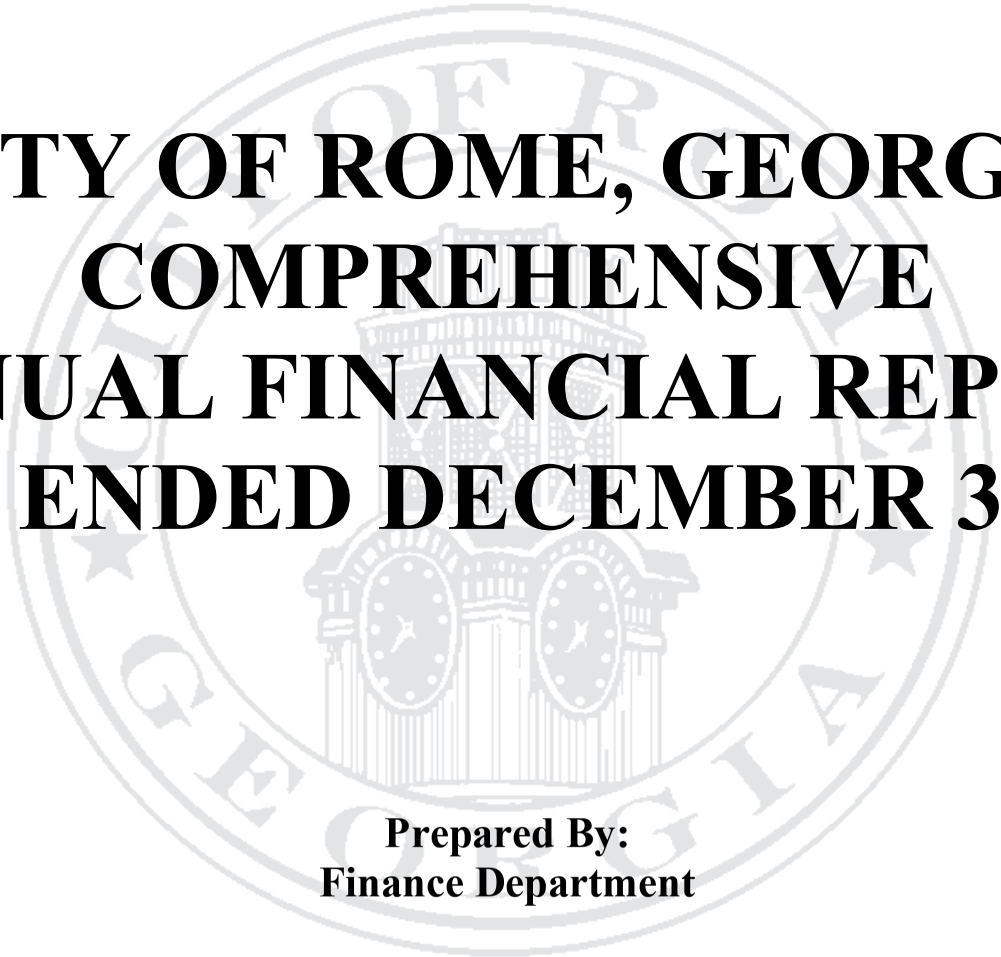
CITY OF ROME, GEORGIA
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2013



Prepared By:
Finance Department

CITY OF ROME, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

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John Bennett
City Manager
P.O. Box 1433
Rome, GA 30162
(706) 236-4400

June 16, 2014

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, 2013, 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, 2013.

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 unmodified opinion on the City of Rome's financial statements for the year ended December 31, 2013. The independent auditor's report is located at the front of the financial section of this report.

These statements are compiled in accordance with accounting principles generally accepted in the United States of America and offer an overview of the financial position and activities of the City as a whole. Management's Discussion and Analysis can be found on pages 4-22 and contains additional information on the City of Rome's basic financial statements.

PROFILE OF THE GOVERNMENT

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

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

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

LOCAL ECONOMY

The economic condition and outlook of the City has remained fairly stable during the past several years, following several years of slower economic growth attributable to a general decline in manufacturing activity. However, the area has also been impacted by the national economic slowdown and has seen a reduction in workforce in several major manufacturing entities. The city has experienced a slight increase in economic activity over the last year and saw the unemployment rate at the end of the year at 8.0%. This was over the state average of 7.4% and the Floyd County rate of 7.7%, but represents a significant decrease from 2012. More encouraging news is that this rate has continued to decrease to 7.5% through the first quarter of 2014.

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

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

Rome was the venue for the 2013 National NAIA football championship event.

A continuing Education Local Option Sales tax has enabled the school system to make major renovations and improvements to many of the City schools. As this issue comes to an end a new county high school in the eastern part of the county is underway and major renovations at the Rome High and Middle School have been completed.

Local Option Sales Tax revenue, one of the City's largest revenue sources outside of property taxes, has been very stagnant over the last several years. Consistent decreases in this revenue stream have mirrored the economic downturn the last three years. New implemented legislation removed the sales tax on vehicles in March of 2013 and the sales tax on manufacturing energy consumption was decreased .25%. This decrease is the initial implementation to phase that tax out over the next four years. These changes have significantly impacted overall sales tax revenues and 2013 receipts were over 10% less than the prior year.

The City tax digest again had a slight decrease in 2013 and with downward market adjustments expected, management expects a decrease in the digest for possibly another year. Other declining or stagnant 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 2014 fiscal year. The City has acquired an economic boost in the location of a new Lowe's distribution center in the north end of the County. This $125 million investment employs over 600 employees. It began operations in March 2013. Although the City of Rome's Water system has remained healthy and viable due to our abundance of available water supplies, the system continues to be challenged by the decrease in overall consumer consumption.

LONG TERM FINANCIAL PLANNING:

In response to the continued economic stagnation and the impact of tax legislation, the likely prospect will be that 2014 will not see significant upturns. The City has taken budgetary steps to ensure that the City will continue to be healthy throughout the current recession. Although the City went four years without normal merit raises for employees, 2013 was the first year that a 0 to4% merit raise was budgeted for employees. The City has trimmed its workforce over 10% in the last several years and continues to have a hiring freeze for most vacant positions. 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. There has been more capital spending in the Water/Sewer system for 2013 because the system is addressing needs for the new Lowes Distribution Center and capital maintenance requirements that have been mitigated for the last couple of years. The City has a commitment to the community to maintain the highest level of service possible and still operate within its current revenue resources. This commitment under what appears to be more long term restraints has been a challenge for City management.

RELEVANT FINANCIAL POLICIES:

The past fiscal year has been a challenge to all revenue sources within the City. Sales Taxes were substantially down from the prior year and Current Year Tax collections were under 2012 as well. Another significant decrease in 2013 was the decrease in Franchise Taxes for the second year. 2013 was the first year that the new "Title Tax" was implemented on vehicles. This legislation eliminated the sales tax on vehicle sales but implemented a one-time tax on the vehicle. Although the legislation is designed to make entities whole for the future motor vehicle taxes lost, it does appear that the tax will not be sufficient to make up for the sales taxes also lost. These significant tax changes will impact the City's revenues sources, and the long term impact may require some history before the City can make plans to help mitigate the long term effects.

The local and national housing crisis has continued to be a challenge in revenue projections as the City looks to weather the downward assessment adjustments.

MAJOR INITIATIVES

For the Current Year:

As an "Entitlement Community", the City receives Federal grant monies for capital improvement projects. Projects include street and sidewalk improvements, and several home rehabilitation programs for lower income families. The City of Rome has partnered with the Northwest Georgia Housing Authority in an expanded housing rehabilitation program with the entitlement funds. The main focus in 2013 was the replacement of the streetscaped sidewalks in the downtown area.

As part of the 2009 Special Purpose Local Option Sales Tax, the countywide 800 MHZ emergency radio system was put in operation. This has been a very large initiative for communication between not only all governmental entities, but schools, medical facilities, and other emergency agencies.

The South Rome Re-development Agency and Community Development continues its progress with rehabilitation and improvements within the South Rome area of the City. Property for the new Anna K. Davie elementary school has been acquired in 2012 and began construction during 2013.

Another continuing initiative for the City in 2013 was the "Neighborhood Focus". This effort is sponsored by the "Keep Rome/Floyd Beautiful" committee and is a collaborative partnership between the City, Floyd County, and the neighborhood communities to help clean up predesignated areas.

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

Every year water and sewer projects are being completed. A multi-year water tank maintenance initiative that began in 2011 to assess, repair, and paint all water tanks, continued in 2013 with additional tank improvements. The old lift station at the Town Green park was also relocated in anticipation of the riverfront expansion. The City also made major repairs to the influent pump at its Coosa plant. The major initiative in 2013 was the continued construction of a 2.5 million new Flash Mix system at the Water Treatment plant.

Construction continued on the Urban Riverfront project along the river at the Town Green/Forum area. This is a multi-million dollar expansion of an enhanced boardwalk type trail system by the river to tie in with existing trails. This project, when completed, will tie in the Forum facilities, pedestrian bridge, Town Green Park, and the proposed Hotel site across the river into an expansive destination park and boardwalk.

The City of Rome Transit system also continued its technology upgrades on buses with new fare boxes and the purchase of voice display/call back software.

The long awaited Mausoleum at Myrtle Hill Cemetery was completed in 2013. This construction has not only added needed burial space, but has added a long-term asset for future generations.

Renovations and enhancements for the Barron Stadium track have paid off with the hosting of the NCCA football championship and Track events. The City of Rome is also host to many regional and southeast tennis tournaments and was the Southeast Regional host for the SAAC Baseball Championship.

The new Hight Square Retail Development opened with the Publix Supermarket anchoring the development. Other retail and restaurant establishments have developed and the new Housing Authority Administration Building should be completed next year.

For the Future.

A new Marriott Courtyard Hotel is planned to begin construction on the West Third Street corridor in 2014. The hotel is Phase 1 of a multiphase program for development of the City owned four acres along that corridor.

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

The rivers are a major part of this community along with the City's downtown development. The City will continue to focus on the development of the three rivers in downtown Rome. The addition of the pedestrian bridge and the Town Green has already proven to be a major draw to the downtown area and the expansion of the river walk trail system continues to be an important initiative for the future. The expanded new riverfront development beginning at the Town Green will open in 2014 and will be an economic draw for the rivers and the downtown area.

Construction on replacement and improvements to the water main infrastructure along Broad Street will begin in 2014. These improvements will replace lines that are over one hundred years old.

The relocation of the Annie K Davie elementary school in the South Rome area began construction in 2013 and should be open in 2014.

The 2013 SPLOST package was approved offering a myriad of new projects and endeavors for the City of Rome and Floyd County. One of the most anticipated projects is the construction of a $12 million multi court tennis facility. This facility will be one of the largest in the country and is anticipated to be a significant economic draw to the community. Other projects include major road improvements on Burnett Ferry Road and at Chulio Hills, as well as various in City road paving projects. Money has been allocated for major sewer improvements and upgrades to City buildings and facilities. There is also $1.8 million allocated to expansion of the City's trails. These projects will be funded and constructed over the next five years.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. The results of the City's financial statement audit for the fiscal year ended December 31, 2013 ended with one internal control deficiency.

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, 2013 ended with three findings of non compliance of major federal programs. Internal controls have been adjusted so that oversight will be strengthened and future issues avoided.

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.

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AWARDS AND ACKNOWLEDGEMENTS

Awards. The City of Rome, Georgia Comprehensive Annual Financial Report for the year ended December 31, 2012, 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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

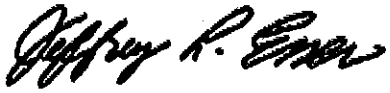
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Georgia

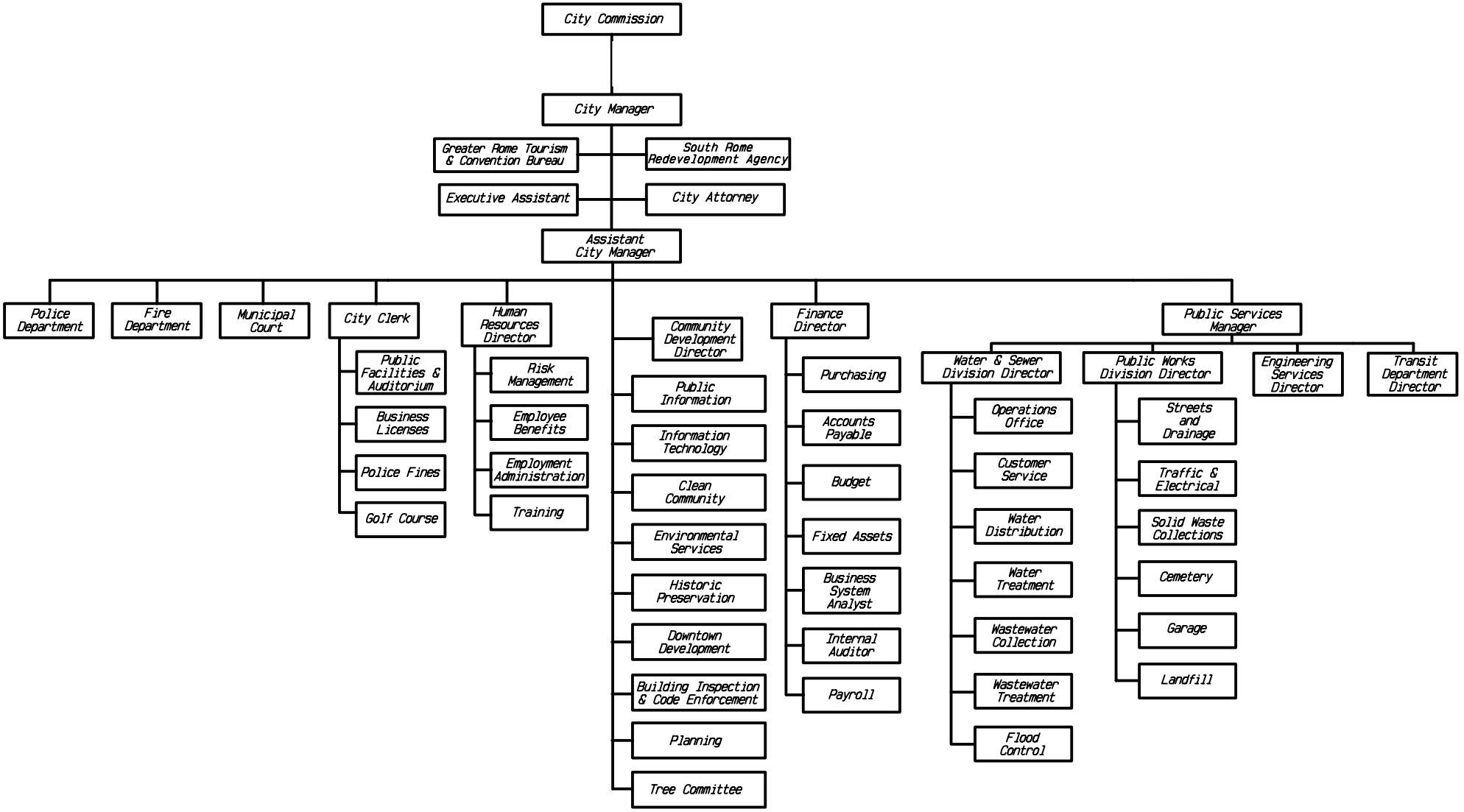
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012



Executive Director/CEO

City of Rome, Georgia
Organization Chart



01-25-07

CITY OF ROME, GEORGIA
PRINCIPAL OFFICIALS
DECEMBER 31, 2013

Evie McNiece	**Mayor**
Kim Canada	**Mayor, Pro Tem**
Bill Collins	**At Large**
Sue Lee	**At Large**
Milton Slack	**At Large**
Jamie Doss	**At Large**
Howard "Buzz" Wachsteter	**At Large**
Bill Irmscher	**At Large**
Detrick Redding	**At Large**

****

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Rome, Georgia** (the "City") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rome, Georgia as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4–22, Schedules of Funding Progress on page 97, and budgetary comparison information (on pages 86 through 95) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rome, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, introductory section and statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-21, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 16, 2014

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, 2013

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, 2013.

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

FINANCIAL HIGHLIGHTS

- The City of Rome's total assets and deferred outflows exceeded its total liabilities and deferred inflows by $286,689,877 in 2013, which is a modest increase of 1.2% from 2012.

- Total City of Rome Net Position is made up of the following:
  1) Net Investment in capital assets of $257,824,764 includes property, equipment, and infrastructure, net of accumulated depreciation and reduced for related debt.
  2) The restricted portion of the Net Position of $4,400,642 is restricted by outside entities either by covenants, grant agreements or external legislation. This amount has increased from 2012 due to a larger restricted cash amount and the amount reserved for debt service.
  3) Unrestricted Net Position of $24,464,471 represents the portion available to maintain the City's ongoing obligations and has increased $1,636,099 from 2012 due mainly from the overall increase in the City's Net Position.
- The City of Rome had an overall increase in Net Position for 2013 of $3,624,685 which is slightly less than 2012.

- The City's combined governmental funds reported a total ending fund balance of $17,705,546 which is a slight increase of $50,626 from 2012. This is due to a moderate increase in the fund balance in the Hotel Motel Tax Fund. Of this amount $11,034,829 is unrestricted and unassigned and available for budgetary spending. This is an increase from 2012.

- The City's General Fund had a net increase in fund balance of $206,857 for 2013. This is lower than 2012 due mainly to a lower tax collection rate and a reclass of subsequent year tax collections.

- The City's General Fund showed an unrestricted and unassigned fund balance of $11,260,371 at the end of the fiscal year, or 64.8% of current year expenditures before transfers. This is a $248,046 increase from 2012. This increase continues to be a purposeful intention to increase the fund balance to offset prior year decreases that occurred during the beginning of the most recent economic downturn.

- The City's Capital Fund had a net decrease in fund balance of $238,307. This is due to the completion of the construction of the mausoleum, which was financed through an interfund advance.

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

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

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

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

The City's government-wide financial statements are presented on pages **23-25** of this report.

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

The City of Rome maintains ten individual governmental funds. Information is presented separately for the General and Capital Funds, both 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 100-109 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 26-29 of this report.

Proprietary Funds

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

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

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

The City's proprietary funds are presented on pages 31-39 with individual data on non-major funds presented in combining statements on pages 112-118

FUND FINANCIAL STATEMENTS - continued

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 40 and 41.

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 42 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 funds aggregated in the basic financial statements. Budgetary comparisons for non-major governmental funds are also presented. This supplemental information is presented on pages 98-107.

The Special Report for Sales Tax proceeds is shown on pages 108 and 109. 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 23-25.

City of Rome
Net Position (Financial Position)

	Governmental Activities		Business-Type Activites		Totals		
	2013	2012	2013	2012	2013	2012	Variance
Assets:							
Current assets	$ 19,630,432	$ 19,311,175	$ 21,826,691	$ 20,331,992	$ 41,457,123	$ 39,643,167	$ 1,813,956
Capital assets	131,751,814	133,055,003	188,381,111	190,171,770	320,132,925	323,226,773	(3,093,848)
Other non-current assets	6,648,963	7,122,838	941,528	376,886	7,590,491	7,499,724	90,767
Total Assets	158,031,209	159,489,016	211,149,330	210,880,648	369,180,539	370,369,664	(1,189,125)
Deferred Outflows of Resources	-	-	2,490,537	2,861,745	2,490,537	2,861,745	(371,208)
Liabilities:							
Current liabilities	2,910,856	2,106,489	5,102,777	4,611,372	8,013,633	6,717,861	1,295,772
Long-term liabilities	11,226,916	11,945,547	64,933,394	69,958,948	76,160,310	81,904,495	(5,744,185)
Total Liabilities	14,137,772	14,052,036	70,036,171	74,570,320	84,173,943	88,622,356	(4,448,413)
Deferred Inflows of Resources	807,256	1,543,861	-	-	807,256	1,543,861	(736,605)
Net investment in capital assets	122,991,274	124,749,835	134,833,490	131,764,115	257,824,764	256,513,950	1,310,814
Restricted	3,459,114	3,345,984	941,528	376,886	4,400,642	3,722,870	677,772
Unrestricted	16,635,793	15,797,300	7,828,678	7,031,072	24,464,471	22,828,372	1,636,099
Total Net Position	$143,086,181	$143,893,119	$143,603,696	$139,172,073	$286,689,877	$283,065,192	$ 3,624,685

With the implementation of GASB 63, certain assets and liabilities have been reclassified to deferred outflows and inflows of resources. For 2013, the deferred outflows represent deferred charges for bond refunding and prepaid insurance costs. The deferred inflows represent the change in the fair value of a derivative instrument.

The overall assets of the City decreased $1,189,125 with all of the net effect from a reduction in capital assets net of depreciation. Current liabilities increased from 2012 due to an increase in accounts payable and overall liabilities decreased $4,448,413. This is due from a normal pay down of liabilities and also the payoff of current GEFA loans with the issuance of the 2013 Jr Lien Water and Sewer issue. Net investment in capital assets increased $1,310,814 or .5%. Overall the City's Net Position increased a modest $3,624,685 or 1.28% from 2012. Investment in capital assets is the largest component of total net position with 86% of governmental net position and 94% of business type net position. The largest component of the restricted portion of net position is restricted assets held for the GMA lease pool, Cemetery Maintenance, and Debt Service. Neither of these components of net position, however, represents available resources for the City, but an investment to provide services to citizens.

The unrestricted portion of net position of $24,464,471 which is available for spending is 8.5% of total net position and has increased 7% from 2012.

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

City of Rome
Changes in Net Position

	Governmental Activities		Business Type Activities		Total		
	2013	2012	2013	2012	2013	2012	Variance
Revenues:							
Program Revenues							
Charges for services	$ 3,569,955	$ 3,437,557	$35,697,385	$35,674,139	$39,267,340	$39,111,696	$ 155,644
Operating Grants & Contributions	943,196	870,379	1,243,250	1,617,607	2,186,446	2,487,986	(301,540)
Capital Grants & Contribuitions	6,555,448	7,054,071	1,358,904	895,486	7,914,352	7,949,557	(35,205)
General Revenues							
Property Taxes	10,073,873	10,220,552	-	-	10,073,873	10,220,552	(146,679)
Sales Taxes	5,590,454	6,231,600	-	-	5,590,454	6,231,600	(641,146)
Other Taxes	7,294,381	7,211,522	-	-	7,294,381	7,211,522	82,859
Miscellaneous	1,290,159	1,473,983	62,868	158,171	1,353,027	1,632,154	(279,127)
Total Revenues	$35,317,466	$36,499,664	$38,362,407	$38,345,403	$73,679,873	$74,845,067	$(1,165,194)

	Governmental Activities		Business Type Activities		Total		
	2013	2012	2013	2012	2013	2012	Variance
Expenses:							
General Government	$ 3,701,271	$ 3,682,723	$ -	$ -	$ 3,701,271	$ 3,682,723	$ 18,548
Public Safety	7,546,398	7,485,881	-	-	7,546,398	7,485,881	60,517
Public Works	11,780,549	10,910,095	-	-	11,780,549	10,910,095	870,454
Public Facilities	1,516,283	1,918,561	-	-	1,516,283	1,918,561	(402,278)
Public Services	448,081	438,960	-	-	448,081	438,960	9,121
Community Development	2,112,665	1,220,932	-	-	2,112,665	1,220,932	891,733
Education	1,462,658	1,466,263	-	-	1,462,658	1,466,263	(3,605)
Interest on Debt	538,128	274,562	-	-	538,128	274,562	263,566
Water and Sewer	-	-	17,501,496	18,155,644	17,501,496	18,155,644	(654,148)
Fire	-	-	11,958,991	12,747,562	11,958,991	12,747,562	(788,571)
Solid Waste Commission	-	-	1,898,929	3,093,349	1,898,929	3,093,349	(1,194,420)
Transit	-	-	3,734,189	3,589,152	3,734,189	3,589,152	145,037
Building Inspection	-	-	754,769	782,373	754,769	782,373	(27,604)
Solid Waste Management	-	-	3,494,512	3,550,884	3,494,512	3,550,884	(56,372)
Municipal Golf	-	-	1,242,198	1,162,750	1,242,198	1,162,750	79,448
Public Facilities	-	-	364,071	388,102	364,071	388,102	(24,031)
Total Expenses	29,106,033	27,397,977	40,949,155	43,469,816	70,055,188	70,867,793	(812,605)
Increase (decrease) in net position before transfers	6,211,433	9,101,687	(2,586,748)	(5,124,413)	3,624,685	3,977,274	(352,589)
Transfers	(7,018,371)	(9,803,375)	7,018,371	9,803,375	-	-	-
Change in Net Position	(806,938)	(701,688)	4,431,623	4,678,962	3,624,685	3,977,274	(352,589)
Beginning Net Position-restated	143,893,119	144,594,807	139,172,073	134,493,111	283,065,192	279,087,918	3,977,274
Ending Net Position	$143,086,181	$143,893,119	$143,603,696	$139,172,073	$286,689,877	$283,065,192	$3,624,685

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

The City's overall revenues decreased a modest $1,165,194 or 1.5% from 2012. A portion of this decrease was within the Operating Grants and Contributions for Business Activities revenue line item. This was due to a one time grant in 2012 in the Water and Sewer fund. The other significant portion of the decrease was in the sales tax revenues in the Governmental Activities. This was attributed to the change in legislation which eliminated sales taxes on automobile purchases and also is phasing out the sales taxes on energy consumption in manufacturing.

Property Taxes had a slight decrease, attributable mainly to a lower collection rate for 2013. Other revenue sources, as previously noted, have remained rather stagnant during 2013.

On the expense side, Public Works is up due to an increase in capital outlay for 2013 over 2012. Community Development is also significantly up due to an allocated loss of the disposal of capital assets. Public Facilities expenses were down from 2012 due a large loss on demolition of buildings absorbed last year. Most other expense line items were in line with 2012 expenditures.

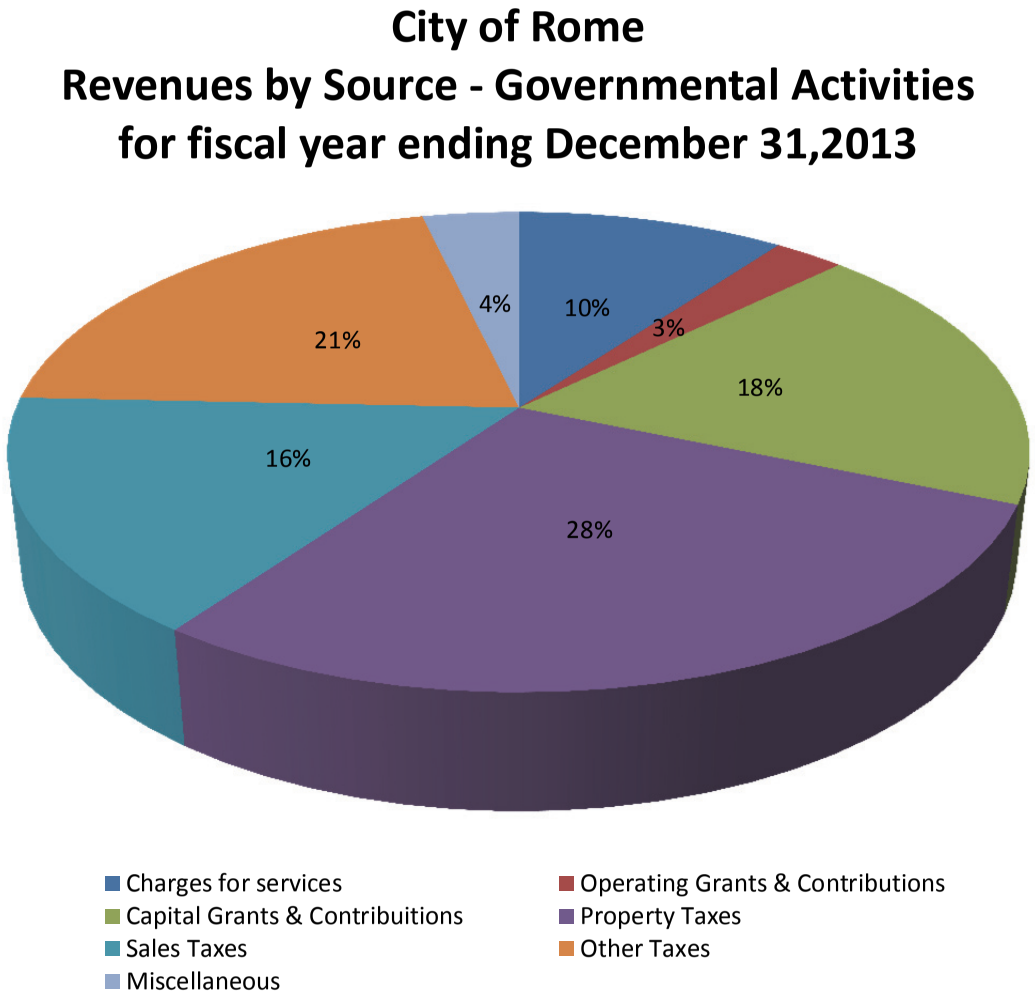
In the Business Activities, Water and Sewer expenses are down because of the bond issuance costs expensed in 2012.
The Fire Fund expenses are down from 2012 due to the one-time expense transfer last year of one half of the ownership in the completed Emergency Operations Center. Solid Waste Commission expenses are down due to lower postclosure and closure care costs.

These combined decreases in revenues and increase in expenditures has created a decrease in net position of $806,938 for the Governmental Activities for 2013. Business Type Activities ended the year with a $4,431,623 increase to net position with the majority of that increase in the Water/Sewer Fund.

The overall change in net position for the City was $3,624,685, a modest increase from 2012. The City over all has seen basically level revenue sources which are of some concern going forward. Although a decrease in sales taxes was anticipated, the actual decrease in revenue was more than anticipated. Again the City has worked diligently to minimize expenses for 2013 which has helped the City live within its revenues for 2013 and increase net position by the modest amount.

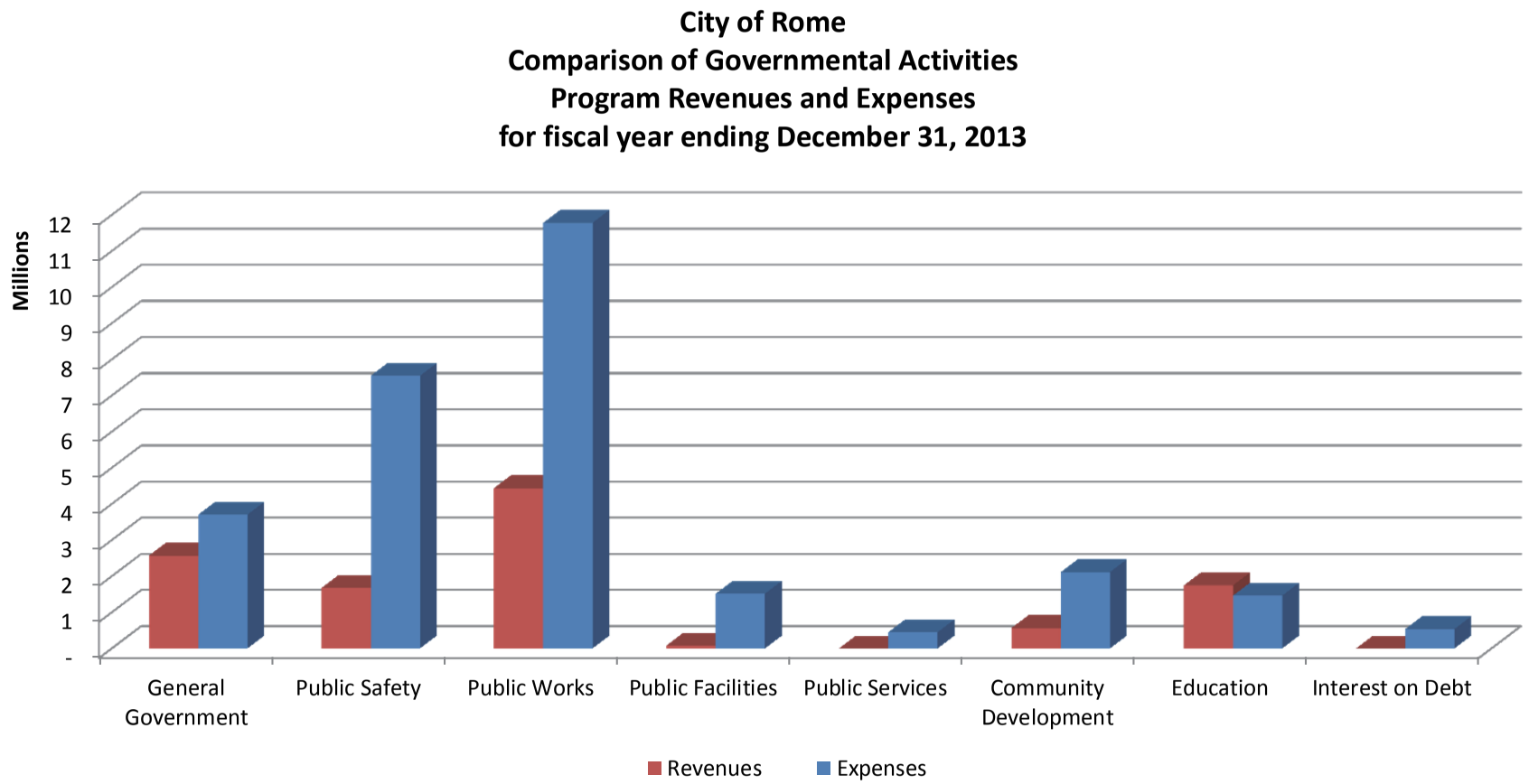
FINANCIAL ANALYSIS OF THE CITY'S POSITION AND OPERATIONS – continued

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



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

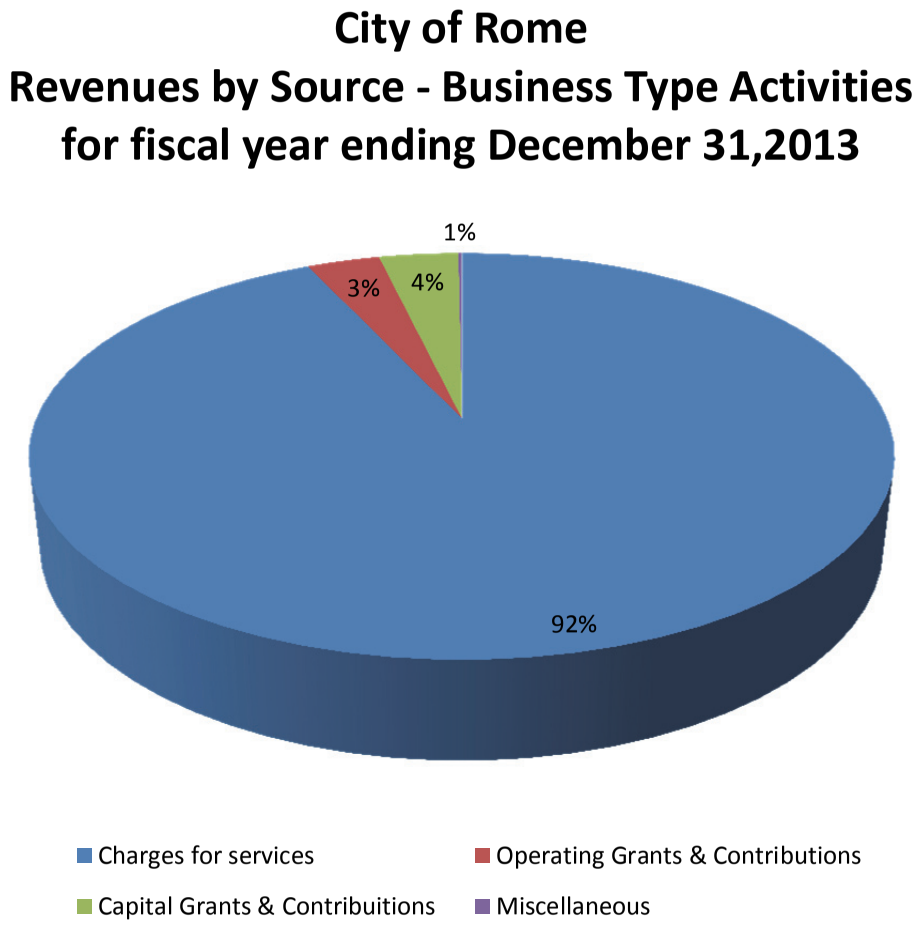
The following chart depicts the comparison of functional expenses and program revenues for governmental activities.



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

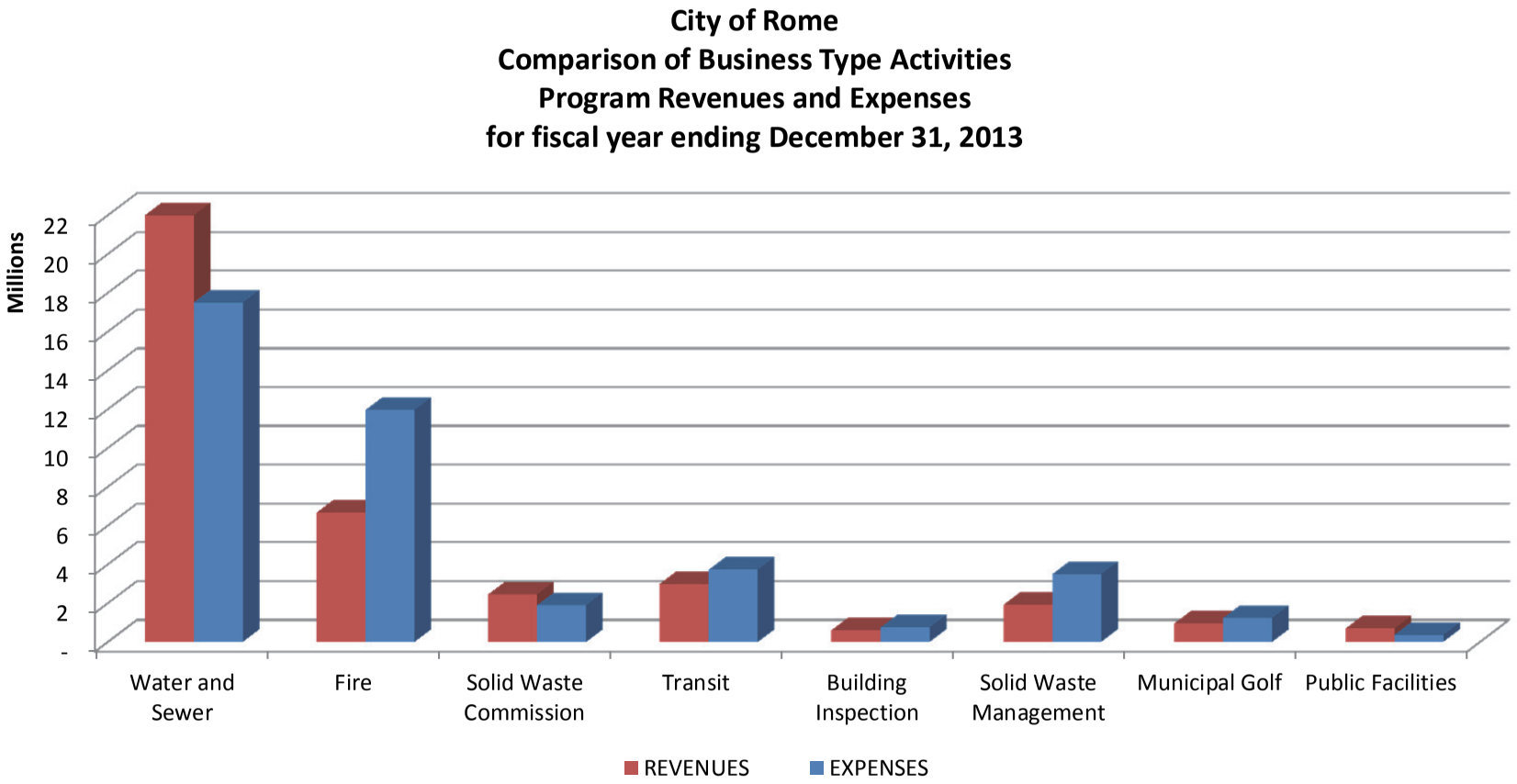
Business-type activities Charges for Services account for $35,697,385 or 93% of total operating revenues. Capital Grant revenues include DOT reimbursements for Transit capital purchases and the County SPLOST reimbursement for the new 800 MHz Radios. Transfers in of $7,018,371 are 15% of total business-type revenues. This amount is mainly due to General Fund monies transferred to the Fire Fund for operations.

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



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.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

As noted, the City of Rome's governmental funds' focus is to provide information on short term inflows and outflows and balances of expendable resources. Such information is useful in assessing the City's financial requirements. In particular, unrestricted and unassigned fund balance may serve as a useful measure of a government's net resources available for spending. At the end of the fiscal year 2013 the City's governmental funds reported a combined ending fund balance of $17,705,546 which is an increase of $50,626 over 2012 with the increase occurring in the Hotel/Motel Tax fund. Of this amount $11,034,829 is unrestricted and unassigned which is actually an increase from 2012. The General Fund comprises the majority of this unassigned balance. The General Fund is the major source of service delivery in the governmental funds.

General Fund

The General Fund is the City's primary operating fund. At the end of 2013 the fund balance of the General Fund was $12,807,213 with $11,260,371 in the unrestricted and unassigned portion of fund balance. This fund balance amount represents 64.8% of General Fund operating expenditures while total fund balance represents 74% of the same amount.

The Nonspendable amount of fund balance of $763,117 represents amounts held in inventories, prepaids, and the advance from the Capital Fund. The Restricted amount of $783,725 is restricted for Cemetery maintenance.

The General Fund's fund balance increased by $206,857 in 2013. Although most revenue sources were about the same in 2013, current year, prior year taxes and sales taxes were down from 2012. The newly implemented Title Tax did exceed anticipated original budget numbers. Another part of the fund balance increase is the reduction in total operating expenses.

Capital Fund

In 2013 the Capital Fund had a decrease to fund balance of $238,307. This decrease was due to the construction of the City owned mausoleum which is being financed internally through an advance from the City's Health Insurance Fund. This fund held excess monies available for investments, and the Capital fund will reimburse the Health Insurance fund principal payments over 10 years as well as a 3% interest return. Because of this internal financing, the current year project costs show as expense, but there are no offsetting revenues.

Planning Commission Fund

The Planning Commission fund had an increase to fund balance of $13,719. This is due to expenses ending under budgeted amounts mainly due to personnel vacancies.

Hotel/Motel Tax Fund

The Hotel/Motel Tax fund had a significant increase of $75,167 to fund balance due to an increase in overall revenues.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS-Continued

Business Improvement District Fund

The BID fund had a decrease in fund balance of $15,125 due to an allocation of this fund balance for façade improvements for several local downtown merchants and buildings. This allocation was approved by the BID committee.

Proprietary Funds

The City of Rome's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Total Enterprise Funds showed combined net position of $141,458,716 at year end with the Water and Sewer Fund comprising $123,125,298 or 87% of that amount. The Water and Sewer Fund had an increase of $3,872,858 in net position for fiscal year 2013. This increase was due to a slight increase in operating revenues and the reduction of GEFA debt. The Water and Sewer Fund also had a bond coverage ratio of 1.7 for 2013, which is well above the required 1.2. The Water and Sewer Fund issued a 2013 Junior Lien Debt issuance to pay off all of the current outstanding GEFA loans. This will save in future interest on the loans.

The Fire Fund had an increase in net position of $118,363 due to the receipt of SPLOST reimbursements for the 800 MHZ Radio system. The Solid Waste Commission Fund had an increase in net position due to decreased expenses for closure and postclosure costs . The Building Inspection had a decrease to net position of $140,050. This was due to a decrease in fee revenues. The Solid Waste Management Fund had a net increase in net position of $131,995. This was due to a mitigation of expense and an additional transfer from the General Fund.

GENERAL FUND BUDGET HIGHLIGHTS

The original budget for the General Fund was amended with commission approval after the beginning of the fiscal year with an ended approved amount of $190,000 more in expenses than the original budget. This increase was mainly due to the consolidation of three previously separate special revenue funds that were collapsed into the General fund under the new GASB 54 pronouncement. The City ended the year with slightly less in revenues than budget and under in expenditures for an increase to fund balance of $206,857. There were minimum changes to the original budget due to revenues and expenses tracking extremely close to original estimates. The following are highlighted budgetary changes from the original to final budgets.

- Current Year Property Taxes were increased to more accurately reflect projected increases in receipts, but actual numbers did not meet those projections.
- City Commission and Municipal Court Departments were increased slightly to cover additional training expenses.
- General Administration expenses were increased due to increases in economic development costs.
- Traffic/Electrical expenses were increased to cover additional supply expenses for replacement of storm related supplies.
- Other Facilities expenses were increased to cover unbudgeted repairs/maintenance to HVAC units.
- Roman Holiday boat expenses were increased to cover repair of motors.
- Community Services expenses were decreased due to the inactivation of the South Rome Director Position.
- Community Development expenses were increased to accommodate the consolidation of the special revenue funds.
- Transfer out to Transit Fund was decreased due to a decrease in actual capital purchases.
- Transfer to the Golf Fund was decreased due to a better cash position in that fund.

GENERAL FUND BUDGET HIGHLIGHTS-Continued

Budget to actual Variances within the General fund occur due to unforeseen revenue or expenditures. Significant variances for 2013 include:

- Prior Year Tax revenues were under budget due to decreased collections.
- Interest and Costs revenues were also under budget due to the decrease in prior year tax revenues.
- Motor Vehicle receipts were also up over anticipated budget, but the increase is in the Title Tax Portion of the revenue total.
- Franchise fee revenue for Georgia Power was significantly below anticipated collections.
- Local Option Sales Tax ended the year significantly under budget.
- Grant reimbursements for the COPS Police grant were not budgeted.
- Police fines and fees were under budgeted amounts due to decrease in fines.
- Charges for Services include revenues for Parking included in the consolidation of the special revenue funds.
- Police Department ended the year with expenses under budget by 92,981. This is significant because this department is one of the largest General Fund departmental budgets.
- General Administration expenses ended up below the revised budget by $83,916 due to a decrease in interest and insurance costs.
- Transfer out to the Transit fund was less than budget because of less than anticipated capital needs.
- Transfer out to the Golf Fund was under the revised budget by $56,000 and original budget $96,000 due to the good revenue year for the Golf fund.
- Public Works office is under budget due to the vacancy of the Director position for part of the fiscal year.
- Engineering office is under budget due to a personnel vacancy.

General Fund operating expenditures ended the year under final budget numbers. This, with a net decrease in revenues from the anticipated revenues, created the very modest increase to fund balance of $206,857 for 2013.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Rome has invested $257,824,764 in capital assets net of debt, with $122,991,274 in governmental activities and $134,833,490 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, 2013

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	$ 9,815,291	$ 9,160,820	$ 7,587,337	$ 7,587,337	$ 17,402,628	$ 16,748,157
Construction in Progress	4,597,987	5,005,172	2,307,083	1,619,646	6,905,070	6,624,818
Buildings	106,326,353	103,311,580	104,847,011	104,542,542	211,173,364	207,854,122
Improvements other than buildings	6,158,404	6,054,383	18,514,616	18,169,763	24,673,020	24,224,146
Machinery & Equipment	5,166,187	4,925,298	14,928,038	13,019,223	20,094,225	17,944,521
Vehicles	5,199,203	5,028,402	21,601,847	21,245,191	26,801,050	26,273,593
Infrastructure	127,792,769	127,385,795	145,006,015	141,768,573	272,798,784	269,154,368
Total	265,056,194	260,871,450	314,791,947	307,952,275	579,848,141	568,823,725
Accumulated depreciation	(133,304,380)	(127,816,447)	(126,410,836)	(117,780,505)	(259,715,216)	(245,596,952)
Net Capital Assets	$ 131,751,814	$ 133,055,003	$ 188,381,111	$ 190,171,770	$ 320,132,925	$ 323,226,773

CAPITAL ASSETS AND DEBT ADMINISTRATION - continued

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

- Sidewalk improvements City wide of $334,104.
- Construction of City owned Cemetery Mausoleum of $805,448
- Rome Urban Riverfront of $1,937,225
- Street Paving of $334,514
- Purchase of Police Vehicles of $231,241
- Purchase of Land $894,196

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

- Transit Capital Improvements of $333,596
- Purchase of Dozier for Landfill of $592,000
- Purchase of Compactor for Landfill of $535,427
- Water Tank Maintenance of $257,668
- Purchase of Sewer Jet truck of $339,616
- Improvements at Water Filter Plant for Flash Mix unit of $1,942,376

Additional information on the City of Rome's Capital assets can be found in Note III- (C) on pages 55-58

Long-term Debt

The Water and Sewer Fund issued $7,934,000 in a Junior Lien Bond issue in 2013. These paid off all outstanding current GEFA loans. At December 31, 2013 the City of Rome had $65,472,152 in bonds and notes outstanding which is a decrease of $2,952,065 over the prior year. Compensated absences nor Landfill closure or post-closure debt has been included in these calculations.

City of Rome
Outstanding Note and Bond Debt
as of December 31, 2013

	Governmental Activities	Business-Type Activities	Total
Bonds	$ 4,527,000	$ 54,241,352	$58,768,352
Notes Payable	1,346,481	1,336,382	2,682,863
Intergovernmental Agreement	3,540,000	-	3,540,000
Capital Leases	20,513	460,424	480,937
	$ 9,433,994	$ 56,038,158	$65,472,152

The City currently maintains an Aa2 on its General Obligation bonds and A+ and Aa3 on its Water and Sewer bonds. Additional information on the City's long-term debt can be found in Note III-(E) on pages 62 to71 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Revenue source collections during the 2013 fiscal year have been unpredictable. Local Option Sales Tax revenues have had major decreases, as well as current and prior year tax collections. Slightly up in 2013 were Insurance Premium Tax and Public Utility Taxes due to a one time catch up payment. However franchise fees; one of the larger revenue sources for the General Fund was again down in 2013 due to another decrease in the Georgia Power fee of some 3.2%. Police Fines and forfeitures were up for the year, but are still significantly below budget. Greater than anticipated decreases in property taxes, sales tax and franchise fees have been very challenging for the City General Fund budget. There are areas that do seem to be on an upward trend, but the City is still dealing with many revenue sources that are still declining. The greatest challenge for the City for the next fiscal year is to try to adjust expenditures to live within this projected stagnation in revenues. Another challenge for the next several years is the housing market adjustments that will affect the City tax digest. Management has anticipated that the digest will probably decrease for at least the next year or so and the last couple of years have seen decreases. New legislation which became effective in 2013 has had a major impact on the City's revenue sources. Sales Taxes on automobiles have been eliminated and have been replaced with a motor vehicle title fee. The ad valorem on new vehicles after this implementation is also eliminated. The sales tax on energy consumption in manufacturing is also being phased out over the next four years. All of these factors will weigh heavily on the new several fiscal years' budgets. Also of some concern is that because the City

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET-continued

was not able to give personnel merit raises for several years, the City has become vulnerable to loss of personnel back to the private sector as economic conditions improve there. This is especially a concern in the Public Safety and Water/Sewer plant operators' area. Budgetary factors of concern as the 2014 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 and salary competitiveness with the private sector.
- 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.
- Impact of new legislation on revenue sources.

The City of Rome has been effective in the last couple of years to have aligned their expenses within the current revenue stream. The City has seen successive years again with moderate increases to net position that has helped offset the first couple of years of this current economic downturn. The City of Rome is committed to provide the highest level of services and maintain that within the anticipated revenue projections.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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

BASIC FINANCIAL STATEMENTS

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

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
December 31, 2013

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Greater Rome Convention & Visitors Bureau	Rome Board of Education
ASSETS					
Current Assets:					
Cash	$ 9,001,400	$ 18,314,373	$ 27,315,773	$ 49,307	$ 18,834,215
Accounts receivable, net	4,437,658	2,949,418	7,387,076	1,030	-
Accounts receivable, loans	304,763	-	304,763	-	-
Taxes receivable, net	1,649,691	-	1,649,691	-	-
Due from primary government	-	-	-	5,054	-
Due from other governments	2,028,609	1,671,228	3,699,837	7,929	6,561,188
Internal balances	2,026,951	(2,026,951)	-	-	-
Due from component units	8,243	5,409	13,652	-	-
Inventory	161,293	896,466	1,057,759	-	79,541
Prepaid items	11,824	16,748	28,572	-	-
Total current assets	19,630,432	21,826,691	41,457,123	63,320	25,474,944
Non Current Assets:					
Restricted Assets					
Cash	302,036	941,528	1,243,564	-	-
Investments	2,112,092	-	2,112,092	-	-
Net pension asset	3,427,579	-	3,427,579	-	-
Other noncurrent assets, derivative	807,256	-	807,256	-	-
Capital Assets					
Non-depreciable assets	14,413,278	9,894,420	24,307,698	-	1,761,340
Depreciable assets, net of depreciation	117,338,536	178,486,691	295,825,227	54,429	2,383,557
Total noncurrent assets	138,400,777	189,322,639	327,723,416	54,429	4,144,897
TOTAL ASSETS	158,031,209	211,149,330	369,180,539	117,749	29,619,841
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	2,256,248	2,256,248	-	-
Deferred bond issuance costs	-	234,289	234,289	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	2,490,537	2,490,537	-	-
LIABILITIES					
Current Liabilities:					
Accounts payable	1,419,956	1,484,094	2,904,050	5,396	510,442
Accrued liabilities	237,977	485,875	723,852	4,100	5,645,827
Accrued interest payable	21,175	-	21,175		
Retainage payable	133,802	-	133,802	-	-
Unearned revenues	11,743	158,105	169,848	-	-
Due to primary government	-	-	-	13,652	-
Due to component units	4,833	221	5,054	-	-
Due to other governments	86,138	36,298	122,436	-	66,000
Capital leases payable-current	10,078	111,584	121,662	-	-
Intergovernmental agreements payable-current	110,000	-	110,000	-	-
Bonds payable-current	-	771,000	771,000	-	-
Closure and postclosure care-current	-	223,369	223,369	-	-
Notes payable-current	200,958	-	200,958	-	-
Claims payable	-	751,000	751,000	-	-
Compensated absences payable	674,196	1,081,231	1,755,427	19,912	18,029
Total current liabilities	2,910,856	5,102,777	8,013,633	43,060	6,240,298

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
December 31, 2013

	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)	$ 10,435	$ 348,840	$ 359,275	$ -	$ -
Customer deposits	-	814,617	$ 814,617	-	-
Closure and postclosure care-long term	-	8,602,793	8,602,793	-	-
Compensated absences payable-long term	224,732	360,410	585,142	6,637	-
Net other post employment benefits obligation	1,889,226	-	1,889,226	-	-
Intergovernmental agreements payable-long term	3,430,000	-	3,430,000	-	-
Notes payable-long term	1,145,523	1,336,382	2,481,905	-	-
Bonds payable (net of current portion)	4,527,000	53,470,352	57,997,352	-	2,000,000
Total long term liabilities	11,226,916	64,933,394	76,160,310	6,637	2,000,000
TOTAL LIABILITIES	14,137,772	70,036,171	84,173,943	49,697	8,240,298
DEFERRED INFLOWS OF RESOURCES					
Deferred change in fair value of hedging derivative instruments	807,256	-	807,256	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	807,256	-	807,256	-	-
NET POSITION					
Net investment in capital assets	122,991,274	134,833,490	257,824,764	54,429	2,144,897
Restricted for:					
Capital projects	114,575	-	114,575	-	7,851,480
Other purposes:					
Revolving loans and housing initiatives	149,297	-	149,297	-	-
Debt service	-	941,528	941,528	-	-
Food services	-	-	-	-	2,252,229
School activities	-	-	-	-	1,958,000
Tourism & forum promotions	206,774	-	206,774	-	-
Planning and zoning activities	59,416	-	59,416	-	-
Forum parking deck operations	33,235	-	33,235	-	-
Cemetary perpetual care	783,725	-	783,725	-	-
GMA leasepool	2,112,092	-	2,112,092	-	-
Unrestricted (deficit)	16,635,793	7,828,678	24,464,471	13,623	7,172,937
TOTAL NET POSITION	$ 143,086,181	$ 143,603,696	$ 286,689,877	$ 68,052	$ 21,379,543

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
					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	$ 3,701,271	$ 2,077,446	$ 112,557	$ 378,355	$ (1,132,913)	$ -	$ (1,132,913)	$ -	$ -
Public Safety	7,546,398	1,358,145	47,256	266,353	(5,874,644)	-	(5,874,644)	-	-
Public Works	11,780,549	-	351,625	4,084,869	(7,344,055)	-	(7,344,055)	-	-
Public Facilities	1,516,283	-	-	81,490	(1,434,793)	-	(1,434,793)	-	-
Public Services	448,081	-	-	-	(448,081)	-	(448,081)	-	-
Community Development	2,112,665	134,364	431,758	-	(1,546,543)	-	(1,546,543)	-	-
Education	1,462,658	-	-	1,744,381	281,723	-	281,723	-	-
Interest on Debt	538,128	-	-	-	(538,128)	-	(538,128)	-	-
Total Governmental Activities	29,106,033	3,569,955	943,196	6,555,448	(18,037,434)	-	(18,037,434)	-	-
Business-Type Activities:									
Water and Sewer	17,501,496	21,960,454	-	31,792	-	4,490,750	4,490,750	-	-
Fire	11,958,991	5,607,223	405,206	652,248	-	(5,294,314)	(5,294,314)	-	-
Solid Waste Commission	1,898,929	2,453,837	-	-	-	554,908	554,908	-	-
Transit	3,734,189	1,491,846	838,044	674,864	-	(729,435)	(729,435)	-	-
Building Inspection	754,769	614,562	-	-	-	(140,207)	(140,207)	-	-
Solid Waste Management	3,494,512	1,912,617	-	-	-	(1,581,895)	(1,581,895)	-	-
Municipal Golf Course	1,242,198	963,287	-	-	-	(278,911)	(278,911)	-	-
Public Facilities	364,071	693,559	-	-	-	329,488	329,488	-	-
Total Business-Type Activities:	40,949,155	35,697,385	1,243,250	1,358,904	-	(2,649,616)	(2,649,616)	-	-
Total - Primary Government	$ 70,055,188	$ 39,267,340	$ 2,186,446	$ 7,914,352	(18,037,434)	(2,649,616)	$ (20,687,050)	-	-
Component Units									
Rome Board of Education	$ 50,665,371	$ 1,110,555	$ 33,519,230	$ -				-	(16,035,586)
Greater Rome Convention & Vistors Bureau	573,844	16,414	577,687	-				20,257	-
Total - Component Units	$ 51,239,215	$ 1,126,969	$ 34,096,917	$ -				$ 20,257	$ (16,035,586)
		GENERAL REVENUES:							
		Taxes:							
		Property			$ 10,073,873	$ -	$ 10,073,873	$ -	$ 17,806,162
		Sales			5,590,454	-	5,590,454	-	4,784,142
		Franchise			3,597,107	-	3,597,107	-	-
		Insurance Premium			1,872,653	-	1,872,653	-	-
		Alcoholic Beverage			854,970	-	854,970	-	-
		Intangible			160,147	-	160,147	-	-
		Hotel/Motel			683,312	-	683,312	-	-
		Other			126,192	-	126,192	-	-
		Gain on Disposal of Capital Assets			-	-	-	-	1,089
		Interest Earned			599,363	62,362	661,725	-	96,502
		Miscellaneous			690,796	506	691,302	-	61,193
		Total General Revenues			24,248,867	62,868	24,311,735	-	22,749,088
		Transfers			(7,018,371)	7,018,371	-	-	-
		Total General Revenues and Transfers			17,230,496	7,081,239	24,311,735	-	22,749,088
		Change in Net Position			(806,938)	4,431,623	3,624,685	20,257	6,713,502
		NET POSITION BEGINNING OF YEAR			143,893,119	139,172,073	283,065,192	47,795	14,666,041
		NET POSITION END OF YEAR			$ 143,086,181	$ 143,603,696	$ 286,689,877	$ 68,052	$ 21,379,543

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	Major Governmental Funds		Non-major Governmental Funds	Total Governmental Funds
	General	Capital		
ASSETS:				
Cash and cash equivalents	$ 7,907,423	$ 469,833	$ 624,144	$ 9,001,400
Taxes receivable, net of allowances for uncollectibles	1,647,170	-	2,521	1,649,691
Accounts receivable, net of allowances for uncollectibles	3,708,020	681,749	47,889	4,437,658
Accounts receivable loans	-	-	304,763	304,763
Due from other governments	1,280,543	622,175	125,891	2,028,609
Due from other funds	242,037	1,016,541	688	1,259,266
Due from component units	3,389	4,854	-	8,243
Prepaid items	11,824	-	-	11,824
Inventories	161,293	-	-	161,293
Restricted cash	302,036	-	-	302,036
Restricted investments	-	2,112,092	-	2,112,092
Advances due from other funds	590,000	2,060,599	-	2,650,599
TOTAL ASSETS	$ 15,853,735	$ 6,967,843	$ 1,105,896	$ 23,927,474
LIABILITIES:				
Accounts payable	$ 513,047	$ 870,942	$ 35,967	$ 1,419,956
Accrued liabilities	234,699	-	3,278	237,977
Retainage payable	-	133,802	-	133,802
Due to other funds	1,200,120	40,128	96,831	1,337,079
Due to other governments	72,335	-	13,803	86,138
Due to component units	-	-	4,833	4,833
Unearned revenue	11,743	-	-	11,743
Advances due to other funds	-	1,975,822	-	1,975,822
TOTAL LIABILITIES	2,031,944	3,020,694	154,712	5,207,350
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	1,014,578	-	-	1,014,578
TOTAL DEFERRED INFLOWS OF RESOURCES	1,014,578	-	-	1,014,578
FUND BALANCES:				
Nonspendable:				
Prepaid items	11,824	-	-	11,824
Inventories	161,293	-	-	161,293
Advances due from other funds	590,000	2,060,599	-	2,650,599
Accounts receivable loans	-	-	304,763	304,763
Restricted for:				
Revolving loans and housing initiatives	-	-	149,297	149,297
Planning and zoning activities	-	-	59,416	59,416
Tourism and forum promotion	-	-	206,774	206,774
Capital improvements	-	-	114,575	114,575
Forum parking deck operations	-	-	33,235	33,235
Cemetary perpetual care	783,725	-	-	783,725
GMA leasepool	-	2,112,092	-	2,112,092
Assigned for:				
Community development operations	-	-	73,124	73,124
Appropriation of subsequent year's budget	-	-	10,000	10,000
Unassigned	11,260,371	(225,542)	-	11,034,829
TOTAL FUND BALANCES	12,807,213	3,947,149	951,184	17,705,546
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 15,853,735	$ 6,967,843	$ 1,105,896	$ 23,927,474

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2013

TOTAL GOVERNMENTAL FUND BALANCES		$ 17,705,546
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost	$ 265,056,194	
Less accumulated depreciation	(133,304,380)	131,751,814
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. Governmental activities net position have been increased by the effect of the internal service funds net position.	1,429,987	1,429,987
The net pension asset is not a current financial resource and is not recorded in the fund statements.	3,427,579	3,427,579
The derivative is not a current financial resource and is not recorded in the fund statements.	807,256	807,256
Other long-term assets or deferred inflows of resources are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Property taxes	1,014,578	
Derivative - effective hedge	(807,256)	207,322
Net other post employment benefits obligations are not due and payable in the current period and therefore not reported in the funds	1,889,226	(1,889,226)
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	21,175	
Capital leases	20,513	
Compensated absences	898,928	
Notes payable	1,346,481	
GMA lease pool contract certificates of participation	4,527,000	
Intergovernmental agreements	3,540,000	(10,354,097)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 143,086,181

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, 2013

	Major Governmental Funds		Non- major Governmental Funds	Total Governmental Funds
	General	Capital		
REVENUES:				
Taxes	$ 20,350,094	$ 1,850,000	$ 809,504	$ 23,009,598
Licenses and permits	1,735,348	-	-	1,735,348
Intergovernmental	511,438	3,652,769	1,103,947	5,268,154
Charges for services	342,098	-	134,364	476,462
Fines and forfeitures	1,358,145	-	-	1,358,145
Interest earned	328,374	260,995	9,994	599,363
Miscellaneous	97,521	592,865	410	690,796
TOTAL REVENUES	24,723,018	6,356,629	2,058,219	33,137,866
EXPENDITURES:				
Current:				
General government	3,180,741	-	-	3,180,741
Public safety	7,371,628	-	-	7,371,628
Public works	5,576,896	-	-	5,576,896
Public facilities	398,741	-	640,714	1,039,455
Public services	433,301	-	-	433,301
Community development	397,043	-	766,146	1,163,189
Capital outlay	-	6,418,303	489,129	6,907,432
Debt service				
Principal	-	278,041	27,860	305,901
Interest	-	514,580	27,140	541,720
TOTAL EXPENDITURES	17,358,350	7,210,924	1,950,989	26,520,263
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,364,668	(854,295)	107,230	6,617,603

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, 2013

	Major Governmental Funds		Non- major Governmental Funds	Total Governmental Funds
	General	Capital		
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 1,382,110	$ 281,594	$ 239,750	$ 1,903,454
Transfers out	(8,539,921)	(117,000)	(264,904)	(8,921,825)
Proceeds from sale of capital assets	-	451,394	-	451,394
TOTAL OTHER FINANCING SOURCES (USES)	(7,157,811)	615,988	(25,154)	(6,566,977)
NET CHANGE IN FUND BALANCES	206,857	(238,307)	82,076	50,626
FUND BALANCES - BEGINNING OF YEAR	12,600,356	4,185,456	869,108	17,654,920
FUND BALANCES - END OF YEAR	$ 12,807,213	$ 3,947,149	$ 951,184	$ 17,705,546

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, 2013

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 50,626
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	4,451,212	
Depreciation expense	(6,591,399)	(2,140,187)
The net effect of the disposal of capital assets is to decrease net position.		(1,393,492)
Governmental funds do not report the acquisition of capital assets acquired through donations or capital contributions. However, in the statement of activities, the costs of those assets are reported at market value.		
Assets acquired through donation or capital contributions-current year		2,230,490
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.		(143,579)
Revenues in the statements of activities that do not provide current financial resources are reported as deferred inflow of resources in the funds.		
Property tax deferred inflows		(50,890)
The receipt and repayment of bonds, notes payable and capital lease principal is a revenue and expenditure in the governmental funds, but the activity increases and decreases long-term liabilities in the statement of net position		
Accrual of interest expense		3,592
Long-term debt principal payment		305,901
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.		(60,575)
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		412,740
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.		(21,564)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ (806,938)

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013

	Enterprise Funds					
	Major Enterprise Funds			Non-major Enterprise Funds	Total	Internal Service Funds
	Water & Sewer System	Fire	Solid Waste Commission			
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 5,784,580	$ 937,343	$ 7,832,296	$ 1,194,130	$ 15,748,349	$ 2,566,024
Restricted cash	599,762	-	-	341,766	941,528	-
Accounts receivable, net of allowances for uncollectibles	2,502,984	-	227,151	218,845	2,948,980	438
Due from other governments	1,045,312	127,178	-	278,870	1,451,360	219,868
Due from other funds	23,609	77,646	6,828	104,268	212,351	220,003
Due from component units	2,081	-	-	289	2,370	3,039
Prepaid items	-	-	-	11,643	11,643	5,105
Inventories	575,894	26,989	-	293,583	896,466	-
Total Current Assets	10,534,222	1,169,156	8,066,275	2,443,394	22,213,047	3,014,477
Noncurrent Assets:						
Advances due from other funds	-	-	-	-	-	1,385,822
Capital assets						
Non-depreciable assets	3,837,557	151,273	411,337	5,494,253	9,894,420	-
Depreciable assets, net of accumulated depreciation	161,126,369	6,435,756	4,214,202	6,710,364	178,486,691	-
Total Noncurrent Assets	164,963,926	6,587,029	4,625,539	12,204,617	188,381,111	1,385,822
TOTAL ASSETS	175,498,148	7,756,185	12,691,814	14,648,011	210,594,158	4,400,299
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	2,035,385	-	-	220,863	2,256,248	-
Deferred bond issuance costs	234,289	-	-	-	234,289	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,269,674	-	-	220,863	2,490,537	-

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013

	Enterprise Funds					
	Major Enterprise Funds			Non-major Enterprise Funds	Total	Internal Service Funds
	Water & Sewer System	Fire	Solid Waste Commission			
LIABILITIES						
Current Liabilities:						
Closure and post closure care, current	$ -	$ -	$ 223,369	$ -	$ 223,369	$ -
Revenue bonds, current	511,000	-	-	260,000	771,000	-
Accounts payable	1,208,312	54,629	60,927	86,307	1,410,175	73,919
Accrued liabilities	202,164	89,480	8,211	185,607	485,462	413
Unearned revenue	87,750	-	-	70,355	158,105	-
Due to other governments	-	12,535	23,763	-	36,298	-
Due to other funds	61,449	56,041	13,628	223,423	354,541	-
Due to component unit	-	164	-	57	221	-
Compensated absences, current	229,885	687,361	21,962	142,023	1,081,231	-
Claims payable	-	-	-	-	-	751,000
Capital leases, current	-	111,584	-	-	111,584	-
Total Current Liabilities	2,300,560	1,011,794	351,860	967,772	4,631,986	825,332
Long-Term Liabilities:						
Closure and post closure care	-	-	8,602,793	-	8,602,793	-
Customer deposits	814,617	-	-	-	814,617	-
Revenue bonds, long-term	49,650,045	-	-	3,820,307	53,470,352	-
Notes payable, long-term	1,336,382	-	-	-	1,336,382	-
Advances due to Capital Fund	464,292	550,935	321,200	724,172	2,060,599	-
Compensated absences, long term	76,628	229,120	7,321	47,341	360,410	-
Capital leases, long-term	-	348,840	-	-	348,840	-
Total Long-Term Liabilities	52,341,964	1,128,895	8,931,314	4,591,820	66,993,993	-
TOTAL LIABILITIES	54,642,524	2,140,689	9,283,174	5,559,592	71,625,979	825,332
NET POSITION						
Net investment in capital assets	115,736,173	6,126,605	4,625,539	8,345,173	134,833,490	-
Restricted for debt service	599,762	-	-	341,766	941,528	-
Unrestricted (deficit)	6,789,363	(511,109)	(1,216,899)	622,343	5,683,698	3,574,967
TOTAL NET POSITION	$ 123,125,298	$ 5,615,496	$ 3,408,640	$ 9,309,282	$ 141,458,716	$ 3,574,967

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
RECONCILIATION OF PROPRIETARY FUND NET POSITION TO
BUSINESS TYPE ACTIVITIES STATEMENT OF NET POSITION
December 31, 2013

TOTAL PROPRIETARY FUND NET POSITION	$ 141,458,716
Amounts reported for business type activities in the statement of net position are different because:	
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. Business type activities net position have been increased by the effect of the internal service funds net position.	2,144,980
NET POSITION OF BUSINESS TYPE ACTIVITIES	$ 143,603,696

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Enterprise Funds					
	Major Enterprise Funds			Non-major Enterprise Funds	Total	Internal Service Funds
	Water & Sewer System	Fire	Solid Waste Commission			
OPERATING REVENUES						
Metered sales	$ 21,448,371	$ -	$ -	$ -	$ 21,448,371	$ -
Charges for services	508,203	5,600,000	2,448,753	5,654,565	14,211,521	7,929,773
Miscellaneous	3,880	7,223	5,084	21,306	37,493	-
TOTAL OPERATING REVENUES	21,960,454	5,607,223	2,453,837	5,675,871	35,697,385	7,929,773
OPERATING EXPENSES						
Cost of goods sold	-	-	-	103,717	103,717	-
Salaries and employee benefits	4,912,992	9,589,990	618,635	5,148,268	20,269,885	99,133
Supplies	1,244,813	871,556	252,649	905,920	3,274,938	-
Maintenance and repairs	768,009	263,900	227,969	357,829	1,617,707	-
Other services and charges	2,399,739	369,246	391,470	1,408,521	4,568,976	1,155,355
Depreciation	6,030,199	821,267	651,918	1,478,789	8,982,173	-
Claims	-	-	-	-	-	6,419,420
Closure and postclosure costs	-	-	(345,766)	-	(345,766)	-
Administrative fees	35,398	-	-	-	35,398	780,885
TOTAL OPERATING EXPENSES	15,391,150	11,915,959	1,796,875	9,403,044	38,507,028	8,454,793
OPERATING INCOME (LOSS)	6,569,304	(6,308,736)	656,962	(3,727,173)	(2,809,643)	(525,020)

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Enterprise Funds					
	Major Enterprise Funds			Non-major Enterprise Funds	Total	Internal Service Funds
	Water & Sewer System	Fire	Solid Waste Commission			
NON-OPERATING INCOME (EXPENSE)						
Intergovernmental revenue	$ -	$ 405,206	$ -	$ 838,044	$ 1,243,250	$ 204,253
Intergovernmental expense	-	(34,236)	(102,054)	-	(136,290)	-
Interest income	4,795	653	19,016	1,080	25,544	36,818
Interest expense	(1,933,158)	(8,796)	-	(185,574)	(2,127,528)	-
Miscellaneous revenue	506	-	-	-	506	-
Gain/(Loss) on disposal of capital assets	56	4,277	-	(5,454)	(1,121)	-
TOTAL NON-OPERATING INCOME (EXPENSE)	(1,927,801)	367,104	(83,038)	648,096	(995,639)	241,071
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	4,641,503	(5,941,632)	573,924	(3,079,077)	(3,805,282)	(283,949)
Transfers in	59,157	5,806,904	-	2,562,171	8,428,232	-
Transfers out	(859,594)	(399,157)	(27,110)	(49,000)	(1,334,861)	(75,000)
Capital contributions	31,792	652,248	-	674,864	1,358,904	-
CHANGE IN NET POSITION	3,872,858	118,363	546,814	108,958	4,646,993	(358,949)
NET POSITION - BEGINNING OF YEAR	119,252,440	5,497,133	2,861,826	9,200,324	136,811,723	3,933,916
NET POSITION - END OF YEAR	$ 123,125,298	$ 5,615,496	$ 3,408,640	$ 9,309,282	$ 141,458,716	$ 3,574,967

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION OF PROPRIETARY FUNDS
TO THE BUSINESS TYPE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

CHANGE IN NET POSITION-PROPRIETARY FUNDS	$	4,646,993
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.		(215,370)
CHANGE IN NET POSITION OF BUSINESS TYPE ACTIVITIES	$	4,431,623

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	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	$ 21,833,576	$ 5,607,223	$ 2,419,964	$ 5,791,855	$ 35,652,618	$ 7,946,975
Receipts from interfund services provided	-	154,330	826	22,139	177,295	(77,150)
Payments to suppliers	(3,700,515)	(1,509,975)	(946,349)	(2,874,324)	(9,031,163)	(1,967,109)
Payments to employees	(4,900,256)	(9,514,176)	(617,987)	(5,141,567)	(20,173,986)	(99,133)
Claims paid	-	-	-	-	-	(6,333,420)
Payments for interfund services used	(18,720)	-	-	(75,164)	(93,884)	-
Net cash provided (used) by operating activities	13,214,085	(5,262,598)	856,454	(2,277,061)	6,530,880	(529,837)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer from other funds	59,157	5,600,000	-	2,562,171	8,221,328	-
Transfer to other funds	(859,594)	(399,157)	(27,110)	(49,000)	(1,334,861)	(75,000)
Advances from other funds	464,292	-	-	79,383	543,675	-
Repayment of advances from other funds	-	(306,690)	(29,200)	(368,298)	(704,188)	-
Intergovernmental revenue	-	-	-	-	-	204,253
Intergovernmental expense	-	(34,236)	(102,054)	-	(136,290)	-
Subsidy from federal grant	-	362,984	-	838,044	1,201,028	-
Net cash provided (used) by noncapital financing activities	(336,145)	5,222,901	(158,364)	3,062,300	7,790,692	129,253
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	31,792	652,248	-	674,864	1,358,904	-
Transfer from other funds	-	206,904	-	-	206,904	-
Purchases of capital assets	(5,038,576)	(411,334)	(1,188,171)	(589,541)	(7,227,622)	-
Principal received on capital debt	7,934,000	-	-	-	7,934,000	-
Principal paid on capital debt	(12,885,872)	(109,316)	-	(780,696)	(13,775,884)	-
Interest paid on capital debt	(1,933,158)	(8,796)	-	(185,574)	(2,127,528)	-
Proceeds from long-term borrowings	1,336,382	-	-	-	1,336,382	-
Advances to other funds	-	-	-	-	-	(643,822)
Proceeds from sales of capital assets	56	4,277	-	30,654	34,987	-
Net cash provided (used) by capital and related financing activities	(10,555,376)	333,983	(1,188,171)	(850,293)	(12,259,857)	(643,822)

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, 2013

	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	$ 4,795	$ 653	$ 19,016	$ 1,080	$ 25,544	$ 36,818
Net cash provided by investing activities	4,795	653	19,016	1,080	25,544	36,818
Net increase (decrease) in cash and cash equivalents	2,327,359	294,939	(471,065)	(63,974)	2,087,259	(1,007,588)
Cash and cash equivalents, January 1	4,056,983	642,404	8,303,361	1,599,870	14,602,618	3,573,612
Cash and cash equivalents, December 31	$ 6,384,342	$ 937,343	$ 7,832,296	$ 1,535,896	$ 16,689,877	$ 2,566,024
Reconciliation of Cash and Cash Equivalents:						
Cash and cash equivalents	$ 5,784,580	$ 937,343	$ 7,832,296	$ 1,194,130	$ 15,748,349	$ 2,566,024
Cash and cash equivalents - restricted	599,762	-	-	341,766	941,528	-
Total cash and cash equivalents	$ 6,384,342	$ 937,343	$ 7,832,296	$ 1,535,896	$ 16,689,877	$ 2,566,024

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, 2013

	Enterprise Funds					
	Major Proprietary Funds			Nonmajor Enterprise Funds	Total	Internal Service Funds
	Water & Sewer System	Fire	Solid Waste Commission			
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	$ 6,569,304	$ (6,308,736)	$ 656,962	$ (3,727,173)	(2,809,643)	$ (525,020)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	6,030,199	821,267	651,918	1,478,789	8,982,173	-
Amortization expense	(356,486)	-	-	1,954	(354,532)	-
Miscellaneous revenues	506	-	-	-	506	-
(Increase) decrease in accounts receivable	(71,099)	-	(33,873)	6,878	(98,094)	(438)
(Increase) decrease in due from other governments	(54,035)	-	-	163,651	109,616	-
(Increase) decrease in due from other funds	(9,198)	139,478	613	(29,418)	101,475	(59,510)
(Increase) decrease in due from component unit	-	3	-	(9,908)	(9,905)	-
Increase in prepaid items	-	-	-	-	-	(1,002)
(Increase) decrease in inventories	(73,673)	(155)	-	60,383	(13,445)	-
Increase (decrease) in accounts payable and accrued liabilities	1,177,603	(5,118)	(420,027)	(150,766)	601,692	56,133
Increase in due to component unit	-	164	-	-	164	-
Increase in compensated absences payable	12,736	75,814	648	6,701	95,899	-
Decrease in unearned revenue	(2,250)	-	-	(54,545)	(56,795)	-
Increase (decrease) in due to other funds	(9,522)	14,685	213	(23,607)	(18,231)	-
Total adjustments	6,644,781	1,046,138	199,492	1,450,112	9,340,523	(4,817)
Net cash provided (used) by operating activities	$ 13,214,085	$ (5,262,598)	$ 856,454	$ (2,277,061)	$ 6,530,880	$ (529,837)

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
EMPLOYEE BENEFIT TRUST FUND
December 31, 2013

	Flexible Spending Fund
ASSETS	
Cash	$ 11,729
TOTAL ASSETS	11,729
NET POSITION	
Held in trust for flexible spending	11,729
TOTAL NET POSITION	$ 11,729

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
EMPLOYEE BENEFIT TRUST FUND
For the Year Ended December 31, 2013

	Flexible Spending Fund
ADDITIONS	
Contributions	$ 115,438
Investment earnings	5
Total additions	115,443
DEDUCTIONS	
Claims paid	120,048
Total deductions	120,048
NET DECREASE	(4,605)
NET POSITION HELD IN TRUST FOR FLEXIBLE SPENDING	
NET POSITION, BEGINNING OF YEAR	16,334
NET POSTION, END OF YEAR	$ 11,729

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 principles, these financial statements present the City (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Unless otherwise indicated, the "City" refers to the primary government. The City's blended component units are reported as if they are a part of the City because their sole purpose is to provide services to the City. Discretely presented component units that are presented in the City of Rome financial statements are reported in separate columns in the government wide statements to emphasize that they are legally separate from the City. Each discretely presented component unit has a December 31 year end, except for the Rome Board of Education, which has a June 30 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.

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

B. Basis of Presentation

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

Government-wide Financial Statements – The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities which normally are supported by taxes, intergovernmental revenues, and City general revenues are reported separately from business type activities which rely to a significant extent on fees and charges for support from external users. Likewise, the primary government is reported separately from any legally separate discretely presented component units for which the primary government is financially accountable. The statement of activities demonstrates the degree to which the direct expenses of each function of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers who purchase, use, or directly benefit from the goods, services, or privileges provided by a distinct function 2) operating grants and contributions restricted to the operational needs of a particular function 3) capital grants and contributions restricted for the acquisition or construction of capital assets. Taxes and other revenue sources not properly included with program revenues are reported as general revenues of the City. This comparison of direct expenses with program revenues does identify the extent to which each governmental function is self financing or is subsidized by general revenues. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The City reports the following major governmental funds:

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

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.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Basis of Presentation – Continued

The City reports the following major Proprietary Funds:

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

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

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

Additionally, the City reports the following fund types:

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

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.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus – Basis of Accounting

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

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

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

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

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

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 restriction account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources. These amounts are eliminated in the governmental and business-type activities column of the Statement of Net Position except for any net residual amounts due between governmental and business type activities, which are reclassified and presented as internal balances.

4. Inventories

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

5. Restricted Assets

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

6. Prepaid Items

Certain payments to vendors reflecting costs applicable to periods beyond December 31, 2013 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. Unavailable Revenue

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

10. Long-Term Obligations

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

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

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 position."

Fund Balance

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

Fund balances are classified as follows:

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

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

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

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

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Equity– Continued

11. Fund Equity - Continued

Net Position

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

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

12. 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.

14. Deferred outflows/inflows of resources

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of January 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of financial position.

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Equity– Continued

14. Deferred outflows/inflows of resources - Continued

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

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 $303,000 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.

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 AAAf 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 State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 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, 2013, the City of Rome's investment in Georgia Fund One was rated AAAf 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, 2013, the City of Rome had the following investments.

Investment Type	Maturities	Fair Value
Georgia Fund One-included in cash	59 day weighted average	$ 7,545,930
Guaranteed Investment Contract	June 1, 2028	2,112,092
Totals		$ 9,658,022

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, 2013, 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, 2013 consisted of taxes, loans, and accounts (including billings for user charges and unbilled utility receivables), and intergovernmental receivables. Receivables at December 31, 2013 consist of the following:

Primary Government	Taxes	Loans	Account	Intergov't Receivables	Allowance for Uncollectibles	Net Receivables
General Fund	$ 4,093,537	$ -	$ 3,899,020	$ 1,280,543	$ (2,637,367)	$ 6,635,733
Capital Fund	-	375,000	366,749	622,175	(60,000)	1,303,924
Other Governmental Funds	19,923	754,242	47,889	125,891	(466,881)	481,064
Water Fund	-	-	3,392,984	1,045,312	(890,000)	3,548,296
Fire Fund	-	-	-	127,178	-	127,178
Solid Waste Commission Fund	-	-	260,151	-	(33,000)	227,151
Other Proprietary Funds	-	-	289,845	278,870	(71,000)	497,715
Internal Service Funds	-	-	438	219,868	-	220,306
Total Primary Government	4,113,460	1,129,242	8,257,076	3,699,837	(4,158,248)	13,041,367
Greater Rome CVB	-	-	1,030	7,929	-	8,959
Rome Board of Education	-	-	-	6,561,188	-	6,561,188
Total Reporting Entity	$ 4,113,460	$ 1,129,242	$ 8,258,106	$ 10,268,954	$ (4,158,248)	$ 19,611,514

The City has $109,329 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 22, 2013 and were payable on or before November 15, 2013. 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, 2013 is as follows:

Tax Year	
2013	$ 2,167,961
Prior Years	1,945,499
	4,113,460
Allowance for uncollectible	(2,463,769)
Net taxes receivable	$ 1,649,691

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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, 2013 are as follows:

Primary Government	Beginning Balance 12/31/2012	Increases	Decreases	Construction in progress Transfers	Ending Balance 12/31/2013
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 9,160,820	$ 114,903	$ (1,189,434)	$ 1,729,002	$ 9,815,291
Construction in progress	5,005,172	4,547,501	-	(4,954,686)	4,597,987
Total capital assets, not being depreciated	14,165,992	4,662,404	(1,189,434)	(3,225,684)	14,413,278
Capital assets, being depreciated:					
Buildings	103,311,580	687,091	(811,137)	3,138,819	106,326,353
Improvements other than buildings	6,054,383	66,615	-	37,406	6,158,404
Machinery and equipment	4,925,298	362,575	(121,686)	-	5,166,187
Vehicles	5,028,402	463,661	(292,860)	-	5,199,203
Infrastructure	127,385,795	439,356	(81,841)	49,459	127,792,769
Total capital assets being depreciated	246,705,458	2,019,298	(1,307,524)	3,225,684	250,642,916
Less accumulated depreciation for:					
Buildings	(23,367,399)	(2,126,394)	632,316	-	(24,861,477)
Improvements other than buildings	(762,024)	(425,931)	-	-	(1,187,955)
Machinery and equipment	(4,061,536)	(227,194)	121,686	-	(4,167,044)
Vehicles	(4,620,770)	(251,984)	267,623	-	(4,605,131)
Infrastructure	(95,004,718)	(3,559,896)	81,841	-	(98,482,773)
Total accumulated depreciation	(127,816,447)	(6,591,399)	1,103,466	-	(133,304,380)
Total capital assets, being depreciated, net	118,889,011	(4,572,101)	(204,058)	3,225,684	117,338,536
Governmental activities capital assets, net	$ 133,055,003	$ 90,303	$ (1,393,492)	$ -	$ 131,751,814

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

Governmental activities:	
General Government	$ 526,457
Public Safety	265,789
Public Works	3,820,782
Public Facilities	479,142
Public Services	26,090
Community Development	10,481
Education	1,462,658
	$ 6,591,399

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Capital Assets for the year ended December 31, 2013 are as follows:

	Beginning Balance 12/31/2012	Increases	Decreases	Transfers	Ending Balance 12/31/2013
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 7,587,337	$ -	$ -	$ -	$ 7,587,337
Construction in progress	1,619,646	2,334,141	-	(1,646,704)	2,307,083
Total capital assets, not being depreciated	9,206,983	2,334,141	-	(1,646,704)	9,894,420
Capital assets, being depreciated:					
Buildings	104,542,542	-	-	304,469	104,847,011
Improvements other than buildings	18,169,763	92,397	-	252,456	18,514,616
Machinery and equipment	13,019,223	1,928,398	(19,583)	-	14,928,038
Vehicles	21,245,191	725,021	(368,365)	-	21,601,847
Infrastructure	141,768,573	2,147,663	-	1,089,779	145,006,015
Total capital assets being depreciated	298,745,292	4,893,479	(387,948)	1,646,704	304,897,527
Less accumulated depreciation for:					
Buildings	(33,476,135)	(3,129,614)	-	-	(36,605,749)
Improvements other than buildings	(14,077,894)	(584,019)	-	-	(14,661,913)
Machinery and equipment	(9,690,711)	(916,355)	19,583	-	(10,587,483)
Vehicles	(14,801,455)	(1,204,536)	332,259	-	(15,673,732)
Infrastructure	(45,734,310)	(3,147,649)	-	-	(48,881,959)
Total accumulated depreciation	(117,780,505)	(8,982,173)	351,842	-	(126,410,836)
Total capital assets, being depreciated, net	180,964,787	(4,088,694)	(36,106)	1,646,704	178,486,691
Business-type activities capital assets, net	$ 190,171,770	$ (1,754,553)	$ (36,106)	$ -	$ 188,381,111

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

Business-type activities:	
Water and Sewer System Fund	$ 6,030,199
Fire Fund	821,267
Transit Fund	820,864
Solid Waste Management Fund	349,953
Municipal Golf Fund	95,090
Solid Waste Commission Fund	651,918
Building Inspection Fund	3,177
Public Facilities Fund	209,705
	$ 8,982,173

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

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

Net Invested in Capital Assets	Governmental Activities	Business-type Activities	Total
Capital assets, nondepreciable	$ 14,413,278	$ 9,894,420	$ 24,307,698
Capital assets, net	117,338,536	178,486,691	295,825,227
Other noncurrent asset, derivative	807,256	-	807,256
Deferred outflows of resources	-	2,490,537	2,490,537
Retainage payable	(133,802)	-	(133,802)
Intergovernmental agreements payable	(3,540,000)	-	(3,540,000)
Bonds payable	(4,527,000)	(54,241,352)	(58,768,352)
Capital leases payable	(20,513)	(460,424)	(480,937)
Notes payable	(1,346,481)	(1,336,382)	(2,682,863)
	$ 122,991,274	$ 134,833,490	$ 257,824,764

Component Units	**Beginning Balance 12/31/2012**	**Increases**	**Decreases**	**Ending Balance 12/31/2013**
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	(124,371)	(2,629)	-	(127,000)
Machinery and equipment	(7,000)	-	-	(7,000)
Total accumulated depreciation	(131,371)	(2,629)	-	(134,000)
Total capital assets, being depreciated, net	57,058	(2,629)	-	54,429
Greater Rome Convention and Visitors Bureau capital assets, net	$ 57,058	$ (2,629)	$ -	$ 54,429

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Component Units	Beginning Balance 6/30/2012	Increases	Decreases	Ending Balance 6/30/2013
Rome Board of Education				
Component unit:				
Capital assets, not being depreciated:				
Land	$ 1,014,630	$ 746,710	$ -	$ 1,761,340
Total capital assets not being depreciated	1,014,630	746,710	-	1,761,340
Capital assets, being depreciated:				
Buildings and Improvements	2,315,633	-	-	2,315,633
Computers and equipment	3,231,760	54,372	21,409	3,264,723
Vehicles	1,331,103	185,340	-	1,516,443
Total capital assets being depreciated	6,878,496	239,712	21,409	7,096,799
Less accumulated depreciation for:				
Buildings and Improvements	(913,654)	(60,646)	-	(974,300)
Computers and equipment	(2,457,306)	(194,495)	(21,409)	(2,630,392)
Vehicles	(999,564)	(108,986)	-	(1,108,550)
Total accumulated depreciation	(4,370,524)	(364,127)	(21,409)	(4,713,242)
Total capital assets, being depreciated, net	2,507,972	(124,415)	-	2,383,557
Rome Board of Education capital assets, net	$ 3,522,602	$ 622,295	$ -	$ 4,144,897

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

D. Interfund Transactions

Interfund balances at December 31, 2013 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, 2013 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	**Total**
Payable To:								
General Fund	$ -	$ -	$ 14,409	$ 24,752	$ 2,805	$ 6,977	$ 193,094	$ 242,037
Capital Fund	1,008,478	-	59	6,440	-	-	1,564	1,016,541
Non-major Governmental Funds	419	269	-	-	-	-	-	688
Water & Sewer System Fund	-	3,448	-	-	19,377	-	784	23,609
Fire Fund	-	1,433	75,525	-	-	-	688	77,646
Solid Waste Commission Fund	-	3,406	-	2,671	-	-	751	6,828
Non-major Enterprise Funds	65,949	31,572	2,759	1,930	667	109	1,282	104,268
Internal Service Funds	125,274	-	4,079	25,656	33,192	6,542	25,260	220,003
Total	$ 1,200,120	$ 40,128	$ 96,831	$ 61,449	$ 56,041	$ 13,628	$ 223,423	$ 1,691,620

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	$ -	$ 3,389
Capital Fund	-	4,854
Non-major governmental funds	4,833	-
Fire Fund	164	-
Water & Sewer System Fund	-	2,081
Non-major enterprise funds	57	289
Internal service funds	-	3,039
Total	$ 5,054	$ 13,652

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:			
	General Fund	Capital Fund	Internal Service Fund	Total
Advances To:				
Capital Fund	$ 590,000	$ -	$ 1,385,822	$ 1,975,822
Water Fund	-	464,292	-	464,292
Fire Fund	-	550,935	-	550,935
Solid Waste Commission Fund	-	321,200	-	321,200
Non-major Enterprise Funds	-	724,172	-	724,172
Total	$ 590,000	$ 2,060,599	$ 1,385,822	$ 4,036,421

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 $321,200 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

In 2012, the Rome City Commission authorized the borrowing of up to $1.5 million from the Health Insurance Fund to assist in the construction of the City Mausoleum. The advance will be re- paid over a maximum of ten years at 3% interest. As of December 31, 2013, the principal amount outstanding was $1,351,752 plus $34,070 of accrued interest earnings.

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, 2013 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	$ -	$ 255,000	$ 239,750	$ -	$ 5,600,000	$ 2,445,171	$ 8,539,921
Capital Fund	-	-	-	-	-	117,000	117,000
Non-major Governmental Funds	51,000	7,000	-	-	206,904	-	264,904
Water & Sewer System Fund	840,000	19,594	-	-	-	-	859,594
Fire Fund	340,000	-	-	59,157	-	-	399,157
Solid Waste Commission Fund	27,110	-	-	-	-	-	27,110
Non-major Enterprise Funds	49,000	-	-	-	-	-	49,000
Internal Service Funds	75,000	-	-	-	-	-	75,000
Total	$ 1,382,110	$ 281,594	$ 239,750	$ 59,157	$ 5,806,904	$ 2,562,171	$ 10,331,686

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:

2005 Issue:	$ 9,395,000	in a private placement bond issue, maturing through 2016 at an interest rate of 3.61%
2009 Issue:	$20,645,000	in a private placement bond issue, maturing through 2015 at an interest rate of 3.02%
2012 Issue:	$32,125,000	in serial bonds maturing through 2022, with interest ranging from 3.00% to 5.00%
2013 Issue:	$ 7,934,000	in a private placement bond issue, maturing through 2028 at an interest rate of 2.25%

In 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 equipped 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, 2013, considered defeased, totaled $7,815,000.

In May 2012, the City issued $32,125,000 of Water and Sewerage Revenue Refunding and Improvement bonds. The 2012 bonds were issued to (i) refund $33,540,000 in aggregate principal of its 2004 A Water and Sewerage Revenue Refunding and Improvement bonds and (ii) pay the costs of issuance of the 2012 bonds. The net proceeds from the issuance of the water revenue bonds were used to purchase general obligations of the United States of America and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments of the prior bonds when due or called. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. Outstanding bonds from the refunded debt outstanding at December 31, 2013, considered defeased, totaled $33,540,000.

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

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, 2013 are as follows:

Water and Sewer Bonds - Series 2005	$ 2,165,000
Water and Sewer Bonds - Series 2009	4,025,000
Water and Sewer Bonds - Series 2012	32,125,000
Water and Sewer Bonds - Series 2013	7,934,000
Subtotal	46,249,000
Less current maturities	511,000
Bonds payable, long term	$ 45,738,000

Reconciliation of Bonds Payable to Financial Statements:	
Current	
Bonds payable in less than one year	$ 511,000
Long-term	
Bonds payable in more than one year	$ 45,738,000
Bond premium, net of amortization	3,912,045
	$ 49,650,045

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, 2013, $3,880,000 of bonds outstanding are considered defeased. The City has pledged its full faith and credit and taxing power to service the debt.

The Series 2009 Bonds mature through 2024 with interest ranging from 3.0% to 5.0%. At December 31, 2013, $3,965,000 of these bonds were outstanding. Bonds payable reflected in the financial statements is net of $115,307 of unamortized bond premium.

3. 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 .05% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody's. At December 31, 2013, the floating rate being paid by the City is 0.37% and the market value of this agreement is $807,256, a decrease of $736,605 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, 2013 based on the derivative contract. This market value is reported as another asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as a deferred inflow of resources in the statement of net assets.

5. Debt Service to Maturity for all Bond Issues

	Water and Sewer		Golf		GMA COP		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	$ 511,000	$ 1,818,796	$ 260,000	$ 158,575	$ -	$ 215,032	$ 771,000	$ 2,192,403
2015	5,704,000	1,649,395	310,000	150,775	-	215,032	6,014,000	2,015,202
2016	5,837,000	1,536,209	325,000	138,375	-	215,032	6,162,000	1,889,616
2017	4,877,000	1,358,923	330,000	125,375	-	215,032	5,207,000	1,699,330
2018	5,021,000	1,217,270	350,000	112,175	-	215,032	5,371,000	1,544,477
2019-2023	22,211,000	2,818,283	1,945,000	353,450	-	1,075,160	24,156,000	4,246,893
2024-2028	2,088,000	114,413	445,000	17,800	4,527,000	1,075,160	7,060,000	1,207,373
	$ 46,249,000	$ 10,513,289	$ 3,965,000	$ 1,056,525	$ 4,527,000	$ 3,225,480	$ 54,741,000	$ 14,795,294

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt - Continued

6. Notes Payable and Intergovernmental Agreement

In 2013 the City entered an agreement with the Georgia Environmental Finance Authority (GEFA) and the State Revolving Loan Fund to finance the construction and improvements of various water and sewer facilities. As of December 31, 2013 the City had entered into one (1) such loan agreement with a loan balance of $1,336,382. This loan is in the drawdown phase, therefore no amortization schedules are available.

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 renegotiated the payment schedule with the final payment being made in fiscal year 2018. In 2010, the City issued debt in the amount of $516,600 at an interest rate of 5.83% per annum, in order to provide funds to pay certain redevelopment costs within, TAD II.

The following is a schedule of the future required principal and interest payments on the intergovernmental agreement as of December 31, 2013.

	Governmental Activities		
Year Ended December 31,	Principal	Interest	Total
2014	$ 110,000	$ 167,196	$ 277,196
2015	115,000	162,520	277,520
2016	120,000	157,594	277,594
2017	127,500	151,406	278,906
2018	132,500	145,094	277,594
2019-2023	752,500	631,672	1,384,172
2024-2028	955,000	430,322	1,385,322
2029-2033	1,227,500	159,438	1,386,938
Total	3,540,000	$ 2,005,242	$ 5,545,242
Less current maturities	110,000		
Long-term	$ 3,430,000		

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 notes payable as of December 31, 2013.

	Governmental Activities		
Year Ended December 31,	Principal	Interest	Total
2014	$ 200,958	$ 70,962	$ 271,920
2015	211,251	30,669	241,920
2016	222,077	49,847	271,924
2017	233,452	38,468	271,920
2018	206,853	26,508	233,361
2019-2023	219,921	55,079	275,000
2024-2028	51,969	3,031	55,000
Total	1,346,481	$ 274,564	$ 1,621,045
Less current maturities	200,958		
Long-term	$ 1,145,523		

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 and SunTrust. 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, 2013 are $20,513 and $460,424 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	$ 681,756	$ 1,793,720
Vehicles	312,303	3,169,504
Less accumulated depreciation	(366,956)	(1,354,805)
Total	$ 627,103	$ 3,608,419

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, 2013.

Year ending December 31,	Governmental Activities	Business-Type Activities	Total
2014	$ 10,804	$ 121,138	$ 131,942
2015	10,804	121,138	131,942
2016	-	121,138	121,138
2017	-	121,138	121,138
Total minimum lease payments	21,608	484,552	506,160
Less amounts representing interest	1,095	24,128	25,223
Present value of minimum lease payments	$ 20,513	$ 460,424	$ 480,937

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

7. Capital Leases - Continued

Component Unit - Rome Board of Education

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

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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, 2013. 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 12/31/2012	Additions	Deletions	Balance 12/31/2013	Due within one year	Due in more than one year
Governmental Activities:						
Certificates of Participation	$ 4,527,000	$ -	$ -	$ 4,527,000	$ -	$ 4,527,000
Capital Lease Obligations	30,247	-	9,734	20,513	10,078	10,435
Notes Payable	1,537,648	-	191,167	1,346,481	200,958	1,145,523
Net OPEB Obligation	2,301,966	1,027,089	1,439,829	1,889,226	-	1,889,226
Intergovernmental Agreements	3,645,000	-	105,000	3,540,000	110,000	3,430,000
Compensated Absences	838,353	674,872	614,297	898,928	674,196	224,732
Total Governmental Activities	$ 8,353,214	$ 1,701,961	$ 2,360,027	$ 7,695,148	$ 995,232	$ 6,699,916
Business-Type Activities:						
Revenue Bonds	$ 47,990,696	$ 7,934,000	$ 5,710,696	$ 50,214,000	$ 771,000	$ 49,443,000
Unamortized bond premium	4,753,092	-	725,740	4,027,352	-	4,027,352
Notes Payable	7,955,872	1,336,382	7,955,872	1,336,382	-	1,336,382
Capital Lease Obligations	569,740	-	109,316	460,424	111,584	348,840
Landfill Closure / Postclosure	9,287,454	51,321	512,613	8,826,162	223,369	8,602,793
Compensated Absences	1,345,742	1,285,888	1,189,989	1,441,641	1,081,231	360,410
Total Business-Type Activities	$ 71,902,596	$ 10,607,591	$ 16,204,226	$ 66,305,961	$ 2,187,184	$ 64,118,777

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 12/31/2012	Additions	Deletions	Balance 12/31/2013	Due within one year	Due in more than one year
Greater Rome Convention & Visitors Bureau						
Compensated Absences	$ 21,975	$ 16,375	$ 11,801	$ 26,549	$ 19,912	$ 6,637
Total Greater Rome Convention and Visitors Bureau	$ 21,975	$ 16,375	$ 11,801	$ 26,549	$ 19,912	$ 6,637

Component Unit	Balance 6/30/2012	Additions	Deletions	Balance 6/30/2013	Due within one year	Due in more than one year
Rome Board of Education						
Construction Bonds	$ 2,000,000	$ -	$ -	$ 2,000,000	$ -	$ 2,000,000
Compensated Absences	-	63,664	45,635	18,029	18,029	-
Total Rome Board of Education	$ 2,000,000	$ -	$ -	$ 2,000,000	$ -	$ 2,000,000

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 1.35% to 2.0% of the average monthly earnings for the period of the five highest years prior to retirement. Normal retirement age is 60 if employed prior to April 1, 1958, 62 if participant has 25 or more years of service, and 65 if employed on or after April 1, 1958 with less than 25 years of service.

As of July 1, 2013, the date of the most recent actuarial valuation, the plan membership included the following categories of participants.

Retirees and beneficiaries receiving benefits	306
Terminated vested participants not yet receiving benefits	105
Active participants	377
Total membership	788

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 contributions 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 2013 were computed as follows:

Annual required contribution	$	2,939,312
Interest on net pension asset		(267,309)
Adjustment to annual required contribution		288,873
Annual pension cost		2,960,876
Contributions made		2,939,312
Decrease in net pension asset		(21,564)
Net pension asset beginning of year	$	3,449,143
Net pension asset end of year	$	3,427,579

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
2011	$ 2,923,252	100%	$ 2,945,089	99%	$ 3,470,843
2012	2,946,663	100%	2,968,363	99%	3,449,143
2013	2,939,312	100%	2,960,876	100%	3,427,579

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, 2013, 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
7/1/2013	$ 60,287,524	$ 69,664,621	$ (9,377,097)	86.54%	$ 20,654,371	45.40%

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.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome - Continued

d) Schedule of Funding Progress - Continued

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2013.

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, 2013 totaled $196,153.

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. 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.

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

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.

b) Funding Policy

TRS is funded by member and employer contributions as adopted and amended by the Board of Trustees. 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 may be refunded with interest. 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, 2013, were 6.00% of annual salary. The member contribution rate will remain at 6.00% for the fiscal year beginning July 1, 2013. Employer contributions required for fiscal year 2013 were 11.41% of annual salary. The employer contribution rate will increase to 12.28% effective July 1, 2013. Contributions for the current and previous two fiscal years are as follows.

Fiscal Year	Percentage Contributed	Required Contribution
2013	100%	$ 2,993,257
2012	100%	2,845,942
2011	100%	2,933,344

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 $4,190, $3,696, and $3,296 for the fiscal years ended June 30, 2013, 2012, and 2011, 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 $60,889, $39,141, and $17,037 for the fiscal years ended June 30, 2013, 2012, and 2011, respectively.

Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions are refunded with interest. There were 100, 96, and 91 employees (members) covered under PSERS for the fiscal years ended June 30, 2013, 2012, and 2011, 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, 2013. The City of Rome Retirement Pension Insurance Plan is a single-employer defined benefit post-employment health care plan or other post employment benefit (OPEB) plan.

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

The City of Rome currently contracts with Blue Cross Blue Shield to administer the post retirement health care benefits. The City's obligation to provide these benefits was created under a City ordinance. Upon termination of employment, eligible employees are entitled to continue coverage, at their own cost, under the City's medical self-insurance plan (Note H.1). After 15 years of service, the City pays 10% of the retiree's share of charges from the City's medical self-insurance fund and life insurance carriers. The City's portion is increased 1% for each year of service to a maximum of 30%. For any employee hired after January 1, 2006, they are not eligible for post-retirement health benefits. Currently, 100 retirees are enrolled in post-retirement health care benefits. These post-retirement benefits are funded on a pay-as-you-go-basis. In 2013, the net cost of premiums for providing post-retirement benefits for retirees was approximately $267,181.

Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Health Care Plan as of July 1, 2012.

Active members	513
Retired members	275
Total	788

Contributions

The City's Health Insurance Fund contributed $1,439,828 to the OPEB Health Care Plan in fiscal year 2013. 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	$ 1,095,048
Interest on Existing NOO	92,078
ARC Adjustment	(160,038)
Annual OPEB Cost	1,027,088
Actual Contributions made	1,439,828
Decrease in net OPEB obligation	(412,740)
Net OPEB Liability, December 31, 2012	2,301,966
Net OPEB Liability, December 31, 2013	$ 1,889,226

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

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

OPEB Health Care Plan

Fiscal Year Ended December 31,	(1) Annual OPEB Cost	(2) Actual OPEB Contribution	(3) Percentage of OPEB Cost Contributed	Net OPEB Obligation
2011	$ 1,145,564	$ 771,521	67.35%	$ 2,335,010
2012	1,028,411	1,061,455	103.21%	2,301,966
2013	1,027,088	1,439,828	140.19%	1,889,226

As of the most recent valuation date, July 1, 2012, the funded status of the OPEB Health Care Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (ALL)	Unfunded ALL (UALL)	Funded Ratio	Covered Payroll	UALL as a Percentage of Covered Payroll
7/1/2012 *	-	11,082,562	11,082,562	0%	19,778,653	56.03%

* - Most recent actuarial valuation date.

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan net assets is increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at July 1, 2012. The assumptions used in the July 1, 2012 actuarial valuation are as follows:

Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value of Assets
Assumed Rate of Return on Investments	4.00%
Inflation Rate	3.00%
Medical Cost Trend Rate	8.00%
Ultimate Medical Cost Trend Rate	5.00%
Year of Ultimate Trend Rate	2019
Amortization Method	Level dollar, closed
Remaining Amortization Period	21 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 is transferred to the self-insurance fund each month. The employee's portion of the medical premiums are withheld from the employee's payroll and transferred to the self-insurance fund each month. Charges to other funds and the component units are treated as operating revenues in the self-insurance fund.

The self-insurance program is designed so that the City pays actual aggregate claims up to 110% of annual projected claims. Projected maximum claims for the plan year beginning January 1, 2013 total $7,835,414. 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
2012	$ 465,000	$ 5,781,118	$ (5,781,118)	$ 465,000
2013	465,000	5,783,566	(5,783,566)	465,000

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 2013, the City recorded a reimbursement of $204,253 from the Subsequent Injury Trust Fund of the state.

The City has accrued a liability for workers' compensation claims that were incurred prior to January 1, 2002, but were not paid as of December 31, 2013. Also included in the accrued liability for workers' compensation claims are the outstanding deductibles owed by the City for all current claims. This liability is based upon historical experience and other factors. Changes in the balances of claims liabilities were as follows:

	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	End of Fiscal-Year Liability
2012	$ 492,000	$ 162,015	$ (454,015)	$ 200,000
2013	200,000	721,854	(635,854)	286,000

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 statement of net position date. The $2,551,611 ($121,444 current) reported as postclosure care liability at December 31, 2013, represents the cumulative amount reported to date based on the use of 100% of the capacity of Phase I - VI of the landfill and 45.0% of the capacity of Phase VII. The $1,258,819 ($43,709 current) reported as postclosure care liability at December 31, 2013 represents the cumulative amount reported to date based on the use of 96% of the capacity of Phase I of C&D. In addition, $3,793,196 has been accrued at December 31, 2013 for closure costs for Phases IV, V, VI, and VII and the C&D sites based on the landfill capacity used as of the statement of net position date. The estimated remaining life of the Walker Mountain landfill is 30 years.

Under an agreement with Floyd County, the County will provide certain financial resources to the City's Solid Waste Commission Fund and the Solid Waste Commission Fund will pay for the post closure care costs at a landfill site previously operated by the County (Berryhill site). Accordingly, a liability for postclosure costs totaling $1,222,536 ($58,216 current) has been recognized in the Solid Waste Commission Fund as of December 31, 2013. 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, 2013 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 2013, the City paid dues in the amount of $36,159 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, 2013 is as follows:

	5% Levy	1% Levy
Balance as of December 31, 2012	$ 99,799	$ 31,808
2013 Tax Revenues	569,404	113,908
2013 Interest Revenue	50	10
2013 Expenditures		
Greater Rome Convention & Visitors Bureau	470,001	12,386
City of Rome	30,221	5,000
Floyd County	-	90,597
Balance as of December 31, 2013	$ 169,031	$ 37,743

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 $107,983 made during 2013 were 94.8% of total 2013 1% tax collections and expenditures of $500,222 were 87.9% of 2013 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 $7,500,000 of Tax Anticipation Notes in June of 2013. These notes matured and were paid in full on December 30, 2013. Interest expense of $33,600 was paid on the borrowings.

Fiscal Year Beginning Balance	Additions	Deletions	Ending Fiscal Year Balance
-	$7,500,000	$7,500,000	-

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 System.

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

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

P. Construction Commitments

The City of Rome has several active construction projects as of December 31, 2013. These projects are associated with water and sewer improvements, community development construction, and the construction of the new Emergency Operations Center. They are all financed with SPLOST proceeds, grants, and GEFA loans.

Project	Remaining Commitment
Urban Riverfront Project	$ 446,027
Flash Mix Unit	716,644
Cresent Avenue Bridge	812,306

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 Schedules of Funding Progress for the OPEB Health Care Plan and GMEBS Plan are presented as required supplementary information to the basic financial statements.

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Ad valorem taxes:				
Real and personal property:				
Current year	$ 6,250,000	$ 6,400,000	$ 6,157,973	$ (242,027)
Prior years	800,000	800,000	798,753	(1,247)
Public utilities	275,000	275,000	361,340	86,340
Motor vehicles	1,070,000	1,110,000	1,316,740	206,740
Mobile homes	2,000	2,000	1,297	(703)
Timber tax	2,000	2,000	0	(2,000)
Total ad valorem taxes	8,399,000	8,589,000	8,636,103	47,103
Other taxes:				
Intangible tax	155,000	155,000	149,766	(5,234)
Insurance premium tax	1,810,000	1,810,000	1,872,653	62,653
Franchise tax	3,663,000	3,663,000	3,235,767	(427,233)
Local option sales tax	5,950,000	5,950,000	5,590,454	(359,546)
Real estate transfer tax	20,000	20,000	10,381	(9,619)
Tax on liquor and wine	800,000	800,000	777,609	(22,391)
Mixed drink tax	60,000	60,000	77,361	17,361
Total other taxes	12,458,000	12,458,000	11,713,991	(744,009)
Licenses, permits and fees:				
Business licenses	1,648,000	1,648,000	1,675,356	27,356
Permits and fees	76,000	76,000	59,992	(16,008)
Total licenses, permits and fees	1,724,000	1,724,000	1,735,348	11,348
Intergovernmental:				
Highway maintenance	122,000	122,000	293,651	171,651
Traffic signals	62,000	62,000	57,974	(4,026)
County environmental information	55,000	55,000	51,500	(3,500)
Entitlement reimbursement	10,000	10,000	11,377	1,377
Housing authority	35,000	35,000	49,680	14,680
Grant reimbursement	-	-	47,256	47,256
Total intergovernmental	284,000	284,000	511,438	227,438

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Fines and forfeitures:				
Police court fines and fees	$ 1,500,000	$ 1,500,000	$ 1,358,145	$ (141,855)
Total fines and forfeitures	1,500,000	1,500,000	1,358,145	(141,855)
Other revenues:				
Charges for services	-	-	130,048	130,048
Interest and costs	400,000	400,000	323,904	(76,096)
Cemetery revenue	150,000	150,000	166,530	16,530
Rent	25,000	25,000	45,520	20,520
Interest on investments	9,000	9,000	4,470	(4,530)
Miscellaneous revenue	40,000	40,000	97,521	57,521
Total other revenues	624,000	624,000	767,993	143,993
TOTAL REVENUES	24,989,000	25,179,000	24,723,018	(455,982)

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CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES:				
GENERAL GOVERNMENT				
City Commission:				
Personal services	$ 147,000	$ 151,500	$ 151,059	$ 441
Supplies	7,250	6,000	5,879	121
Other services and charges	37,550	45,000	44,086	914
Total City Commission	191,800	202,500	201,024	1,476
Municipal Court:				
Personal services	46,630	45,000	44,845	155
Supplies	100	100	-	100
Other services and charges	44,600	48,000	47,608	392
Total Municipal Court	91,330	93,100	92,453	647
Manager's Office:				
Personal services	277,430	277,430	273,694	3,736
Supplies	8,350	8,350	6,014	2,336
Other services and charges	8,490	8,490	7,858	632
Total Manager's Office	294,270	294,270	287,566	6,704
Clerk's Office:				
Personal services	347,190	347,190	340,419	6,771
Supplies	13,700	13,700	16,035	(2,335)
Other services and charges	15,250	15,250	14,969	281
Total Clerk's Office	376,140	376,140	371,423	4,717
Finance:				
Personal services	460,680	460,680	451,151	9,529
Supplies	12,760	12,760	10,905	1,855
Other services and charges	11,200	11,200	11,508	(308)
Total Finance	484,640	484,640	473,564	11,076

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Human Resources:				
Personal services	$ 244,120	$ 244,120	$ 240,497	$ 3,623
Supplies	11,950	11,950	14,060	(2,110)
Other services and charges	44,650	44,650	44,266	384
Total Human Resources	300,720	300,720	298,823	1,897
Purchasing:				
Personal services	272,230	272,230	265,211	7,019
Supplies	4,570	4,570	4,430	140
Other services and charges	8,000	8,000	7,766	234
Total Purchasing	284,800	284,800	277,407	7,393
Information Technology:				
Personal services	227,160	227,160	206,806	20,354
Supplies	41,300	41,300	37,616	3,684
Other services and charges	9,230	9,230	6,757	2,473
Total Information Technology	277,690	277,690	251,179	26,511
Business Systems Analyst:				
Personal services	85,080	86,080	85,680	400
Supplies	129,270	128,270	122,944	5,326
Other services and charges	3,000	3,000	2,353	647
Total Business Systems Analyst	217,350	217,350	210,977	6,373
Assistant City Manager:				
Personal services	114,890	120,500	120,095	405
Supplies	1,700	600	529	71
Other services and charges	12,550	15,000	14,467	533
Total Assistant City Manager	129,140	136,100	135,091	1,009
General Administration:				
Personal services	42,850	42,850	42,419	431
Supplies	23,000	23,000	11,024	11,976
Other services and charges	570,300	599,300	527,791	71,509
Total General Administration	636,150	665,150	581,234	83,916

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Total General Government:				
Personal services	$ 2,265,260	$ 2,274,740	$ 2,221,876	$ 52,864
Supplies	253,950	250,600	229,436	21,164
Other services and charges	764,820	807,120	729,429	77,691
TOTAL GENERAL GOVERNMENT	3,284,030	3,332,460	3,180,741	151,719
PUBLIC SAFETY				
Police:				
Personal services	6,498,000	6,498,000	6,391,758	106,242
Supplies	619,840	619,840	577,385	42,455
Other services and charges	223,370	223,370	313,535	(90,165)
Total Police	7,341,210	7,341,210	7,282,678	58,532
Police Training Center:				
Supplies	44,900	44,900	39,568	5,332
Other services and charges	78,500	78,500	49,382	29,118
Total Police Training Center	123,400	123,400	88,950	34,450
Total Public Safety:				
Personal services	6,498,000	6,498,000	6,391,758	106,242
Supplies	664,740	664,740	616,953	47,787
Other services and charges	301,870	301,870	362,917	(61,047)
TOTAL PUBLIC SAFETY	7,464,610	7,464,610	7,371,628	92,982
PUBLIC WORKS				
Public Works Office:				
Personal services	345,590	343,820	284,394	59,426
Supplies	17,400	17,400	18,859	(1,459)
Other services and charges	12,340	12,340	9,772	2,568
Total Public Works Office	375,330	373,560	313,025	60,535

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Engineering:				
Personal services	$ 424,540	$ 424,540	$ 384,547	$ 39,993
Supplies	20,400	20,400	22,864	(2,464)
Other services and charges	6,300	6,300	5,352	948
Total Engineering	451,240	451,240	412,763	38,477
Streets and Drainage:				
Personal services	1,570,400	1,570,400	1,510,603	59,797
Supplies	375,930	375,930	292,984	82,946
Other services and charges	60,150	60,150	70,854	(10,704)
Total Streets and Drainage	2,006,480	2,006,480	1,874,441	132,039
Clean It or Lien It Demolition:				
Supplies	20,000	20,000	7,407	12,593
Other services and charges	15,000	15,000	(6,435)	21,435
Total Clean It or Lien It Demolition	35,000	35,000	972	34,028
Electrical/Traffic Control:				
Personal services	798,950	803,000	802,228	772
Supplies	126,100	130,000	133,662	(3,662)
Other services and charges	56,920	70,000	65,900	4,100
Total Electrical/Traffic Control	981,970	1,003,000	1,001,790	1,210
Street Lighting:				
Supplies	3,000	3,000	6,705	(3,705)
Other services and charges	897,000	897,000	884,707	12,293
Total Street Lighting	900,000	900,000	891,412	8,588
Buildings and Grounds:				
Supplies	2,000	2,000	-	2,000
Other services and charges	2,500	2,500	1,833	667
Total Buildings and Grounds	4,500	4,500	1,833	2,667

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Cemetery:				
Personal services	$ 313,700	$ 313,700	$ 302,030	$ 11,670
Supplies	30,480	30,480	28,232	2,248
Other services and charges	22,610	22,610	24,064	(1,454)
Payments for inmate charges	42,000	42,000	44,300	(2,300)
Total Cemetery	408,790	408,790	398,626	10,164
Garage:				
Personal services	570,910	570,910	568,327	2,583
Supplies	81,120	81,120	76,867	4,253
Other services and charges	42,120	42,120	36,840	5,280
Total Garage	694,150	694,150	682,034	12,116
Total Public Works:				
Personal services	4,024,090	4,026,370	3,852,129	174,241
Supplies	676,430	680,330	587,580	92,750
Other services and charges	1,114,940	1,128,020	1,092,887	35,133
Payments	42,000	42,000	44,300	(2,300)
TOTAL PUBLIC WORKS	5,857,460	5,876,720	5,576,896	299,824
PUBLIC FACILITIES				
City Auditorium:				
Personal services	140,110	143,000	142,440	560
Supplies	51,850	51,850	50,411	1,439
Other services and charges	93,150	95,000	94,067	933
Total City Auditorium	285,110	289,850	286,918	2,932
Civic Center:				
Supplies	9,150	9,150	6,792	2,358
Other services and charges	19,910	19,910	20,665	(755)
Total Civic Center	29,060	29,060	27,457	1,603

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Other Facilities:				
Personal services	$ -	$ -	$ -	$ -
Supplies	37,750	41,000	31,761	9,239
Other services and charges	53,380	55,200	52,605	2,595
Total Other Facilities	91,130	96,200	84,366	11,834
Total Public Facilities:				
Personal services	140,110	143,000	142,440	560
Supplies	98,750	102,000	88,964	13,036
Other services and charges	166,440	170,110	167,337	2,773
TOTAL PUBLIC FACILITIES	405,300	415,110	398,741	16,369
PUBLIC SERVICES				
Community Services:				
Other services and charges	259,800	212,300	208,262	4,038
Total Community Services	259,800	212,300	208,262	4,038
Environmental Information:				
Personal Services	147,610	147,610	143,491	4,119
Supplies	12,900	12,900	9,130	3,770
Other services and charges	30,470	30,470	29,259	1,211
Total Environmental Information	190,980	190,980	181,880	9,100
Public Information Coordinator:				
Supplies	-	-	-	-
Other services and charges	2,000	2,000	-	2,000
Total Public Information Coordinator	2,000	2,000	-	2,000
Community Events:				
Supplies	3,500	3,500	824	2,676
Other services and charges	8,250	8,250	9,013	(763)
Total Community Events	11,750	11,750	9,837	1,913

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Roman Holiday Boat:				
Supplies	$ 5,350	$ 14,000	$ 13,570	$ 430
Other services and charges	18,650	18,000	17,826	174
Total Roman Holiday Boat	24,000	32,000	31,396	604
Trolley:				
Personal services	1,130	1,130	843	287
Supplies	1,450	1,450	343	1,107
Other services and charges	740	740	740	-
Total Trolley	3,320	3,320	1,926	1,394
Total Public Services:				
Personal services	148,740	148,740	144,334	4,406
Supplies	23,200	31,850	23,867	7,983
Other services and charges	319,910	271,760	265,100	6,660
TOTAL PUBLIC SERVICES	491,850	452,350	433,301	19,049
COMMUNITY DEVELOPMENT				
Personal services	-	308,780	304,277	4,503
Supplies	-	22,000	21,214	786
Other services and charges	-	74,220	71,552	2,668
TOTAL COMMUNITY DEVELOPMENT	-	405,000	397,043	7,957
DEBT SERVICE:				
Principal	-	-	-	-
TOTAL DEBT SERVICE	-	-	-	-
TOTAL EXPENDITURES	17,503,250	17,946,250	17,358,350	587,900
OTHER FINANCING SOURCES AND USES:				
TRANSFERS IN:				
Water and Sewer Fund	840,000	840,000	840,000	-
Transit Fund	49,000	49,000	49,000	-
Fire Fund	340,000	340,000	340,000	-
Building Inspection Fund	-	-	-	-
Solid Waste Commission Fund	30,000	30,000	27,110	(2,890)
Health Insurance Fund	-	-	-	-
Forum Parking Deck	-	-	21,000	21,000
Workers Compensation Fund	75,000	75,000	75,000	-
Hotel/Motel Tax Fund	30,000	30,000	30,000	-
TOTAL TRANSFERS IN	1,364,000	1,364,000	1,382,110	18,110

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
TRANSFERS OUT:				
Planning Commission Fund	$ 154,750	$ 154,750	$ 154,750	$ -
Capital Fund	255,000	255,000	255,000	-
Transit Fund	500,000	428,000	427,171	829
Community Development Fund	85,000	85,000	85,000	-
Fire Fund	5,600,000	5,600,000	5,600,000	-
Golf Fund	520,000	480,000	424,000	56,000
Solid Waste Management Fund	1,594,000	1,594,000	1,594,000	-
Downtown Development Fund	141,000	-	-	-
TOTAL TRANSFERS OUT	8,849,750	8,596,750	8,539,921	56,829
TOTAL OTHER FINANCING SOURCES (USES)	(7,485,750)	(7,232,750)	(7,157,811)	74,939
Net change in fund balance	-	-	206,857	
FUND BALANCE, BEGINNING OF YEAR	12,600,356	12,600,356	12,600,356	
FUND BALANCE, END OF YEAR	$ 12,600,356	$ 12,600,356	$ 12,807,213	

City of Rome, Georgia

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

December 31, 2013

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 $303,000, which were approved by the City Commission. The main reason for these amendments was to better align budgeted expenditures with a decrease in actual revenues. This information was not available during the original budget process.

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

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

B. Budget/GAAP Reconciliation

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

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

CITY OF ROME, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2013

SCHEDULES OF FUNDING PROGRESS

GMEBS Plan

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Over (Under) Funded (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
9/1/2008	$ 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%
7/1/2011	55,218,899	64,521,482	85.58%	9,302,583	21,184,301	43.91%
7/1/2012	57,591,225	67,185,800	85.72%	9,594,575	20,599,370	46.58%
7/1/2013	60,287,524	69,664,621	86.54%	9,377,097	20,654,371	45.40%

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

OPEB Health Care Plan

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

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

* - Most recent actuarial valuation date.

NONMAJOR GOVERNMENTAL FUNDS
COMBINED STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

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

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

NONMAJOR GOVERNMENTAL FUNDS – Continued

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

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

SPLOST Fund – to account for the acquisition of capital assets or construction of major capital projects being financed by SPLOST proceeds.

CITY OF ROME, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2013

	Nonmajor Governmental Funds			
	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds (SPLOST Fund)	Nonmajor Capital Projects Funds (Entitlement Fund)	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 623,805	$ 337	$ 2	$ 624,144
Taxes receivable, net of allowance for uncollectibles	2,521	-	-	2,521
Accounts receivable, net of allowance for uncollectibles	47,889	-	-	47,889
Accounts receivable loans	304,763	-	-	304,763
Due from other funds	688	-	-	688
Due from other governments	33,274	75,743	16,874	125,891
Due from component units	-	-	-	-
Total assets	$ 1,012,940	$ 76,080	$ 16,876	$ 1,105,896
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 17,774	$ 1,319	$ 16,874	$ 35,967
Accrued liabilities	3,278	-	-	3,278
Due to component unit	4,833	-	-	4,833
Due to other governments	13,803	-	-	13,803
Due to other funds	22,407	74,424	-	96,831
Total liabilities	62,095	75,743	16,874	154,712
FUND BALANCES				
Nonspendable:				
Accounts receivable loans	304,763	-	-	304,763
Restricted for:				
Revolving loans and housing initiatives	149,297	-	-	149,297
Planning and zoning activities	59,416	-	-	59,416
Tourism & forum promotion	206,774	-	-	206,774
Capital improvements	114,236	337	2	114,575
Forum parking deck operations	33,235			33,235
Assigned for:				
Community development operations	73,124	-	-	73,124
Appropriation of subsequent year's budget	10,000	-	-	10,000
Total fund balances	950,845	337	2	951,184
TOTAL LIABILITIES AND FUND BALANCES	$ 1,012,940	$ 76,080	$ 16,876	$ 1,105,896

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	Nonmajor Governmental Funds			
	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds (SPLOST Fund)	Nonmajor Capital Projects Funds (Entitlement Fund)	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	$ 431,758	$ 293,834	$ 378,355	$ 1,103,947
Charges for services	134,364	-	-	134,364
Taxes	809,504	-	-	809,504
Interest earned	9,994	-	-	9,994
Miscellaneous	410	-	-	410
TOTAL REVENUES	1,386,030	293,834	378,355	2,058,219
EXPENDITURES				
Community development	766,146	-	-	766,146
Public facilities	640,714	-	-	640,714
Capital outlay	23,844	86,930	378,355	489,129
Debt service:				
Principal	27,860	-	-	27,860
Interest	27,140	-	-	27,140
TOTAL EXPENDITURES	1,485,704	86,930	378,355	1,950,989
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(99,674)	206,904	-	107,230
OTHER FINANCING SOURCES AND USES				
Transfers in	239,750	-	-	239,750
Transfers out	(58,000)	(206,904)	-	(264,904)
	181,750	(206,904)	-	(25,154)
NET CHANGE IN FUND BALANCES	82,076	-	-	82,076
FUND BALANCES - BEGINNING OF YEAR	868,769	337	2	869,108
FUND BALANCES - END OF YEAR	$ 950,845	$ 337	$ 2	$ 951,184

CITY OF ROME, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
December 31, 2013

	Community Development Fund	Planning Commission Fund	Hotel/Motel Tax Fund	Business Improvement District Fund	Tax Allocation District Fund	Forum Parking Deck Fund	Total Nonmajor Special Revenue Funds
ASSETS							
Cash	$ 243,764	$ 42,861	$ 182,497	$ 15,223	$ 95,749	$ 43,711	$ 623,805
Taxes receivable, net of allowance for uncollectibles	-	-	-	1,942	579	-	2,521
Accounts receivable, net of allowance for uncollectibles	-	-	47,889	-	-	-	47,889
Accounts receivable loans	304,763	-	-	-	-	-	304,763
Due from other funds	270	418	-	-	-	-	688
Due from other governments	6,288	24,829	-	509	248	1,400	33,274
Total assets	$ 555,085	$ 68,108	$ 230,386	$ 17,674	$ 96,576	$ 45,111	$ 1,012,940
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 7,742	$ 1,661	$ -	$ -	$ -	$ 8,371	$ 17,774
Accrued liabilities	944	2,256	-	-	-	78	3,278
Due to component unit	-	25	4,808	-	-	-	4,833
Due to other governments	-	-	13,789	-	14	-	13,803
Due to other funds	9,215	4,750	5,015	-	-	3,427	22,407
Total liabilities	17,901	8,692	23,612	-	14	11,876	62,095
FUND BALANCES							
Nonspendable							
Accounts receivable loans	304,763	-	-	-	-	-	304,763
Restricted for:							
Revolving loans and housing initiatives	149,297	-	-	-	-	-	149,297
Planning and zoning activities		59,416	-	-	-	-	59,416
Tourism & forum promotion	-	-	206,774	-	-	-	206,774
Capital improvements	-	-	-	17,674	96,562	-	114,236
Forum parking deck operations	-	-	-	-	-	33,235	33,235
Assigned for:							
Community development operations	73,124	-	-	-	-	-	73,124
Appropriation of subsequent year's budget	10,000	-	-	-	-	-	10,000
Total fund balances	537,184	59,416	206,774	17,674	96,562	33,235	950,845
TOTAL LIABILITIES AND FUND BALANCES	$ 555,085	$ 68,108	$ 230,386	$ 17,674	$ 96,576	$ 45,111	$ 1,012,940

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, 2013

	Community Development Fund	Planning Commission Fund	Hotel/Motel Tax Fund	Business Improvement District Fund	Tax Allocation District Fund	Forum Parking Deck Fund	Total Nonmajor Special Revenue Funds
REVENUES							
Intergovernmental	$ 183,783	$ 247,975	$ -	$ -	$ -	$ -	$ 431,758
Charges for services	573	14,253	-	24,803	-	94,735	134,364
Taxes	-	-	683,312	29,954	96,238	-	809,504
Interest earned	9,827	21	60	9	47	30	9,994
Miscellaneous	-	410	-	-	-	-	410
TOTAL REVENUES	194,183	262,659	683,372	54,766	96,285	94,765	1,386,030
EXPENDITURES							
Community development	269,388	393,090	-	69,891	33,777	-	766,146
Public facilities	-	-	578,205	-	-	62,509	640,714
Capital outlay	13,244	10,600	-	-	-	-	23,844
Debt Service:							
Principal	-	-	-	-	27,860	-	27,860
Interest	-	-	-	-	27,140	-	27,140
TOTAL EXPENDITURES	282,632	403,690	578,205	69,891	88,777	62,509	1,485,704
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(88,449)	(141,031)	105,167	(15,125)	7,508	32,256	(99,674)
OTHER FINANCING SOURCES (USES)							
Transfers in	85,000	154,750	-	-	-	-	239,750
Transfers out	-	-	(30,000)	-	-	(28,000)	(58,000)
TOTAL OTHER FINANCING SOURCES (USES)	85,000	154,750	(30,000)	-	-	(28,000)	181,750
NET CHANGE IN FUND BALANCES	(3,449)	13,719	75,167	(15,125)	7,508	4,256	82,076
FUND BALANCES - BEGINNING OF YEAR	540,633	45,697	131,607	32,799	89,054	28,979	868,769
FUND BALANCES - END OF YEAR	$ 537,184	$ 59,416	$ 206,774	$ 17,674	$ 96,562	$ 33,235	$ 950,845

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, 2013

	Community Development			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 184,000	$ 269,000	$ 183,783	$ (85,217)
Charges for services	-	11,000	573	(10,427)
Interest earned	-	-	9,827	9,827
Total revenues	184,000	280,000	194,183	(85,817)
EXPENDITURES				
Community development	169,000	355,000	269,388	85,612
Capital outlay	100,000	10,000	13,244	(3,244)
Total expenditures	269,000	365,000	282,632	82,368
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(85,000)	(85,000)	(88,449)	(3,449)
OTHER FINANCING SOURCES				
Transfers in	85,000	85,000	85,000	-
	85,000	85,000	85,000	-
NET CHANGE IN FUND BALANCE	-	-	(3,449)	(3,449)
FUND BALANCE, BEGINNING OF YEAR	540,633	540,633	540,633	-
FUND BALANCE, END OF YEAR	$ 540,633	$ 540,633	$ 537,184	$ (3,449)

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, 2013

	Planning Commission			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 269,270	$ 269,270	$ 247,975	$ (21,295)
Charges for services	18,000	18,000	14,253	(3,747)
Interest earned	50	50	21	(29)
Miscellaneous	-	-	410	410
Total revenues	287,320	287,320	262,659	(24,661)
EXPENDITURES				
Community development	429,170	429,170	393,090	36,080
Capital outlay	12,900	12,900	10,600	2,300
Total expenditures	442,070	442,070	403,690	38,380
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(154,750)	(154,750)	(141,031)	13,719
OTHER FINANCING SOURCES				
Transfers in	154,750	154,750	154,750	-
	154,750	154,750	154,750	-
NET CHANGE IN FUND BALANCE	-	-	13,719	13,719
FUND BALANCE, BEGINNING OF YEAR	45,697	45,697	45,697	-
FUND BALANCE, END OF YEAR	$ 45,697	$ 45,697	$ 59,416	$ 13,719

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, 2013

	Hotel/Motel Tax			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 600,000	$ 617,000	$ 683,312	$ 66,312
Interest earned	-	-	60	60
Total revenues	600,000	617,000	683,372	66,372
EXPENDITURES				
Public facilities	570,000	587,000	578,205	8,795
Total expenditures	570,000	587,000	578,205	8,795
EXCESS OF REVENUES OVER EXPENDITURES	30,000	30,000	105,167	75,167
OTHER FINANCING USES				
Transfers out	(30,000)	(30,000)	(30,000)	-
	(30,000)	(30,000)	(30,000)	-
NET CHANGE IN FUND BALANCE	-	-	75,167	75,167
FUND BALANCE, BEGINNING OF YEAR	131,607	131,607	131,607	-
FUND BALANCE, END OF YEAR	$ 131,607	$ 131,607	$ 206,774	$ 75,167

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, 2013

	Business Improvement District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 25,000	$ 25,000	$ 24,803	$ (197)
Taxes	25,000	25,000	29,954	4,954
Interest earned	100	100	9	(91)
Total revenues	50,100	50,100	54,766	4,666
EXPENDITURES				
Community development	73,100	73,100	69,891	3,209
Total expenditures	73,100	73,100	69,891	3,209
NET CHANGE IN FUND BALANCE	(23,000)	(23,000)	(15,125)	7,875
FUND BALANCE, BEGINNING OF YEAR	32,799	32,799	32,799	-
FUND BALANCE, END OF YEAR	$ 9,799	$ 9,799	$ 17,674	$ 7,875

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, 2013

	Tax Allocation District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 90,000	$ 90,000	$ 96,238	$ 6,238
Interest earned	-	-	47	47
Total revenues	90,000	90,000	96,285	6,285
EXPENDITURES				
Community development	35,000	35,000	33,777	1,223
Debt service				
Principal	30,000	30,000	27,860	2,140
Interest	35,000	35,000	27,140	7,860
Total expenditures	100,000	100,000	88,777	11,223
NET CHANGE IN FUND BALANCE	(10,000)	(10,000)	7,508	17,508
FUND BALANCE, BEGINNING OF YEAR	89,054	89,054	89,054	-
FUND BALANCE, END OF YEAR	$ 79,054	$ 79,054	$ 96,562	$ 17,508

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, 2013

	Forum Parking Deck			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 93,000	$ 93,000	$ 94,735	$ 1,735
Interest earned	50	50	30	(20)
Total revenues	93,050	93,050	94,765	1,715
EXPENDITURES				
Public facilities	58,120	58,120	62,509	(4,389)
Total expenditures	58,120	58,120	62,509	(4,389)
EXCESS OF REVENUES OVER EXPENDITURES	34,930	34,930	32,256	(2,674)
OTHER FINANCING USES				
Transfers out	(34,930)	(34,930)	(28,000)	6,930
	(34,930)	(34,930)	(28,000)	6,930
NET CHANGE IN FUND BALANCE	-	-	4,256	4,256
FUND BALANCE, BEGINNING OF YEAR	28,979	28,979	28,979	-
FUND BALANCE, END OF YEAR	$ 28,979	$ 28,979	$ 33,235	$ 4,256

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, 2013

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	54,373	-	54,373	12%
Burnett Ferry	450,000	574,696	574,696	-	574,696	100%
	2,450,000	2,868,916	2,473,289	-	2,473,289	
2006 SPLOST						
Second Avenue Levee	1,955,000	2,031,898	2,031,898	-	2,031,898	100%
Boys/Girls Club	2,000,000	2,125,800	2,125,800	-	2,125,800	100%
North Fifth Avenue Turn Lane	550,000	535,057	535,057	-	535,057	100%
North Broad Turn Lane	330,000	214,645	214,645	-	214,645	100%
Rome High Access Road	2,900,000	1,905,925	1,905,925	-	1,905,925	100%
BioSolids Disposal	5,200,000	5,102,060	5,102,060	-	5,102,060	100%
Renovate Marine Armory	1,600,000	2,287,698	2,287,698	76,140	2,363,838	99%
Redmond Road Turn Lane	1,470,000	1,082,420	1,076,980	5,440	1,082,420	100%
Fire Training Facility	500,000	547,555	547,555	-	547,555	100%
Turner McCall Bridge	2,000,000	2,000,000	-	-	-	0%
River Education Center	834,825	917,605	917,605	-	917,605	100%
South Broad Corridor	2,000,000	2,128,347	2,128,347	-	2,128,347	100%
North Rome Swim Center	530,000	512,621	512,621	-	512,621	100%
New Tennis Courts	600,000	600,000	6,431	-	6,431	1%
City Park Practice Fields	200,000	174,908	174,908	-	174,908	100%
Town Green	1,690,000	1,684,818	1,684,818	-	1,684,818	100%
City Hall/Carnegie Repairs	1,500,000	1,500,000	1,125,870	5,350	1,131,220	95%
	25,859,825	25,351,357	22,378,218	86,930	22,465,148	

continued

CITY OF ROME, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
December 31, 2013

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	3,986,231	3,986,231	-	3,986,231	100%
NWGRC Building	1,899,631	1,302,403	1,302,403	-	1,302,403	100%
Fire Station Improvements	4,000,000	4,000,000	3,873,810	206,904 **(A)**	4,080,714	95%
	9,268,631	9,268,631	9,162,444	206,904	9,369,348	
Total Projects	$ 37,578,456	$ 37,488,904	$ 34,013,951	$ 293,834	$ 34,307,785	
Fire Station Renovations (Floyd County SPLOST)			578,604	-	578,604	
Total SPLOST Expenditures			$ 34,592,555	$ 293,834	$ 34,886,389	

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

Total Expenditures	$ 86,930	
Transfers out	206,904	**(A)**
	$ 293,834	

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

NONMAJOR PROPRIETARY FUNDS
ENTERPRISE FUNDS

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

Transit Fund– to account for all activity in the provision of transit services to the residents of the City of Rome and Floyd County.

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 POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2013

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 585,180	$ 29,051	$ 102,090	$ 130,125	$ 347,684	$ 1,194,130
Restricted cash	-	-	-	-	341,766	341,766
Accounts receivable, net of allowance for uncollectibles	-	-	218,268	577	-	218,845
Due from other governments	278,870	-	-	-	-	278,870
Due from other funds	98,343	2,643	948	1,925	409	104,268
Due from component units	-	267	22	-	-	289
Prepaid items	-	-	-	11,643	-	11,643
Inventories	254,140	-	-	39,443	-	293,583
Total current assets	1,216,533	31,961	321,328	183,713	689,859	2,443,394
Non-current Assets:						
Capital assets:						
Non-depreciable assets	334,600	-	-	4,609,653	550,000	5,494,253
Depreciable assets, net of accumulated depreciation	3,847,898	12,707	1,327,158	299,323	1,223,278	6,710,364
Total non-current assets	4,182,498	12,707	1,327,158	4,908,976	1,773,278	12,204,617
TOTAL ASSETS	5,399,031	44,668	1,648,486	5,092,689	2,463,137	14,648,011
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	-	-	-	220,863	-	220,863
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	220,863	-	220,863

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2013

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
LIABILITIES						
Current Liabilities:						
Revenue bonds, current	$ -	$ -	$ -	$ 260,000	$ -	$ 260,000
Accounts payable	10,090	1,886	49,225	25,106	-	86,307
Accrued liabilities	28,674	4,380	40,896	111,657	-	185,607
Unearned revenue	-	-	-	70,355	-	70,355
Due to other funds	7,819	26,959	187,048	1,562	35	223,423
Due to component unit	-	-	-	57	-	57
Compensated absences, current	58,326	24,809	58,888	-	-	142,023
Total current liabilities	104,909	58,034	336,057	468,737	35	967,772
Long-term Liabilities:						
Revenue bonds, long-term, net	-	-	-	3,820,307	-	3,820,307
Advances due to Capital Fund	-	-	644,789	79,383	-	724,172
Compensated absences, long term	19,442	8,270	19,629	-	-	47,341
Total long-term liabilities	19,442	8,270	664,418	3,899,690	-	4,591,820
TOTAL LIABILITIES	124,351	66,304	1,000,475	4,368,427	35	5,559,592
NET POSITION						
Net investment in capital assets	4,182,498	12,707	1,327,158	1,049,532	1,773,278	8,345,173
Restricted for debt service	-	-	-	-	341,766	341,766
Unrestricted	1,092,182	(34,343)	(679,147)	(104,407)	348,058	622,343
TOTAL NET POSITION	$ 5,274,680	$ (21,636)	$ 648,011	$ 945,125	$ 2,463,102	$ 9,309,282

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2013

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
OPERATING REVENUES						
Charges for services	$ 1,488,598	$ 606,963	$ 1,907,693	$ 957,752	$ 693,559	$ 5,654,565
Miscellaneous	3,248	7,599	4,924	5,535	-	21,306
TOTAL OPERATING REVENUES	1,491,846	614,562	1,912,617	963,287	693,559	5,675,871
OPERATING EXPENSES						
Cost of goods sold	-	-	-	103,717	-	103,717
Salaries and employee benefits	1,913,115	683,740	2,107,938	443,475	-	5,148,268
Supplies	430,115	20,607	284,532	119,894	50,772	905,920
Maintenance and repairs	92,656	1,394	170,809	31,797	61,173	357,829
Operating services and charges	476,318	45,851	581,280	285,275	19,797	1,408,521
Depreciation	820,864	3,177	349,953	95,090	209,705	1,478,789
TOTAL OPERATING EXPENSES	3,733,068	754,769	3,494,512	1,079,248	341,447	9,403,044
OPERATING INCOME (LOSS)	(2,241,222)	(140,207)	(1,581,895)	(115,961)	352,112	(3,727,173)
NON-OPERATING INCOME (EXPENSE)						
Intergovernmental	838,044	-	-	-	-	838,044
Interest income	157	157	179	16	571	1,080
Interest expense	-	-	-	(162,950)	(22,624)	(185,574)
Gain (Loss) on sale of capital assets	(8,165)	-	2,711	-	-	(5,454)
TOTAL NON-OPERATING INCOME (EXPENSE)	830,036	157	2,890	(162,934)	(22,053)	648,096
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(1,411,186)	(140,050)	(1,579,005)	(278,895)	330,059	(3,079,077)

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2013

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
Transfers in	$ 427,171	$ -	$ 1,711,000	$ 424,000	$ -	$ 2,562,171
Transfers out	(49,000)	-	-	-	-	(49,000)
Capital contributions	674,864	-	-	-	-	674,864
	1,053,035	-	1,711,000	424,000	-	3,188,035
CHANGE IN NET POSITION	(358,151)	(140,050)	131,995	145,105	330,059	108,958
NET POSITION - BEGINNING OF YEAR	5,632,831	118,414	516,016	800,020	2,133,043	9,200,324
NET POSITION - END OF YEAR	$ 5,274,680	$ (21,636)	$ 648,011	$ 945,125	$ 2,463,102	$ 9,309,282

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2013

	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	$ 1,655,497	$ 614,562	$ 1,915,325	$ 970,709	$ 635,762	$ 5,791,855
Receipts from interfund services provided	-	19,535	1,153	1,229	222	22,139
Payments to suppliers	(1,008,988)	(127,260)	(1,018,736)	(580,761)	(138,579)	(2,874,324)
Payments to employees	(1,906,962)	(681,409)	(2,109,721)	(443,475)	-	(5,141,567)
Payments for interfund services used	(39,184)	-	(35,980)	-	-	(75,164)
Net cash provided (used) by operating activities	(1,299,637)	(174,572)	(1,247,959)	(52,298)	497,405	(2,277,061)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer from other funds	427,171	-	1,711,000	424,000	-	2,562,171
Transfer to other funds	(49,000)	-	-	-	-	(49,000)
Advances from other funds	-	-	-	79,383	-	79,383
Repayment of advances from other funds	-	-	(368,298)	-	-	(368,298)
Subsidy from federal grant	838,044	-	-	-	-	838,044
Net cash provided (used) by noncapital financing activities	1,216,215	-	1,342,702	503,383	-	3,062,300
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	674,864	-	-	-	-	674,864
Purchases of capital assets	(346,359)	(15,884)	(91,391)	(135,907)	-	(589,541)
Proceeds from the sale of capital assets	27,943	-	2,711	-	-	30,654
Principal paid on capital debt	-	-	-	(250,000)	(530,696)	(780,696)
Interest paid on capital debt	-	-	-	(162,950)	(22,624)	(185,574)
Net cash provided (used) by capital and related financing activities	356,448	(15,884)	(88,680)	(548,857)	(553,320)	(850,293)

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2013

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Total
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	$ 157	$ 157	$ 179	$ 16	$ 571	$ 1,080
Net cash provided by investing activities	157	157	179	16	571	1,080
Net increase (decrease) in cash and cash equivalents	273,183	(190,299)	6,242	(97,756)	(55,344)	(63,974)
Cash and cash equivalents, January 1	311,997	219,350	95,848	227,881	744,794	1,599,870
Cash and cash equivalents, December 31	$ 585,180	$ 29,051	$ 102,090	$ 130,125	$ 689,450	$ 1,535,896
Reconciliation of Cash and Cash Equivalents:						
Cash and cash equivalents	$ 585,180	$ 29,051	$ 102,090	$ 130,125	$ 347,684	$ 1,194,130
Cash and cash equivalents - restricted	-	-	-	-	341,766	341,766
Total cash and cash equivalents	$ 585,180	$ 29,051	$ 102,090	$ 130,125	$ 689,450	$ 1,535,896

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2013

	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)	$ (2,241,222)	$ (140,207)	$ (1,581,895)	$ (115,961)	$ 352,112	$ (3,727,173)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	820,864	3,177	349,953	95,090	209,705	1,478,789
Amortization expense	-	-	-	1,954	-	1,954
Decrease in accounts receivable	-	-	2,708	4,170	-	6,878
Decrease in due from other governments	163,651	-	-	-	-	163,651
(Increase) decrease in due from other funds	(30,758)	-	1,153	-	187	(29,418)
Increase in due from component unit	-	-	-	(9,908)	-	(9,908)
(Increase) decrease in inventories	83,915	-	-	(23,532)	-	60,383
Increase (decrease) in accounts payable and accrued liabilities	(93,814)	(59,408)	17,885	(8,592)	(6,837)	(150,766)
Increase (decrease) in compensated absences payable	6,153	2,331	(1,783)	-	-	6,701
Increase (decrease) in unearned revenue	-	-	-	3,252	(57,797)	(54,545)
Increase (decrease) in due to other funds	(8,426)	19,535	(35,980)	1,229	35	(23,607)
Total adjustments	941,585	(34,365)	333,936	63,663	145,293	1,450,112
Net cash provided (used) by operating activities	$ (1,299,637)	$ (174,572)	$ (1,247,959)	$ (52,298)	$ 497,405	$ (2,277,061)

INTERNAL SERVICE FUNDS

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

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

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

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2013

	Health Insurance Fund	Workers' Compensation Fund	Total
ASSETS			
Cash and cash equivalents	$ 1,675,503	$ 890,521	$ 2,566,024
Accounts receivable, net	438	-	438
Due from other funds	220,003	-	220,003
Due from other governments	-	219,868	219,868
Due from component unit	3,039	-	3,039
Advances due from other funds	1,385,822	-	1,385,822
Prepaid items	5,105	-	5,105
TOTAL ASSETS	3,289,910	1,110,389	4,400,299
LIABILITIES			
Current Liabilities			
Accounts payable	23,640	50,279	73,919
Accrued liabilities	413	-	413
Claims payable	465,000	286,000	751,000
TOTAL LIABILITIES	489,053	336,279	825,332
NET POSITION			
Unrestricted	2,800,857	774,110	3,574,967
TOTAL NET POSITION	$ 2,800,857	$ 774,110	$ 3,574,967

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2013

	Health Insurance Fund	Workers' Compensation Fund	Total
OPERATING REVENUES			
Charges for services	$ 6,602,103	$ 1,327,670	$ 7,929,773
TOTAL OPERATING REVENUES	6,602,103	1,327,670	7,929,773
OPERATING EXPENSES			
Salaries and employee benefits	99,133	-	99,133
Other services and charges	330,343	825,012	1,155,355
Claims	5,783,566	635,854	6,419,420
Administrative fees	746,635	34,250	780,885
TOTAL OPERATING EXPENSES	6,959,677	1,495,116	8,454,793
OPERATING INCOME (LOSS)	(357,574)	(167,446)	(525,020)
NON-OPERATING INCOME			
Intergovernmental	-	204,253	204,253
Interest income	36,438	380	36,818
INCOME BEFORE TRANSFERS	(321,136)	37,187	(283,949)
Transfers Out	-	(75,000)	(75,000)
CHANGE IN NET POSITION	(321,136)	(37,813)	(358,949)
NET POSITION - BEGINNING OF YEAR	3,121,993	811,923	3,933,916
NET POSITION - END OF YEAR	$ 2,800,857	$ 774,110	$ 3,574,967

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2013

	Health Insurance Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 6,601,665	$ 1,345,310	$ 7,946,975
Payments for interfund services provided	(77,150)	-	(77,150)
Payments to suppliers	(1,122,670)	(844,439)	(1,967,109)
Payments to employees	(99,133)	-	(99,133)
Claims paid	(5,783,566)	(549,854)	(6,333,420)
Net cash (used) by operating activities	(480,854)	(48,983)	(529,837)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Advances to other funds	(643,822)	-	(643,822)
Net cash used by capital financing activities	(643,822)	-	(643,822)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Intergovermental revenue	-	204,253	204,253
Transfer out	-	(75,000)	(75,000)
Net cash provided by non capital financing activities	-	129,253	129,253
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	36,438	380	36,818
Net cash provided by investing activities	36,438	380	36,818
Net increase (decrease) in cash and cash equivalents	(1,088,238)	80,650	(1,007,588)
Cash and cash equivalents, January 1	2,763,741	809,871	3,573,612
Cash and cash equivalents, December 31	$ 1,675,503	$ 890,521	$ 2,566,024
Reconciliation of operating income (loss) to net cash (used) by operating activities			
Operating income (loss)	$ (357,574)	$ (167,446)	$ (525,020)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Increase in accounts receivable	(438)	-	(438)
Increase in prepaids	(1,002)	-	(1,002)
(Increase) decrease in due from other funds	(77,150)	17,640	(59,510)
Increase (decrease) in accounts and claims payable	(44,690)	100,823	56,133
Total adjustments	(123,280)	118,463	(4,817)
Net cash (used) by operating activities	$ (480,854)	$ (48,983)	$ (529,837)

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, 2013

	Greater Rome Convention & Visitors Bureau
ASSETS	
Cash	$ 49,307
Accounts Receivable, net of allowance	1,030
Due from other governments	7,929
Due from primary government	5,054
Total assets	$ 63,320
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 5,396
Accrued liabilities	4,101
Due to primary government	13,652
Total liabilities	23,149
FUND BALANCE	
Unrestricted	40,171
Total fund balance	40,171
TOTAL LIABILITIES AND FUND BALANCE	$ 63,320

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, 2013

	Greater Rome Convention & Visitors Bureau
REVENUES	
Intergovernmental	$ 517,930
Charges for services	16,414
Contributions	59,757
TOTAL REVENUES	594,101
EXPENDITURES	
Personal services	423,038
Supplies	17,494
Other services and charges	126,109
TOTAL EXPENDITURES	566,641
NET CHANGE IN FUND BALANCE	27,460
FUND BALANCE - BEGINNING OF YEAR	12,711
FUND BALANCE - END OF YEAR	$ 40,171

STATISTICAL SECTION

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

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

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

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

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

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

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

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

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Governmental activities										
Net investment in capital assets	$ 88,931	$ 85,540	$ 89,494	$ 99,276	$ 108,946	$ 109,793	$ 117,293	$ 125,089	$ 124,859	$ 122,991
Restricted	4,059	326	326	631	675	745	741	3,255	3,696	3,459
Unrestricted	11,421	21,444	21,976	21,943	20,722	20,075	19,618	16,251	15,538	16,636
Total governmental activities net position	$ 104,411	$ 107,310	$ 111,796	$ 121,850	$ 130,343	$ 130,613	$ 137,652	$ 144,595	$ 144,093	$ 143,086
Business - type activities										
Net investment in capital assets	$ 68,369	$ 75,743	$ 112,572	$ 114,969	$ 116,571	$ 120,303	$ 122,951	$ 128,164	$ 131,764	$ 134,833
Restricted	-	582	249	284	295	355	368	372	377	942
Unrestricted	5,407	22,276	(6,294)	(4,556)	38	2,123	5,011	5,957	7,031	7,829
Total business - type activities net position	$ 73,776	$ 98,601	$ 106,527	$ 110,697	$ 116,904	$ 122,781	$ 128,330	$ 134,493	$ 139,172	$ 143,604
Primary government										
Net investment in capital assets	$ 157,300	$ 161,283	$ 202,066	$ 214,245	$ 225,517	$ 230,096	$ 240,244	$ 253,253	$ 256,623	$ 257,824
Restricted	4,059	908	575	915	970	1,100	1,109	3,627	4,073	4,401
Unrestricted	16,828	43,720	15,682	17,387	20,760	22,198	24,629	22,208	22,569	24,465
Total primary government net position	$ 178,187	$ 205,911	$ 218,323	$ 232,547	$ 247,247	$ 253,394	$ 265,982	$ 279,088	$ 283,265	$ 286,690

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

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Expenses:										
Governmental activities:										
General government	$ 3,673	$ 3,248	$ 3,446	$ 3,555	$ 5,681	$ 3,459	$ 3,726	$ 4,504	$ 3,651	$ 3,701
Public safety	6,932	7,228	7,605	7,416	8,752	8,330	7,659	7,167	7,393	7,546
Public Works	7,360	8,459	9,019	8,564	10,590	9,902	8,881	10,441	10,850	11,781
Public Facilities	880	1,068	1,316	1,121	1,194	1,259	1,381	1,419	1,916	1,516
Public Services	131	399	420	278	516	447	397	514	431	448
Community Development	1,365	1,218	1,568	1,028	1,178	1,088	1,759	1,315	1,217	2,113
Education	758	898	1,059	1,080	1,114	1,183	1,185	1,275	1,466	1,463
Interest on debt	88	249	326	246	320	369	241	153	274	538
Total governmental activities expenses	21,187	22,767	24,759	23,288	29,345	26,037	25,229	26,788	27,198	$ 29,106
Business - type activities:										
Water and Sewer	14,295	14,353	14,711	16,899	17,201	17,631	17,279	18,187	18,156	17,501
Fire	9,126	9,143	9,411	10,316	10,474	10,247	10,249	10,645	12,748	11,959
Solid Waste Commission	3,158	3,907	2,270	3,309	2,104	2,466	1,988	2,076	3,093	1,899
Transit	2,397	2,460	2,843	3,107	3,236	2,970	3,092	3,120	3,589	3,734
Building Inspection	748	776	849	946	894	774	839	853	782	755
Solid Waste Management	3,136	3,391	3,598	3,810	3,751	3,463	3,304	3,503	3,551	3,495
Municipal Golf Fund	1,436	1,525	1,557	1,540	1,440	1,294	1,256	1,158	1,163	1,242
Public Facilities	536	524	492	447	456	408	394	460	388	364
Total business - type activities expenses	34,832	36,079	35,731	40,374	39,556	39,253	38,401	40,002	43,470	40,949
Total primary government expenses	$ 56,019	$ 58,846	$ 60,490	$ 63,662	$ 68,901	$ 65,290	$ 63,630	$ 66,790	$ 70,668	$ 70,055
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	$ 1,803	$ 1,509	$ 1,569	$ 1,823	$ 1,972	$ 1,879	$ 1,880	$ 1,992	$ 2,063	$ 2,078
Public Safety	1,420	1,668	1,512	1,779	1,886	1,667	1,581	1,302	1,244	1,358
Public Works	312	302	378	-	-	-	-	-	-	-
Public Facilities	51	71	90	-	-	-	-	-	-	-
Community Development	57	-	259	236	180	258	258	122	131	134
Education	-	173	-	-	-	-	-	-	-	-
Operating grants and contributions	3,094	312	343	1,024	1,842	1,123	711	881	871	943
Capital grants and contributions	6,660	10,191	6,530	8,741	13,432	7,580	11,259	14,201	7,054	6,556
Total governmental activities program revenues	13,397	14,226	10,681	13,603	19,312	12,507	15,689	18,498	11,363	11,069
Business - type activities:										
Charges for services:										
Water and Sewer	18,312	17,921	18,571	20,071	19,540	19,856	21,403	21,408	21,975	21,960
Fire	4,527	4,678	4,856	5,063	5,254	5,318	5,351	5,403	5,530	5,607
Solid Waste Commission	4,071	3,600	2,281	2,311	2,597	2,936	2,550	2,439	2,377	2,454
Transit	692	951	1,193	1,172	1,303	1,456	1,397	1,403	1,458	1,492
Building Inspection	831	741	781	790	937	1,038	702	797	693	615
Solid Waste Management	1,107	1,276	1,392	1,477	1,471	1,521	1,653	1,829	1,923	1,913
Municipal Golf Fund	884	991	1,057	1,006	925	760	801	795	1,024	963
Public Facilities	603	603	603	648	694	694	694	694	694	694
Operating grants and contributions	568	643	701	458	461	517	708	744	1,618	1,243
Capital grants and contributions	640	1,494	1,916	1,640	1,365	1,165	1,034	2,924	895	1,359
Total business- type activities program revenues	32,235	32,898	33,351	34,636	34,547	35,261	36,293	38,436	38,187	38,300
Total primary government program revenues	$ 45,632	$ 47,124	$ 44,032	$ 48,239	$ 53,859	$ 47,768	$ 51,982	$ 56,934	$ 49,550	$ 49,369

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (expense)/ revenue										
Governmental activities	$ (7,790)	$ (8,541)	$ (14,078)	$ (9,685)	$ (10,033)	$ (13,530)	$ (9,539)	$ (8,290)	$ (15,836)	$ (18,037)
Business- type activities	(2,597)	(3,181)	(2,380)	(5,738)	(5,009)	(3,992)	(2,108)	(1,566)	(5,283)	(2,649)
Total primary government net expense	$ (10,387)	$ (11,722)	$ (16,458)	$ (15,423)	$ (15,042)	$ (17,522)	$ (11,647)	(9,856)	(21,119)	$ (20,686)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 9,486	$ 9,702	$ 10,441	$ 10,048	$ 8,683	$ 9,662	$ 10,007	$ 9,749	$ 10,221	$ 10,074
Sales taxes	6,094	6,483	8,709	10,242	12,570	6,128	5,980	6,162	6,232	5,590
Other taxes	5,546	6,361	6,686	7,252	7,306	7,085	7,188	7,147	7,211	7,294
Gain on Sale of Capital Assets	-	521	-	218	2	-	-	-	-	-
Interst Earnings	83	449	578	731	594	562	654	714	790	599
Miscellaneous	22	227	221	309	177	109	150	501	684	691
Transfers	(6,785)	(6,773)	(9,059)	(9,061)	(10,807)	(9,745)	(7,401)	(8,549)	(9,803)	(7,018)
Total governmental activities	14,446	16,970	17,576	19,739	18,525	13,801	16,578	15,724	15,335	17,230
Business- type activities:										
Sales taxes	-	8,150	-	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	217	15	37	12	71	27	50	109	82	-
Investment earnings	542	1,090	1,209	835	339	59	42	27	32	62
Miscellaneous	93	8	-	-	-	37	165	12	44	1
Transfers	6,812	6,773	9,059	9,061	10,807	9,745	7,401	8,549	9,803	7,018
Total business- type activities	7,664	16,036	10,305	9,908	11,217	9,868	7,658	8,697	9,961	7,081
Total primary government	$ 22,110	$ 33,006	$ 27,881	$ 29,647	$ 29,742	$ 23,669	$ 24,236	$ 24,421	$ 25,296	24,311
Change in Net Position										
Governmental activities	$ 6,656	$ 8,429	$ 3,498	$ 10,054	$ 8,492	$ 271	$ 7,038	$ 7,434	$ (502)	$ (807)
Business- type activities	5,067	12,855	7,925	4,170	6,208	5,876	5,549	7,131	4,679	4,432
Total primary government	$ 11,723	$ 21,284	$ 11,423	$ 14,224	$ 14,700	$ 6,147	$ 12,587	$ 14,565	$ 4,177	$ 3,625

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Reserved	$ 593	$ 597	$ 776	$ 816	$ 869	$ 856	$ 891	$ -	$ -	$ -
Unreserved	9,409	11,007	11,261	11,114	10,575	9,652	10,120	0	-	-
Nonspendable								216	792	763
Restricted								790	771	784
Assigned								-	25	-
Unassigned								10,661	11,012	11,260
Total General fund	$ 10,002	$ 11,604	$ 12,037	$ 11,930	$ 11,444	$ 10,508	$ 11,011	11,667	$ 12,600	$ 12,807
All other governmental funds										
Reserved	$ 4	$ 2,623	$ 2,399	$ 2,653	$ 2,179	$ 5,284	$ 4,978	$ -	$ -	$ -
Unreserved, reported in:								-	-	-
Special revenue funds	124	520	445	403	303	152	125	-	-	-
Capital projects funds	1,647	3,638	3,422	3,352	4,358	1,989	1,633	-	-	-
Nonspendable								2,828	2,221	2,365
Restricted								2,465	2,925	2,676
Assigned, reported in										
Special revenue funds								57	74	83
Capital projects funds								1,617	-	-
Unassigned								-	(165)	(226)
Total all other governmental funds	$ 1,775	$ 6,781	$ 6,266	$ 6,408	$ 6,840	$ 7,425	$ 6,736	$ 6,967	$ 5,055	$ 4,898

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	$ 21,175	$ 22,540	$ 25,844	$ 27,525	$ 28,385	$ 22,358	$ 23,053	$ 23,069	$ 23,450	$ 23,010
Licenses and permits	1,524	1,500	1,582	1,599	1,738	1,675	1,681	1,658	1,722	1,735
Intergovernmental	696	1,883	2,790	3,916	3,495	8,462	9,911	10,019	5,164	5,268
Charges for services	416	549	682	674	538	586	542	464	472	476
Grant Revenue	600	-	-	-	-	-	-	-	-	
Fines/Forfeitures	1,290	1,478	1,331	1,565	1,762	1,543	1,496	1,294	1,244	1,358
Investment earnings	83	449	578	732	594	562	654	715	790	599
Miscellaneous	3,505	172	147	309	216	109	150	500	684	691
Total revenues	29,289	28,571	32,954	36,320	36,728	$ 35,295	$ 37,487	$ 37,719	$ 33,526	$ 33,137
Expenditures										
General government	2,574	3,070	3,351	3,491	3,584	3,478	3,313	3,143	3,138	3,181
Public safety	6,343	6,782	7,140	7,493	7,688	7,523	7,414	7,222	7,122	7,372
Public works	4,939	5,306	5,557	5,531	5,858	5,586	5,430	5,670	5,623	5,577
Public facilities	332	836	880	926	937	959	1,023	1,007	1,035	1,039
Public services	64	395	436	458	456	391	379	388	407	433
Community development	799	764	825	1,024	1,172	1,072	1,126	1,135	1,204	1,163
Other services and charges	840	-	-	-	-	-	-	-	-	-
Intergovernmental	143	-	-	-	-	-	-	-	-	-
Claims paid	-	-	-	-	-	-	-	-	-	-
Capital outlay	3,273	3,357	5,363	8,303	5,928	6,762	11,165	9,416	5,658	6,907
Debt service										
Principal	2,927	69	71	91	78	198	262	557	319	306
Interest	146	249	326	246	320	245	245	245	276	542
Total expenditures	22,380	20,828	23,949	27,563	26,021	26,214	30,357	28,783	24,782	26,520
Excess of revenues over (under) expenditures	6,909	7,743	9,005	8,757	10,707	9,081	7,130	8,936	8,744	6,617

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other financing sources (uses)										
Transfers in	2,380	2,179	2,249	3,654	3,205	2,019	1,847	2,672	1,807	1,903
Transfers out	(9,165)	(8,952)	(11,308)	(12,714)	(14,012)	(11,764)	(9,248)	(11,221)	(11,610)	(8,922)
Transfers to component units	-	-	-	-	-	-	-	-	-	-
Transfers from component units	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of bonds/notes	-	-	-	-	-	300	-	-	-	-
Capital leases	448	620	110	-	-	-	-	50	-	-
Sale of capital assets	-	-	23	338	47	13	85	449	80	452
Total other financing sources (uses)	(6,337)	(6,153)	(8,926)	(8,722)	(10,760)	(9,432)	(7,316)	(8,050)	(9,723)	(6,567)
Net change in fund balances	$ 572	$ 1,590	$ 79	$ 35	$ (53)	$ (351)	$ (186)	$ 886	$ (979)	$ 50
Debt service as a percentage of noncapital expenditures	25.7%	1.8%	2.0%	1.9%	2.2%	2.3%	2.7%	4.0%	2.9%	3.8%

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
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
2011	10,047		6,162	3,553	1,703	812	792	23,069
2012	10,403		6,232	3,357	1,809	841	808	23,450
2013	10,612		5,590	3,236	1,873	855	844	23,010
% change Between 2004 & 2013	26.35%		-8.27%	32.51%	15.05%	-0.23%	-51.91%	8.67%

(*) 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
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)	1,075,107,154	24.43	2,686,585,355	40%
2008	839,467,255	189,522,031	25,717,175	77,543,520	169,428	1,132,419,409	(70,163,632)	1,109,377,341	24.43	2,773,443,353	40%
2009	855,730,720	188,100,111	26,556,590	77,936,110	176,001	1,148,499,532	(71,744,994)	1,120,352,248	24.42	2,800,880,620	40%
2010	829,091,871	185,601,135	25,503,243	68,205,850	172,014	1,108,574,113	(71,811,792)	1,078,630,642	26.15	2,696,576,605	40%
2011	816,351,825	186,162,190	28,265,457	69,194,300	192,965	1,100,166,737	(71,808,416)	1,062,672,937	26.15	2,656,682,342	40%
2012	815,093,673	185,918,089	28,265,457	70,303,830	170,110	1,099,751,159	(70,124,530)	1,045,889,201	26.15	2,614,723,003	40%
2013	810,347,679	189,949,428	29,001,905	76,515,750	180,990	1,105,995,752	(69,730,929)	1,050,919,941	26.15	2,627,299,853	40%

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

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

* Includes General, Capital and School Tax Rates

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

	City of Rome					Overlapping Rates **		
Year	General Fund	Capital Fund	Debt Service	City Schools	Total Direct Rate	Floyd County	State of Georgia	Total Rate
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
2011	6.80	1.90	-	17.45	26.15	8.767	0.25	35.17
2012	6.80	1.90	-	17.45	26.15	8.767 *	0.20	35.12
2013	6.80	1.90	-	17.45	26.15	8.767	0.15	35.07

Source-City of Rome Finance Department
Floyd County Finance Office

* First year of phase out of State tax
** Overlapping rates are those of county and state governments that apply to taxpayers within the City of Rome

City of Rome, Georgia
Principal Property Taxpayers
December 31, 2013
(amounts expressed in thousands)

	2013			2004		
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	$ 33,058	1	2.99%	$ 26,984	1	2.85%
Harbin Properties, LLC	18,889	2	1.71%			
Walmart Stores	18,691	3	1.69%	10,869	7	1.15%
Georgia Power	16,765	4	1.52%	10,086	6	1.06%
Larry Martin	15,389	5	1.39%			
Bekaert Corporation	15,412	6	1.39%	22,012	3	2.32%
Southeastern Mills	17,512	7	1.58%	15,964	4	1.68%
Keebler Company	9,168	8	0.83%	22,565	2	2.38%
River Root Partners LLC	8,602	9	0.78%	8,141	9	0.86%
Norfolk Southern Corporation	3,906	10	0.35%			
Bellsouth/AT&T				10,054	8	1.06%
Mount Berry Square Mall LLC				11,915	5	1.26%
Hospital Authority of Floyd				8,139	10	0.86%
Totals	$ 157,392		14.23%	$ 146,729		15.48%

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

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	1,287	24,331	92.6%
2011	25,709	22,690	88.3%	1,866	24,556	95.5%
2012	25,523	23,081	90.4%	1,780	24,861	97.4%
2013	25,597	23,437	91.6%	1,189	24,626	96.2%

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

* Includes Homestead Tax

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

	Governmental Activities				Business- Type Activities					
Fiscal Year	General Obligation Bonds	Notes Payable	Special Assessment Bonds	Capital Leases	Bonded Debt	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
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	-	60,276	9,224	228	79,802	6.90%	2,197
2011	-	5,492	4,527	40	54,946	8,602	793	74,400	6.36%	2,056
2012	-	5,183	4,527	30	52,744	7,956	570	71,010	5.95%	1,976
2013	-	4,886	4,527	20	54,241	1,336 *	460	65,470	5.29%	1,810

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

(1) See the Schedule of Demographics and Economic Statistics for personal income and population data
* Prior GEFA balance became bonded debt in 2013

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

Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property **	Per Capita ***
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
2011	-	-	-	N/A	N/A
2012	-	-	-	N/A	N/A
2013	-	-	-	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, 2013

Governmental Unit	Certificates of Participation	Capital Leases	Notes Payable	Other Debt Outstanding	Percent Applicable to City of Rome	Amount Applicable to City of Rome
City of Rome	$ 4,527,000	$ 20,513	$ 1,346,481	$ 3,540,000	100%	$ 9,433,994
Rome Board of Education-Quality Zone Academy Bonds	-	-	-	2,000,000	100%	2,000,000
	$ 4,527,000	$ 20,513	$ 1,346,481	$ 5,540,000		$ 11,433,994

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	$ 94,822,243	$ 99,865,703	$ 105,562,899	$ 110,394,715	$ 113,238,941	$ 114,849,953	$ 110,857,411	$ 110,016,673	$ 109,975,116	$ 110,599,575
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 94,822,243	$ 99,865,703	$ 105,562,899	$ 110,394,715	$ 113,238,941	$ 114,849,953	$ 110,857,411	$ 109,852,761	$ 109,975,116	$ 110,599,575
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2013

Total assessed value	$ 1,105,995,752
Debt limit (10% of total assessed value)	110,599,575
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	$ 110,599,575

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					
Fiscal Year	Water & Sewer Charges & Other (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
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
2011	21,413,544	9,677,717	11,735,827	4,605,000	2,159,128	1.7
2012	21,980,265	10,163,561	11,816,704	4,780,000	1,321,847	1.9
2013	21,965,249	9,361,007	12,604,242	5,441,000	1,826,484	1.7

(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
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	5,579	10.6%
2011	36,181 **	1,169,768 **	32,331	5,737	12.7%
2012	35,942 **	1,191,801 **	33,159	5,669	11.8%
2013	36,159 **	1,237,723 **	34,230	6,006	9.0%

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

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

	2013			2004		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Floyd Medical Center	2,718	1	9.92%	1,880	1	10.73%
Harbin Clinic	1,250	2	4.56%	749	5	4.28%
Redmond Regional Medical Center	1,200	3	4.38%	1,099	2	6.27%
Floyd County Government	1,162	4	4.24%	710	6	4.05%
Rome City Schools	819	5	2.99%	602	10	3.44%
City of Rome	614	6	2.24%	676	7	3.86%
Berry College	588	7	2.15%	604	9	3.45%
Kellogg's	552	8	2.01%	762	4	4.35%
Neaton Rome	427	9	1.56%			
Hillshire Brands (formerly Sara Lee)	350	10	1.28%			
Zartic Corporation				804	3	4.59%
Mohawk Industries				607	8	3.47%
Totals	9,680		35.3%	8,493		48.49%

Source-Rome Chamber of Commerce

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
General government	28	28	29	29	29	29	28	28	28	27
Legislative and judicial										
Commission	9	9	9	9	9	9	9	9	9	9
Municipal court	2	2	2	2	2	2	2	2	2	7
Attorney	1	1	1	1	1	1	1	1	1	1
Public safety										
Police										
Officers	98	98	98	98	98	98	92	95	95	101
Civilians	11	11	11	11	11	11	11	15	15	15
Public services	8	8	10	7	7	7	4	4	4	3
Public facilities	4	4	4	4	4	4	4	4	4	4
Fire										
Civilians	7	7	7	7	7	3	3	2	1	2
Firefighters and officers	146	146	146	146	146	146	148	149 **	162	161
Public works										
Public works office	4	4	4	5	5	4	4	4	4	4
Engineering	8	8	8	8	8	7	7	7	6	6
Street	42	43	43	46	46	39	31	31	31	31
Traffic	12	12	12	12	12	12	13	13	13	13
Cemetery	7	7	7	7	7	6	6	6	6	6
Garage	13	13	13	13	13	12	11	12	12	12
Building inspection	12	12	12	12	12	9	9	9	9	8
Transit	41	41	43	43	43	43	43	43	43	43
Planning commission	7	7	6	6	7	6	6	6	6	6
Solid Waste Management	71	72	72	72	71	61	56	55	57	57
Culture and recreation	6	6	12	12	12	12	11	19	21	24
Water and sewer	116	116	116	120	120	104	102	102	102	105
Total	653	655	665	670	670 *	625 *	601	616	631	645

Source-City of Rome Human Resource Department
* Includes Personnel Reduction due to Revenue Decreases
** Includes increase for personnel funded with SAFER grant

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

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety:										
Police arrests	2,131	2,026	1,845	2,267	2,388	2,168	2,030	1,858	1,793	2,197
Parking/Traffic violations	14,407	16,602	14,173	17,349	18,797	16,251	14,455	13,228	12,270	14,253
Public Works:										
Street resurfacing (miles)	7.30	6.35	5.26	4.77	0.40	2.02	10.50	5.78	4.25	3.64
Public Facilities:										
Rentals-Aud/Civic Center	47,132	46,215	48,328	45,645	41,754	48,668	54,072	58,773	57,613	57,007
Senior Citizen Center	3,881	2,975	2,357	1,550	2,333	2,610	2,803	2,795	2,371	2,935
Education:										
School Enrollment	5,305	5,346	5,239	5,235	5,612	5,571	5,579	5,737	5,669	6,006
Water and Sewer:										
Customers										
Water	19,163	19,501	19,734	19,875	20,006	20,034	20,065	20,083	20,094	20,120
Sewer	20,046	20,484	20,769	20,952	21,069	21,113	21,163	21,173	21,181	21,211
Water - (millions of gallons)										
Average daily production	10.1	9.7	9.7	9.0	8.1	7.6	7.9	7.6	7.4	7.1
Maximum daily production	13.9	13.6	13.9	14.3	11.0	12.0	10.9	12.1	11.1	9.7
Wastewater - (millions of gallons)										
Average daily sewage treatment	12.6	13.4	10.3	8.1	9.0	14.0	10.8	10.7	9.1	13.9
Maximum daily sewage treatment	33.6	28.6	25.6	21.1	27.4	57.9	51.5	56.3	31.1	50.0
Fire										
Number of responses	4,651	4,394	4,705	4,784	4,294	4,275	4,292	4,401	4,483	4,630
Inspections	1,321	1,563	1,584	1,424	1,224	911	1,045	1,413	1,915	1,751
Solid Waste Management:										
Refuse collected (tons)										
Inert	5,878	4,976	4,603	6,229	6,967	9,673	9,075	8,330	6,879	6,535
Trash	2,879	2,647	2,453	2,447	2,200	2,150	1,865	1,578	1,423	1,407
Garbage	16,220	16,113	16,225	15,361	14,539	14,530	13,801	14,248	13,755	14,311
Recycling	922	956	869	994	960	912	1,017	1,409	1,472	1,325
Transit:										
Transit miles	525,160	539,745	573,884	586,643	589,640	593,820	591,152	585,837	589,766	604,407
Transit passengers	839,484	857,276	879,394	893,268	967,390	962,500	982,471	1,014,181	1,053,540	1,075,603
Building Inspection:										
Permits	394	553	360	344	228	114 (4)	67	36	55	62
Solid Waste Commission:										
Inert tonnage	544	992 (2)	377	353	241	225	194 (5)	816	733	488
C&D tonnage	-	12,494	11,750	16,117	17,527 (3)	34,759	24,753	22,654	20,030	24,117
Garbage tonnage	104,429	100,624	59,304	54,821	85,360	78,326	73,410	70,417	70,179	69,416
Municipal Golf:										
Rounds played	27,892	28,677	31,311	31,893	32,714	27,142	28,542	29,405 (6)	39,715	34,113

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

(5) Increase due to storm related incidents

(6) Increased play contributed to conversion of greens

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

Principal Water Customers (in descending order):

	2013	2004
1)	Floyd County Wholesale	Floyd County
2)	Floyd Medical Center	Mohawk Industries
3)	Bekaert Steel	Zartic
4)	Floyd County Government	Bekaert Steel
5)	Rome Housing Authority	Rome Housing Authority
6)	Kellogg's	Floyd County Government
7)	Redmond Regional Medical Center	Kellogg's
8)	Alliance Laundry	Floyd Medical Center
9)	Mohawk	Redmond Regional Medical Center
10)	Syntec Industries	NWGA Regional Hospital

Principal Sewer Customers (in descending order):

1)	Bekaert Steel	Mohawk Industries
2)	Floyd Medical Center	Zartic
3)	Berry College	Bekaert Steel
4)	Ball Corporation	Rome Housing Authority
5)	Floyd County Government	Berry College
6)	Rome Housing Authority	Galey & Lord Industries
7)	General Electric Groundwater	Floyd Couty Government
8)	Kellogg's	Crothall
9)	Redmond Regional Medical Center	Kellogg's
10)	Linens of the Week (Alliance)	Floyd Medical Center

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

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Vehicles	86	86	86	81	70	65	65	65	71	71
Public Works:										
Streets (miles)	258.83	261.29	262.81	269	273	275	266	267	267	265
Street lights	4,369	4,369	4,425	4,425	4,520	4,566	4,566	4,566	4,566	4,566
Traffic signals	91	91	92	92	91	93	93	93	95	95
Signage	10,000	10,100	10,106	10,203	10,248	10,248	10,248	10,250	10,253	10,257
Public Facilities:										
Parks	22	22	22	22	22	22	22	22	22	22
Auditoriums and Civic Centers	3	3	3	3	3	3	3	3	3	3
Public Services:										
Volumes in Library	321,197	320,471	322,000	332,378	344,692	350,528	359,188	364,338	366,293	366,383
Water:										
Water mains (miles)	270	270	284	285	285	285	285	285	285	285
Fire hydrants	1,461	1,585	1,643	1,627	1,648	1,644	1,661	1,718	1,800	1800
Sewer:										
Sanitary sewers (miles)	376	414	408	410	399	399	399	399	401	401
Storm sewers (miles)										
Fire:										
Fire stations	10	10	10	10	10	10	10	10	10	10
Solid Waste Management:										
Collection Vehicles	42	42	42	40	41	40	40	40	37	37
Transit:										
Buses	42	42	42	43	44	48	48	49	58	59

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, 2013

CITY OF ROME, GEORGIA

SINGLE AUDIT OF FEDERAL PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2013

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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, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Rome, Georgia** (the "City") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 16, 2014.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, as item 2013-001, that we consider to be a significant deficiency.

Compliance and Other Matters

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

The City of Rome, Georgia's Response to the Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 16, 2014

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY *OMB CIRCULAR A-133*

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

Report on Compliance for Each Major Federal Program

We have audited the City of Rome, Georgia's (the "City's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Rome Board of Education, which received $9,110,510 in federal awards which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2013. Our audit, described below, did not include the operations of the Rome Board of Education because the Rome Board of Education engaged other auditors to perform an audit in accordance with OMB Circular A-133.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Rome, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-002 through 2013-004. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Rome, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-002 through 2013-004 that we consider to be significant deficiencies.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report of Schedule of Expenditures of Federal Awards as required by OMB Circular A-133

We have audited the financial statements of the City of Rome, Georgia as of and for the year ended December 31, 2013, and have issued our report thereon dated June 16, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 16, 2014

CITY OF ROME, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

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	PL000-0010-00-810	$ 100,190
Passed through the Georgia Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction Program	20.205	T004226	40,893
Off System Safety Grant	20.205	0010750	181,125
Urban Riverfront	20.205	CSTEE-0007-00(399)	1,456,772
Heritage Riverways	20.219	NRT-11(17)	23,172
Subtotal Highway Planning and Construction Cluster			1,701,962
Passed through the Georgia Department of Transportation:			
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0286	234,524
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-0309	37,691
Federal Transit - Urbanized Area Formula Grant - ARRA	20.507	GA-90-0259-01	41,859
Federal Transit - Urbanized Area Formula Grant	20.507	GA-96-X012-01	321,529
Federal Transit - Urbanized Area Formula Grant	20.507	GA-90-4309	800,000
Subtotal Federal Transit Cluster			1,435,603
Total U.S. Department of Transportation			3,237,755
U.S. Department of Justice			
Direct Award			
COPS Hiring Program (CHP)	16.710	2010UMWX0083	168,498
Subtotal Direct Award			168,498
Passed through the Bureau of Justice Assistance:			
Bulletproof Vest Partnership Program	16.607	2010BUBZ13066619	3,160
Subtotal Bureau of Justice Assistance			3,160
Justice Assistance Grant Program Cluster:			
Local Law Enforcement Block Grant (Police Equipment Grant)	16.738	2009-SU-B9-0003	8,993
Local Law Enforcement Block Grant (Police Equipment Grant)	16.738	2011-DJ-BX-3150	950
Local Law Enforcement Block Grant (Police Equipment Grant)	16.738	2013-H4381-GA-DJ	19,440
Subtotal Justice Assistance Grant Program Cluster			29,383
Total U.S. Department of Justice			201,041

Continued

CITY OF ROME, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

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-11-MC-13-0014	$ 89,002
Entitlement Grant	14.218	B-12-MC-13-0014	267,194
Entitlement Grant	14.218	B-13-MC-13-0014	22,159
Subtotal Community Development Block Grant Cluster			378,355
Community Home Investment Partnerships			
Downpayment Assistance Program	14.239	2012-835	183,782
Subtotal Community Home Investment Partnerships			183,782
Total U.S. Department of Housing and Urban Development			562,137
U.S. Department of Interior			
Historic Preservation CLDG Development	15.904	13-13-41917	1,800
Total U.S. Department of Interior			1,800
U.S. Department of Homeland Security			
Passed through Federal Emergency Management Agency			
SAFER Grant	97.044	EMW-2011-FH-01084	395,357
Subtotal Federal Emergency Management Agency			395,357
Passed trhough Georgia Emergency Management Agency			
Hazardous Materials Grant	97.067	2010 SS-T0-0034	9,849
Homeland Security Grant - Rapid ID System	97.067	2010 SS-T0-0034	21,242
Subtotal Georgia Emergency Management Agency			31,091
Total U.S. Department of Homeland Security			426,448
Total Expenditures of Federal Awards			$ 4,429,181

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, 2013

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, 2013

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	_____ yes __X__ no
Significant deficiencies identified?	__X__ yes _____ 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?	__X__ yes _____ none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	__X__ yes ____ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.507	Federal Transit Cluster
14.218	CDBG – Entitlement Grants Cluster
97.044	SAFER Grant
20.205, 20.219	Highway Planning and Construction 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, 2013

Section II – Financial Statement Findings and Questioned Costs

2013-001 Inventory Balances

Criteria: Internal controls should be in place to ensure that the amounts reported as inventory balances exist and are properly valued.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the City's inventory balances.

Context/Cause: During our testing of the inventory balances in the Transit Fund, we noted that the City had not been properly performing year end physical counts to adjust the detail listings of inventory. Upon our initial visit to the locations we noted several items included in the listing which were no longer carried by the departments, several items at the locations which were not being included on the listings, and several items which were incorrectly carried.

Effects: The City made an audit adjustment to reduce the inventory as of and for the year ending December 31, 2013, in the amount of approximately $113,000, to properly report the inventory balances.

Recommendation: We recommend the City perform periodic physical inventory counts to ensure that they are properly carrying balances on the general ledger and that, at a minimum, a year end physical count is performed to provide a subsidiary listing of inventory balances which the City can then use to report in their general ledger.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that all balances are properly stated. We are conducting periodic inventory counts throughout the year to ensure that inventory is accounted for properly.

CITY OF ROME, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Section III - Federal Awards Findings and Questioned Costs

2013-002 Matching-

Program: U.S. Department of Transportation (CFDA No. 20.205 & 20.219)
CFDA Program Titles: Highway Planning and Construction and Recreational Trails Program
Grant Numbers: T004226, 1141750, CSTEE-0007-00(399), and NRT-11(17)

Criteria: Recreational Trails Program Grant requirements state that the maximum amount of Grant-in-Aid Federal support of 78% would be provided.

Condition: As of December 31, 2013, the City was not properly monitoring the match status and ensuring that the amount of federal funds being requested was 78% or less of the total expenditures for this National Trails Program project.

Context/Cause: During our testing of the grant, we noted that the City was requesting 80% of total expenditures which was in excess of the maximum allowable 78%.

Effects: The failure to comply with grant requirements could result in loss of grant funding from certain grantors and/or plausible repayment of excess draws, with penalties and/or interest.

Questioned Costs: $580

Recommendation: The City should make every effort to gain a thorough understanding of the requirements of each grant received in order to avoid potential noncompliance.

Auditee's Response: We concur with the finding. The grant agreement did state 78% but the City understood the funds being requested was at the normal 80% reimbursement level. We will review the agreement and procedures closely to ensure matching requirements are being followed.

CITY OF ROME, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Section III - Federal Awards Findings and Questioned Costs

2013-003 Allowable Costs-

Program: U.S. Department of Transportation (CFDA No. 20.205 & 20.219)
CFDA Program Titles: Highway Planning and Construction and Recreational Trails Program
Grant Numbers: T004226, 1141750, CSTEE-0007-00(399), and NRT-11(17)

Criteria: While direct costs are those that can be identified specifically with a particular final cost objective, the indirect costs are those that have been incurred for common or joint purposes, and not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved. Indirect costs are normally charged to Federal awards by the use of an indirect cost rate. The indirect cost rate proposal (ICRP) provides the documentation prepared by a State/local department or agency, to substantiate its request for the establishment of an indirect cost rate. The indirect costs include (1) costs originating in the department or agency carrying out Federal awards, and (2) costs of central governmental services distributed through the State/local-wide central service Cost Allocation Program ("CAP") that are not otherwise treated as direct costs. The ICRPs are based on the most current financial data and are used to either establish predetermined, fixed, or provisional indirect cost rates or to finalize provisional rates.

Condition: During our testing of the expenditures charged to the Highway Planning and Construction Grant, we noted the City did not have proper procedures in place to support the indirect costs through an Indirect Cost Rate Proposal, as required by OMB A-87.

Context/Cause: The City did not have adequate controls in place to ensure the required documentation was being obtained and maintained in the files.

Effects: These costs could potentially be considered unallowable by the grantor.

Questioned Costs: We identified the full amount of indirect costs as questioned costs, which accounted for $1,456, as of December 31, 2013.

Recommendation: The City should ensure all required documentation and support is obtained and maintained in order to support and validate charges made to the grant.

Auditee's Response: We concur. The City has implemented procedures to ensure allowable cost requirements related to indirect costs are being followed.

CITY OF ROME, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Section III - Federal Awards Findings and Questioned Costs

2013-004 Reporting-

Program: U.S. Department of Homeland Security (CFDA No. 97.044)
CFDA Program Titles: Staffing for Adequate Fire and Emergency Response (SAFER) Grant
Grant Numbers: EMW-2011-FH-01084

Criteria: Grant requirements state that recipients of a SAFER grant will be required to submit a semi-annual Federal Financial Report (FFR) on the Standard Form 425 (SF-425). The SF-425 will be due semi-annually based on the calendar year beginning with the period after the award is made. Grant recipients will be required to submit an FFR throughout the entire period of performance of the grant. The reporting periods for the FFR are January 1 through June 30 (report due by July 31), and July 1 through December 31 (report due by January 30).

Condition: During our testing of the semi-annual FFR reports, we noted the City did not have proper procedures in place to ensure that the reports were submitted timely, as required by grant agreement.

Context/Cause: The City did not have adequate controls in place to ensure the FFR reports were filed timely with the grantor.

Effects: The failure to comply with grant requirements could result in loss of grant funding from certain grantors and/or plausible repayment of funds, with penalties and/or interest.

Questioned Costs: None noted.

Recommendation: The City should ensure all required reports are submitted timely and meet the reporting deadlines as stated in the grant agreements.

Auditee's Response: We concur. The City has implemented procedures to ensure reports are being submitted timely.

CITY OF ROME, GEORGIA

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

2012-3 Davis Bacon Act-

Program: U.S. Department of Transportation (CFDA No. 20.507)
CFDA Program Title: Federal Transit – Urbanized Area Formula Grant - ARRA and Non-ARRA
Grant Number: GA-90-0286, GA-90-0309, GA-90-0259-01, GA-96-X012-01, and GA-90-4309

Criteria: Non-federal entities shall include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the DOL regulations (29 CFR part 5, Labor Standards Provisions Applicable to Contacts Governing Federally Financed and Assisted Construction). This includes a requirement for the contractor or subcontractor to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls).

Condition: Internal controls were not sufficient to enable the City to obtain the weekly certified payrolls as required.

Context/Cause: During our testing of the grant, we were not able to obtain the certified payroll documents from the City for the one contractor used in the activity of this program. Upon request of the documents, management of the City was able to contact the contractor to obtain the reports, but the request were made after the close of the fiscal year and were not being obtained on a weekly basis throughout the project.

Response: This finding was resolved during the current period.