
Capital leases, current	-	118,676	-	-	118,676	-
Total Current Liabilities	<u>1,951,347</u>	<u>1,050,419</u>	<u>515,131</u>	<u>1,025,252</u>	<u>4,542,149</u>	<u>834,044</u>
Long-Term Liabilities:						
Closure and post closure care	-	-	8,308,990	-	8,308,990	-
Customer deposits	932,178	-	-	-	932,178	-
Revenue bonds, long-term	31,173,812	-	-	2,806,443	33,980,255	-
Notes payable, long-term	2,159,551	-	-	-	2,159,551	-
Advances due to Capital Fund	185,717	201,196	233,600	573,925	1,194,438	-
Compensated absences, long term	81,839	203,084	7,287	50,553	342,763	-
Total Long-Term Liabilities	<u>34,533,097</u>	<u>404,280</u>	<u>8,549,877</u>	<u>3,430,921</u>	<u>46,918,175</u>	<u>-</u>
TOTAL LIABILITIES	<u>36,484,444</u>	<u>1,454,699</u>	<u>9,065,008</u>	<u>4,456,173</u>	<u>51,460,324</u>	<u>834,044</u>
NET POSITION						
Net investment in capital assets	124,366,090	5,089,114	3,894,624	19,071,766	152,421,594	-
Restricted for debt service	711,548	-	-	-	711,548	-
Restricted for tennis center	-	-	-	370,950	370,950	-
Unrestricted (deficit)	14,762,916	(249,771)	1,409,176	4,368,448	20,290,769	2,815,803
TOTAL NET POSITION	<u>\$ 139,840,554</u>	<u>\$ 4,839,343</u>	<u>\$ 5,303,800</u>	<u>\$ 23,811,164</u>	<u>\$ 173,794,861</u>	<u>\$ 2,815,803</u>

CITY OF ROME, GEORGIA
RECONCILIATION OF PROPRIETARY FUND NET POSITION TO
BUSINESS TYPE ACTIVITIES STATEMENT OF NET POSITION
December 31, 2016

TOTAL PROPRIETARY FUND NET POSITION \$ 173,794,861

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.

1,689,482

NET POSITION OF BUSINESS TYPE ACTIVITIES \$ 175,484,343

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2016

	Enterprise Funds					Internal Service Funds
	Major Enterprise Funds			Non-major Enterprise Funds	Total	
	Water & Sewer System	Fire	Solid Waste Commission			
OPERATING REVENUES						
Metered sales	\$ 23,960,847	\$ -	\$ -	\$ -	\$ 23,960,847	\$ -
Charges for services	557,358	6,125,000	2,721,161	6,101,521	15,505,040	7,886,114
Interest	-	11	-	-	11	-
Miscellaneous	429	12,276	274	149,356	162,335	-
TOTAL OPERATING REVENUES	24,518,634	6,137,287	2,721,435	6,250,877	39,628,233	7,886,114
OPERATING EXPENSES						
Cost of goods sold	-	-	-	99,282	99,282	-
Salaries and employee benefits	5,077,063	9,459,507	609,204	5,162,224	20,307,998	105,457
Supplies	1,324,372	437,261	192,753	606,977	2,561,363	-
Maintenance and repairs	890,449	114,610	91,852	326,351	1,423,262	-
Other services and charges	2,177,782	390,147	318,331	1,903,890	4,790,150	1,857,215
Depreciation	6,449,836	654,241	596,710	1,462,313	9,163,100	-
Claims	-	-	-	-	-	5,848,155
Closure and postclosure costs	-	-	237,516	-	237,516	-
Administrative fees	38,230	-	-	-	38,230	385,449
TOTAL OPERATING EXPENSES	15,957,732	11,055,766	2,046,366	9,561,037	38,620,901	8,196,276
OPERATING INCOME (LOSS)	8,560,902	(4,918,479)	675,069	(3,310,160)	1,007,332	(310,162)

continued

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2016

	Enterprise Funds					
	Major Enterprise Funds			Non-major Enterprise Funds	Total	Internal Service Funds
	Water & Sewer System	Fire	Solid Waste Commission			
NON-OPERATING INCOME (EXPENSE)						
Intergovernmental revenue	\$ -	\$ 2,854	\$ -	\$ 951,481	\$ 954,335	\$ 250,445
Intergovernmental expense	-	-	(167,307)	-	(167,307)	-
Interest income	29,793	1,172	35,754	8,300	75,019	37,737
Interest expense	(1,406,328)	(12,873)	-	(147,885)	(1,567,086)	-
Miscellaneous revenue	3,650	-	-	-	3,650	-
Gain (loss) on disposal of capital assets	(1,474)	308	13,346	14,057	26,237	-
TOTAL NON-OPERATING INCOME (EXPENSE)	<u>(1,374,359)</u>	<u>(8,539)</u>	<u>(118,207)</u>	<u>825,953</u>	<u>(675,152)</u>	<u>288,182</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	7,186,543	(4,927,018)	556,862	(2,484,207)	332,180	(21,980)
Transfers in	351,415	6,352,556	-	2,761,748	9,465,719	-
Transfers out	(1,582,867)	(1,559,269)	(102,449)	(604,914)	(3,849,499)	-
Capital contributions	-	21,500	-	12,183,421	12,204,921	-
CHANGE IN NET POSITION	5,955,091	(112,231)	454,413	11,856,048	18,153,321	(21,980)
NET POSITION - BEGINNING OF YEAR	<u>133,885,463</u>	<u>4,951,574</u>	<u>4,849,387</u>	<u>11,955,116</u>	<u>155,641,540</u>	<u>2,837,783</u>
NET POSITION - END OF YEAR	<u>\$ 139,840,554</u>	<u>\$ 4,839,343</u>	<u>\$ 5,303,800</u>	<u>\$ 23,811,164</u>	<u>\$ 173,794,861</u>	<u>\$ 2,815,803</u>

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, 2016

CHANGE IN NET POSITION-PROPRIETARY FUNDS	\$ 18,153,321
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.	
	<u>(13,188)</u>
CHANGE IN NET POSITION OF BUSINESS TYPE ACTIVITIES	<u><u>\$ 18,140,133</u></u>

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2016

	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	\$ 24,444,628	\$ 6,135,013	\$ 2,732,708	\$ 6,268,769	\$ 39,581,118	\$ 8,126,883
Receipts from interfund services provided	-	46,817	15,466	15,351	77,634	-
Payments to suppliers	(4,811,512)	(866,823)	(523,508)	(2,899,715)	(9,101,558)	(2,350,907)
Payments to employees	(5,045,447)	(9,412,876)	(606,667)	(5,142,423)	(20,207,413)	(105,457)
Claims paid	-	-	-	-	-	(6,033,155)
Payments for interfund services used	(275,716)	-	-	(191,693)	(467,409)	(131,450)
Net cash provided (used) by operating activities	<u>14,311,953</u>	<u>(4,097,869)</u>	<u>1,617,999</u>	<u>(1,949,711)</u>	<u>9,882,372</u>	<u>(494,086)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer from other funds	43,203	6,125,000	-	2,761,748	8,929,951	-
Transfer to other funds	(1,582,867)	(1,559,269)	(102,449)	(604,914)	(3,849,499)	-
Advances from other funds	-	-	-	318,682	318,682	-
Repayment of advances from other funds	(92,858)	(157,596)	(29,200)	(306,581)	(586,235)	-
Intergovernmental revenue	-	-	-	41,255	41,255	250,445
Intergovernmental expense	-	-	(167,307)	-	(167,307)	-
Subsidy from federal grant	-	2,854	-	910,226	913,080	-
Net cash provided (used) by noncapital financing activities	<u>(1,632,522)</u>	<u>4,410,989</u>	<u>(298,956)</u>	<u>3,120,416</u>	<u>5,599,927</u>	<u>250,445</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	-	21,500	-	494,036	515,536	-
Transfer from other funds	308,212	227,556	-	-	535,768	-
Purchases of capital assets	(3,082,670)	(362,563)	(743,282)	(492,197)	(4,680,712)	-
Principal paid on capital debt	(4,963,532)	(116,264)	-	(325,000)	(5,404,796)	-
Interest paid on capital debt	(1,406,328)	(12,873)	-	(147,885)	(1,567,086)	-
Advances to other funds	-	-	-	-	-	120,698
Proceeds from sales of capital assets	7,913	309	13,346	24,596	46,164	-
Net cash provided (used) by capital and related financing activities	<u>(9,136,405)</u>	<u>(242,335)</u>	<u>(729,936)</u>	<u>(446,450)</u>	<u>(10,555,126)</u>	<u>120,698</u>

continued

**CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2016**

	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	\$ 29,793	\$ 1,172	\$ 35,754	\$ 8,300	\$ 75,019	\$ 37,737
Net cash provided by investing activities	29,793	1,172	35,754	8,300	75,019	37,737
Net increase (decrease) in cash and cash equivalents	3,572,819	71,957	624,861	732,555	5,002,192	(85,206)
Cash and cash equivalents, January 1	9,334,293	971,133	9,631,732	4,073,646	24,010,804	2,586,044
Cash and cash equivalents, December 31	<u>\$ 12,907,112</u>	<u>\$ 1,043,090</u>	<u>\$ 10,256,593</u>	<u>\$ 4,806,201</u>	<u>\$ 29,012,996</u>	<u>\$ 2,500,838</u>
Reconciliation of Cash and Cash Equivalents:						
Cash and cash equivalents	\$ 12,195,564	\$ 1,043,090	\$ 10,256,593	\$ 4,463,397	\$ 27,958,644	\$ 2,500,838
Cash and cash equivalents - restricted	711,548	-	-	342,804	1,054,352	-
Total cash and cash equivalents	<u>\$ 12,907,112</u>	<u>\$ 1,043,090</u>	<u>\$ 10,256,593</u>	<u>\$ 4,806,201</u>	<u>\$ 29,012,996</u>	<u>\$ 2,500,838</u>

continued

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2016

	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)	\$ 8,560,902	\$ (4,918,479)	\$ 675,069	\$ (3,310,160)	\$ 1,007,332	\$ (310,162)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	6,449,836	654,241	596,710	1,462,313	9,163,100	-
Amortization	(368,180)	-	-	4,977	(363,203)	-
Miscellaneous revenues	3,650	-	-	-	3,650	-
(Increase) decrease in accounts receivable	(13,144)	(2,274)	11,350	(1,658)	(5,726)	538
(Increase) decrease in due from other governments	(64,512)	-	(77)	52,812	(11,777)	123,971
Increase in due from other funds	(297,226)	-	-	(72,029)	(369,255)	(13,057)
Increase in due from component unit	-	-	-	(2,400)	(2,400)	-
Decrease in prepaid items	-	12,373	-	-	12,373	-
(Increase) decrease in inventories	(70,934)	696	-	(11,378)	(81,616)	-
Increase (decrease) in accounts payable and accrued liabilities	56,582	62,126	316,944	45,586	481,238	(293,243)
Increase in due to other governments	1,853	-	-	-	1,853	-
Increase in compensated absences payable	31,616	46,631	2,537	19,801	100,585	-
Decrease in unearned revenue	-	-	-	(33,262)	(33,262)	-
Increase (decrease) in due to other funds	21,510	46,817	15,466	(104,313)	(20,520)	(2,133)
Total adjustments	<u>5,751,051</u>	<u>820,610</u>	<u>942,930</u>	<u>1,360,449</u>	<u>8,875,040</u>	<u>(183,924)</u>
Net cash provided (used) by operating activities	<u>\$ 14,311,953</u>	<u>\$ (4,097,869)</u>	<u>\$ 1,617,999</u>	<u>\$ (1,949,711)</u>	<u>\$ 9,882,372</u>	<u>\$ (494,086)</u>
Schedule of non-cash capital and related financing activities:						
Contributions of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,689,385</u>	<u>\$ 11,689,385</u>	<u>\$ -</u>

CITY OF ROME, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
EMPLOYEE BENEFIT TRUST FUND
December 31, 2016

	<u>Flexible Spending Fund</u>
ASSETS	
Cash	<u>\$ 26,787</u>
TOTAL ASSETS	<u>26,787</u>
NET POSITION	
Held in trust for flexible spending	<u>26,787</u>
TOTAL NET POSITION	<u><u>\$ 26,787</u></u>

**CITY OF ROME, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
EMPLOYEE BENEFIT TRUST FUND
For the Year Ended December 31, 2016**

	Flexible Spending Fund
ADDITIONS	
Contributions	\$ 151,439
Investment earnings	11
Total additions	<u>151,450</u>
 DEDUCTIONS	
Claims paid	<u>144,444</u>
Total deductions	<u>144,444</u>
 NET INCREASE	 7,006
 NET POSITION HELD IN TRUST FOR FLEXIBLE SPENDING	
 NET POSITION, BEGINNING OF YEAR	 <u>19,781</u>
 NET POSITION, END OF YEAR	 <u><u>\$ 26,787</u></u>

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, 2016

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, 2016

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, 2016

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, 2016

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, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard an Poor's criteria for AAf rated money market fund and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentations.

Increases or decreases in fair value during the year are recognized as a component of interest income.

2. Investments

The City's nonparticipating interest-earning investment contracts are recorded at cost. The remaining investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

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.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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, 2016 are recorded as prepaid items.

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 acquisition 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, 2016

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, 2016

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, 2016

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.

13. 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.

14. 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.

15. 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, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

15. 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 \$3,395,605 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, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Credit Risk. State statutes authorize the City to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposits issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds. Operating funds are currently invested in the Georgia Fund 1 and a guaranteed investment contract with the Georgia Municipal Association.

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 value. As of December 31, 2016, the City of Rome's investment in Georgia Fund 1 was rated AA Af 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, 2016, the City of Rome had the following investments:

Investment Type	Maturities	Credit Rating	Fair Value
Georgia Fund 1-included in cash	34 day weighted average	AA Af	\$ 23,174,846
Guaranteed Investment Contract	June 1, 2028	(a)	2,439,482
Totals			\$ 25,614,328

(a) This is a nonparticipating interest-earning investment contract with the Georgia Municipal Association (GMA) and is not rated.

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.

Fair value measurements. The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose investment in Georgia Fund 1 within the fair value hierarchy.

The Guaranteed Investment Contract is a nonparticipating interest-earning investment contract and, accordingly, is recorded at cost.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments - Continued

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 110% by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties or municipalities. As of December 31, 2016, all of the City’s bank balances were adequately insured and collateralized as defined by the Governmental Accounting Standards Board.

B. Receivables

1. Accounts Receivable

Receivables at December 31, 2016 consisted of taxes, loans, accounts (including billings for user charges and unbilled utility receivables), and intergovernmental receivables. Receivables at December 31, 2016 consist of the following:

<u>Primary Government</u>	<u>Taxes</u>	<u>Loans</u>	<u>Account</u>	<u>Intergov't Receivables</u>	<u>Allowance for Uncollectibles</u>	<u>Net Receivables</u>
General Fund	\$ 3,884,017	\$ -	\$ 4,022,151	\$ 945,144	\$ (2,212,587)	\$ 6,638,725
Capital Fund	-	275,000	97,186	37,620	(349,000)	60,806
SPLOST Fund	-	-	-	535,767	-	535,767
Nonmajor Governmental Funds	17,126	395,641	86,150	301,289	(167,981)	632,225
Water and Sewer Fund	-	-	3,325,929	1,173,847	(1,198,000)	3,301,776
Fire Fund	-	-	-	33,509	-	33,509
Solid Waste Commission Fund	-	-	218,397	194	(1,000)	217,591
Nonmajor Proprietary Funds	-	-	352,068	339,493	(106,000)	585,561
Total Primary Government	3,901,143	670,641	8,101,881	3,366,863	(4,034,568)	12,005,960
Greater Rome CVB	-	-	148	9,625	-	9,773
Rome Board of Education	-	-	-	7,316,916	-	7,316,916
Total Reporting Entity	\$ 3,901,143	\$ 670,641	\$ 8,102,029	\$10,693,404	\$ (4,034,568)	\$19,332,649

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

B. Receivables– Continued

1. Accounts Receivable - Continued

The City has \$77,030 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.

2. Property Taxes

Property taxes were levied on July 25, 2016 and were payable on or before November 16, 2016. 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, 2016 is as follows:

<u>Tax Year</u>	
2016	\$ 2,800,058
Prior Years	1,097,705
	<hr/>
	3,897,763
	<hr/>
Allowance for uncollectible	(1,966,621)
	<hr/>
Net taxes receivable	\$ <u>1,931,142</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets

Changes in the City's Capital Assets for the year ended December 31, 2016 are as follows:

<u>Primary Government</u>	<u>Beginning Balance 12/31/2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Construction in progress Transfers</u>	<u>Ending Balance 12/31/2016</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 12,007,375	\$ 10,000	\$ (124,283)	\$ -	\$ 11,893,092
Construction in progress	7,622,009	11,339,967	(11,689,384)	(1,224,443)	6,048,149
Total capital assets, not being depreciated	<u>19,629,384</u>	<u>11,349,967</u>	<u>(11,813,667)</u>	<u>(1,224,443)</u>	<u>17,941,241</u>
Capital assets, being depreciated:					
Buildings	120,398,412	-	-	1,456,301	121,854,713
Improvements other than buildings	6,303,780	-	-	(283,273)	6,020,507
Machinery and equipment	5,904,901	318,674	(82,726)	51,415	6,192,264
Vehicles	5,521,733	746,711	(497,311)	-	5,771,133
Infrastructure	134,758,365	265,834	(28,032)	-	134,996,167
Total capital assets being depreciated	<u>272,887,191</u>	<u>1,331,219</u>	<u>(608,069)</u>	<u>1,224,443</u>	<u>274,834,784</u>
Less accumulated depreciation for:					
Buildings	(29,229,057)	(2,480,097)	-	-	(31,709,154)
Improvements other than buildings	(2,080,413)	(450,523)	-	-	(2,530,936)
Machinery and equipment	(4,591,993)	(468,870)	82,726	-	(4,978,137)
Vehicles	(4,617,638)	(359,193)	472,384	-	(4,504,447)
Infrastructure	(105,640,456)	(3,670,754)	28,032	-	(109,283,178)
Total accumulated depreciation	<u>(146,159,557)</u>	<u>(7,429,437)</u>	<u>583,142</u>	<u>-</u>	<u>(153,005,852)</u>
Total capital assets, being depreciated, net	<u>126,727,634</u>	<u>(6,098,218)</u>	<u>(24,927)</u>	<u>1,224,443</u>	<u>121,828,932</u>
Governmental activities capital assets, net	<u>\$ 146,357,018</u>	<u>\$ 5,251,749</u>	<u>\$ (11,838,594)</u>	<u>\$ -</u>	<u>\$ 139,770,173</u>

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

Governmental activities:

General Government	\$ 933,687
Public Safety	362,500
Public Works	4,193,552
Public Facilities	232,329
Public Services	7,159
Community Development	18,655
Education	1,681,555
	<u>\$ 7,429,437</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Capital Assets for the year ended December 31, 2016 are as follows:

	Beginning Balance 12/31/2015	Increases	Decreases	Transfers	Ending Balance 12/31/2016
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 8,081,487	\$ -	\$ -	\$ -	\$ 8,081,487
Construction in progress	1,013,124	953,616	-	(2,741)	1,963,999
Total capital assets, not being depreciated	<u>9,094,611</u>	<u>953,616</u>	<u>-</u>	<u>(2,741)</u>	<u>10,045,486</u>
Capital assets, being depreciated:					
Buildings	108,946,328	6,321,365	-	-	115,267,693
Improvements other than buildings	18,930,430	5,579,280	-	-	24,509,710
Machinery and equipment	14,980,303	799,811	(119,251)	2,741	15,663,604
Vehicles	21,992,214	868,024	(772,765)	-	22,087,473
Infrastructure	149,659,634	1,848,001	-	-	151,507,635
Total capital assets being depreciated	<u>314,508,909</u>	<u>15,416,481</u>	<u>(892,016)</u>	<u>2,741</u>	<u>329,036,115</u>
Less accumulated depreciation for:					
Buildings	(42,937,124)	(3,241,699)	-	-	(46,178,823)
Improvements other than buildings	(15,424,051)	(496,120)	-	-	(15,920,171)
Machinery and equipment	(11,780,405)	(953,983)	119,251	-	(12,615,137)
Vehicles	(17,005,241)	(1,179,992)	752,839	-	(17,432,394)
Infrastructure	(55,341,198)	(3,291,306)	-	-	(58,632,504)
Total accumulated depreciation	<u>(142,488,019)</u>	<u>(9,163,100)</u>	<u>872,090</u>	<u>-</u>	<u>(150,779,029)</u>
Total capital assets, being depreciated, net	<u>172,020,890</u>	<u>6,253,381</u>	<u>(19,926)</u>	<u>2,741</u>	<u>178,257,086</u>
Business-type activities capital assets, net	<u>\$ 181,115,501</u>	<u>\$ 7,206,997</u>	<u>\$ (19,926)</u>	<u>\$ -</u>	<u>\$ 188,302,572</u>

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

Business-type activities:

Water and Sewer System Fund	\$ 6,449,836
Fire Fund	654,241
Tennis Center Fund	115,638
Transit Fund	660,568
Solid Waste Management Fund	409,607
Municipal Golf Fund	55,894
Solid Waste Commission Fund	596,710
Building Inspection Fund	10,901
Public Facilities Fund	209,705
	<u>\$ 9,163,100</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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	\$ 17,941,241	\$ 10,045,486	\$ 27,986,727
Capital assets, net	121,828,932	\$ 178,257,086	300,086,018
Prepaid bond insurance	-	111,023	111,023
Deferred charges on refunding	130,526	1,342,197	1,472,723
Retainage payable	(26,734)	-	(26,734)
Intergovernmental agreements payable	(3,237,500)	-	(3,237,500)
Bonds payable	(13,650,359)	(34,952,255)	(48,602,614)
Capital leases payable	-	(118,676)	(118,676)
Notes payable	(712,195)	(2,263,267)	(2,975,462)
Unspent bond proceeds	728,273	-	728,273
	<u>\$ 123,002,184</u>	<u>\$ 152,421,594</u>	<u>\$ 275,423,778</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

<u>Component Units</u>	<u>Beginning Balance 12/31/2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 12/31/2016</u>
Greater Rome Convention and Visitors Bureau				
Component unit:				
Capital assets, being depreciated:				
Buildings	\$ 181,429	\$ -	\$ -	\$ 181,429
Machinery and equipment	7,000	-	-	7,000
Vehicles	-	10,000	-	10,000
Total capital assets being depreciated	<u>188,429</u>	<u>10,000</u>	<u>-</u>	<u>198,429</u>
Less accumulated depreciation for:				
Buildings	(132,261)	(2,632)	-	(134,893)
Machinery and equipment	(7,000)	-	-	(7,000)
Vehicles	-	(500)	-	(500)
Total accumulated depreciation	<u>(139,261)</u>	<u>(3,132)</u>	<u>-</u>	<u>(142,393)</u>
Total capital assets, being depreciated, net	<u>49,168</u>	<u>6,868</u>	<u>-</u>	<u>56,036</u>
Greater Rome Convention and Visitors Bureau	<u>\$ 49,168</u>	<u>\$ 6,868</u>	<u>\$ -</u>	<u>\$ 56,036</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

<u>Component Units (Continued)</u>	<u>Beginning Balance 6/30/2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 6/30/2016</u>
Rome Board of Education				
Component unit:				
Capital assets, not being depreciated:				
Land	\$ 157,048	\$ -	\$ -	\$ 157,048
Total capital assets not being depreciated	<u>157,048</u>	<u>-</u>	<u>-</u>	<u>157,048</u>
Capital assets, being depreciated:				
Buildings and Improvements	2,779,298	13,480	-	2,792,778
Computers and equipment	6,335,285	3,266,502	34,066	9,567,721
Vehicles	1,742,440	-	-	1,742,440
Total capital assets being depreciated	<u>10,857,023</u>	<u>3,279,982</u>	<u>34,066</u>	<u>14,102,939</u>
Less accumulated depreciation for:				
Buildings and Improvements	(1,092,461)	(65,765)	-	(1,158,226)
Computers and equipment	(2,942,179)	(1,100,651)	(30,215)	(4,012,615)
Vehicles	(1,212,266)	(114,944)	-	(1,327,210)
Total accumulated depreciation	<u>(5,246,906)</u>	<u>(1,281,360)</u>	<u>(30,215)</u>	<u>(6,498,051)</u>
Total capital assets, being depreciated, net	<u>5,610,117</u>	<u>1,998,622</u>	<u>(3,851)</u>	<u>7,604,888</u>
Rome Board of Education capital assets, net	<u>\$ 5,767,165</u>	<u>\$ 1,998,622</u>	<u>\$ (3,851)</u>	<u>\$ 7,761,936</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

D. Interfund Transactions

Interfund balances at December 31, 2016 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, 2016 are as follows:

	Payable From									Total
	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	
Payable To:										
General Fund	\$ 23,026	\$ -	\$ 5,184	\$ 172,374	\$ 1,899	\$ 846	\$ 18,833	\$ 71,520	\$ 12	\$ 293,694
Capital Fund	2,471,280	-	-	10,000	-	-	-	-	-	2,481,280
Non-major Governmental Funds	10,950	-	-	10,670	-	-	-	-	-	21,620
Water & Sewer System Fund	12,282	-	935,006	-	-	28,643	-	6,005	-	981,936
Non-major Enterprise Funds	245,778	50,000	-	37,543	564	-	66	-	36	333,987
Internal Service Funds	72,849	-	-	2,783	35,645	64,986	4,916	28,605	-	209,784
Total	\$ 2,836,165	\$ 50,000	\$ 940,190	\$ 233,370	\$ 38,108	\$ 94,475	\$ 23,815	\$ 106,130	\$ 48	\$ 4,322,301

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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	Payable
	From	To
General Fund	\$ -	\$ 527
Non-major governmental funds	3,588	-
Non-major enterprise funds	476	40
Internal service funds	-	2,604
Total	\$ 4,064	\$ 3,171

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	\$ -	\$ 931,054	\$ 1,521,054
Water and Sewer Fund	-	185,717	-	185,717
Fire Fund	-	201,196	-	201,196
Solid Waste Commission Fund	-	233,600	-	233,600
Non-major Enterprise Funds	-	573,925	-	573,925
Total	\$ 590,000	\$ 1,194,438	\$ 931,054	\$ 2,715,492

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 \$233,600 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, 2016

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, 2016, the principal amount outstanding was \$931,054.

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, 2016 are as follows:

Transfers In

	General Fund	Capital Fund	Solid Waste Commission	Non-major Governmental Funds	Water & Sewer System Fund	Fire Fund	Non-major Enterprise Funds	Total
Transfers Out:								
General Fund	\$ -	\$ 500,000	\$ -	\$ 238,715	\$ -	\$ 6,125,000	\$ 2,413,416	\$ 9,277,131
SPLOST Fund	-	80,800	-	-	308,212	227,556	-	616,568
Capital Fund	-	-	-	-	-	-	50,000	50,000
Non-major								
Governmental Funds	145,582	10,000	-	-	-	-	298,332	453,914
Water & Sewer System Fund	1,582,867	-	-	-	-	-	-	1,582,867
Fire Fund	1,516,066	-	-	-	43,203	-	-	1,559,269
Solid Waste Commission Fund	102,449	-	-	-	-	-	-	102,449
Non-major								
Enterprise Funds	604,914	-	-	-	-	-	-	604,914
Total	\$ 3,951,878	\$ 590,800	\$ -	\$ 238,715	\$ 351,415	\$ 6,352,556	\$ 2,761,748	\$ 14,247,112

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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, 2016, considered defeased, totaled \$24,985,000.

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, 2016

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, 2016 are as follows:

Water and Sewer Bonds - Series 2012	\$	23,780,000
Water and Sewer Bonds - Series 2013		<u>6,182,000</u>
Subtotal		29,962,000
Less current maturities		<u>642,000</u>
Bonds payable, long term	\$	<u><u>29,320,000</u></u>

Reconciliation of Bonds Payable to Financial Statements:

Current

Bonds payable in less than one year	\$	<u><u>642,000</u></u>
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Long-term

Bonds payable in more than one year	\$	29,320,000
Bond premium, net of amortization		<u>1,853,812</u>
	\$	<u><u>31,173,812</u></u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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, 2016, \$3,005,000 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, 2016, \$3,070,000 of these bonds were outstanding. Bonds payable reflected in the financial statements is net of \$66,443 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 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, 2016, \$8,585,000 of these bonds were outstanding. Bonds payable reflected in the financial statements is net of \$565,093 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, 2016

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 (monthly beginning July 1, 2003) 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, 2016, the floating rate being paid by the City is 1.03% and the market value of this agreement is \$1,161,918, a decrease of \$192,079 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, 2016 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

	Water and Sewer		Golf		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 642,000	\$ 1,358,923	\$ 330,000	\$ 125,375	\$ 972,000	\$ 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	5,461,000	831,570	375,000	85,400	5,836,000	916,970
2021	5,362,000	582,655	1,650,000	187,675	7,012,000	770,330
2022-2026	7,455,000	472,290	-	187,675	7,455,000	659,965
2027-2028	815,000	18,439	-	-	815,000	18,439
	<u>\$ 29,962,000</u>	<u>\$ 5,508,888</u>	<u>\$ 3,070,000</u>	<u>\$ 796,475</u>	<u>\$ 33,032,000</u>	<u>\$ 6,305,363</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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
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	-	-	-	215,032	-	215,032
2022-2026	-	-	-	1,075,160	-	1,075,160
2027-2028	-	-	4,527,000	430,064	4,527,000	430,064
	<u>\$ 8,585,000</u>	<u>\$ 785,050</u>	<u>\$ 4,527,000</u>	<u>\$ 2,580,384</u>	<u>\$ 13,112,000</u>	<u>\$ 3,365,434</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, 2016, the City had entered into one (1) such loan agreement with a loan balance of \$2,263,267.

The following is a schedule of the future required principal and interest payments on the GEFA loan agreements as of December 31, 2016:

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	\$ 192,723	\$ 2,263,267	\$ 103,716	\$ 2,159,551

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, 2016

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, 2016:

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
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	180,000	85,465	265,465
2022-2026	980,000	356,705	1,336,705
2027-2031	1,415,000	201,413	1,616,413
Total	3,237,500	\$ 1,046,993	\$ 4,284,493
Less current maturities	155,000		
Long-term	\$ 3,082,500		

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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, 2016:

Ended December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
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	43,843	11,157	55,000	112,931	37,984	150,915
2022-2026	147,475	17,525	165,000	602,153	152,420	754,573
2027-2031	-	-	-	669,759	84,814	754,573
2032-2034	-	-	-	449,983	15,337	465,320
Total	712,195	\$ 123,086	\$ 835,281	2,263,267	\$ 465,772	\$ 2,729,039
Less current maturities	233,452			103,716		
Long-term	\$ 478,743			\$ 2,159,551		

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, 2016 is \$118,676 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	\$ 677,840	\$ 216,254
Vehicles	981,086	3,084,313
Less accumulated depreciation	(635,194)	(1,130,817)
Total	\$ 1,023,732	\$ 2,169,750

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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, 2016:

<u>Year ending</u> <u>December 31,</u>	<u>Business-Type</u> <u>Activities</u>
2017	\$ 121,139
Total minimum lease payments	121,139
Less amounts representing interest	<u>2,463</u>
Present value of minimum lease payments	<u>\$ 118,676</u>

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, 2016

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, 2016. 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 12/31/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2016</u>	<u>Due within one year</u>	<u>Due in more than one year</u>
Governmental Activities:						
Certificates of Participation	\$ 4,527,000	\$ -	\$ -	\$ 4,527,000	\$ -	\$ 4,527,000
Bonds Payable	10,785,000	-	2,200,000	8,585,000	2,750,000	5,835,000
Unamortized Bond Premium	860,361	-	295,268	565,093	-	565,093
Notes Payable	934,272	-	222,077	712,195	233,452	478,743
Net OPEB Obligation	1,733,618	960,993	1,203,623	1,490,988	-	1,490,988
Intergovernmental Agreements	3,387,500	-	150,000	3,237,500	155,000	3,082,500
Net Pension Liability	19,667,695	8,783,880	3,227,724	25,223,851	-	25,223,851
Compensated Absences	940,996	691,553	633,366	999,183	749,386	249,797
Total Governmental Activities	<u>\$ 42,836,442</u>	<u>\$ 10,436,426</u>	<u>\$ 7,932,058</u>	<u>\$ 45,340,810</u>	<u>\$ 3,887,838</u>	<u>\$ 41,452,972</u>
Business-Type Activities:						
Revenue Bonds	\$ 38,219,000	\$ -	\$ 5,187,000	\$ 33,032,000	\$ 972,000	\$ 32,060,000
Unamortized Bond Premium	2,578,360	-	658,105	1,920,255	-	1,920,255
Notes Payable	2,364,799	-	101,532	2,263,267	103,716	2,159,551
Capital Lease Obligations	234,939	-	116,263	118,676	118,676	-
Landfill Closure / Postclosure	8,414,512	184,075	60,059	8,538,528	229,538	8,308,990
Compensated Absences	1,270,469	1,168,234	1,067,649	1,371,054	1,028,291	342,763
Total Business-Type Activities	<u>\$ 53,082,079</u>	<u>\$ 1,352,309</u>	<u>\$ 7,190,608</u>	<u>\$ 47,243,780</u>	<u>\$ 2,452,221</u>	<u>\$ 44,791,559</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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 12/31/2015	Additions	Deletions	Balance 12/31/2016	Due within one year	Due in more than one year
Greater Rome Convention & Visitors Bureau						
Compensated Absences	\$ 31,345	\$ 20,737	\$ 20,356	\$ 31,726	\$ 23,794	\$ 7,932
Total Greater Rome Convention and Visitors Bureau	<u>\$ 31,345</u>	<u>\$ 20,737</u>	<u>\$ 20,356</u>	<u>\$ 31,726</u>	<u>\$ 23,794</u>	<u>\$ 7,932</u>
Component Unit	Balance	Additions	Deletions	Balance	Due within	Due in more
Rome Board of Education	6/30/2015			6/30/2016	one year	than one year
Construction Bonds	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000
Compensated Absences	61,676	206,453	214,293	53,836	53,836	-
Net Pension Liability	33,133,344	13,440,380	4,232,868	42,340,856	-	42,340,856
Total Rome Board of Education	<u>\$ 35,195,020</u>	<u>\$ 13,646,833</u>	<u>\$ 4,447,161</u>	<u>\$ 44,394,692</u>	<u>\$ 53,836</u>	<u>\$ 44,340,856</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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, 2016, the date of the most recent actuarial valuation, there were 1,033 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	340
Terminated vested participants not yet receiving benefits	110
Active employees - vested	326
Active employees - nonvested	257
Total	<u>1,033</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 2016, the actuarially determined contribution rate was 12.21% of covered payroll. The City makes all contributions to the plan. For 2016, the City's contribution to the Plan was \$3,066,825.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

b) Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 with update procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2016.

Actuarial assumptions. The total pension liability in the July 1, 2016 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, 2015 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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010–June 30, 2014.

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, 2016

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, 2016 are summarized in the table below:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.75%
International equity	20%	7.45
Real estate	10%	4.55
Global fixed income	5%	3.30
Domestic fixed income	20%	1.75
Cash	—%	
Total	100%	

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, 2016

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, 2016 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/15	\$ 81,066,733	\$ 61,399,038	\$ 19,667,695
Changes for the year:			
Service cost	744,598	-	744,598
Interest	6,093,495	-	6,093,495
Differences between expected and actual experience	1,852,264	-	1,852,264
Contributions—employer	-	3,067,188	(3,067,188)
Net investment income	-	160,536	(160,536)
Benefit payments, including refunds of employee contributions	(4,881,972)	(4,881,972)	-
Administrative expense	-	(93,523)	93,523
Net changes	3,808,385	(1,747,771)	5,556,156
Balances at 12/31/16	\$ 84,875,118	\$ 59,651,267	\$ 25,223,851

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, 2016

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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
City's net pension liability	\$ 34,178,184	\$ 25,223,851	\$ 17,609,500

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, 2016 and the current sharing pattern of costs between employer and employee.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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, 2017, the City recognized pension expense of \$3,244,949. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 2,228,428	\$ -
Changes in assumptions	-	1,137,394
Net difference between projected and actual earnings on pension plan investments	2,956,279	-
City contributions subsequent to the measurement date	<u>2,300,243</u>	<u>-</u>
Total	<u>\$ 7,484,950</u>	<u>\$ 1,137,394</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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 \$2,300,243 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:

2017	\$	997,814
2018		997,814
2019		1,146,896
2020		904,789
Total	\$	<u>4,047,313</u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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, 2016 totaled \$220,923.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

G. Postretirement Health Care and Life Insurance Benefits

In accordance with GASB 45 requirements, the City of Rome is required to attribute the cost of postretirement benefits to the time during which the employee is working for the employer. GASB 45 requires allocation of the costs of a postretirement benefit plan onto the years of active employment; it does not require the funding of such benefits. GASB 45 requirements 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 postemployment benefits, and has not funded the Plan as of December 31, 2016. The City of Rome Retirement Pension Insurance Plan is a single-employer defined benefit postemployment health care plan or other postemployment benefit (OPEB) plan.

The Rome City Commission has contracted with the Standard Insurance Company to administer postretirement 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 postretirement 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) up to age 65. 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 postretirement health benefits. Currently, 100 retirees are enrolled in postretirement health care benefits. These postretirement benefits are funded on a pay-as-you-go-basis. In 2016, the net cost of premiums for providing postretirement benefits for retirees was approximately \$159,155.

Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Health Care Plan as of July 1, 2016:

Active members	586
Retired	<u>203</u>
Total	<u><u>789</u></u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

G. Postretirement Health Care and Life Insurance Benefits - Continued

Contributions

The City's Health Insurance Fund contributed \$1,203,623 to the OPEB Health Care Plan in fiscal year 2016. 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	\$ 827,592
Interest on Existing NOO	69,345
ARC Adjustment	<u>64,056</u>
Annual OPEB Cost	960,993
Actual Contributions made	<u>1,203,623</u>
Decrease in net OPEB obligation	(242,630)
Net OPEB Liability, December 31, 2015	<u>1,733,618</u>
Net OPEB Liability, December 31, 2016	<u><u>\$ 1,490,988</u></u>

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

G. Postretirement 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
2014	\$ 1,100,376	\$ 1,278,953	116.23%
2015	1,093,233	1,070,264	97.90%
2016	960,993	1,203,623	125.25%

As of the most recent valuation date, July 1, 2016, 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
7/1/2016 *	\$ -	\$ 15,161,831	\$15,161,831	0%	\$ 24,386,654	62.17%

* 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, 2016. The assumptions used in the July 1, 2016 actuarial valuation are as follows:

Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Market Value of Assets
Assumed Rate of Return on Investments	4.00%
Inflation Rate	3.25%
Medical Cost Trend Rate	7.75%
Ultimate Medical Cost Trend Rate	5.75%
Year of Ultimate Trend Rate	2022
Amortization Method	Level Percentage, open
Remaining Amortization Period	30 years
Payroll Inflation Rate	3.25%

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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, 2016 total \$7,507,265. 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>
2015	\$ 835,000		\$ 6,098,525		\$ (6,234,449)		\$ 699,076
2016	699,076		5,458,861		(5,608,861)		549,076

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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 2016, the City recorded a reimbursement of \$250,445 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, 2016. 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:

	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	End of Fiscal-Year Liability
2015	\$ 295,000	\$ 374,280	\$ (404,280)	\$ 265,000
2016	265,000	354,294	(389,294)	230,000

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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 \$2,447,655 (\$123,482 current) reported as postclosure care liability at December 31, 2016, represents the cumulative amount reported to date based on the use of 100% of the capacity of Phase I - VI of the landfill and 60% of the capacity of Phase VII. The \$1,309,859 (\$45,481 current) reported as postclosure care liability at December 31, 2016 represents the cumulative amount reported to date based on the use of 96% of the capacity of Phase I of C&D. In addition, \$3,690,662 has been accrued at December 31, 2016 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 \$1,090,352 (\$60,575 current) has been recognized in the Solid Waste Commission Fund as of December 31, 2016. 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, 2016 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, 2016

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 2016, the City paid dues in the amount of \$36,323 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, 2016 is as follows:

	<u>5% Levy</u>	<u>1% Levy</u>	<u>2% Levy</u>
Balance as of December 31, 2015	\$ 375,821	\$ 52,182	\$ -
2016 Tax Revenues	745,829	149,166	298,332
2016 Interest Revenue	942	189	-
2016 Expenditures			
Greater Rome Convention & Visitors Bureau	530,000	50,036	-
City of Rome	65,000	-	-
Floyd County	-	58,540	-
Transfer to Tennis Center	-	-	298,332
	<u> </u>	<u> </u>	<u> </u>
Balance as of December 31, 2016	<u>\$ 527,592</u>	<u>\$ 92,961</u>	<u>\$ -</u>

Expenditures paid with the 1% hotel/motel tax were used to promote tourism, conventions and trade shows as required by O.C.G.A. 48-13-51. Expenditures of \$108,576 made during 2016 were 72.7% of total 2016 1% tax collections and expenditures of \$595,000 were 79.7% of 2016 5% tax collections.

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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 \$6,300,000 of Tax Anticipation Notes in June of 2016. These notes matured and were paid in full on December 15, 2016. Interest expense of \$38,504 was paid on the borrowings.

<u>Fiscal Year Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Fiscal Year Balance</u>
\$ -	\$6,300,000	\$6,300,000	\$ -

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, 2016. These projects are associated with water and sewer improvements and public works construction. They are all financed with SPLOST proceeds and budgeted capital monies.

Project	<u>Remaining Commitment</u>
Northeast Sewer Interceptor	\$ 444,619
City Auditorium Renovations	134,733
Tennis Center Construction	300,000
Landfill Pump Station	210,687

City of Rome, Georgia

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

Q. Tax Abatements

For the year ended December 31, 2016, City property tax revenues were reduced by \$477,879 under agreements entered into by the Rome Floyd County Development Authority. Under the agreements, taxes on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

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, 2016**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Ad valorem taxes:				
Real and personal property:				
Current year	\$ 7,000,000	\$ 7,500,000	\$ 8,596,849	\$ 1,096,849
Prior years	875,000	1,000,000	1,409,741	409,741
Public utilities	300,000	300,000	331,925	31,925
Motor vehicles	1,135,000	1,135,000	973,074	(161,926)
Mobile homes	2,000	2,000	1,057	(943)
Timber tax	1,000	1,000	-	(1,000)
Total ad valorem taxes	<u>9,313,000</u>	<u>9,938,000</u>	<u>11,312,646</u>	<u>1,374,646</u>
Other taxes:				
Intangible tax	160,000	160,000	212,097	52,097
Insurance premium tax	2,045,000	2,045,000	2,280,737	235,737
Franchise tax	3,477,000	3,477,000	3,297,393	(179,607)
Local option sales tax	6,000,000	6,000,000	5,681,446	(318,554)
Real estate transfer tax	25,000	25,000	34,355	9,355
Tax on liquor and wine	800,000	800,000	800,115	115
Mixed drink tax	72,000	72,000	78,896	6,896
Total other taxes	<u>12,579,000</u>	<u>12,579,000</u>	<u>12,385,039</u>	<u>(193,961)</u>
Licenses, permits and fees:				
Business licenses	1,761,000	1,761,965	1,839,300	77,335
Permits and fees	91,000	91,000	107,283	16,283
Total licenses, permits and fees	<u>1,852,000</u>	<u>1,852,965</u>	<u>1,946,583</u>	<u>93,618</u>
Intergovernmental:				
Highway maintenance	122,000	122,000	120,843	(1,157)
Traffic signals	53,000	53,000	54,698	1,698
County environmental information	55,000	55,000	18,282	(36,718)
Entitlement reimbursement	28,000	28,000	24,475	(3,525)
Housing authority	50,000	50,000	56,831	6,831
Grant reimbursement	-	-	67,335	67,335
Total intergovernmental	<u>308,000</u>	<u>308,000</u>	<u>342,464</u>	<u>34,464</u>

continued

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2016**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Fines and forfeitures:				
Police court fines and fees	\$ 1,360,000	\$ 1,360,000	\$ 1,219,412	\$ (140,588)
Total fines and forfeitures	<u>1,360,000</u>	<u>1,360,000</u>	<u>1,219,412</u>	<u>(140,588)</u>
Other revenues:				
Charges for services	-	-	188,242	188,242
Interest and costs	350,000	350,000	382,218	32,218
Cemetery revenue	140,000	140,000	155,535	15,535
Rent	115,000	310,000	122,453	(187,547)
Interest on investments	6,000	6,000	24,334	18,334
Miscellaneous revenue	40,000	40,000	739,904	699,904
Total other revenues	<u>651,000</u>	<u>846,000</u>	<u>1,612,686</u>	<u>766,686</u>
TOTAL REVENUES	<u>26,063,000</u>	<u>26,883,965</u>	<u>28,818,830</u>	<u>1,934,865</u>

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**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2016**

EXPENDITURES:	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
GENERAL GOVERNMENT				
City Commission:				
Personal services	\$ 159,760	\$ 150,000	\$ 149,518	\$ 482
Supplies	5,380	7,500	7,446	54
Other services and charges	44,250	53,000	52,892	108
Total City Commission	<u>209,390</u>	<u>210,500</u>	<u>209,856</u>	<u>644</u>
Municipal Court:				
Personal services	299,270	299,270	283,289	15,981
Supplies	20,280	20,280	18,487	1,793
Other services and charges	47,800	47,800	64,917	(17,117)
Total Municipal Court	<u>367,350</u>	<u>367,350</u>	<u>366,693</u>	<u>657</u>
Manager's Office:				
Personal services	248,920	248,920	245,971	2,949
Supplies	8,830	8,830	7,865	965
Other services and charges	10,010	10,010	11,652	(1,642)
Total Manager's Office	<u>267,760</u>	<u>267,760</u>	<u>265,488</u>	<u>2,272</u>
Clerk's Office:				
Personal services	329,320	329,320	327,831	1,489
Supplies	9,750	9,750	9,549	201
Other services and charges	14,400	14,400	14,152	248
Total Clerk's Office	<u>353,470</u>	<u>353,470</u>	<u>351,532</u>	<u>1,938</u>
Finance:				
Personal services	495,500	495,500	490,002	5,498
Supplies	12,100	12,100	11,721	379
Other services and charges	8,150	8,150	5,456	2,694
Total Finance	<u>515,750</u>	<u>515,750</u>	<u>507,179</u>	<u>8,571</u>

continued

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2016**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Human Resources:				
Personal services	\$ 276,310	\$ 276,310	\$ 269,173	\$ 7,137
Supplies	15,440	15,440	11,843	3,597
Other services and charges	42,050	42,050	36,408	5,642
Total Human Resources	<u>333,800</u>	<u>333,800</u>	<u>317,424</u>	<u>16,376</u>
Purchasing:				
Personal services	298,870	298,870	251,453	47,417
Supplies	6,300	6,300	4,751	1,549
Other services and charges	9,650	9,650	6,468	3,182
Total Purchasing	<u>314,820</u>	<u>314,820</u>	<u>262,672</u>	<u>52,148</u>
Information Technology:				
Personal services	238,780	251,000	250,513	487
Supplies	67,350	58,000	56,167	1,833
Other services and charges	10,145	12,000	11,661	339
Total Information Technology	<u>316,275</u>	<u>321,000</u>	<u>318,341</u>	<u>2,659</u>
Business Systems Analyst:				
Personal services	93,910	93,910	78,008	15,902
Supplies	139,180	139,180	136,725	2,455
Other services and charges	3,320	3,320	2,798	522
Total Business Systems Analyst	<u>236,410</u>	<u>236,410</u>	<u>217,531</u>	<u>18,879</u>
Assistant City Manager:				
Personal services	111,890	111,890	111,554	336
Supplies	1,100	1,300	1,217	83
Other services and charges	8,750	9,300	9,293	7
Total Assistant City Manager	<u>121,740</u>	<u>122,490</u>	<u>122,064</u>	<u>426</u>
General Administration:				
Personal services	130,120	3,125,120	3,030,777	94,343
Supplies	21,400	16,000	12,592	3,408
Other services and charges	360,500	445,000	512,501	(67,501)
Total General Administration	<u>512,020</u>	<u>3,586,120</u>	<u>3,555,870</u>	<u>30,250</u>

continued

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2016**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Total General Government:				
Personal services	\$ 2,682,650	\$ 5,680,110	\$ 5,488,089	\$ 192,021
Supplies	307,110	294,680	278,363	16,317
Other services and charges	559,025	654,680	728,198	(73,518)
TOTAL GENERAL GOVERNMENT	<u>3,548,785</u>	<u>6,629,470</u>	<u>6,494,650</u>	<u>134,820</u>
PUBLIC SAFETY				
Police:				
Personal services	6,842,910	6,842,910	6,356,201	486,709
Supplies	605,300	605,300	469,411	135,889
Other services and charges	302,570	302,570	296,587	5,983
Total Police	<u>7,750,780</u>	<u>7,750,780</u>	<u>7,122,199</u>	<u>628,581</u>
Police Training Center:				
Supplies	44,720	44,720	44,472	248
Other services and charges	76,050	76,050	76,764	(714)
Total Police Training Center	<u>120,770</u>	<u>120,770</u>	<u>121,236</u>	<u>(466)</u>
Total Public Safety:				
Personal services	6,842,910	6,842,910	6,356,201	486,709
Supplies	650,020	650,020	513,883	136,137
Other services and charges	378,620	378,620	373,351	5,269
TOTAL PUBLIC SAFETY	<u>7,871,550</u>	<u>7,871,550</u>	<u>7,243,435</u>	<u>628,115</u>
PUBLIC WORKS				
Public Works Office:				
Personal services	243,280	312,000	310,567	1,433
Supplies	20,600	23,000	22,893	107
Other services and charges	9,850	12,000	11,466	534
Total Public Works Office	<u>273,730</u>	<u>347,000</u>	<u>344,926</u>	<u>2,074</u>

continued

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2016**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Engineering:				
Personal services	\$ 412,780	\$ 412,780	\$ 405,445	\$ 7,335
Supplies	21,250	21,250	13,119	8,131
Other services and charges	6,200	6,200	5,462	738
Total Engineering	<u>440,230</u>	<u>440,230</u>	<u>424,026</u>	<u>16,204</u>
Streets and Drainage:				
Personal services	1,622,910	1,622,910	1,475,104	147,806
Supplies	332,830	332,830	217,106	115,724
Other services and charges	51,300	51,300	35,966	15,334
Total Streets and Drainage	<u>2,007,040</u>	<u>2,007,040</u>	<u>1,728,176</u>	<u>278,864</u>
Clean It or Lien It Demolition:				
Supplies	20,000	20,000	(5,055)	25,055
Other services and charges	15,000	15,000	(3,597)	18,597
Total Clean It or Lien It Demolition	<u>35,000</u>	<u>35,000</u>	<u>(8,652)</u>	<u>43,652</u>
Electrical/Traffic Control:				
Personal services	883,380	883,380	848,851	34,529
Supplies	121,300	121,300	110,309	10,991
Other services and charges	52,880	52,880	50,050	2,830
Total Electrical/Traffic Control	<u>1,057,560</u>	<u>1,057,560</u>	<u>1,009,210</u>	<u>48,350</u>
Street Lighting:				
Supplies	3,000	3,000	1,870	1,130
Other services and charges	927,600	927,600	883,516	44,084
Total Street Lighting	<u>930,600</u>	<u>930,600</u>	<u>885,386</u>	<u>45,214</u>
Buildings and Grounds:				
Supplies	1,000	1,000	-	1,000
Other services and charges	2,300	2,300	1,787	513
Total Buildings and Grounds	<u>3,300</u>	<u>3,300</u>	<u>1,787</u>	<u>1,513</u>

continued

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2016**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Cemetery:				
Personal services	\$ 327,920	\$ 327,920	\$ 314,429	\$ 13,491
Supplies	32,920	32,920	23,497	9,423
Other services and charges	29,400	29,400	23,289	6,111
Payments for inmate charges	47,300	47,300	48,720	(1,420)
Total Cemetery	<u>437,540</u>	<u>437,540</u>	<u>409,935</u>	<u>27,605</u>
Garage:				
Personal services	532,160	532,160	463,665	68,495
Supplies	80,720	80,720	101,200	(20,480)
Other services and charges	39,300	39,300	30,304	8,996
Total Garage	<u>652,180</u>	<u>652,180</u>	<u>595,169</u>	<u>57,011</u>
Total Public Works:				
Personal services	4,022,430	4,091,150	3,818,061	273,089
Supplies	633,620	636,020	484,939	151,081
Other services and charges	1,133,830	1,135,980	1,038,243	97,737
Payments	47,300	47,300	48,720	(1,420)
TOTAL PUBLIC WORKS	<u>5,837,180</u>	<u>5,910,450</u>	<u>5,389,963</u>	<u>520,487</u>
PUBLIC FACILITIES				
City Auditorium:				
Personal services	165,620	162,000	161,010	990
Supplies	48,950	54,000	53,119	881
Other services and charges	96,200	102,000	101,566	434
Total City Auditorium	<u>310,770</u>	<u>318,000</u>	<u>315,695</u>	<u>2,305</u>
Civic Center:				
Supplies	8,000	9,500	9,051	449
Other services and charges	25,370	26,000	25,327	673
Total Civic Center	<u>33,370</u>	<u>35,500</u>	<u>34,378</u>	<u>1,122</u>

continued

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2016**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Other Facilities:				
Supplies	\$ 44,660	\$ 80,160	\$ 78,738	\$ 1,422
Other services and charges	61,900	86,000	82,847	3,153
Total Other Facilities	<u>106,560</u>	<u>166,160</u>	<u>161,585</u>	<u>4,575</u>
Total Public Facilities:				
Personal services	165,620	162,000	161,010	990
Supplies	101,610	143,660	140,908	2,752
Other services and charges	183,470	214,000	209,740	4,260
TOTAL PUBLIC FACILITIES	<u>450,700</u>	<u>519,660</u>	<u>511,658</u>	<u>8,002</u>
PUBLIC SERVICES				
Community Services:				
Other services and charges	201,000	201,000	179,316	21,684
Total Community Services	<u>201,000</u>	<u>201,000</u>	<u>179,316</u>	<u>21,684</u>
Environmental Information:				
Personal Services	173,980	173,980	171,493	2,487
Supplies	9,400	9,400	5,670	3,730
Other services and charges	22,520	22,520	20,352	2,168
Total Environmental Information	<u>205,900</u>	<u>205,900</u>	<u>197,515</u>	<u>8,385</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	2,800	2,800	1,490	1,310
Other services and charges	8,400	8,400	358	8,042
Total Community Events	<u>11,200</u>	<u>11,200</u>	<u>1,848</u>	<u>9,352</u>

continued

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2016**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Roman Holiday Boat:				
Supplies	\$ 6,500	\$ 6,500	\$ 7,886	\$ (1,386)
Other services and charges	25,100	25,100	17,803	7,297
Total Roman Holiday Boat	<u>31,600</u>	<u>31,600</u>	<u>25,689</u>	<u>5,911</u>
Trolley:				
Personal services	870	870	594	276
Supplies	1,100	1,100	123	977
Other services and charges	650	650	577	73
Total Trolley	<u>2,620</u>	<u>2,620</u>	<u>1,294</u>	<u>1,326</u>
Total Public Services:				
Personal services	174,850	174,850	172,087	2,763
Supplies	19,800	19,800	15,169	4,631
Other services and charges	270,670	270,670	231,406	39,264
TOTAL PUBLIC SERVICES	<u>465,320</u>	<u>465,320</u>	<u>418,662</u>	<u>46,658</u>
COMMUNITY DEVELOPMENT				
Personal services	-	339,000	279,029	59,971
Supplies	-	-	22,266	(22,266)
Other services and charges	75,000	-	23,638	(23,638)
TOTAL COMMUNITY DEVELOPMENT	<u>75,000</u>	<u>339,000</u>	<u>324,933</u>	<u>14,067</u>
TOTAL EXPENDITURES	<u>18,248,535</u>	<u>21,735,450</u>	<u>20,383,301</u>	<u>1,352,149</u>
OTHER FINANCING SOURCES AND USES:				
TRANSFERS IN:				
Water and Sewer Fund	885,000	1,500,000	1,504,717	4,717
Building Inspection Fund	-	67,000	66,948	(52)
Transit Fund	55,000	318,000	317,789	(211)
Fire Fund	365,000	1,520,000	1,516,066	(3,934)
Solid Waste Commission Fund	28,000	105,000	102,449	(2,551)
Forum Parking Deck Fund	-	-	22,000	22,000
Tourism Fund	-	52,000	-	(52,000)
Hotel/Motel Tax Fund	65,000	65,000	65,000	-
Downtown Development Fund	-	17,500	-	(17,500)
Solid Waste Fund	-	215,000	214,454	(546)
Planning Commission Fund	-	40,000	38,444	(1,556)
Forum Parking Deck Fund	-	13,500	-	(13,500)
Tennis Fund	-	5,800	5,723	(77)
Community Development Fund	-	20,000	20,138	138
Insurance Fund	-	11,400	-	(11,400)
Workers Compensation Fund	75,000	-	-	-
Renewal and Extension Fund	-	80,000	78,150	(1,850)
TOTAL TRANSFERS IN	<u>1,473,000</u>	<u>4,030,200</u>	<u>3,951,878</u>	<u>(78,322)</u>

continued

**CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2016**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
TRANSFERS OUT:				
Planning Commission Fund	\$ 138,465	\$ 135,715	\$ 135,715	\$ -
Capital Fund	325,000	500,000	500,000	-
Transit Fund	450,000	410,000	418,416	(8,416)
Community Development Fund	103,000	103,000	103,000	-
Fire Fund	6,125,000	6,125,000	6,125,000	-
Golf Fund	565,000	590,000	590,000	-
Solid Waste Management Fund	1,405,000	1,405,000	1,405,000	-
Downtown Development Fund	176,000	-	-	-
TOTAL TRANSFERS OUT	<u>9,287,465</u>	<u>9,268,715</u>	<u>9,277,131</u>	<u>(8,416)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(7,814,465)</u>	<u>(5,238,515)</u>	<u>(5,325,253)</u>	<u>(86,738)</u>
Net change in fund balance	-	(90,000)	3,110,276	
FUND BALANCE, BEGINNING OF YEAR	<u>14,173,063</u>	<u>14,173,063</u>	<u>14,173,063</u>	
FUND BALANCE, END OF YEAR	<u>\$ 14,173,063</u>	<u>\$ 14,083,063</u>	<u>\$ 17,283,339</u>	

City of Rome, Georgia

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

December 31, 2016

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 \$3,395,605, 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**

	<u>2016</u>	<u>2015</u>
Total pension liability		
Service cost	\$ 744,598	\$ 789,416
Interest on total pension liability	6,093,495	5,972,746
Differences between expected and actual experience	1,852,264	1,678,459
Changes of assumptions	-	(2,274,787)
Benefit payments, including refunds of employee contributions	<u>(4,881,972)</u>	<u>(4,333,589)</u>
Net change in total pension liability	<u>3,808,385</u>	<u>1,832,245</u>
Total pension liability - beginning	<u>81,066,733</u>	<u>79,234,488</u>
Total pension liability - ending (a)	<u>\$ 84,875,118</u>	<u>\$ 81,066,733</u>
Plan fiduciary net position		
Contributions - employer	\$ 3,067,188	\$ 3,005,912
Net investment income	160,536	5,492,303
Benefit payments, including refunds of member contributions	(4,881,972)	(4,333,589)
Administrative expenses	<u>(93,523)</u>	<u>(84,874)</u>
Net change in plan fiduciary net position	<u>(1,747,771)</u>	<u>4,079,752</u>
Plan fiduciary net position - beginning	<u>61,399,038</u>	<u>57,319,286</u>
Plan fiduciary net position - ending (b)	<u>\$ 59,651,267</u>	<u>\$ 61,399,038</u>
City's net pension liability - ending (a) - (b)	<u>\$ 25,223,851</u>	<u>\$ 19,667,695</u>
Plan fiduciary net position as a percentage of the total pension liability	70.28%	75.74%
Covered-employee payroll	\$ 24,044,603	\$ 23,529,213
City's net pension liability as a percentage of covered-employee payroll	104.90%	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

	2016	2015
Actuarially determined contribution	\$ 2,918,508	\$ 3,007,137
Contributions in relation to the actuarially determined contribution	3,066,825	3,067,144
Contribution deficiency (excess)	\$ (148,317)	\$ (60,007)
Covered-employee payroll	\$ 25,117,322	\$ 24,044,603
Contributions as a percentage of covered-employee payroll	12.21%	12.76%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	July 1, 2016
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
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2016

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%
7/1/2016	-	15,161,831	0.00%	15,161,831	24,386,654	62.17%

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

**NONMAJOR GOVERNMENTAL FUNDS
COMBINED STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

Special revenue funds are used to account for specific revenue sources that are restricted 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, 2016**

	Nonmajor Governmental Funds		Total Nonmajor Governmental Funds
	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds (Entitlement Fund)	
ASSETS			
Cash	\$ 1,265,427	\$ 2	\$ 1,265,429
Taxes receivable, net of allowance for uncollectibles	4,712	-	4,712
Accounts receivable, net of allowance for uncollectibles	86,150	-	86,150
Accounts receivable loans	240,074	-	240,074
Due from other funds	21,620	-	21,620
Due from other governments	276,670	24,619	301,289
Total assets	<u>\$ 1,894,653</u>	<u>\$ 24,621</u>	<u>\$ 1,919,274</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 78,359	\$ 3,400	\$ 81,759
Accrued liabilities	7,642	-	7,642
Due to component unit	3,588	-	3,588
Due to other governments	17,451	-	17,451
Due to other funds	212,151	21,219	233,370
Total liabilities	<u>319,191</u>	<u>24,619</u>	<u>343,810</u>
FUND BALANCES			
Restricted for:			
Revolving loans and housing initiatives	469,221	-	469,221
Planning and zoning activities	59,715	-	59,715
Tourism & forum promotion	620,553	-	620,553
Capital improvements	337,573	2	337,575
Forum parking deck operations	56,262	-	56,262
Assigned for:			
Community development operations	32,138	-	32,138
Total fund balances	<u>1,575,462</u>	<u>2</u>	<u>1,575,464</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,894,653</u>	<u>\$ 24,621</u>	<u>\$ 1,919,274</u>

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	Nonmajor Governmental Funds		Total Nonmajor Governmental Funds
	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds (Entitlement Fund)	
REVENUES			
Intergovernmental	\$ 506,289	\$ 462,198	\$ 968,487
Charges for services	148,842	-	148,842
Taxes	1,444,643	-	1,444,643
Interest earned	8,842	-	8,842
TOTAL REVENUES	2,108,616	462,198	2,570,814
EXPENDITURES			
Community development	752,910	-	752,910
Public facilities	693,596	-	693,596
Capital outlay	-	462,198	462,198
Debt service:			
Principal	33,024	-	33,024
Interest	21,976	-	21,976
TOTAL EXPENDITURES	1,501,506	462,198	1,963,704
EXCESS OF REVENUES OVER EXPENDITURES	607,110	-	607,110
OTHER FINANCING SOURCES AND USES			
Transfers in	238,715	-	238,715
Transfers out	(453,914)	-	(453,914)
	(215,199)	-	(215,199)
NET CHANGE IN FUND BALANCES	391,911	-	391,911
FUND BALANCES - BEGINNING OF YEAR	1,183,551	2	1,183,553
FUND BALANCES - END OF YEAR	\$ 1,575,462	\$ 2	\$ 1,575,464

**CITY OF ROME, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
December 31, 2016**

	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	\$ 255,498	\$ 38,025	\$ 572,716	\$ 60,978	\$ 260,362	\$ 77,848	\$ 1,265,427
Taxes receivable, net of allowance for uncollectibles	-	-	-	1,439	3,273	-	4,712
Accounts receivable, net of allowance for uncollectibles	-	-	86,150	-	-	-	86,150
Accounts receivable loans	240,074	-	-	-	-	-	240,074
Due from other funds	11,090	925	-	\$ 9,605	-	-	21,620
Due from other governments	242,485	30,758	-	2,467	360	600	276,670
Total assets	<u>\$ 749,147</u>	<u>\$ 69,708</u>	<u>\$ 658,866</u>	<u>\$ 74,489</u>	<u>\$ 263,995</u>	<u>\$ 78,448</u>	<u>\$ 1,894,653</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 74,922	\$ 1,251	\$ -	\$ -	\$ -	\$ 2,186	\$ 78,359
Accrued liabilities	2,974	4,668	-	-	-	-	7,642
Due to component unit	-	-	3,588	-	-	-	3,588
Due to other governments	-	-	6,540	-	911	10,000	17,451
Due to other funds	169,892	4,074	28,185	-	-	10,000	212,151
Total liabilities	<u>247,788</u>	<u>9,993</u>	<u>38,313</u>	<u>-</u>	<u>911</u>	<u>22,186</u>	<u>319,191</u>
FUND BALANCES							
Restricted for:							
Revolving loans and housing initiatives	469,221	-	-	-	-	-	469,221
Planning and zoning activities	-	59,715	-	-	-	-	59,715
Tourism & forum promotion	-	-	620,553	-	-	-	620,553
Capital improvements	-	-	-	74,489	263,084	-	337,573
Forum parking deck operations	-	-	-	-	-	56,262	56,262
Assigned for:							
Community development operations	32,138	-	-	-	-	-	32,138
Total fund balances	<u>501,359</u>	<u>59,715</u>	<u>620,553</u>	<u>74,489</u>	<u>263,084</u>	<u>56,262</u>	<u>1,575,462</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 749,147</u>	<u>\$ 69,708</u>	<u>\$ 658,866</u>	<u>\$ 74,489</u>	<u>\$ 263,995</u>	<u>\$ 78,448</u>	<u>\$ 1,894,653</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, 2016

	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	\$ 256,508	\$ 249,781	\$ -	\$ -	\$ -	\$ -	\$ 506,289
Charges for services	595	9,542	-	35,758	-	102,947	148,842
Taxes	-	-	1,193,327	57,872	193,444	-	1,444,643
Interest earned	7,512	37	1,131	26	99	37	8,842
TOTAL REVENUES	264,615	259,360	1,194,458	93,656	193,543	102,984	2,108,616
EXPENDITURES							
Community development	342,314	343,883	-	50,094	16,619	-	752,910
Public facilities	-	-	638,576	-	-	55,020	693,596
Debt Service:							
Principal	-	-	-	-	33,024	-	33,024
Interest	-	-	-	-	21,976	-	21,976
TOTAL EXPENDITURES	342,314	343,883	638,576	50,094	71,619	55,020	1,501,506
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(77,699)	(84,523)	555,882	43,562	121,924	47,964	607,110
OTHER FINANCING SOURCES (USES)							
Transfers in	103,000	135,715	-	-	-	-	238,715
Transfers out	(20,138)	(38,444)	(363,332)	-	-	(32,000)	(453,914)
TOTAL OTHER FINANCING SOURCES (USES)	82,862	97,271	(363,332)	-	-	(32,000)	(215,199)
NET CHANGE IN FUND BALANCES	5,163	12,748	192,550	43,562	121,924	15,964	391,911
FUND BALANCES - BEGINNING OF YEAR	496,196	46,967	428,003	30,927	141,160	40,298	1,183,551
FUND BALANCES - END OF YEAR	\$ 501,359	\$ 59,715	\$ 620,553	\$ 74,489	\$ 263,084	\$ 56,262	\$ 1,575,462

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, 2016**

	Community Development			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental	\$ 400,000	\$ 400,000	\$ 256,508	\$ (143,492)
Charges for services	-	-	595	595
Interest earned	45	45	7,512	7,467
Total revenues	<u>400,045</u>	<u>400,045</u>	<u>264,615</u>	<u>(135,430)</u>
EXPENDITURES				
Community development	503,045	478,045	342,314	135,731
Total expenditures	<u>503,045</u>	<u>478,045</u>	<u>342,314</u>	<u>135,731</u>
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(103,000)	(78,000)	(77,699)	301
OTHER FINANCING SOURCES				
Transfers in	103,000	103,000	103,000	-
Transfers out	-	(25,000)	(20,138)	4,862
	<u>103,000</u>	<u>78,000</u>	<u>82,862</u>	<u>4,862</u>
NET CHANGE IN FUND BALANCE	-	-	5,163	5,163
FUND BALANCE, BEGINNING OF YEAR	<u>496,196</u>	<u>496,196</u>	<u>496,196</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 496,196</u>	<u>\$ 496,196</u>	<u>\$ 501,359</u>	<u>\$ 5,163</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, 2016**

	Planning Commission			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental	\$ 264,965	\$ 264,965	\$ 249,781	\$ (15,184)
Charges for services	11,000	11,000	9,542	(1,458)
Interest earned	-	-	37	37
Total revenues	<u>275,965</u>	<u>275,965</u>	<u>259,360</u>	<u>(16,605)</u>
EXPENDITURES				
Community development	414,430	374,430	343,883	30,547
Total expenditures	<u>414,430</u>	<u>374,430</u>	<u>343,883</u>	<u>30,547</u>
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(138,465)	(98,465)	(84,523)	13,942
OTHER FINANCING SOURCES				
Transfers in	138,465	138,465	135,715	(2,750)
Transfers out	-	(40,000)	(38,444)	1,556
	<u>138,465</u>	<u>98,465</u>	<u>97,271</u>	<u>(1,194)</u>
NET CHANGE IN FUND BALANCE	-	-	12,748	12,748
FUND BALANCE, BEGINNING OF YEAR	<u>46,967</u>	<u>46,967</u>	<u>46,967</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 46,967</u>	<u>\$ 46,967</u>	<u>\$ 59,715</u>	<u>\$ 12,748</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, 2016**

	Hotel/Motel Tax			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 1,120,000	\$ 1,120,000	\$ 1,193,327	\$ 73,327
Interest earned	-	-	1,131	1,131
Total revenues	<u>1,120,000</u>	<u>1,120,000</u>	<u>1,194,458</u>	<u>74,458</u>
 EXPENDITURES				
Public facilities	<u>775,000</u>	<u>775,000</u>	<u>638,576</u>	<u>136,424</u>
Total expenditures	<u>775,000</u>	<u>775,000</u>	<u>638,576</u>	<u>136,424</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 345,000	 345,000	 555,882	 210,882
 OTHER FINANCING USES				
Transfers out	<u>(345,000)</u>	<u>(345,000)</u>	<u>(363,332)</u>	<u>18,332</u>
	<u>(345,000)</u>	<u>(345,000)</u>	<u>(363,332)</u>	<u>18,332</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 192,550	 192,550
 FUND BALANCE, BEGINNING OF YEAR	 <u>428,003</u>	 <u>428,003</u>	 <u>428,003</u>	 <u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 428,003</u>	<u>\$ 428,003</u>	<u>\$ 620,553</u>	<u>\$ 192,550</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, 2016**

	Business Improvement District			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for services	\$ 52,000	\$ 52,000	\$ 35,758	\$ (16,242)
Taxes	32,000	32,000	57,872	25,872
Interest earned	-	-	26	26
Total revenues	<u>84,000</u>	<u>84,000</u>	<u>93,656</u>	<u>9,656</u>
EXPENDITURES				
Community development	84,000	84,000	50,094	33,906
Total expenditures	<u>84,000</u>	<u>84,000</u>	<u>50,094</u>	<u>33,906</u>
NET CHANGE IN FUND BALANCE	-	-	43,562	43,562
FUND BALANCE, BEGINNING OF YEAR	<u>30,927</u>	<u>30,927</u>	<u>30,927</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 30,927</u>	<u>\$ 30,927</u>	<u>\$ 74,489</u>	<u>\$ 43,562</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, 2016**

	Tax Allocation District			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 140,000	\$ 140,000	\$ 193,444	\$ 53,444
Interest earned	-	-	99	99
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>193,543</u>	<u>53,543</u>
EXPENDITURES				
Community development	85,000	85,000	16,619	68,381
Debt service				
Principal	33,000	33,000	33,024	(24)
Interest	<u>22,000</u>	<u>22,000</u>	<u>21,976</u>	<u>24</u>
Total expenditures	<u>140,000</u>	<u>140,000</u>	<u>71,619</u>	<u>68,381</u>
NET CHANGE IN FUND BALANCE	-	-	121,924	121,924
FUND BALANCE, BEGINNING OF YEAR	<u>141,160</u>	<u>141,160</u>	<u>141,160</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 141,160</u>	<u>\$ 141,160</u>	<u>\$ 263,084</u>	<u>\$ 121,924</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, 2016**

	Forum Parking Deck			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Charges for services	\$ 73,500	\$ 90,940	\$ 102,947	\$ 12,007
Interest earned	20	20	37	17
Total revenues	<u>73,520</u>	<u>90,960</u>	<u>102,984</u>	<u>12,024</u>
EXPENDITURES				
Public facilities	51,520	68,960	55,020	13,940
Total expenditures	<u>51,520</u>	<u>68,960</u>	<u>55,020</u>	<u>13,940</u>
EXCESS OF REVENUES OVER EXPENDITURES	22,000	22,000	47,964	25,964
OTHER FINANCING USES				
Transfers out	<u>(22,000)</u>	<u>(22,000)</u>	<u>(32,000)</u>	<u>(10,000)</u>
	<u>(22,000)</u>	<u>(22,000)</u>	<u>(32,000)</u>	<u>(10,000)</u>
NET CHANGE IN FUND BALANCE	-	-	15,964	15,964
FUND BALANCE, BEGINNING OF YEAR	<u>40,298</u>	<u>40,298</u>	<u>40,298</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 40,298</u>	<u>\$ 40,298</u>	<u>\$ 56,262</u>	<u>\$ 15,964</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, 2016

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	1,610,572	-	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	702,853	-	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>23,689,722</u>	<u>-</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, 2016

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	\$ 3,234,324	\$ 7,726,088	\$ 10,960,412	30%
Chulio Hills Back Entrance for Bus	800,000	800,000	5,523	5,299	10,822	1%
Trail Connectivity Expansion	1,800,000	1,800,000	8,989	6,500	15,489	1%
Fire Equipment & Fire Facility Improvements	750,000	750,000	118,330	227,556 (A)	345,886	16%
Police Training Facility Improvements	396,000	396,000	386,488	10,850	397,338	97%
City Hall Auditorium Modernization	1,700,000	1,700,000	1,324,592	754,541	2,079,133	70%
City Street Milling and Paving	500,000	500,000	204,659	80,800 (A)	285,459	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	10,970	27,050	8%
Downtown Visitor Information Center	50,000	50,000	50,000	-	50,000	100%
Sewer Improvements	1,000,000	1,000,000	691,789	308,212 (A)	1,000,001	70%
Burnett Ferry Road	2,721,000	2,721,000	22,400	25,614	48,014	1%
Playground Improvements	500,000	500,000	4,800	-	4,800	1%
	<u>23,617,000</u>	<u>23,617,000</u>	<u>6,067,974</u>	<u>9,156,430</u>	<u>15,224,404</u>	
Total Projects	<u>\$ 61,195,456</u>	<u>\$ 61,444,269</u>	<u>\$ 41,613,477</u>	<u>\$ 9,156,430</u>	<u>\$ 50,769,907</u>	
Fire Station Renovations (Floyd County SPLOST) Burnett Ferry			578,604 55,597	- -	578,604 55,597	
Total SPLOST Expenditures			<u>\$ 42,247,678</u>	<u>\$ 9,156,430</u>	<u>\$ 51,404,108</u>	
Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds						
			Special Purpose Local Option Sales Tax Fund			
			Total Expenditures	\$ 11,151,310		
			Transfers out	616,568 (A)		
			Debt Service Expenditures	(2,611,448)		
				<u>\$ 9,156,430</u>		

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

NONMAJOR PROPRIETARY FUNDS
ENTERPRISE FUNDS

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

- | | |
|--------------------------------------|--|
| <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, 2016

	<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	\$ 1,447,845	\$ 429,171	\$ 421,898	\$ 74,881	\$ 1,734,174	\$ 355,428	\$ 4,463,397
Restricted cash	-	-	-	-	342,804	-	342,804
Accounts receivable, net of allowance for uncollectibles	-	-	244,997	284	-	786	246,067
Due from other governments	339,494	-	-	-	-	-	339,494
Due from other funds	104,205	9,359	50,632	141,438	-	28,353	333,987
Due from component units	-	40	-	-	-	-	40
Prepaid items	-	-	-	9,167	-	-	9,167
Inventories	291,303	-	-	11,475	-	21,394	324,172
Total current assets	<u>2,182,847</u>	<u>438,570</u>	<u>717,527</u>	<u>237,245</u>	<u>2,076,978</u>	<u>405,961</u>	<u>6,059,128</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	2,624,428	53,382	1,018,867	199,591	594,163	11,573,747	16,064,178
Total non-current assets	<u>2,959,028</u>	<u>53,382</u>	<u>1,018,867</u>	<u>4,809,244</u>	<u>1,144,163</u>	<u>12,062,897</u>	<u>22,047,581</u>
TOTAL ASSETS	<u>5,141,875</u>	<u>491,952</u>	<u>1,736,394</u>	<u>5,046,489</u>	<u>3,221,141</u>	<u>12,468,858</u>	<u>28,106,709</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charge on refunding	-	-	-	160,628	-	-	160,628
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,628</u>	<u>-</u>	<u>-</u>	<u>160,628</u>

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2016

	<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	\$ -	\$ -	\$ -	\$ 330,000	\$ -	\$ -	\$ 330,000
Accounts payable	41,378	7,561	50,018	34,038	6,988	15,916	155,899
Accrued liabilities	47,213	10,498	47,465	98,418	-	17,155	220,749
Unearned revenue	-	-	-	48,944	11,395	-	60,339
Due to other funds	12,141	4,749	87,740	12	24	1,464	106,130
Due to component unit	-	-	-	-	-	476	476
Compensated absences, current	63,798	20,224	67,637	-	-	-	151,659
Total current liabilities	<u>164,530</u>	<u>43,032</u>	<u>252,860</u>	<u>511,412</u>	<u>18,407</u>	<u>35,011</u>	<u>1,025,252</u>
Long-term Liabilities:							
Revenue bonds, long-term, net	-	-	-	2,806,443	-	-	2,806,443
Advances due to Capital Fund	-	-	554,079	19,846	-	-	573,925
Compensated absences, long term	21,266	6,741	22,546	-	-	-	50,553
Total long-term liabilities	<u>21,266</u>	<u>6,741</u>	<u>576,625</u>	<u>2,826,289</u>	<u>-</u>	<u>-</u>	<u>3,430,921</u>
TOTAL LIABILITIES	<u>185,796</u>	<u>49,773</u>	<u>829,485</u>	<u>3,337,701</u>	<u>18,407</u>	<u>35,011</u>	<u>4,456,173</u>
NET POSITION							
Net investment in capital assets	2,959,028	53,382	1,018,867	1,833,429	1,144,163	12,062,897	19,071,766
Restricted for tennis center	-	-	-	-	-	370,950	370,950
Unrestricted	1,997,051	388,797	(111,958)	35,987	2,058,571	-	4,368,448
TOTAL NET POSITION	<u>\$ 4,956,079</u>	<u>\$ 442,179</u>	<u>\$ 906,909</u>	<u>\$ 1,869,416</u>	<u>\$ 3,202,734</u>	<u>\$ 12,433,847</u>	<u>\$ 23,811,164</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, 2016

	<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>
OPERATING REVENUES							
Charges for services	\$ 1,677,787	\$ 966,655	\$ 2,122,733	\$ 1,012,325	\$ 322,021	\$ -	\$ 6,101,521
Miscellaneous	472	3,031	3,166	6,470	-	136,217	149,356
TOTAL OPERATING REVENUES	<u>1,678,259</u>	<u>969,686</u>	<u>2,125,899</u>	<u>1,018,795</u>	<u>322,021</u>	<u>136,217</u>	<u>6,114,660</u>
OPERATING EXPENSES							
Cost of goods sold	-	-	-	99,282	-	-	99,282
Salaries and employee benefits	2,134,749	579,823	1,957,385	490,267	-	-	5,162,224
Supplies	271,835	20,814	147,936	119,392	47,000	-	606,977
Maintenance and repairs	74,866	4,581	181,834	34,368	30,702	-	326,351
Operating services and charges	388,930	70,773	627,107	334,346	45,299	437,435	1,903,890
Depreciation	660,568	10,901	409,607	55,894	209,705	115,638	1,462,313
TOTAL OPERATING EXPENSES	<u>3,530,948</u>	<u>686,892</u>	<u>3,323,869</u>	<u>1,133,549</u>	<u>332,706</u>	<u>553,073</u>	<u>9,561,037</u>
OPERATING INCOME (LOSS)	<u>(1,852,689)</u>	<u>282,794</u>	<u>(1,197,970)</u>	<u>(114,754)</u>	<u>(10,685)</u>	<u>(416,856)</u>	<u>(3,310,160)</u>
NON-OPERATING INCOME (EXPENSE)							
Intergovernmental	910,226	41,255	-	-	-	-	951,481
Interest income	2,639	226	345	85	4,811	194	8,300
Interest expense	-	-	(14,927)	(132,958)	-	-	(147,885)
Gain on sale of capital assets	11,804	-	2,253	-	-	-	14,057
TOTAL NON-OPERATING INCOME (EXPENSE)	<u>924,669</u>	<u>41,481</u>	<u>(12,329)</u>	<u>(132,873)</u>	<u>4,811</u>	<u>194</u>	<u>825,953</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>(928,020)</u>	<u>324,275</u>	<u>(1,210,299)</u>	<u>(247,627)</u>	<u>(5,874)</u>	<u>(416,662)</u>	<u>(2,484,207)</u>

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, 2016**

	<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	\$ 418,416	\$ -	\$ 1,455,000	\$ 590,000	\$ -	\$ 298,332	\$ 2,761,748
Transfers out	(317,789)	(66,948)	(214,454)	-	-	(5,723)	(604,914)
Capital contributions	494,036	-	-	-	-	11,689,385	12,183,421
	<u>594,663</u>	<u>(66,948)</u>	<u>1,240,546</u>	<u>590,000</u>	<u>-</u>	<u>11,981,994</u>	<u>14,340,255</u>
CHANGE IN NET POSITION	(333,357)	257,327	30,247	342,373	(5,874)	11,565,332	11,856,048
NET POSITION - BEGINNING 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>
NET POSITION - END OF YEAR	<u>\$ 4,956,079</u>	<u>\$ 442,179</u>	<u>\$ 906,909</u>	<u>\$ 1,869,416</u>	<u>\$ 3,202,734</u>	<u>\$ 12,433,847</u>	<u>\$ 23,811,164</u>

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2016

	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	\$ 1,736,435	\$ 969,686	\$ 2,121,916	\$ 1,035,046	\$ 275,619	\$ 130,067	\$ 6,268,769
Receipts from interfund services provided	13,399	-	-	12	-	1,940	15,351
Payments to suppliers	(728,628)	(85,440)	(956,904)	(572,720)	(127,914)	(428,109)	(2,899,715)
Payments to employees	(2,127,821)	(574,298)	(1,950,037)	(490,267)	-	-	(5,142,423)
Payments for interfund services used	-	(1,532)	(111,779)	(40,000)	(38,382)	-	(191,693)
Net cash provided (used) by operating activities	<u>(1,106,615)</u>	<u>308,416</u>	<u>(896,804)</u>	<u>(67,929)</u>	<u>109,323</u>	<u>(296,102)</u>	<u>(1,949,711)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfer from other funds	418,416	-	1,455,000	590,000	-	298,332	2,761,748
Transfer to other funds	(317,789)	(66,948)	(214,454)	-	-	(5,723)	(604,914)
Advances from other funds	-	-	318,682	-	-	-	318,682
Repayment of advances from other funds	-	-	(286,735)	(19,846)	-	-	(306,581)
Intergovernmental revenue	-	41,255	-	-	-	-	41,255
Subsidy from federal grant	910,226	-	-	-	-	-	910,226
Net cash provided (used) by noncapital financing activities	<u>1,010,853</u>	<u>(25,693)</u>	<u>1,272,493</u>	<u>570,154</u>	<u>-</u>	<u>292,609</u>	<u>3,120,416</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital contributions	494,036	-	-	-	-	-	494,036
Purchases of capital assets	(115,584)	(57,930)	(318,683)	-	-	-	(492,197)
Proceeds from the sale of capital assets	11,804	-	12,792	-	-	-	24,596
Principal paid on capital debt	-	-	-	(325,000)	-	-	(325,000)
Interest paid on capital debt	-	-	(14,927)	(132,958)	-	-	(147,885)
Net cash provided (used) by capital and related financing activities	<u>390,256</u>	<u>(57,930)</u>	<u>(320,818)</u>	<u>(457,958)</u>	<u>-</u>	<u>-</u>	<u>(446,450)</u>

continued

**CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2016**

	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	\$ 2,639	\$ 226	\$ 345	\$ 85	\$ 4,811	\$ 194	\$ 8,300
Net cash provided by investing activities	<u>2,639</u>	<u>226</u>	<u>345</u>	<u>85</u>	<u>4,811</u>	<u>194</u>	<u>8,300</u>
Net increase (decrease) in cash and cash equivalents	297,133	225,019	55,216	44,352	114,134	(3,299)	732,555
Cash and cash equivalents, January 1	<u>1,150,712</u>	<u>204,152</u>	<u>366,682</u>	<u>30,529</u>	<u>1,962,844</u>	<u>358,727</u>	<u>4,073,646</u>
Cash and cash equivalents, December 31	<u>\$ 1,447,845</u>	<u>\$ 429,171</u>	<u>\$ 421,898</u>	<u>\$ 74,881</u>	<u>\$ 2,076,978</u>	<u>\$ 355,428</u>	<u>\$ 4,806,201</u>
Reconciliation of Cash and Cash Equivalents:							
Cash and cash equivalents	\$ 1,447,845	\$ 429,171	\$ 421,898	\$ 74,881	\$ 1,734,174	\$ 355,428	\$ 4,463,397
Cash and cash equivalents - restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>342,804</u>	<u>-</u>	<u>342,804</u>
Total cash and cash equivalents	<u>\$ 1,447,845</u>	<u>\$ 429,171</u>	<u>\$ 421,898</u>	<u>\$ 74,881</u>	<u>\$ 2,076,978</u>	<u>\$ 355,428</u>	<u>\$ 4,806,201</u> continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2016

	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)	\$ (1,852,689)	\$ 282,794	\$ (1,197,970)	\$ (114,754)	\$ (10,685)	\$ (416,856)	\$ (3,310,160)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	660,568	10,901	409,607	55,894	209,705	115,638	1,462,313
Amortization expense	-	-	-	4,977	-	-	4,977
(Increase) decrease in accounts receivable	-	-	(3,983)	3,111	-	(786)	(1,658)
(Increase) decrease in due from other governments	58,176	-	-	-	-	(5,364)	52,812
(Increase) decrease in due from other funds	22,932	(4,329)	(50,632)	(40,000)	-	-	(72,029)
Decrease in due from component unit	-	-	-	(2,400)	-	-	(2,400)
(Increase) decrease in inventories	(1,445)	-	-	11,461	-	(21,394)	(11,378)
Increase (decrease) in accounts payable and accrued liabilities	8,448	10,728	(27)	630	(4,913)	30,720	45,586
Increase in compensated absences payable	6,928	5,525	7,348	-	-	-	19,801
(Increase) decrease in unearned revenue	-	-	-	13,140	(46,402)	-	(33,262)
Increase (decrease) in due to other funds	(9,533)	2,797	(61,147)	12	(38,382)	1,940	(104,313)
Total adjustments	<u>746,074</u>	<u>25,622</u>	<u>301,166</u>	<u>46,825</u>	<u>120,008</u>	<u>120,754</u>	<u>1,360,449</u>
Net cash provided (used) by operating activities	<u>\$ (1,106,615)</u>	<u>\$ 308,416</u>	<u>\$ (896,804)</u>	<u>\$ (67,929)</u>	<u>\$ 109,323</u>	<u>\$ (296,102)</u>	<u>\$ (1,949,711)</u>
Schedule of noncash capital and related financing activities:							
Capital contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,689,385</u>	<u>\$ 11,689,385</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, 2016**

	Health Insurance Fund	Workers' Compensation Fund	Total
ASSETS			
Cash and cash equivalents	\$ 1,563,886	\$ 936,952	\$ 2,500,838
Due from other funds	209,784	-	209,784
Due from component unit	2,604	-	2,604
Advances due from other funds	931,054	-	931,054
Prepaid items	5,567	-	5,567
TOTAL ASSETS	2,712,895	936,952	3,649,847
LIABILITIES			
Current Liabilities			
Accounts payable	33,034	20,183	53,217
Accrued liabilities	1,703	-	1,703
Due to other funds	48	-	48
Claims payable	549,076	230,000	779,076
TOTAL LIABILITIES	583,861	250,183	834,044
NET POSITION			
Unrestricted	2,129,034	686,769	2,815,803
TOTAL NET POSITION	\$ 2,129,034	\$ 686,769	\$ 2,815,803

**CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016**

	Health Insurance Fund	Workers' Compensation Fund	Total
OPERATING REVENUES			
Charges for services	\$ 6,887,654	\$ 998,460	\$ 7,886,114
TOTAL OPERATING REVENUES	<u>6,887,654</u>	<u>998,460</u>	<u>7,886,114</u>
OPERATING EXPENSES			
Salaries and employee benefits	105,457	-	105,457
Other services and charges	956,106	901,109	1,857,215
Claims	5,458,861	389,294	5,848,155
Administrative fees	354,349	31,100	385,449
TOTAL OPERATING EXPENSES	<u>6,874,773</u>	<u>1,321,503</u>	<u>8,196,276</u>
OPERATING INCOME (LOSS)	12,881	(323,043)	(310,162)
NON-OPERATING INCOME			
Intergovernmental	-	250,445	250,445
Interest income	35,278	2,459	37,737
CHANGE IN NET POSITION	48,159	(70,139)	(21,980)
NET POSITION - BEGINNING OF YEAR	<u>2,080,875</u>	<u>756,908</u>	<u>2,837,783</u>
NET POSITION - END OF YEAR	<u>\$ 2,129,034</u>	<u>\$ 686,769</u>	<u>\$ 2,815,803</u>

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016

	Health Insurance Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 6,888,192	\$ 1,238,691	\$ 8,126,883
Payments for interfund services provided	(131,450)	-	(131,450)
Payments to suppliers	(1,307,845)	(1,043,062)	(2,350,907)
Payments to employees	(105,457)	-	(105,457)
Claims paid	(5,608,861)	(424,294)	(6,033,155)
Net cash (used) by operating activities	<u>(265,421)</u>	<u>(228,665)</u>	<u>(494,086)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Repayment of advances to other funds	120,698	-	120,698
Net cash provided by capital financing activities	<u>120,698</u>	<u>-</u>	<u>120,698</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Intergovernmental revenue	-	250,445	250,445
Net cash provided by non capital financing activities	<u>-</u>	<u>250,445</u>	<u>250,445</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	35,278	2,459	37,737
Net cash provided by investing activities	<u>35,278</u>	<u>2,459</u>	<u>37,737</u>
Net increase (decrease) in cash and cash equivalents	(109,445)	24,239	(85,206)
Cash and cash equivalents, January 1	1,673,331	912,713	2,586,044
Cash and cash equivalents, December 31	<u>\$ 1,563,886</u>	<u>\$ 936,952</u>	<u>\$ 2,500,838</u>
Reconciliation of operating (loss) to net cash (used) by operating activities			
Operating loss	\$ 12,881	\$ (323,043)	\$ (310,162)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Decrease in accounts receivable	538	-	538
(Increase) decrease in due from other funds	(129,317)	116,260	(13,057)
Decrease in due from other governments	-	123,971	123,971
Decrease in accounts and claims payable	(147,390)	(145,853)	(293,243)
Decrease in due to other funds	(2,133)	-	(2,133)
Total adjustments	<u>(278,302)</u>	<u>94,378</u>	<u>(183,924)</u>
Net cash (used) by operating activities	<u>\$ (265,421)</u>	<u>\$ (228,665)</u>	<u>\$ (494,086)</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, 2016**

	Greater Rome Convention & Visitors Bureau
ASSETS	
Cash	\$ 113,643
Accounts Receivable, net of allowance	148
Due from other governments	9,625
Due from primary government	4,064
Total assets	<u>\$ 127,480</u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 13,307
Accrued liabilities	7,640
Due to primary government	3,171
Total liabilities	<u>24,118</u>
 FUND BALANCE	
Unrestricted	<u>103,362</u>
Total fund balance	<u>103,362</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 127,480</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, 2016

	Greater Rome Convention & Visitors Bureau
REVENUES	
Intergovernmental	\$ 592,458
Charges for services	19,013
Contributions	79,587
TOTAL REVENUES	691,058
EXPENDITURES	
Personal services	418,559
Supplies	27,373
Other services and charges	213,665
TOTAL EXPENDITURES	659,597
NET CHANGE IN FUND BALANCE	31,461
FUND BALANCE - BEGINNING OF YEAR	71,901
FUND BALANCE - END OF YEAR	\$ 103,362

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)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities										
Net investment in capital assets	\$ 99,276	\$ 108,946	\$ 109,793	\$ 117,293	\$ 125,089	\$ 124,859	\$ 122,991	\$ 132,207	\$ 137,041	\$ 123,002
Restricted	631	675	745	741	3,255	3,696	3,459	5,986	20,178	14,192
Unrestricted	21,943	20,722	20,075	19,618	16,251	15,538	16,636	16,423	(16,833)	(4,232)
Total governmental activities net position	<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>\$ 154,616</u>	<u>\$ 140,386</u>	<u>\$ 132,962</u>
Business - type activities										
Net investment in capital assets	\$ 114,969	\$ 116,571	\$ 120,303	\$ 122,951	\$ 128,164	\$ 131,764	\$ 134,833	\$ 136,590	\$ 139,466	\$ 152,422
Restricted	284	295	355	368	372	377	942	698	1,572	1,082
Unrestricted	(4,556)	38	2,123	5,011	5,957	7,031	7,829	12,724	16,306	21,980
Total business - type activities net position	<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>	<u>\$ 175,484</u>
Primary government										
Net investment in capital assets	\$ 214,245	\$ 225,517	\$ 230,096	\$ 240,244	\$ 253,253	\$ 256,623	\$ 257,824	\$ 268,797	\$ 276,507	\$ 275,424
Restricted	915	970	1,100	1,109	3,627	4,073	4,401	6,684	21,750	15,274
Unrestricted	17,387	20,760	22,198	24,629	22,208	22,569	24,465	29,147	(527)	17,748
Total primary government net position	<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>\$ 304,628</u>	<u>\$ 297,730</u>	<u>\$ 308,446</u>

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

	fiscal year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
General government	\$ 3,555	\$ 5,681	\$ 3,459	\$ 3,726	\$ 4,504	\$ 3,651	\$ 3,701	\$ 4,037	\$ 5,643	\$ 7,475
Public safety	7,416	8,752	8,330	7,659	7,167	7,393	7,546	7,706	7,850	7,637
Public Works	8,564	10,590	9,902	8,881	10,441	10,850	11,781	10,731	10,626	8,836
Public Facilities	1,121	1,194	1,259	1,381	1,419	1,916	1,516	1,589	1,356	1,432
Public Services	278	516	447	397	514	431	448	468	449	424
Community Development	1,028	1,178	1,088	1,759	1,315	1,217	2,113	1,136	1,079	1,095
Education	1,080	1,114	1,183	1,185	1,275	1,466	1,463	1,458	1,425	1,682
Interest on debt	246	320	369	241	153	274	538	474	933	520
Total governmental activities expenses	<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>	<u>\$ 29,101</u>
Business - type activities:										
Water and Sewer	16,899	17,201	17,631	17,279	18,187	18,156	17,501	17,852	17,220	17,415
Fire	10,316	10,474	10,247	10,249	10,645	12,748	11,959	11,500	11,167	11,068
Solid Waste Commission	3,309	2,104	2,466	1,988	2,076	3,093	1,899	2,267	1,483	2,214
Transit	3,107	3,236	2,970	3,092	3,120	3,589	3,734	3,464	3,574	3,531
Building Inspection	946	894	774	839	853	782	755	690	624	687
Solid Waste Management	3,810	3,751	3,463	3,304	3,503	3,551	3,495	3,513	3,353	3,339
Municipal Golf Fund	1,540	1,440	1,294	1,256	1,158	1,163	1,242	1,309	1,250	1,266
Public Facilities	447	456	408	394	460	388	364	319	324	333
Tennis Center	-	-	-	-	-	0	-	1	8	553
Total business - type activities expenses	<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>	<u>40,406</u>
Total primary government expenses	<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>	<u>\$ 69,507</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 1,823	\$ 1,972	\$ 1,879	\$ 1,880	\$ 1,992	\$ 2,063	\$ 2,078	\$ 2,191	\$ 2,270	\$ 2,413
Public Safety	1,779	1,886	1,667	1,581	1,302	1,244	1,358	1,176	1,260	1,219
Public Works	-	-	-	-	-	-	-	-	-	-
Public Facilities	-	-	-	-	-	-	-	-	-	-
Community Development	236	180	258	258	122	131	134	117	117	149
Education	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,024	1,842	1,123	711	881	871	943	862	707	849
Capital grants and contributions	8,741	13,432	7,580	11,259	14,201	7,054	6,556	16,662	13,886	6,589
Total governmental activities program revenues	<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>	<u>11,219</u>
Business - type activities:										
Charges for services:										
Water and Sewer	20,071	19,540	19,856	21,403	21,408	21,975	21,960	23,446	23,248	24,519
Fire	5,063	5,254	5,318	5,351	5,403	5,530	5,607	5,792	5,889	6,137
Solid Waste Commission	2,311	2,597	2,936	2,550	2,439	2,377	2,454	2,468	2,763	2,721
Transit	1,172	1,303	1,456	1,397	1,403	1,458	1,492	1,509	1,671	1,678
Building Inspection	790	937	1,038	702	797	693	615	726	783	970
Solid Waste Management	1,477	1,471	1,521	1,653	1,829	1,923	1,913	2,041	2,079	2,126
Municipal Golf Fund	1,006	925	760	801	795	1,024	963	977	918	1,019
Public Facilities	648	694	694	694	694	694	694	694	694	322
Tennis Center	-	-	-	-	-	-	-	-	-	136
Operating grants and contributions	458	461	517	708	744	1,618	1,243	1,077	944	954
Capital grants and contributions	1,640	1,365	1,165	1,034	2,924	895	1,359	1,028	957	516
Total business - type activities program revenues	<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>	<u>41,098</u>
Total primary government program revenues	<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>	<u>\$ 52,317</u>

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (expense)/ revenue										
Governmental activities	\$ (9,685)	\$ (10,033)	\$ (13,530)	\$ (9,539)	\$ (8,290)	\$ (15,836)	\$ (18,037)	\$ (6,591)	\$ (11,121)	\$ (17,882)
Business- type activities	(5,738)	(5,009)	(3,992)	(2,108)	(1,566)	(5,283)	(2,649)	(1,157)	943	692
Total primary government net expense	\$ (15,423)	\$ (15,042)	\$ (17,522)	\$ (11,647)	(9,856)	(21,119)	\$ (20,686)	\$ (7,748)	\$ (10,178)	\$ (17,190)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 10,048	\$ 8,683	\$ 9,662	\$ 10,007	\$ 9,749	\$ 10,221	\$ 10,074	\$ 10,967	\$ 11,790	\$ 12,088
Sales taxes	10,242	12,570	6,128	5,980	6,162	6,232	5,590	5,762	5,320	5,682
Other taxes	7,252	7,306	7,085	7,188	7,147	7,211	7,294	7,788	8,109	8,446
Gain on Sale of Capital Assets	218	2	-	-	-	-	-	66	17	-
Interest Earnings	731	594	562	654	714	790	599	654	715	711
Miscellaneous	309	177	109	150	501	684	691	263	358	837
Transfers	(9,061)	(10,807)	(9,745)	(7,401)	(8,549)	(9,803)	(7,018)	(7,379)	(6,248)	(17,306)
Total governmental activities	19,739	18,525	13,801	16,578	15,724	15,335	17,230	18,121	20,061	10,458
Business- type activities:										
Sales taxes	-	-	-	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	12	71	27	50	109	82	-	110	55	26
Investment earnings	835	339	59	42	27	32	62	63	80	113
Miscellaneous	-	-	37	165	12	44	1	13	7	3
Transfers	9,061	10,807	9,745	7,401	8,549	9,803	7,018	7,379	6,248	17,306
Total business- type activities	9,908	11,217	9,868	7,658	8,697	9,961	7,081	7,565	6,390	17,448
Total primary government	\$ 29,647	\$ 29,742	\$ 23,669	\$ 24,236	\$ 24,421	\$ 25,296	24,311	25,686	26,451	27,906
Change in Net Position										
Governmental activities	\$ 10,054	\$ 8,492	\$ 271	\$ 7,038	\$ 7,434	\$ (502)	\$ (807)	\$ 11,530	\$ 8,940	\$ (7,424)
Business- type activities	4,170	6,208	5,876	5,549	7,131	4,679	4,432	6,408	7,333	18,140
Total primary government	\$ 14,224	\$ 14,700	\$ 6,147	\$ 12,587	\$ 14,565	\$ 4,177	\$ 3,625	\$ 17,938	\$ 16,273	\$ 10,716

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund										
Reserved	\$ 816	\$ 869	\$ 856	\$ 891	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	11,114	10,575	9,652	10,120	0	-	-	-	-	-
Nonspendable					216	792	763	735	705	721
Restricted					790	771	784	782	801	812
Assigned					-	25	-	-	-	520
Unassigned					10,661	11,012	11,260	12,101	12,667	15,230
Total General fund	<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>	<u>\$ 17,283</u>
All other governmental funds										
Reserved	\$ 2,653	\$ 2,179	\$ 5,284	\$ 4,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	403	303	152	125	-	-	-	-	-	-
Capital projects funds	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	13,379
Assigned, reported in										
Special revenue funds					57	74	83	47	36	32
Capital projects funds					1,617	-	-	-	-	-
Unassigned					-	(165)	(226)	-	-	-
Total all other governmental funds	<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>	<u>\$ 13,411</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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 27,525	\$ 28,385	\$ 22,358	\$ 23,053	\$ 23,069	\$ 23,450	\$ 23,010	\$ 24,651	\$ 24,882	\$ 27,035
Licenses and permits	1,599	1,738	1,675	1,681	1,658	1,722	1,735	1,813	1,890	1,947
Intergovernmental	3,916	3,495	8,462	9,911	10,019	5,164	5,268	5,950	7,621	6,784
Charges for services	674	538	586	542	464	472	476	495	497	615
Grant Revenue	-	-	-	-	-	-	-	-	-	-
Fines/Forfeitures	1,565	1,762	1,543	1,496	1,294	1,244	1,358	1,176	1,260	1,219
Investment earnings	732	594	562	654	715	790	599	653	715	711
Miscellaneous	309	216	109	150	500	684	691	263	358	837
Total revenues	36,320	36,728	\$ 35,295	\$ 37,487	\$ 37,719	\$ 33,526	\$ 33,137	\$ 35,001	\$ 37,223	\$ 39,148
Expenditures										
General government	3,491	3,584	3,478	3,313	3,143	3,138	3,181	3,477	5,347	6,495
Public safety	7,493	7,688	7,523	7,414	7,222	7,122	7,372	7,397	7,659	7,243
Public works	5,531	5,858	5,586	5,430	5,670	5,623	5,577	5,614	5,447	5,390
Public facilities	926	937	959	1,023	1,007	1,035	1,039	1,116	1,128	1,205
Public services	458	456	391	379	388	407	433	442	436	419
Community development	1,024	1,172	1,072	1,126	1,135	1,204	1,163	1,120	1,081	1,078
Other services and charges	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Claims paid	-	-	-	-	-	-	-	-	-	-
Capital outlay	8,303	5,928	6,762	11,165	9,416	5,658	6,907	4,692	7,525	11,304
Debt service										
Principal	91	78	198	262	557	319	306	376	364	2,572
Interest	246	320	245	245	245	276	542	469	515	824
Bond Issuance Costs	-	-	-	-	0	-	-	-	245	-
Total expenditures	27,563	26,021	26,214	30,357	28,783	24,782	26,520	24,703	29,747	36,530
Excess of revenues over (under) expenditures	8,757	10,707	9,081	7,130	8,936	8,744	6,617	10,298	7,476	2,618

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other financing sources (uses)										
Transfers in	3,654	3,205	2,019	1,847	2,672	1,807	1,903	1,909	3,532	4,781
Transfers out	(12,714)	(14,012)	(11,764)	(9,248)	(11,221)	(11,610)	(8,922)	(9,288)	(9,780)	(10,398)
Transfers to component units	-	-	-	-	-	-	-	-	-	-
Transfers from component units	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of bonds/notes	-	-	300	-	-	-	-	-	10,785	-
Premium on issuance of Long Term Debt	-	-	-	-	0	-	-	-	861	-
Capital leases	-	-	-	-	50	-	-	-	-	-
Sale of capital assets	338	47	13	85	449	80	452	70	17	107
Total other financing sources (uses)	<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>	<u>(5,510)</u>
Net change in fund balances	<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>	<u>\$ (2,892)</u>
Debt service as a percentage of noncapital expenditures	1.9%	2.2%	2.3%	2.7%	4.0%	2.9%	3.8%	4.0%	4.8%	13.9%

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Insurance Premium Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Other Taxes</u>	<u>Total</u>
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
2016	13,458	5,681	3,297	2,281	879	1,439	27,035
% change between 2007 & 2016	31.21%	-44.53%	4.14%	19.30%	2.57%	31.90%	-1.78%

(*) 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
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	199,255,502	33,184,031	47,340,010	165,982	1,114,472,972	(70,736,324)	1,056,420,392	26.14	2,641,050,980	40%
2016	836,127,575	208,975,968	32,000,019	35,162,930	154,808	1,112,421,300	(72,205,318)	1,053,828,111	27.54	2,634,570,278	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
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
2016	8.15	1.94	-	17.45	27.54	9.600	-	37.14

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, 2016
(amounts expressed in thousands)

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Redmond Regional Medical Center	29,718	1	2.67%	49,198	1	4.46%
Southeastern Mills	26,680	2	2.40%	9,076	9	0.81%
Duke Realty	18,174	3	1.63%			
Georgia Power Company	17,267	4	1.55%	13,227	4	
Harbin Properties, LLC	10,943	5	0.98%	9,309	8	0.84%
Syntec Industries	10,057	6	0.90%			
Keebler Company	9,895	7	0.89%	11,422	6	1.03%
River Root Partners LLC	9,807	8	0.88%	11,159	7	1.01%
Bekaert Corporation	9,707	9	0.87%	18,520	2	1.68%
Walmart	9,213	10	0.83%	15,205	3	1.38%
Larry Martin				12,609	5	1.14%
Mt Berry Square Mall				8,731	10	0.79%
Totals	\$ 151,461		13.62%	\$ 158,456		13.14%

Source-Floyd County Tax Assessor Office

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2016	28,889	26,088	90.3%	2,080	28,168	97.5%

**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			
2007	-		4,527	170	73,695	7,498	968	86,858	8.07%	2,382
2008	-	4,923	4,527	92	70,281	10,393	695	90,911	8.17%	2,453
2009	-	5,782	4,527	27	65,993	9,824	415	86,568	8.06%	2,395
2010	-	5,547	4,527	-	60,813	9,224	228	80,339	7.28%	2,213
2011	-	5,492	4,527	40	55,497	8,602	793	74,951	6.54%	2,072
2012	-	5,183	4,527	30	52,744	7,956	570	71,010	6.14%	1,976
2013	-	4,886	4,527	20	54,241	1,336 *	460	65,470	5.54%	1,811
2014	-	4,676	4,527	10	47,655	2,456	349	59,673	4.88%	1,658
2015	11,645	4,322	4,527	-	40,797	2,365	235	63,891	5.02%	1,759
2016	9,150	3,950	4,527	-	34,952	2,263	119	54,961	4.30%	1,509

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> ***
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	11,645	2,087	9,558	0.36%	263
2016	9,150	2,033	7,117	0.27%	195

** 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, 2016

<u>Governmental Unit</u>	<u>Certificates of Participation</u>	<u>Capital Leases</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	-	9,150	712,195	\$ 3,237,500	100%	\$ 8,485,845
Rome Board of Education-Quality Zone Academy Bonds	-	-	-	-	2,000,000	100%	2,000,000
	<u>\$ 4,527,000</u>	<u>-</u>	<u>9,150</u>	<u>712,195</u>	<u>\$ 5,237,500</u>		<u>\$ 10,485,845</u>

Source-Rome Board of Education

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	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	111,242,130
Total net debt applicable to limit	-	-	-	-	-	-	-	-	11,645,000	9,150,000
Legal debt margin	<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>\$ 99,735,929</u>	<u>\$ 102,092,130</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%	10.46%	8.23%

Legal Debt Margin Calculation for Fiscal Year 2016

Total assessed value	\$ 1,112,421,300
Debt limit (10% of total assessed value)	111,242,130
Debt applicable to limit:	
General obligation bonds	9,150,000
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>9,150,000</u>
Legal debt margin	<u>\$ 102,092,130</u>

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

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

Water & Sewer Revenue Bonds

<u>Fiscal Year</u>	<u>Water & Sewer Charges & Other (1)</u>	<u>Less: Operating Expenses (2)</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
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
2016	24,548,427	9,507,896	15,040,531	4,862,000	1,357,125	2.4

(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
2007	36,463 *	1,075,877	29,506	5,235	4.7%
2008	37,067 *	1,112,084	30,002	5,612	8.0%
2009	36,142 *	1,073,923	29,714	5,571	12.4%
2010	36,303	1,103,430	30,395	5,579	10.6%
2011	36,181 **	1,145,816 **	31,669	5,737	12.7%
2012	35,942 **	1,156,110 **	32,166	5,669	11.8%
2013	36,159 **	1,182,219 **	32,695	6,006	9.0%
2014	35,997 **	1,223,682 **	33,994	6,114	7.9%
2015	36,323 **	1,273,266 **	35,054	6,210	5.8%
2016	36,431 **	1,277,052 **	35,054	6,267	5.6%

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 Nine Years Ago**

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Floyd Medical Center	2,800	1	12.14%	2,100	1	12.11%
Harbin Clinic	1,244	2	5.39%	1,230	2	7.10%
Redmond Regional Medical Center	1,200	3	5.20%	1,200	3	6.92%
Rome City Schools	735	4	3.19%	757	7	4.37%
City of Rome	668	5	2.90%	665	9	3.84%
Floyd County Government	667	6	2.89%	725	8	4.18%
Kellogg's	579	7	2.51%	625	10	3.61%
Berry College	571	8	2.48%			
F & P Georgia	550	9	2.39%			
Neaton Rome	525	10	2.28%			
Mohawk Industries				1,080	4	6.23%
Zartic Corporation				804	5	4.64%
Northwest Georgia Regional Hospital				760	6	4.38%
Totals	9,539		41.4%	9,946		53.00%

Source-Rome Chamber of Commerce

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

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	29	29	29	28	28	28	27	28	27	30
Legislative and judicial										
Commission	9	9	9	9	9	9	9	9	9	9
Municipal court	2	2	2	2	2	2	7	5	6	6
Attorney	1	1	1	1	1	1	1	1	1	1
Public safety										
Police										
Officers	98	98	98	92	95	95	101	98	96	96
Civilians	11	11	11	11	15	15	15	18	20	20
Public services	7	7	7	4	4	4	3	3	3	3
Public facilities	4	4	4	4	4	4	4	4	3	3
Fire										
Civilians	7	7	3	3	2	1	2	2	11	6
Firefighters and officers	146	146	146	148	149 **	162	161	161	154	158
Public works										
Public works office	5	5	4	4	4	4	4	4	3	4
Engineering	8	8	7	7	7	6	6	6	5	5
Street	46	46	39	31	31	31	31	31	29	29
Traffic	12	12	12	13	13	13	13	13	13	13
Cemetery	7	7	6	6	6	6	6	6	5	5
Garage	13	13	12	11	12	12	12	13	12	12
Building inspection	12	12	9	9	9	9	8	9	9	10
Transit	43	43	43	43	43	43	43	43	51	51
Planning commission	6	7	6	6	6	6	6	6	5	5
Solid Waste Management	72	71	61	56	55	57	57	57	56	57
Culture and recreation	12	12	12	11	19	21	24	24	28	40
Water and sewer	120	120	104	102	102	102	105	105	105	105
Total	670	670 *	625 *	601	616	631	645	646	651	668

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety:										
Police arrests	2,267	2,388	2,168	2,030	1,858	1,793	2,197	2,008	1,952	1,986
Parking/Traffic violations	17,349	18,797	16,251	14,455	13,228	12,270	14,253	11,452	11,520	13,375
Public Works:										
Street resurfacing (miles)	4.77	0.40	2.02	10.50	5.78	4.25	3.64	4.19	3.73	
Public Facilities:										
Rentals-Aud/Civic Center	45,645	41,754	48,668	54,072	58,773	57,613	57,007	58,156	61,275	87,703
Senior Citizen Center	1,550	2,333	2,610	2,803	2,795	2,371	2,935	2,740	4,971	11,052
Education:										
School Enrollment	5,235	5,612	5,571	5,579	5,737	5,669	6,006	6,114	6,210	6,267
Water and Sewer:										
Customers										
Water	19,875	20,006	20,034	20,065	20,083	20,094	20,120	20,155	20,186	20,424
Sewer	20,952	21,069	21,113	21,163	21,173	21,181	21,211	21,254	21,299	21,338
Water - (millions of gallons)										
Average daily production	9.0	8.1	7.6	7.9	7.6	7.4	7.1	7.5	6.8	7.4
Maximum daily production	14.3	11.0	12.0	10.9	12.1	11.1	9.7	10.8	9.9	10.2
Wastewater - (millions of gallons)										
Average daily sewage treatment	8.1	9.0	14.0	10.8	10.7	9.1	13.9 (1)	11.3	12.0	10.2
Maximum daily sewage treatment	21.1	27.4	57.9	51.5	56.3	31.1	50.0	53.7	53.7	46.2
Fire										
Number of responses	4,784	4,294	4,275	4,292	4,401	4,483	4,630	5,061	5,290	6,579
Inspections	1,424	1,224	911	1,045	1,413	1,915	1,751	1,352	1,361	2,202
Solid Waste Management:										
Refuse collected (tons)										
Inert	6,229	6,967	9,673	9,075	8,330	6,879	6,535	8,847	7,647	5,767
Trash	2,447	2,200	2,150	1,865	1,578	1,423	1,407	1,456	1,749	2,016
Garbage	15,361	14,539	14,530	13,801	14,248	13,755	14,311	14,164	14,703	15,037
Recycling	994	960	912	1,017	1,409	1,472	1,325	1,329	1,589	854
Transit:										
Transit miles	586,643	589,640	593,820	591,152	585,837	589,766	604,407	591,300	614,038	499,985
Transit passengers	893,268	967,390	962,500	982,471	1,014,181	1,053,540	1,075,603	1,069,526	1,110,252	1,164,287
Building Inspection:										
New Construction Permits	344	228	114	67 (3)	36	55	62	93	121	145
Solid Waste Commission:										
Inert tonnage	353	241	225	194	816 (4)	733	488	697	2,224	1,187
C&D tonnage	16,117	17,527	34,759 (2)	24,753	22,654	20,030	24,117	20,041	22,663	8,147
Garbage tonnage	54,821	85,360	78,326	73,410	70,417	70,179	69,416	72,939	79,320	90,054
Municipal Golf:										
Rounds played	31,893	32,714	27,142	28,542	29,405	39,715 (5)	34,113	30,243	34,406	37,174

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) Large increase due to hail storm area roof replacements

(3) Permit decrease due to economic downturn

(4) Increase due to storm related incidents

(5) Increased play contributed to conversion of greens

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

Principal Water Customers (in descending order):

2016	2007
1) Floyd County Wholesale	1) Floyd County Wholesale
2) Floyd Medical Center	2) Zartic
3) Bekaert Steel	3) Mohawk Industries
4) Redmond Regional Medical Center	4) Bekaert Steel
5) Rome Housing Authority	5) Floyd Medical Center
6) Kelloggs	6) Rome Housing Authority
7) Syntec Industries	7) Floyd County Government
8) Floyd County Jail	8) Kelloggs
9) Mohawk Spinning	9) Redmond Regional Medical Center
10) Darlington Schools	10) NWGA Regional Hospital

Principal Sewer Customers (in descending order):

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

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Vehicles	81	70	65	65	65	71	71	72	80	80
Public Works:										
Streets (miles) **	268.87	273	275	266	267	267	265	267	268	268
Street lights	4,425	4,520	4,566	4,566	4,566	4,566	4,566	4,566	1,570	1,570
Traffic signals	92	91	93	93	93	95	95	95	95	95
Signage	10,203	10,248	10,248	10,248	10,250	10,253	10,257	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	332,378	344,692	350,528	359,188	364,338	366,293	366,383	362,859	323,302	323,302
Water:										
Water mains (miles)	285	285	285	285	285	285	285	285	285	285
Fire hydrants	1,627	1,648	1,644	1,661	1,718	1,800	1,800	1,339	1,339	1,339
Sewer:										
Sanitary sewers (miles)	410	399	399	399	399	401	401	399	399	399
Storm sewers (miles)										
Fire:										
Fire stations	10	10	10	10	10	10	10	10	10	10
Solid Waste Management:										
Collection Vehicles	40	41	40	40	40	37	37	35	36	36
Transit:										
Buses	43	44	48	48	49	58	59	64	58	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

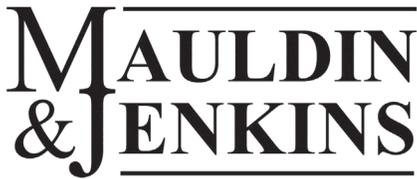
**REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS IN ACCORDANCE
WITH THE UNIFORM GUIDANCE AND
*GOVERNMENT AUDITING STANDARDS***

DECEMBER 31, 2016

CITY OF ROME, GEORGIA
SINGLE AUDIT OF FEDERAL PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2016

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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, 2016, 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 26, 2017.

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

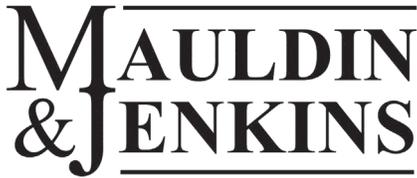
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 26, 2017



**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, 2016. 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 \$8,983,396 in federal awards which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2016. Our audit, described below, did not include the operations of the City of Rome Board of Education because the component unit obtained a separate audit in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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, 2016.

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 Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rome, Georgia as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise City of Rome Georgia's basic financial statements. We issued our report thereon dated June 26, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 basic 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 26, 2017

CITY OF ROME, GEORGIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

<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	T005795	\$ 46,288
Passed through the Georgia Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction Program	20.205	PL 000-0013-00-406	106,991
Subtotal Highway Planning and Construction Cluster			<u>106,991</u>
Passed through the Georgia Department of Transportation:			
Federal Transit - Urbanized Area Formula Grant	20.507	T005581	875,000
Federal Transit - Urbanized Area Formula Grant - ARRA	20.507	T002088	93,014
Federal Transit - Urbanized Area Formula Grant	20.507	T002089	238,699
Federal Transit - Urbanized Area Formula Grant	20.507	T004893	52,760
Federal Transit - Urbanized Area Formula Grant	20.507	T005306	54,671
Subtotal Federal Transit Cluster			<u>1,314,144</u>
Passed through the Georgia Governor's Office of Highway Safety			
Mountain Traffic Enforcement Network	20.600	TEN-2016-000-00290	<u>5,310</u>
Total U.S. Department of Transportation			<u>1,472,733</u>
U.S. Department of Justice			
Passed through the Bureau of Justice Assistance:			
Bulletproof Vest Partnership Program	16.607	2016	4,410
Bulletproof Vest Partnership Program	16.607	2015	<u>2,925</u>
Subtotal Bureau of Justice Assistance			<u>7,335</u>
Justice Assistance Grant Program:			
Local Law Enforcement Block Grant (Police Equipment Grant)	16.738	20165-DJ-BX-0192	<u>30,892</u>
Subtotal Justice Assistance Grant Program			<u>30,892</u>
Total U.S. Department of Justice			<u>38,227</u>

Continued

CITY OF ROME, GEORGIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

<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	\$ 6,021
Entitlement Grant	14.218	B-14-MC-13-0014	151,978
Entitlement Grant	14.218	B-15-MC-13-0014	282,811
Entitlement Grant	14.218	B-16-MC-13-0014	21,388
Subtotal Community Development Block Grant			<u>462,198</u>
Community Home Investment Partnerships -			
Community HOME Investment Program (CHIP)	14.239	2013-874	61,166
HOME Homeownership and Small Rental Housing Development	14.239	SF2014-103	180,342
			<u>241,508</u>
Passed through the Northwest Georgia Regional Commission			
Neighborhood Stabilization Program	14.256	08-NS-5052	87,080
Subtotal Northwest Georgia Regional Commission			<u>87,080</u>
Total U.S. Department of Housing and Urban Development			<u>790,786</u>
U.S. Department of Interior			
Historic Preservation Fund Grant	15.904	PF15AF00076	6,855
Total U.S. Department of Interior			<u>6,855</u>
U.S. Environmental Protection Agency			
Passed through Northwest Georgia Regional Commission			
Section 319(h) FY12 Grant	66.460	Silver Creek Project	1,728
Total U.S. Environmental Protection Agency			<u>1,728</u>
U.S. Department of Homeland Security			
Passed through Federal Emergency Management Agency			
Public Property Disaster Assistance	97.036	FEMA-DR4284	2,140
Subtotal Federal Emergency Management Agency			<u>2,140</u>
Total U.S. Department of Homeland Security			<u>2,140</u>
Total Expenditures of Federal Awards			<u>\$ 2,312,469</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, 2016

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. Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred.

In instances where the grant agreement requires the City to match the grant awards with local funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

The City did not utilize the 10% de minimus indirect cost rate.

Federal grant programs which are administered through state agencies (pass-through awards) have been included in this report. These programs are operated according to federal regulations promulgated by the federal agency providing this funding.

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, 2016**

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

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

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 federal programs:
Material weaknesses identified?

_____ yes X no

Significant deficiencies identified?

_____ yes X none reported

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

CFDA Number
20.507

Name of Federal Program or Cluster
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, 2016**

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, 2016**

Section III - Federal Awards Findings and Questioned Costs

None reported

CITY OF ROME, GEORGIA
STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

None reported