CITY OF ROCKMART, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2015

Prepared by:
Pam Herring
City Clerk

Submitted by:
Jeff L. Ellis
City Manager

CITY OF ROCKMART, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

Page Number

INTRODUCTORY SECTION

- Letter of Transmittal ..... i-iv
- Certificate of Achievement v
- Organizational Chart/Listing of Principal Officials vi

FINANCIAL SECTION

- Independent Auditor's Report 1-3
- Management's Discussion and Analysis 4-12
- Basic Financial Statements:
  - Government-wide Financial Statements
    - Statement of Net Position 13
    - Statement of Activities ..... 14 and 15
  - Fund Financial Statements
    - Balance Sheet – Governmental Funds 16
    - Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 17
    - Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 18
    - General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual ..... 19 and 20
    - Statement of Net Position – Proprietary Fund 21
    - Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund 22
    - Statement of Cash Flows – Proprietary Fund 23
  - Notes to Financial Statements 24-49
- Required Supplementary Information:
  - Schedule of Changes in the City's Net Pension Liability and Related Ratios 50
  - Schedule of City Contributions 51
- Other Supplementary Information:
  - Balance Sheet – Component Unit – Rockmart Development Authority 52
  - Statement of Revenues, Expenditures and Changes in Fund Balance – Component Unit – Rockmart Development Authority 53
  - Statement of Cash Flows – Component Unit – Rockmart Civic Arts Commission 54
  - Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds 55

CITY OF ROCKMART, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

Page Number

STATISTICAL SECTION

- **Net Position by Component ..... 56 and 57**
- **Changes in Net Position 58-61**
- **Fund Balances of Governmental Funds ..... 62 and 63**
- **Changes in Fund Balances of Governmental Funds ..... 64 and 65**
- **Assessed Value and Estimated Actual Value of Taxable Property 66**
- **Property Tax Rates, Direct and Overlapping Governments 67**
- **Principal Property Taxpayers 68**
- **Property Tax Levies and Collections 69**
- **Ratios of Outstanding Debt by Type 70**
- **Direct and Overlapping Governmental Activities Debt 71**
- **Demographic and Economic Statistics 72**
- **Principal Employers 73**
- **Full-time Equivalent City Government Employees by Function ..... 74 and 75**
- **Operating Indicators by Function ..... 76 and 77**
- **Capital Asset Statistics by Function ..... 78 and 79**

COMPLIANCE SECTION

- **Independent Auditors' 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* ..... 80 and 81**

INTRODUCTORY SECTION

THE CITY OF
ROCKMART
Georgia

www.rockmart-ga.gov

December 3, 2015

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Rockmart:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Rockmart, Georgia (the "City") for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of the City of Rockmart. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Rockmart has established a comprehensive internal control framework that is, designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Rockmart's financial statements in conformity with U.S. GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Rockmart's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Rockmart's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Rockmart for the fiscal year ended June 30, 2015 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the City of Rockmart's financial statements for the fiscal year ended June 30, 2015, and that they are fairly presented in conformity with U.S. GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Rockmart also included tests of internal controls over financial reporting as well as tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The auditor's report regarding these items is available in the Compliance Section of the comprehensive annual financial report.

U.S. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The City of Rockmart's MD&A can be found immediately following the independent auditors' report.

Profile of the City of Rockmart

The City of Rockmart, incorporated in 1872, is located in the northwestern section of the state of Georgia. The City of Rockmart currently occupies a land area of approximately 5.1 square miles and serves a population of 4,184. The City of Rockmart is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City of Rockmart operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and five other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing both the government's City Manager and City Clerk, for overseeing the operations of the City of Rockmart, and for hiring the heads of the various departments. The council is elected on a non-partisan basis. The mayor and council members serve four-year staggered terms, with three elected members every two years. Council members are elected by ward. The mayor is elected at large.

The City of Rockmart provides a full range of services, including police and fire protection; sanitation, water and sewer services; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities which are reported separately within the City of Rockmart's financial statements as functions/departments. Additional information on other legally separate entities can be found in Note 1.A. in the notes to the financial statements.

The annual budget serves as the foundation for the City of Rockmart's planning and control. All functions/departments of the City of Rockmart are required to submit requests for appropriation. The City Manager, with assistance from the City Clerk who also serves as the Financial Officer, uses these requests as the starting point for developing a proposed budget. The City Manager, City Clerk and Council Finance Committee work together to complete and present the proposed budget to the Council for review. The council is required to hold hearings on the proposed budget and to adopt a budget. The appropriated budget is prepared by fund, function (e.g. department such as police) and account. Department heads may make transfers of appropriations within their department. Transfers of appropriations between departments, however, require the special approval of the governing council. A budget-to-actual comparison is provided in this report for the General Fund.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Rockmart operates.

Local economy – The City of Rockmart currently enjoys a favorable economic environment and local indicators point to continued stability. The region has a varied manufacturing and industrial base that adds value to the current businesses and assists in attracting potential businesses to the City. Major industries with headquarters or divisions located within the City's boundaries or in close proximity include electronic and aircraft component manufacturers, wholesale grocers, laundry and cold storage plants, automobile component manufacturers, and chicken processing plants.

Unemployment is currently at 5.6% and has ranged from 4.2% to 15.6% over the last ten years. The population increased slightly from the previous year. Per capita income decreased from the previous year.

Governmental activities expenses have increased by 47% over the last ten years, broadly due to expanded recreation, police and fire services, but more specifically due to increased police and fire pay in order to retain trained personnel. Program revenues increased by approximately 130% during the same time period which left less to be paid from tax revenues and water & sewer fund transfers.

Long-term Financial planning - The City has current construction commitments for approximately $2.9 million, to be funded by a combination of special local options sales tax (SPLOST) and debt as of June 30, 2015. The voters approved a five-year special local option sales tax in 2008 for water expansion, facility improvements and infrastructure which have been completed this year plus an additional six-year special local option sales tax in 2012 which began collection in July 2014 to pay for Municipal debt service for the remainder of the City Complex, infrastructure improvements and improvements to recreation parks, lands and facilities.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rockmart for its comprehensive annual financial report for the year ended June 30, 2014, presented on page v of this introductory section. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Rockmart's finances.

Respectfully submitted,

Pam G. Herring

Pam G. Herring, City Clerk

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rockmart

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

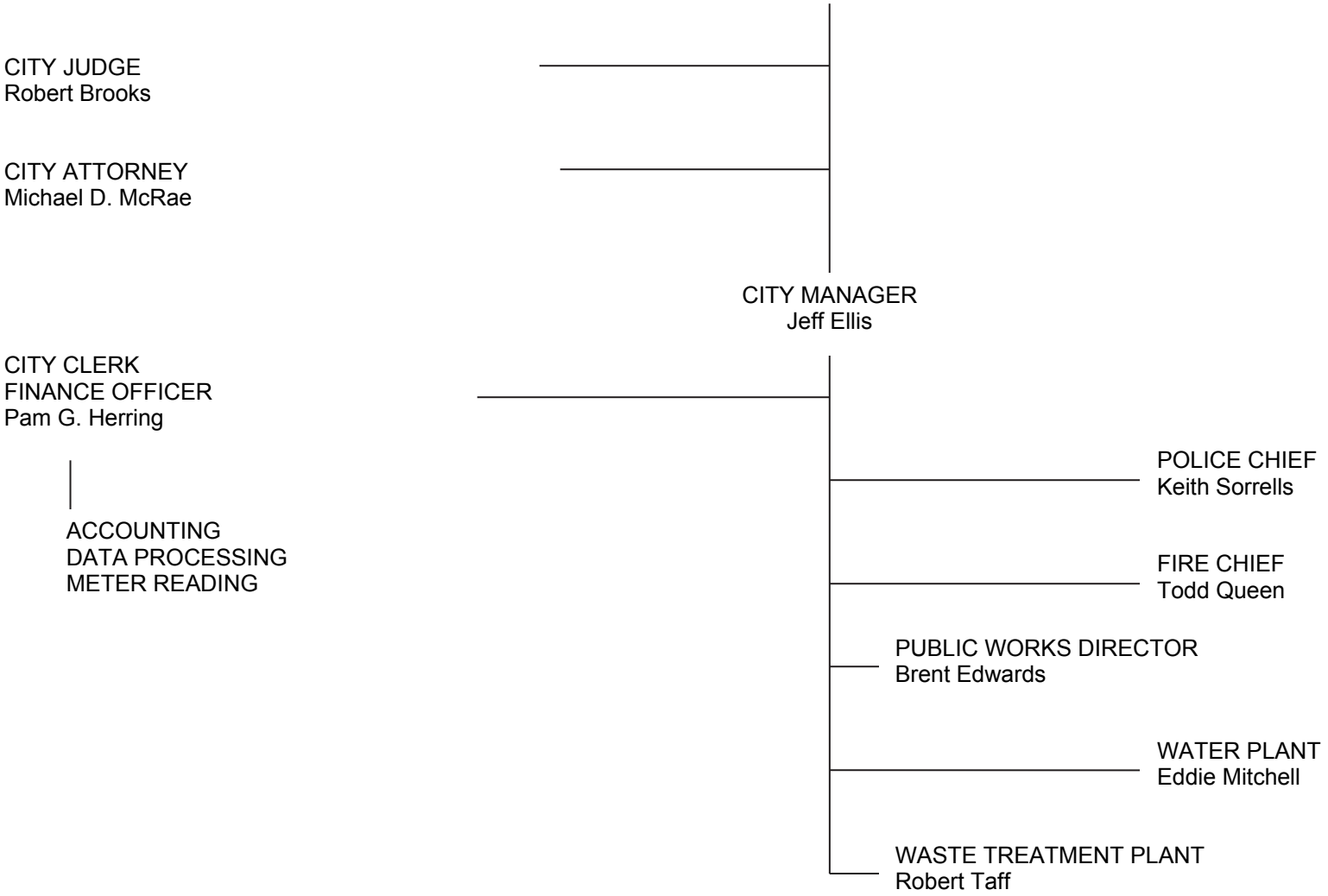
Executive Director/CEO

CITY OF ROCKMART, GEORGIA

Organizational Chart/Listing of Principal Officials
At June 30, 2015

MAYOR Stephen A. Miller

COUNCIL
James Payne (Mayor Pro-Tem)
Sherman Ross (Council member)
Lucille Harris (Council member)
Joe Henderson (Council member)
Rick Stone (Council member)



FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Council of the
City of Rockmart, 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, and each major fund of the **City of Rockmart, Georgia** (the "City"), as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of the City of Rockmart, Georgia as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison information for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, as of July 1, 2014. These standards significantly changed the accounting for the City's net pension liability and the related disclosures. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 12, the schedule of changes in the City's net pension liability and related ratios on page 50, and the schedule of city contributions on page 51 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 Rockmart, Georgia's basic financial statements. The other supplementary information, introductory and statistical sections, 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 other supplementary 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 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 other supplementary information, as listed in the table of contents, 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 December 3, 2015 on our consideration of the City of Rockmart, Georgia'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
December 3, 2015

This section of the City of Rockmart, Georgia's (the "City") comprehensive annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the City's basic financial statements that follow.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Rockmart exceeded liabilities and deferred inflows of resources by $31,941,824 (net position). Of this amount, $1,325,933 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- As of June 30, 2015 the City of Rockmart's governmental activities reported net position of $14,226,430. The business-type activities, which is comprised of the City's water and sewer fund, reported ending net position of $17,715,394.
- Governmental fund revenues increased by $2,348 or .04%. Governmental fund expenditures increased by $2,259,046 or 41.13%.
- Revenue from business-type activities increased by $184,874 or 5.13% with a decrease in expenses of $58,496 or 1.96% and a decrease in the change in net position of $36,138.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
- The governmental statements tell how general government services like police and capital construction projects were financed in the short-term as well as what remains for future spending.
- The proprietary or Water and Sewer Fund statements offer short and long-term financial information about the activities that the City operates like a business primarily through user fees.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. These statements are comprised of net position and a statement of activities. The government-wide financial statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. The statement of net position and statement of activities focus on the government "taken as a whole".

The statement of net position presents the City's assets and deferred outflows of resources with its liabilities and deferred inflows of resources with the difference between the categories reflected as net position. The net position is one way to measure the City's financial health or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the City, other non-financial factors should be considered, such as changes in the City's property tax base.

The statement of activities presents the revenues earned and expenses incurred during the year. All changes in net position are recognized upon occurrence regardless of when cash is received or paid. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements of the City are distinguished by the functions that are provided. The governmental activities are principally supported by taxes and intergovernmental revenues and include most of the city's basic services: public safety, public works, and general administration, and culture and recreation. Revenue from various taxes and federal grants finance most of these activities. The business-type activities charges fees to recover its costs of providing water and sewer services. The business-type activities include the Water and Sewer Fund.

The government-wide financial statements include the primary government for the City of Rockmart and two legally separate entities, the Rockmart Development Authority and the Rockmart Civic Arts Commission, for which the City is financially accountable. They are included in the financial statements as Discretely Presented Component Units. The Water and Sewer Fund, although also a legally separate entity, functions for all practical purposes as a department of the City of Rockmart and therefore has been included as an integral part of the primary government.

The government-wide financial statements are presented on pages 13 to 15 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's funds and not the City as a whole. A fund is a grouping of related accounts that are required by State law to keep track of specific sources of funding and spending for particular purposes. Fund financial statements are presented by fund category with the reporting emphasis on individual major funds. The City of Rockmart's fund financial statements are divided into governmental funds and proprietary funds.

Governmental funds are used to account for substantially the same functions reported as governmental activities in the government-wide financial statements except the governmental funds focus on near term cash inflows and outflows of spendable resources and the balances of resources that are available for spending at the end of the fiscal year. Thus, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide reconciliation within the governmental funds statements to explain the differences between governmental funds and governmental activities.

The City of Rockmart maintains two governmental funds, the General Fund and the Special Purpose Local Option Sales Tax ("SPLOST") Fund. Financial information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances each fund, both of which are considered to be major funds.

The City of Rockmart adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements are presented on pages 16 to 20 of this report.

Proprietary Funds are used to accounts for services for which the City charges customers. The City of Rockmart uses an enterprise fund to account for its Water and Sewer Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary fund statements, like the government-wide statements, provide both short-term and long-term financial information, but with more detail and additional information, including a statement of cash flows. The proprietary fund financial statements are presented on pages 21 to 23 of this report.

Notes to the Financial Statements

The notes to the financial statements, presented on pages 24 to 49 of this report, provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Rockmart's defined benefit pension plan. Such information is presented on pages 50 and 51 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

City of Rockmart's Net Position
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2015	Restated 2014	2015	2014	2015	Restated 2014
Capital assets	$ 16,429	$ 15,292	$ 18,358	$ 18,729	$ 34,787	$ 34,021
Current and other assets	2,159	3,136	1,005	847	3,164	3,983
Total assets	18,588	18,428	19,363	19,576	37,951	38,004
Deferred outflows of resources - pension items	395	165	-	-	395	165
Current liabilities	240	220	178	170	418	390
Long-term liabilities	4,364	4,666	1,469	1,671	5,833	6,337
Total liabilities	4,604	4,886	1,647	1,841	6,251	6,727
Deferred inflows of resources - pension items	153	-	-	-	153	-
Net investment in capital assets	13,632	11,927	16,906	17,081	30,538	29,008
Restricted	77	862	-	-	77	862
Unrestricted	517	918	809	654	1,326	1,572
Total net position	$ 14,226	$ 13,707	$ 17,715	$ 17,735	$ 31,941	$ 31,442

The net position may serve over time as a useful indicator of a government's financial position. The City of Rockmart's net position was $31,941,824 at June 30, 2015. The most significant portion of the City of Rockmart's net position consists of its investment in capital assets (less any related outstanding debt used to acquire those assets), for a total of $30,537,912 and represents 96% of the net position at June 30, 2015. Capital assets are used to provide services to citizens of the City; therefore, these assets are not available for future spending. Although the investment in capital assets is reported net of the related debt, the resources needed to pay the debt must be provided from other sources as the capital assets cannot be used to liquidate the debt.

Government-wide net position increased by approximately $499,000, mostly due to increases in the City's capital assets, net of accumulated depreciation. More specifically, construction-in-progress for governmental activities increased by approximately $1.9 million related to on-going improvements at the City's Sports Complex. The governmental activities net position increased by approximately $519,000. The business-type activities net position decreased by approximately $20,000, mostly due to asset depreciation.

At the end of the current fiscal year, the City of Rockmart was able to report positive balances in both categories of net position, both for the government as a whole, as well as for its business-type activities.

Changes in City of Rockmart's Net Position
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues						
Charges for services	$ 1,142	$ 1,108	$ 3,788	$ 3,603	$ 4,930	$ 4,711
Operating grants and contributions	47	24	-	-	47	24
Capital grants and contributions	964	1,036	-	-	964	1,036
General revenues						
Property taxes	1,466	1,441	-	-	1,466	1,441
Sales taxes	679	699	-	-	679	699
Other taxes	1,065	1,024	-	-	1,065	1,024
Miscellaneous revenue	39	86	-	-	39	86
Unrestricted investment earnings	-	-	-	-	-	-
Total revenues	5,402	5,418	3,788	3,603	9,190	9,021
Expenses						
General government	743	517	-	-	743	517
Police	1,538	1,360	-	-	1,538	1,360
Fire	1,166	1,106	-	-	1,166	1,106
Public works	1,154	1,085	-	-	1,154	1,085
Recreation	927	748	-	-	927	748
Industrial development	123	133	-	-	123	133
Interest on long-term debt	108	135	-	-	108	135
Water and sewer	-	-	2,932	2,990	2,932	2,990
Total expenses	5,759	5,084	2,932	2,990	8,691	8,074
Income before transfers	(357)	334	856	613	499	947
Transfers	876	596	(876)	(596)	-	-
Increase (decrease) in net position	519	930	(20)	17	- 499	- 947
Net position, beginning, previously reported	13,707	13,809	17,735	17,718	31,442	31,527
Restatement	-	(1,032)	-	-	-	(1,032)
Net position, end of year	$ 14,226	$ 13,707	$ 17,715	$ 17,735	$ 31,941	$ 31,442

The City's total revenues increased by approximately $169,000 or 1.90% in the 2015 fiscal year compared to the previous year. The increase in revenues is mainly attributable increased user fees and taxes. The City's total expenses increased by approximately $617,000, which is an increase of 7.64%, from the prior year. The increase in expenses is primarily attributable to increases for personnel, insurance costs and utilities.

Governmental Activities – Program revenues for governmental activities decreased by approximately $15,000 or .69% while general revenues decreased by $1,000 or .03%. Expenses increased by approximately $675,000 or 13.28%. The revenue netted against these costs was from user charges, grants and contributions subsidizing these programs. Key elements of the changes are as follows.

- Charges for services increased by approximately $34,000 or 3% as compared to the previous year.
- The City received approximately $907,000 through the SPLOST fund for the continued renovation work on the new sports complex, and water and sewer projects.
- Property tax revenues increased approximately $25,000 or 2% in 2015 as compared to the previous year due primarily to improved collection efforts.
- Revenue from operating grants increased by approximately $23,000 or 91% as compared to the previous year.
- Other tax revenue increased by approximately $41,000 or 4% as compared to the previous year.

Net Cost of City of Rockmart's Governmental Activities
(in thousands of dollars)

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
General Government	$ 743	$ 517	$ 392	$ 463
Police	1,538	1,360	1,215	1,056
Fire	1,166	1,106	1,162	1,101
Public works	1,154	1,085	386	(301)
Recreation	927	748	231	372
Industrial development	123	133	111	91
Interest expense	108	135	108	135
Total	$ 5,759	$ 5,084	$ 3,605	$ 2,917

Business-Type Activities - Revenues from business-type (or water and sewer) activities increased by approximately $185,000 or 5% to approximately $3,788,000 and expenses decreased by approximately $58,000 or 2% to approximately $2,932,000. The increase in revenue was mostly due to an increase in water and sewer rates plus new service fees. The decrease in expenses was mainly due to decreased personnel costs.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted, the City uses fund accounting to demonstrate compliance with legal requirements.

Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources, useful in assessing financing requirements. Unrestricted fund balances may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. The combined ending governmental fund balances decreased to $1,784,731 as of June 30, 2015. This consisted of $2,117,789 of unassigned general fund balance reduced by a deficit in the SPLOST fund of $411,037 for a total unassigned fund balance in the City's governmental funds of $1,706,752 as well as $77,979 of restricted fund balance at year end. The restricted balance is not available for new spending because it has already been restricted for police and fire activities.

Key factors for the changes in major governmental fund balances are as follows:

General fund:

- Charges for services increased by approximately $108,000 or 13% primarily as a result of increased culture and recreational fees.
- Taxes increased by approximately $64,000 or 2% primarily due to improved collections from citizens, plus many property improvements resulting in more property tax revenues in fiscal year 2015 over the prior year.
- Interest on long-term debt decreased by $27,000 or 20% due to a reduction in outstanding debt.
- Culture and recreation expenditures increased by $199,000. The Rockmart Civic Arts Commission, previously a separate component unit, was combined in the General Fund as a separate department and included with culture and recreation. The increase was due to this and the combined increases in utilities, capital improvements, repairs and maintenance.
- General government expenditures increased by approximately $93,000 or 20% as compared to the previous year.
- The transfer from the water and sewer fund was $875,913.

SPLOST fund:

- Collections received through SPLOST funds were approximately $907,000 which was a decrease from the previous year of approximately $26,000.
- There were no capital projects completed with SPLOST funds during the fiscal year. However, the City expended approximately $1.5 million on projects that are on-going as of June 30, 2015.

Proprietary fund – The water and sewer fund provides the same type of information found in the government-wide financial statements, but in more detail. Its unrestricted net position totaled $809,179 compared to $654,023 for the prior year end. Transfers out totaled $875,913 which is described above in the key factors associated with the General Fund. Other factors concerning the finances of this fund have already been discussed under business-type activities.

General Fund Budgetary Highlights

During the year there was an amendment to the original budget that increased revenues and expenditures by $149,067. The changes occurred at the department level (legal level of control). Following are the main components of the changes:

- Anticipated revenue increased by $14,026 in Electric Franchise collection
- Anticipated revenue increased by $9,147 in Sanitary Waste collections
- Anticipated revenue increased by $4,800 in cemetery lot sales
- Anticipated revenue increased by $34,094 due to the addition of the programs from the Rockmart Civic Arts Commission which included $17,194 transferred in from the component unit with the changes from a component unit to a department
- Anticipated revenue increased by $87,000 in the Payroll Reimbursement in the Police Department for additional security
- $120,827 supplemental appropriations were transferred by the Mayor and Council under their department contingencies to cover changes
- $13,000 supplemental appropriations were made to Administration for increased employee costs to cover compensatory time cashed in
- $21,000 supplemental appropriations were made to Building Insurance increases
- $87,000 supplemental appropriations for Police Department employee costs to offset cover additional manpower from security details
- $62,100 supplemental appropriations to Public works to cover paving provided during County road work
- $9,600 supplemental appropriations for additional costs for solid waste due to contract increase
- $19,000 supplemental appropriations for added personnel in Recreation department
- $32,194 supplemental appropriations for Arts Department programs added
- $16,000 supplemental appropriations for rental facilities to cover increased utility costs, repairs and maintenance
- $1,500 supplemental appropriations for insurance claim and supplies for the Senior Citizen facility
- $3,700 supplemental appropriations for site improvements at the Trail head facility
- $4,800 supplemental appropriations for costs paid from contributed funds

Overall, the City expended fewer resources than finally budgeted for. The budget and actual general fund statement is presented on pages 19 and 20 of this report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the current year-end, the City's capital assets increased by approximately $766,000 to approximately $34,787,000, net of accumulated depreciation. The changes in governmental and business-type activities capital assets represented an increase of approximately $1,137,000 or 7% and a decrease of $371,000 or 2% respectively, of the total increase. Under Governmental Accounting Standards Board Statement No. 34, the City was encouraged, but not required, to estimate the historical costs, net of depreciation, of existing roads and include it under infrastructure. At the time of the implementation of that accounting standard, the City elected not to capitalize those costs and therefore, the City maintains approximately 20 miles of roads that were expensed in prior years. More detailed information about the City's capital assets is presented in Note 6 to the financial statements on pages 35 to 37 of this report.

City of Rockmart's Capital Assets
(net of depreciation, in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	$ 630	$ 630	$ 27	$ 27	$ 657	$ 657
Construction in progress	1,432	245	137	-	1,569	245
Buildings	8,710	8,634	20	23	8,730	8,657
Improvements	720	708	-	-	720	708
Equipment	1,455	1,604	310	305	1,765	1,909
Infrastructure	3,482	3,471	17,864	18,374	21,346	21,845
Total	$ 16,429	$ 15,292	$ 18,358	$ 18,729	$ 34,787	$ 34,021

Major capital asset events during the current fiscal year included the following:

- The City Manager received a new pickup truck totaling approximately $37,345
- The Administration and IT departments received 2 laptops, server and Cloud licenses for approximately $14,051
- Desk and file cabinet updates were made for administration for approximately $8,320
- Police department received 1 police car and intoxilyzer for approximately $38,455
- Station improvements, SCBA, computer and equipment were added for the Fire department for approximately $20,661
- Public Works department received 2 pickup trucks, tractor with flail mower and skid sprayer for approximately $117,621
- Approximately $99,648 was paid out for street paving
- Collection and Distribution department received improvements to their facility for approximately $4,500, laptop for $1,117 and equipment trailer for approximately $3,350
- Vault and line work was expended for approximately $47,773
- Equipment was added to the Waste Treatment plant for approximately $29,667 and an additional $8,414 was paid out for equipment at the Water Treatment plant
- Remodeling work at various culture, recreation and rental facilities for approximately $61,306
- Construction in process on the Industrial Park for approximately $11,648, the Waste treatment plant upgrade for approximately $125,291 and the Sports complex for approximately $1,186,357
- Purchase of home and land, named the Church Street Manor for approximately $315,388

Debt

At the end of the fiscal year, the City of Rockmart had total debt outstanding of $4,249,188. More detailed information about the City's debt can be found in Note 7 to the financial statements on pages 37 to 40 of this report.

City of Rockmart's Outstanding Debt
(net of depreciation, in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Notes payable	$ 282	$ 402	$ 267	$ 410	$ 549	$ 812
Capital leases	2,516	2,963	1,185	1,238	3,701	4,201
Total	$ 2,798	$ 3,365	$ 1,452	$ 1,648	$ 4,250	$ 5,013

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal-year 2016 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. Economic Development Activities are coordinated through the Polk County Development Authority and Rockmart Development Authority. Since the recent world-wide economic crisis, growth has slowed down considerably but the City of Rockmart is seeing some activity. With its commercial corridor feeding from 3 Highways, 278 and 113 recently dual lane and 101, the City of Rockmart is positioned well to continue to see growth.

In order to minimize the effects of economic upheavals and ensure an adequate tax base, the City of Rockmart has continued to seek a diversified industrial base to prevent economic breakdown associated with having business in one type of industry.

The unincorporated portion of Polk County is still largely undeveloped because there are no sewer services even though this area has adequate water. Therefore, various businesses have chosen to locate within the cities of Polk County. The City of Rockmart continues to improve roads and place new infrastructure throughout its boundaries in anticipation of increased residential and commercial development.

Approved by voters on March 6, 2012, the new county-wide SPLOST began on July 1, 2014 to raise an estimated $36,111,000 to fund capital projects. Under the voter approved referendum, the City of Rockmart will receive 20.03% of revenues collected, estimated at $7,233,000.

In summary, the City of Rockmart maintains a good industrial balance to the local economy. With vacant industrial, commercial and residential land and new four lane highways, economic development continues to be a high priority.

Efforts will continue to improve water resources and distribution. Our transportation network, power and water resources, and water treatment capacity provide a good environment for commercial and residential development. In July of 2015, the City entered into a loan agreement with the Georgia Environmental Finance Authority (GEFA) to borrow up to $3.5 million to finance the costs related to making improvements to the City's wastewater treatment facility. The project will commence in fiscal year 2016 and expected to be completed by January 1, 2017.

All of these factors and the economic growth in the area will serve to provide more jobs and a growing tax base for the Rockmart community and enhance our citizen's quality of life.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the City of Rockmart's City Clerk, 316 North Piedmont Avenue, Rockmart, Georgia 30153, or call 770-684-5454.

CITY OF ROCKMART, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Rockmart Development Authority	Rockmart Civic Arts Commission
ASSETS					
Cash and cash equivalents	$ 1,623,424	$ 556,551	$ 2,179,975	$ 240,393	$ -
Accounts receivable, net of allowances	117,632	448,176	565,808	-	-
Taxes receivable, net of allowances	205,430	-	205,430	-	-
Due from other governments	148,109	-	148,109	-	-
Other receivables	848	-	848	-	-
Due from primary government	-	-	-	10,809	-
Restricted cash	63,585	-	63,585	-	-
Capital assets:					
Nondepreciable	2,061,661	164,139	2,225,800	2,289,326	-
Depreciable, net of accumulated depreciation	14,367,273	18,194,027	32,561,300	-	-
Total assets	18,587,962	19,362,893	37,950,855	2,540,528	-
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	395,455	-	395,455	-	-
LIABILITIES					
Accounts payable	177,567	-	177,567	-	-
Accrued liabilities	62,269	16,997	79,266	-	-
Due to component unit	-	10,809	10,809	-	-
Customer deposits	-	150,254	150,254	-	-
Unearned revenue	-	-	-	14,660	-
Compensated absences due within one year	111,216	17,488	128,704	-	-
Capital leases due within one year	538,204	87,664	625,868	-	-
Capital leases due in more than one year	1,977,333	1,096,986	3,074,319	-	-
Notes payable due within one year	53,070	149,824	202,894	-	-
Notes payable due in more than one year	228,630	117,477	346,107	-	-
Net pension liability	1,455,401	-	1,455,401	-	-
Total liabilities	4,603,690	1,647,499	6,251,189	14,660	-
DEFERRED INFLOWS OF RESOURCES					
Pension related items	153,297	-	153,297	-	-
NET POSITION					
Net investment in capital assets	13,631,697	16,906,215	30,537,912	2,289,326	-
Restricted for public safety	31,413	-	31,413	-	-
Restricted for capital projects	46,566	-	46,566	-	-
Restricted for development	-	-	-	236,542	-
Unrestricted	516,754	809,179	1,325,933	-	-
Total net position	$ 14,226,430	$ 17,715,394	$ 31,941,824	$ 2,525,868	$ -

The accompanying notes are an integral part of these financial statements.

CITY OF ROCKMART, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 742,959	$ 43,145	$ 13,127	$ 294,928
Police	1,537,795	322,429	-	-
Fire	1,166,192	-	3,709	-
Public works	1,153,666	555,397	-	212,279
Culture and recreation	927,202	209,383	29,708	457,199
Housing and development	122,906	11,613	-	-
Interest on long-term debt	108,035	-	-	-
Total governmental activities	5,758,755	1,141,967	46,544	964,406
Business-type activities:				
Water and sewer	2,931,862	3,788,483	-	-
Total primary government	$ 8,690,617	$ 4,930,450	$ 46,544	$ 964,406
Component Units:				
Rockmart Development Authority	$ 30,279	$ -	$ 90,000	$ -
Rockmart Civic Arts Commission	21,697	-	-	-
	$ 21,697	$ -	$ 90,000	$ -
General revenues:				
Property taxes				
Sales taxes				
Hotel / Motel taxes				
Franchise taxes				
Business taxes				
Alcohol & excise taxes				
Insurance premium				
Unrestricted investment earnings				
Miscellaneous revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year, restated				
Net position, end of year				

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenues and Changes in Net Position					
Primary Government				Component Units	
Governmental Activities	Business-Type Activities	Total		Rockmart Development Authority	Rockmart Civic Arts Commission
$ (391,759)	$ -	$ (391,759)		$ -	$ -
(1,215,366)	-	(1,215,366)		-	-
(1,162,483)	-	(1,162,483)		-	-
(385,990)	-	(385,990)		-	-
(230,912)	-	(230,912)		-	-
(111,293)	-	(111,293)		-	-
(108,035)	-	(108,035)		-	-
(3,605,838)	-	(3,605,838)		-	-
-	856,621	856,621		-	-
(3,605,838)	856,621	(2,749,217)		-	-
-	-	-		59,721	-
-	-	-		-	(21,697)
-	-	-		59,721	(21,697)
1,465,750	-	1,465,750		-	-
678,864	-	678,864		-	-
21,030	-	21,030		-	-
612,587	-	612,587		-	-
67,570	-	67,570		-	-
137,703	-	137,703		-	-
226,472	-	226,472		-	-
131	-	131		103	-
38,918	-	38,918		16,420	-
875,913	(875,913)	-		-	-
4,124,938	(875,913)	3,249,025		16,523	-
519,100	(19,292)	499,808		76,244	(21,697)
13,707,330	17,734,686	31,442,016		2,449,624	21,697
$ 14,226,430	$ 17,715,394	$ 31,941,824		$ 2,525,868	$ -

CITY OF ROCKMART, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

ASSETS	General Fund	SPLOST Fund	Total Governmental Funds
Cash and cash equivalents	$ 1,623,424	$ -	$ 1,623,424
Accounts receivable, net of allowances	117,632	-	117,632
Taxes receivable, net of allowances	205,430	-	205,430
Intergovernmental receivable	-	148,109	148,109
Other receivables	848	-	848
Due from other funds	591,318	-	591,318
Restricted assets:			
Cash and cash equivalents	31,413	32,172	63,585
Total assets	$ 2,570,065	$ 180,281	$ 2,750,346
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 177,567	$ -	$ 177,567
Accrued liabilities	45,418	-	45,418
Due to other funds	-	591,318	591,318
Total liabilities	222,985	591,318	814,303
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	151,312	-	151,312
Total deferred inflows of resources	151,312	-	151,312
FUND BALANCES			
Restricted:			
Public safety	31,413	-	31,413
Capital projects	46,566	-	46,566
Unassigned	2,117,789	(411,037)	1,706,752
Total fund balances	2,195,768	(411,037)	1,784,731
Total liabilities, deferred inflows of resources, and fund balances	$ 2,570,065	$ 180,281	

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.	16,428,934
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(2,925,304)
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.	(1,213,243)
Some revenues are not available in the current period and, therefore, are not reported in the funds.	151,312
Net position of governmental activities	$ 14,226,430

The accompanying notes are an integral part of these statements.

CITY OF ROCKMART, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	SPLOST Fund	Total Governmental Funds
Revenues:			
Property taxes	$ 1,471,140	$ -	$ 1,471,140
Sales taxes	678,864	-	678,864
Hotel / Motel taxes	21,030	-	21,030
Franchise taxes	612,587	-	612,587
Alcohol excise taxes	137,703	-	137,703
Business taxes	67,570	-	67,570
Insurance premium taxes	226,472	-	226,472
Licenses and permits	53,658	-	53,658
Intergovernmental	79,389	906,753	986,142
Charges for services	957,949	-	957,949
Fines and forfeitures	130,360	-	130,360
Contributions	24,808	-	24,808
Interest earned	131	-	131
Miscellaneous	38,918	-	38,918
Total revenues	4,500,579	906,753	5,407,332
Expenditures:			
Current:			
General government	556,070	-	556,070
Police	1,424,295	-	1,424,295
Fire	1,040,838	-	1,040,838
Public works	1,189,912	-	1,189,912
Culture and recreation	772,339	-	772,339
Housing and development	114,143	-	114,143
Capital outlay	-	1,501,796	1,501,796
Debt service:			
Principal	220,841	823,068	1,043,909
Interest	17,487	90,087	107,574
Total expenditures	5,335,925	2,414,951	7,750,876
Deficiency of revenues over expenditures	(835,346)	(1,508,198)	(2,343,544)
Other financing sources:			
Proceeds from note payable	-	313,000	313,000
Capital leases	163,547	-	163,547
Transfers in	875,913	-	875,913
Total other financing sources	1,039,460	313,000	1,352,460
Net change in fund balances	204,114	(1,195,198)	(991,084)
Fund balances, beginning of year	1,991,654	784,161	2,775,815
Fund balances, end of year	$ 2,195,768	$ (411,037)	$ 1,784,731

The accompanying notes are an integral part of these financial statements.

CITY OF ROCKMART, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(991,084)
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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		1,137,108
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(5,390)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.		567,362
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(188,896)
Change in net position - governmental activities	$	519,100

The accompanying notes are an integral part of these financial statements.

CITY OF ROCKMART, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 1,486,650	$ 1,486,650	$ 1,471,140	$ (15,510)
Sales taxes	704,000	704,000	678,864	(25,136)
Hotel / Motel taxes	30,000	30,000	21,030	(8,970)
Franchise taxes	573,400	587,426	612,587	25,161
Alcohol excise taxes	134,300	134,300	137,703	3,403
Business taxes	65,600	65,600	67,570	1,970
Insurance taxes	216,600	216,600	226,472	9,872
Licenses and permits	83,300	83,300	53,658	(29,642)
Intergovernmental	12,200	29,394	79,389	49,995
Charges for services	763,010	878,954	957,949	78,995
Fines and forfeitures	166,400	166,400	130,360	(36,040)
Contributions	21,800	23,703	24,808	1,105
Interest earned	300	300	131	(169)
Miscellaneous	27,000	27,000	38,918	11,918
Total revenues	4,284,560	4,433,627	4,500,579	66,952
Expenditures:				
Current:				
General government:				
Mayor and council	201,582	80,755	76,802	3,953
Appointments and committees	64,950	64,950	47,104	17,846
General administration	297,764	310,764	332,683	(21,919)
Buildings and plant	79,000	100,000	99,481	519
Total general government	643,296	556,469	556,070	399
Public safety:				
Police	1,337,184	1,424,184	1,424,295	(111)
Fire	1,096,975	1,096,975	1,040,838	56,137
Total public safety	2,434,159	2,521,159	2,465,133	56,026
Public works				
Highways and streets	712,118	774,218	752,570	21,648
Solid waste and recycling	427,800	437,400	437,342	58
Total public works	1,139,918	1,211,618	1,189,912	21,706
Culture and recreation				
Recreation	404,716	427,416	425,211	2,205
Culture	110,659	146,153	147,133	(980)
Rental facilities	59,400	75,400	74,668	732
Senior center	14,900	16,400	16,345	55
Libraries	112,479	112,479	108,982	3,497
Total culture and recreation	702,154	777,848	772,339	5,509
Housing and development	117,397	118,897	114,143	4,754

Continued

CITY OF ROCKMART, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Debt service:				
Principal retirements	156,412	156,412	220,841	(64,429)
Interest and fiscal charges	82,171	82,171	17,487	64,684
Total expenditures	5,275,507	5,424,574	5,335,925	88,649
Deficiency of revenues over expenditures	(990,947)	(990,947)	(835,346)	155,601
Other financing sources:				
Proceeds from the sale of capital assets	10,000	10,000	-	(10,000)
Capital leases	180,947	180,947	163,547	(17,400)
Transfers in	800,000	800,000	875,913	75,913
Total other financing sources	990,947	990,947	1,039,460	48,513
Net change in fund balance	-	-	204,114	204,114
Fund balance, beginning of year	1,991,654	1,991,654	1,991,654	-
Fund balance, end of year	$ 1,991,654	$ 1,991,654	$ 2,195,768	$ 204,114

The accompanying notes are an integral part of these financial statements.

CITY OF ROCKMART, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2015

ASSETS	Water and Sewer Fund
CURRENT ASSETS	
Cash	$ 556,551
Accounts receivable, net of allowance	448,176
Total current assets	1,004,727
NONCURRENT ASSETS	
Nondepreciable capital assets	164,139
Depreciable capital assets, net of accumulated depreciation	18,194,027
Total capital assets	18,358,166
Total assets	19,362,893
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	16,997
Due to component unit	10,809
Compensated absences	17,488
Customer deposits	150,254
Capital leases, due within one year	87,664
Notes payable, due within one year	149,824
Total current liabilities	433,036
NON-CURRENT LIABILITIES	
Capital leases, due in more than one year	1,096,986
Notes payable, due in more than one year	117,477
Total non-current liabilities	1,214,463
Total liabilities	1,647,499
NET POSITION	
Net investment in capital assets	16,906,215
Unrestricted	809,179
Total net position	$ 17,715,394

The accompanying notes are an integral part of these financial statements.

CITY OF ROCKMART, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Water and Sewer Fund
OPERATING REVENUE	
Water charges	$ 1,727,740
Sewer charges	1,992,452
Other	68,291
Total operating revenues	3,788,483
OPERATING EXPENSES	
Personnel services	1,202,293
Materials and supplies	1,010,748
Depreciation	643,385
Total operating expenses	2,856,426
Operating income	932,057
NONOPERATING EXPENSES	
Interest expense	(75,436)
Income before transfers	856,621
Transfers out	(875,913)
Change in net position	(19,292)
Total net position, beginning of year	17,734,686
Total net position, end of year	$ 17,715,394

The accompanying notes are an integral part of these financial statements.

CITY OF ROCKMART, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 3,731,952
Payments to suppliers	(1,010,748)
Payments to employees	(1,203,264)
Net cash provided by operating activities	1,517,940
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITES	
Transfers to other funds	(875,913)
Net cash used in noncapital financing activities	(875,913)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(272,817)
Proceeds from capital leases	26,992
Principal paid on capital debt	(223,112)
Interest paid on capital debt	(78,733)
Net cash used in capital and related financing activities	(547,670)
Net increase in cash	94,357
Cash, beginning of year	462,194
Cash, end of year	$ 556,551
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	$ 932,057
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	643,385
Change in assets and liabilities:	
Increase in accounts receivable	(63,322)
Decrease in accrued expenses	(971)
Increase in customer deposits	6,791
Net cash provided by operating activities	$ 1,517,940

The accompanying notes are an integral part of these financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Rockmart, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City, which was incorporated in 1872, operates under the council-manager form of government. Policy-making and legislative authority are vested in the governing council consisting of the mayor and five other members. The City is divided into five geographic wards and each has a member of the council who is elected by the constituents of his/her ward. The government provides such services as police and fire protection, cultural and recreational activities, community development, water and sewer services, and public works.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City.

The Rockmart Development Authority (the "RDA") serves to encourage and develop the industrial base in the City. The five members of the RDA's governing body are appointed by the Mayor and City Council. Although a legally separate entity, the City is financially accountable for the activities of the RDA and must approve any indebtedness incurred by the RDA. Financial information with regard to the RDA can be obtained from the City of Rockmart, 316 Piedmont Avenue, Rockmart, Georgia 30153. Separate financial statements for the RDA are not prepared.

The Rockmart Civic Arts Commission (the "RCAC") has general charge, supervision, and control of the care and use of the Arts Center Theatre and the Cultural Arts Center in the City. The seven members of the RCAC's governing body are approved by the Mayor and City Council. Although a legally separate entity, the City is financially accountable for the activities of the RCAC and must approve any indebtedness incurred by the RCAC. Effective July 1, 2014, the RCAC was dissolved and its operations were assumed by the City of Rockmart and therefore, the financial statements for the fiscal year ended June 30, 2015 show this transfer of the remaining financial resources to the City. Financial information with regard to the RCAC can be obtained from the City of Rockmart, 316 Piedmont Avenue, Rockmart, Georgia 30153. Separate financial statements for the RCAC are not prepared.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund 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. The primary government is reported separately from its discretely presented component units. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accounting and reporting for its proprietary operations, the City applies all GASB pronouncements which includes GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA* Pronouncements. This statement incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. The principal operating revenue of the enterprise fund are charges to customers for services provided. Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

In accordance with GASB Statement No. 34, major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **SPLOST (Special Purpose Local Option Sales Tax) Fund** is used to account for the proceeds of a sales tax levied in Polk County, Georgia, which will be used by the City for the exclusive purpose of capital outlay projects in the voter approved referendum.

The City reports the following major proprietary fund:

The **Water and Sewer Fund** is used to account for the user charges for water and sewer services and the expenses of maintaining and improving the infrastructure needed to deliver such services to the citizens of the City.

D. Budgets

Formal budgetary accounting is employed as a management control device for the general fund and capital projects funds of the City. The governmental funds budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted for the General Fund each fiscal year through passage of an annual budget ordinance and amended as required. The City adopts project length budgets for the SPLOST Fund. During the fiscal year ended June 30, 2015, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All unencumbered budget appropriations lapse at the end of each year.

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

G. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.”

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

I. Capital Assets

Capital assets, which include improvements, machinery and equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. As allowed under GASB Statement No. 34, the City did not capitalize any infrastructure purchased or donated prior to the implementation of GASB Statement No. 34. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

Capital assets of the City are depreciated using the straight line method over the following useful lives:

Buildings	40-75 years
Improvements	15-40 years
Machinery and equipment	3-20 years
Infrastructure	10-50 years

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The City also has deferred inflows and outflows 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.

K. Compensated Absences

City employees are entitled to certain compensated absences such as earned by unused vacation and sick pay benefits based on their length of employment. Compensated absences either vest or accumulate and are accrued when they are earned. The vesting method is used to compute earned vacation pay at year-end. No more than five days can be carried over to a subsequent year without approval. Sick leave is not accrued since no employee can be paid in lieu of sick leave. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Compensated absences are reported as a liability in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Customer Deposits

The City collects deposits from new customers for water and sewer services. The deposits are held until the City discontinues services to the customer and therefore are reported as a liability in both the fund and government-wide financial statements.

M. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types recognize the face amount of the debt issued as other financing sources and the repayment of debt as debt service expenditures.

N. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement 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 formal vote and passage of an ordinance of the City Council. Only the City Council may modify or rescind the commitment through passage of a subsequent ordinance.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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 ordinance passed by the City Council establishing the City's fund balance policy delegated to the City Manager 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.

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.

O. 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 Rockmart 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.

P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $2,925,304 difference are as follows:

Capital leases	$	(2,515,537)
Notes payable		(281,700)
Accrued interest payable		(16,851)
Compensated absences (i.e., vacation)		(111,216)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(2,925,304)

Another element of that reconciliation explains that "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." The details of this $1,213,243 difference are as follows:

Pension related deferred outflows of resources	$	395,455
Pension related deferred inflows of resources		(153,297)
Net pension liability		(1,455,401)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(1,213,243)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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 and reported as depreciation expense." The details of this $1,137,108 difference are as follows:

Capital outlay	$	1,858,109
Depreciation expense		(721,001)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	1,137,108

Another element of that reconciliation explains that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this $567,362 difference are as follows:

Notes Payable	$	(313,000)
Capital leases		(163,547)
Principal retirement of long-term debt		1,043,909
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	567,362

Another element of the reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this $188,896 difference are as follows:

Compensated absences	$	(6,789)
Pension expense		(181,646)
Accrued interest		(461)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	(188,896)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, within the fund.

Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the City Manager. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget ordinance.

The following General Fund departments had excesses of actual expenditures over appropriations for the fiscal year ended June 30, 2015:

General government - general administration	$	21,919
Public safety - police		111
Culture and recreation - culture		980
Debt service - principal retirements		64,429

These over expenditures were funded by greater than anticipated revenues and available fund balance.

NOTE 4. DEPOSITS

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 all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2015, all of the City's and component unit bank balances were insured and collateralized as defined by GASB and state statutes.

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The taxes are levied on or around October 1 based on the assessed value of property as listed on the previous January 1 and are due on January 15 of the following year, with a lien date of March 1 of the following year. Property taxes are recorded as receivables and deferred inflows of resources when assessed. Revenues are recognized when available.

NOTE 5. RECEIVABLES (CONTINUED)

Receivables at June 30, 2015, for the City's individual major funds, including any applicable allowances for uncollectible accounts, are as follows:

	General	SPLOST	Water and Sewer
Receivables:			
Accounts	$ 265,703	$ -	$ 619,687
Taxes	267,692	-	-
Intergovernmental	-	148,109	-
Other	848	-	-
Total receivables	534,243	148,109	619,687
Less allowance for uncollectibles	(210,333)	-	(171,511)
Net total receivable	$ 323,910	$ 148,109	$ 448,176

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the fiscal year ended June 30, 2015 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Nondepreciable capital assets:					
Land	$ 629,805	$ -	$ -	$ -	$ 629,805
Construction in progress	245,499	1,186,357	-	-	1,431,856
Total	875,304	1,186,357	-	-	2,061,661
Depreciable capital assets:					
Buildings	10,419,095	315,388	-	-	10,734,483
Improvements	1,294,294	59,611	-	-	1,353,905
Machinery and equipment	4,071,614	197,105	-	-	4,268,719
Infrastructure	4,377,166	99,648	-	-	4,476,814
Total	20,162,169	671,752	-	-	20,833,921
Less accumulated depreciation for:					
Buildings	(1,785,052)	(239,265)	-	-	(2,024,317)
Improvements	(586,521)	(46,965)	-	-	(633,486)
Machinery and equipment	(2,467,866)	(345,591)	-	-	(2,813,457)
Infrastructure	(906,208)	(89,180)	-	-	(995,388)
Total	(5,745,647)	(721,001)	-	-	(6,466,648)
Depreciable capital assets, net	14,416,522	(49,249)	-	-	14,367,273
Governmental activities capital assets, net	$ 15,291,826	$ 1,137,108	$ -	$ -	$ 16,428,934

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Nondepreciable capital assets:					
Land	$ 27,200	$ -	$ -	$ -	$ 27,200
Construction in progress	-	136,939	-	-	136,939
Total	27,200	136,939	-	-	164,139
Depreciable capital assets:					
Buildings	53,297	-	-	-	53,297
Machinery and equipment	612,008	83,605	-	-	695,613
Infrastructure	25,941,227	52,273	-	-	25,993,500
Total	26,606,532	135,878	-	-	26,742,410
Less accumulated depreciation for:					
Buildings	(30,743)	(2,703)	-	-	(33,446)
Machinery and equipment	(307,360)	(78,166)	-	-	(385,526)
Infrastructure	(7,566,895)	(562,516)	-	-	(8,129,411)
Total	(7,904,998)	(643,385)	-	-	(8,548,383)
Depreciable capital assets, net	18,701,534	(507,507)	-	-	18,194,027
Business-type activities capital assets, net	$ 18,728,734	$ (370,568)	$ -	$ -	$ 18,358,166

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

Governmental activities:	
General government	$ 169,846
Police	103,195
Fire	105,457
Public works	135,046
Culture and recreation	207,457
Total depreciation expense - governmental activities	$ 721,001
Business-type activities:	
Water and sewer	$ 643,385

NOTE 6. CAPITAL ASSETS (CONTINUED)

Rockmart Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable capital assets:				
Land	$ 2,277,332	$ 11,994	$ -	$ 2,289,326
Capital assets, total	$ 2,277,332	$ 11,994	$ -	$ 2,289,326

Rockmart Civic Arts Commission

	Beginning Balance	Increases	Decreases	Ending Balance
Depreciable capital assets:				
Machinery & equipment	$ 18,424	$ -	$ (18,424)	$ -
Less accumulated depreciation for:				
Machinery & equipment	(14,754)	-	14,754	-
Capital assets, net	$ 3,670	$ -	$ (3,670)	$ -

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity of the City for the year ended June 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes payable	$ 401,766	$ 313,000	$ (433,066)	$ 281,700	$ 53,070
Capital leases	2,962,833	163,547	(610,843)	2,515,537	538,204
Net pension liability	1,196,638	955,803	(697,040)	1,455,401	-
Compensated absences	104,427	138,335	(131,546)	111,216	111,216
Total governmental activities long-term liabilities	$ 4,665,664	$ 1,570,685	$ (1,872,495)	$ 4,363,854	$ 702,490
Business-type activities					
Notes payable	$ 409,692	$ -	$ (142,391)	$ 267,301	$ 149,824
Capital leases	1,238,379	26,992	(80,721)	1,184,650	87,664
Compensated absences	22,443	17,362	(22,317)	17,488	17,488
Total business-type activities long-term liabilities	$ 1,670,514	$ 44,354	$ (245,429)	$ 1,469,439	$ 254,976

For governmental activities, compensated absences and the net pension liability are generally liquidated by the General Fund.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes Payable – Governmental Activities. On August 6, 2014, the City entered into an agreement with a financial institution to finance the purchase and installation of light fixtures and related equipment at the City's sports complex. The original amount of the note was $313,000 and a payment of $31,300 was due at closing. Payments of principal and interest in the amount of $61,493 are due on July 15 of each year until maturity in 2019.

Debt service requirements to maturity on the City's outstanding note payable are as follows:

Year ending June 30,	Principal	Interest	Total
2015	$ 53,070	$ 8,423	$ 61,493
2016	54,657	6,836	61,493
2017	56,291	5,202	61,493
2018	57,974	3,519	61,493
2019	59,708	1,785	61,493
Total	$ 281,700	$ 25,765	$ 307,465

Capital Leases – Governmental Activities. In May 2015, the City entered into a capital lease agreement in the amount of $163,547 to finance the acquisition of vehicles and equipment. Annual principal and interest payments are required until maturity on May 18, 2017 at an interest rate of 2.44%.

In February 2014, the City entered into a capital lease agreement in the amount of $80,624 to finance the acquisition of vehicles and equipment. Annual principal and interest payments are required until maturity on March 4, 2017 at an interest rate of 2.85%.

In November 2012, the City entered into a capital lease agreement in the amount of $238,968 to finance the acquisition of vehicles and equipment. Annual principal and interest payments are required until maturity on November 19, 2015 at an interest rate of 2.10%.

In May 2008, the City entered into a capital lease agreement in the amount of $4,600,000 to finance the renovation of the municipal complex. Semi-annual principal and interest payments are required until maturity on June 1, 2020 at an interest rate of 3.40%.

In July 2006, the City entered into a capital lease agreement in the amount of $1,604,557 to finance the acquisition of an energy management project that is both for governmental and business use activities based on the classification of the equipment. Monthly principal and interest payments are required until maturity on September 20, 2025 at an interest rate of 4.21%.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Capital Leases – Governmental Activities (Continued)

The City's future minimum lease payments on its capital leases for governmental activities are as follows:

Year ending June 30,	Total Payment
2016	$ 620,442
2017	567,143
2018	494,654
2019	491,830
2020	492,547
2021-2025	124,729
2026-2029	6,661
Total Minimum Lease Payments	2,798,006
Less: Interest Payments	(282,469)
Present Value Minimum Lease Payments	$ 2,515,537

The original cost of the City's assets under capital lease arrangements at June 30, 2015 is $5,518,847 and there has been $305,891 of accumulated depreciation as of year-end. Additionally, the annual depreciation of these assets is included in depreciation expense.

Notes Payable – Business-type Activities. In 1994, the City entered into an agreement with the Georgia Environmental Finance Authority (GEFA) to finance sewerage system improvements. The original amount of the loan was $1,999,638 and the note is payable at 5.12%, maturing January 1, 2017. The City's debt service requirements to maturity on the GEFA note payable is as follows:

Year ending June 30,	Principal	Interest	Total
2016	149,824	10,839	160,663
2017	117,477	3,021	120,498
Total	$ 267,301	$ 13,860	$ 281,161

NOTE 7. LONG-TERM DEBT (CONTINUED)

Capital Leases – Business-type Activities. In May 2015, the City entered into a capital lease agreement in the amount of $26,992 to finance the acquisition of vehicles and equipment. Annual principal and interest payments are required until maturity on May 18, 2017 at an interest rate of 2.44%.

In November 2012, the City entered into a capital lease agreement in the amount of $238,968 to finance the acquisition of vehicles and equipment. Annual principal and interest payments are required until maturity on November 19, 2015 at an interest rate of 2.10%.

In July 2006, the City entered into a capital lease agreement in the amount of $1,604,557 to finance the acquisition of an energy management project that is both for governmental and business use activities based on the classification of the equipment. Monthly principal and interest payments are required until maturity on September 20, 2025 at an interest rate of 4.21%.

The City's debt service requirements to maturity on its business-type activities capital leases are as follows:

Year ending June 30,	Total Payment
2016	$ 136,170
2017	132,849
2018	132,407
2019	137,736
2020	138,243
2021-2025	766,126
2026-2029	40,905
Total Minimum Lease Payments	1,484,436
Less: Interest Payments	(299,786)
Present Value Minimum Lease Payments	$ 1,184,650

The original cost of assets under capital lease arrangements for business-type activities at June 30, 2015 is $1,432,994 and there has been $570,197 of accumulated depreciation as of year-end. Additionally, the annual depreciation of these assets is included in depreciation expense.

Operating Leases

The City leases a well under a non-cancelable operating lease. The lease renewed in January 2011 for twenty years with the expiration date of December 31, 2030. The lease does not give rise to property rights or lease obligations, and therefore the lease agreement is not capitalized. The well is leased at $12,000 per year. Rent expense was $12,000 for the year ended June 30, 2015.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2015 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	SPLOST Fund	$ 591,318

This interfund balance resulted from the General Fund paying the project costs incurred during the fiscal year ended June 30, 2015 on a voter approved SPLOST project. The balance will be repaid as collections of sales tax revenues are made in the upcoming fiscal year.

Due to/from primary government and component units:

Receivable Entity	Payable Entity	Amount
Component Unit - Rockmart Development Authority	Primary government - Water and Sewer Fund	$ 10,809

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Water and Sewer Fund	$ 875,913

Transfers are used to move unrestricted revenues collected in the water and sewer fund to finance various programs of the City accounted for in the general fund in accordance with budgetary authorizations.

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NOTE 9. DEFINED BENEFIT PENSION PLAN

Plan Description

The City, as authorized by the City Council, has established a non-contributory defined benefit pension plan (The City of Rockmart Retirement Plan), covering substantially all of the City's employees. The City's pension plan is administered through the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive between 1% and 1.75% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. 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 at www.gmanet.com or 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.

Plan Membership. As of January 1, 2015, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	25
Inactive plan members entitled to but not receiving benefits	11
Active plan members	66
	102

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, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. For the fiscal year ended June 30, 2015, the City's contribution rate was 9.66% of annual payroll. City contributions to the Plan were $254,775 for the fiscal year ended June 30, 2015. Employees of the City of Rockmart do not contribute to the Plan.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City

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

The City's net pension liability was measured as of September 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2014.

Actuarial assumptions. The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.75% - 8.25%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

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

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

Cost of living adjustments were assumed to be 3.25% although the Plan allowance for annual cost of living adjustment is variable, as established by the City Council, in an amount not to exceed 4%.

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 September 30, 2014 are summarized in the table on the following page.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

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

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

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

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NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 June 30, 2015 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/14	$ 5,339,233	$ 4,142,595	$ 1,196,638
Changes for the year:			
Service cost	121,342	-	121,342
Interest	404,458	-	404,458
Differences between expected and actual experience	240,403	-	240,403
Assumption Changes	-	-	-
Contributions—employer	-	224,696	(224,696)
Contributions—employee	-	-	-
Net investment income	-	472,344	(472,344)
Benefit payments, including refunds of employee contributions	(240,831)	(240,831)	-
Administrative expense	-	(9,553)	9,553
Other changes	180,047	-	180,047
Net changes	705,419	446,656	258,763
Balances at 6/30/15	$ 6,044,652	$ 4,589,251	$ 1,455,401

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.

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	$ 2,221,937	$ 1,455,401	$ 812,071

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City (continued). Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2014 and the current sharing pattern of costs between employer and employee.

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

For the fiscal year ended June 30, 2015, the City recognized pension expense of $436,421. At June 30, 2015, 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
Differences between expected and actual experience	$ 200,335	$ -
Changes in assumptions	-	31,465
Net difference between projected and actual earnings on pension plan investments	-	121,832
City contributions subsequent to the measurement date	195,120	-
Total	$ 395,455	$ 153,297

City contributions subsequent to the measurement date of $195,120 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2016	$ 3,316
2017	3,316
2018	3,316
2019	3,316
2020	33,774
Total	$ 47,038

NOTE 10. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the area, is a member of the Northwest Georgia Regional Commission (NWGRC) and is required to pay annual dues thereto, which Polk County, Georgia has paid on behalf of the City of Rockmart. Membership in the NWGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of the NWGRC. NWGRC Board membership 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 the NWGRC. Separate financial statements may be obtained from the NWGRC, P.O. Box 1798, 1 Jackson Hill Drive, Rome, Georgia 30162-1798 or by calling (706) 295-6485.

NOTE 11. HOTEL/MOTEL LODGING TAX

The City has levied the basic 3% lodging tax authorized by the Official Code of Georgia Annotated (O.C.G.A.) 48-13-51(a)(2). Local governments imposing a tax under this code section are required to expend in each fiscal year at least the same percentage of hotel/motel tax revenues they expended in the previous fiscal year for the promotion of tourism, conventions, and trade shows. The City has not set a precedent resulting in a restriction of the City's hotel/motel tax funds. Therefore, none of the revenue collected by the City under this authorization is restricted. For the fiscal year ended June 30, 2015, the City collected $21,030 in hotel/motel tax revenues which are recorded in the City's General Fund.

NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund, a public entity risk pool currently operating as common risk management and insurance programs for member local governments.

As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of 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.

NOTE 12. RISK MANAGEMENT (CONTINUED)

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract. The fund is 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.

Settled claims have not exceeded the coverages in the last three years.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the last three years.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Litigation:

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies:

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

Contractual Commitments:

The City has executed contracts with third parties for various projects throughout the City. As of June 30, 2015, the balance of those contracts representing commitments made by the City for work not yet completed is $2,939,142.

NOTE 14. CHANGE IN ACCOUNTING PRINCIPLE

As discussed in Note 9 above, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* effective July 1, 2014. This new standard significantly changed the City's accounting for pension amounts. As a result of this change in accounting principle, the City was required to restate beginning net position for governmental activities as shown below:

Net position, governmental activities, as previously reported	$ 14,738,927
City's net pension liability, beginning balance	(1,196,638)
Deferred outflows of resources, pension related items, beginning balance	165,041
Beginning net position, governmental activities, restated	$ 13,707,330

NOTE 15. SUBSEQUENT EVENT

On July 10, 2015, the City entered into a loan agreement with the Georgia Environmental Finance Authority (GEFA) to borrow up to $3.5 million to finance the costs related to making improvements to the City's wastewater treatment facility. The note payable will bear interest at a rate of 2.03% and will be payable monthly on the first day of each month until the first day of the calendar month following the project completion date or January 1, 2017. At that time, principal and interest on the note will be due in two hundred thirty-nine (239) consecutive monthly installments until the loan is repaid. An amortization schedule will be finalized once the project is completed and the loan enters the repayment phase.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROCKMART, GEORGIA

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

		2015
Total pension liability		
Service cost	$	121,342
Interest on total pension liability		404,458
Differences between expected and actual experience		240,403
Changes of assumptions		(37,756)
Changes of benefit terms		217,803
Benefit payments, including refunds of employee contributions		(240,831)
Net change in total pension liability		705,419
Total pension liability - beginning		5,339,233
Total pension liability - ending (a)	$	6,044,652
Plan fiduciary net position		
Contributions - employer	$	224,696
Net investment income		472,344
Benefit payments, including refunds of member contributions		(240,831)
Administrative expenses		(9,553)
Net change in plan fiduciary net position		446,656
Plan fiduciary net position - beginning		4,142,595
Plan fiduciary net position - ending (b)	$	4,589,251
City's net pension liability - ending (a) - (b)	$	1,455,401
Plan fiduciary net position as a percentage of the total pension liability		75.92%
Covered-employee payroll	$	2,547,266
City's net pension liability as a percentage of covered-employee payroll		57.14%

Notes to the Schedule:

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

CITY OF ROCKMART, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

		2015
Actuarially determined contribution	$	224,696
Contributions in relation to the actuarially determined contribution		224,696
Contribution deficiency (excess)	$	-
Covered-employee payroll	$	2,547,266
Contributions as a percentage of covered-employee payroll		8.82%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	January 1, 2015
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.75%
Projected Salary Increases	3.75% - 8.75% (including 3.25% for inflation)
Cost-of-living Adjustment	3.25%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

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

OTHER SUPPLEMENTARY INFORMATION

CITY OF ROCKMART, GEORGIA

BALANCE SHEET
COMPONENT UNIT - ROCKMART DEVELOPMENT AUTHORITY
JUNE 30, 2015

ASSETS		
CURRENT ASSETS		
Cash	$	240,393
Due from primary government		10,809
Total assets	$	251,202
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Unearned revenue	$	14,660
FUND BALANCE		
Restricted for development		236,542
Total liabilities and fund balance	$	251,202

CITY OF ROCKMART, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMPONENT UNIT - ROCKMART DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

REVENUES		
Intergovernmental revenues	$	90,000
Interest		103
Other		16,420
Total revenues		106,523
EXPENDITURES		
Current:		
Housing and development		42,273
Total expenditures		42,273
Net change in fund balance		64,250
FUND BALANCE, beginning of year		172,292
FUND BALANCE, end of year	$	236,542

CITY OF ROCKMART, GEORGIA

STATEMENT OF CASH FLOWS
COMPONENT UNIT - ROCKMART CIVIC ARTS COMMISSION
FOR THE YEAR ENDED JUNE 30, 2015

	Rockmart Civic Arts Commission
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 830
Payments to suppliers	(292)
Net cash provided by operating activities	538
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfer of operations to the City of Rockmart	(18,027)
Net cash used in non-capital financing activites	(18,027)
Net decrease in cash and cash equivalents	(17,489)
Cash and cash equivalents, beginning of year	17,489
Cash and cash equivalents, end of year	$ -
RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES	
Change in assets and liabilities:	
Decrease in accounts receivable	$ 830
Decrease in accounts payable	(194)
Decrease in due to primary government	(98)
Net cash provided by operating activities	$ 538

CITY OF ROCKMART, GEORGIA

SCHEDULE OF PROJECTS CONTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PROJECT	ORIGINAL ESTIMATED COST	REVISED ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENT COMPLETE
2014 SPLOST:						
Municipal Debt Service (Complex)	$ 2,100,000	$ 185,536	$ -	$ 80,032	$ 80,032	43.14 %
Infrastructure Improvements	3,433,000	3,333,000	-	10,055	10,055	0.30
Pedestrian, Bicycle & Traffic Improvements	700,000	125,000	-	90,255	90,255	72.20
Public Lands, Buildings & Facilities	500,000	315,388	-	315,388	315,388	100.00
Recreation and Park Improvements	500,000	1,359,612	199,879	1,096,153	1,296,032	95.32
Total 2014 SPLOST	$ 7,233,000	$ 5,318,536	$ 199,879	1,591,883	$ 1,791,762	
Principal payments made on long-term debt used for construction of assets in prior years				823,068		
Total SPLOST Fund expenditures for fiscal year ended June 30, 2015				$ 2,414,951		

STATISTICAL SECTION

STATISTICAL SECTION

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

Page

Financial Trends **56**

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

Revenue Capacity **66**

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

Debt Capacity **70**

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

Demographic and Economic Information **72**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information **76**

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report.

CITY OF ROCKMART, GEORGIA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2015	2014	2013	2012
Governmental activities:				
Net investment in capital assets	$ 13,631,697	$ 11,927,227	$ 11,611,388	$ 10,138,214
Restricted	77,979	862,028	589,756	44,788
Unrestricted	516,754	1,949,672	1,608,253	1,262,308
Total governmental activities net position	$ 14,226,430	$ 14,738,927	$ 13,809,397	$ 9,774,894
Business-type activities:				
Net investment in capital assets	$ 16,906,215	$ 17,080,663	$ 16,996,518	$ 17,323,237
Unrestricted	809,179	654,023	721,322	2,181,516
Total business-type activities net position	$ 17,715,394	$ 17,734,686	$ 17,717,840	$ 19,504,753
Primary government:				
Net investment in capital assets	$ 30,537,912	$ 29,007,890	$ 28,607,906	$ 27,461,451
Restricted	77,979	862,028	589,756	44,788
Unrestricted	1,325,933	2,603,695	2,329,575	3,443,824
Total primary government net position	$ 31,941,824	$ 32,473,613	$ 31,527,237	$ 30,950,063

2011	2010	2009	2008	2007	2006
$ 7,930,326	$ 8,406,303	$ 5,148,435	$ 3,962,642	$ 8,418,665	$ 7,321,684
15,091	6,335	3,994,919	5,722,928	2,450,644	1,701,422
1,829,477	(1,047,883)	(333,645)	(202,059)	468,288	267,137
$ 9,774,894	$ 7,364,755	$ 8,809,709	$ 9,483,511	$ 11,337,597	$ 9,290,243
$ 17,006,083	$ 16,475,462	$ 13,459,879	$ 12,487,634	$ 10,193,132	$ 10,374,261
3,106,180	2,567,635	2,449,717	2,280,432	2,193,689	2,967,089
$ 20,112,263	$ 19,043,097	$ 15,909,596	$ 14,768,066	$ 12,386,821	$ 13,341,350
$ 24,936,409	$ 24,881,765	$ 18,608,314	$ 16,450,276	$ 18,611,797	$ 17,695,945
15,091	6,335	3,994,919	5,722,928	2,450,644	1,701,422
4,935,657	1,519,752	2,116,072	2,078,373	2,661,977	3,234,226
$ 29,887,157	$ 26,407,852	$ 24,719,305	$ 24,251,577	$ 23,724,418	$ 22,631,593

CITY OF ROCKMART, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2015	2014	2013	2012
Expenses				
Governmental activities:				
General government	$ 742,959	$ 517,006	$ 499,587	$ 531,966
Police	1,537,795	1,360,139	1,324,155	1,310,630
Fire	1,166,192	1,105,756	1,120,656	1,135,733
Public works	1,153,666	1,085,329	1,083,675	1,146,649
Culture and recreation	927,202	747,541	669,966	869,205
Tourism & trade	-	-	-	-
Housing and development	122,906	133,330	170,509	159,274
Interest on long-term debt	108,035	135,244	296,630	311,050
Total governmental activities expenses	5,758,755	5,084,345	5,165,178	5,464,507
Business-type activities:				
Water and Sewer	2,931,862	2,990,358	2,884,020	2,812,231
Total business-type activities expenses:	2,931,862	2,990,358	2,884,020	2,812,231
Total primary government expenses	8,690,617	8,074,703	8,049,198	8,276,738
Program revenues				
Governmental activities:				
Charges for services:				
General government	43,145	42,555	43,700	40,178
Police	322,429	304,236	293,897	329,587
Public works	555,397	550,961	506,432	457,272
Culture & recreation	209,383	167,361	145,974	93,865
Housing and development	11,613	42,423	7,425	24,696
Operating grants and contributions	46,544	24,404	21,420	44,850
Capital grants and contributions	964,406	1,035,644	1,091,558	2,556,730
Total governmental activities program revenues	2,152,917	2,167,584	2,110,406	3,547,178
Business-type activities:				
Charges for services				
Water and sewer	3,788,483	3,603,609	3,357,964	3,614,781
Capital grants and contributions	-	-	4,850	310,342
Total business-type activities program revenues	3,788,483	3,603,609	3,362,814	3,925,123
Net (expense) revenue:				
Governmental activities	(3,605,838)	(2,916,761)	(3,054,772)	(1,917,329)
Business-type activities	856,621	613,251	478,794	1,112,892
Total primary government net (expense) revenue	(2,749,217)	(2,303,510)	(2,575,978)	(804,437)

2011	2010	2009	2008	2007	2006
$ 755,845	$ 769,069	$ 857,840	$ 861,238	$ 726,504	$ 538,831
1,190,098	1,148,723	1,254,097	1,128,742	1,149,104	1,015,540
1,057,267	1,012,953	1,016,911	969,816	815,684	689,567
1,013,691	988,050	1,133,202	1,144,670	1,172,021	978,247
420,074	338,761	327,018	460,096	421,593	362,757
-	-	-	15,176	-	-
60,000	60,000	60,000	60,000	60,000	60,000
261,655	23,115	90,087	24,344	13,170	16,214
4,758,630	4,340,671	4,739,155	4,664,082	4,358,076	3,661,156
2,716,180	2,402,127	2,215,132	2,082,646	1,757,878	1,622,797
2,716,180	2,402,127	2,215,132	2,082,646	1,757,878	1,622,797
7,474,810	6,742,798	6,954,287	6,746,728	6,115,954	5,283,953
261,403	273,947	189,251	169,789	114,452	86,994
168,498	169,529	172,757	233,772	232,384	189,276
607,218	465,222	462,137	413,274	512,006	432,148
755,659	615,711	159,872	92,527	86,997	62,446
-	-	-	-	-	-
53,436	114,560	110,957	28,419	10,700	14,052
1,281,787	372,964	46,122	103,849	221,449	219,855
3,128,001	2,011,933	1,141,096	1,041,630	1,177,988	1,004,771
3,464,086	2,726,909	2,517,729	2,297,304	2,382,239	2,327,077
-	-	-	-	64,825	80,309
3,464,086	2,726,909	2,517,729	2,297,304	2,447,064	2,407,386
(1,630,629)	(2,328,738)	(3,598,059)	(3,622,452)	(3,180,088)	(2,656,385)
747,906	324,782	302,597	214,658	689,186	784,589
(882,723)	(2,003,956)	(3,295,462)	(3,407,794)	(2,490,902)	(1,871,796)

(continued)

CITY OF ROCKMART, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2015	2014	2013	2012
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	$ 1,465,750	$ 1,440,922	$ 1,428,049	$ 1,381,531
Sales taxes	699,894	729,613	684,141	635,527
Franchise taxes	612,587	572,419	586,756	620,346
Other revenues	470,663	506,648	453,263	423,899
Unrestricted investment earnings	131	284	943	923
Gain on disposal of capital assets	-	-	-	61,317
Transfers	875,913	596,405	2,265,707	464,202
Total governmental activities	4,124,938	3,846,291	5,418,859	3,587,745
Business-type activities:				
Unrestricted investment earnings	-	-	-	-
Gain on disposal of capital assets	-	-	-	-
Transfers	(875,913)	(596,405)	(2,265,707)	(464,202)
Total business-type activities	(875,913)	(596,405)	(2,265,707)	(464,202)
Total primary government net (expense) revenue	3,249,025	3,249,886	3,153,152	3,123,543
Change in Net Position				
Governmental activities	519,100	929,530	2,364,087	1,670,416
Business-type activities	(19,292)	16,846	(1,786,913)	648,690
Total primary government	$ 499,808	$ 946,376	$ 577,174	$ 2,319,106

2011	2010	2009	2008	2007	2006
$ 1,285,669	$ 1,195,574	$ 1,179,979	$ 1,081,739	$ 1,084,823	$ 952,239
684,315	1,504,208	1,576,949	1,857,729	1,558,710	1,558,985
583,890	542,183	516,202	487,047	428,956	410,582
425,652	431,209	441,273	324,661	318,503	321,847
1,917	3,767	16,757	81,083	65,102	3,289
500	15,562	15,706	-	-	-
(359,531)	(2,808,719)	(822,609)	(2,063,893)	1,771,348	901,426
2,622,412	883,784	2,924,257	1,768,366	5,227,442	4,148,368
-	-	-	57,562	127,633	96,501
-	-	16,324	45,132	-	-
359,531	2,808,719	822,609	2,063,893	(1,771,348)	(901,426)
359,531	2,808,719	838,933	2,166,587	(1,643,715)	(804,925)
2,981,943	3,692,503	3,763,190	3,934,953	3,583,727	3,343,443
991,783	(1,444,954)	(673,802)	(1,854,086)	2,047,354	1,491,983
1,107,437	3,133,501	1,141,530	2,381,245	(954,529)	(20,336)
$ 2,099,220	$ 1,688,547	$ 467,728	$ 527,159	$ 1,092,825	$ 1,471,647

CITY OF ROCKMART, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2015	2014	2013	2012
General fund				
Reserved	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-
Restricted:				
Police and fire	31,413	31,426	37,659	44,788
Capital projects	46,566	46,441	-	-
Assigned:				
Historic register	-	-	-	-
Unassigned	2,117,789	1,913,787	1,587,244	1,528,365
Total general fund	$ 2,195,768	$ 1,991,654	$ 1,624,903	$ 1,573,153
All other governmental funds				
Reserved	$ -	$ -	$ -	$ -
Restricted:				
Capital construction	-	784,161	552,097	2,461,399
Unassigned	(411,037)	-	-	-
Total all other governmental funds	$ (411,037)	$ 784,161	$ 552,097	$ 2,461,399

(1) The City implemented GASB Statement No. 54 in fiscal year 2011.

2011 (1)	2010	2009	2008	2007	2006
$ -	$ 678,018	$ 3,830,961	$ 4,577,090	$ 9,195	$ 7,033
-	98,841	(353,427)	(271,492)	466,806	278,612
6,335	-	-	-	-	-
680,439	-	-	-	-	-
5,000	-	-	-	-	-
859,118	-	-	-	-	-
$ 1,550,892	$ 776,859	$ 3,477,534	$ 4,305,598	$ 476,001	$ 285,645
$ -	$ 1,616,960	$ 163,958	$ 1,135,459	$ 2,426,596	$ 1,697,987
2,133,034	-	-	-	-	-
-	-	-	-	-	-
$ 2,133,034	$ 1,616,960	$ 163,958	$ 1,135,459	$ 2,426,596	$ 1,697,987

CITY OF ROCKMART, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2015	2014	2013	2012
Revenues				
Taxes	$ 3,215,366	$ 3,151,059	$ 3,107,413	$ 3,010,368
Licenses and permits	53,658	81,336	46,669	61,161
Intergovernmental	986,142	1,040,087	1,095,575	2,756,585
Charges for services	957,949	849,875	788,440	699,998
Fines and forfeitures	130,360	176,325	162,319	184,439
Contributions	24,808	19,961	17,403	40,450
Interest earned	131	284	943	923
Miscellaneous	38,918	86,057	42,025	32,243
Total revenues	5,407,332	5,404,984	5,260,787	6,786,167
Expenditures				
Current:				
General government	556,070	462,715	467,445	464,292
Police	1,424,295	1,312,441	1,320,493	1,233,193
Fire	1,040,838	1,019,496	1,012,807	1,020,777
Public works	1,189,912	1,003,559	1,085,196	1,056,581
Culture and recreation	772,339	673,133	630,432	744,187
Housing and development	114,143	133,330	170,509	159,274
Capital outlay	1,501,796	199,879	51,270	2,055,729
Debt service:				
Principal	1,043,909	551,184	4,549,207	592,570
Interest	107,574	136,093	311,493	309,840
Total expenditures	7,750,876	5,491,830	9,598,852	7,636,443
Excess (deficiency) of revenues over (under) expenditures	(2,343,544)	(86,846)	(4,338,065)	(850,276)
Other Financing Sources (Uses)				
Issuance of long term debt	476,547	80,624	5,384	422,200
Proceeds from disposal of capital assets	-	8,632	209,422	314,500
Transfers in	875,913	596,405	2,265,707	464,202
Transfers out	-	-	-	-
Total other financing sources (uses)	1,352,460	685,661	2,480,513	1,200,902
Net change in fund balances	$ (991,084)	$ 598,815	$ (1,857,552)	$ 350,626
Debt service as a percentage of noncapital expenditures	19.5%	13.7%	52.9%	16.3%

2011	2010	2009	2008	2007	2006
$ 2,978,106	$ 2,767,439	$ 3,692,878	$ 3,676,720	$ 3,367,455	$ 3,247,864
63,723	45,152	60,736	73,296	63,115	58,388
1,805,580	1,393,722	157,079	132,268	232,149	233,907
907,642	155,523	755,689	614,094	650,340	523,200
155,658	1,323,732	167,592	221,973	232,384	189,276
6,098	-	-	-	-	-
4,772	3,768	16,757	81,083	65,102	3,289
4,898	11,112	26,047	-	-	-
5,926,477	5,700,448	4,876,778	4,799,434	4,610,545	4,255,924
670,042	751,580	788,820	805,798	669,691	526,902
1,131,534	1,098,489	1,211,756	1,082,875	1,100,511	997,835
962,692	921,854	919,682	884,932	746,598	639,152
895,538	870,869	1,032,853	1,049,385	1,084,260	889,197
311,066	235,851	205,802	344,230	325,880	261,332
60,000	60,000	60,000	60,000	60,000	60,000
1,884,998	3,228,826	1,185,782	511,900	1,709,661	1,382,287
495,515	455,444	475,210	96,879	53,504	85,681
230,762	23,115	18,912	24,344	13,170	16,214
6,642,147	7,646,028	5,898,817	4,860,343	5,763,275	4,858,600
(715,670)	(1,945,580)	(1,022,039)	(60,909)	(1,152,730)	(602,676)
905,654	-	-	4,658,787	315,200	306,638
500	4,450	34,705	-	-	-
-	-	-	-	1,771,348	901,426
(359,531)	(2,808,719)	(822,609)	(2,063,893)	-	-
546,623	(2,804,269)	(787,904)	2,594,894	2,086,548	1,208,064
$ (169,047)	$ (4,749,849)	$ (1,809,943)	$ 2,533,985	$ 933,818	$ 605,388
15.4%	10.8%	10.5%	2.9%	1.7%	3.0%

CITY OF ROCKMART, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Calendar Year	Real Property			Less Exemptions	Total Taxable Assessed Value	Total Tax Rate (per $1,000)	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property					
2006	$ 47,305,449	$ 30,751,155	$ 46,202,923	$ 17,769,146	$ 106,490,381	8.372	$ 266,225,953	40%
2007	50,176,021	35,756,744	56,461,273	18,612,416	123,781,622	8.291	309,454,055	40%
2008	52,567,300	38,186,534	55,327,203	22,444,176	123,636,861	8.272	309,092,153	40%
2009	54,700,487	42,432,937	57,865,908	24,410,470	130,588,862	9.212	326,472,155	40%
2010	55,093,341	48,559,864	67,533,281	31,558,662	139,627,824	9.169	349,069,560	40%
2011	55,419,362	49,149,237	75,664,585	33,154,335	147,078,849	9.160	367,697,123	40%
2012	52,345,464	44,844,847	92,542,328	43,289,428	146,443,211	9.160	366,108,028	40%
2013	49,148,208	49,556,942	90,015,523	42,192,333	146,528,340	8.989	366,320,850	40%
2014	47,350,694	55,236,415	84,671,972	47,161,426	140,097,655	8.989	350,244,138	40%
2015	47,226,401	56,569,763	85,350,092	48,953,099	140,193,157	8.989	350,482,893	40%

Source: Polk County Tax Assessor

CITY OF ROCKMART, GEORGIA

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

(rate per $1,000 of assessed value)

Fiscal Year	Total City Rate	Polk County	Polk County School District	State	Total Direct & Overlapping Rates
2006	8.372	11.753	15.280	0.250	35.655
2007	8.291	11.753	15.280	0.250	35.574
2008	8.272	11.253	15.280	0.250	35.055
2009	9.212	11.253	15.280	0.250	35.995
2010	9.169	10.850	15.280	0.250	35.549
2011	9.160	10.850	15.280	0.250	35.540
2012	9.160	10.850	16.280	0.250	36.540
2013	8.989	10.850	16.280	0.200	36.319
2014	8.989	10.850	16.280	0.200	36.319
2015	8.989	11.120	16.274	0.100	36.483

Source: Polk County Tax Commissioner

Note: There are no components of the City's rate to break out.

CITY OF ROCKMART, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO
JUNE 30, 2015

	2015			2006		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
TIP TOP POULTRY	$ 8,146,290	1	5.81 %	$ 4,337,850	2	4.07 %
HONDA OF AMERICA MANUFACTURING	6,981,088	2	4.98			
ENGINEERED FABRICS	6,729,113	3	4.80	4,083,634	3	3.83
NORDIC COLD STORAGE LLC	6,087,996	4	4.34	7,151,408	1	6.72
WALMART	5,454,889	5	3.89	-		-
C W MATTHEWS CONTRACTING	3,696,740	6	2.64	-		-
JCG FARMS	2,238,625	7	1.60	-		-
EBY BROWN TRANSPORTATION	2,058,516	8	1.47	2,166,382	5	2.03
GEORGIA POWER	1,796,195	9	1.28	-		-
ANGELICA TEXTILE SERVICES	1,529,759	10	1.09	2,319,223	4	2.18
CATERPILLAR FINANCE	-		-	1,734,108	6	1.63
J.L. LESTER & SON, INC.	-		-	1,712,875	7	1.61
MURATA	-		-	1,646,368	8	1.55
CAGLE'S INC	-		-	1,445,534	9	1.36
VULCAN	-		-	948,987	10	0.89
Totals	$ 44,719,211		31.90 %	$ 27,546,369		25.87 %

Source: Polk County Tax Commissioner

CITY OF ROCKMART, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Period Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	$ 891,537	$ 837,162	93.9 %	$ 50,893	$ 888,055	99.6 %
2007	1,026,273	953,813	92.9	59,744	1,013,557	98.8
2008	1,031,591	930,054	90.2	89,492	1,019,546	98.8
2009	1,213,596	1,116,759	92.0	89,279	1,206,038	99.4
2010	1,314,102	1,241,384	94.5	64,179	1,305,563	99.4
2011	1,375,232	1,307,917	95.1	53,430	1,361,347	99.0
2012	1,361,998	1,232,677	90.5	110,284	1,342,961	98.6
2013	1,356,886	1,299,393	95.8	40,322	1,339,715	98.7
2014	1,296,501	1,256,086	96.9	19,455	1,275,541	98.4
2015	1,285,666	1,249,104	97.2	-	1,249,104	97.2

Source: City of Rockmart

CITY OF ROCKMART, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities		Business-type Activities		Total Debt Outstanding	Percentage of Personal Income	Debt per Capital
	Capital Leases	Notes Payable	Capital Leases	Notes Payable			
2006	$ 319,926	$ -	$ 94,782	$ 1,490,156	$ 1,904,864	2.33 %	$ 440
2007	581,622	-	1,668,905	1,339,134	3,589,661	4.27	838
2008	5,143,530	-	1,637,168	1,903,652	8,684,350	8.00	1,876
2009	4,668,320	-	1,630,924	3,152,694	9,451,938	11.20	2,228
2010	4,212,877	3,502,176	1,616,518	912,047	10,243,618	12.05	2,332
2011	4,160,757	4,179,173	1,352,257	795,874	10,488,061	12.77	2,475
2012	3,710,569	4,458,991	1,325,472	673,641	10,168,673	10.26	2,422
2013	3,418,429	416,730	1,302,907	545,021	5,683,087	5.27	1,353
2014	2,962,833	401,766	1,238,379	409,692	5,012,670	4.53	1,199
2015	2,515,537	281,700	1,184,650	267,301	4,249,188	4.47	1,016

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

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

CITY OF ROCKMART, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct Debt
Overlapping debt:			
Polk County Board of Education			
General obligation bonds	$ 16,565,000	13.12%	$ 2,173,510
Direct debt:			
Notes payable	281,700	100.00 %	281,700
Capital leases	2,515,537	100.00 %	2,515,537
Total direct and overlapping debt	$ 19,362,237		$ 4,970,747

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

CITY OF ROCKMART, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Period	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (1)
2006	4,328	$ 81,868,448	$ 18,916	36.0	2,938	4.2 %
2007	4,284	83,987,820	19,605	36.4	3,086	4.5
2008	4,630	108,536,460	23,442	37.8	3,094	4.5
2009	4,243	84,410,242	19,894	36.8	3,191	10.3
2010	4,393	85,000,157	19,349	36.6	3,043	10.4
2011	4,237	82,125,771	19,383	37.0	3,043	15.6
2012	4,199	99,075,405	23,595	35.3	3,145	9.0
2013	4,199	107,859,713	25,687	35.3	3,273	8.9
2014	4,182	110,638,992	26,456	36.7	3,225	7.4
2015	4,184	94,968,432	22,698	37.0	3,291	5.6

(1) Source: US Census Bureau
(2) Source: Polk County School District

CITY OF ROCKMART, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND EIGHT YEARS AGO
JUNE 30, 2015

	2015			2007		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Meggitt Polymers / Engineered Fabrics Corporation	991	1	24.00 %	667	2	20.79 %
Tip Top Poultry, Inc.	630	2	15.26	724	1	22.57
Angelica Textile Services, Inc.	245	3	5.93	314	3	9.79
Jefferson Southern	245	4	5.93	169	6	5.27
Walmart Supercenter	164	5	3.97	211	5	6.58
Eby-Brown	118	6	2.86	250	4	7.79
Nordic Logistics and Warehouse	113	7	2.74	100	7	3.12
Deep South Industrial	105	8	2.54	48	10	1.50
Rockmart Nursing & Rehab	69	9	1.67	74	8	2.31
Murata Electronics	59	10	1.43	69	9	2.15
Accumulative all other employees	1,390			582		
Totals	4,129		66.34 %	3,208		81.86 %

Source: Georgia Department of Labor
Note: Information prior to 2007 was not available

CITY OF ROCKMART, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	2015	2014	2013	2012
General government	16	13	13	8
Police	21	21	19	19
Fire	16	18	17	17
Public Works	5	3	6	7
Recreation	5	6	4	4
Water and Sewer	16	16	19	21
Total	79	77	78	76

Source: Various city departments

2011	2010	2009	2008	2007	2006
12	7	9	6	6	7
18	17	20	19	19	17
17	17	16	16	16	15
5	7	7	9	9	7
4	3	3	3	3	2
20	23	19	18	18	16
76	74	74	71	71	64

CITY OF ROCKMART, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2015	2014	2013	2012
General Government:				
Number of building permits issued	58	33	49	39
Police:				
Number of arrests	579	355	500	398
Number of traffic violations	1,057	936	1,442	2,863
Fire:				
Number of calls answered	1,031	1,138	1,016	987
Public Works:				
Miles of streets resurfaced	-	0.62	-	1.30
Number of potholes repaired	58	55	14	15
Culture and Recreation:				
Admissions and fees collected	$ 106,944	$ 80,067	$ 93,591	$ 52,743
Number of books in circulation	91,012	89,849	111,807	89,875
Number of volumes in collection	47,496	46,700	45,707	46,430
Water and Sewer				
Average daily consumption - water (1,000 gallons)	1,045	1,016	1,079	1,164
Average daily consumption - sewer (1,000 gallons)	944	920	979	1,051

Sources: Various city departments

2011	2010	2009	2008	2007	2006
59	56	76	72	111	72
369	360	379	302	329	329
2,472	1,291	1,309	1,127	4,174	1,093
945	899	1,087	824	696	722
1.253	-	0.900	1.100	1.800	1.300
28	41	65	120	60	46
$ 55,490	$ 50,032	$ 54,967	$ 70,995	$ 86,997	$ 62,446
91,114	82,937	79,124	-	70,062	70,062
57,436	50,711	50,431	46,613	43,513	43,194
1,146	1,057	1,116	1,362	1,112	1,400
1,034	952	980	1,203	989	1,378

CITY OF ROCKMART, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2015	2014	2013	2012
Police:				
Number of stations	1	1	1	1
Fire:				
Number of stations	1	1	1	1
Public Works:				
Miles of streets	28	28	28	28
Number of street lights	556	556	556	556
Culture and Recreation:				
Acres of parks	70	70	70	70
Number of baseball diamonds	7	7	7	7
Number of fields	2	2	2	2
Number of courts	3	3	3	3
Number of community centers	4	4	4	4
Number of skate parks	1	1	1	1
Number of playgrounds	2	2	2	2
Number of gymnasiums	2	2	2	2
Water and Sewer				
Miles of water mains	50.0	50.0	50.0	50.0
Miles of sewer mains	34.0	34.0	34.0	34.0
Miles of stormwater mains	15.5	15.5	15.5	15.5

Sources: Various city departments

2011	2010	2009	2008	2007	2006
1	1	1	1	1	1
1	1	1	1	1	1
28	28	28	28	27	24
556	620	620	620	600	560
70	70	70	70	70	50
7	7	7	7	6	3
2	2	2	2	2	2
3	3	3	3	3	5
4	4	4	4	4	4
1	1	1	1	1	-
2	2	2	2	2	3
2	2	2	2	2	1
50.0	50.0	50.0	50.0	49.0	44.0
34.0	34.0	34.0	34.0	33.0	28.5
15.5	15.5	15.5	15.5	15.0	10.0

COMPLIANCE SECTION

MAULDIN & JENKINS

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 Honorable Mayor and Members
of the City Council
City of Rockmart, 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, and each major fund of the City of Rockmart, Georgia (the "City") as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 3, 2015. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*.

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 of Rockmart, Georgia'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 results 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
December 3, 2015