CITY OF ROME, GEORGIA
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2010

Prepared By:
Finance Department

CITY OF ROME, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

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City Manager
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June 17, 2011

To the Rome City Commission and
the Citizens of the City of Rome, Georgia:

The comprehensive annual financial report of the City of Rome, Georgia for the fiscal year ended December 31, 2010, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2010.

The City is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are included in a separate report.

Mauldin and Jenkins, Certified Public Accountants, LLC, have issued an unqualified opinion on the City of Rome's financial statements for the year ended December 31, 2010. The independent auditor's report is located at the front of the financial section of this report.

These statements are compiled in accordance with accounting principles generally accepted in the United States of America and offer an overview of the financial position and activities of the City as a whole. Management's Discussion and Analysis can be found on pages 3-20 and contains additional information on the City of Rome's basic financial statements.

PROFILE OF THE GOVERNMENT

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

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

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

LOCAL ECONOMY

The economic condition and outlook of the City has remained fairly stable during the past several years, following several years of slower economic growth attributable to a general decline in manufacturing activity. However, the area has also been impacted by the national economic slowdown and has seen a reduction in workforce in several major manufacturing entities. The city had a 10.6 % unemployment rate at the end of the year which was slightly over the state average and above the overall Floyd County rate of 11.1%.

Rome continues to be the medical hub of northwest Georgia with more doctors per capita than any county in the state. Two major hospitals, with a total of approximately 800 beds, are located in the city limits with many clinics also operating in this area. Redmond Regional Medical Center is the largest taxpayer in the City. The medical industry continues to expand with new expansions at both hospitals and their outlying complexes. A new Cancer Center affiliated with Harbin Clinic recently opened and should enhance the current medical facilities.

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

Rome was the venue for the National NAIA football championship in 2010 and will also host this event through 2015.

A continuing Education Local Option Sales tax has enabled the school system to make major renovations and improvements to many of the City schools. In September, 2008, a new five year E-LOST was approved by the voters and is projected to generate about $90 million dollars of school improvements for the City and County school systems. A new county school for the eastern part of the county is planned as well as major renovations and additions to the existing Rome High and Middle schools. A thirty nine month SPLOST approved in 2006 for multiple City and County capital projects for recreation, streets, and a community youth center has been completed. These projects have been a positive economic impact for the community in light of the current national downturn in normal construction. A new SPLOST was passed in 2009 and collections began in 2010. Projects for the new SPLOST include renovations to Barron Stadium, a new countywide emergency communications system, and a new Fire Administration and Emergency Operations Facility.

Local Option Sales Tax revenue again declined in 2010 by 4% from 2009. This decrease has been an indicator of an economic slowing that mirrors the overall national economy even with several larger construction projects that have continued to have a positive local economic impact. Other declining revenues associated with the national economic issues such as business licenses and franchise fees have challenged the City to look at additional budget cuts and streamlining for the 2011 fiscal year. Two significant employers within the City announced office relocations or closings in 2010 which will affect unemployment, the tax base, and water/sewer revenues as one of the closings is a plant that is a major water/sewer customer. This comes on the heels of a year that has seen the Water/Sewer fund regain some momentum after the drought year of 2008. Although the City of Rome's water system has remained healthy and viable due to our abundance of available river water, the system has been challenged by State mandated water restrictions. Although water restrictions have been mitigated, consumption continues to decline.

LONG TERM FINANCIAL PLANNING:

In response to the overall economic downturn and the likely prospect that 2010will not see significant upturns, the City has taken budgetary steps to ensure that the City will continue to be healthy through out the current recession. The City has trimmed its workforce some 10% and continues to have a hiring freeze for most vacant positions. No raises have been budgeted in 2010 and 2011. The City has implemented shared workers and changes in public safety operations to maximize coverage in those areas. Capital spending has been minimized but long term needs must still be addressed. The City has a commitment to the community to maintain the highest level of service possible and still operate within its current revenue resources.

RELEVANT FINANCIAL POLICIES:

The past fiscal year has been a challenge to all revenue sources within the City. Although current year ad valorem taxes were up over 2009, local option sales taxes continue to decline. Several revenue sources as business licenses, franchise fees, and motor vehicle taxes were flat, but the hope is that the decline has bottomed and the next year should see a small upward swing.

MAJOR INITIATIVES

For the Year.

Several major road projects have been completed during the year with several more projects still under construction. Construction has started on the State DOT Rome bypass. Within the 2006 SPLOST package, there were approximately 7 million dollars in road improvements to be initiated over the next couple of years, including additional turn lanes, and road and bridge widening projects. Two of the turn lanes have been completed, with two more in the construction phase and expected to be completed by mid 2011. The Chatillion connector has been completed. Wolf Drive, which was a 2006 SPLOST project, will provide a second access to the Rome Middle and High Schools and will be completed in May of 2011.

As an "Entitlement Community", the City receives grant monies for capital improvement projects. Projects include street and sidewalk improvements, and several home rehabilitation programs for lower income families. The City of Rome has partnered with the Northwest Georgia Housing Authority in an expanded housing rehabilitation program with the entitlement funds. Entitlement monies also helped with the ongoing renovation to the historic Desota Theatre in downtown. Another partnered project with the Northwest Georgia Housing Authority is the construction of the new senior housing units on Pennington Place. These units were completed and made available for rent this year. The Etowah Terrace Housing project, in partnership with Mercy Housing and the South Rome Redevelopment Agency, also broke ground in 2010 with the construction of seventy two Retirement apartments on South Broad Street adjacent to the downtown area.

The South Rome Re-development Agency and Community Development continues its progress with rehabilitation and improvements within the South Rome area of the City. The 2006 SPLOST package included monies for a major streetscape for South Broad Street and East Main Street which continued in 2010 and should be completed by June 2011.

Another continuing initiative for the City in 2010 was the "Neighborhood Focus". This effort is sponsored by the "Keep Rome/Floyd Beautiful" committee and is a collaborative partnership between the City, Floyd County, and the neighborhood communities to help clean up predesignated areas.

Another major accomplishment by the City of Rome in 2010 continues to be a concentrated effort to renovate and replace large older sidewalks around the City.

The City of Rome Downtown Development Department has expanded its management of several downtown parking facilities. This effort has allowed more control of revenue generating facilities as well as ensuring optimum use of all available parking. The jointly owned City/County parking deck located at the Forum greatly expands the marketability of the downtown area with its additional parking adjacent to the Forum.

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

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

Every year water and sewer projects are being completed. The $35 million Waste Water Treatment Plant expansion and improvement project was on line and the enhancement for the BioSolids treatment was completed in 2010. The new levee gate and upgraded levee pumping station, a 2006 SPLOST project, greatly enhances the levee flood control system.

Another major completed 2006 SPLOST project is the conversion of the Marine Armory building to a new gymnastics center and recreation administrative offices. This complex will open in 2011 and the larger facilities have already seen a substantial increase in participation in the gymnastic program.

In 2010, the City implemented a new trash/recycling cart system for all city residents. Residents were given new sixty five gallon carts for garbage and recycling. This new process will streamline equipment needed for pickup as well as provide for neater neighborhoods. Recycling efforts have already seen an increase in participation with the larger carts.

For the Future. Transportation is an area that will always receive attention for funding. With the projects approved with the 2006 SPLOST package, many road expansions and improvements will be completed over the next three-four years. The previously mentioned road widening projects head the list of transportation projects. Several major road expansions anticipated in 2011 and beyond include Turner McCall Boulevard Bridge, Huffaker Road, and South Broad Street streetscape.

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

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

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

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

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

The City Commission has also approved the conversion of the Stonebridge Golf Course greens from Bent grass to Bermuda grass. This change will allow for more drought and heat tolerance of the greens.

The City of Rome, Floyd County, Coosa Valley Tennis Association, Berry College, Chamber of Commerce, and the Rome Floyd County Tourism Board as a multi-partner coalition continues to work towards the realization of a new tennis center. A feasibility study has been conducted and the coalition continues to work towards some state funding to make this project a reality.

FINANCIAL INFORMATION

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

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

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations that could have a material affect on a major federal program. The results of the City's single audit for the fiscal year ended December 31, 2010 ended with no findings of non compliance of major federal programs. There were no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations related to its major federal programs.

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

AWARDS AND ACKNOWLEDGEMENTS

Awards. The City of Rome, Georgia Comprehensive Annual Financial Report for the year ended December 31, 2009, was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We would also like to thank the Finance Committee as well as the entire City Commission for the support they gave the City staff in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

John Bennett
City Manager

Sheree T. Shore
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rome Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

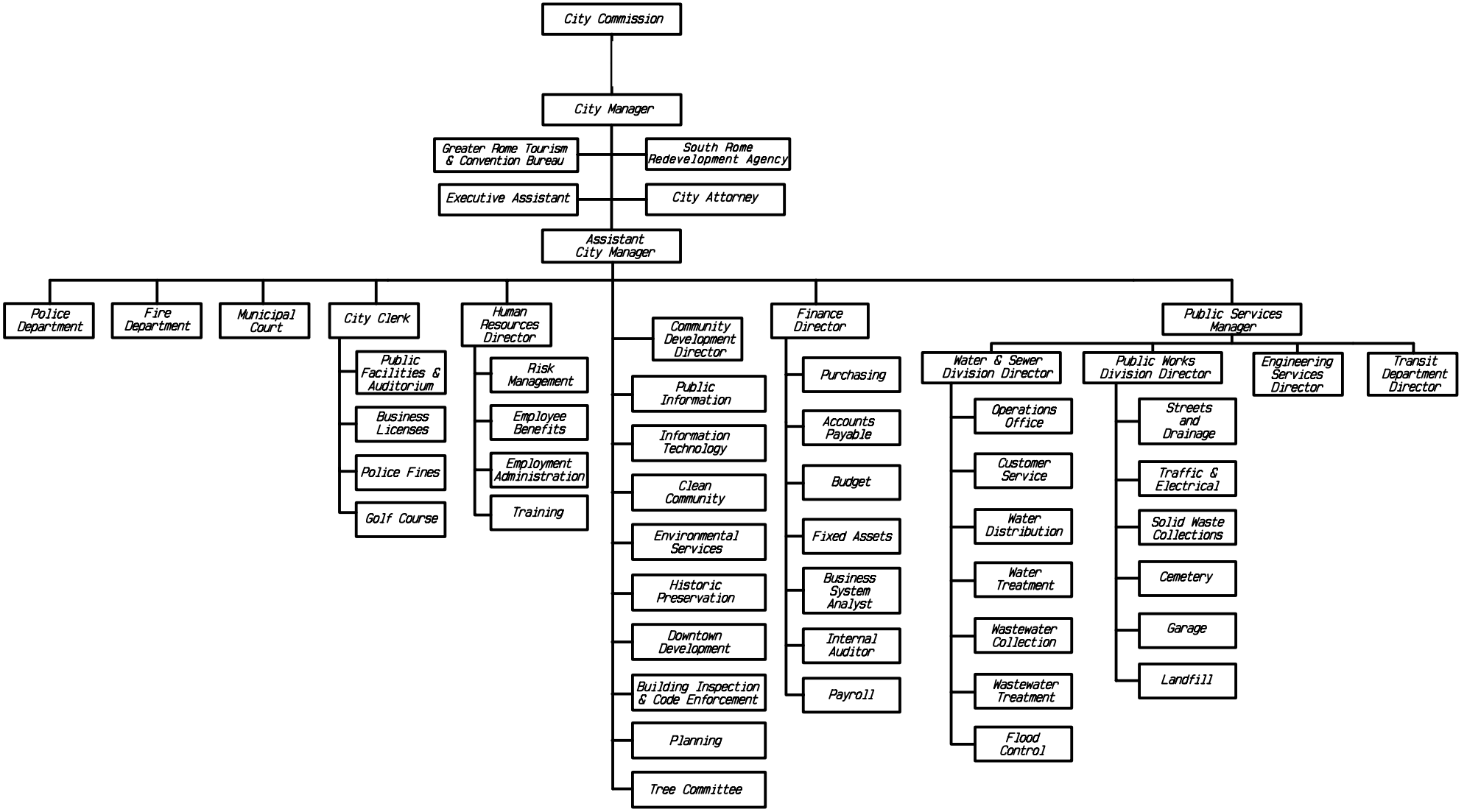
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

City of Rome, Georgia
Organization Chart



01-25-07

CITY OF ROME, GEORGIA
PRINCIPAL OFFICIALS
DECEMBER 31, 2010

Wright Bagby	**Mayor**
Jamie Doss	**At Large**
Bill Collins	**At Large**
Bill Fricks	**At Large**
Milton Slack	**At Large**
Kim Canada	**At Large**
Howard "Buzz" Wachsteter	**At Large**
Evie McNiece	**At Large**
Duane Reid	**Mayor, Pro-Tem**

****

John Bennett	**City Manager**
Sammy Rich	**Assistant City Manager**
Sheree T. Shore	**Finance Director**
Toni Rhinehart	**Assistant Finance Director**
Joseph F. Smith	**City Clerk**
Robert M. Brinson	**City Attorney**

FINANCIAL SECTION

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

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
City of Rome, Georgia
Rome, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Rome, Georgia** (the "City") as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rome, Georgia, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2011 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis (on pages 3 through 20), budgetary comparison information (on pages 86 through 96) and schedules of funding progress (on page 97) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplemental information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and is not a required part of the basic financial statements. The supplemental information and the schedule of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Atlanta, Georgia
June 17, 2011

Mauldin & Jenkins, LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD & A) is a narrative introduction, overview, and analysis of information presented in the basic financial statements.

City of Rome, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2010

As management of the City of Rome, Georgia, this section of the City's Comprehensive Annual Financial Report offers readers a narrative discussion and analysis of the financial activities of the City of Rome for the fiscal year ended December 31, 2010.

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

FINANCIAL HIGHLIGHTS

- The City of Rome's total assets exceeded its total liabilities by $265,982,128 in 2010, a 5 % increase from 2009.
- Total Net assets are made up of the following:
    1) Capital assets, net of related debt of $240,243,984 include property, equipment, and infrastructure, net of accumulated depreciation and reduced for related debt.
    2 Net assets of $3,231,545 are restricted by outside entities either by covenants, grant agreements or external legislation.
    3) Unrestricted net assets of $22,506,599 represent the portion available to maintain the City's ongoing obligations and have increased 1.39% from 2009.
- The City's combined governmental funds reported a total ending fund balance of $17,747,224 which is a decrease of $185,490 from 2009. Of this amount $10,186,588 is unreserved and undesignated and available for budgetary spending.
- The City of Rome had an increase in net assets for the year of 2010 of $12,587,828, almost twice the increase in 2009.
- The City's General Fund had a net increase in fund balance of $503,565 for 2010.
- The City's General Fund showed an unreserved fund balance of $10,096,501 at the end of the fiscal year, or 60% of current year expenditures before transfers. This is up $444,289 or 4.6% from 2009.
- The City has implemented GASB 45 and a liability for health and life insurance post employment benefits has been accrued in the government wide statements in the amount of $1,960,967.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS – continued

Government-wide Financial Statements– continued

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

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

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

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

FUND FINANCIAL STATEMENTS - continued

***Governmental Funds*- continued**

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

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

The basic governmental fund financial statements are presented on pages 24-28 of this report.

Proprietary Funds

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

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

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

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

The City's proprietary funds are presented on pages 29 – 37 with individual data on non-major funds presented in combining statements on pages 113-119.

Fiduciary Funds

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

The basic fiduciary fund financial statements are presented on pages 38 and 39.

FUND FINANCIAL STATEMENTS - continued

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 40 to 85.

Required Supplementary Information

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

Other Supplemental Information

Other supplemental information includes combining individual fund statements for non-major and other funds aggregated in the basic financial statements. Budgetary comparisons for non-major governmental funds are also presented. This supplemental information is presented on pages 98-124.

The Special Report for Sales Tax proceeds is shown on page 111 and 112. This schedule shows expenditures for the 1996, 2006 and 2009 SPLOST issues.

FINANCIAL ANALYSIS OF THE CITY'S POSITION AND OPERATIONS

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

City of Rome
Net Assets (Financial Position)

	Governmental Activities		Business-Type Activities		Totals		
	2010	2009	2010	2009	2010	2009	Variance
Assets:							
Current assets	$ 19,622,183	$ 18,496,427	$ 15,977,097	$ 13,567,746	$ 35,599,280	$ 32,064,173	$ 3,535,107
Capital assets	126,685,455	120,129,316	193,216,350	196,535,108	319,901,805	316,664,424	3,237,381
Other non-current assets	5,683,444	6,413,926	1,713,807	1,921,802	7,397,251	8,335,728	(938,477)
Total Assets	151,991,082	145,039,669	210,907,254	212,024,656	362,898,336	357,064,325	5,834,011
Liabilities:							
Current liabilities	3,347,728	2,435,808	5,134,415	6,053,290	8,482,143	8,489,098	(6,955)
Long-term liabilities	10,991,654	11,990,523	77,442,411	83,190,404	88,434,065	95,180,927	(6,746,862)
Total Liabilities	14,339,382	14,426,331	82,576,826	89,243,694	96,916,208	103,670,025	(6,753,817)
Invested in capital assets, net of related debt	117,293,098	109,793,379	122,950,886	120,302,747	240,243,984	230,096,126	10,147,858
Restricted	2,863,075	744,563	368,470	355,453	3,231,545	1,100,016	2,131,529
Unrestricted	17,495,527	20,075,396	5,011,072	2,122,762	22,506,599	22,198,158	308,441
Total Net Assets	$ 137,651,700	$ 130,613,338	$ 128,330,428	$ 122,780,962	$ 265,982,128	$ 253,394,300	$ 12,587,828

As noted, the overall assets of the City increased $5,834,011, from an increase in capital assets but also an increase in cash under current assets. The City's total liabilities decreased $6,753,817 due to a decrease in retainage payable and the normal debt payments. Overall the City's net assets increased $12,587,828 from 2009 or 5%. Capital assets additions make up a large portion of this amount. Investment in capital assets, net of related debt is the largest component of total net assets with 85% of governmental net assets and 96% of business type net assets. This large increase is made up of an additional increase in capital assets and the reduction of the related debt. The largest component of restricted net assets is restricted assets held for capital projects. Neither of these components of net assets, however, represents available resources for the City, but an investment to provide services to citizens.

The unrestricted portion of net assets of $22,506,599 which is available for spending is 8.46% of total net assets and increased $308,441 from 2009.

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

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

City of Rome
Change in Net Assets

	Governmental Activities		Business Type Activities		Total		
	2010	2009	2010	2009	2010	2009	Variance
Revenues:							
Program Revenues							
Charges for services	$ 3,718,803	$ 3,804,310	$ 34,550,577	$ 33,578,793	$ 38,269,380	$ 37,383,103	$ 886,277
Operating Grants & Contributions	711,627	1,122,765	708,308	517,076	1,419,935	1,639,841	(219,906)
Capital Grants & Contributions	11,258,868	7,579,833	1,033,743	1,165,035	12,292,611	8,744,868	3,547,743
General Revenues							
Property Taxes	10,006,937	9,661,665	-	-	10,006,937	9,661,665	345,272
Sales Taxes	5,980,293	6,127,541	-	-	5,980,293	6,127,541	(147,248)
Other Taxes	7,186,905	7,086,136	-	-	7,186,905	7,086,136	100,769
Miscellaneous	804,637	670,851	256,591	123,444	1,061,228	794,295	266,933
Total Revenues	39,668,070	36,053,101	36,549,219	35,384,348	76,217,289	71,437,449	4,779,840

	Governmental Activities		Business Type Activities		Total		
	2010	2009	2010	2009	2010	2009	Variance
Expenses							
General Government	3,725,503	3,459,431	-	-	3,725,503	3,459,431	266,072
Public Safety	7,659,380	8,330,201	-	-	7,659,380	8,330,201	(670,821)
Public Works	8,881,293	9,901,356	-	-	8,881,293	9,901,356	(1,020,063)
Public Facilities	1,381,172	1,259,112	-	-	1,381,172	1,259,112	122,060
Public Services	397,003	447,828	-	-	397,003	447,828	(50,825)
Community Development	1,758,372	1,087,895	-	-	1,758,372	1,087,895	670,477
Education	1,185,080	1,183,090	-	-	1,185,080	1,183,090	1,990
Interest on Debt	240,841	368,538	-	-	240,841	368,538	(127,697)
Water and Sewer	-	-	17,278,603	17,631,139	17,278,603	17,631,139	(352,536)
Fire	-	-	10,249,101	10,246,440	10,249,101	10,246,440	2,661
Solid Waste Commission	-	-	1,987,675	2,466,241	1,987,675	2,466,241	(478,566)
Transit	-	-	3,091,587	2,970,187	3,091,587	2,970,187	121,400
Building Inspection	-	-	839,436	773,944	839,436	773,944	65,492
Solid Waste Management	-	-	3,303,925	3,463,304	3,303,925	3,463,304	(159,379)
Municipal Golf	-	-	1,255,926	1,293,506	1,255,926	1,293,506	(37,580)
Public Facilities	-	-	394,564	407,691	394,564	407,691	(13,127)
Total Expenses	25,228,644	26,037,451	38,400,817	39,252,452	63,629,461	65,289,903	(1,660,442)
Increase (decrease) in net assets before transfers	14,439,426	10,015,650	(1,851,598)	(3,868,104)	12,587,828	6,147,546	6,440,282
Transfers	(7,401,064)	(9,745,022)	7,401,064	9,745,022	-	-	-
Change in Net Assets	7,038,362	270,628	5,549,466	5,876,918	12,587,828	6,147,546	6,440,282
Beginning Net Assets	130,613,338	130,342,710	122,780,962	116,904,044	253,394,300	247,246,754	6,147,546
Ending Net Assets	$ 137,651,700	$ 130,613,338	$ 128,330,428	$ 122,780,962	$ 265,982,128	$ 253,394,300	$ 12,587,828

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

The City's overall revenue increased $4,779,840 from 2009 or 6.7% with most of this increase in capital grant revenues. Although charges for services were up over 2009, the increase was mainly centered in the Business Type Activities from rate increases. Governmental Activities actually had a decrease in operating grants and contributions. The capital grants increase was predominately in the Governmental Activities section under Community Development. Property taxes had a modest increase from 2009 but sales taxes continued to decline. Other taxes were relatively flat compared to 2009. The revenue stagnation continues to be a challenge for the City. The City has made significant reductions in expenses to mitigate this but budgeted revenues are higher in 2011.

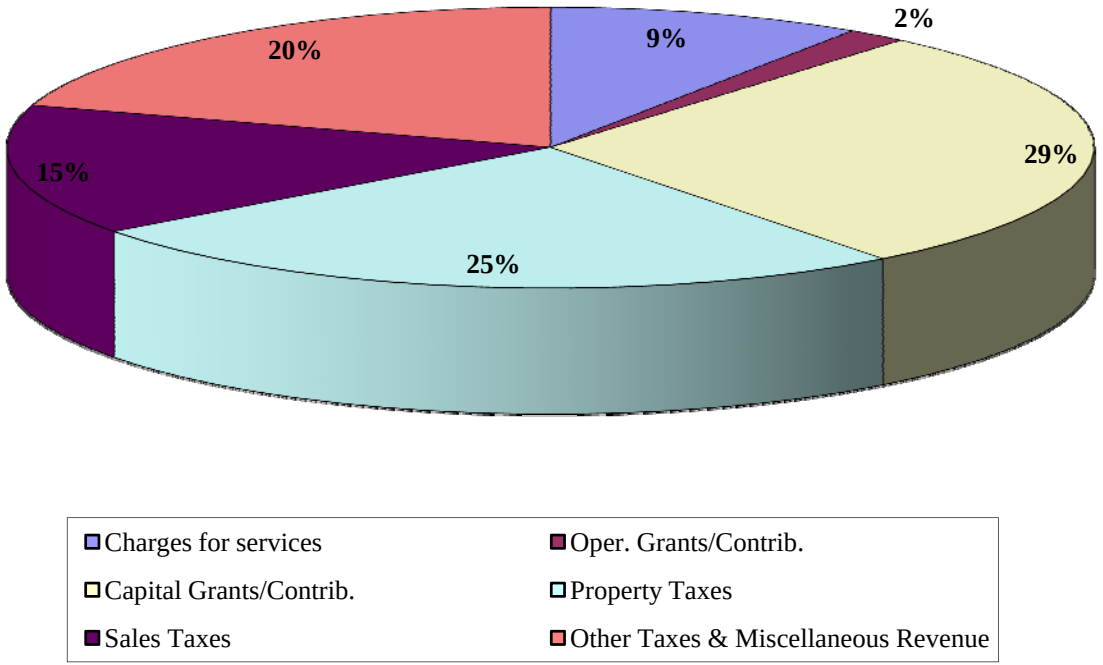
Total current expenses for 2010 decreased $1,660,442 in response to the reduction in current revenues. This is the second consecutive year that the City has made substantial current expense cuts to help balance the reduced revenue stream. Community Development had an increase in expenses which consisted primarily of non-capitalized capital outlay, associated again with the increase in capital grant revenues. All other expenses categories had modest reductions in current expenses. Building Inspection had an increase in expenses due to the budgeted transfer of equity back to Floyd County.

The overall change in net assets for 2010 was $12,587,828 an increase from 2009. Unlike 2009, Governmental Activities had the majority of the increase resulting from a modest increase in revenues and a decrease in current expenses. Although currently management does not feel that City services have materially suffered, the mitigation of capital expenditures and payroll expansion is not viewed as a long term solution.

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

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

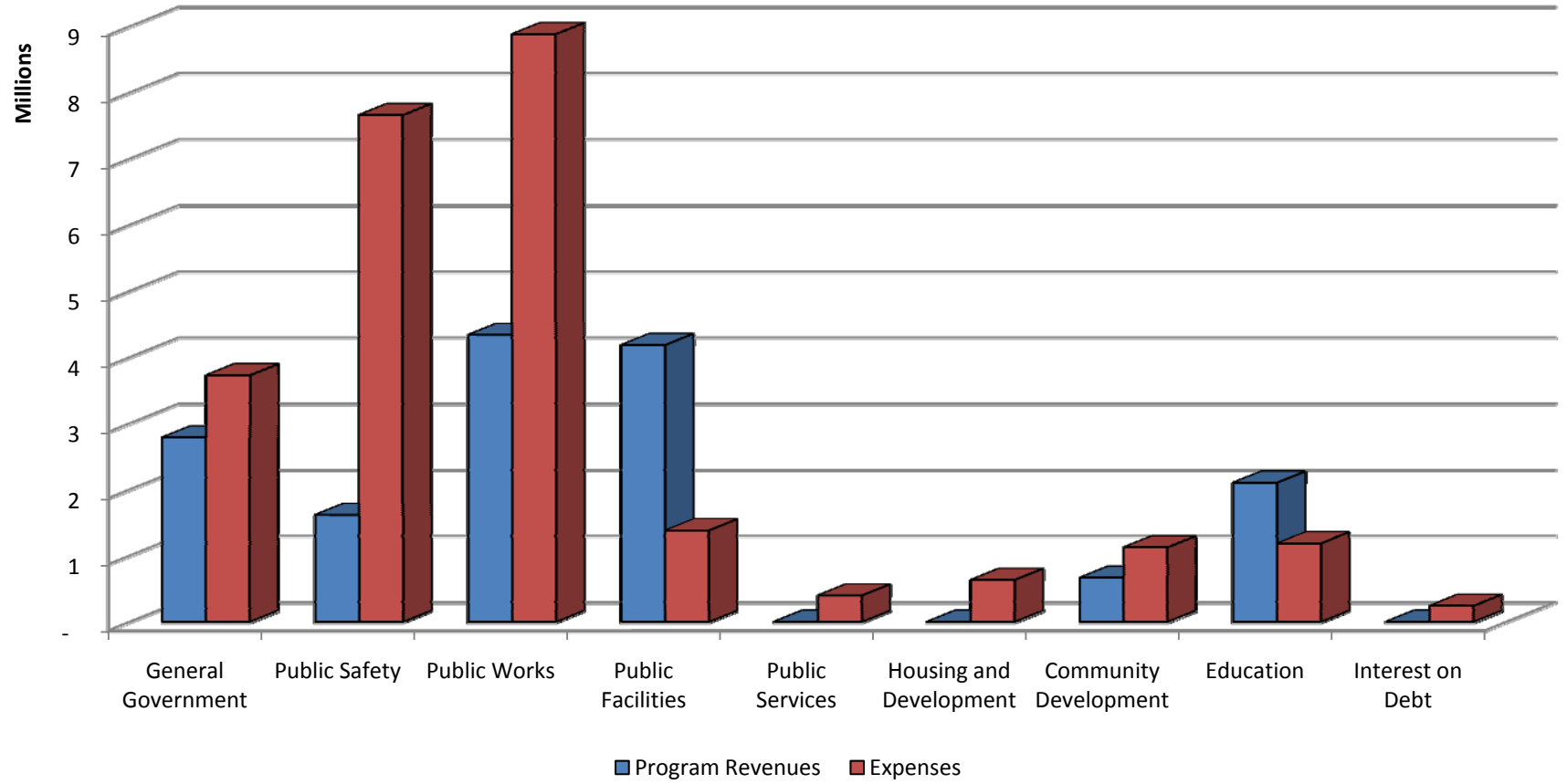
City of Rome
Revenues by Source - Governmental Activities
for fiscal year ending December 31, 2010



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

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

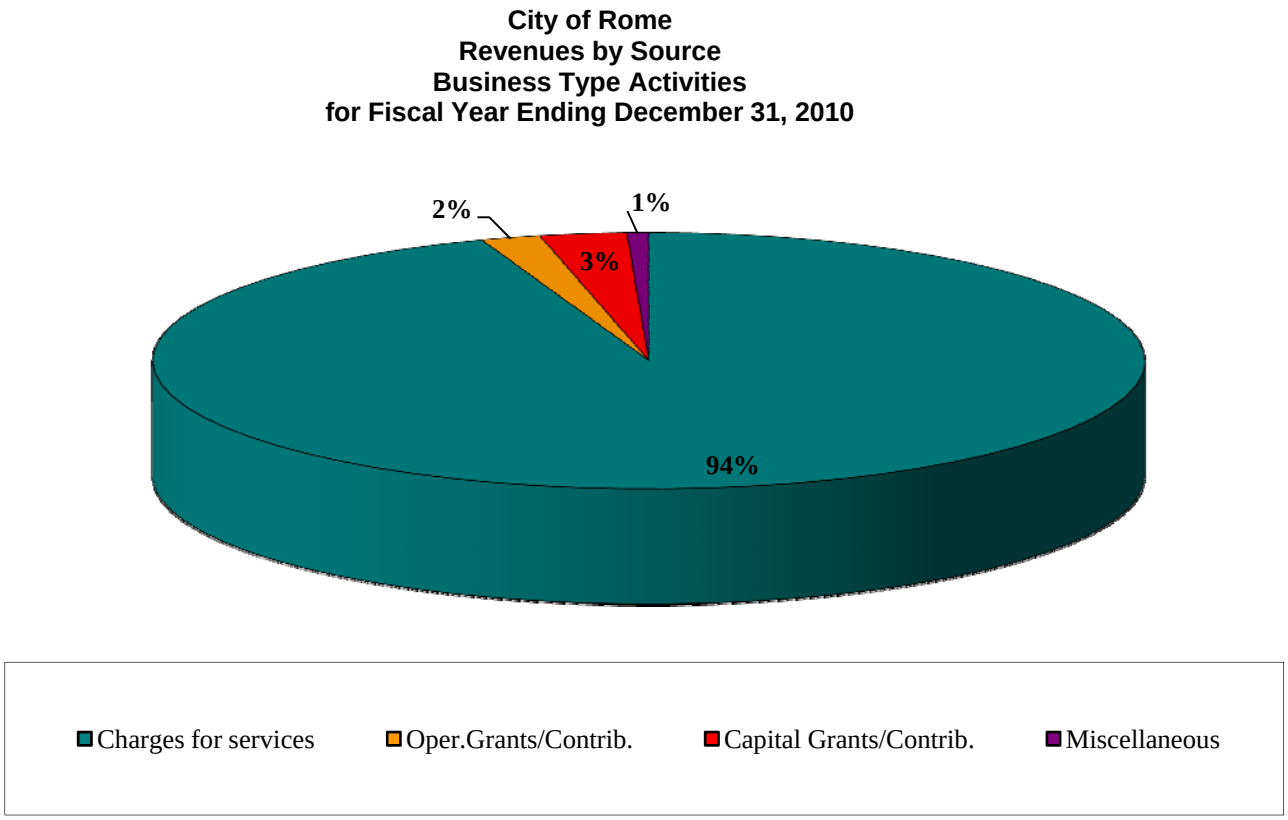
City of Rome
Comparison of Governmental Activities
Program Revenues and Expenses
For year ending December 31, 2010



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

Business-type activities Charges for Services account for $34,550,577 or 94.5% of total revenues. The Capital grant amount of $1,033,743 represents capital contributions for transit capital purchases.

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

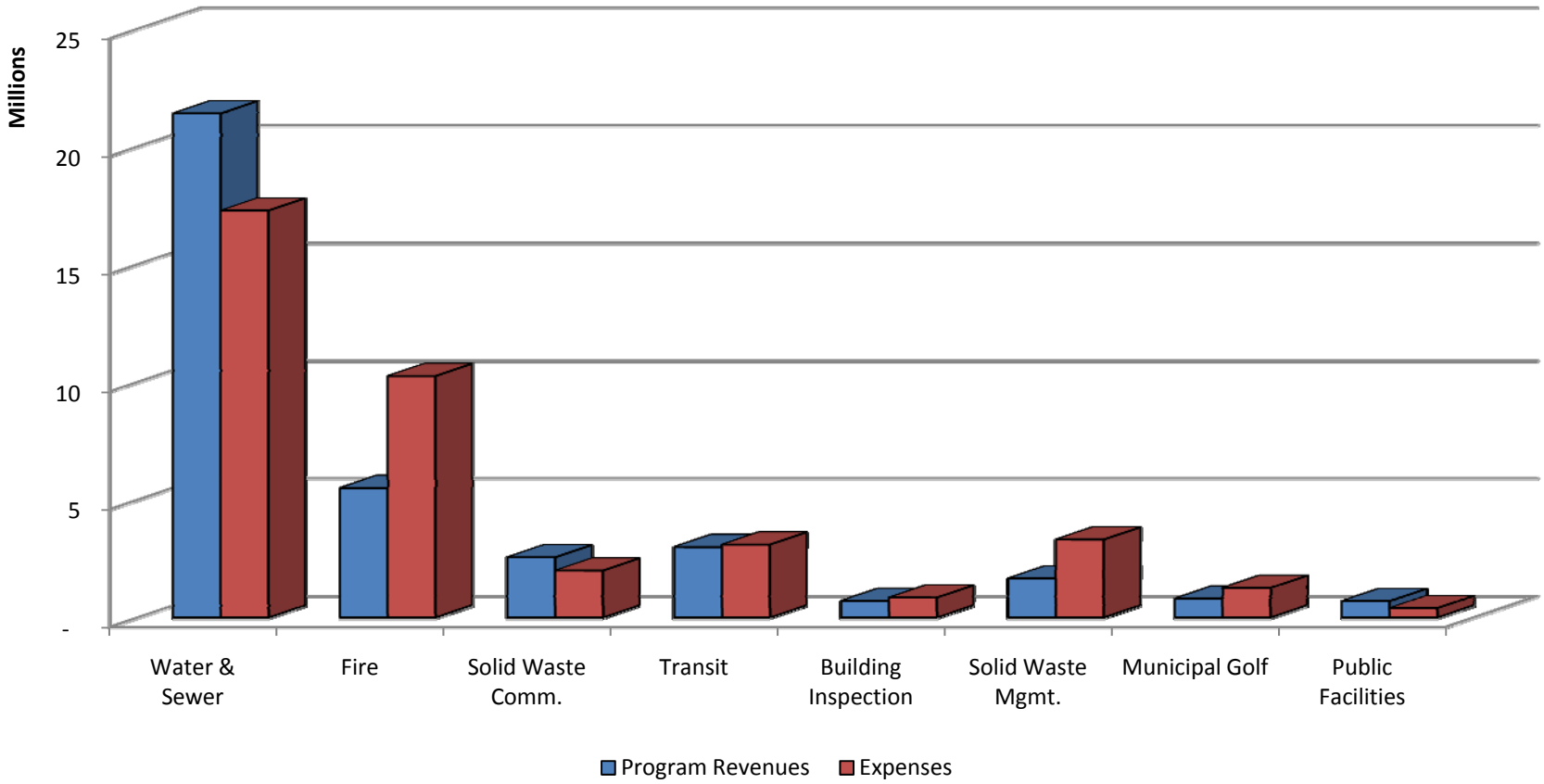


There were transfers in of $7,401,064 for 2010 which is $2,343,958 less than 2009. This decrease is due to less SPLOST monies transferred in and some reductions in operating transfers in Fire and Solid Waste.

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

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

Comparison of Business-Type Activities
Program Revenues and Expenses
For year ending December 31, 2010



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

As noted, the City of Rome's governmental funds' focus is to provide information on short term inflows and outflows and balances of expendable resources. Such information is useful in assessing the City's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending. At the end of the fiscal year 2010 the City's governmental funds reported a combined ending fund balance of $17,747,224 which is a decrease of $185,490 from 2009, created mainly by the decrease in the Capital Fund. Of this amount $11,854,978 is unreserved which is a 1% increase from 2009. The General Fund comprises $10,096,501 or 85% of this unreserved balance. The General Fund is the major source of service delivery in the governmental funds.

General Fund

The General Fund is the City's primary operating fund. At the end of 2010 the fund balance of the General Fund was $11,011,284 with $10,096,501 in the unreserved fund balance. Unreserved fund balance represents 60% of General Fund expenditures while total fund balance represents 65% of the same amount.
The reserved General Fund fund balance of $914,783 represents a) $761,696 reserved for cemetery maintenance and b) $153,087 for prepaids and inventories.

The General Fund's fund balance increased by $503,565 in 2010. Although most revenue sources were about the same or slightly less than 2009, property tax revenues were up from 2009. Another part of the fund balance increase is the reduction in total expenses of $370,680 from 2009.

Capital Fund

In 2010 the Capital fund had a net decrease in fund balance of $579,414. This decrease was due to the final completion of several multi- year capital projects.

Downtown Development Fund

The Downtown Development fund had a decrease in fund balance of $60,917. This was mainly due to capital outlay for new parking software.

Red Light Enforcement Fund

This fund accounts for the monies collected by the red light cameras at signal intersections. The service provider terminated its contract with the City as of December 31, 2010. The fund had a decrease of $3,838 in fund balance due to the reduction in fines.

Tax Allocation District Fund

This fund accounts for revenues and expenditures within the City's two Tax Allocation Districts. This fund had a decrease in fund balance of $11,231 due to the 2010 expenditures for a hotel feasibility study in one of the districts.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS-Continued

Proprietary Funds

The City of Rome's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Total Enterprise Funds showed combined net assets of $125,799,971 at year end with the Water and Sewer Fund comprising $113,258,156 or 90% of that amount. The Water and Sewer Fund had an increase of $3,424,336 in net assets for fiscal year 2010. This increase was healthy because of the reduction in SPLOST revenues and the absence of any capital contributions for 2010. This increase was due to an increase in revenues and a decrease in operating expenses. The Water and Sewer Fund also had a bond coverage ratio of 1.8 for 2010, which is above the required 1.2. The Fire Fund had an increase in net assets of $260,518, mainly due to a reduction in overall operating expenses and a grant reimbursement. The Solid Waste Commission Fund had an increase in net assets of $576,885. This was due to an increase in revenues and a decrease in operating expenses. The Transit Fund had an increase in net assets of $387,530 due to the reimbursement of capital contributions for the purchase of buses. The Building Inspection had a decrease to net assets of $126,168. This was due to a budgeted transfer to the City and Floyd County. The Solid Waste Management Fund had a net increase in net assets of $199,792. This was due to a reduction of expenses, and additional revenue with the implementation of the new cart system.

GENERAL FUND BUDGET HIGHLIGHTS

The original budget for the General Fund was amended twice with commission approval after the beginning of the fiscal year with an ended approved amount of $752,000 less than the original budget or 2.8%. The City ended the year with slightly more in revenues than budget and under in expenditures for an increase to fund balance of $503,565. The following are highlighted budgetary changes from the original to final budgets.

- Current Year Property Taxes were decreased to more accurately reflect projected decrease in actual receipts.
- Prior Year Taxes were increased due to actual increase in receipts.
- Motor Vehicles taxes were decreased to align with a decrease in revenues
- Sales Tax revenues were decreased to match a continued decline in receipts.
- Franchise Taxes were decreased to due to an unanticipated decrease in the Georgia Power tax.
- Business Licenses and permits were decreased 3% due to decrease in actual receipts.
- Police Fines and Fees were reduced significantly due to a decrease in actual fines and a decrease in environmental court revenues.
- Interest on Investments budget was reduced 80% due to decrease in market interest rates.
- All departmental budgets were reduced to help offset revenue shortages.
- General Administration budget was reduced for lower interest costs and a reduction in insurance costs.
- Public Safety was decreased as personnel and supply reductions were made to expenditures.
- Street department budget was decreased to reflect personnel reductions and reductions in fuel and supply expenditures.
- Street Lighting was increased to reflect increased usage and rate increase.
- Transfers to Fire and Solid Waste Management were decreased to align with budgeted decreases in those respective funds.

GENERAL FUND BUDGET HIGHLIGHTS-Continued

Budget to actual Variances within the General Fund occur due to unforeseen revenue or expenditures. Significant variances for 2010 include:

- Real and personal property revenues came in over budget due to an increase in collection rate from 2009
- Prior Year Tax revenues were substantially up over budget due to increased collections.
- Motor Vehicle revenue was over budget due to increase in receipts.
- Franchise fee revenue for Georgia Power exceeded anticipated budgeted.
- Local Option Sales tax revenue was under budget due to decrease in actual receipts and accruals.
- Police fines and fees were under budgeted amounts due to decrease in fines in third and fourth quarter.
- Insurance Premium Taxes were under budget by 3% and under 2009 receipts by 2.9%.
- Interest on investments was under budget due to drastic decline in interest rates.
- Total General Fund current revenues exceeded the revised budget by 1.4%
- Transfer to Golf Fund came under budget by $4,799
- Total General Fund Expenditures were under budget by $178,341.

General Fund current expenditures ended the year under final budget numbers. This, along with a modest increase in revenues over the anticipated revenues, created the increase to fund balance for 2010.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Rome has invested $240,243,984 in capital assets net of debt, with $117,293,098 in governmental activities and $122,950,886 in business-type activities. Capital assets for that calculation include machinery and equipment, buildings, land, and infrastructure.

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

City of Rome
Capital Assets (net of depreciation)
as of December 31, 2010

	Governmental Activities		Business-Type Acivities		Total	
	2010	2009	2010	2009	2010	2009
Land	$ 8,976,196	$ 8,516,291	$ 7,525,166	$ 7,510,737	$ 16,501,362	$ 16,027,028
Construction in progress	13,103,348	5,664,685	211,352	5,339,464	13,314,700	11,004,149
Buildings	87,622,757	86,669,025	102,028,997	101,588,389	189,651,754	188,257,414
Improvements other than buildings	2,859,916	1,327,526	17,692,371	17,661,725	20,552,287	18,989,251
Machinery & equipment	4,560,682	4,570,595	12,211,304	10,704,259	16,771,986	15,274,854
Vehicles	4,897,968	4,772,314	17,805,742	17,576,475	22,703,710	22,348,789
Infrastructure	121,174,432	120,197,288	138,287,547	131,564,626	259,461,979	251,761,914
Total	243,195,299	231,717,724	295,762,479	291,945,675	538,957,778	523,663,399
Accumulated depreciation	(116,509,844)	(111,588,408)	(102,546,129)	(95,410,567)	(219,055,973)	(206,998,975)
Net Capital Assets	$ 126,685,455	$ 120,129,316	$ 193,216,350	$ 196,535,108	$ 319,901,805	$ 316,664,424

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CAPITAL ASSETS AND DEBT ADMINISTRATION - continued

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

- Construction of new Second Avenue Levee Gate of $1,335,310
- Renovations to Barron Stadium of $1,874,778
- Renovation of Marine Armory at $1,519,498
- Construction of new Rome High Access Road of $1,051,588
- South Broad Corridor Streetscape Infrastructure of $725,849
- Street Paving of $729,494
- Purchase of Milling machine of $350,454
- Purchase of seven Police Vehicles of $152,547

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

- Transit bus fleet replacement of $569,679
- Purchase of Trash and Recycling carts in Solid Waste Management of $968,100
- BioSolids construction in Water/Sewer of $328,059
- Purchase of Articulating Dump truck in Solid Waste Commission (Landfill) of $452,859
- Purchase of Driving Simulator in Fire fund of $187,933

Additional information on the City of Rome's Capital assets can be found in Note III- (C) on pages 52-54.

Long-term Debt

At December 31, 2010 the City of Rome had $79,657,821 in bonds and notes outstanding which is a decrease of $6,228,533 over the prior year. No new note or bond debt was issued in 2010. Compensated absences have not been included in these calculations.

City of Rome
Outstanding Note and Bond Debt
as of December 31, 2010

	Governmental Activities	Business-Type Activities	Total
Bonds	$ 3,845,356	$ 60,813,324	$ 64,658,680
Notes Payable	1,702,001	9,224,205	10,926,206
Intergovernmental Agreement	3,845,000	-	3,845,000
Capital Leases	-	227,935	227,935
	9,392,357	70,265,464	79,657,821

The City currently maintains an Aa2 on its General Obligation bonds and A2 on its Water and Sewer bonds. Additional information on the City's long-term debt can be found in Note III-(E) on pages 60 to70 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Local Option Sales Tax Revenues again decreased in 2010 and most tax revenue sources are flat or below 2009. Most all revenue sources linked to the economic downturn continue to decline. The greatest challenges for the City for the next fiscal year are to try to adjust expenditures to live within this projected downward trend in revenues. Also of some concern is the need for capital funding and personnel expansion including employee compensation adjustments for the coming year and beyond. Budgetary factors of concern as the 2011 budgets were prepared are as follows:

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

The City of Rome has been able to weather this current economic downturn. The City has made a commitment to the community to live within the current revenue streams and provide the most efficient services possible.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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

BASIC FINANCIAL STATEMENTS

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

CITY OF ROME, GEORGIA
STATEMENT OF NET ASSETS
December 31, 2010

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Greater Rome Convention & Visitors Bureau	Rome Board of Education
ASSETS					
Current Assets:					
Cash	$ 7,120,186	$ 14,941,463	$ 22,061,649	$ 8,199	$ 8,160,795
Accounts receivable, net	3,272,824	2,406,092	5,678,916	27,083	-
Accounts receivable, loans	544,456	-	544,456	-	-
Taxes receivable, net	2,187,408	-	2,187,408	-	-
Due from primary government	-	-	-	23,950	-
Due from other governments	2,479,988	1,660,046	4,140,034	7,460	7,760,856
Internal balances	3,861,064	(3,861,064)	-	-	-
Due from component units	3,170	3,261	6,431	-	-
Inventory	150,887	825,564	976,451	-	78,927
Prepaid items	2,200	1,735	3,935	-	-
Total current assets	19,622,183	15,977,097	35,599,280	66,692	16,000,578
Non Current Assets:					
Restricted Assets					
Cash	68,789	509,970	578,759	-	-
Investments	2,121,975	-	2,121,975	-	-
Net pension asset	3,492,680	-	3,492,680	-	-
Capital Assets					
Non-depreciable assets	22,079,544	7,736,518	29,816,062	-	-
Depreciable assets, net of depreciation	104,605,911	185,479,832	290,085,743	63,716	2,547,444
Deferred charges-bond issuance costs	-	1,203,837	1,203,837	-	55,136
Total noncurrent assets	132,368,899	194,930,157	327,299,056	63,716	2,602,580
TOTAL ASSETS	151,991,082	210,907,254	362,898,336	130,408	18,603,158
LIABILITIES					
Current Liabilities:					
Accounts payable	973,365	603,253	1,576,618	20,827	2,376,728
Accrued liabilities	94,343	1,194,049	1,288,392	831	6,093,919
Accrued interest payable	119,019	-	119,019		
Retainage payable	260,798	-	260,798	-	-
Unearned revenues	740,429	147,797	888,226	-	-
Due to primary government	-	-	-	6,431	-
Due to component units	23,850	100	23,950	-	-
Due to other governments	33,655	45,434	79,089	-	-
Capital leases payable-current	-	111,739	111,739	-	255,656
Intergovernmental agreements payable-current	100,000	-	100,000	-	-
Bonds payable-current	-	724,966	724,966	-	-
Closure and postclosure care-current	-	211,697	211,697	-	-
Notes payable-current	446,820	622,401	1,069,221	-	-
Claims payable	-	520,000	520,000	-	-
Compensated absences payable	555,449	952,979	1,508,428	14,374	-
Total current liabilities	3,347,728	5,134,415	8,482,143	42,463	8,726,303

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF NET ASSETS
December 31, 2010

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Greater Rome Convention & Visitors Bureau	Rome Board of Education
Long-Term Liabilities:					
Capital leases payable (net of current portion)	$ -	$ 116,196	$ 116,196	$ -	$ 88,343
Closure and postclosure care-long term	-	8,318,393	8,318,393	-	-
Compensated absences payable-long term	185,150	317,660	502,810	4,791	-
Net other post employment benefits obligation	1,960,967	-	1,960,967	-	-
Intergovernmental agreements payable-long term	3,745,000	-	3,745,000	-	-
Notes payable-long term	1,255,181	8,601,804	9,856,985	-	-
Bonds payable (net of current portion)	3,845,356	60,088,358	63,933,714	-	2,000,000
Total long term liabilities	10,991,654	77,442,411	88,434,065	4,791	2,088,343
TOTAL LIABILITIES	14,339,382	82,576,826	96,916,208	47,254	10,814,646
NET ASSETS					
Invested in capital assets, net of related debt	117,293,098	122,950,886	240,243,984	63,716	203,445
Restricted for:					
Capital projects	2,197,572	-	2,197,572	-	3,345,494
Other purposes:					
Revolving loans	544,456	-	544,456	-	-
Debt service	-	368,470	368,470	-	-
Food services	-	-	-	-	2,247,949
School activities	-	-	-	-	1,705,339
Tourism & forum promotions	121,047	-	121,047	-	-
Unrestricted	17,495,527	5,011,072	22,506,599	19,438	286,285
TOTAL NET ASSETS	$ 137,651,700	$ 128,330,428	$ 265,982,128	$ 83,154	$ 7,788,512

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
					Primary Government			Component Units	
	Expenses	Charges for Services, Sales and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Greater Rome Conv/Vis Bureau	Rome Board of Education
PRIMARY GOVERNMENT:									
Governmental Activities:									
General Government	$ 3,725,503	$ 1,879,624	$ 181,806	$ 725,291	$ (938,782)	$ -	$ (938,782)	$ -	$ -
Public Safety	7,659,380	1,580,956	-	33,599	(6,044,825)	-	(6,044,825)	-	-
Public Works	8,881,293	-	120,576	4,215,419	(4,545,298)	-	(4,545,298)	-	-
Public Facilities	1,381,172	-	-	4,182,769	2,801,597	-	2,801,597	-	-
Public Services	397,003	-	-	-	(397,003)	-	(397,003)	-	-
Housing and Development	632,800	-	-	-	(632,800)	-	(632,800)	-	-
Community Development	1,125,572	258,223	409,245	-	(458,104)	-	(458,104)	-	-
Education	1,185,080	-	-	2,101,790	916,710	-	916,710	-	-
Interest on Debt	240,841	-	-	-	(240,841)	-	(240,841)	-	-
Total Governmental Activities	25,228,644	3,718,803	711,627	11,258,868	(9,539,346)	-	(9,539,346)	-	-
Business-Type Activities:									
Water and Sewer	17,278,603	21,402,768	-	-	-	4,124,165	4,124,165	-	-
Fire	10,249,101	5,351,083	150,346	-	-	(4,747,672)	(4,747,672)	-	-
Solid Waste Commission	1,987,675	2,549,544	-	-	-	561,869	561,869	-	-
Transit	3,091,587	1,396,966	557,962	1,033,743	-	(102,916)	(102,916)	-	-
Building Inspection	839,436	702,248	-	-	-	(137,188)	(137,188)	-	-
Solid Waste Management	3,303,925	1,652,915	-	-	-	(1,651,010)	(1,651,010)	-	-
Municipal Golf Course	1,255,926	801,494	-	-	-	(454,432)	(454,432)	-	-
Public Facilities	394,564	693,559	-	-	-	298,995	298,995	-	-
Total Business-Type Activities:	38,400,817	34,550,577	708,308	1,033,743	-	(2,108,189)	(2,108,189)	-	-
Total - Primary Government	$ 63,629,461	$ 38,269,380	$ 1,419,935	$ 12,292,611	$ (9,539,346)	$ (2,108,189)	$ (11,647,535)	$ -	$ -
Component Units									
Rome Board of Education	$ 59,104,094	$ 1,193,606	$ 36,434,748	$ -				$ -	$ (21,475,740)
Tourism	636,818	-	625,004	-				(11,814)	-
Total - Component Units	$ 59,740,912	$ 1,193,606	$ 37,059,752	$ -				$ (11,814)	$ (21,475,740)
		GENERAL REVENUES:							
		Taxes:							
		Property			$ 10,006,937	$ -	$ 10,006,937	$ -	$ 16,570,081
		Sales			5,980,293	-	5,980,293	-	5,041,086
		Franchise			3,601,938	-	3,601,938	-	-
		Insurance Premium			1,883,036	-	1,883,036	-	-
		Alcoholic Beverage			825,079	-	825,079	-	-
		Intangible			206,686	-	206,686	-	-
		Hotel/Motel			550,540	-	550,540	-	-
		Other			119,626	-	119,626	-	-
		Gain on Disposal of Capital Assets			-	49,918	49,918	-	-
		Interest Earned			654,459	42,178	696,637	70	83,321
		Miscellaneous			150,178	164,495	314,673	-	49,082
		Total General Revenues			23,978,772	256,591	24,235,363	70	21,743,570
		Transfers			(7,401,064)	7,401,064	-	-	-
		Total General Revenues and Transfers			16,577,708	7,657,655	24,235,363	70	21,743,570
		Change in Net Assets			7,038,362	5,549,466	12,587,828	(11,744)	267,830
		NET ASSETS BEGINNING OF YEAR			130,613,338	122,780,962	253,394,300	94,898	7,520,682
		NET ASSETS END OF YEAR			$ 137,651,700	$ 128,330,428	$ 265,982,128	$ 83,154	$ 7,788,512

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2010

	Major Governmental Funds				
	General	Capital	Special Local Option Sales Tax	Non-major Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	$ 6,646,302	$ 87,201	$ 337	$ 386,346	$ 7,120,186
Taxes receivable, net of allowances for uncollectibles	2,185,513	-	-	1,895	2,187,408
Accounts receivable, net of allowances for uncollectibles	3,229,753	8,927	-	34,144	3,272,824
Accounts receivable loans	-	-	-	544,456	544,456
Due from other governments	1,454,387	79,235	857,797	88,569	2,479,988
Due from other funds	753,794	1,824,626	-	9,386	2,587,806
Due from component units	3,120	-	-	50	3,170
Prepaid items	2,200	-	-	-	2,200
Inventories	150,887	-	-	-	150,887
Restricted cash	-	-	-	68,789	68,789
Restricted investments	-	2,121,975	-	-	2,121,975
Advances due from other funds	-	2,114,388	-	-	2,114,388
TOTAL ASSETS	$ 14,425,956	$ 6,236,352	$ 858,134	$ 1,133,635	$ 22,654,077
LIABILITIES:					
Accounts payable	$ 222,438	$ 93,459	$ 597,472	$ 59,996	$ 973,365
Accrued liabilities	93,669	-	-	674	94,343
Retainage payable	-	10,012	250,786	-	260,798
Deferred revenue	862,475	58,785	-	-	921,260
Due to other funds	2,228,746	191,205	6,305	173,326	2,599,582
Due to other governments	5,396	-	3,234	25,025	33,655
Due to component units	1,948	13,494	-	8,408	23,850
TOTAL LIABILITIES	3,414,672	366,955	857,797	267,429	4,906,853
FUND BALANCES:					
Reserved for:					
Cemetery perpetual care	761,696	-	-	-	761,696
Prepaid items	2,200	-	-	-	2,200
Inventories	150,887	-	-	-	150,887
Revolving loans	-	-	-	544,456	544,456
Tourism and forum promotion	-	-	-	121,047	121,047
Capital improvements	-	2,121,975	-	75,597	2,197,572
Long term advances	-	2,114,388	-	-	2,114,388
Unreserved:					
Designated for grant programs and capital projects reported in:					
Capital Projects Funds	-	1,633,034	337	2	1,633,373
Special Revenue Funds	-	-	-	35,017	35,017
Undesignated, reported in:					
General Fund	10,096,501	-	-	-	10,096,501
Special Revenue Funds	-	-	-	90,087	90,087
TOTAL FUND BALANCES	11,011,284	5,869,397	337	866,206	17,747,224
TOTAL LIABILITIES AND FUND BALANCES	$ 14,425,956	$ 6,236,352	$ 858,134	$ 1,133,635	$ 22,654,077

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
December 31, 2010

TOTAL GOVERNMENTAL FUND BALANCES		$ 17,747,224
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost	$ 243,195,299	
Less accumulated depreciation	(116,509,844)	126,685,455
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. Governmental activities net assets have been increased by the effect of the internal service funds net assets.	1,758,452	1,758,452
The net pension asset is not a current financial resource and is not recorded in the fund statements.	3,492,680	3,492,680
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Property taxes	862,475	
Derivative - effective hedge	(681,644)	180,831
Net other post employment benefits obligations are not due and payable in the current period and therefore not reported in the funds	1,960,967	(1,960,967)
Long-term liabilities, including capital leases, compensated absences, and the GMA lease contract bonds are not due and payable in the current period and therefore are not reported in the fund statements.		
Accrued interest	119,019	
Compensated absences	740,599	
Notes payable	1,702,001	
GMA lease pool contract certificates of participation	3,845,356	
Intergovernmental agreements	3,845,000	(10,251,975)
NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ 137,651,700

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	Major Governmental Funds				
	General	**Capital**	**Special Local Option Sales Tax**	**Non- major Governmental Funds**	**Total Governmental Funds**
REVENUES:					
Taxes	$ 20,483,208	$ 1,900,000	$ -	$ 670,166	$ 23,053,374
Licenses and permits	1,681,198	-	-	-	1,681,198
Intergovernmental	302,382	1,024,627	7,449,350	1,134,536	9,910,895
Charges for services	198,426	-	-	343,601	542,027
Fines and forfeitures	1,495,578	-	-	-	1,495,578
Interest earned	345,166	291,610	12	17,683	654,471
Miscellaneous	107,220	11,968	-	30,990	150,178
TOTAL REVENUES	24,613,178	3,228,205	7,449,362	2,196,976	37,487,721
EXPENDITURES:					
Current:					
General government	3,313,417	-	-	-	3,313,417
Public safety	7,324,278	-	-	89,226	7,413,504
Public works	5,430,308	-	-	-	5,430,308
Public facilities	426,484	-	-	596,622	1,023,106
Public services	378,608	-	-	-	378,608
Community development	-	-	-	1,126,046	1,126,046
Capital outlay	-	3,180,103	7,087,693	897,359	11,165,155
Debt service			-		
Principal	-	261,936	-	-	261,936
Interest	-	245,180	-	-	245,180
TOTAL EXPENDITURES	16,873,095	3,687,219	7,087,693	2,709,253	30,357,260
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,740,083	(459,014)	361,669	(512,277)	7,130,461

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	Major Governmental Funds			Non- major Governmental Funds	Total Governmental Funds
	General	Capital	Special Local Option Sales Tax		
OTHER FINANCING SOURCES (USES)					
Transfers in	$ 1,359,646	$ 30,000	$ -	$ 457,200	$ 1,846,846
Transfers out	(8,596,164)	(235,000)	(361,658)	(55,088)	(9,247,910)
Proceeds from sale of capital assets	-	84,600	-	513	85,113
TOTAL OTHER FINANCING SOURCES (USES)	(7,236,518)	(120,400)	(361,658)	402,625	(7,315,951)
NET CHANGE IN FUND BALANCES	503,565	(579,414)	11	(109,652)	(185,490)
FUND BALANCES - BEGINNING OF YEAR	10,507,719	6,448,811	326	975,858	17,932,714
FUND BALANCES - END OF YEAR	$ 11,011,284	$ 5,869,397	$ 337	$ 866,206	$ 17,747,224

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ (185,490)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		
Capital outlay	11,165,155	
Depreciation expense	(5,590,593)	5,574,562
The net effect of the disposal of capital assets is to decrease net assets.		(1,078,011)
Governmental funds do not report the acquisition of capital assets acquired through donations or capital contributions. However, in the statement of activities, the costs of those assets are reported at the lower of cost or market.		
Assets acquired through donation or capital contributions-current year		2,059,588
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds.The effect of current year internal service fund income (loss) for governmental activities has been included.		325,972
Revenues in the statements of activities that do not provide current financial resources are reported as deferred revenues in the funds.		
Property tax deferred revenue		169,330
Sales tax deferred revenue		(48,569)
The receipt and repayment of bonds, notes payable and capital lease principal is a revenue and expenditure in the governmental funds, but the activity increases and decreases long-term liabilities in the statement of net assets.		
Accrual of interest expense		4,339
Long-term debt principal payment		261,936
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		39,509
The increase in other post employment benefits obligations did not require the use of current financial resources and therefore was not reported as expenditures in governmental funds, but is an expense in the Statement of Activities		(62,830)
The decrease in the net pension asset is reported in the statement of activities but because it does not affect current financial resources, is not reported in the governmental funds.		(21,974)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ 7,038,362

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2010

	Enterprise Funds					
	Major Enterprise Funds					
	Water & Sewer System	Fire	Solid Waste Commission	Non-major Enterprise Funds	Total	Internal Service Funds
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 2,289,553	$ 930,272	$ 7,056,432	$ 897,897	$ 11,174,154	$ 3,767,309
Restricted cash	-	-	-	509,970	509,970	-
Accounts receivable, net of allowances for uncollectibles	1,988,472	-	207,829	174,337	2,370,638	35,454
Due from other governments	881,669	150,346	-	197,834	1,229,849	430,197
Due from other funds	165,399	6,445	23,697	106,486	302,027	631,719
Due from component units	81	3	-	332	416	2,845
Prepaid items	-	-	-	1,735	1,735	-
Inventories	495,465	19,217	-	310,882	825,564	-
Total Current Assets	5,820,639	1,106,283	7,287,958	2,199,473	16,414,353	4,867,524
Noncurrent Assets:						
Bond issuance costs, net of amortization	1,021,999	-	-	181,838	1,203,837	-
Capital assets						
Non-depreciable assets	1,781,579	95,004	365,682	5,494,253	7,736,518	-
Depreciable assets, net of accumulated depreciation	170,162,194	4,487,482	4,587,209	6,242,947	185,479,832	-
Total Noncurrent Assets	172,965,772	4,582,486	4,952,891	11,919,038	194,420,187	-
TOTAL ASSETS	178,786,411	5,688,769	12,240,849	14,118,511	210,834,540	4,867,524

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2010

	Enterprise Funds					
	Major Enterprise Funds					
	Water & Sewer System	Fire	Solid Waste Commission	Non-major Enterprise Funds	Total	Internal Service Funds
LIABILITIES						
Current Liabilities:						
Closure and post closure care, current	$ -	$ -	$ 211,697	$ -	$ 211,697	$ -
Revenue bonds, current	-	-	-	724,966	724,966	-
Notes payable, current	622,401	-	-	-	622,401	-
Accounts payable	231,789	213,411	8,343	104,494	558,037	45,216
Accrued liabilities	871,206	10,631	4,713	307,343	1,193,893	156
Unearned revenue	90,000	-	-	57,797	147,797	-
Due to other governments	-	-	45,434	-	45,434	-
Due to other funds	86,889	203,382	65,892	552,564	908,727	13,243
Due to component unit	-	-	-	100	100	-
Compensated absences, current	208,835	585,794	21,619	136,731	952,979	-
Claims payable	-	-	-	-	-	520,000
Capital leases, current	-	111,739	-	-	111,739	-
Total Current Liabilities	2,111,120	1,124,957	357,698	1,883,995	5,477,770	578,615
Long-Term Liabilities:						
Closure and post closure care	-	-	8,318,393	-	8,318,393	-
Revenue bonds, long-term	54,683,133	-	-	5,405,225	60,088,358	-
Notes payable, long-term	8,601,804	-	-	-	8,601,804	-
Advances due to Capital Fund	62,586	540,229	408,800	1,102,773	2,114,388	-
Compensated absences, long term	69,612	195,265	7,206	45,577	317,660	-
Capital leases, long-term	-	116,196	-	-	116,196	-
Total Long-Term Liabilities	63,417,135	851,690	8,734,399	6,553,575	79,556,799	-
TOTAL LIABILITIES	65,528,255	1,976,647	9,092,097	8,437,570	85,034,569	578,615
NET ASSETS						
Invested in capital assets, net of related debt	108,036,435	4,354,551	4,952,891	5,607,009	122,950,886	-
Restricted for debt service	-	-	-	368,470	368,470	-
Unrestricted	5,221,721	(642,429)	(1,804,139)	(294,538)	2,480,615	4,288,909
TOTAL NET ASSETS	$ 113,258,156	$ 3,712,122	$ 3,148,752	$ 5,680,941	$ 125,799,971	$ 4,288,909

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
RECONCILIATION OF PROPRIETARY FUND NET ASSETS TO
BUSINESS TYPE ACTIVITIES STATEMENT OF NET ASSETS
December 31, 2010

TOTAL PROPRIETARY FUND NET ASSETS	$	125,799,971
Amounts reported for business type activities in the statement of net assets are different because:		
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. Business type activities net assets have been increased by the effect of the internal service funds net assets.		2,530,457
NET ASSETS OF BUSINESS TYPE ACTIVITIES	$	128,330,428

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2010

	Enterprise Funds					
	Major Enterprise Funds			Non-major Enterprise		Internal Service
	Water & Sewer System	Fire	Solid Waste Commission	Funds	Total	Funds
OPERATING REVENUES						
Metered sales	$ 20,790,404	$ -	$ -	$ -	$ 20,790,404	$ -
Charges for services	609,433	5,347,500	2,546,905	5,227,760	13,731,598	7,404,963
Miscellaneous	2,931	3,583	2,639	19,422	28,575	-
TOTAL OPERATING REVENUES	21,402,768	5,351,083	2,549,544	5,247,182	34,550,577	7,404,963
OPERATING EXPENSES						
Cost of goods sold	-	-	-	73,149	73,149	-
Salaries and employee benefits	4,652,303	8,870,412	582,497	5,135,245	19,240,457	72,556
Supplies	1,034,746	306,350	213,872	763,636	2,318,604	-
Maintenance and repairs	730,657	92,123	145,659	308,577	1,277,016	-
Other services and charges	2,526,746	348,095	241,507	1,344,170	4,460,518	1,109,402
Depreciation	6,123,224	614,910	358,230	928,466	8,024,830	-
Claims	-	-	-	-	-	5,114,249
Closure & postclosure costs	-	-	287,015	-	287,015	-
Administrative fees	33,673	-	-	-	33,673	666,095
TOTAL OPERATING EXPENSES	15,101,349	10,231,890	1,828,780	8,553,243	35,715,262	6,962,302
OPERATING INCOME (LOSS)	6,301,419	(4,880,807)	720,764	(3,306,061)	(1,164,685)	442,661

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2010

	Enterprise Funds					
	Major Enterprise Funds			Non-major Enterprise		Internal Service
	Water & Sewer System	Fire	Solid Waste Commission	Funds	Total	Funds
NON-OPERATING INCOME (EXPENSE)						
Intergovernmental revenue	$ -	$ 150,346	$ -	$ 557,962	$ 708,308	$ 368,458
Intergovernmental expense	-	-	(158,895)	-	(158,895)	-
Interest income	8,324	2,127	18,560	4,058	33,069	9,109
Interest expense	(2,662,401)	(17,211)	-	(332,195)	(3,011,807)	-
Miscellaneous revenue	164,495	-	-	-	164,495	-
Gain (loss) on disposal of capital assets	59,404	-	23,602	(33,088)	49,918	-
TOTAL NON-OPERATING INCOME (EXPENSE)	(2,430,178)	135,262	(116,733)	196,737	(2,214,912)	377,567
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	3,871,241	(4,745,545)	604,031	(3,109,324)	(3,379,597)	820,228
Transfers in	373,095	5,381,099	-	3,036,552	8,790,746	-
Transfers out	(820,000)	(375,036)	(27,146)	(47,500)	(1,269,682)	(120,000)
Capital contributions	-	-	-	1,033,743	1,033,743	-
CHANGE IN NET ASSETS	3,424,336	260,518	576,885	913,471	5,175,210	700,228
NET ASSETS - BEGINNING OF YEAR	109,833,820	3,451,604	2,571,867	4,767,470	120,624,761	3,588,681
NET ASSETS - END OF YEAR	$ 113,258,156	$ 3,712,122	$ 3,148,752	$ 5,680,941	$ 125,799,971	$ 4,288,909

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS OF PROPRIETARY FUNDS
TO THE BUSINESS TYPE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

CHANGE IN NET ASSETS-PROPRIETARY FUNDS	$	5,175,210
Amounts reported for business type activities in the statement of activities are different because:		
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. The effect of current year internal service fund income for business type activities has been included.		374,256
CHANGE IN NET ASSETS OF BUSINESS TYPE ACTIVITIES	$	5,549,466

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2010

	Enterprise Funds					
	Major Proprietary Funds			Nonmajor Enterprise Funds	Total	Internal Service Funds
	Water & Sewer System	Fire	Solid Waste Commission			
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 21,416,568	$ 5,351,083	$ 2,622,700	$ 5,220,481	$ 34,610,832	$ 7,686,069
Receipts from interfund services provided	-	39,228	23,878	65,139	128,245	59,414
Payments to suppliers	(4,288,581)	(551,593)	(835,201)	(2,684,253)	(8,359,628)	(1,793,243)
Payments to employees	(4,644,719)	(8,882,129)	(583,941)	(5,110,846)	(19,221,635)	(72,556)
Claims paid	-	-	-	-	-	(5,714,249)
Payments for interfund services used	(378,222)	-	-	(186,565)	(564,787)	-
Net cash provided (used) by operating activities	12,105,046	(4,043,411)	1,227,436	(2,696,044)	6,593,027	165,435
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer from other funds	45,037	5,347,500	-	3,036,552	8,429,089	-
Transfer to other funds	(820,000)	(375,036)	(27,146)	(47,500)	(1,269,682)	(120,000)
Advances from other funds	-	-	-	1,157,150	1,157,150	-
Repayment of advances from other funds	(50,052)	(249,792)	(29,200)	(286,927)	(615,971)	-
Intergovernmental revenue	-	-	-	-	-	368,458
Intergovernmental expense	-	-	(158,895)	-	(158,895)	-
Subsidy from federal grant	-	-	-	775,743	775,743	-
Net cash provided (used) by noncapital financing activities	(825,015)	4,722,672	(215,241)	4,635,018	8,317,434	248,458
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	-	-	-	1,033,743	1,033,743	-
Transfer from other funds	328,058	33,599	-	-	361,657	-
Purchases of capital assets	(2,176,063)	(326,895)	(476,209)	(1,774,043)	(4,753,210)	-
Principal paid on capital debt	(5,080,220)	(107,452)	-	(774,257)	(5,961,929)	-
Interest paid on capital debt	(2,662,401)	(17,211)	-	(332,195)	(3,011,807)	-
Proceeds from sales of capital assets	59,404	-	23,602	14,049	97,055	-
Net cash (used) by capital and related financing activities	(9,531,222)	(417,959)	(452,607)	(1,832,703)	(12,234,491)	-

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2010

	Enterprise Funds					
	Major Proprietary Funds			Nonmajor Enterprise Funds	Total	Internal Service Funds
	Water & Sewer System	Fire	Solid Waste Commission			
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	$ 8,324	$ 2,127	$ 18,560	$ 4,058	$ 33,069	$ 9,109
Net cash provided by investing activities	8,324	2,127	18,560	4,058	33,069	9,109
Net increase in cash and cash equivalents	1,757,133	263,429	578,148	110,329	2,709,039	423,002
Cash and cash equivalents, January 1	532,420	666,843	6,478,284	1,297,538	8,975,085	3,344,307
Cash and cash equivalents, December 31	$ 2,289,553	$ 930,272	$ 7,056,432	$ 1,407,867	$ 11,684,124	$ 3,767,309
Reconciliation of Cash and Cash Equivalents:						
Cash and cash equivalents	$ 2,289,553	$ 930,272	$ 7,056,432	$ 897,897	$ 11,174,154	$ 3,767,309
Cash and cash equivalents - restricted	-	-	-	509,970	509,970	-
Total cash and cash equivalents	$ 2,289,553	$ 930,272	$ 7,056,432	$ 1,407,867	$ 11,684,124	$ 3,767,309

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2010

	Enterprise Funds					
	Major Proprietary Funds			Nonmajor		Internal
	Water & Sewer System	Fire	Solid Waste Commission	Enterprise Funds	Total	Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	$ 6,301,419	$ (4,880,807)	$ 720,764	$ (3,306,061)	(1,164,685)	$ 442,661
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	6,123,224	614,910	358,230	928,466	8,024,830	-
Amortization expense	172,957	-	-	41,088	214,045	-
Miscellaneous revenues	164,495	-	-	-	164,495	-
(Increase) decrease in accounts receivable	(170,521)	-	73,156	(22,598)	(119,963)	281,106
Decrease in due from other governments	19,826	-	-	308	20,134	-
(Increase) decrease in due from other funds	(5,784)	19,826	8,042	24,433	46,517	67,030
Decrease in prepaid items	-	18,599	-	8,393	26,992	10,154
(Increase) decrease in inventories	(8,155)	3,346	-	(59,399)	(64,208)	-
Increase (decrease) in accounts payable and accrued liabilities	(127,561)	173,030	52,852	(184,803)	(86,482)	(627,900)
Increase (decrease) in compensated absences payable	7,584	(11,717)	(1,444)	24,399	18,822	-
(Decrease) in unearned revenue	-	-	-	(4,411)	(4,411)	-
Increase (decrease) in due to other funds	(372,438)	19,402	15,836	(145,859)	(483,059)	(7,616)
Total adjustments	5,803,627	837,396	506,672	610,017	7,757,712	(277,226)
Net cash provided (used) by operating activities	$ 12,105,046	$ (4,043,411)	$ 1,227,436	$ (2,696,044)	$ 6,593,027	$ 165,435

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF FIDUCIARY NET ASSETS
EMPLOYEE BENEFIT TRUST FUND
December 31, 2010

	Flexible Spending Fund
ASSETS	
Cash	$ 10,130
Accounts receivable	6,014
TOTAL ASSETS	16,144
NET ASSETS	
Reserved for:	
Claims	16,144
TOTAL NET ASSETS	$ 16,144

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
EMPLOYEE BENEFIT TRUST FUND
For the Year Ended December 31, 2010

	Flexible Spending Fund
ADDITIONS	
Contributions	$ 159,226
Investment earnings	23
Total additions	159,249
DEDUCTIONS	
Claims paid	160,838
Operating services & charges	902
Total deductions	161,740
NET DECREASE	(2,491)
NET ASSETS HELD IN TRUST FOR FLEXIBLE SPENDING	
NET ASSETS, BEGINNING OF YEAR	18,635
NET ASSETS, END OF YEAR	$ 16,144

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Blended Component Units

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

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

City of Rome South Rome Redevelopment Agency – This entity is governed by a 13 member board appointed by the Rome City Commission. Although it is legally separate from the City, it is reported as a special revenue fund in the City's financial statements. This entity acts as the City of Rome's agent for transactions for the re-development of the South Rome Area and operates solely to provide services to the City of Rome. These services include but are not limited to purchasing properties that will be owned by the City and acquisition of grants for the City. Separate financial statements are not prepared for this component unit.

Discretely Presented Component Units

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

A. Reporting Entity - (Continued)

Downtown Development Authority – The Downtown Development Authority promotes the Downtown area of the City of Rome. Financing is provided by special promotional events. The City of Rome supplies certain personnel to the Downtown Development Fund. The Downtown Development Authority is fiscally dependent upon the City because the City Commission appoints a voting majority of the board members, and supplies certain personnel to the Authority. The City does not control operations of the Downtown Development Authority. The financial operations of the Downtown Development Authority for 2010 were not material to the City of Rome financial statements and are not presented in these financial statements.

B. Basis of Presentation

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

Government-wide Financial Statements – The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities which normally are supported by taxes, intergovernmental revenues, and City general revenues are reported separately from business type activities which rely to a significant extent on fees and charges for support from external users. Likewise, the primary government is reported separately from any legally separate discretely presented component units for which the primary government is financially accountable. The statement of activities demonstrates the degree to which the direct expenses of each function of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include l) charges to customers who purchase, use, or directly benefit from the goods, services, or privileges provided by a distinct function 2) operating grants and contributions restricted to the operational needs of a particular function 3) capital grants and contributions restricted for the acquisition or construction of capital assets. Taxes and other revenue sources not properly included with program revenues are reported as general revenues of the City. This comparison of direct expenses with program revenues does identify the extent to which each governmental function is self financing or is subsidized by general revenues. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The City reports the following major governmental funds:

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Basis of Presentation – Continued

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

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

The City reports the following major Proprietary Funds:

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

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

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

Additionally, the City reports the following fund types:

Governmental Fund Types

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

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

Proprietary Fund Types

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Basis of Presentation – Continued

Fiduciary Fund Type

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

C. Measurement Focus

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

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

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

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

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Equity

1. Cash and Cash Equivalents

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

2. Investments

All investments are recorded at fair value.

3. Receivables and Payables

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

4. Inventories

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

5. Restricted Assets

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

6. Prepaid Items

Certain payments to vendors reflecting costs applicable to periods beyond December 31, 2010 are recorded as prepaid items.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Equity- Continued

7. Capital Assets

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

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Equity– Continued

8. Compensated Absences

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

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

9. Deferred Revenue

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

10. Long-Term Obligations

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Equity– Continued

11. Fund Equity

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

Fund Balance

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

Net Assets

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

12. Capital Contributions

Capital contributions in the proprietary fund financial statements arise from outside contributions of grants and other financial resources restricted to capital acquisition and construction.

13. Uses of Estimates in the Preparation of Financial Statements

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

NOTE II - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In August of each year, all departments of the City submit a budgetary request to the City Manager. In November, the City Manager presents the proposed budgets to the Finance Committee of the City Commission. The City Commission adopts the final budgets in December of each year. During the year, the City made budgetary amendments totaling $2,298,654, (excluding debt service payments) that were approved by the City Commission. The main reason for these amendments was to better align budgeted expenditures with actual revenues. This information was not available during the original budget process.

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

B. Deficit Fund Equity

Redlight Enforcement Fund - The Redlight Enforcement Fund had a deficit Fund Balance of $5,684 at December 31, 2010. The deficit has resulted mainly from the public safety program expenditures. The City continues to monitor the operation closely. Presently, the City contributes the funds necessary on an annual basis to cover the cash deficit of the operations.

South Rome Redevelopment Agency Fund - The South Rome Redevelopment Agency Fund had a deficit Fund Balance of $73,357 at December 31, 2010. The deficit has resulted mainly from community development program expenditures. The City continues to monitor the operation closely. Presently, the City contributes the funds necessary on an annual basis to cover the cash deficit of the operations.

NOTE III - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Credit Risk. The City and its component units are authorized by state statutes to invest in the securities of the United States Treasury, United States agencies and instrumentalities, repurchase agreements and the Georgia Fund One administered by the State of Georgia. It is the government’s policy to limit any investments in these to the top rating issued by NRSROs.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

A. Deposits and Investments - Continued

Georgia Fund One, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds. However, Georgia Fund One operates in manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. Regulatory oversight of the fund is provided by the Office of Treasury and Fiscal Services. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1.00 per share. As of December 31, 2010, the City of Rome's investment in Georgia Fund One was rated AAAm by Standard & Poor's.

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

As of December 31, 2010, the City of Rome had the following investments.

Investment Type	Maturities	Fair Value
Georgia Fund One-included in cash	41 day weighted average	$ 8,314,957
Guaranteed Investment Contract	June 1, 2028	2,121,975
Totals		$ 10,436,932

Interest rate risk. The City of Rome does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, all investments are reviewed on a monthly basis for interest rate fluctuations and appropriate actions are taken to minimize this risk.

Custodial credit risk-Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require that all deposits and investments (other than federal or state government instruments) be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. As of December 31, 2010, all of the City's bank balances were adequately insured and collateralized as defined by the Governmental Accounting Standards Board.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

B. Receivables

1. Accounts Receivable

Receivables at December 31, 2010 consisted of taxes, loans, and accounts (including billings for user charges and unbilled utility receivables), and intergovernmental receivables. Receivables at December 31, 2010 consist of the following:

Primary Government	Taxes	Loans	Account	Intergov't Receivables	Allowance for Uncollectibles	Net Receivables
General Fund	$ 4,763,581	$ -	$ 3,437,753	$ 1,454,387	$ (2,786,068)	$ 6,869,653
Capital Fund	-	-	43,427	79,235	(34,500)	88,162
SPLOST Fund	-	-	-	857,797	-	857,797
Other Governmental Funds	13,597	774,598	34,144	88,569	(241,844)	669,064
Water fund	-	-	2,635,472	881,669	(647,000)	2,870,141
Fire Fund	-	-	-	150,346	-	150,346
Solid Waste Commission Fund	-	-	229,329	-	(21,500)	207,829
Other Proprietary Funds	-	-	219,337	197,834	(45,000)	372,171
Internal Service Funds	-	-	35,454	430,197	-	465,651
Total Primary Government	4,777,178	774,598	6,634,916	4,140,034	(3,775,912)	12,550,814
Greater Rome CVB	-	-	27,083	7,460	-	34,543
Rome Board of Education	-	-	-	7,760,856	-	7,760,856
Total Reporting Entity	$ 4,777,178	$ 774,598	$ 6,661,999	$ 11,908,350	$ (3,775,912)	$ 20,346,213

The City has $230,142 in forgivable loans receivable. These loans are recorded in the following nonmajor governmental fund: Community Development Fund. Amounts represent loans to individuals in conjunction with the rehabilitation of private property and financing for locally owned businesses. Provided the terms of the loans are not violated, these loans will be forgiven at the end of the loan term. As the likelihood of violation of the loan terms, and thus cash repayment is remote, the City has elected to record an allowance for the total outstanding balance of the loans.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

B. Receivables– Continued

2. Property Taxes

Property taxes were levied on July 19, 2010 and were payable on or before November 15, 2010. An interest penalty of 12% per annum is charged on property taxes paid after that date. Property taxes become an enforceable lien on January 1 each year. City property tax revenues are recognized when levied to the extent that they are collected within the current fiscal year or within 60 days of fiscal year end. The City of Rome has an agreement with Floyd County and the Floyd County Tax Commissioner to collect the City's property taxes. This agreement allows taxpayers to pay all of their property taxes at one location since the County can now bill all taxes due on one bill. The City pays a fee for this service.

A summary of outstanding delinquent property taxes receivable at December 31, 2010 is as follows:

Tax Year	
2010	$ 3,236,747
Prior Years	1,526,834
	4,763,581
Allowance for uncollectible	(2,578,068)
Net taxes receivable	$ 2,185,513

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NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets

Changes in the City's Capital Assets for the year ended December 31, 2010 are as follows:

Primary Government	Beginning Balance 12/31/2009	Increases	Decreases	Construction in progress Transfers	Ending Balance 12/31/2010
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 8,516,291	$ 346,304	$ (341,450)	$ 455,051	$ 8,976,196
Construction in progress	5,664,685	12,036,582	-	(4,597,919)	13,103,348
Total capital assets, not being depreciated	14,180,976	12,382,886	(341,450)	(4,142,868)	22,079,544
Capital assets, being depreciated:					
Buildings	86,669,025	-	(632,800)	1,586,532	87,622,757
Improvements other than buildings	1,327,526	-	-	1,532,390	2,859,916
Machinery and equipment	4,570,595	541,403	(551,316)	-	4,560,682
Vehicles	4,772,314	225,517	(99,863)	-	4,897,968
Infrastructure	120,197,288	56,959	(103,761)	1,023,946	121,174,432
Total capital assets being depreciated	217,536,748	823,879	(1,387,740)	4,142,868	221,115,755
Less accumulated depreciation for:					
Buildings	(17,944,506)	(1,720,278)	-	-	(19,664,784)
Improvements other than buildings	(219,375)	(37,329)	-	-	(256,704)
Machinery and equipment	(4,044,460)	(248,178)	551,316	-	(3,741,322)
Vehicles	(4,039,110)	(421,664)	117,841	-	(4,342,933)
Infrastructure	(85,340,957)	(3,163,144)	-	-	(88,504,101)
Total accumulated depreciation	(111,588,408)	(5,590,593)	669,157	-	(116,509,844)
Total capital assets, being depreciated, net	105,948,340	(4,766,714)	(718,583)	4,142,868	104,605,911
Governmental activities capital assets, net	$ 120,129,316	$ 7,616,172	$ (1,060,033)	$ -	$ 126,685,455

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

Governmental activities:	
General Government	$ 110,444
Public Safety	364,232
Public Works	3,532,822
Public Facilities	363,100
Public Services	29,096
Community Development	5,819
Education	1,185,080
	$ 5,590,593

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Capital Assets for the year ended December 31, 2010 are as follows:

	Beginning Balance 12/31/2009	Increases	Decreases	Transfers	Ending Balance 12/31/2010
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 7,510,737	$ 14,429	$ -	$ -	$ 7,525,166
Construction in progress	5,339,464	240,936	-	(5,369,048)	211,352
Total capital assets, not being depreciated	12,850,201	255,365	-	(5,369,048)	7,736,518
Capital assets, being depreciated:					
Buildings	101,588,389	19,168	-	421,440	102,028,997
Improvements other than buildings	17,661,725	-	-	30,646	17,692,371
Machinery and equipment	10,704,259	1,815,563	(319,872)	11,354	12,211,304
Vehicles	17,576,475	810,709	(581,442)	-	17,805,742
Infrastructure	131,564,626	1,852,402	(35,089)	4,905,608	138,287,547
Total capital assets being depreciated	279,095,474	4,497,842	(936,403)	5,369,048	288,025,961
Less accumulated depreciation for:					
Buildings	(24,307,395)	(3,040,500)	-	-	(27,347,895)
Improvements other than buildings	(12,677,255)	(334,541)	-	-	(13,011,796)
Machinery and equipment	(8,915,104)	(443,077)	303,073	-	(9,055,108)
Vehicles	(13,729,375)	(912,677)	551,105	-	(14,090,947)
Infrastructure	(35,781,438)	(3,294,035)	35,090	-	(39,040,383)
Total accumulated depreciation	(95,410,567)	(8,024,830)	889,268	-	(102,546,129)
Total capital assets, being depreciated, net	183,684,907	(3,526,988)	(47,135)	5,369,048	185,479,832
Business-type activities capital assets, net	$ 196,535,108	$ (3,271,623)	$ (47,135)	$ -	$ 193,216,350

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

Business-type activities:	
Water and Sewer System Fund	$ 6,123,224
Fire Fund	614,910
Transit Fund	429,847
Building Inspection Fund	8,834
Solid Waste Management Fund	218,226
Municipal Golf Fund	61,854
Solid Waste Commission Fund	358,230
Public Facilities Fund	209,705
	$ 8,024,830

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

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

Invested in Capital Assets	Governmental Activities	Business-type Activities	Total
Capital assets, nondepreciable	$ 22,079,544	$ 7,736,518	$ 29,816,062
Capital assets, net	104,605,911	185,479,832	290,085,743
Intergovernmental agreements payable	(3,845,000)	-	(3,845,000)
Bonds payable	(3,845,356)	(60,813,324)	(64,658,680)
Capital leases payable	-	(227,935)	(227,935)
Notes payable	(1,702,001)	(9,224,205)	(10,926,206)
	$ 117,293,098	$ 122,950,886	$ 240,243,984

Component Units	**Beginning Balance 12/31/2009**	**Increases**	**Decreases**	**Ending Balance 12/31/2010**
Greater Rome Convention and Visitors Bureau Component unit:				
Capital assets, being depreciated:				
Buildings	$ 181,429	$ -	$ -	$ 181,429
Machinery and equipment	7,000	-	-	7,000
Total capital assets being depreciated	188,429	-	-	188,429
Less accumulated depreciation for:				
Buildings	(114,084)	(3,629)	-	(117,713)
Machinery and equipment	(7,000)	-	-	(7,000)
Total accumulated depreciation	(121,084)	(3,629)	-	(124,713)
Total capital assets, being depreciated, net	67,345	(3,629)	-	63,716
Greater Rome Convention and Visitors Bureau capital assets, net	$ 67,345	$ (3,629)	$ -	$ 63,716

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Component Units	Beginning Balance 6/30/2009	Increases	Decreases	Ending Balance 6/30/2010
Rome Board of Education				
Component unit:				
Capital assets, being depreciated:				
Buildings and Improvements	$ 2,315,634	$ -	$ -	$ 2,315,634
Computers and equipment	2,219,076	716,630	-	2,935,706
Vehicles	1,169,863	-	-	1,169,863
Total capital assets being depreciated	5,704,573	716,630	-	6,421,203
Less accumulated depreciation for:				
Buildings and Improvements	(731,715)	(60,647)	-	(792,362)
Computers and equipment	(1,767,583)	(352,139)	-	(2,119,722)
Vehicles	(883,347)	(78,328)	-	(961,675)
Total accumulated depreciation	(3,382,645)	(491,114)	-	(3,873,759)
Total capital assets, being depreciated, net	2,321,928	225,516	-	2,547,444
Rome Board of Education capital assets, net	$ 2,321,928	$ 225,516	$ -	$ 2,547,444

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

D. Interfund Transactions

Interfund balances at December 31, 2010 consisted of the following amounts and represent charges for services or reimbursable expenditures. These balances result from a timing lag between 1) the date the interfund goods or services are provided 2) transactions are recorded and 3) payments between funds are made. The City expects to repay all interfund balances within one year.

Interfund receivables and payable balances at December 31, 2010 are as follows:

	Payable From								
	General Fund	Capital Fund	Non-major Governmental Funds	Water & Sewer System Fund	Fire Fund	Solid Waste Commission Fund	Non-major Enterprise Funds	Internal Service Funds	**Total**
Payable To:									
General Fund	$ -	$ 1,807,713	$ 2,575	$ 11,478	$ 1,036	$ 317	$ 89,855	$ 315,772	$ 2,228,746
Capital Fund	99,314	-	270	84,468	2,967	3,406	780	-	191,205
SPLOST Fund	-	-	-	6,305	-	-	-	-	6,305
Non-major Governmental Funds	126,944	15,905	4,671	125	-	-	7,192	18,489	173,326
Water & Sewer System Fund	20,628	-	-	-	638	1,695	4,993	58,935	86,889
Fire Fund	5,672	-	-	54,311	-	-	1,242	142,157	203,382
Solid Waste Commission Fund	53,150	-	-	1,122	-	-	978	10,642	65,892
Non-major Enterprise Funds	437,343	1,008	92	7,420	1,383	18,279	1,315	85,724	552,564
Internal Service Funds	10,743	-	1,778	170	421	-	131	-	13,243
Total	$ 753,794	$ 1,824,626	$ 9,386	$ 165,399	$ 6,445	$ 23,697	$ 106,486	$ 631,719	$ 3,521,552

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

D. Interfund Transactions - Continued

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

	Rome Convention & Visitors Bureau	
	Payable From	Payable To
General Fund	$ 1,948	$ 3,120
Capital Fund	13,494	-
Non-major governmental funds	8,408	50
Fire Fund	-	3
Water & sewer system fund	-	81
Non-major enterprise funds	100	332
Internal service funds	-	2,845
Total	$ 23,950	$ 6,431

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

D. Interfund Transactions - Continued

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

Interfund advances consist of the following:

	Advances From:	
	Capital Fund	Total
Advances To:		
Water Fund	$ 62,586	$ 62,586
Fire Fund	540,229	540,229
Solid Waste Commission Fund	408,800	408,800
Non-major Enterprise Funds	1,102,773	1,102,773
Total	$ 2,114,388	$ 2,114,388

The Solid Waste Commission Fund, through an intergovernmental agreement with the City of Rome, purchased a partial ownership in a portion of the Joint City-County Landfill. This long term financing balance of $408,800 is included as an advance from the Capital Fund to the Solid Waste Commission Fund.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

D. Interfund Transactions - Continued

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

Interfund transfers for the year ended December 31, 2010 are as follows:

	Transfers In						
	General Fund	Capital Fund	Non-major Governmental Funds	Water & Sewer System Fund	Fire Fund	Non-major Enterprise Funds	**Total**
Transfers Out:							
General Fund	$ -	$ 15,000	$ 437,200	$ -	$ 5,347,500	$ 2,796,464	$ 8,596,164
Capital Fund	-	-	-	-	-	235,000	235,000
SPLOST Fund	-	-	-	328,059	33,599	-	361,658
Non-major Governmental Funds	15,000	15,000	20,000	-	-	5,088	55,088
Water & Sewer System Fund	820,000	-	-	-	-	-	820,000
Fire Fund	330,000	-	-	45,036	-	-	375,036
Solid Waste Commission Fund	27,146	-	-	-	-	-	27,146
Non-major Enterprise Funds	47,500	-	-	-	-	-	47,500
Internal Service Funds	120,000	-	-	-	-	-	120,000
Total	$ 1,359,646	$ 30,000	$ 457,200	$ 373,095	$ 5,381,099	$ 3,036,552	$ 10,637,592

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt

1. Water and Sewerage System Bonds Payable

Outstanding Water and Sewerage System Bonds were issued as follows:

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

In March 2004, the City issued $37,170,000 of Water and Sewerage Revenue Refunding and Improvement bonds. The 2004 bonds were issued to (i) refund $3,245,000 in aggregate principal of its 1993-A Water and Sewerage Revenue bonds (ii) pay the costs of improvements to the water and sewer system and wastewater treatment plant and (iii) pay the costs of issuance of the 2004 bonds. The net proceeds from the issuance of the water revenue bonds were used to purchase general obligations of the United States of America and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments of the prior bonds when due or called. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. Outstanding bonds from the refunded debt outstanding at December 31, 2010, considered defeased, totaled $1,040,000.

In October 2005, the City of Rome issued $9,395,000 of Water and Sewerage Revenue Bonds in a private placement. The 2005 bonds were issued to finance the water meter replacement program and the costs of issuance of the 2005 Bonds. This project replaced all water meters over a certain age, and equiped all meters with an automatic electronic meter reading system and back flow prevention devices.

In March 2009, the City of Rome issued $20,645,000 of Water and Sewerage Revenue Bonds in a private placement. The 2009 bonds were issued to refund $20,230,000 in aggregate principal amount of the City's Water and Sewerage Revenue Refunding and Improvement Bonds, Series 1999, maturing January 1, 2010 through 2015 and the costs of issuance of the 2009 Bonds. The net proceeds from the issuance of the water revenue bonds were used to purchase general obligations of the United States of America and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments of the prior bonds when due or called. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. Outstanding bonds from the refunded debt outstanding at December 31, 2010, considered defeased, totaled $17,545,000.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

1. Water and Sewerage System Bonds Payable - Continued

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

Bonds outstanding at December 31, 2010 are as follows:

Water and Sewer Bonds - Series 2004	$ 33,790,000
Water and Sewer Bonds - Series 2005	5,135,000
Water and Sewer Bonds - Series 2009	15,120,000
Subtotal	54,045,000
Less current maturities	-
Bonds payable, long term	$ 54,045,000

Reconciliation of Bonds Payable to Financial Statements:	
Current	
Bonds payable in less than one year	$ -
Long-term	
Bonds payable in more than one year	$ 54,045,000
Bond premium, net of amortization	1,080,007
Deferred amount on refunding, net of amortization	(441,874)
	$ 54,683,133

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

2. Golf Bonds Payable

In 2009, The City of Rome Recreation Facilities Authority issued $4,955,000 of Series 2009 Revenue Bonds to (i) refund all of the Series 1999 Revenue Bonds and pay the one percent (1%) redemption premium due in connection therewith (ii) pay the costs of issuing the Series 2009 Bonds. Refunding was undertaken to save on the debt service payments maturing through 2024. The City defeased the 1999 bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2010, $4,645,000 of bonds outstanding are considered defeased. The City has pledged its full faith and credit and taxing power to service the debt.

The Series 2009 Bonds mature through 2024 with interest ranging from 3.0% to 5.0%. At December 31, 2010, $4,705,000 of these bonds were outstanding. Bonds payable reflected in the financial statements is net of $272,609 of unamortized loss on defeasance and $172,106 of unamortized bond premium.

3. Certificates of Participation (COP) Bonds Payable

In October 1998, the City issued $5,565,000 City of Rome Public Facilities, Inc. Georgia Certificates of Participation Bonds, Series 1998. These bonds were issued to acquire, construct, install and equip a facility to be used as administrative offices for the Floyd County Department of Family and Children Services, Department of Child Support Enforcement, and Department of Rehabilitation Services. These bonds mature through 2013 at a rate of 5.18%. The City entered into an operating lease agreement with the State of Georgia through the Georgia Department of Human Resources with the lease payment from the state being used to repay the bonds. At December 31, 2010, $1,525,694 of COP bonds were outstanding. These bonds are reported in the Public Facilities Fund.

4. Certificates of Participation – Georgia Municipal Association

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

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt – Continued

4. Certificates of Participation –Georgia Municipal Association - Continued

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay (1) a semiannual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semiannual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the City's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody's. At December 31, 2010, the floating rate being paid by the City is 0.65% and the market value of this agreement is $681,644, an increase of $65,504 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on December 31, 2010 based on the derivative contract. This market value is reported as a component of the certificates of participation in long-term debt in the statement of net assets. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as deferred revenue in the statement of net assets.

5. Debt Service to Maturity for all Bond Issues

	Water and Sewer		Golf		COP		GMA COP		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	$ -	$ -	$ 240,000	$ 180,775	$ 484,966	$ 73,234	$ -	$ 215,032	$ 724,966	$ 469,041
2012	4,605,000	2,158,798	250,000	173,575	509,965	49,955	-	215,032	5,364,965	2,597,360
2013	4,780,000	2,014,142	250,000	166,075	530,763	24,677	-	215,032	5,560,763	2,419,926
2014	4,930,000	1,863,945	260,000	158,575	-	-	-	215,032	5,190,000	2,237,552
2015	5,090,000	1,709,012	310,000	150,775	-	-	-	215,032	5,400,000	2,074,819
2016-2020	23,985,000	5,617,235	1,745,000	559,500	-	-	-	1,075,160	25,730,000	7,251,895
2021-2025	10,655,000	724,500	1,650,000	187,675	-	-	-	1,075,160	12,305,000	1,987,335
2026-2028	-	-	-	-	-	-	4,527,000	645,096	4,527,000	645,096
	$ 54,045,000	$ 14,087,632	$ 4,705,000	$ 1,576,950	$ 1,525,694	$ 147,866	$ 4,527,000	$ 3,870,576	$ 64,802,694	$ 19,683,024

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt - Continued

6. Notes Payable

In 1990, 1992, 1998, 1999, 2002, 2007, and 2008 the City entered into various agreements with the Georgia Environmental Facilities Authority (GEFA) and the State Revolving Loan Fund to finance the construction and improvements of various water and sewer facilities. As of December 31, 2010 the City had entered into eight (8) such loan agreements with a loan balance of $9,224,205. In 2008, Floyd County issued debt in the amount of $7,880,000 (City's portion $3,940,000) at an interest rate between 3.10% to 5.00%, in order to finance the costs of constructing the Forum parking deck. The City of Rome purchased one half of the project through an intergovernmental agreement from Floyd County and agreed to make installment payments to pay one half of the principal and interest on the debt when due. One half of the total project was capitalized on the City's books. The City has also entered into an agreement with three property owners to purchase property for $1,675,000 at an interest rate of 5%. The City will make three annual payments with a balloon note payment due August 1, 2012.

The following is a schedule of the future required principal and interest payments on the GEFA loan agreements as of December 31, 2010.

Year Issued	Interest Rate (%)	Issue Date	Maturity Date	Authorized and Issued	Retired	Outstanding	Current	Long-Term
2008	3.62	12/31/2008	1/1/2029	$ 3,331,693	$ 225,598	$ 3,106,095	$ 123,950	$ 2,982,145
2007	3.62	4/12/2007	1/1/2028	3,055,798	320,391	2,735,407	117,858	2,617,549
2002	4.36	12/2/2002	2/1/2024	577,441	142,245	435,196	24,842	410,354
2002	4.45	8/12/2002	8/1/2023	1,151,245	306,005	845,240	50,448	794,792
1999	4.10	3/22/1999	3/1/2020	1,918,282	837,260	1,081,022	98,193	982,829
1998	4.76	7/1/1998	5/1/2019	1,132,014	519,324	612,690	59,962	552,728
1992	4.00	3/27/1992	1/1/2014	1,004,501	818,003	186,498	81,856	104,642
1990	2.00	11/16/1990	3/1/2013	1,397,879	1,175,822	222,057	65,292	156,765
						$ 9,224,205	$ 622,401	$ 8,601,804

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt - Continued

6. Notes Payable - Continued

The following is a schedule of the future required principal and interest payments on the intergovernmental agreement as of December 31, 2010.

	Governmental Activities		
Year Ended December 31,	Principal	Interest	Total
2011	$ 100,000	$ 178,121	$ 278,121
2012	100,000	175,121	275,121
2013	105,000	171,784	276,784
2014	110,000	167,196	277,196
2015	115,000	162,520	277,520
2016-2020	662,500	726,403	1,388,903
2021-2025	825,000	559,559	1,384,559
2026-2030	1,055,000	330,375	1,385,375
2031-2033	772,500	59,188	831,688
Total	3,845,000	$ 2,530,267	$ 6,375,267
Less current maturities	100,000		
Long-term	$ 3,745,000		

The following is a schedule of the future required principal and interest payments on the notes payable as of December 31, 2010.

	Governmental Activities			Business-type Activities		
Year Ended December 31,	Principal	Interest	Total	Principal	Interest	Total
2011	$ 446,820	$ 70,100	$ 516,920	$ 622,401	$ 344,782	$ 967,183
2012	1,255,181	62,759	1,317,940	645,947	321,236	967,183
2013	-	-	-	606,464	296,989	903,453
2014	-	-	-	553,611	273,696	827,307
2015	-	-	-	557,240	251,765	809,005
2016-2020	-	-	-	2,902,041	905,104	3,807,145
2021-2025	-	-	-	2,223,518	403,853	2,627,371
2026-2029	-	-	-	1,112,983	56,875	1,169,858
Total	1,702,001	$ 132,859	$ 1,834,860	9,224,205	$ 2,854,300	$ 12,078,505
Less current maturities	446,820			622,401		
Long-term	$ 1,255,181			$ 8,601,804		

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

7. Capital Leases

The City leases certain equipment. Interest on these leases is paid monthly and principal is paid annually. The City has entered into several lease agreements with BB&T, which is the auxiliary financing party through GMA. These bear interest rates ranging from 2.96% to 3.99%. Interest is paid semiannually and principal is paid annually. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The balances of all leases at December 31, 2010 are $0 and $227,935 for governmental and business type activities, respectively.

Total assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
Asset		
Machinery and equipment	$ 623,048	$ 2,180,691
Vehicles	755,881	2,260,916
Less accumulated depreciation	(829,773)	(1,864,584)
Total	$ 549,156	$ 2,577,023

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt – Continued

7. Capital Leases – Continued

The following is a schedule of the future minimum lease payments under the City's capital leases together with the present value of the net minimum lease payments as of December 31, 2010.

Year ending December 31,	Governmental Activities	Business-Type Activities	Total
2011	$ -	$ 120,833	$ 120,833
2012	-	120,833	120,833
Total minimum lease payments	-	241,666	241,666
Less amounts representing interest	-	13,731	13,731
Present value of minimum lease payments	$ -	$ 227,935	$ 227,935

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

7. Capital Leases - Continued

Component Unit - Rome Board of Education

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

The following is a schedule, by year, of future minimum lease payments with the present value of the minimum lease payments as of June 30, 2010.

Year ending June 30,	Principal	Interest	Total
2011	$ 255,656	$ 12,370	$ 268,026
2011	88,343	1,001	89,344
Total lease payments	$ 343,999	$ 13,371	$ 357,370

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

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt – Continued

8. Changes in Long – Term Debt of the City

The following is a summary of changes in long-term debt of the City for fiscal year ended December 31, 2010. The General Fund has typically been used to liquidate the liability for compensated absences, notes payable and other long-term liabilities in the governmental activities.

	Balance 12/31/2009	Additions	Deletions	Balance 12/31/2010	Due within one year	Due in more than one year
Governmental Activities:						
Certificates of Participation	$ 4,527,000	$ -	$ -	$ 4,527,000	$ -	$ 4,527,000
Less: FMV of Derivative	-	(681,644)	-	(681,644)	-	(681,644)
Total Certificates of Participation	4,527,000	(681,644)	-	3,845,356	-	3,845,356
Capital Lease Obligations	27,107	-	27,107	-	-	-
Notes Payable	1,841,830	-	139,829	1,702,001	446,820	1,255,181
Net OPEB Obligation	1,898,137	1,143,050	1,080,220	1,960,967	-	1,960,967
Intergovernmental Agreements	3,940,000	-	95,000	3,845,000	100,000	3,745,000
Compensated Absences	780,108	585,177	624,686	740,599	555,449	185,150
Total Governmental Activities	$ 13,014,182	$ 1,046,583	$ 1,966,842	$ 12,093,923	$ 1,102,269	$ 10,991,654
Business-Type Activities:						
Revenue Bonds	$ 65,450,662	$ -	$ 5,174,968	$ 60,275,694	$ 724,966	$ 59,550,728
Unamortized deferred loss	(847,073)	-	(132,590)	(714,483)	-	(714,483)
Unamortized bond premium	1,389,671	-	137,558	1,252,113	-	1,252,113
Notes Payable	9,823,924	-	599,719	9,224,205	622,401	8,601,804
Capital Lease Obligations	415,177	-	187,242	227,935	111,739	116,196
Landfill Closure / Postclosure	8,353,473	388,073	211,456	8,530,090	211,697	8,318,393
Compensated Absences	1,352,117	928,059	1,009,537	1,270,639	952,979	317,660
Total Business-Type Activities	$ 85,937,951	$ 1,316,132	$ 7,187,890	$ 80,066,193	$ 2,623,782	$ 77,442,411

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt – Continued

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

Component Unit	Balance 12/31/2009	Additions	Deletions	Balance 12/31/2010	Due within one year	Due in more than one year
Greater Rome Convention & Visitors Bureau						
Compensated Absences	$ 19,460	$ 15,739	$ 16,034	$ 19,165	$ 14,374	$ 4,791
Total Greater Rome Convention and Visitors Bureau	$ 19,460	$ 15,739	$ 16,034	$ 19,165	$ 14,374	$ 4,791

Component Unit	Balance 6/30/2009	Additions	Deletions	Balance 6/30/2010	Due within one year	Due within one year
Rome Board of Education						
Capital leases payable	$ 586,181	$ -	$ 242,182	$ 343,999	$ 255,656	$ 88,343
Construction Bonds	2,000,000	-	-	2,000,000	-	2,000,000
Total Rome Board of Education	$ 2,586,181	$ -	$ 242,182	$ 2,343,999	$ 255,656	$ 2,088,343

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans

1. City of Rome

a) Plan Description

The City participates in a defined benefit agent multiple-employer retirement plan which is administered through the Georgia Municipal Employees Benefit System (GMEBS). The GMEBS acts as a common investment and administrative agent for cities in the State of Georgia. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Plan benefit provisions are established by the City Commission. Employees are eligible to participate in the Plan after three months of continuous service. Covered employees are not required to contribute to the Plan. Employees become vested after 10 years of service. The benefits of the Plan are paid in the form of a monthly life annuity based on the employees' final average earnings. Benefits are calculated at 1.25% to 2.0% of the average monthly earnings for the period of the five highest years prior to retirement. Normal retirement age is 60 if employed prior to April 1, 1958, 62 if participant has 25 or more years of service, and 65 if employed on or after April 1, 1958 with less than 25 years of service.

As of July 1, 2010, the date of the most recent actuarial valuation, the plan membership included the following categories of participants.

Retirees and beneficiaries receiving benefits	272
Terminated vested participants not yet receiving benefits	96
Active participants	553
Total membership	921

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

b) Funding Policy

City contributions to the Plan are authorized and may be amended by the City Commission. The City's contribution to the Plan are primarily based upon annual actuarial valuations. The City's funding policy provides for annual contributions at actuarially determined rates that are sufficient to accumulate sufficient assets to pay benefits when due. The City's contributions are determined under the projected unit credit actuarial method. The City's funding policy is to contribute the normal cost for the current year plus (1) the amount to amortize the remainder of the initial unfunded actuarial accrued liability over 30 years from 1982 and (2) current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year. Significant actuarial assumptions used in the valuation include (a) rate of return on the investment of present and future assets of 7.75% a year compounded annually (b) projected salary increases of 3.5% a year compounded annually (3% for inflation and 0.5% for merit or seniority) and (c) no postretirement benefit increases. The actuarial value of assets is determined by rolling forward prior year's actuarial value with contributions, disbursements and expected return on investments, plus 10% of investment gains (losses) during 10 prior years.

c) Annual Pension Cost

The City's annual pension cost and net pension asset for 2010 were computed as follows:

Annual required contribution	$ 2,750,000
Interest on net pension asset	(272,386)
Adjustment to annual required contribution	294,360
Annual pension cost	2,771,974
Contributions made	2,750,000
Decrease in net pension asset	(21,974)
Net pension asset beginning of year	$ 3,514,654
Net pension asset end of year	$ 3,492,680

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

c) Annual Pension Cost Trend - Continued

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

Year Ended December 31,	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2008	$ 2,613,319	101%	$ 2,626,168	100%	$ 3,429,889
2009	2,546,483	104%	2,559,352	103%	3,514,654
2010	2,750,000	100%	2,771,974	99%	3,492,680

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

d) Schedule of Funding Progress

As of the most recent valuation date, July 1, 2010, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded/ (Surplus) AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2010	$ 52,625,450	$ 61,333,477	$ (8,708,027)	85.80%	$ 22,233,267	39.17%

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2010.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

2. City of Rome Defined Contribution Plan

a) Plan Description

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

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

The City's contributions will be made to match all or a portion of an employee's contribution to an eligible 457(b) deferred compensation plan, including the GMA Deferred Compensation Plan. For each pay period in which the employee contributes to a 457 Plan of the City, the City will contribute on a dollar for dollar matching basis up to a maximum of 1¼ % of salary per plan year. City contributions to the plan for the year ended December 31, 2010 totaled $257,212.

3. Component Unit - Rome Board of Education

Teachers Retirement System of Georgia (TRS)

a) Plan Description

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

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education – Continued

Teachers Retirement System of Georgia (TRS) – Continued

a) Plan Description– Continued

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

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

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

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

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education – Continued

Teachers Retirement System of Georgia (TRS) – Continued

b) **Funding Policy**

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

Fiscal Year	Percentage Contributed	Required Contribution
2010	100%	$ 2,994,095
2009	100%	$ 2,919,819
2008	100%	$ 2,726,225

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

3. Component Unit - Rome Board of Education - Continued

Public School Employees Retirement System of Georgia (PSERS)

a) Plan Description

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

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

Covered employees are required by state statute to contribute four dollars per month for the nine month school year. Unlike TRS, the School District makes no contribution to PSERS. Total contributions from employees of the School District were $3,500, $3,508, and $3,236 for the fiscal years ended June 30, 2010, 2009, and 2008, respectively.

The State of Georgia is required by statute to make an annual contribution to PSERS based upon an actuarial calculation. The state's contribution for School District employees was $12,540, $17,032, and $3,266 for the fiscal years ended June 30, 2010, 2009, and 2008, respectively.

Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions are refunded with interest. There were 98, 100, and 98 employees (members) covered under PSERS for the fiscal years ended June 30, 2010, 2009, and 2008, respectively.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

G. Post-Retirement Health Care and Life Insurance Benefits

In accordance with GASB 45 requirements, the City of Rome is required to attribute the cost of postretirement benefits to the time during which the employee is working for the employer. GASB 45 requires allocation of the costs of a post-retirement benefit plan onto the years of active employment; it does not require the funding of such benefits. GASB 45 requirements were implemented by the City of Rome as of the year ended December 31, 2009. The City has elected not to establish a separate trust fund to account for other post-employment benefits, and has not funded the plan as of December 31, 2010.

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

The City of Rome currently contracts with Blue Cross Blue Shield to administer the post retirement health care benefits. The City's obligation to provide these benefits was created under a City ordinance. Upon termination of employment, eligible employees are entitled to continue coverage, at their own cost, under the City's medical self-insurance plan (Note H.1). After 15 years of service, the City pays 10% of the retiree's share of charges from the City's medical self-insurance fund and life insurance carriers. The City's portion is increased 1% for each year of service to a maximum of 30%. For any employee hired after January 1, 2006, they are not eligible for post-retirement health benefits. Currently, 98 retirees are enrolled in post-retirement health care benefits. These post-retirement benefits are funded on a pay-as-you-go-basis. In 2010, the net cost of premiums for providing post-retirement benefits for retirees was approximately $154,400.

Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Health Care Plan as of July 1, 2010.

Active members	492
Retired members	210
Total	702

Contributions

The City’s Health Insurance Fund contributed $1,080,220 to the OPEB Health Care Plan in fiscal year 2010. The annual required contribution amount is determined using actuarial methods and assumptions approved by the Commission. The Commission established and may amend the funding policy for the OPEB Health Care Plan.

Annual Required Contribution	$ 1,189,973
Interest on Existing NOO	75,925
ARC Adjustment	(122,848)
Annual OPEB Cost	1,143,050
Actual Contributions made	1,080,220
Increase in net OPEB obligation	62,830
Net OPEB Liability, December 31, 2009	1,898,137
Net OPEB Liability, December 31, 2010	$ 1,960,967

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

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

OPEB Health Care Plan

Fiscal Year Ended December 31,	Annual OPEB Cost	Actual OPEB Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2008	$ 1,316,636	$ -	0.00%	$ 1,316,636
2009	1,316,636	735,135	55.83%	1,898,137
2010	1,143,050	1,080,220	94.50%	1,960,967

As of the most recent valuation date, July 1, 2010, the funded status of the OPEB Health Care Plan was as follows:

Actuarial Value of Asset	-
Actuarial Accrued Liability (AAL)	10,660,924
Unfunded Actuarial Accrued Liability (UAAL)	10,660,924
Funded Ratio	0.00%
Covered Payroll	18,816,803
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	56.66%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at July 1, 2010. The assumptions used in the July 1, 2010 actuarial valuation is as follows:

Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value of Assets
Assumed Rate of Return on Investments	4.00%
Medical Cost Trend Rate	9.50%
Ultimate Medical Cost Trend Rate	5.00%
Year of Ultimate Trend Rate	2019
Amortization Method	Level dollar, closed
Remaining Amortization Period	23 years
Payroll Inflation Rate	3.00%

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

H. Risk Management

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

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

1. Health Insurance Fund

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

The self-insurance program is designed so that the City pays actual aggregate claims up to 110% of annual projected claims. Projected maximum claims for the plan year beginning October 1, 2010 total $6,686,066. After the City's paid claims reach 110% of the annual projected claims, a private insurance carrier will pay the next $1,000,000 of claims. If the private insurance were to be exhausted, the City would be liable for any additional claims filed during the year. In addition to the annual limit, claims for any one claim which exceed $150,000 in the annual claims year will be covered by the private insurance carrier. The City has entered into a contract with a third party to administer the program.

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

	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	End of Fiscal-Year Liability
2009	$ 350,000	$ 5,442,908	$ (4,842,908)	$ 950,000
2010	950,000	4,352,062	(4,952,062)	350,000

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

H. Risk Management - Continued

2. Workers' Compensation Self-Insurance Fund

The Workers' Compensation Fund was established to provide resources for payment of workers' compensation claims to the City and Greater Rome Convention & Visitors Bureau component unit employees. Individual departments and component units were charged for workers' compensation based upon previous insurance carriers' cost charges. Charges to other funds and component units are treated as operating revenues in the self-insurance fund. As of January 1, 2002, the City became fully insured through participation in the GMA Workers Compensation risk pool. This pool operates as a common risk management and insurance program for member local governments. As part of this risks pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claims or loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds. The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. Therefore, the City is not liable for workers' compensation claims occurring subsequent to January 1, 2002. However, the City continues to be responsible for outstanding claims filed prior to January 1, 2002. There is a stop-loss limit of $250,000 per claim covered through a private insurance carrier. Also, during 2010, the City recorded a reimbursement of $248,411 from the Subsequent Injury Trust Fund of the state, and a $120,047 reimbursement from the City's stop loss carrier.

The City has accrued a liability for workers' compensation claims that were incurred prior to January 1, 2002, but were not paid as of December 31, 2010. This liability is based upon historical experience and other factors. Changes in the balances of claims liabilities were as follows:

	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	End of Fiscal-Year Liability
2009	190,000	526,216	(546,216)	170,000
2010	170,000	762,187	(762,187)	170,000

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

I. Contingent Liabilities

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

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

J. Landfill Closure and Postclosure Care Cost

The City has closed and placed a final cover on its Walker Mountain Phase I - III landfill site and is currently operating Phases IV, V , VI and VII sites and C&D construction and demolition Phase I site. State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at these sites for 30 years after closure. Although these postclosure care costs will be paid only after the date that the landfill stops accepting waste, the City has reported these postclosure care costs as an operating expense in the current and prior years based on landfill capacity used as of each balance sheet date. The $2,470,117 ($114,604 current) reported as postclosure care liability at December 31, 2010, represents the cumulative amount reported to date based on the use of 100% of the capacity of Phase I - VI of the landfill and 16.7% of the capacity of Phase VII. The $1,199,146 ($41,637 current) reported as postclosure care liability at December 31, 2010 represents the cumulative amount reported to date based on the use of 96% of the capacity of Phase I of C&D. In addition, $3,529,891 has been accrued at December 31, 2010 for closure costs for Phases IV, V, VI, and VII and the C&D sites based on the landfill capacity used as of the balance sheet date. The estimated remaining life of the Walker Mountain landfill is 30 years.

Under an agreement with Floyd County, the County will provide certain financial resources to the City's Solid Waste Commission Fund and the Solid Waste Commission Fund will pay for the post closure care costs at a landfill site previously operated by the County (Berryhill site). Accordingly, a liability for postclosure costs totaling $1,330,936 ($55,456 current) has been recognized in the Solid Waste Commission Fund as of December 31, 2010. This represents approximately 100 percent of the estimated total future postclosure costs for this landfill site.

The liability for closure and postclosure care costs is based on what it would cost to perform all closure and postclosure care as of December 31, 2010 and is subject to changes resulting from inflation, deflation, technology or changes in laws or regulations. These costs are expected to be funded by revenues generated from future landfill operations. The Subtitle D landfill is jointly owned by the City and Floyd County and is operated by the Solid Waste Commission Fund. This fund is intended to be self-supporting by user fees. However, under a contract between the City and the County, the City and County are each responsible for fifty percent of any costs not funded by user fees.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

K. Joint Venture

Under Georgia law, the City in conjunction with other cities and counties in the Northwest Georgia area, is a member of the North West Georgia Regional Commission (NWGRC). Membership in a NWGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the NWGRC. Membership in the NWGRC includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a NWGRC. During fiscal year 2010, the City paid dues in the amount of $36,031 to the NWGRC. The financial burdens of the City related to the NWGRC are limited to the amount of the City's annual dues. Separate financial statements may be obtained from the Northwest Georgia Regional Commission, PO Box 1798, Rome, Georgia 30162.

L. Hotel/Motel Tax

The City of Rome levies a 6% lodging tax. In 1995, the City of Rome and Floyd County imposed a 1% tax for the purpose of promoting tourism, conventions and trade shows. A summary of transactions for the fiscal year ended December 31, 2010 is as follows:

	5% Levy	1% Levy
Balance as of December 31, 2009	$ 49,836	$ 24,255
2010 Tax Revenues	459,196	91,344
2010 Interest Revenue	56	12
2010 Expenditures		
Greater Rome Convention & Visitors Bureau	430,000	22,250
City of Rome	35,000	550
Floyd County	-	69,093
Balance as of December 31, 2010	$ 44,088	$ 23,718

Expenditures paid with the 1% hotel/motel tax were used to promote tourism, conventions and trade shows as required by O.C.G.A. 48-13-51. Expenditures of $91,893 made during 2010 were 100.6% of total 2010 1% tax collections and expenditures of $465,000 were 101.3% of 2010 5% tax collections.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

M. Related Organizations

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

N. Short Term Debt

In anticipation of tax receipts in November, the City of Rome issued $7,000,000 of Tax Anticipation Notes in May of 2010. These notes matured and were paid in full on December 30, 2010. Interest expense of $38,510 was paid on the borrowings.

Fiscal Year Beginning Balance	Additions	Deletions	Ending Fiscal Year Balance
-	$7,000,000	$7,000,000	-

O. Agency Agreement

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

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

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

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

P. Construction Commitments

The City of Rome has several active construction projects as of December 31, 2010. These projects are associated with water and sewer improvements, community development construction, a new Eco River Education facility and restoration to the City Hall. They are all financed with SPLOST proceeds and grants.

Project	Current Year	Remaining
Barron Stadium	$ 1,259,055	$ 410,229
Rome High Road	820,307	657,723
Marine Armory	1,452,280	14,890
South Broad Corridor	211,749	942,707
Levee Gate Construction	1,166,511	-
BioSolids Disposal	230,513	-

Q. Subsequent Events

In January 2011, the State of Georgia announced the closing of the Northwest Georgia Regional Hospital located in Rome. The closing will affect 750 employees and 180 patients. Northwest Georgia Regional Hospital is also the tenth largest water customer.

REQUIRED SUPPLEMENTARY INFORMATION

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

The City of Rome Schedule of Fund Progress for the OPEB Health Care Plan is presented as required supplementary information to the basic financial statements.

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Ad valorem taxes:				
Real and personal property:				
Current year	$ 6,680,000	$ 6,250,000	$ 6,412,728	$ 162,728
Prior years	375,000	600,000	936,660	336,660
Public utilities	240,000	230,000	249,827	19,827
Motor vehicles	625,000	565,000	586,866	21,866
Mobile homes	1,500	1,500	1,129	(371)
Timber tax	2,100	2,100	224	(1,876)
Total ad valorem taxes	7,923,600	7,648,600	8,187,434	538,834
Other taxes:				
Intangible tax	225,000	200,000	193,011	(6,989)
Insurance premium tax	1,990,000	1,950,000	1,883,036	(66,964)
Franchise tax	3,409,500	3,238,500	3,352,111	113,611
Local option sales tax	6,300,000	6,250,000	6,028,862	(221,138)
Real estate transfer tax	25,000	25,000	13,675	(11,325)
Tax on liquor and wine	815,000	790,000	768,722	(21,278)
Mixed drink tax	75,000	56,000	56,357	357
Total other taxes	12,839,500	12,509,500	12,295,774	(213,726)
Licenses, permits and fees:				
Business licenses	1,652,000	1,606,000	1,624,028	18,028
Permits and fees	74,000	69,000	57,170	(11,830)
Total licenses, permits and fees	1,726,000	1,675,000	1,681,198	6,198
Intergovernmental:				
Highway maintenance	120,000	120,000	124,410	4,410
Traffic signals	31,000	31,000	31,000	-
County environmental information	52,000	52,000	75,595	23,595
Entitlement reimbursement	23,000	33,000	11,657	(21,343)
Housing authority	45,000	60,000	59,720	(280)
Total intergovernmental	271,000	296,000	302,382	6,382

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Fines and forfeitures:				
Police court fines and fees	$ 1,734,000	$ 1,589,000	$ 1,495,578	$ (93,422)
Total fines and forfeitures	1,734,000	1,589,000	1,495,578	(93,422)
Other revenues:				
Interest and costs	200,000	270,000	335,958	65,958
Cemetery revenue	185,000	170,000	157,014	(12,986)
Rent	23,000	22,000	41,412	19,412
Interest on investments	50,000	10,000	9,208	(792)
Miscellaneous revenue	25,000	20,000	107,220	87,220
Total other revenues	483,000	492,000	650,812	158,812
TOTAL REVENUES	24,977,100	24,210,100	24,613,178	403,078

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CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES:				
GENERAL GOVERNMENT				
City Commission:				
Personal services	$ 142,810	$ 141,810	$ 141,754	$ 56
Supplies	7,530	7,300	7,523	(223)
Other services and charges	36,400	36,100	36,007	93
Total City Commission	186,740	185,210	185,284	(74)
Municipal Court:				
Personal services	47,810	48,700	48,641	59
Supplies	50	50	-	50
Other services and charges	47,060	38,000	37,611	389
Total Municipal Court	94,920	86,750	86,252	498
Manager's Office:				
Personal services	259,030	262,200	262,192	8
Supplies	8,850	8,400	8,359	41
Other services and charges	7,980	7,000	7,000	-
Total Manager's Office	275,860	277,600	277,551	49
Clerk's Office:				
Personal services	329,230	328,780	324,538	4,242
Supplies	13,730	13,730	10,890	2,840
Other services and charges	13,880	12,880	14,907	(2,027)
Total Clerk's Office	356,840	355,390	350,335	5,055
Finance:				
Personal services	451,560	450,060	448,335	1,725
Supplies	13,220	13,220	10,712	2,508
Other services and charges	10,900	9,900	8,549	1,351
Total Finance	475,680	473,180	467,596	5,584

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Human Resources:				
Personal services	$ 265,550	$ 265,250	$ 262,113	$ 3,137
Supplies	15,100	14,100	12,109	1,991
Other services and charges	25,400	21,900	18,216	3,684
Total Human Resources	306,050	301,250	292,438	8,812
Purchasing:				
Personal services	250,100	253,300	253,206	94
Supplies	6,395	3,700	3,562	138
Other services and charges	8,410	7,800	7,772	28
Total Purchasing	264,905	264,800	264,540	260
Information Technology:				
Personal services	214,760	212,260	211,019	1,241
Supplies	23,700	22,500	21,335	1,165
Other services and charges	6,980	6,980	8,117	(1,137)
Total Information Technology	245,440	241,740	240,471	1,269
Business Systems Analyst:				
Personal services	81,550	81,450	81,315	135
Supplies	125,320	125,320	122,772	2,548
Other services and charges	2,650	2,650	1,274	1,376
Total Business Systems Analyst	209,520	209,420	205,361	4,059
Assistant City Manager:				
Personal services	130,850	124,500	124,335	165
Supplies	2,500	1,000	777	223
Other services and charges	11,650	11,000	10,979	21
Total Assistant City Manager	145,000	136,500	136,091	409
General Administration:				
Personal services	41,930	41,480	41,339	141
Supplies	26,400	21,000	58,163	(37,163)
Other services and charges	818,100	749,000	707,996	41,004
Total General Administration	886,430	811,480	807,498	3,982

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Total General Government:				
Personal services	$ 2,215,180	$ 2,209,790	$ 2,198,787	$ 11,003
Supplies	242,795	230,320	256,202	(25,882)
Other services and charges	989,410	903,210	858,428	44,782
TOTAL GENERAL GOVERNMENT	3,447,385	3,343,320	3,313,417	29,903
PUBLIC SAFETY				
Police:				
Personal services	6,752,400	6,600,000	6,497,928	102,072
Supplies	530,550	511,550	523,427	(11,877)
Other services and charges	203,370	198,870	219,634	(20,764)
Total Police	7,486,320	7,310,420	7,240,989	69,431
Police Training Center:				
Supplies	35,050	33,050	30,803	2,247
Other services and charges	62,350	52,350	52,486	(136)
Total Police Training Center	97,400	85,400	83,289	2,111
Total Public Safety:				
Personal services	6,752,400	6,600,000	6,497,928	102,072
Supplies	565,600	544,600	554,230	(9,630)
Other services and charges	265,720	251,220	272,120	(20,900)
TOTAL PUBLIC SAFETY	7,583,720	7,395,820	7,324,278	71,542
PUBLIC WORKS				
Public Works Office:				
Personal services	320,060	318,760	317,480	1,280
Supplies	17,800	16,600	13,055	3,545
Other services and charges	16,810	15,510	16,936	(1,426)
Total Public Works Office	354,670	350,870	347,471	3,399

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Engineering:				
Personal services	$ 466,410	$ 429,210	$ 420,280	$ 8,930
Supplies	19,150	18,150	17,302	848
Other services and charges	6,500	6,500	6,495	5
Total Engineering	492,060	453,860	444,077	9,783
Streets and Drainage:				
Personal services	1,660,030	1,430,000	1,425,544	4,456
Supplies	342,150	285,200	282,739	2,461
Other services and charges	62,790	66,000	65,843	157
Total Streets and Drainage	2,064,970	1,781,200	1,774,126	7,074
Clean It or Lien It Demolition:				
Supplies	20,000	47,000	46,957	43
Other services and charges	15,000	30,000	29,772	228
Total Clean It or Lien It Demolition	35,000	77,000	76,729	271
Electrical/Traffic Control:				
Personal services	763,210	759,810	759,090	720
Supplies	85,780	92,000	91,712	288
Other services and charges	48,930	56,500	56,240	260
Total Electrical/Traffic Control	897,920	908,310	907,042	1,268
Street Lighting:				
Supplies	3,000	3,000	1,791	1,209
Other services and charges	761,000	789,000	779,221	9,779
Total Street Lighting	764,000	792,000	781,012	10,988
Buildings and Grounds:				
Supplies	3,500	3,500	2,391	1,109
Other services and charges	1,700	1,700	2,292	(592)
Total Buildings and Grounds	5,200	5,200	4,683	517

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Cemetery:				
Personal services	$ 317,990	$ 317,240	$ 316,108	$ 1,132
Supplies	29,920	27,520	25,731	1,789
Other services and charges	18,010	17,510	18,200	(690)
Payments for inmate charges	40,000	40,000	41,000	(1,000)
Total Cemetery	405,920	402,270	401,039	1,231
Garage:				
Personal services	581,980	577,480	573,630	3,850
Supplies	81,020	75,520	75,811	(291)
Other services and charges	42,400	41,150	44,688	(3,538)
Total Garage	705,400	694,150	694,129	21
Total Public Works:				
Personal services	4,109,680	3,832,500	3,812,132	20,368
Supplies	602,320	568,490	557,489	11,001
Other services and charges	973,140	1,023,870	1,019,687	4,183
Payments	40,000	40,000	41,000	(1,000)
TOTAL PUBLIC WORKS	5,725,140	5,464,860	5,430,308	34,552
PUBLIC FACILITIES				
City Auditorium:				
Personal services	165,000	160,000	159,973	27
Supplies	51,350	61,000	59,134	1,866
Other services and charges	82,920	95,000	94,812	188
Total City Auditorium	299,270	316,000	313,919	2,081
Civic Center:				
Supplies	10,150	10,500	10,313	187
Other services and charges	17,905	19,500	19,418	82
Total Civic Center	28,055	30,000	29,731	269

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Other Facilities:				
Supplies	$ 27,600	$ 31,600	$ 29,073	$ 2,527
Other services and charges	44,030	52,300	53,761	(1,461)
Total Other Facilities	71,630	83,900	82,834	1,066
Total Public Facilities:				
Personal services	165,000	160,000	159,973	27
Supplies	89,100	103,100	98,520	4,580
Other services and charges	144,855	166,800	167,991	(1,191)
TOTAL PUBLIC FACILITIES	398,955	429,900	426,484	3,416
PUBLIC SERVICES				
Community Services:				
Other services and charges	179,500	177,400	174,337	3,063
Total Community Services	179,500	177,400	174,337	3,063
Environmental Information:				
Personal Services	140,380	140,280	139,374	906
Supplies	10,500	10,500	12,123	(1,623)
Other services and charges	26,280	25,780	23,033	2,747
Total Environmental Information	177,160	176,560	174,530	2,030
Public Information Coordinator:				
Supplies	-	-	163	(163)
Other services and charges	6,000	2,000	-	2,000
Total Public Information Coordinator	6,000	2,000	163	1,837
Community Events:				
Supplies	3,500	3,500	3,256	244
Other services and charges	8,200	8,200	6,067	2,133
Total Community Events	11,700	11,700	9,323	2,377

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Roman Holiday Boat:				
Supplies	$ 3,700	$ 3,700	$ 1,894	$ 1,806
Other services and charges	16,100	16,100	15,203	897
Total Roman Holiday Boat	19,800	19,800	17,097	2,703
Trolley:				
Personal services	4,090	3,590	2,269	1,321
Supplies	2,050	1,550	471	1,079
Other services and charges	400	400	418	(18)
Total Trolley	6,540	5,540	3,158	2,382
Total Public Services:				
Personal services	144,470	143,870	141,643	2,227
Supplies	19,750	19,250	17,907	1,343
Other services and charges	236,480	229,880	219,058	10,822
TOTAL PUBLIC SERVICES	400,700	393,000	378,608	14,392
TOTAL EXPENDITURES	17,555,900	17,026,900	16,873,095	153,805
OTHER FINANCING SOURCES AND USES:				
TRANSFERS IN:				
Water and Sewer Fund	820,000	820,000	820,000	-
Transit Fund	47,500	47,500	47,500	-
Fire Fund	330,000	330,000	330,000	-
Building Inspection Fund	50,000	50,000	-	(50,000)
Solid Waste Commission Fund	30,000	30,000	27,146	(2,854)
Health Insurance Fund	85,000	95,000	95,000	-
Workers Compensation Fund	25,000	25,000	25,000	-
Hotel/Motel Tax Fund	35,000	40,000	15,000	(25,000)
TOTAL TRANSFERS IN	1,422,500	1,437,500	1,359,646	(77,854)

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
TRANSFERS OUT:				
Planning Commission Fund	$ 149,700	$ 149,700	$ 149,700	$ -
Capital Fund	75,000	15,000	15,000	-
Transit Fund	570,000	547,500	532,763	14,737
Community Development Fund	100,000	100,000	100,000	-
Fire Fund	5,543,500	5,347,500	5,347,500	-
South Rome Redevelopment Agency	68,500	62,500	62,500	-
Golf Fund	420,000	610,000	605,201	4,799
Solid Waste Management Fund	1,775,000	1,648,500	1,648,500	-
Building Inspection Fund	17,000	15,000	10,000	5,000
Downtown Development Fund	125,000	125,000	125,000	-
TOTAL TRANSFERS OUT	8,843,700	8,620,700	8,596,164	24,536
TOTAL OTHER FINANCING SOURCES (USES)	(7,421,200)	(7,183,200)	(7,236,518)	(53,318)
Net change in fund balance	-	-	503,565	
FUND BALANCE, BEGINNING OF YEAR	10,507,719	10,507,719	10,507,719	
FUND BALANCE, END OF YEAR	$ 10,507,719	$ 10,507,719	$ 11,011,284	

City of Rome, Georgia

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

December 31, 2010

NOTE I – BUDGETARY INFORMATION AND RECONCILIATION

A. Budgetary Information

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

In August of each year, all departments of the City submit a budgetary request to the City Manager. In November, the City Manager presents the proposed budgets to the Finance Committee of the City Commission. The City Commission adopts the final budgets in December of each year. During the year, the City made budgetary amendments totaling $2,298,654, (excluding debt service payments) that were approved by the City Commission. The main reason for these amendments was to better align budgeted expenditures with a decrease in actual revenues and to include an approved budget for the SPLOST fund. This information was not available during the original budget process.

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

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

B. Budget/GAAP Reconciliation

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

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

CITY OF ROME, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2010

SCHEDULES OF FUNDING PROGRESS

GMEBS Plan

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Over (Under) Funded (1)-(2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
9/1/2005	$ 39,475,090	$ 43,426,011	90.90%	$ (3,950,921)	$ 19,900,848	-19.85%
9/1/2006	42,081,949	47,593,869	88.42%	(5,511,920)	21,068,259	-26.16%
9/1/2007	45,360,675	53,163,980	85.32%	(7,803,305)	22,227,916	-35.11%
9/1/2008	48,388,418	55,006,811	87.97%	(6,618,393)	22,775,449	-29.06%
10/1/2009	44,938,084	58,557,392	76.74%	(13,619,308)	22,669,898	-60.08%
7/1/2010	52,625,450	61,333,477	85.80%	(8,708,027)	22,233,267	-39.17%

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

OPEB Health Care Plan

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Over (Under) Funded (1)-(2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
9/1/2008	$ -	$ 12,010,276	0.00%	$ (12,010,276)	20,830,401	-57.66%
7/1/2010	-	10,660,924	0.00%	$ (10,660,924)	18,816,803	-56.66%

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

NONMAJOR GOVERNMENTAL FUNDS
COMBINED STATEMENTS

CITY OF ROME, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Nonmajor Governmental Funds		
	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds (Entitlement Fund)	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 386,344	$ 2	$ 386,346
Restricted cash	68,789	-	68,789
Taxes receivable, net of allowance for uncollectibles	1,895	-	1,895
Accounts receivable, net of allowance for uncollectibles	34,144	-	34,144
Accounts receivable loans	544,456	-	544,456
Due from other funds	9,386	-	9,386
Due from other governments	73,906	14,663	88,569
Due from component units	50	-	50
Total assets	$ 1,118,970	$ 14,665	$ 1,133,635
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 49,049	$ 10,947	$ 59,996
Accrued liabilities	674	-	674
Due to component unit	8,408	-	8,408
Due to other governments	25,025	-	25,025
Due to other funds	169,610	3,716	173,326
Total liabilities	252,766	14,663	267,429
FUND BALANCES			
Reserved for:			
Revolving loans	544,456	-	544,456
Tourism & forum promotion	121,047	-	121,047
Capital improvements	75,597	-	75,597
Designated for grant programs and capital projects	35,017	2	35,019
Undesignated	90,087	-	90,087
Total fund balances	866,204	2	866,206
TOTAL LIABILITIES AND FUND BALANCES	$ 1,118,970	$ 14,665	$ 1,133,635

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	Nonmajor Governmental Funds		
	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds (Entitlement Fund)	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	$ 409,245	$ 725,291	$ 1,134,536
Charges for services	343,601	-	343,601
Taxes	670,166	-	670,166
Interest earned	17,683	-	17,683
Miscellaneous	30,990	-	30,990
TOTAL REVENUES	1,471,685	725,291	2,196,976
EXPENDITURES			
Public safety	89,226	-	89,226
Community development	1,126,046	-	1,126,046
Public facilities	596,622	-	596,622
Capital outlay	172,068	725,291	897,359
TOTAL EXPENDITURES	1,983,962	725,291	2,709,253
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(512,277)	-	(512,277)
OTHER FINANCING SOURCES AND USES			
Proceeds from sale of capital assets	513	-	513
Transfers in	457,200	-	457,200
Transfers out	(55,088)	-	(55,088)
	402,625	-	402,625
NET CHANGE IN FUND BALANCES	(109,652)	-	(109,652)
FUND BALANCES - BEGINNING OF YEAR	975,856	2	975,858
FUND BALANCES - END OF YEAR	$ 866,204	$ 2	$ 866,206

NONMAJOR GOVERNMENTAL FUNDS

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

Redlight Enforcement Fund - to account for funds associated with the Redlight Enforcement cameras.

Downtown Development Fund - to account for activities related to improvements and development in the downtown district.

Community Development Fund - to account for community development projects generally financed by various grants and entitlements.

Planning Commission Fund - to account for activities related to transportation planning, land use planning, and land development regulations for the City of Rome and Floyd County.

Hotel/Motel Tax Fund - to account for the collection and disbursement of hotel/motel taxes.

Business Improvement District Fund - to account for funds for downtown promotional activities funded by a special millage assessment.

Tax Allocation District Fund - to account for funds for improvements within the special tax districts.

Forum Parking Deck Fund - to account for the activities related to a parking deck jointly owned with Floyd County.

South Rome Redevelopment Agency Fund - to account for the activities related to development projects in the South Rome area.

NONMAJOR GOVERNMENTAL FUNDS – Continued

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

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

CITY OF ROME, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
December 31, 2010

	Special Revenue Funds									Total Nonmajor Special Revenue Funds
	Redlight Enforcement Fund	Downtown Development Fund	Community Development Fund	Planning Commission Fund	Hotel/Motel Tax Fund	Business Improvement District Fund	Tax Allocation District Fund	Forum Parking Deck Fund	South Rome Redevelopment Agency Fund	
ASSETS										
Cash	$ 3,876	$ 70,073	$ 35,811	$ 35,414	$ 41,337	$ 51,428	$ 86,936	$ 61,455	$ 14	$ 386,344
Restricted cash	-	68,789	-	-	-	-	-	-	-	68,789
Taxes receivable	-	-	-	-	-	1,276	619	-	-	1,895
Accounts receivable, net of allowance for uncollectibles	-	-	-	-	34,052	-	-	-	92	34,144
Accounts receivable loans	-	489,733	54,723	-	-	-	-	-	-	544,456
Due from other funds	125	1,003	5,981	403	1,144	-	-	730	-	9,386
Due from other governments	-	-	43,539	29,362	-	537	468	-	-	73,906
Due from component units	-	-	-	50	-	-	-	-	-	50
Total assets	$ 4,001	$ 629,598	$ 140,054	$ 65,229	$ 76,533	$ 53,241	$ 88,023	$ 62,185	$ 106	$ 1,118,970
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	$ 3,543	$ 32,760	$ 656	$ 1,588	$ -	$ -	$ -	$ 2,196	$ 8,306	$ 49,049
Accrued liabilities	109	173	122	270	-	-	-	-	-	674
Due to component unit	-	-	-	75	8,333	-	-	-	-	8,408
Due to other governments	-	-	-	-	94	-	9,931	15,000	-	25,025
Due to other funds	6,033	22,102	49,536	8,616	300	-	2,495	15,371	65,157	169,610
Total liabilities	9,685	55,035	50,314	10,549	8,727	-	12,426	32,567	73,463	252,766
FUND BALANCES (DEFICIT)										
Reserved for:										
Revolving loans	-	489,733	54,723	-	-	-	-	-	-	544,456
Tourism & forum promotion	-	-	-	-	67,806	53,241	-	-	-	121,047
Capital improvements	-	-	-	-	-	-	75,597	-	-	75,597
Unreserved, designated for grant programs and capital projects	-	-	35,017	-	-	-	-	-	-	35,017
Unreserved, undesignated	(5,684)	84,830	-	54,680	-	-	-	29,618	(73,357)	90,087
Total fund balances (deficit)	(5,684)	574,563	89,740	54,680	67,806	53,241	75,597	29,618	(73,357)	866,204
TOTAL LIABILITIES AND FUND BALANCES	$ 4,001	$ 629,598	$ 140,054	$ 65,229	$ 76,533	$ 53,241	$ 88,023	$ 62,185	$ 106	$ 1,118,970

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	Special Revenue Funds									Total
	Redlight Enforcement Fund	Downtown Development Fund	Community Development Fund	Planning Commission Fund	Hotel/Motel Tax Fund	Business Improvement District Fund	Tax Allocation District Fund	Forum Parking Deck Fund	South Rome Redevelopment Agency Fund	Nonmajor Special Revenue Funds
REVENUES										
Intergovernmental	$ -	$ 2,124	$ 138,458	$ 268,663	$ -	$ -	$ -	$ -	$ -	$ 409,245
Charges for services	85,378	110,963	152	22,423	-	24,873	-	99,812	-	343,601
Taxes	-	-	-	-	550,540	26,567	93,059	-	-	670,166
Interest earned	10	15,248	1,977	45	68	85	138	110	2	17,683
Miscellaneous	-	432	28,107	2,451	-	-	-	-	-	30,990
TOTAL REVENUES	85,388	128,767	168,694	293,582	550,608	51,525	93,197	99,922	2	1,471,685
EXPENDITURES										
Public safety	89,226	-	-	-	-	-	-	-	-	89,226
Community development	-	287,394	156,146	395,853	-	50,757	104,428	-	131,468	1,126,046
Public facilities	-	-	-	-	541,893	-	-	54,729	-	596,622
Capital outlay	-	42,202	95,981	33,885	-	-	-	-	-	172,068
TOTAL EXPENDITURES	89,226	329,596	252,127	429,738	541,893	50,757	104,428	54,729	131,468	1,983,962
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,838)	(200,829)	(83,433)	(136,156)	8,715	768	(11,231)	45,193	(131,466)	(512,277)
OTHER FINANCING SOURCES (USES)										
Proceeds from sale of capital assets	-	-	-	513	-	-	-	-	-	513
Transfers in	-	145,000	100,000	149,700	-	-	-	-	62,500	457,200
Transfers out	-	(5,088)	-	-	(15,000)	-	-	(35,000)	-	(55,088)
TOTAL OTHER FINANCING SOURCES (USES)	-	139,912	100,000	150,213	(15,000)	-	-	(35,000)	62,500	402,625
NET CHANGE IN FUND BALANCES	(3,838)	(60,917)	16,567	14,057	(6,285)	768	(11,231)	10,193	(68,966)	(109,652)
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	(1,846)	635,480	73,173	40,623	74,091	52,473	86,828	19,425	(4,391)	975,856
FUND BALANCES (DEFICIT) - END OF YEAR	$ (5,684)	$ 574,563	$ 89,740	$ 54,680	$ 67,806	$ 53,241	$ 75,597	$ 29,618	$ (73,357)	$ 866,204

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL

CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	Redlight Enforcement			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 140,000	$ 140,000	$ 85,378	$ (54,622)
Interest earned	2,000	2,000	10	(1,990)
Total revenues	142,000	142,000	85,388	(56,612)
EXPENDITURES				
Public safety	142,000	142,000	89,226	52,774
Total expenditures	142,000	142,000	89,226	52,774
NET CHANGE IN FUND BALANCE	-	-	(3,838)	(3,838)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	(1,846)	(1,846)	(1,846)	-
FUND BALANCE (DEFICIT), END OF YEAR	$ (1,846)	$ (1,846)	$ (5,684)	$ (3,838)

CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	Downtown Development			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 118,020	$ 118,020	$ 110,963	$ (7,057)
Interest earned	18,540	18,540	15,248	(3,292)
Intergovernmental	-	-	2,124	2,124
Miscellaneous	-	-	432	432
Total revenues	136,560	136,560	128,767	(7,793)
EXPENDITURES				
Community development	273,560	288,900	287,394	1,506
Capital outlay	32,000	43,000	42,202	798
Total expenditures	305,560	331,900	329,596	2,304
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(169,000)	(195,340)	(200,829)	(5,489)
OTHER FINANCING SOURCES (USES)				
Transfers in	145,000	145,000	145,000	-
Transfers out	(8,000)	(6,660)	(5,088)	1,572
	137,000	138,340	139,912	1,572
NET CHANGE IN FUND BALANCE	(32,000)	(57,000)	(60,917)	(3,917)
FUND BALANCE, BEGINNING OF YEAR	635,480	635,480	635,480	-
FUND BALANCE, END OF YEAR	$ 603,480	$ 578,480	$ 574,563	$ (3,917)

CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	Community Development			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 13,500	$ 13,500	$ 152	$ (13,348)
Intergovernmental	745,000	745,000	138,458	(606,542)
Miscellaneous	-	-	28,107	28,107
Interest earned	100	100	1,977	1,877
Total revenues	758,600	758,600	168,694	(589,906)
EXPENDITURES				
Community development	228,600	228,600	156,146	72,454
Capital outlay	630,000	630,000	95,981	534,019
Total expenditures	858,600	858,600	252,127	606,473
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(100,000)	(100,000)	(83,433)	16,567
OTHER FINANCING SOURCES				
Transfers in	100,000	100,000	100,000	-
	100,000	100,000	100,000	-
NET CHANGE IN FUND BALANCE	-	-	16,567	16,567
FUND BALANCE, BEGINNING OF YEAR	73,173	73,173	73,173	-
FUND BALANCE, END OF YEAR	$ 73,173	$ 73,173	$ 89,740	$ 16,567

CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	Planning Commission			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 268,300	$ 268,300	$ 268,663	$ 363
Charges for services	24,000	24,000	22,423	(1,577)
Interest earned	1,000	1,000	45	(955)
Miscellaneous	-	-	2,451	2,451
Total revenues	293,300	293,300	293,582	282
EXPENDITURES				
Community development	420,000	420,000	395,853	24,147
Capital outlay	26,000	26,000	33,885	(7,885)
Total expenditures	446,000	446,000	429,738	16,262
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(152,700)	(152,700)	(136,156)	16,544
OTHER FINANCING SOURCES				
Proceeds from the sale of capital assets	-	-	513	
Transfers in	149,700	149,700	149,700	-
	149,700	149,700	150,213	-
NET CHANGE IN FUND BALANCE	(3,000)	(3,000)	14,057	17,057
FUND BALANCE, BEGINNING OF YEAR	40,623	40,623	40,623	-
FUND BALANCE, END OF YEAR	$ 37,623	$ 37,623	$ 54,680	$ 17,057

CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	Hotel/Motel Tax			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 552,000	$ 552,000	$ 550,540	$ (1,460)
Interest earned	300	300	68	(232)
Total revenues	552,300	552,300	550,608	(1,692)
EXPENDITURES				
Public facilities	517,300	542,300	541,893	407
Total expenditures	517,300	542,300	541,893	407
EXCESS OF REVENUES OVER EXPENDITURES	35,000	10,000	8,715	(1,285)
OTHER FINANCING USES				
Transfers out	(40,000)	(15,000)	(15,000)	-
	(40,000)	(15,000)	(15,000)	-
NET CHANGE IN FUND BALANCE	(5,000)	(5,000)	(6,285)	(1,285)
FUND BALANCE, BEGINNING OF YEAR	74,091	74,091	74,091	-
FUND BALANCE, END OF YEAR	$ 69,091	$ 69,091	$ 67,806	$ (1,285)

CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	Business Improvement District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 23,500	$ 24,500	$ 24,873	$ 373
Taxes	25,000	26,000	26,567	567
Interest earned	500	500	85	(415)
Total revenues	49,000	51,000	51,525	525
EXPENDITURES				
Community development	49,000	51,000	50,757	243
Total expenditures	49,000	51,000	50,757	243
NET CHANGE IN FUND BALANCE	-	-	768	768
FUND BALANCE, BEGINNING OF YEAR	52,473	52,473	52,473	-
FUND BALANCE, END OF YEAR	$ 52,473	$ 52,473	$ 53,241	$ 768

CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	Tax Allocation District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 60,000	$ 90,000	$ 93,059	$ 3,059
Interest earned	-	-	138	138
Total revenues	60,000	90,000	93,197	3,197
EXPENDITURES				
Community development	60,000	105,000	104,428	572
Total expenditures	60,000	105,000	104,428	572
NET CHANGE IN FUND BALANCE	-	(15,000)	(11,231)	3,769
FUND BALANCE, BEGINNING OF YEAR	86,828	86,828	86,828	-
FUND BALANCE, END OF YEAR	$ 86,828	$ 71,828	$ 75,597	$ 3,769

CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	Forum Parking Deck			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 75,000	$ 95,000	$ 99,812	$ 4,812
Interest earned	500	500	110	(390)
Total revenues	75,500	95,500	99,922	4,422
EXPENDITURES				
Public facilities	47,000	60,500	54,729	5,771
Total expenditures	47,000	60,500	54,729	5,771
EXCESS OF REVENUES OVER EXPENDITURES	28,500	35,000	45,193	10,193
OTHER FINANCING USES				
Transfers out	(28,500)	(35,000)	(35,000)	-
	(28,500)	(35,000)	(35,000)	-
NET CHANGE IN FUND BALANCE	-	-	10,193	10,193
FUND BALANCE, BEGINNING OF YEAR	19,425	19,425	19,425	-
FUND BALANCE, END OF YEAR	$ 19,425	$ 19,425	$ 29,618	$ 10,193

CITY OF ROME, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2010

	South Rome Redevelopment Agency			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Interest earned	$ 290	$ 290	2	$ (288)
Total revenues	290	290	2	(288)
EXPENDITURES				
Community development	68,790	131,800	131,468	332
Total expenditures	68,790	131,800	131,468	332
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(68,500)	(131,510)	(131,466)	44
OTHER FINANCING SOURCES				
Transfers in	68,500	62,500	62,500	-
	68,500	62,500	62,500	-
NET CHANGE IN FUND BALANCE	-	(69,010)	(68,966)	44
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	(4,391)	(4,391)	(4,391)	-
FUND BALANCE (DEFICIT), END OF YEAR	$ (4,391)	$ (73,401)	$ (73,357)	$ 44

SPECIAL REPORTS

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS

CITY OF ROME, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
For the Year Ended December 31, 2010

Project	Total Allocated Splost Costs (Unaudited)	Total Allocated Splost Costs Adjusted (Unaudited)	Expenditures			Estimated Percentage of Completion (Unaudited)
			Prior Years	Current Year	Total	
1996 SPLOST						
Fire Stations:						
John Davenport	$ 350,000	$ 413,134	$ 413,134	$ -	$ 413,134	100%
Woods Road	400,000	484,968	484,968	-	484,968	100%
Wilshire Road	350,000	417,960	417,960	-	417,960	100%
Armuchee	450,000	528,158	528,158	-	528,158	100%
Wax Road	450,000	450,000	475	-	475	<1%
Burnett Ferry	450,000	574,696	574,696	-	574,696	100%
	2,450,000	2,868,916	2,419,391	-	2,419,391	
2006 SPLOST						
Second Avenue Levee	1,955,000	1,955,000	652,130	1,335,310	1,987,440	99%
Boys/Girls Club	2,000,000	2,000,000	2,125,800	-	2,125,800	100%
North Fifth Avenue Turn Lane	550,000	550,000	506,352	1,067	507,419	100%
North Broad Turn Lane	330,000	330,000	214,645	-	214,645	100%
Rome High Access Road	2,900,000	2,900,000	237,699	1,051,588	1,289,287	60%
BioSolids Disposal	5,200,000	5,200,000	4,682,967	328,059 **(A)**	5,011,026	100%
Renovate Marine Armory	1,600,000	1,600,000	43,650	1,519,498	1,563,148	95%
Redmond Road Turn Lane	1,470,000	1,470,000	282,013	119,174	401,187	33%
Fire Training Facility	500,000	500,000	547,555	-	547,555	100%
Turner McCall Bridge	2,000,000	2,000,000	-	-	-	0%
River Education Center	834,825	834,825	653,715	219,737	873,452	99%
South Broad Corridor	2,000,000	2,000,000	185,398	725,849	911,247	50%
North Rome Swim Center	530,000	530,000	512,621	-	512,621	100%
New Tennis Courts	600,000	600,000	6,431	-	6,431	1%
City Park Practice Fields	200,000	200,000	174,908	-	174,908	100%
Town Green	1,690,000	1,690,000	1,636,702	48,116	1,684,818	100%
City Hall/Carnegie Repairs	1,500,000	1,500,000	893,673	94,826	988,499	75%
	25,859,825	25,859,825	13,356,259	5,443,224	18,799,483	

continued

CITY OF ROME, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
December 31, 2010

Project	Total Allocated Splost Costs (Unaudited)	Total Allocated Splost Costs Adjusted (Unaudited)	Expenditures			Estimated Percentage of Completion (Unaudited)
			Prior Years	Current Year	Total	
2009 SPLOST						
Barron Stadium	3,369,000	3,369,000	-	1,874,778	1,874,778	50%
NWGRC Building	1,899,631	1,899,631	-	97,751	97,751	5%
Fire Station Improvements	4,000,000	4,000,000	-	33,599 **(A)**	33,598	2%
	9,268,631	9,268,631	-	2,006,127	2,006,127	
Total Projects	$ 37,578,456	$ 37,997,372	$ 15,775,650	$ 7,449,351	$ 23,225,001	
Fire Station Renovations (Floyd County SPLOST)			578,604	-	578,604	
Total SPLOST Expenditures			$ 16,354,254	$ 7,449,351	$ 23,803,605	

Reconcilaition to Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Special Local Option Sales Tax Fund

Total Expenditures	$ 7,087,693	
Transfers out	361,658	**(A)**
	$ 7,449,351	

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

NONMAJOR PROPRIETARY FUNDS
ENTERPRISE FUNDS

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

Transit Fund – to account for the provision of transit services to residents of the City.

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

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

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

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

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2010

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 78,278	$ 318,877	$ 73,642	$ 31,200	$ 395,900	$ 897,897
Restricted cash	-	141,500	-	-	368,470	509,970
Accounts receivable, net of allowance for uncollectibles	-	-	174,337	-	-	174,337
Due from other governments	193,184	4,650	-	-	-	197,834
Due from other funds	87,358	3,021	9,421	5,883	803	106,486
Due from component units	-	267	22	43	-	332
Prepaid items	-	-	-	1,735	-	1,735
Inventories	293,420	-	-	17,462	-	310,882
Total current assets	652,240	468,315	257,422	56,323	765,173	2,199,473
Non-current Assets:						
Deferred bond issuance, net of accumulated amortization	-	-	-	152,744	29,094	181,838
Capital assets:						
Non-depreciable assets	334,600	-	-	4,609,653	550,000	5,494,253
Depreciable assets, net of accumulated depreciation	2,641,609	3,185	1,527,410	218,350	1,852,393	6,242,947
Total long-term assets	2,976,209	3,185	1,527,410	4,980,747	2,431,487	11,919,038
TOTAL ASSETS	3,628,449	471,500	1,784,832	5,037,070	3,196,660	14,118,511

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2010

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
LIABILITIES						
Current Liabilities:						
Revenue bonds, current	$ -	$ -	$ -	$ 240,000	$ 484,966	$ 724,966
Accounts payable	26,421	972	46,812	29,720	569	104,494
Accrued liabilities	29,467	142,438	22,770	106,568	6,100	307,343
Due to other funds	28,640	19,208	503,401	1,291	24	552,564
Due to component unit	-	-	-	100	-	100
Unearned revenue	-	-	-	-	57,797	57,797
Compensated absences, current	52,914	19,870	63,947	-	-	136,731
Total current liabilities	137,442	182,488	636,930	377,679	549,456	1,883,995
Long-term Liabilities:						
Revenue bonds, long-term, net	-	-	-	4,364,497	1,040,728	5,405,225
Advances due to Capital Fund	-	-	1,102,773	-	-	1,102,773
Compensated absences, long term	17,638	6,623	21,316	-	-	45,577
Total long-term liabilities	17,638	6,623	1,124,089	4,364,497	1,040,728	6,553,575
TOTAL LIABILITIES	155,080	189,111	1,761,019	4,742,176	1,590,184	8,437,570
NET ASSETS						
Invested in capital assets, net of related debt	2,976,209	3,185	1,527,410	223,506	876,699	5,607,009
Restricted for debt service	-	-	-	-	368,470	368,470
Unrestricted	497,160	279,204	(1,503,597)	71,388	361,307	(294,538)
TOTAL NET ASSETS	$ 3,473,369	$ 282,389	$ 23,813	$ 294,894	$ 1,606,476	$ 5,680,941

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2010

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
OPERATING REVENUES						
Charges for services	$ 1,396,315	$ 699,564	$ 1,650,327	$ 787,995	$ 693,559	$ 5,227,760
Miscellaneous	651	2,684	2,588	13,499	-	19,422
TOTAL OPERATING REVENUES	1,396,966	702,248	1,652,915	801,494	693,559	5,247,182
OPERATING EXPENSES						
Cost of goods sold	-	-	-	73,149	-	73,149
Salaries and employee benefits	1,908,559	660,137	2,115,460	451,089	-	5,135,245
Supplies	332,254	22,514	206,621	150,970	51,277	763,636
Maintenance and repairs	94,049	4,001	159,507	37,940	13,080	308,577
Operating services and charges	326,878	143,950	601,026	245,286	27,030	1,344,170
Depreciation	429,847	8,834	218,226	61,854	209,705	928,466
TOTAL OPERATING EXPENSES	3,091,587	839,436	3,300,840	1,020,288	301,092	8,553,243
OPERATING INCOME (LOSS)	(1,694,621)	(137,188)	(1,647,925)	(218,794)	392,467	(3,306,061)
NON-OPERATING INCOME (EXPENSE)						
Intergovernmental	557,962	-	-	-	-	557,962
Interest income	95	1,020	390	718	1,835	4,058
Interest expense	-	-	(3,085)	(235,638)	(93,472)	(332,195)
Gain (loss) on sale of capital assets	-	-	(33,088)	-	-	(33,088)
TOTAL NON-OPERATING INCOME (EXPENSE)	558,057	1,020	(35,783)	(234,920)	(91,637)	196,737
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(1,136,564)	(136,168)	(1,683,708)	(453,714)	300,830	(3,109,324)

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2010

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
Transfers in	$ 537,851	$ 10,000	$ 1,883,500	$ 605,201	$ -	$ 3,036,552
Transfers out	(47,500)	-	-	-	-	(47,500)
Capital contributions	1,033,743	-	-	-	-	1,033,743
	1,524,094	10,000	1,883,500	605,201	-	4,022,795
CHANGE IN NET ASSETS	387,530	(126,168)	199,792	151,487	300,830	913,471
NET ASSETS (DEFICIT) - BEGINNING OF YEAR	3,085,839	408,557	(175,979)	143,407	1,305,646	4,767,470
NET ASSETS - END OF YEAR	$ 3,473,369	$ 282,389	$ 23,813	$ 294,894	$ 1,606,476	$ 5,680,941

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2010

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 1,397,274	$ 697,598	$ 1,634,967	$ 797,083	$ 693,559	$ 5,220,481
Receipts from interfund services provided	-	38,429	26,513	197	-	65,139
Payments to suppliers	(995,188)	(169,992)	(981,510)	(458,998)	(78,565)	(2,684,253)
Payments to employees	(1,911,359)	(657,206)	(2,091,192)	(451,089)	-	(5,110,846)
Payments for interfund services used	(143,007)	-	(37,639)	(5,919)	-	(186,565)
Net cash provided (used) by operating activities	(1,652,280)	(91,171)	(1,448,861)	(118,726)	614,994	(2,696,044)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer from other funds	537,851	10,000	1,883,500	605,201	-	3,036,552
Transfer to other funds	(47,500)	-	-	-	-	(47,500)
Advances from other funds	-	-	1,157,150	-	-	1,157,150
Repayment of advances from other funds	-	-	(286,927)	-	-	(286,927)
Subsidy from federal grant	775,743	-	-	-	-	775,743
Net cash provided by noncapital financing activities	1,266,094	10,000	2,753,723	605,201	-	4,635,018
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	1,033,743	-	-	-	-	1,033,743
Purchases of capital assets	(570,763)	-	(1,203,280)	-	-	(1,774,043)
Proceeds from the sale of capital assets	-	-	14,049	-	-	14,049
Principal paid on capital debt	-	-	(64,289)	(250,000)	(459,968)	(774,257)
Interest paid on capital debt	-	-	(3,085)	(235,638)	(93,472)	(332,195)
Net cash provided (used) by capital and related financing activities	462,980	-	(1,256,605)	(485,638)	(553,440)	(1,832,703)

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2010

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	95	1,020	390	718	1,835	4,058
Net cash provided by investing activities	95	1,020	390	718	1,835	4,058
Net increase (decrease) in cash and cash equivalents	76,889	(80,151)	48,647	1,555	63,389	110,329
Cash and cash equivalents, January 1	1,389	540,528	24,995	29,645	700,981	1,297,538
Cash and cash equivalents, December 31	$ 78,278	$ 460,377	$ 73,642	$ 31,200	$ 764,370	$ 1,407,867
Reconciliation of Cash and Cash Equivalents:						
Cash and cash equivalents	$ 78,278	$ 318,877	$ 73,642	$ 31,200	$ 395,900	$ 897,897
Cash and cash equivalents - restricted	-	141,500	-	-	368,470	509,970
Total cash and cash equivalents	$ 78,278	$ 460,377	$ 73,642	$ 31,200	$ 764,370	$ 1,407,867

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2010

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	$ (1,694,621)	$ (137,188)	$ (1,647,925)	$ (218,794)	$ 392,467	$ (3,306,061)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	429,847	8,834	218,226	61,854	209,705	928,466
Amortization expense	-	-	-	26,541	14,547	41,088
(Increase) decrease in accounts receivable	-	(4,650)	(17,948)	-	-	(22,598)
(Increase) decrease in due from other governments	308	-	-	-	-	308
(Increase) decrease in due from other funds	(20,161)	24,000	26,513	(5,919)	-	24,433
(Increase) decrease in prepaid items	-	1,778	-	6,615	-	8,393
(Increase) decrease in inventories	(60,784)	-	-	1,385	-	(59,399)
Increase (decrease) in accounts payable and accrued liabilities	(181,223)	(1,305)	(14,356)	13,806	(1,725)	(184,803)
Increase (decrease) in compensated absences payable	(2,800)	2,931	24,268	-	-	24,399
Increase (decrease) in unearned revenue	-	-	-	(4,411)	-	(4,411)
Increase (decrease) in due to other funds	(122,846)	14,429	(37,639)	197	-	(145,859)
Total adjustments	42,341	46,017	199,064	100,068	222,527	610,017
Net cash provided (used) by operating activities	$ (1,652,280)	$ (91,171)	$ (1,448,861)	$ (118,726)	$ 614,994	$ (2,696,044)

INTERNAL SERVICE FUNDS

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

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

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

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
December 31, 2010

	Health Insurance Fund	Workers' Compensation Fund	Total
ASSETS			
Cash and cash equivalents	$ 3,564,540	$ 202,769	$ 3,767,309
Accounts receivable, net	35,454	-	35,454
Due from other funds	631,719	-	631,719
Due from other governments	-	430,197	430,197
Due from component unit	2,845	-	2,845
TOTAL ASSETS	4,234,558	632,966	4,867,524
LIABILITIES			
Current Liabilities			
Accounts payable	4,632	40,584	45,216
Accrued liabilities	156	-	156
Claims payable	350,000	170,000	520,000
Due to other funds	13,243	-	13,243
TOTAL LIABILITIES	368,031	210,584	578,615
NET ASSETS			
Unrestricted	3,866,527	422,382	4,288,909
TOTAL NET ASSETS	$ 3,866,527	$ 422,382	$ 4,288,909

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2010

	Health Insurance Fund	Workers' Compensation Fund	Total
OPERATING REVENUES			
Charges for services	$ 6,153,403	$ 1,251,560	$ 7,404,963
TOTAL OPERATING REVENUES	6,153,403	1,251,560	7,404,963
OPERATING EXPENSES			
Salaries and employee benefits	72,556	-	72,556
Other services and charges	300,139	809,263	1,109,402
Claims	4,352,062	762,187	5,114,249
Administrative fees	666,095	-	666,095
TOTAL OPERATING EXPENSES	5,390,852	1,571,450	6,962,302
OPERATING INCOME (LOSS)	762,551	(319,890)	442,661
NON-OPERATING INCOME			
Intergovernmental	-	368,458	368,458
Interest income	8,832	277	9,109
INCOME BEFORE TRANSFERS	771,383	48,845	820,228
Transfers Out	(95,000)	(25,000)	(120,000)
CHANGE IN NET ASSETS	676,383	23,845	700,228
NET ASSETS - BEGINNING OF YEAR	3,190,144	398,537	3,588,681
NET ASSETS - END OF YEAR	$ 3,866,527	$ 422,382	$ 4,288,909

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2010

	Health Insurance Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 6,581,225	$ 1,104,844	$ 7,686,069
Payments for interfund services provided	59,414	-	59,414
Payments to suppliers	(955,026)	(838,217)	(1,793,243)
Payments to employees	(72,556)	-	(72,556)
Claims paid	(4,952,062)	(762,187)	(5,714,249)
Net cash provided (used) by operating activities	660,995	(495,560)	165,435
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Intergovermental revenue	-	368,458	368,458
Transfer out	(95,000)	(25,000)	(120,000)
Net cash provided (used) by non capital financing activities	(95,000)	343,458	248,458
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	8,832	277	9,109
Net cash provided by investing activities	8,832	277	9,109
Net increase (decrease) in cash and cash equivalents	574,827	(151,825)	423,002
Cash and cash equivalents, January 1	2,989,713	354,594	3,344,307
Cash and cash equivalents, December 31	$ 3,564,540	$ 202,769	$ 3,767,309
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ 762,551	$ (319,890)	$ 442,661
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
(Increase) decrease in accounts receivable	427,822	(146,716)	281,106
(Increase) decrease in prepaids	10,154	-	10,154
(Increase) decrease in due from other funds	67,030	-	67,030
(Increase) decrease in accounts and claims payable	(598,946)	(28,954)	(627,900)
(Increase) decrease in due to other funds	(7,616)	-	(7,616)
Total adjustments	(101,556)	(175,670)	(277,226)
Net cash provided (used) by operating activities	$ 660,995	$ (495,560)	$ 165,435

COMPONENT UNIT
GREATER ROME CONVENTION & VISITORS BUREAU

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

CITY OF ROME, GEORGIA
BALANCE SHEET
COMPONENT UNIT- GREATER ROME CONVENTION & VISITORS BUREAU
December 31, 2010

	Greater Rome Convention & Visitors Bureau
ASSETS	
Cash	$ 8,199
Accounts Receivable, net of allowance	27,083
Due from other governments	7,460
Due from primary government	23,950
Total assets	$ 66,692
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 20,827
Accrued liabilities	831
Due to primary government	6,431
Total liabilities	28,089
FUND BALANCE	
Undesignated	38,603
Total fund balance	38,603
TOTAL LIABILITIES AND FUND BALANCE	$ 66,692

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT- GREATER ROME CONVENTION & VISITORS BUREAU
For the Year Ended December 31, 2010

	Greater Rome Convention & Visitors Bureau
REVENUES	
Intergovernmental	$ 465,500
Interest earned	70
Contributions	159,504
TOTAL REVENUES	625,074
EXPENDITURES	
Personal services	371,944
Supplies	15,716
Other services and charges	245,824
TOTAL EXPENDITURES	633,484
NET CHANGE IN FUND BALANCE	(8,410)
FUND BALANCE - BEGINNING OF YEAR	47,013
FUND BALANCE - END OF YEAR	$ 38,603

STATISTICAL SECTION

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

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

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

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

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

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

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

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

	Fiscal Year							
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Governmental activities								
Invested in capital assets, net of related debt	$ 83,080	$ 88,931	$ 85,540	$ 89,494	$ 99,276	$ 108,946	$ 109,793	$ 117,293
Restricted	4,190	4,059	326	326	631	675	745	2,863
Unrestricted	10,486	11,421	21,444	21,976	21,943	20,722	20,075	17,496
Total governmental activities net assets	$ 97,756	$ 104,411	$ 107,310	$ 111,796	$ 121,850	$ 130,343	$ 130,613	$ 137,652
Business - type activities								
Invested in capital assets, net of related debt	$ 66,758	$ 68,369	$ 75,743	$ 112,572	$ 114,969	$ 116,571	$ 120,303	$ 122,951
Restricted	-	-	582	249	284	295	355	368
Unrestricted	1,951	5,407	22,276	(6,294)	(4,556)	38	2,123	5,011
Total business - type activities net assets	$ 68,709	$ 73,776	$ 98,601	$ 106,527	$ 110,697	$ 116,904	$ 122,781	$ 128,330
Primary government								
Invested in capital assets, net of related debt	$ 149,838	$ 157,300	$ 161,283	$ 202,066	$ 214,245	$ 225,517	$ 230,096	$ 240,244
Restricted	4,190	4,059	908	575	915	970	1,100	3,231
Unrestricted	12,437	16,828	43,720	15,682	17,387	20,760	22,198	22,507
Total primary government net assets	$ 166,465	$ 178,187	$ 205,911	$ 218,323	$ 232,547	$ 247,247	$ 253,394	$ 265,982

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

	Fiscal Year							
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Expenses:								
Governmental activities:								
General Government	$ 3,453	$ 3,673	$ 3,248	$ 3,446	$ 3,555	$ 5,681	$ 3,459	$ 3,726
Public Safety	6,924	6,932	7,228	7,605	7,416	8,752	8,330	7,659
Public Works	11,957	7,360	8,459	9,019	8,564	10,590	9,902	8,881
Public Facilities	1,149	880	1,068	1,316	1,121	1,194	1,259	1,381
Public Services	733	131	399	420	278	516	447	397
Community Development	1,129	1,365	1,218	1,568	1,028	1,178	1,088	1,759
Education	1,214	758	898	1,059	1,080	1,114	1,183	1,185
Interest on Debt	282	88	249	326	246	320	369	241
Total governmental activities expenses	26,841	21,187	22,767	24,759	23,288	29,345	26,037	25,229
Business - type activities:								
Water and Sewer	12,526	14,295	14,353	14,711	16,899	17,201	17,631	17,279
Fire	8,501	9,126	9,143	9,411	10,316	10,474	10,247	10,249
Solid Waste Commission	3,730	3,158	3,907	2,270	3,309	2,104	2,466	1,988
Transit	2,312	2,397	2,460	2,843	3,107	3,236	2,970	3,092
Building Inspection	681	748	776	849	946	894	774	839
Solid Waste Management	3,038	3,136	3,391	3,598	3,810	3,751	3,463	3,304
Municipal Golf Fund	1,367	1,436	1,525	1,557	1,540	1,440	1,294	1,256
Public Facilities	547	536	524	492	447	456	408	394
Total business - type activities expenses	32,702	34,832	36,079	35,731	40,374	39,556	39,253	38,401
Total primary government expenses	$ 59,543	$ 56,019	$ 58,846	$ 60,490	$ 63,662	$ 68,901	$ 65,290	$ 63,630
Program Revenues								
Governmental activities:								
Charges for services:								
General Government	$ 1,346	$ 1,803	$ 1,509	$ 1,569	$ 1,823	$ 1,972	$ 1,879	$ 1,880
Public Safety	1,431	1,420	1,668	1,512	1,779	1,886	1,667	1,581
Public Works	170	312	302	378	-	-	-	-
Public Facilities	44	51	71	90	-	-	-	-
Community Development	46	57	-	259	236	180	258	258
Education	-	-	173	-	-	-	-	-
Operating grants and contributions	449	3,094	312	343	1,024	1,842	1,123	711
Capital grants and contributions	2,916	6,660	10,191	6,530	8,741	13,432	7,580	11,259
Total governmental activities program revenues	6,402	13,397	14,226	10,681	13,603	19,312	12,507	15,689
Business - type activities:								
Charges for services:								
Water and Sewer	16,236	18,312	17,921	18,571	20,071	19,540	19,856	21,403
Fire	4,374	4,527	4,678	4,856	5,063	5,254	5,318	5,351
Solid Waste Commission	3,428	4,071	3,600	2,281	2,311	2,597	2,936	2,550
Transit	611	692	951	1,193	1,172	1,303	1,456	1,397
Building Inspection	702	831	741	781	790	937	1,038	702
Solid Waste Management	1,089	1,107	1,276	1,392	1,477	1,471	1,521	1,653
Municipal Golf Fund	781	884	991	1,057	1,006	925	760	801
Public Facilities	603	603	603	603	648	694	694	694
Operating grants and contributions	511	568	643	701	458	461	517	708
Capital grants and contributions	818	640	1,494	1,916	1,640	1,365	1,165	1,034
Total business- type activities program revenues	29,153	32,235	32,898	33,351	34,636	34,547	35,261	36,293
Total primary government program revenues	$ 35,555	$ 45,632	$ 47,124	$ 44,032	$ 48,239	$ 53,859	$ 47,768	$ 51,982

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Net (expense)/ revenue								
Governmental activities	$ (20,439)	$ (7,790)	$ (8,541)	$ (14,078)	$ (9,685)	$ (10,033)	$ (13,530)	$ (9,539)
Business- type activities	(3,549)	(2,597)	(3,181)	(2,380)	(5,738)	(5,009)	(3,992)	(2,108)
Total primary government net expense	$ (23,988)	$ (10,387)	$ (11,722)	$ (16,458)	$ (15,423)	$ (15,042)	$ (17,522)	$ (11,647)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes	$ 8,930	$ 9,486	$ 9,702	$ 10,441	$ 10,048	$ 8,683	9,662	10,007
Sales taxes	5,571	6,094	6,483	8,709	10,242	12,570	6,128	5,980
Other taxes	5,840	5,546	6,361	6,686	7,252	7,306	7,085	7,188
Gain on Sale of Capital Assets	15	-	521	-	218	2	-	-
Interest Earnings	52	83	449	578	731	594	562	654
Miscellaneous	353	22	227	221	309	177	109	150
Transfers	(3,331)	(6,785)	(6,773)	(9,059)	(9,061)	(10,807)	(9,745)	(7,401)
Total governmental activities	17,430	14,446	16,970	17,576	19,739	18,525	13,801	16,578
Business- type activities:								
Sales taxes	-	-	8,150	-	-	-	-	-
Gain on Sale of Capital Assets	93	217	15	37	12	71	27	50
Investment earnings	117	542	1,090	1,209	835	339	59	42
Miscellaneous	307	93	8	-	-	-	37	165
Transfers	6,700	6,812	6,773	9,059	9,061	10,807	9,745	7,401
Total business- type activities	7,217	7,664	16,036	10,305	9,908	11,217	9,868	7,658
Total primary government	$ 24,647	$ 22,110	$ 33,006	$ 27,881	$ 29,647	$ 29,742	$ 23,669	$ 24,236
Change in Net Assets								
Governmental activities	$ (3,009)	$ 6,656	$ 8,429	$ 3,498	$ 10,054	$ 8,492	271	7,038
Business- type activities	3,668	5,067	12,855	7,925	4,170	6,208	5,876	5,549
Total primary government	$ 659	$ 11,723	$ 21,284	$ 11,423	$ 14,224	$ 14,700	$ 6,147	$ 12,587

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund										
Reserved	$ 486	$ 527	$ 551	$ 593	$ 597	$ 776	$ 816	$ 869	$ 856	$ 915
Unreserved	9,549	9,360	9,281	9,409	11,007	11,261	11,114	10,575	9,652	10,096
Total general fund	$ 10,035	$ 9,887	$ 9,832	$ 10,002	$ 11,604	$ 12,037	$ 11,930	$ 11,444	$ 10,508	$ 11,011
All other governmental funds										
Reserved	$ 1,184	$ 1,373	$ 203	$ 4	$ 2,623	$ 2,399	$ 2,653	$ 2,179	$ 5,284	$ 4,978
Unreserved, reported in:										
Special revenue funds	(160)	226	-	124	520	445	403	303	152	125
Capital projects funds	-	-	1,172	1,647	3,638	3,422	3,352	4,358	1,989	1,633
Total all other governmental funds	$ 1,024	$ 1,599	$ 1,375	$ 1,775	$ 6,781	$ 6,266	$ 6,408	$ 6,840	$ 7,425	$ 6,736

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	$ 19,022	$ 19,539	$ 20,310	$ 21,175	$ 22,540	$ 25,844	$ 27,525	$ 28,385	$ 22,358	$ 23,053
Licenses and permits	1,283	1,333	1,375	1,524	1,500	1,582	1,599	1,738	1,675	1,681
Intergovernmental	2,020	1,637	701	696	1,883	2,790	3,916	3,495	8,462	9,911
Charges for services	22	32	221	416	549	682	674	538	586	542
Grant revenue	-	-	518	600	-	-	-	-	-	-
Fines	1,443	1,323	1,431	1,290	1,478	1,331	1,565	1,762	1,543	1,496
Investment earnings	-	-	52	83	449	578	732	594	562	654
Miscellaneous	903	616	388	3,505	172	147	309	216	109	150
Total revenues	24,693	24,480	24,996	29,289	28,571	32,954	36,320	36,728	$ 35,295	$ 37,487
Expenditures										
General government	2,652	2,605	2,460	2,574	3,070	3,351	3,491	3,584	3,478	3,313
Public safety	5,572	5,769	6,100	6,343	6,782	7,140	7,493	7,688	7,523	7,414
Public works	4,364	4,490	4,717	4,939	5,306	5,557	5,531	5,858	5,586	5,430
Public facilities	462	458	307	332	836	880	926	937	959	1,023
Public services	585	594	616	64	395	436	458	456	391	379
Community development	1,580	765	760	799	764	825	1,024	1,172	1,072	1,126
Other services and charges	315	578	377	840	-	-	-	-	-	-
Intergovernmental	233	200	150	143	-	-	-	-	-	-
Claims paid	106	98	-	-	-	-	-	-	-	-
Capital outlay	1,681	2,084	2,549	3,273	3,357	5,363	8,303	5,928	6,762	11,165
Debt service										
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Principal	3,318	3,421	3,646	2,927	69	71	91	78	198	262
Interest	690	520	337	146	249	326	246	320	245	245
Total expenditures	21,558	21,582	22,019	22,380	20,828	23,949	27,563	26,021	26,214	30,357
Excess of revenues over (under) expenditures	3,135	2,898	2,977	6,909	7,743	9,005	8,757	10,707	9,081	7,130

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other financing sources (uses)										
Transfers in	1,950	2,112	1,959	2,380	2,179	2,249	3,654	3,205	2,019	1,847
Transfers out	(7,813)	(8,440)	(8,668)	(9,165)	(8,952)	(11,308)	(12,714)	(14,012)	(11,764)	(9,248)
Transfers to component units	(8,317)	(360)	(375)	-	-	-	-	-	-	-
Transfers from component units	3,793	3,776	3,754	-	-	-	-	-	-	-
Proceeds from sale of bonds/notes	-	-	-	-	-	-	-	-	300	-
Capital leases	221	441	73	448	620	110	-	-	-	-
Sale of capital assets	-	-	-	-	-	23	338	47	13	85
Total other financing sources (uses)	(10,166)	(2,471)	(3,257)	(6,337)	(6,153)	(8,926)	(8,722)	(10,760)	(9,432)	(7,316)
Net change in fund balances	$ (7,031)	$ 427	$ (280)	$ 572	$ 1,590	$ 79	$ 35	$ (53)	$ (351)	$ (186)
Debt service as a percentage of noncapital expenditures	20.1%	20.2%	20.4%	25.7%	1.8%	2.0%	1.9%	2.2%	2.3%	2.7%

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

Fiscal Year	Property Tax		Sales Tax	Franchise Tax	Insurance Premium Tax	Alcoholic Beverage Tax	Other Taxes	Total
2001	7,140		5,592	2,406	1,271	841	1,772	19,022
2002	7,441		5,692	2,454	1,394	831	1,727	19,539
2003	8,048		5,571	2,491	1,503	848	1,849	20,310
2004	8,399		6,094	2,442	1,628	857	1,755	21,175
2005	8,662		6,484	2,807	1,752	836	1,999	22,540
2006	10,134	*	8,709	2,973	1,833	834	1,361	25,844
2007	10,257	*	10,242	3,166	1,912	857	1,091	27,525
2008	9,815	*	12,569	3,373	1,958	871	36	28,622
2009	9,372		6,128	3,192	1,939	861	866	22,358
2010	10,207		6,029	3,352	1,883	825	757	23,053
% change between 2001 & 2010	42.95%		7.81%	39.32%	48.15%	-1.90%	-57.27%	21.19%

(*) Includes Special Purpose Local Option Sales Tax.

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

Year	Real Property		Personal Property	Public Utilities	Motor Vehicles	Mobile Homes	Total Assessed Value City		Less School Tax Exemption	Total Assessed Value School	Total Direct Tax Rate *	Estimated Actual Value	Assessed Value to Estimated Actual Value
2001	579,718,068	(2)	192,232,826	25,172,692	69,914,938	117,501	867,156,023		(17,828,104)	849,327,919	23.33	2,123,319,802	40%
2002	612,419,119		171,457,195	23,926,804	71,020,473	117,089	878,940,680		(18,951,556)	859,989,124	23.98	2,149,972,810	40%
2003	637,357,052		173,963,932	25,890,000	72,821,900	113,540	909,602,250	(3)	(51,290,256)	864,972,386	24.60	2,162,430,965	40%
2004	680,968,036		172,075,125	22,275,000	72,715,870	188,399	948,222,430		(63,159,822)	903,668,752	24.70	2,259,171,880	40%
2005	714,751,021		188,013,500	23,613,000	72,071,960	207,546	998,657,027		(65,263,380)	960,343,305	24.58	2,400,858,263	40%
2006	765,223,983		196,925,161	25,439,000	67,836,580	204,266	1,055,628,990		(67,313,704)	1,023,822,767	24.45	2,559,556,918	40%
2007	801,947,393		197,628,142	27,215,000	76,976,990	179,621	1,103,947,146		(69,130,918)	1,074,634,142	24.43	2,686,585,355	40%
2008	839,467,255		189,522,031	26,486,216	77,543,520	169,428	1,133,188,450		(70,163,632)	1,109,377,341	24.43	2,773,443,353	40%
2009	855,730,720		188,100,111	26,556,590	77,936,110	176,001	1,148,499,532		(71,744,994)	1,120,352,248	24.42	2,800,880,620	40%
2010	830,471,450		184,221,556	26,023,717	68,205,850	172,014	1,109,094,587		(71,811,792)	1,076,618,794	26.15	2,691,546,985	40%

Source-Floyd County Tax Assessors Office

(1) Denotes change in tax assessment calculation from prior years
(2) Personal Property assessments declined due to large mfg company closed
(3) School Tax Exemptions increased to reflect new changes in state law

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

* Includes General, Capital and School Tax Rates

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

	City of Rome				Overlapping Rates			
Year	General Fund	Capital Fund	Debt Service	City Schools	Direct Rate	Floyd County	State of Georgia	Total
2001	6.70	1.65	* -	14.98	23.33	8.505	0.25	32.09
2002	6.80	1.64	-	15.54	23.98	8.100	0.25	32.33
2003	6.80	1.87	-	15.93	24.60	8.200	0.25	33.05
2004	6.79	1.87	-	16.04	24.70	8.200	0.25	33.15
2005	6.68	1.90	-	16.00	24.58	7.968	0.25	32.80
2006	6.60	1.85	-	16.00	24.45	7.968	0.25	32.67
2007	6.58	1.90	-	15.95	24.43	8.100	0.25	32.78
2008	6.63	1.85	-	15.95	24.43	8.767	0.25	33.45
2009	6.67	1.85	-	15.90	24.42	8.767	0.25	33.44
2010	6.80	1.90	-	17.45	26.15	8.767	0.25	35.17

Source-City of Rome Finance Department
Floyd County Finance Office

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

City of Rome, Georgia
Principal Property Taxpayers
December 31, 2010
(amounts expressed in thousands)

	2010			2001		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Redmond Regional Medical Center	$ 29,274	1	2.64%	$ 24,848	2	2.72%
Harbin Properties, LLC	20,977	2	1.89%			
Walmart Stores	16,384	3	1.48%			
Larry Martin	15,599	4	1.41%	11,365	6	1.25%
Georgia Power	13,742	5	1.24%			
Bekaert Corporation	16,797	6	1.51%	30,152	1	3.31%
Kelloggs Company	11,703	7	1.06%	15,209	4	1.67%
Southeastern Mills	14,228	8	1.28%	10,535	7	1.15%
River Rooks Partners, LLC	8,256	9	0.74%			
Bellsouth / AT&T	7,565	10	0.68%			
Image Industries				17,905	3	1.96%
Alladin Manufacturing				11,553	5	1.27%
Crown America Properties				10,054	8	1.10%
Metaldyne-Rome Facitlity				7,967	9	0.87%
General Electric				7,562	10	0.82%
Totals	$ 154,525		13.9%	$ 147,150		16.12%

Source-Floyd County Tax Assessor Office

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	17,702	16,275	91.9%	1,416	17,691	99.9%
2002	18,825	17,448	92.7%	1,354	18,802	99.9%
2003	19,862	18,530	93.3%	1,310	19,840	99.9%
2004	20,990	19,240	91.7%	1,690	20,930	99.7%
2005	22,019	20,188	91.7%	1,756	21,944	99.7%
2006	23,544	21,492	91.3%	1,833	23,325	99.1%
2007	24,528	23,067	94.0%	1,046	24,113	98.3%
2008	25,372	** 21,661	85.4%	143	21,804	85.9%
2009	25,513	22,395	87.8%	* 1,366	23,761	93.1%
2010	26,281	23,044	87.7%		23,044	87.7%

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

* Includes Homestead Tax

Source: City of Rome Analysis of Adjusted Tax Digest and Tax Collections
City of Rome Finance Department

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

	Governmental Activities				Business- Type Activities					
Fiscal Year	General Obligation Bonds	Notes Payable	Certificates of Participation	Capital Leases	Bonded Debt	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
2001	9,345		-	318	51,390	5,829	2,836	69,718	7.90%	1,946
2002	6,080		-	602	48,355	6,457	2,757	64,251	7.03%	1,771
2003	2,655		-	453	45,175	5,481	2,509	56,273	6.00%	1,546
2004	-		-	630	75,805	5,389	2,234	84,058	8.51%	2,307
2005	-		4,527	223	82,030	5,085	703	92,568	9.24%	2,543
2006	-		4,527	261	77,965	4,770	897	88,420	8.57%	2,424
2007	-		4,527	170	73,695	7,498	968	86,858	8.16%	2,382
2008	-	4,923	4,527	92	69,235	10,393	695	89,865	8.07%	2,424
2009	-	5,782	4,527	27	65,451	9,824	415	86,026	7.53%	2,380
2010	-	5,547	4,527	-	60,813	9,224	228	80,339	6.89%	2,194

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

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

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

Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property **	Per Capita ***
2001	9,345	-	9,345	1.1	267
2002	6,080	-	6,080	0.7	174
2003	2,655	-	2,655	0.3	75
2004	-	-	-	N/A	N/A
2005	-	-	-	N/A	N/A
2006	-	-	-	N/A	N/A
2007	-	-	-	N/A	N/A
2008	-	-	-	N/A	N/A
2009	-	-	-	N/A	N/A
2010	-	-	-	N/A	N/A

** See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
*** Poplulation data can be found in the Schedule of Demographic and Economic Statistics.

City of Rome, Georgia
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2010

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

Source-Rome Board of Education

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

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	$ 86,715,603	$ 87,894,068	$ 90,960,225	$ 94,822,243	$ 99,865,703	$ 105,562,899	$ 110,394,715	$ 113,238,941	$ 114,849,953	$ 110,909,458
Total net debt applicable to limit	9,345,000	6,080,000	2,655,000	-	-	-	-	-	-	-
Legal debt margin	$ 77,370,603	$ 81,814,068	$ 88,305,225	$ 94,822,243	$ 99,865,703	$ 105,562,899	$ 110,394,715	$ 113,238,941	$ 114,849,953	$ 110,909,458
Total net debt applicable to the limit as a percentage of debt limit	10.78%	6.92%	2.92%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2009

Total assessed value	$ 1,109,094,587
Debt limit (10% of total assessed value)	110,909,459
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	$ 110,909,459

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

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

	Water & Sewer Revenue Bonds					
				Debt Service		
Fiscal Year	Water & Sewer Charges & Other (1)	Less: Operating Expenses (2)	Net Available Revenue	Principal	Interest	Coverage
2001	14,735,720	6,719,064	8,016,656	2,135,000	2,079,435	1.9
2002	16,000,194	6,691,239	9,308,955	2,230,000	1,982,935	2.2
2003	16,538,349	7,018,260	9,520,089	2,335,000	1,878,888	2.3
2004	17,705,484	7,792,756	9,912,728	2,765,000	2,928,532	1.7
2005	18,738,678	8,041,271	10,697,407	2,615,000	3,083,046	1.8
2006	19,404,739	8,681,217	10,723,522	3,485,000	3,354,631	1.6
2007	20,449,671	8,718,404	11,731,267	3,665,000	3,166,379	1.7
2008	19,653,969	9,268,673	10,385,296	3,825,000	3,010,552	1.5
2009	19,863,718	9,103,422	10,760,296	3,610,000	2,600,893	1.7
2010	21,411,092	8,978,125	12,432,967	4,465,000	2,297,715	1.8

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

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

Fiscal Year	(1) Population		Personal Income (in thousands)	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2001	35,821	*	882,056	24,624	5,381	5.6%
2002	36,271	*	914,174	25,204	5,257	6.1%
2003	36,388	*	938,010	25,778	5,315	5.7%
2004	36,431	*	987,572	27,108	5,305	4.7%
2005	36,399	*	1,001,482	27,514	5,346	5.3%
2006	36,524	*	1,031,182	28,233	5,239	4.3%
2007	36,463	*	1,064,683	29,199	5,235	4.7%
2008	37,067	*	1,113,715	30,046	5,612	8.0%
2009	36,142	*	1,141,762	31,591	5,571	12.4%
2010	36,303	**	1,155,888	31,840	5,679	10.6%

Data Sources:
(1) Rome/Floyd County Planning Commission
(2) U.S. Department of Commerce, Bureau of Economic Analysis
(3) Rome Board of Education
(4) State Department of Labor
* Trend Estimate based on 2000 Census
** Trend Estimate based on 2010 Census

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

	2010			2003		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Floyd Medical Center	2,300	1	13.28%	1,800	1	10.28%
Redmond Regional Medical Center	1,200	2	6.93%	1,050	2	5.99%
Harbin Clinic	1,130	3	6.53%			
Floyd County Government	871	4	5.03%	671	5	3.83%
Rome City Schools	680	5	3.93%	592	9	3.38%
City of Rome	597	6	3.45%	650	6	3.71%
Kellogg's	593	7	3.42%	690	4	3.94%
Mohawk Industries	452	8	2.61%	623	8	3.56%
Sara Lee Food Services	365	9	2.11%			
Southeastern Mills	310	10	1.79%			
Zartic Corporation				958	3	5.47%
Northwest GA Regional				650	7	3.71%
Berry College				580	10	3.31%
Totals	8,498		49.1%	8,264		47.18%

Source-Rome Chamber of Commerce

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

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	27	27	28	28	28	29	29	29	29	28
Legislative and judicial										
Commission	9	9	9	9	9	9	9	9	9	9
Municipal court	1	1	2	2	2	2	2	2	2	2
Attorney	1	1	1	1	1	1	1	1	1	1
Public safety										
Police										
Officers	97	98	98	98	98	98	98	98	98	92
Civilians	11	11	11	11	11	11	11	11	11	11
Public services	7	7	7	8	8	10	7	7	7	4
Public facilities	4	4	4	4	4	4	4	4	4	4
Fire										
Civilians	7	7	7	7	7	7	7	7	3	3
Firefighters and officers	146	146	146	146	146	146	146	146	146	148
Public works										
Public works office	4	4	4	4	4	4	5	5	4	4
Engineering	8	8	8	8	8	8	8	8	7	7
Street	42	42	42	42	43	43	46	46	39	31
Traffic	12	12	12	12	12	12	12	12	12	13
Cemetery	7	7	7	7	7	7	7	7	6	6
Garage	13	13	13	13	13	13	13	13	12	11
Building inspection	12	12	11	12	12	12	12	12	9	9
Transit	40	40	41	41	41	43	43	43	43	43
Planning commission	7	7	7	7	7	6	6	7	6	6
Solid Waste Management	71	71	71	71	72	72	72	71	61	56
Culture and recreation	6	6	6	6	6	12	12	12	12	11
Water and sewer	113	113	115	116	116	116	120	120	104	102
Total	645	646	650	653	655	665	670	670 *	625 *	601

Source-City of Rome Human Resource Department
* Includes Personnel Reduction due to Revenue Decreases

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety:										
Police arrests	2,698	2,461	2,465	2,131	2,026	1,845	2,267	2,388	2,168	2,030
Parking/Traffic violations	15,859	14,031	14,437	14,407	16,602	14,173	17,349	18,797	16,251	14,455
Public Works:										
Street resurfacing (miles)	6.22	8.17	8.54	7.30	6.35	5.26	4.77	0.40	0.40	10.96
Public Facilities:										
Rentals-Aud/Civic Center	54,265	50,321	40,398	47,132	46,215	48,328	45,645	41,754	48,668	55,072
Senior Citizen Center	5,540	4,980	3,213	3,881	2,975	2,357	1,550	2,333	2,610	2,803
Education:										
School Enrollment	5,381	5,257	5,315	5,305	5,346	5,239	5,235	5,612	5,571	5,579
Water and Sewer:										
Customers										
Water	18,322	18,625	18,923	19,163	19,501	19,734	19,875	20,006	17,500	17,318
Sewer	19,091	19,372	19,709	20,046	20,484	20,769	20,952	21,069	19,600	19,143
Water - (millions of gallons)										
Average daily production	11.2	10.1	9.8	10.1	9.7	9.7	9.0	8.1	7.6	7.9
Maximum daily production	13.0	13.7	12.8	13.9	13.6	13.9	14.3	11.0	12.0	10.9
Wastewater - (millions of gallons)										
Average daily sewage treatment	12.9	13.3	15.1	12.6	13.4	10.3	8.1	9.0	14.0	10.8
Maximum daily sewage treatment	28.6	37.1	46.9 (1)	33.6	28.6	25.6	21.1	27.4	57.9	51.5
Fire										
Number of responses	4,475	4,422	4,236	4,651	4,394	4,705	4,784	4,294	4,275	4,310
Inspections	1,151	761	660	1,321	1,563	1,584	1,424	1,224	911	1,045
Solid Waste Management:										
Refuse collected (tons)										
Inert	7,578	5,194	5,542	5,878	4,976	4,603	6,229	6,967	9,673	9,075
Trash	2,133	2,300	2,840	2,879	2,647	2,453	2,447	2,200	2,150	1,865
Garbage	16,539	14,618	15,759	16,220	16,113	16,225	15,361	14,539	14,530	13,801
Recycling	1,083	1,127	1,106	922	956	869	994	960	912	1,017
Transit:										
Transit miles	492,010	496,324	519,867	525,160	539,745	573,884	586,643	589,640	593,820	591,152
Transit passengers	781,403	809,002	826,945	839,484	857,276	879,394	893,268	967,390	962,500	982,417
Building Inspection:										
Permits	497	510	395	394	553	360	344	228	114 (4)	67 (4)
Solid Waste Commission:								-	-	-
Inert tonnage	1,177	1,887	658	544	992	377 (2)	353	241	225	194
C&D tonnage	-	-	-	-	12,494	11,750	16,117	17,527	34,759 (3)	24,753
Garbage tonnage	74,513	83,463	88,548	104,429	100,624	59,304	54,821	85,360	78,326	73,410
Municipal Golf:										
Rounds played	27,744	25,247	22,390	27,892	28,677	31,311	31,893	32,714	27,142	28,542

Source: City of Rome Trends Publication

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

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

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

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

(4) Permit decrease due to economic downturn

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

Principal Water Customers (in descending order):

	2010	2001
1)	Floyd County Wholesale	Floyd County
2)	Bekaert Steel	Mohawk Industries
3)	Pierre Newco	Zartic
4)	Rome Housing Authority	Bekaert Steel
5)	Floyd Medical Center	Rome Housing Authority
6)	Floyd County Government	Southeastern Mills
7)	Redmond Regional Medical Center	Redmond Regional Medical Center
8)	Kelloggs	Floyd County Government
9)	Mohawk Industries	Floyd Medical Center
10)	Northwest GA Regional Hospital	Darlington School

Principal Sewer Customers (in descending order):

1)	Bekaert Steel	Mohawk Industries
2)	Berry College	Zartic
3)	Crothall	Bekaert Steel
4)	Pierre Newco	Galey & Lord
5)	Rome Housing Authority	Rome Housing Authority
6)	Floyd Medical Center	Southeastern Mills
7)	Floyd County Government	Floyd County Government
8)	Ball Corporation	Redmond Regional Medical Center
9)	Marglen Industries	Floyd Medical Center
10)	General Electric	Metal Containers, Inc.

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Vehicles	85	86	86	86	86	86	81	70	65	65
Public Works:										
Streets (miles)	251.89	254.74	256.12	258.83	261.29	262.81	269	273	275	266
Street lights	4,260	4,292	4,321	4,369	4,369	4,425	4,425	4,959	4,959	4,959
Traffic signals	*	*	*	91	91	92	92	91	93	93
Signage	*	*	*	10,000	10,100	10,106	10,203	10,248	10,248	10,248
Public Facilities:										
Parks	22	22	22	22	22	22	22	22	22	22
Auditoriums and Civic Centers	3	3	3	3	3	3	3	3	3	3
Public Services:										
Volumes in Library	300,000	335,765	342,907	321,197	320,471	322,000	332,378	344,692	350,528	359,188
Water:										
Water mains (miles)	267	267	284	270	270	284	285	285	285	285
Fire hydrants	1,339	1,416	1,417	1,461	1,585	1,643	1,627	1,648	1,644	1,661
Sewer:										
Sanitary sewers (miles)	373	373	376	376	414	408	410	399	399	399
Storm sewers (miles)										
Fire:										
Fire stations	10	10	10	10	10	10	10	10	10	10
Solid Waste Management:										
Collection Vehicles	36	42	42	42	42	42	40	41	40	40
Transit:										
Buses	40	41	41	42	42	42	43	44	48	48

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

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

CITY OF ROME, GEORGIA

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

DECEMBER 31, 2010

CITY OF ROME, GEORGIA

SINGLE AUDIT OF FEDERAL PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2010

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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

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

We have audited the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rome, Georgia as of and for the year ended December 31, 2010, which collectively comprise the City of Rome, Georgia's basic financial statements and have issued our report thereon dated June 17, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City of Rome, Georgia in a separate letter dated June 17, 2011.

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 17, 2011

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

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

Compliance

We have audited the compliance of City of Rome, Georgia (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Rome, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

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

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rome, Georgia as of and for the year ended December 31, 2010, and have issued our report thereon dated June 17, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City of Rome, Georgia's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 17, 2011

CITY OF ROME, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal Grantor/Pass-Through Program Title	CFDA Number	Agency or Pass-through Grantor Number	Expenditures
U.S. Department of Transportation			
Passed through the Georgia Department of Transportation:			
Metropolitan Transportation Planning Services Program	20.505	PL-0008-00(508)	$ 96,550
Highway Planning and Construction Program	20.205	GA-80-0004	45,640
Off System Safety Grant	20.205	0008928	58,961
Passed through Georgia Department of Natual Resources			
Kingfisher Trial	20.219	NRT-06 (10)	22,636
Subtotal Highway Planning and Construction Cluster			223,787
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0242	155,624
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0254	226,404
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0259	227,181
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0259-01	47,337
Federal Transit - Urbanized Area Formula Grant - ARRA	20.507	GA-90-X012-01	280,680
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-X222	522,000
Subtotal Federal Transit Cluster			1,459,226
Total U.S. Department of Transportation			1,683,013
U.S. Department of Justice			
Passed through the Bureau of Justice Assistance:			
Bulletproof Vest Partnership Program	16.607	2010BUBX100053538	3,835
Subtotal Bureau of Justice Assistance			3,835
Passed through Floyd County, Georgia			
Edward Byrne Memorial Justice Assistance Grant -ARRA	16.804	2009-SB-B9-0063	99,673
Subtotal Floyd County, Georgia			99,673
Total U.S. Department of Justice			103,508

Continued

CITY OF ROME, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal Grantor/Pass-Through Program Title	CFDA Number	Agency or Pass-through Grantor Number	Expenditures
U.S. Department of Housing and Urban Development			
Community Development Block Grant -			
Entitlement Grant	14.218	B-08-MC-13-0014	66,794
Entitlement Grant	14.218	B-09-MC-13-0014	274,041
Entitlement Grant	14.218	B-10-MC-13-0014	248,242
Entitlement Grant - ARRA	14.253	B-09-MY-13-0014	136,214
Subtotal Community Development Block Grant Cluster			725,291
Community Home Investment Partnerships			
Grant - Pennington Place	14.239	07m-x-057-2-2966	10,588
Community Home Investment Partnerships			
Downpayment Assistance Program	14.239	09m-x-057-2-6019	80,094
Subtotal Community Home Investment Partnerships			90,682
Total U.S. Department of Housing and Urban Development			815,973
U.S. Environmental Protection Agency			
Brownfield Assessment and Cleanup Cooperative Grant	66.818	GA080604012	217,435
Five Star Restoration Program	66.462	NACO 2010-GA-01	2,039
Total U.S. Environmental Protection Agency			219,474
U.S. Department of Agriculture			
Passed through Georgia Forestry Commission			
Wildland Fire Management	10.688	1G259	18,450
Total U.S. Department of Agrigulture			18,450
U.S. Department of Energy			
Passed through Georgia Department of Energy			
American Recovery & Reinvestment Act -			
Energy Efficiency & Conservation Block Grant	81.128	DE-EE0002192	21,905
Total U.S. Department of Energy			21,905
U.S. Department of Homeland Security			
Assistance to Firefighters Grant	97.044	EMW-2009-FO-02027	150,346
Total U.S. Department of Homeland Security			150,346
Total Expenditures of Federal Awards			$ 3,012,669

See accompanying note to Schedule of Expenditures of Federal Awards.

CITY OF ROME, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2010

BASIS OF PRESENTATION

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

CITY OF ROME, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	_____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes __X__ none reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	_____ yes __X__ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.507	Federal Transit Cluster
14.218 & 14.253	CDBG – Entitlement Grants Cluster

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

CITY OF ROME, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Section II – Financial Statement Findings and Responses

None reported.

Section III - Federal Awards Findings and Questioned Costs

None reported.

Section IV – Prior Year Federal Awards Findings and Questioned Costs

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

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

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

Status: This finding was resolved in the current year.