CITY OF ROME, GEORGIA
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2018

Prepared By:
Finance Department

CITY OF ROME, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

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June 12, 2019

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, 2018, 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, 2018.

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

Mauldin & Jenkins, LLC has issued an unqualified opinion on the City of Rome's financial statements for the year ended December 31, 2018. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

The City of Rome is located in the northwestern part of the State of Georgia, which continues to rank as one of the top growth areas in the state. The City limits incorporate over thirty-four square miles and has a population of approximately 36,400. 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. The City has experienced a slight increase in economic activity including expansions and additional employment hiring. The unemployment rate for the City at the end of the year was 4.4%. This is a slight decrease from 2017 following national trends of lower unemployment rates. This rate however was more than the state average of 3.7% and over the Floyd County rate of 3.9%. More encouraging news is that this rate has continued to hold low through the first quarter of 2019. The City has seen some increase in job creation due to expansions at existing facilities, as well as job growth in the services sector.

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

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

The City of Rome is a large tennis community with tournaments ranging from junior league to adult mixed. With the opening of the new 60 court tennis facility, the Rome Tennis Center at Berry College has garnered national recognition and has already hosted several regional and international tournaments. The Center was the host for the 2017 ACC College tournament finals and will host the event again in 2020. The facility currently has over 40 plus tournaments of various sizes booked for 2019. This has been a major economic impact for the City as these tournaments bring in participants and family from out of town who eat, sleep and shop in Rome. In 2018, the Tennis Center generated $4.87 million or 26% of the total economic impact for the tourism community.

Rome has also been the site for several other sporting events that draw participants and spectators from outside the community. Berry College began their inaugural football season in 2015 and has won several divisional championships. The Wings over North Georgia Air show held in the fall has become a large regional draw, and continues to be the highest estimated economic impact event for 2018, with over 30,000 in attendance for the two day event.

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

The continued development of the downtown area of the City also is hopeful for continued economic impact. Hampton Inn Hotel at the tip of the downtown area added much needed lodging last year and the Marriott Hotel which opened in early 2018, borders the west end of the downtown area and now anchors the West Third corridor of the downtown area. With the opening of the Marriott, room availability in the city now is over 970 rooms and will continue to increase as another major hotelier has announced a major expansion. The development of lofts and apartments in the downtown area has blossomed as four current projects are under current construction. The City has initiated the "Roman Chariot" fleet which is a larger seating golf cart that will transport guests from the lodging points and up and down the downtown areas. There are currently four carts available for transportation in the downtown area. The newly purchased "Roman Rose" Trolley also joined the transportation fleet in early 2019. Also newly installed are bicycle lanes and the roll out of a "Personal Transportation Vehicle (PTV)" policy to allow registered vehicles to use the downtown streets for transportation. This is certainly important as the number of citizens living in the downtown area increases.

A continuing Education Local Option Sales tax has enabled the City of Rome School System to make major renovations and improvements to many of the City schools. As this issue comes to an end a new county high school in the western part of the county has been completed, and major renovations at the Rome High and Middle School have been completed. Also nearing completion is the completely new Main Elementary school funded with the ELOST. Continuing its success, the South Rome Early Center housed at Anna K. Davie School is looking to expand to the third classroom. This is a public/private partnership with the school system, Berry College, and private enterprises such as the South Rome Redevelopment Corporation which helps disadvantaged pre-school kids become ready for official school entry. The new 2017 ELOST issuance began collections in April of 2019 with the main focus on a new college/career academy to be housed at the Rome High School main campus.

Local Option Sales Tax revenue, one of the City's largest revenue sources outside of property taxes, which has been very stagnant over the last few years saw a moderate increase in 2018. This revenue source has been declining since prior legislation phased out sales taxes on food, vehicles and manufacturing energy costs. New legislation which may help re-coup some sales taxes on on-line sales was effective the first of 2019 and it is very hopeful this revenue will continue to see increases. Also of some concern is the loss of several larger retail stores that closed last year. Although this seems to be a part of a national trend, retail sales loss is a concern going forward for the local economy. The City has been encouraged by an upward trend in economic indicator revenue sources such as business licenses, intangible taxes, real estate transfer taxes, and insurance premium tax.

The City has also seen a significant upward swing in the number of new housing starts and construction during the year as well as requests for new water/sewer taps. The Building Inspection permit numbers were some of the largest increases in new permits that the City has seen in over ten years. These increases are positive signs of a possible modest growth in the local economy.

The City has seen several market growth additions over the last year, and the 2018 tax digest had a modest increase. The City also had another strong collection rate in 2018, which helped boost tax revenues for the year.

Although the City of Rome's Water system has remained healthy and viable due to our abundance of available water supplies, the system continues to be challenged by the decrease in overall consumer consumption. The City of Rome has renegotiated with Floyd County the agreement for wholesale water purchases from the City. The City's Water and Sewer system continues to garner various awards for its facilities and clean water production.

LONG TERM FINANCIAL PLANNING

The City has taken budgetary steps to ensure that the City will continue to be financially healthy throughout a continual stagnation of many revenue sources. Although the City went several years without market competitive merit raises for employees, 2018 did see a merit raise budget increase of 0-4% for employees. However, the need for long range planning in pay and benefits for public safety employees continues to be a concern in recruitment and retention. The City has also seen these challenges in recruitment in other professional areas such as Engineering and CDL drivers and heavy equipment operators. Recruitment against the private sector continues to be a challenge in obtaining and retaining employees. 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 2018 reflecting needs that have been mitigated for the last couple of years. Capital spending commitments for the budget year 2018 was some of the largest the fund has seen in several 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 growth restraints has been a challenge for City management.

RELEVANT FINANCIAL POLICIES

The past fiscal year has continued to be a challenge to all revenue sources within the City. Modest increases in some revenues sources with economic drivers are an encouragement that the economy may be turning upwards. However, many other revenue sources continue to decline or are relatively flat. The effect of the Title Tax implementation is still being felt and its long term impact is still uncertain, although 2018 did see an upswing in the revenue. New legislation for the distribution of this tax will again change in 2019—and preliminary estimates have the City receiving less revenue. New legislation affecting revenues as the State changes the way it funds transportation was implemented in 2015. Although its initial impact to the City appears to be minimal in 2018, the longer term impacts are yet to be addressed. Much of the challenge in managing in today's economy is the up and down swings in revenues without stable projections. These significant tax changes will impact the City's revenues sources, and the long term impact may require some history before the City can make plans to help mitigate the long term effects. Over the last couple of years the City has been able to increase the General Fund fund balance. This is a deliberate plan to help leverage the City's financial resources for the future.

The housing market has made some rebounds—and re-assessment values are starting to see some increases for the first time in several years. Sales of homes are on the upswing.

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 2018 was a new concentration of replacement of sidewalks in the East Rome area of redevelopment. Additional sidewalks were installed along a corridor of East Central Elementary with additional grant funds.

The Community Development department has continued to work on moderate housing repair and rehab projects which use grant money to repair and bring up to code houses for senior or low income participants. Community Development has also completed the sale of the final house built with HomeBuild funds along the Wilson Avenue corridor. The department will now turn their attention to five new houses being built along Pollock street in the South Rome area.

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

The Business Improvement District tax area was expanded geographically, and enhanced to generate more development monies to be used in our downtown area. Plans are to market the Fifth Avenue street section for an Arts District which will geographically link to the downtown area and the new Marriott hotel. Budget has been set aside for utility, infrastructure, and façade improvements for the area. Also expanded was the concept of more art options in the downtown areas. With a live theatre and other street art projects already on site—collaborative efforts with the arts community has spurred a film festival, and an outdoor Shakespeare play venue. The 2017 SPLOST package included $2 million for infrastructure improvements in the Fifth Avenue Arts District.

The completion of the Burnett Ferry Road sidewalk project was completed in 2018 with over 1.2 miles of new sidewalks and curb and gutter along the Alto Park school corridor. Also underway is the widening of the Chulio Hills/Honeysuckle Ridge roads. A newer enhanced roadway was also constructed along with the new Main Elementary school.

The City also partnered with the Fairview E.S. Brown Heritage Corporation to facilitate a grant to historically restore an older African American school house in Cave Spring. Renovations were completed on the one room school house which dates back to the 1940s.

The City also completed several building renovations—including major improvements at its iconic City Clock Tower and the Carnegie Building Government Building.

Every year water and sewer projects are being completed. Major initiatives for 2018 included the completion of the replacement of water lines in the Mount Alto residential area, and initial construction for major repairs at the Water Filter Plant and WasteWater Treatment Plant. Also completed in 2018 was the transition at the Water Filter Plant to a GAC (Granular Activated Carbon) filtration system which uses an alternate source of water filtration to help remove PFCs and other contaminants from our water system. This is a proactive change for the system in advance of the state's new standards for water safety.

The multi-million dollar expansion of the trail system at the Town Green was completed a couple of years ago and trail connectivity throughout the county continues to be an initiative. There are funds still left in the 2013 SPLOST issuance to connect more trails up in the north end of the county connecting around the baseball stadium and through Berry College. It also connects the downtown area into an enhanced interconnected network of multi-purpose trails that meander throughout the community.

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

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

The Rome/Floyd County Land Bank Authority was very active in 2018 moving over twenty five properties off the delinquent or foreclosed tax rolls back to the taxpayer digest. With over 250 properties still to be processed from the county foreclosed records, 2019 looks to be a good year to move additional properties back to tax payer parcels.

The new Riverpointe Apartments opened in 2018 and were completely occupied with waiting lists within a few months. This is a larger upscale apartment complex adjacent to the Rome Braves stadium and gives the community a higher end apartment inventory.

***For the Future*:**

The Northwest Regional Hospital property in West Rome that has been dormant since 2011 has a tentative collaborative use as the City has worked diligently to identify a possible re-use or redevelopment for the campus. The locally based Global Impact has announced plans for the creation of Hope Village at the site which would be a collaborative treatment center to encompass the entire tract. Hope Village will strive to provide substance abuse, mental health, and vocational and job training services. This will be a true collaboration effort between federal, state, local government, local businesses, non-profit agencies and faith based partners.

The rivers are a major part of this community along with the City's downtown development. The City will continue to focus on the development of the three rivers in downtown Rome. The addition of the pedestrian bridge and the Town Green has already proven to be a major draw to the downtown area and the expansion of the river walk trail system continues to be an important initiative for the future. The Town Green is becoming a focal point for other festivals, and events in the downtown area. Re-installation of the dock for the Roman Holiday riverboat is expected in 2019.

The City in partnership with Floyd County, and the Rome Floyd Tourism/Convention Bureau, purchased a new trolley for downtown events, rentals, and special events and tours. The Trolley has been named the “Roman Rose”.

The City has issued bonds to finance the construction of new “indoor tennis courts” at the Rome Tennis Center at Berry College. These covered courts will be at the existing facility and will complete the necessary enhancements to ensure that the facility is able to bid on the larger and prestigious tournament events.

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

Community Development continues to be a priority for the City. Community Development has partnered with the Rome Housing Authority to apply for a Choice Neighborhood Planning grant for the East Rome area to plan for a larger initiative for housing and infrastructure improvements. The department is also working with the South Rome Corporation for construction of five houses for the HomeBuild project which sells the houses at cost to low income eligible participants. There has been considerable interest in these homes and the long range plans are to build 3-4 additional homes around the corner with the sale proceeds.

The City approved a TAD Four area with an approved TAD application for a major retail hub at the site of the former Kmart. This is very important as this abandoned property sits on a major road artery with prime access. The new retail development is set to open in late 2020.

The City is working to finish out projects from the 2013 SPLOST. Trail Connectivity and Unity Point Improvements are the final projects still to complete.

In 2017, another large SPLOST referendum was passed by the community which will be a continuation once the 2013 SPLOST expires in 2019. Larger projects include Public Works infrastructure improvements, Public Safety equipment and facility improvements, Waterways improvements, Water and Sewer improvements and Improvements in the Fifth Avenue River Arts District.

FINANCIAL INFORMATION

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

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

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations that could have a material effect on a major federal program. The results of the City's single audit for the fiscal year ended December 31, 2018 ended with no findings of noncompliance for its federal programs.

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

AWARDS AND ACKNOWLEDGEMENTS

Awards. The City of Rome, Georgia Comprehensive Annual Financial Report for the year ended December 31, 2017, was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

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

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

Respectfully submitted,

Sammy Rich
City Manager

Sheree T. Shore
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rome

Georgia

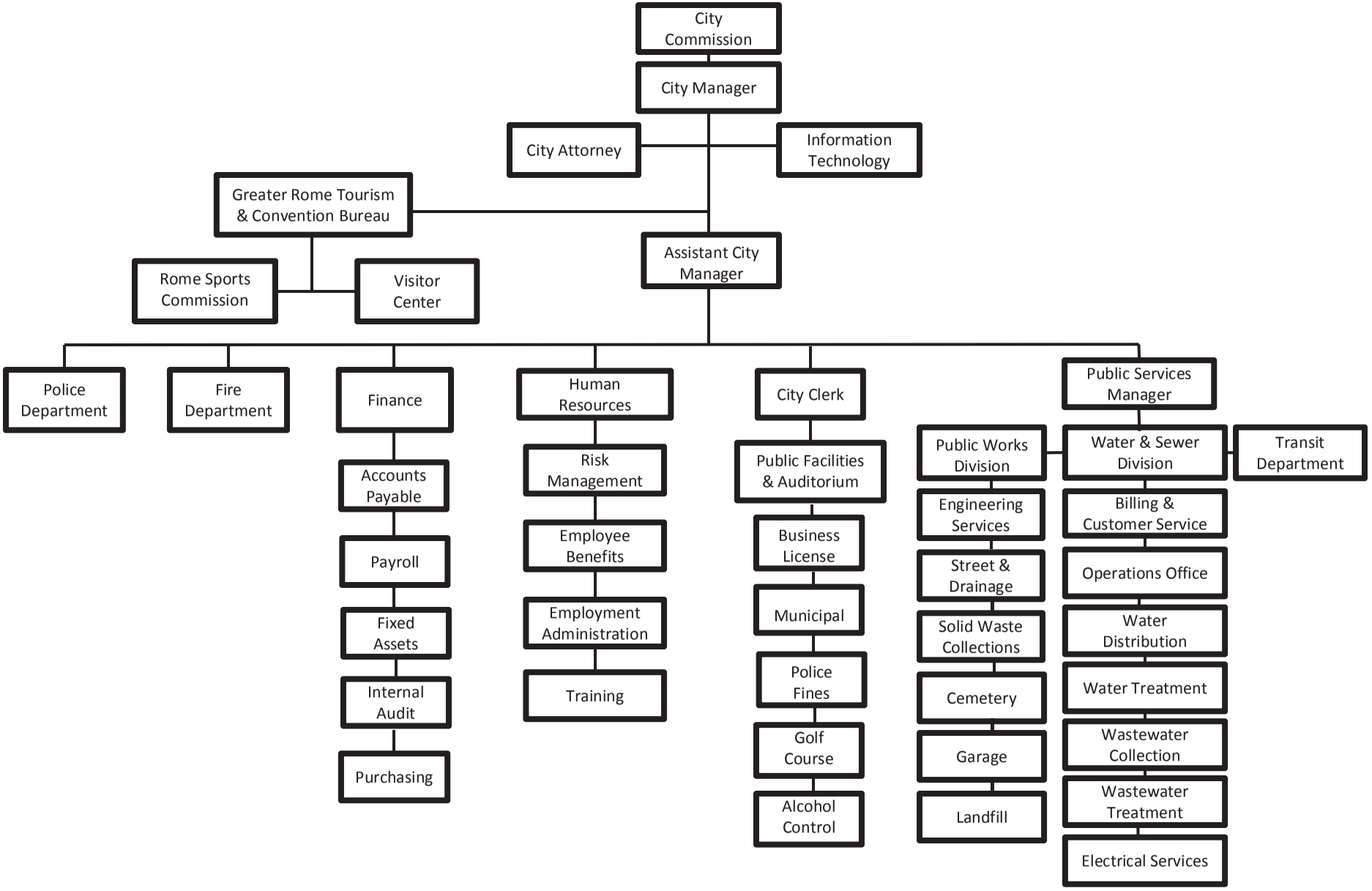
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

City of Rome, Georgia
Organization Chart



CITY OF ROME, GEORGIA
PRINCIPAL OFFICIALS
DECEMBER 31, 2018

Jamie Doss	**Mayor**
Milton Slack	**Mayor, Pro Tem**
Bill Collins	**At Large**
Randy Quick	**At Large**
Evie McNiece	**At Large**
Craig McDaniel	**At Large**
Sundai Stevenson	**At Large**
Bill Irmscher	**At Large**
Wendy Davis	**At Large**

****

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

FINANCIAL SECTION

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

MAULDIN & JENKINS

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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rome, Georgia as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes G and Q, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of January 1, 2018. This standard significantly changes the accounting for the City's total other postemployment benefits (OPEB) liability and related disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements and schedules as well as the schedule of expenditures of special purpose local option sales tax proceeds (the "supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 19, 2018, 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 solely 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 the effectiveness of the City's 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 19, 2018

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, 2018

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, 2018.

This discussion and analytical information is designed to be used in conjunction with the transmittal letter found on pages v-xii 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 $327,394,676 in 2018, which is an increase of 4.1% over the restated 2017 balance. Net Position for the City increased $12,903,826 for 2018. This increase was evenly distributed between Governmental Activities and Business Activities with strong increases in both categories. Beginning Net Position for Governmental activities was restated with a decrease of $(13,880,274) with the implementation of GASB 75 for Other Postemployment Benefits Accruals.

- The City's total assets increased $8,580,606 with $7,284,466 of that increase in cash. Business Activities had the biggest percentage of that cash increase.

- The City's long term liabilities increased $11,921,130 for 2018. This is a net effect of the normal payment of bond principal but also includes the addition of the OPEB liability of $17,366,694 in the initial year of implementation of the new GASB standard. There was also a modest increase in the pension liability.

- Total City of Rome Net Position is made up of the following:
  1) Net Investment in capital assets of $299,196,947 includes property, equipment, and infrastructure, net of accumulated depreciation and reduced for related debt.
  2) The restricted portion of the Net Position of $16,512,991 reflects funds held for capital purchases and debt service. The balance of the restricted portion is restricted by outside entities either by covenants, grant agreements or external legislation.
  3) Unrestricted Net Position of $11,684,738 represents the portion available to maintain the City's ongoing obligations and has decreased substantially from 2017 as the OPEB liability accrual has shifted the unrestricted portion in Governmental Activities to a deficit position.

- The City of Rome had an overall increase in Net Position for 2018 of $12,903,826 which is less than the increase for 2017 but represents strong increases in the Governmental Activities and Business type Activities. In the Governmental Activities this increase was generated mainly by a decrease in expected expenses and an increase in expected revenues, more specifically in tax revenues. In Business Activities, there were increases in revenues and less capital expenses.

- The City's combined governmental funds reported a total ending fund balance of $35,848,668 which is a healthy increase of $3,344,258 from 2017. This is mostly due to a larger increase in the fund balance in the General Fund, but also modest increases in the SPLOST and Capital funds. Of this amount $19,332,411 is unassigned and available for budgetary spending. This is a larger increase from 2017 and reflects the strong increase in fund balance of the General Fund.

- The City's General Fund had a net increase in fund balance of $1,733,790 for 2018. This is lower than the increase for 2017, but is still a healthy increase. The increase was due to lower than budgeted expenses, mainly in Police and Public Works, and higher property tax revenues from a higher than average annual collection rate.

- The City's General Fund showed an unassigned fund balance of $19,332,411 at the end of the fiscal year, or 88.2% of current year expenditures before transfers and 61.3% of total expenditures (including transfers out). This is a $1,734,493 increase from 2017. This increase continues to be a purposeful intention to position the City for projected needs in the future.

- The City's Capital Fund had a net increase in fund balance of $390,373. This is due to a moderation of capital outlay and additional grant revenue.

- The City's SPLOST fund had a net increase to fund balance of $769,358 due to the winding down of the current SPLOST issuance with most of the budgeted projects completed.

- The City's TAD fund had a net increase to fund balance of $158,806 due to increased revenues with the inclusion of Floyd County and Rome Board of Education in the TAD One District.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

The City of Rome maintains ten individual governmental funds. Information is presented separately for the General, Capital, SPLOST, and TAD funds, all considered major funds in 2018. 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 107-110 of the report.

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

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

Proprietary Funds

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

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

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

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

The City's proprietary funds are presented on pages 32-40 with individual data on non-major funds presented in combining statements on pages 118-124.

Fiduciary Funds

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

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

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 43-91.

Required Supplementary Information

The budgetary comparison schedule for the General Fund and footnotes are provided for budget compliance presentation. The schedules applicable to the Liability standard for the City of Rome's GMEBS Retirement Plan and required schedules for the OPEB Health Care Plan are also provided in the Required Supplementary Information. These are presented on pages 92-101.

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 107-115.

The Special Report for Sales Tax proceeds is shown on pages 116 and 117. This schedule shows expenditures for the 1996, 2006, 2009 and 2013 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 24-26.

City of Rome
Net Position (Financial Position)

	Governmental Activities		Business-Type Activites		Totals		
	2018	2017	2018	2017	2018	2017	Variance
Assets:							
Current assets	$ 34,740,789	$ 31,001,138	$ 43,262,778	$ 38,443,018	$ 78,003,567	$ 69,444,156	$ 8,559,411
Capital assets	152,263,106	148,482,646	181,866,940	185,422,605	334,130,046	333,905,251	224,795
Other non-current assets	6,114,757	6,233,913	1,181,553	1,265,997	7,296,310	7,499,910	(203,600)
Total Assets	193,118,652	185,717,697	226,311,271	225,131,620	419,429,923	410,849,317	8,580,606
Deferred Outflows of Resources	8,811,914	3,852,352	829,413	1,085,805	9,641,327	4,938,157	4,703,170
Liabilities:							
Current liabilities	6,539,181	6,140,404	5,102,790	4,873,101	11,641,971	11,013,505	628,466
Long-term liabilities	52,147,374	34,512,176	34,216,615	39,930,683	86,363,989	74,442,859	11,921,130
Total Liabilities	58,686,555	40,652,580	39,319,405	44,803,784	98,005,960	85,456,364	12,549,596
Deferred Inflows of Resources	3,670,614	1,959,986	-	-	3,670,614	1,959,986	1,710,628
Net investment in capital assets	141,660,958	134,593,769	157,535,989	155,278,950	299,196,947	289,872,719	9,324,228
Restricted	15,726,961	14,147,220	786,030	1,024,901	16,512,991	15,172,121	1,340,870
Unrestricted	(17,814,522)	(15,663,780)	29,499,260	25,109,790	11,684,738	9,446,010	2,238,728
Total Net Position	$ 139,573,397	** $ 133,077,209	$ 187,821,279	$ 181,413,641	$ 327,394,676	** $ 314,490,850	$ 12,903,826

**As restated

With the implementation of GASB 63, certain assets and liabilities have been reclassified to deferred outflows and inflows of resources. For 2018 the deferred outflows represent deferred charges for bond refunding, pension, and OPEB calculations. The deferred inflows represent the change in the fair value of a derivative instrument and pension plan changes.

The overall assets of the City increased a moderate $8,580,606. Current assets increased in cash mainly under the Business Activities in the Water and Sewer Fund. Capital assets remained constant overall with an increase in Governmental Activities but a decrease in Business Activities. Deferred Outflows increased $4,703,170 due to the increase of pension and OPEB related items. Long term liabilities increased $11,921,130 which included a decrease for normal debt payments but also included an addition for the liability for the OPEB of $17,366,694 and a liability for two TAD notes of $4,878,265. Overall liabilities increased $12,549,596.

Net investment in capital assets increased $9,324,228 or 3.2%, reflecting the normal payment of debt and depreciation. Increases were mainly in the Governmental Activities with the addition of school building assets, and the large renovation of the Carnegie Government Building.

Overall the City's Net Position increased $12,903,826 from 2017. This was due to strong increases in net position in both Governmental Activities and the Business Type Activities.

Investment in capital assets is the largest component of total net position with 101% of governmental net position and 83.8% of business type net position. The largest component of the restricted portion of net position is restricted assets held for debt service and capital improvements. The Restricted portion of Net Position increased slightly from 2017 with an increase mainly in the restricted SPLOST capital. Neither of these components of net position, however, represents available resources for the City's operation, but an investment to provide services to citizens.

The unrestricted portion of net position is $11,684,738, which is available for future spending. Unrestricted Net Position in Governmental Activities shifted to a negative position with the implementation of GASB 75 which accrued and posted the entire OPEB liability. The Unrestricted Net Position in Business Activities had an increase of $4,389,470. It is expected that this will improve as total net position increases in the future.

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		
	2018	2017	2018	2017	2018	2017	Variance
Revenues:							
Program Revenues							
Charges for services	$ 3,440,626	$ 3,697,104	$ 40,626,143	$ 39,668,818	$ 44,066,769	$ 43,365,922	$ 700,847
Operating Grants & Contributions	663,373	1,088,938	945,068	968,624	1,608,441	2,057,562	(449,121)
Capital Grants & Contributions	13,282,889	6,751,756	1,465,069	1,133,173	14,747,958	7,884,929	6,863,029
General Revenues							
Property Taxes	13,465,901	13,054,770	-	-	13,465,901	13,054,770	411,131
Sales Taxes	5,963,215	5,674,565	-	-	5,963,215	5,674,565	288,650
Other Taxes	8,892,044	8,800,701	-	-	8,892,044	8,800,701	91,343
Miscellaneous	2,059,819	1,172,770	608,532	321,191	2,668,351	1,493,961	1,174,390
Total Revenues	$ 47,767,867	$ 40,240,604	$ 43,644,812	$ 42,091,806	$ 91,412,679	$ 82,332,410	$ 9,080,269

	Governmental Activities		Business Type Activities		Total		
	2018	2017	2018	2017	2018	2017	Variance
Expenses:							
General Government	$ 11,044,380	$ 7,349,039	$ -	$ -	$ 11,044,380	$ 7,349,039	$ 3,695,341
Public Safety	7,967,577	7,988,368	-	-	7,967,577	7,988,368	(20,791)
Public Works	6,421,862	4,208,342	-	-	6,421,862	4,208,342	2,213,520
Public Facilities	1,592,745	1,508,412	-	-	1,592,745	1,508,412	84,333
Public Services	509,551	528,459	-	-	509,551	528,459	(18,908)
Community Development	6,042,451	1,304,313	-	-	6,042,451	1,304,313	4,738,138
Education	1,919,291	1,721,790	-	-	1,919,291	1,721,790	197,501
Interest on Debt	517,391	454,414	-	-	517,391	454,414	62,977
Water and Sewer	-	-	17,427,052	17,620,291	17,427,052	17,620,291	(193,239)
Fire	-	-	11,302,219	11,294,830	11,302,219	11,294,830	7,389
Solid Waste Commission	-	-	2,790,865	2,286,872	2,790,865	2,286,872	503,993
Transit	-	-	4,033,761	3,844,410	4,033,761	3,844,410	189,351
Building Inspection	-	-	757,724	758,687	757,724	758,687	(963)
Solid Waste Management	-	-	3,598,947	3,557,406	3,598,947	3,557,406	41,541
Municipal Golf	-	-	1,195,708	1,249,620	1,195,708	1,249,620	(53,912)
Public Facilities	-	-	329,746	331,768	329,746	331,768	(2,022)
Tennis Center			1,057,583	1,072,569	-	-	-
Total Expenses	36,015,248	25,063,137	42,493,605	42,016,453	77,451,270	66,007,021	11,444,249
Increase (decrease) in net position before transfers	11,752,619	15,177,467	1,151,207	75,353	12,903,826	15,252,820	(2,348,994)
Transfers	(5,256,431)	(5,853,945)	5,256,431	5,853,945	-	-	-
Change in Net Position	6,496,188	9,323,522	6,407,638	5,929,298	12,903,826	15,252,820	(2,348,994)
Beginning Net Position ** before Restatement	133,077,209	137,633,961	181,413,641	175,484,343	** 314,490,850	313,118,304	1,372,546
Restatement	-	(13,880,274)	-	-	-	(13,880,274)	13,880,274
Ending Net Position	$ 139,573,397	$ 133,077,209	$ 187,821,279	$ 181,413,641	$ 327,394,676	$ 314,490,850	12,903,826

** As restated

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

The City's overall revenues increased $9,080,269 or 11% from 2017. Most of this increase was in the Governmental Activities Operating and Capital Grants and Contributions and is related to an increase in ELOST proceeds for school construction and an increase in SPLOST collections.

Property Taxes had a modest increase, attributable mainly to a higher than anticipated collection rate for 2018. Sales Tax revenues had a modest increase for 2018. Miscellaneous revenues had a moderate increase with most of that coming from an increase in overall interest earnings. Other revenue sources, as previously noted, had modest increases or have remained flat during 2018.

On the Governmental Activities expense side, most expense categories were close to 2017 numbers. General Government was up due to an increase in school building construction. Public Works was up due to an adjustment for 2017. Community Development was up due to housing expenses and the execution of two TAD notes.

In the Business Activities, Water and Sewer, Fire, and Solid Waste Management expenses had relatively modest increases due to normal expense increases. Transit was up due to higher personnel costs and repair/maintenance costs.

Solid Waste Commission expenses are up slightly over 2017 with normal increases in closure and post-closure costs.

The Tennis Center was just slightly below 2017 expenses.

Transfers between Governmental and Business Activities were right at last year numbers.

This combined moderate increase in revenues has created an increase in net position of $6,496,188 for the Governmental Activities for 2018.

Governmental Activities also had a restatement of net position which decreased the beginning balance $13,880,274 due to the implementation of GASB 75 which posted the full accrual for the OPEB liability.

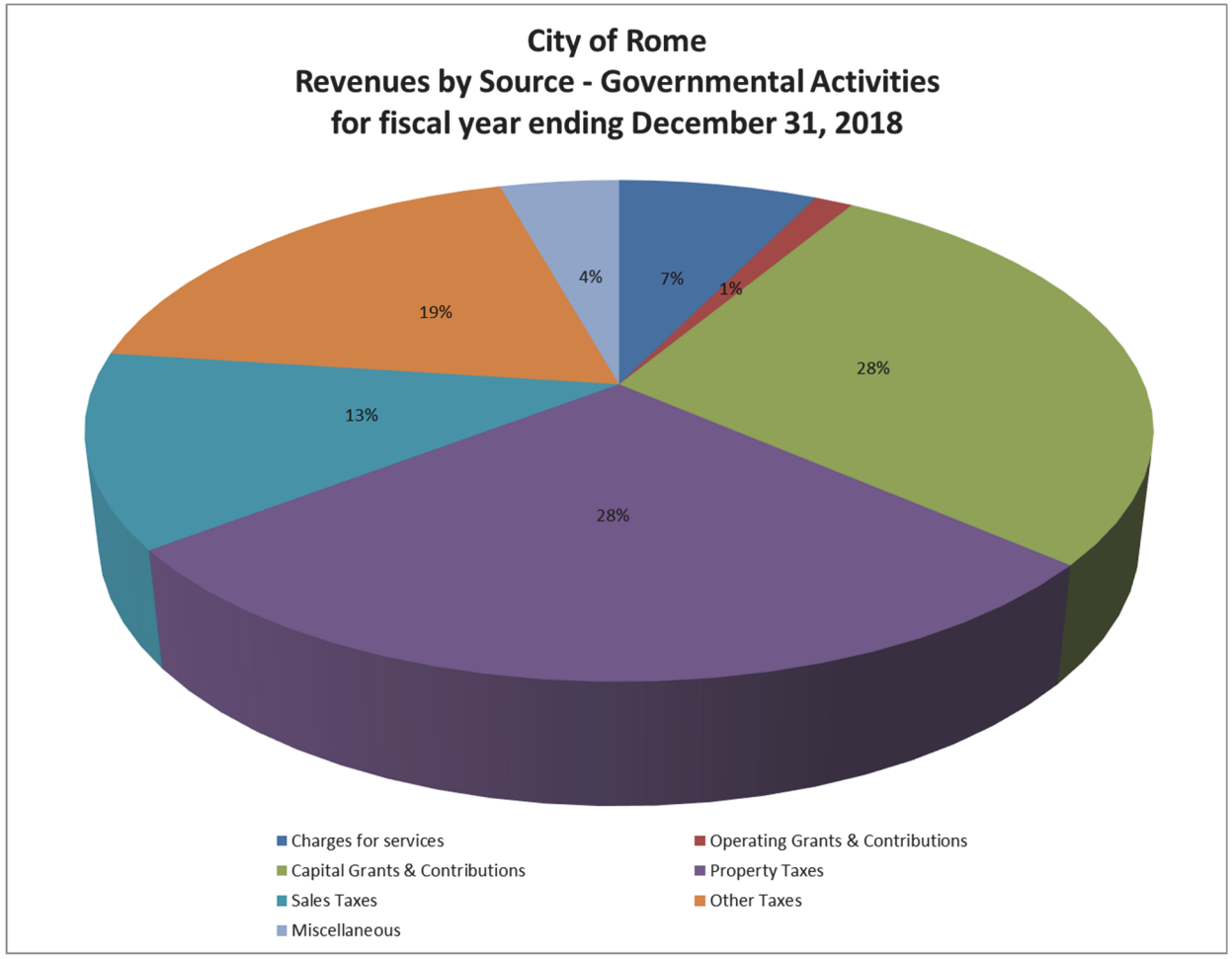
Business Type Activities ended the year with a $6,407,638 increase to net position with that increase primarily coming from an overall increase in charges for services and capital Grants and Contributions.

The overall change in net position for the City was $12,903,826 which was a smaller increase than 2017. The City, in 2018, was encouraged by a higher than anticipated tax collection rate and modest increases in revenue sources tied to economic drivers such as intangible taxes, sales taxes, and real estate transfer taxes. Although other revenue sources have continued to be relatively flat, the modest increase in some revenues is encouraging for future growth.

The City has continued to work diligently to minimize expenses for 2018 with most departments and funds at or below budgeted amounts. This continued combination has helped the City to continue to live within its financial resources for 2018 and generate a positive increase to net position.

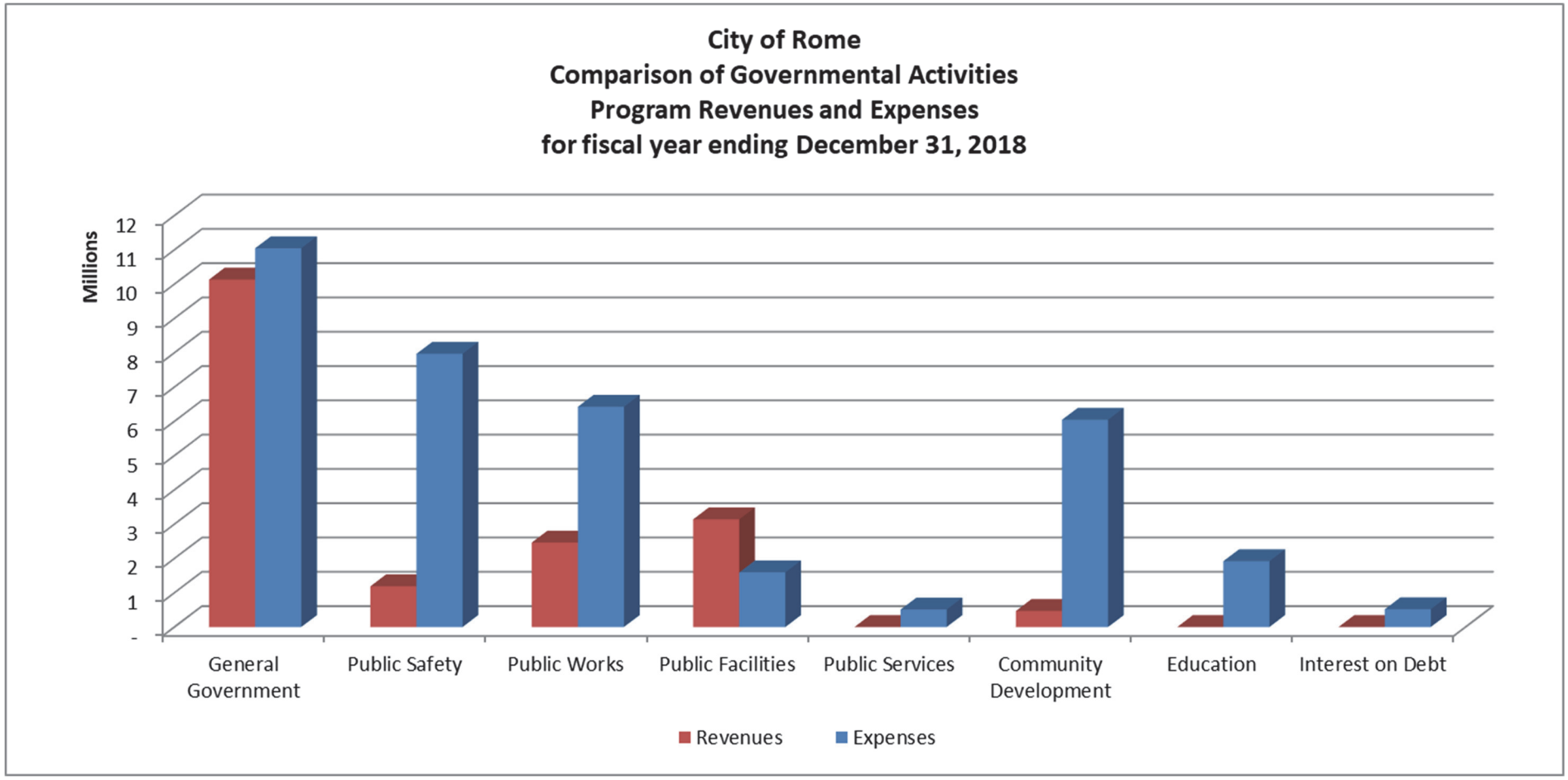
FINANCIAL ANALYSIS OF THE CITY'S POSITION AND OPERATIONS – continued

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



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

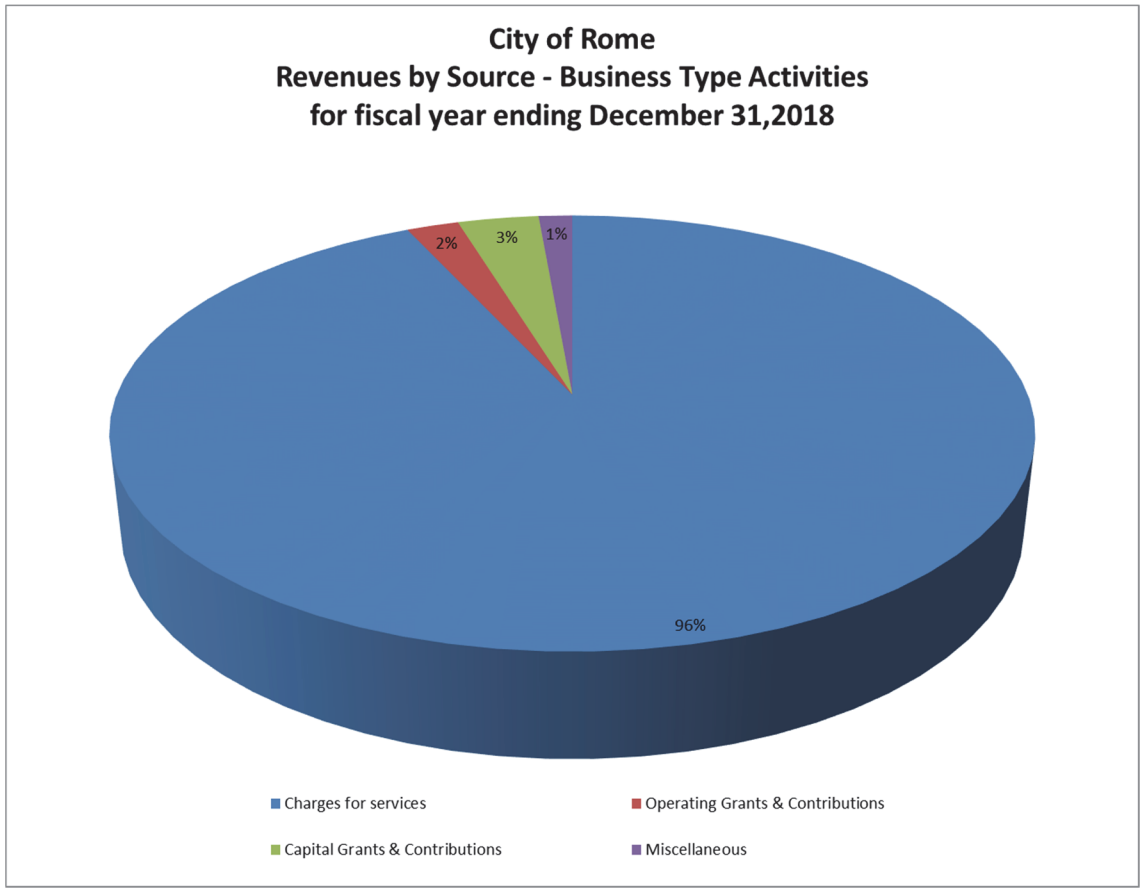
The following chart depicts the comparison of functional expenses and program revenues for governmental activities:



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

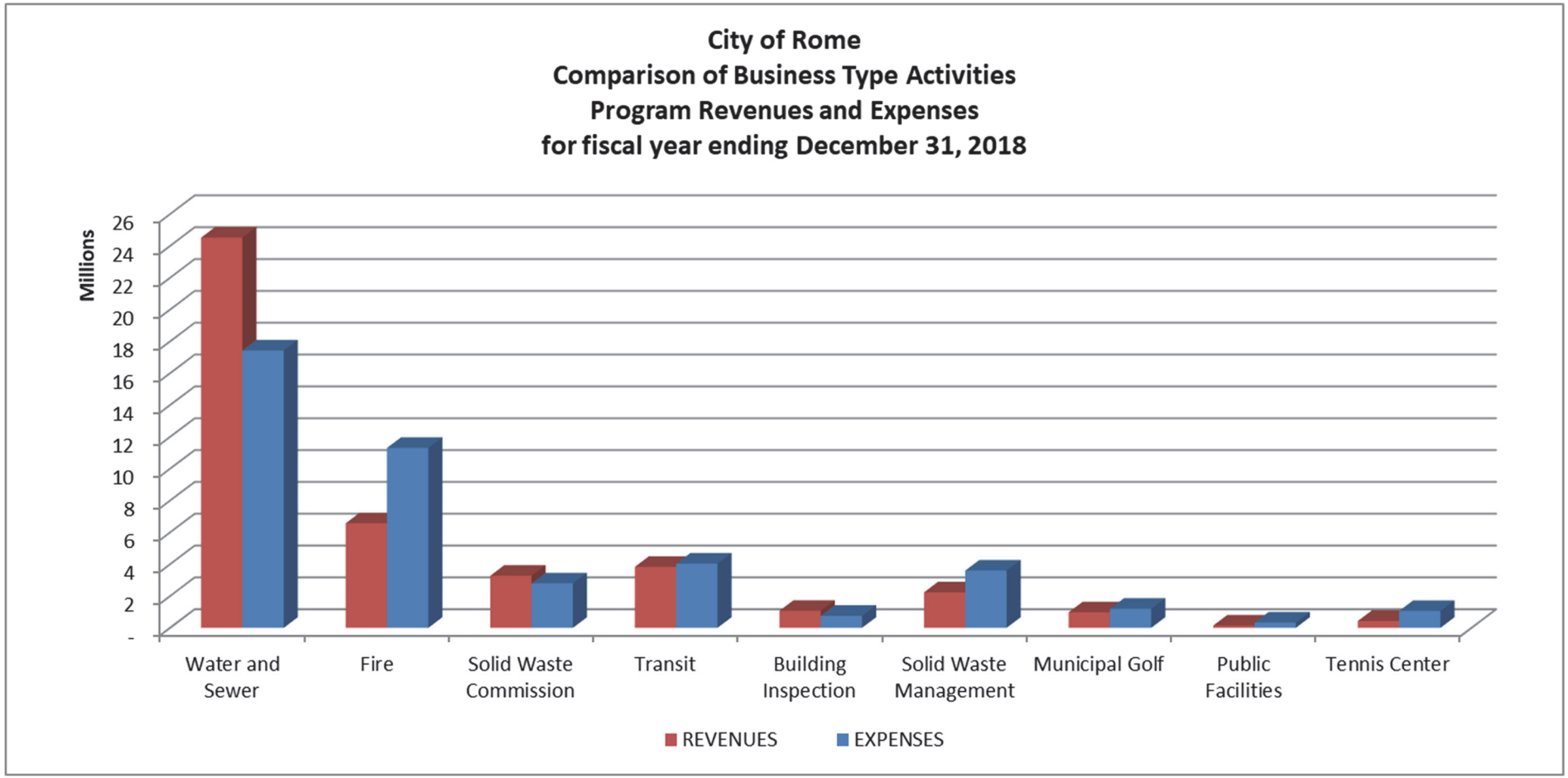
Business-type activities Charges for Services account for $40,626,143 or 93.1% of total operating revenues. Capital Grant revenues mainly include DOT reimbursements for Transit operating and capital purchases. Transfers in of $5,256,431 represent 10.7% of total business-type revenues and transfers. This amount is mainly due to General Fund monies transferred to the Fire Fund.

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 future spending. At the end of the fiscal year 2018 the City's governmental funds reported a combined ending fund balance of $35,848,668 which is an increase of $3,344,258 from 2017 with most of this increase occurring in the General Fund. There was also a large increase in the SPLOST fund due to the completion of most of the 2013 SPLOST projects. Of this amount $19,332,411 is unrestricted and unassigned which is a substantial increase from 2017 and demonstrates a conscious growth for future needs and expenditures. The General Fund comprises all of this unassigned balance. The General Fund is the major source of service delivery in the governmental funds.

General Fund

The General Fund is the City's primary operating fund. At the end of 2018 the fund balance of the General Fund was $20,886,308 with $19,332,411 in the unrestricted and unassigned portion of fund balance. This fund balance amount represents 88.2% of General Fund operating expenditures while total fund balance represents 95% of the same amount.

The nonspendable amount of fund balance of $745,325 represents amounts held in inventories, prepaids, and the advance from the Capital Fund. The Restricted amount of $808,572 is restricted for Cemetery maintenance.

The General Fund's fund balance increased by $1,733,790 in 2017. Although many revenue sources were about the same in 2018, current year taxes were up over 2017. This was due to a higher than anticipated current year collection rate. Sales Tax revenues were also up compared to 2017 some 4.8%. Title Tax increased $165,721 and the Georgia Power franchise fee increased for the first time in several years. Revenues up in 2018 included intangible taxes, insurance premium tax and business licenses—both encouraging economic indicators of growth. On the expense side, operating expenses were under budget by approximately $145,000 but due to the renovation costs for the Carnegie Building, total expenses were over budget. However the increases in revenues were higher and generated the increase to net position.

Capital Fund

In 2018 the Capital Fund had an increase to fund balance of $390,373. This increase was due mainly to an increase in the allocation of the state grant revenue Local Maintenance Improvement Grant.

Tax Allocation District Fund

The Tax Allocation District Fund had an increase in fund balance of $158,806 due to an increase in taxes generated and less than budgeted expenses. There was a large revenue and offset expense for the fund as the TAD One notes were executed.

Planning Commission Fund

The Planning Commission fund had a decrease to fund balance of $54,274. This was a budgeted decrease due to a consultant study funded in the prior year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS-Continued

SPLOST Fund

The SPLOST fund had an increase in fund balance of $769,358 due to the completion of most of the 2013 SPLOST projects.

Community Development Fund

The Community Development fund had an increase in fund balance of $128,829 due to the receipt of revenues from the sale of the Homebuild houses. These monies will be available for other loans or housing initiatives.

Proprietary Funds

The City of Rome's proprietary funds provide the same type of information found in the government-wide financial statements, but with more detail. Total Enterprise Funds showed a combined net position of $185,163,418 at year end with the Water and Sewer Fund comprising $150,021,888 or 81.02% of that total.

The Water and Sewer Fund had an increase of $5,132,775 in net position for fiscal year 2018. This increase was due to an increase in operating revenues, mainly in sewer revenues and less than budgeted capital expenses. The Water and Sewer Fund also had a bond coverage ratio of 2.3 for 2018, which is well above the covenant requirement of 1.2. This increase was anticipated due to the increase in revenues.

The Fire Fund had an increase in net position of $71,183. The fund received more miscellaneous revenue than anticipated and was slightly under budget in overall expenses.

The Solid Waste Commission Fund had an increase in net position of $557,875 due to additional operating revenue. The fund also had a larger than budgeted transfer to the Recycling center.

The Building Inspection Fund had an increase to net position of $244,590. This was due to an increase in overall permit revenue with several large building projects finally under way with construction. The fund had budgeted a use of net position of $10,000 so this increase is a positive swing of over $254,000.

The Municipal Golf Fund had an increase in net position of $345,684. This was due to an increase in the transfer from the General Fund.

The Tennis Center Fund had a decrease to net position of $311,755. This was mainly due to depreciation expense and the deficit at the Downtown Tennis Center.

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 $1,648,280 more in operating expenses and transfers. This increase was mainly due to the consolidation of three separate special revenue funds that are collapsed into the General fund and the renovation costs at the Carnegie Building. The General fund also makes the entire retirement contribution for the City. Also expensed from the General Fund is the net effect of the retirees OPEB costs. The City ended the year with more in revenues than budget and slightly under in operating expenditures for an increase to fund balance of $1,733,790. There were changes to the original budget due to the retirement and OPEB payments, and the City's portion of the renovation expenses at the Carnegie Building.

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

- Prior Year Property Taxes and Tag Title Fees were increased to more accurately reflect projected increases in receipts, and actual numbers did exceed those expectations.
- Rent revenue was increased to cover the consolidation of the special revenue funds.
- Transfers in from other funds revenues were adjusted to reflect the re-allocation of retirement and OPEB health costs from the Business Type Activity funds.
- The Georgia Power franchise fee was decreased to reflect actual receipts.
- Commission was increased due to additional training costs.
- City Manager Office was increased for additional payroll expenses.
- General Administration was adjusted to account for the expenses for retirement, OPEB costs, and legal fees.
- Public Works was increased to account for additional payroll expenses due to a retirement.
- Community Development expenses were increased to accommodate the consolidation of the special revenue funds.
- Public Facilities were increased due to the repair/maintenance of several HVAC units.
- Budget was added for renovation costs for the Carnegie Building.

Budget to actual Variances within the General fund occur due to unforeseen revenue or expenditures. Significant variances for 2018 include:

- Prior Year and Current Year Tax revenues were over budget due to increased collections.
- Title Tax Fee revenue increased from prior year and significantly above anticipated budget.
- Franchise fee revenue for Georgia Power was slightly below anticipated collections.
- Insurance Premium Tax was significantly up over anticipated budget.
- Police fines and fees were significantly under budgeted amounts due to decrease in collection of fines.
- Charges for Services include revenues for Parking included in the consolidation of the special revenue funds.
- Police Department ended the year with expenditures under budget by $70,401.
- Total Public Works expenditures were under budget by $300,000.
- Transfers in were up over budget due to end of year OPEB and Retirement allocations.

General Fund operating expenditures and transfers ended the year under final budget numbers by some $1,129,137. This was one of the contributing factors that the fund ended the year with an increase to fund balance of $1,733,790.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Rome has invested $299,196,947 in capital assets net of debt, with $141,660,958 in governmental activities and $157,535,989 in business-type activities. Capital assets for that calculation include machinery and equipment, buildings, land, and infrastructure. The 2018 Activity includes the transfer of several completed School Buildings to Governmental Activities.

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

City of Rome
Capital Assets (net of depreciation)
as of December 31, 2018

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	$ 12,839,340	$ 12,558,019	$ 8,142,862	$ 8,081,487	$ 20,982,202	$ 20,639,506
Construction in Progress	8,267,341	8,623,537	1,335,288	255,214	9,602,629	8,878,751
Buildings	121,941,223	125,652,902	115,886,254	115,844,254	237,827,477	241,497,156
Improvements other than buildings	14,013,947	6,020,507	24,833,895	24,599,710	38,847,842	30,620,217
Machinery & Equipment	7,481,145	6,770,508	17,790,249	17,292,731	25,271,394	24,063,239
Vehicles	5,841,903	5,806,534	24,365,276	22,971,909	30,207,179	28,778,443
Infrastructure	137,845,269	135,503,453	158,250,786	156,193,552	296,096,055	291,697,005
Total	308,230,168	300,935,460	350,604,610	345,238,857	658,834,778	646,174,317
Accumulated depreciation	(155,967,062)	(152,452,814)	(168,737,670)	(159,816,252)	(324,704,732)	(312,269,066)
Net Capital Assets	$ 152,263,106	$ 148,482,646	$ 181,866,940	$ 185,422,605	$ 334,130,046	$ 333,905,251

CAPITAL ASSETS AND DEBT ADMINISTRATION - continued

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

- Carnegie Building Improvements of $926,038
- Burnett Ferry Road Improvements of $801,569
- Street Improvements of $823,591
- Sidewalk Improvements of $254,066
- Trail Improvements of $274,452
- Police Software purchase of $224,632
- City Clocktower Improvements of $210,428

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

- Fire Capital Equipment Improvements of $711,930
- Mt. Alto Water Project of $547,600
- Water Treatment Plant Digester Cover, $307,760
- Water Bypass Pump, $288,271
- Solid Waste Equipment purchases of $155,847
- Water Steel Tank Improvements of $130,312

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

Long-term Debt

At December 31, 2018 the City of Rome had $40,595,618 in bonds, capital leases, intergovernmental agreements and notes payable. This is a $4,808,816 decrease from 2017 and reflects normal annual debt service payments and the addition of the $4,878,265 TAD notes payable. Compensated absences nor Landfill closure or post-closure debt have been included in these calculations.

City of Rome
Outstanding Note and Bond Debt
as of December 31, 2018

	Governmental Activities	Business-Type Activities	Total
Bonds	$ 7,609,073	$ 22,986,972	$ 30,596,045
Notes Payable	4,878,265	2,053,605	6,931,870
Intergovernmental Agreement	2,920,000	-	2,920,000
Capital Leases	147,703	-	147,703
	$ 15,555,041	$ 25,040,577	$ 40,595,618

The City currently maintains an Aa2 on its Intergovernmental Agreement bonds and A+ and Aa3 on its Water and Sewer bonds. Additional information on the City's long-term debt can be found in Note III-(E) on pages 64-72 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Revenue source collections during the 2018 fiscal year have had an uptick. The City had better than anticipated revenues in property tax collections and other revenue sources such as intangible taxes, business licenses, title tax fees, and real estate transfer taxes. Other revenues such as motor vehicle and Police fines continued their decline. Local option sales tax revenues were up in 2018 as well. Insurance Premium Tax was significantly up and the Georgia Power franchise fee had the first increase in several years. There are areas that do seem to be on an upward trend, but the City is still dealing with many revenue sources that are still declining or at best flat. The greatest challenge for the City for the next fiscal year is to try to adjust expenditures to live within this projected up and down revenues, while trying to assess whether these modest increases do indicate a possible upswing in the economy. The tax digest, after taking substantial decreases for several years, has increased in the last couple of years, but still is not increasing at a pace to keep up with expenses. New legislation pending in 2019 will again change the distribution of the TAVT tax and the impact of that is still unknown. The modest increase in sales taxes is encouraging and a potential collection of sales taxes on on-line sales continues to be an unknown. Expense increases continue to be a challenge, especially in the personnel sector as the City continues to struggle to compete against the private sector for employees. All of these factors weigh heavily on the next several fiscal years' budgets.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET-continued

Also of some concern is that because the City was not able to give competitive personnel merit raises for several years, the City has become vulnerable to loss of personnel back to the private sector as their economic conditions improve. This is especially a concern in the Public Safety area with the continued loss of Police and Firemen. However in the recent year, this loss in other areas such as CDL drivers, and equipment operators has also become a factor. Budgetary factors of concern as the 2019 budgets were prepared are as follows:

- Continued stagnation and unknown parameters in many revenue sources.
- Continued monitoring of vacant personnel positions and salary competitiveness with the private sector, especially in the Public Safety area. 2018 was the first year in several years the City was able to give full merit based raises. The continuation of competitive merit raises is of concern.
- Balance of finances with municipal provided services as the costs of these services is outpacing any corresponding revenues.
- Projected increases in retirement and workers compensation costs.
- Projected increases in health insurance costs relating to the City as a self-insured entity.
- Impact of new legislation on revenue sources, especially as it relates to the long term sources of the Title Tax, and newly enacted legislation to re-vamp the gasoline tax for road improvements. Preliminary estimates for the new distribution of the Title Tax predicts an decrease in this revenue source.

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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

BASIC FINANCIAL STATEMENTS

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

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
December 31, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Greater Rome Convention & Visitors Bureau	Rome Board of Education
ASSETS					
Current Assets:					
Cash	$ 25,575,409	$ 39,254,149	$ 64,829,558	$ 131,148	$ 14,042,217
Accounts receivable, net	4,054,829	2,764,496	6,819,325	4,832	78,727
Accounts receivable, loans	114,176	-	114,176	-	-
Taxes receivable, net	1,195,545	-	1,195,545	-	-
Due from primary government	-	-	-	22,867	-
Due from other governments	1,214,992	2,635,283	3,850,275	12,165	7,443,345
Internal balances	2,428,869	(2,428,869)	-	-	-
Due from component units	1,644	7,786	9,430	-	-
Inventory	155,125	999,694	1,154,819	-	50,776
Prepaid items	200	30,239	30,439	-	-
Total current assets	34,740,789	43,262,778	78,003,567	171,012	21,615,065
Non Current Assets:					
Restricted Assets					
Cash	2,673,210	1,134,094	3,807,304	-	-
Investments	2,498,280	-	2,498,280	-	-
Other noncurrent assets, derivative	943,267	-	943,267	-	-
Prepaid bond insurance	-	47,459	47,459	-	-
Capital Assets					
Non-depreciable assets	21,106,681	9,478,150	30,584,831	-	157,048
Depreciable assets, net of depreciation	131,156,425	172,388,790	303,545,215	82,816	6,327,607
Total noncurrent assets	158,377,863	183,048,493	341,426,356	82,816	6,484,655
TOTAL ASSETS	193,118,652	226,311,271	419,429,923	253,828	28,099,720
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	114,210	829,413	943,623	-	-
OPEB related items	2,112,899	-	2,112,899	-	1,725,039
Pension related items	6,584,805	-	6,584,805	-	9,792,645
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,811,914	829,413	9,641,327	-	11,517,684
LIABILITIES					
Current Liabilities:					
Accounts payable	1,531,723	881,425	2,413,148	12,772	798,116
Accrued liabilities	304,412	728,384	1,032,796	9,777	6,958,756
Accrued interest payable	63,300	-	63,300	-	-
Retainage payable	39,582	167,246	206,828	-	-
Unearned revenues	-	127,075	127,075	-	-
Due to primary government	-	-	-	9,430	-
Due to component units	22,867	-	22,867	-	-
Due to other governments	70,996	-	70,996	-	-
Intergovernmental agreements payable-current	170,000	-	170,000	-	-
Capital leases payable-current	47,805	-	47,805	-	-
Bonds payable-current	3,082,073	1,036,000	4,118,073	-	-
Closure and postclosure care-current	-	234,048	234,048	-	-
Notes payable-current	467,843	108,225	576,068	-	-
Claims payable	-	675,000	675,000	-	-
Compensated absences payable - current	738,580	1,145,387	1,883,967	31,037	81,270
Total current liabilities	6,539,181	5,102,790	11,641,971	63,016	7,838,142

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
December 31, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Greater Rome Convention & Visitors Bureau	Rome Board of Education
Long-Term Liabilities:					
Customer deposits	$ -	$ 1,053,141	$ 1,053,141	$ -	$ -
Closure and postclosure care-long term	-	8,883,989	8,883,989	-	-
Compensated absences payable-long term	246,193	383,133	629,326	10,346	-
Capital leases payable (net of current portion)	99,898	-	99,898	-	-
Total other postemployment benefits obligation	17,366,694	-	17,366,694	-	44,824,429
Intergovernmental agreements payable-long term	2,750,000	-	2,750,000	-	-
Notes payable-long term, net of discount	4,410,422	1,945,380	6,355,802	-	-
Bonds payable (net of current portion)	4,527,000	21,950,972	26,477,972	-	2,000,000
Net pension liability	22,747,167	-	22,747,167	-	51,338,940
Total long term liabilities	52,147,374	34,216,615	86,363,989	10,346	98,163,369
TOTAL LIABILITIES	58,686,555	39,319,405	98,005,960	73,362	106,001,511
DEFERRED INFLOWS OF RESOURCES					
Deferred change in fair value of hedging derivative instruments	943,267	-	943,267	-	-
OPEB related items	-	-	-	-	4,521,908
Pension related items	2,727,347	-	2,727,347	-	777,065
TOTAL DEFERRED INFLOWS OF RESOURCES	3,670,614	-	3,670,614	-	5,298,973
NET POSITION					
Net investment in capital assets	141,660,958	157,535,989	299,196,947	82,816	4,484,655
Restricted for:					
Capital projects	10,165,620	-	10,165,620	-	-
Other purposes:					
Revolving loans and housing initiatives	869,158	-	869,158	-	-
Debt service	-	725,945	725,945	-	2,000,684
EOC	-	60,085	60,085	-	-
Food services	-	-	-	-	337,522
School activities	-	-	-	-	30,438
Tourism and forum promotions	1,132,003	-	1,132,003	-	-
Planning and zoning activities	144,160	-	144,160	-	-
Forum parking deck operations	109,168	-	109,168	-	-
Cemetery perpetual care	808,572	-	808,572	-	-
GMA leasepool	2,498,280	-	2,498,280	-	-
Unrestricted	(17,814,522)	29,499,260	11,684,738	97,650	(78,536,379)
TOTAL NET POSITION	$ 139,573,397	$ 187,821,279	$ 327,394,676	$ 180,466	$ (71,683,080)

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

		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	$ 11,044,380	$ 2,405,788	$ 123,993	$ 7,601,736	$ (912,863)	$ -	$ (912,863)	$ -	$ -
Public Safety	7,967,577	886,828	47,744	252,077	(6,780,928)	-	(6,780,928)	-	-
Public Works	6,421,862	-	171,922	2,290,381	(3,959,559)	-	(3,959,559)	-	-
Public Facilities	1,592,745	-	-	3,138,695	1,545,950	-	1,545,950	-	-
Public Services	509,551	-	-	-	(509,551)	-	(509,551)	-	-
Community Development	6,042,451	148,010	319,714	-	(5,574,727)	-	(5,574,727)	-	-
Education	1,919,291	-	-	-	(1,919,291)	-	(1,919,291)	-	-
Interest on Debt	517,391	-	-	-	(517,391)	-	(517,391)	-	-
Total Governmental Activities	36,015,248	3,440,626	663,373	13,282,889	(18,628,360)	-	(18,628,360)	-	-
Business-Type Activities:									
Water and Sewer	17,427,052	24,519,008	-	-	-	7,091,956	7,091,956	-	-
Fire	11,302,219	6,402,310	-	167,658	-	(4,732,251)	(4,732,251)	-	-
Solid Waste Commission	2,790,865	3,274,358	-	-	-	483,493	483,493	-	-
Transit	4,033,761	1,689,418	899,450	1,241,650	-	(203,243)	(203,243)	-	-
Building Inspection	757,724	1,022,576	45,618	-	-	310,470	310,470	-	-
Solid Waste Management	3,598,947	2,230,711	-	-	-	(1,368,236)	(1,368,236)	-	-
Municipal Golf Course	1,195,708	975,184	-	-	-	(220,524)	(220,524)	-	-
Public Facilities	329,746	139,734	-	-	-	(190,012)	(190,012)	-	-
Tennis Center	1,057,583	372,844	-	55,761	-	(628,978)	(628,978)	-	-
Total Business-Type Activities:	42,493,605	40,626,143	945,068	1,465,069	-	542,675	542,675	-	-
Total - Primary Government	$ 78,508,853	$ 44,066,769	$ 1,608,441	$ 14,747,958	$ (18,628,360)	$ 542,675	$ (18,085,685)	$ -	$ -
Component Units									
Rome Board of Education	$ 72,630,734	$ 763,184	$ 45,663,531	$ -				$ -	$ (26,204,019)
Greater Rome Convention & Visitors Bureau	740,142	32,264	764,317	-				56,439	-
Total - Component Units	$ 73,370,876	$ 795,448	$ 46,427,848	$ -				$ 56,439	$ (26,204,019)
		GENERAL REVENUES:							
		Taxes:							
		Property			$ 13,465,901	$ -	$ 13,465,901	$ -	$ 19,045,194
		Sales			5,963,215	-	5,963,215	-	5,410,633
		Franchise			3,671,239	-	3,671,239	-	-
		Insurance Premium			2,606,818	-	2,606,818	-	-
		Alcoholic Beverage			882,473	-	882,473	-	-
		Intangible			304,748	-	304,748	-	-
		Hotel/Motel			1,426,766	-	1,426,766	-	-
		Other			766,373	-	766,373	-	-
		Gain on Disposal of Capital Assets			-	47,308	47,308	-	626
		Interest Earned			673,505	561,224	1,234,729	-	87,706
		Miscellaneous			619,941	-	619,941	-	-
		Total General Revenues			30,380,979	608,532	30,989,511	-	24,544,159
		Transfers			(5,256,431)	5,256,431	-	-	-
		Total General Revenues and Transfers			25,124,548	5,864,963	30,989,511	-	24,544,159
		Change in Net Position			6,496,188	6,407,638	12,903,826	56,439	(1,659,860)
		NET POSITION BEGINNING OF YEAR, RESTATED			133,077,209	181,413,641	314,490,850	124,027	(70,023,220)
		NET POSITION END OF YEAR			$ 139,573,397	$ 187,821,279	$ 327,394,676	$ 180,466	$ (71,683,080)

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	Major Governmental Funds					
	General	Capital	SPLOST	Tax Allocation District	Non-major Governmental Funds	Total Governmental Funds
ASSETS:						
Cash and cash equivalents	$ 18,540,042	$ 395,646	$ 3,796,030	$ 589,888	$ 2,253,803	$ 25,575,409
Taxes receivable, net of allowances for uncollectibles	1,195,545	-	-	-	-	1,195,545
Accounts receivable, net of allowances for uncollectibles	3,825,860	152,537	-	-	76,432	4,054,829
Accounts receivable loans	-	-	-	-	114,176	114,176
Due from other governments	595,054	53,985	521,936	2,746	41,271	1,214,992
Due from other funds	332,214	2,297,964	-	752	11,123	2,642,053
Due from component units	1,601	43	-	-	-	1,644
Prepaid items	200	-	-	-	-	200
Inventories	155,125	-	-	-	-	155,125
Restricted cash	353,983	-	2,319,227	-	-	2,673,210
Restricted investments	-	2,498,280	-	-	-	2,498,280
Advances due from other funds	590,000	1,361,147	-	-	-	1,951,147
TOTAL ASSETS	$ 25,589,624	$ 6,759,602	$ 6,637,193	$ 593,386	$ 2,496,805	$ 42,076,610
LIABILITIES:						
Accounts payable	$ 1,405,473	$ 87,773	$ 28,965	$ -	$ 9,512	$ 1,531,723
Retainage payable	-	27,181	12,401	-	-	39,582
Accrued liabilities	294,768	-	-	-	9,644	304,412
Due to other funds	2,680,952	21,070	13,718	-	28,747	2,744,487
Due to other governments	-	-	-	54,032	16,964	70,996
Due to component units	-	1,353	-	-	21,514	22,867
Advances due to other funds	-	1,191,752	-	-	-	1,191,752
TOTAL LIABILITIES	4,381,193	1,329,129	55,084	54,032	86,381	5,905,819
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue - property taxes	322,123	-	-	-	-	322,123
TOTAL DEFERRED INFLOWS OF RESOURCES	322,123	-	-	-	-	322,123
FUND BALANCES:						
Nonspendable:						
Prepaid items	200	-	-	-	-	200
Inventories	155,125	-	-	-	-	155,125
Advances due from other funds	590,000	-	-	-	-	590,000
Restricted for:						
Revolving loans and housing initiatives	-	-	-	-	869,158	869,158
Planning and zoning activities	-	-	-	-	144,160	144,160
Tourism and forum promotion	-	-	-	-	1,132,003	1,132,003
Capital improvements	-	2,932,193	6,582,109	539,354	111,964	10,165,620
Forum parking deck operations	-	-	-	-	109,168	109,168
Cemetery perpetual care	808,572	-	-	-	-	808,572
GMA leasepool	-	2,498,280	-	-	-	2,498,280
Assigned for:						
Community development operations	-	-	-	-	43,971	43,971
Unassigned	19,332,411	-	-	-	-	19,332,411
TOTAL FUND BALANCES	20,886,308	5,430,473	6,582,109	539,354	2,410,424	35,848,668
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 25,589,624	$ 6,759,602	$ 6,637,193	$ 593,386	$ 2,496,805	$ 42,076,610

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, 2018

TOTAL GOVERNMENTAL FUND BALANCES			$ 35,848,668
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 governmental funds.			
Cost	$ 308,230,168		
Less accumulated depreciation	(155,967,062)		152,263,106
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 has been increased by the effect of the internal service funds' net position.			1,771,908
The derivative is not a current financial resource and is not recorded in the fund statements.			943,267
Other long-term assets or deferred inflows and outflows of resources are not available to pay for current-period expenditures and, therefore, are unavailable in the governmental funds.			
Property taxes	$ 322,123		
Deferred charges on refunding	114,210		
Derivative - effective hedge	(943,267)		(506,934)
The net pension liability, total OPEB liability, and related deferred inflows and outflows of resources related to the City's defined benefit pension and OPEB plans are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds.			(34,143,504)
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 governmental fund statements.			
Accrued interest	$ 63,300		
Compensated absences	984,773		
Notes payable	5,647,571		
Discount on notes payable	(769,306)		
Lease payable	147,703		
GMA lease pool contract certificates of participation	4,527,000		
Bonds payable	3,082,073		
Intergovernmental agreements	2,920,000		(16,603,114)
NET POSITION OF GOVERNMENTAL ACTIVITIES			$ 139,573,397

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, 2018

	Major Governmental Funds					
	General	Capital	SPLOST	Tax Allocation District	Non- major Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes	$ 24,944,673	$ 1,950,000	$ -	$ 695,552	$ 1,497,588	$ 29,087,813
Licenses and permits	1,973,895	-	-	-	-	1,973,895
Intergovernmental	343,659	895,805	5,192,332	-	651,663	7,083,459
Charges for services	431,893	-	-	-	148,010	579,903
Fines and forfeitures	886,828	-	-	-	-	886,828
Interest earned	391,589	260,554	65,894	1,994	19,368	739,399
Miscellaneous	120,293	402,650	-	-	96,998	619,941
TOTAL REVENUES	29,092,830	3,509,009	5,258,226	697,546	2,413,627	40,971,238
EXPENDITURES:						
Current:						
General government	7,255,442	-	-	-	-	7,255,442
Public safety	7,863,844	-	-	-	-	7,863,844
Public works	5,421,259	-	-	-	-	5,421,259
Public facilities	504,099	-	-	-	813,750	1,317,849
Public services	515,092	-	-	-	-	515,092
Community development	351,228	-	-	4,972,020	724,889	6,048,137
Capital outlay	-	3,062,766	1,364,468	-	331,949	4,759,183
Debt service						
Principal	-	332,365	2,860,000	465,686	-	3,658,051
Interest	-	349,533	264,400	18,012	-	631,945
TOTAL EXPENDITURES	21,910,964	3,744,664	4,488,868	5,455,718	1,870,588	37,470,802
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,181,866	(235,655)	769,358	(4,758,172)	543,039	3,500,436

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, 2018

	Major Governmental Funds					
	General	Capital	SPLOST	Tax Allocation District	Non- major Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)						
Transfers in	$ 4,168,336	$ 442,753	$ -	$ -	$ 318,099	$ 4,929,188
Transfers out	(9,616,412)	-	-	-	(569,207)	(10,185,619)
Capital leases	-	147,703	-	-	-	147,703
Notes payable	-	-	-	5,804,379	-	5,804,379
Discount on notes payable	-	-	-	(887,401)	-	(887,401)
Proceeds from sale of capital assets	-	35,572	-	-	-	35,572
TOTAL OTHER FINANCING SOURCES (USES)	(5,448,076)	626,028	-	4,916,978	(251,108)	(156,178)
NET CHANGE IN FUND BALANCES	1,733,790	390,373	769,358	158,806	291,931	3,344,258
FUND BALANCES - BEGINNING OF YEAR	19,152,518	5,040,100	5,812,751	380,548	2,118,493	32,504,410
FUND BALANCES - END OF YEAR	$ 20,886,308	$ 5,430,473	$ 6,582,109	$ 539,354	$ 2,410,424	$ 35,848,668

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, 2018

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS			$ 3,344,258
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	$ 4,763,859		
Depreciation expense	(4,842,594)		(78,735)
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 aquisition value.			
Assets acquired through donation or capital contributions-current year			6,796,909
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals) to decrease net position.			(2,937,714)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Notes payable	$ (5,804,379)		
Discount on notes payable	887,401		
Capital lease	(147,703)		(5,064,681)
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.			487,059
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			(280)
The receipt and repayment of bonds, notes payable and capital lease principal is a revenue and expenditure in the governmental funds, but the activity increases and decreases long-term liabilities in the statement of net position.			
Bond issuance premium	$ 189,420		
Amortization of deferred charges on refunding	(8,158)		
Amortization of discount on notes payable	(118,095)		
Accrual of interest expense	51,387		
Long-term debt principal payment	3,658,051		3,772,605
Some expenses reported in the statement of activities, such as compensated absences and pension related items do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.			
Compensated absences	$ 46,697		
OPEB expense	90,181		
Pension expense	39,889		176,767
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES			$ 6,496,188

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	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	$ 16,880,458	$ 1,473,288	$ 12,922,948	$ 3,875,454	$ 35,152,148	$ 4,102,001
Restricted cash	725,945	60,085	-	348,064	1,134,094	-
Accounts receivable, net of allowances for uncollectibles	2,224,641	-	264,889	274,796	2,764,326	170
Due from other governments	1,353,558	45,686	262	1,126,338	2,525,844	109,439
Due from other funds	131,478	3,993	-	321,919	457,390	344,071
Due from component units	-	-	-	-	-	7,786
Prepaid items	-	11,967	-	13,167	25,134	5,105
Inventories	658,988	13,614	-	327,092	999,694	-
Total Current Assets	21,975,068	1,608,633	13,188,099	6,286,830	43,058,630	4,568,572
Noncurrent Assets:						
Advances due from other funds	-	-	-	-	-	601,752
Prepaid bond insurance	47,459	-	-	-	47,459	-
Capital assets						
Non-depreciable assets	2,920,558	148,424	365,682	6,043,486	9,478,150	-
Depreciable assets, net of accumulated depreciation	149,313,329	4,932,561	2,823,303	15,319,597	172,388,790	-
Total Noncurrent Assets	152,281,346	5,080,985	3,188,985	21,363,083	181,914,399	601,752
TOTAL ASSETS	174,256,414	6,689,618	16,377,084	27,649,913	224,973,029	5,170,324
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	708,941	-	-	120,472	829,413	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	708,941	-	-	120,472	829,413	-

continued

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	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 postclosure care, current	$ -	$ -	$ 234,048	$ -	$ 234,048	$ -
Revenue bonds, current	671,000	-	-	365,000	1,036,000	-
Accounts payable	245,246	57,933	376,336	138,415	817,930	63,495
Retainage payable	167,246	-	-	-	167,246	-
Accrued liabilities	259,772	215,863	13,302	237,520	726,457	1,927
Unearned revenue	71,550	-	-	55,525	127,075	-
Due to other funds	59,803	83,235	89,230	466,626	698,894	133
Compensated absences, current	274,988	668,162	18,558	183,679	1,145,387	-
Claims payable	-	-	-	-	-	675,000
Notes payable, current	108,225	-	-	-	108,225	-
Total Current Liabilities	1,857,830	1,025,193	731,474	1,446,765	5,061,262	740,555
Long-Term Liabilities:						
Closure and postclosure care, long-term	-	-	8,883,989	-	8,883,989	-
Customer deposits	1,053,141	-	-	-	1,053,141	-
Revenue bonds, long-term	19,885,455	-	-	2,065,517	21,950,972	-
Notes payable, long-term	1,945,380	-	-	-	1,945,380	-
Advances due to Capital Fund	109,998	480,120	175,200	595,829	1,361,147	-
Compensated absences, long term	91,663	222,721	6,189	62,560	383,133	-
Total Long-Term Liabilities	23,085,637	702,841	9,065,378	2,723,906	35,577,762	-
TOTAL LIABILITIES	24,943,467	1,728,034	9,796,852	4,170,671	40,639,024	740,555
NET POSITION						
Net investment in capital assets	130,212,981	5,080,985	3,188,985	19,053,038	157,535,989	-
Restricted for debt service	725,945	-	-	-	725,945	-
Restricted for EOC	-	60,085	-	-	60,085	-
Unrestricted	19,082,962	(179,486)	3,391,247	4,546,676	26,841,399	4,429,769
TOTAL NET POSITION	$ 150,021,888	$ 4,961,584	$ 6,580,232	$ 23,599,714	$ 185,163,418	$ 4,429,769

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, 2018

TOTAL PROPRIETARY FUND NET POSITION	$ 185,163,418
Amounts reported for business type activities in the statement of net position are different because:	
Internal service funds are used by management to charge the costs of certain activities such as health insurance and workers' compensation to individual funds. Business type activities net position have been increased by the effect of the internal service fund's net position.	2,657,861
NET POSITION OF BUSINESS TYPE ACTIVITIES	$ 187,821,279

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, 2018

	Enterprise Funds					
	Major Enterprise Funds			Non-major Enterprise Funds	Total	Internal Service Funds
	Water & Sewer System	Fire	Solid Waste Commission			
OPERATING REVENUES						
Metered sales	$ 23,794,964	$ -	$ -	$ -	$ 23,794,964	$ -
Charges for services	710,463	6,391,739	3,274,358	6,392,795	16,769,355	8,186,331
Miscellaneous	13,581	10,571	-	37,672	61,824	-
TOTAL OPERATING REVENUES	24,519,008	6,402,310	3,274,358	6,430,467	40,626,143	8,186,331
OPERATING EXPENSES						
Cost of goods sold	-	-	-	132,116	132,116	-
Salaries and employee benefits	5,637,565	9,599,224	564,250	5,584,311	21,385,350	107,393
Supplies	1,507,912	531,857	240,573	851,947	3,132,289	-
Maintenance and repairs	821,274	204,734	165,678	308,441	1,500,127	-
Other services and charges	2,297,645	410,248	236,079	2,382,629	5,326,601	1,644,946
Depreciation	6,706,675	548,382	690,315	1,596,932	9,542,304	-
Claims	-	-	-	-	-	5,119,250
Closure and postclosure costs	-	-	449,109	-	449,109	-
Administrative fees	38,750	-	-	-	38,750	356,881
TOTAL OPERATING EXPENSES	17,009,821	11,294,445	2,346,004	10,856,376	41,506,646	7,228,470
OPERATING INCOME (LOSS)	7,509,187	(4,892,135)	928,354	(4,425,909)	(880,503)	957,861

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, 2018

	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	$ -	$ -	$ -	$ 945,068	$ 945,068	$ 192,036
Intergovernmental expense	-	-	(444,861)	-	(444,861)	-
Interest income	251,261	14,679	177,621	49,914	493,475	67,749
Interest expense	(1,080,069)	(7,774)	-	(117,093)	(1,204,936)	-
Gain on disposal of capital assets	33,900	5,273	-	8,135	47,308	-
TOTAL NON-OPERATING INCOME (EXPENSE)	(794,908)	12,178	(267,240)	886,024	(163,946)	259,785
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	6,714,279	(4,879,957)	661,114	(3,539,885)	(1,044,449)	1,217,646
Transfers in	54,471	6,390,000	-	2,852,131	9,296,602	-
Transfers out	(1,635,975)	(1,606,518)	(103,239)	(694,439)	(4,040,171)	-
Capital contributions	-	167,658	-	1,297,411	1,465,069	-
CHANGE IN NET POSITION	5,132,775	71,183	557,875	(84,782)	5,677,051	1,217,646
NET POSITION - BEGINNING OF YEAR	144,889,113	4,890,401	6,022,357	23,684,496	179,486,367	3,212,123
NET POSITION - END OF YEAR	$ 150,021,888	$ 4,961,584	$ 6,580,232	$ 23,599,714	$ 185,163,418	$ 4,429,769

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, 2018

CHANGE IN NET POSITION-PROPRIETARY FUNDS	$	5,677,051
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.		730,587
CHANGE IN NET POSITION OF BUSINESS TYPE ACTIVITIES	$	6,407,638

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2018

	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	$ 24,473,542	$ 6,387,661	$ 3,230,410	$ 5,510,297	$ 39,601,910	$ 8,130,860
Receipts from interfund services provided	1,239,957	1,007	65,258	255,910	1,562,132	-
Payments to suppliers	(4,999,243)	(1,107,005)	(438,437)	(3,641,030)	(10,185,715)	(1,979,554)
Payments to employees	(5,629,122)	(9,507,065)	(567,883)	(5,564,968)	(21,269,038)	(107,393)
Claims paid	-	-	-	-	-	(5,219,250)
Payments for interfund services used	(897,211)	(13,887)	-	-	(911,098)	(142,813)
Net cash provided (used) by operating activities	14,187,923	(4,239,289)	2,289,348	(3,439,791)	8,798,191	681,850
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer from other funds	54,471	6,390,000	-	2,852,131	9,296,602	-
Transfer to other funds	(1,635,975)	(1,606,518)	(103,239)	(694,439)	(4,040,171)	-
Advances from other funds	-	560,140	-	128,514	688,654	-
Repayment of advances from other funds	(120,358)	(123,621)	(29,200)	(313,450)	(586,629)	-
Intergovernmental revenue	-	-	-	45,618	45,618	192,036
Intergovernmental expense	-	-	(444,861)	-	(444,861)	-
Subsidy from federal grant	-	-	-	899,450	899,450	-
Net cash provided (used) by noncapital financing activities	(1,701,862)	5,220,001	(577,300)	2,917,824	5,858,663	192,036
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	-	167,658	-	1,241,650	1,409,308	-
Purchases of capital assets	(4,047,434)	(907,343)	-	(978,630)	(5,933,407)	-
Principal paid on capital debt	(5,296,947)	-	-	(350,000)	(5,646,947)	-
Interest paid on capital debt	(1,080,069)	(7,774)	-	(117,093)	(1,204,936)	-
Advances to other funds	-	-	-	-	-	150,000
Proceeds from sales of capital assets	33,900	5,273	-	10,664	49,837	-
Net cash provided (used) by capital and related financing activities	(10,390,550)	(742,186)	-	(193,409)	(11,326,145)	150,000

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, 2018

	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	$ 251,261	$ 14,679	$ 177,621	$ 49,914	$ 493,475	$ 67,749
Net cash provided by investing activities	251,261	14,679	177,621	49,914	493,475	67,749
Net increase (decrease) in cash and cash equivalents	2,346,772	253,205	1,889,669	(665,462)	3,824,184	1,091,635
Cash and cash equivalents, January 1	15,259,631	1,280,168	11,033,279	4,888,980	32,462,058	3,010,366
Cash and cash equivalents, December 31	$ 17,606,403	$ 1,533,373	$ 12,922,948	$ 4,223,518	$ 36,286,242	$ 4,102,001
Reconciliation of Cash and Cash Equivalents:						
Cash and cash equivalents	$ 16,880,458	$ 1,473,288	$ 12,922,948	$ 3,875,454	$ 35,152,148	$ 4,102,001
Cash and cash equivalents - restricted	725,945	60,085	-	348,064	1,134,094	-
Total cash and cash equivalents	$ 17,606,403	$ 1,533,373	$ 12,922,948	$ 4,223,518	$ 36,286,242	$ 4,102,001

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, 2018

	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)	$ 7,509,187	$ (4,892,135)	$ 928,354	$ (4,425,909)	$ (880,503)	$ 957,861
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	6,706,675	548,382	690,315	1,596,932	9,542,304	-
Amortization	(219,574)	-	-	7,835	(211,739)	-
(Increase) decrease in accounts receivable	60,110	(14,649)	(44,042)	24,346	25,765	556
(Increase) decrease in due from other governments	(96,576)	-	94	(943,813)	(1,040,295)	(68,252)
(Increase) decrease in due from other funds	1,239,957	1,007	1,202	(49,207)	1,192,959	(118,496)
Increase in due from component unit	-	-	-	(2,350)	(2,350)	-
Increase in prepaid items	-	(11,967)	-	(4,000)	(15,967)	-
(Increase) decrease in inventories	(5,097)	166	-	(2,877)	(7,808)	-
Increase (decrease) in accounts payable and accrued liabilities	(151,414)	51,635	653,002	40,165	593,388	(77,727)
Increase in retainage payable	45,983	-	-	-	45,983	-
Decrease in due to other governments	(3,560)	-	-	(4,620)	(8,180)	-
Increase (decrease) in compensated absences payable	8,443	92,159	(3,633)	19,343	116,312	-
Decrease in unearned revenue	(9,000)	-	-	(703)	(9,703)	-
Increase (decrease) in due to other funds	(897,211)	(13,887)	64,056	305,398	(541,644)	(12,092)
Decrease in due to component unit	-	-	-	(331)	(331)	-
Total adjustments	6,678,736	652,846	1,360,994	986,118	9,678,694	(276,011)
Net cash provided (used) by operating activities	$ 14,187,923	$ (4,239,289)	$ 2,289,348	$ (3,439,791)	$ 8,798,191	$ 681,850
Schedule of non-cash capital and related financing activities:						
Contributions of capital assets	$ -	$ -	$ -	$ 55,761	$ 55,761	$ -

See accompanying notes to the basic financial statements.

CITY OF ROME, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
EMPLOYEE BENEFIT TRUST FUND
December 31, 2018

	Flexible Spending Fund
ASSETS	
Cash	$ 35,203
TOTAL ASSETS	35,203
NET POSITION	
Held in trust for flexible spending	35,203
TOTAL NET POSITION	$ 35,203

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, 2018

	Flexible Spending Fund
ADDITIONS	
Contributions	$ 163,183
Investment earnings	114
Total additions	163,297
DEDUCTIONS	
Claims paid	154,726
Total deductions	154,726
NET INCREASE	8,571
NET POSITION HELD IN TRUST FOR FLEXIBLE SPENDING	
NET POSITION, BEGINNING OF YEAR	26,632
NET POSTION, END OF YEAR	$ 35,203

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 fiscal year end.

Blended Component Units

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

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

Discretely Presented Component Units

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

A. Reporting Entity - Continued

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.

B. Basis of Presentation

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

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Basis of Presentation – Continued

The City reports the following major governmental funds:

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

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

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

Tax Allocation District Fund - This fund accounts for funds for improvements within the special tax districts.

The City reports the following major Proprietary Funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Basis of Presentation – Continued

Fiduciary Fund Type

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

C. Measurement Focus – 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, Deferred Outflows/Inflows of Resources, Liabilities and Equity

1. Deposits and Investments

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

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

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

2. Investments

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

3. Receivables and Payables

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

4. Inventories

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

5. Restricted Assets

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

6. Prepaid Items

Certain payments to vendors reflecting costs applicable to periods beyond December 31, 2018 are recorded as prepaid items.

7. Capital Assets

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

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

Description	Governmental Activities 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, Deferred Outflows/Inflows of Resources, Liabilities and Equity – Continued

8. Compensated Absences

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

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

9. Unavailable Revenue

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

10. Long-Term Obligations

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

11. Fund Equity

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

Fund Balance

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

Fund balances are classified as follows:

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

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

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

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

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

11. Fund Equity - Continued

Net Position

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

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

12. Pensions

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

13. Capital Contributions

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

14. Uses of Estimates in the Preparation of Financial Statements

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

15. Deferred outflows/inflows of resources

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

15. Deferred outflows/inflows of resources - Continued

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

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

NOTE II - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In August of each year, all departments of the City submit a budgetary request to the City Manager. In November, the City Manager presents the proposed budgets to the Finance Committee of the City Commission. The City Commission adopts the final budgets in December of each year. During the year, the City made budgetary amendments totaling $1,648,280 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. State statutes authorize the City to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposits issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds. Operating funds are currently invested in the Georgia Fund 1 and a guaranteed investment contract with the Georgia Municipal Association.

The investment in the Georgia Fund 1 represents the City's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in the Georgia Fund 1 is valued at fair value. As of December 31, 2018, the City of Rome's investment in Georgia Fund 1 was rated AAAf by Standard & Poor's.

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

As of December 31, 2018, the City of Rome had the following investments:

Investment Type	Maturities	Credit Rating	Fair Value
Georgia Fund 1-included in cash	21 day weighted average	AAAf	$ 38,474,246
Guaranteed Investment Contract	June 1, 2028	(a)	2,489,280
Totals			$ 40,963,526

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

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

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

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

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments - Continued

Custodial Credit Risk-Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require that all deposits and investments (other than federal or state government instruments) be collateralized 110% by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties or municipalities. As of December 31, 2018, all of the City's bank balances were adequately insured and collateralized as defined by the Governmental Accounting Standards Board.

B. Receivables

1. Accounts Receivable

Receivables at December 31, 2018 consisted of taxes, loans, accounts (including billings for user charges and unbilled utility receivables), and intergovernmental receivables. Receivables at December 31, 2018 consist of the following:

Primary Government	Taxes	Loans	Account	Intergov't Receivables	Allowance for Uncollectibles	Net Receivables
General Fund	$ 2,792,956	$ -	$ 4,130,860	$ 595,054	$ (1,902,411)	$ 5,616,459
Capital Fund	-	275,000	239,537	53,985	(362,000)	206,522
SPLOST Fund	-	-	-	521,936	-	521,936
Tax Allocation District	22,882	-	-	2,746	(22,882)	2,746
Nonmajor Governmental Funds	5,564	152,590	76,432	41,271	(43,978)	231,879
Water and Sewer Fund	-	-	3,639,641	1,353,558	(1,415,000)	3,578,199
Fire Fund	-	-	-	45,686	-	45,686
Solid Waste Commission Fund	-	-	266,889	262	(2,000)	265,151
Nonmajor Proprietary Funds	-	-	407,796	1,126,338	(133,000)	1,401,134
Internal Service Funds	-	-	170	109,439	-	109,609
Total Primary Government	2,821,402	427,590	8,761,325	3,850,275	(3,881,271)	11,979,321
Greater Rome CVB	-	-	4,832	12,165	-	16,997
Rome Board of Education	-	-	78,727	7,443,345	-	7,522,072
Total Reporting Entity	$ 2,821,402	$ 427,590	$ 8,844,884	$ 11,305,785	$ (3,881,271)	$ 19,518,390

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

B. Receivables– Continued

2. Property Taxes

Property taxes were levied on July 23, 2018 and were payable on or before November 15, 2018. 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, 2018 is as follows:

Tax Year	
2018	$ 1,978,813
Prior Years	842,589
	2,821,402
Allowance for uncollectible	(1,625,857)
Net taxes receivable	$ 1,195,545

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets

Changes in the City's Capital Assets for the year ended December 31, 2018 are as follows:

Primary Government	Beginning Balance 12/31/2017	Increases	Decreases	Construction in progress Transfers	Ending Balance 12/31/2018
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 12,558,019	$ 20,624	$ -	$ 260,697	$ 12,839,340
Construction in progress	8,623,537	10,095,878	-	(10,452,074)	8,267,341
Total capital assets, not being depreciated	21,181,556	10,116,502	-	(10,191,377)	21,106,681
Capital assets, being depreciated:					
Buildings	125,652,902	70,600	(4,028,162)	245,883	121,941,223
Improvements other than buildings	6,020,507	939,795	-	7,053,645	14,013,947
Machinery and equipment	6,770,508	189,942	(26,788)	547,483	7,481,145
Vehicles	5,806,534	243,929	(208,560)	-	5,841,903
Infrastructure	135,503,453	-	(2,550)	2,344,366	137,845,269
Total capital assets being depreciated	279,753,904	1,444,266	(4,266,060)	10,191,377	287,123,487
Less accumulated depreciation for:					
Buildings	(34,230,172)	(2,473,167)	1,093,120	-	(35,610,219)
Improvements other than buildings	(2,992,093)	(751,054)	-	-	(3,743,147)
Machinery and equipment	(5,337,782)	(371,434)	24,116	-	(5,685,100)
Vehicles	(4,518,972)	(469,461)	208,560	-	(4,779,873)
Infrastructure	(105,373,795)	(777,478)	2,550	-	(106,148,723)
Total accumulated depreciation	(152,452,814)	(4,842,594)	1,328,346	-	(155,967,062)
Total capital assets, being depreciated, net	127,301,090	(3,398,328)	(2,937,714)	10,191,377	131,156,425
Governmental activities capital assets, net	$ 148,482,646	$ 6,718,174	$ (2,937,714)	$ -	$ 152,263,106

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

Governmental activities:	
General Government	$ 994,014
Public Safety	392,816
Public Works	1,224,548
Public Facilities	282,283
Public Services	20,389
Community Development	9,253
Education	1,919,291
	$ 4,842,594

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Capital Assets for the year ended December 31, 2018 are as follows:

	Beginning Balance 12/31/2017	Increases	Decreases	Transfers	Ending Balance 12/31/2018
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 8,081,487	$ 61,375	$ -	$ -	$ 8,142,862
Construction in progress	255,214	1,236,293	-	(156,219)	1,335,288
Total capital assets, not being depreciated	8,336,701	1,297,668	-	(156,219)	9,478,150
Capital assets, being depreciated:					
Buildings	115,844,254	42,000	-	-	115,886,254
Improvements other than buildings	24,599,710	234,185	-	-	24,833,895
Machinery and equipment	17,292,731	394,734	(53,435)	156,219	17,790,249
Vehicles	22,971,909	1,963,490	(570,123)	-	24,365,276
Infrastructure	156,193,552	2,057,234	-	-	158,250,786
Total capital assets being depreciated	336,902,156	4,691,643	(623,558)	156,219	341,126,460
Less accumulated depreciation for:					
Buildings	(49,497,892)	(3,321,550)	-	-	(52,819,442)
Improvements other than buildings	(16,473,096)	(592,655)	-	-	(17,065,751)
Machinery and equipment	(13,274,532)	(952,209)	50,763	-	(14,175,978)
Vehicles	(18,581,704)	(1,253,329)	570,123	-	(19,264,910)
Infrastructure	(61,989,028)	(3,422,561)	-	-	(65,411,589)
Total accumulated depreciation	(159,816,252)	(9,542,304)	620,886	-	(168,737,670)
Total capital assets, being depreciated, net	177,085,904	(4,850,661)	(2,672)	156,219	172,388,790
Business-type activities capital assets, net	$ 185,422,605	$ (3,552,993)	(2,672)	-	$ 181,866,940

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

Business-type activities:	
Water and Sewer System Fund	$ 6,706,675
Fire Fund	548,382
Tennis Center Fund	256,893
Transit Fund	643,215
Solid Waste Management Fund	421,164
Municipal Golf Fund	48,933
Solid Waste Commission Fund	690,315
Building Inspection Fund	17,023
Public Facilities Fund	209,704
	$ 9,542,304

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. Notes payable for governmental activities does not relate to the acquisition of capital assets recorded by the City:

Net Investment in Capital Assets	Governmental Activities	Business-type Activities	Total
Capital assets, nondepreciable	$ 21,106,681	$ 9,478,150	$ 30,584,831
Capital assets, net	131,156,425	172,388,790	303,545,215
Prepaid bond insurance	-	47,459	47,459
Deferred charges on refunding	114,210	829,413	943,623
Retainage payable	(39,582)	(167,246)	(206,828)
Intergovernmental agreements payable	(2,920,000)	-	(2,920,000)
Bonds payable	(7,609,073)	(22,986,972)	(30,596,045)
Notes payable	-	(2,053,605)	(2,053,605)
Capital lease payable	(147,703)	-	(147,703)
	$ 141,660,958	$ 157,535,989	$ 299,196,947

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Component Units	Beginning Balance 12/31/2017	Increases	Decreases	Ending Balance 12/31/2018
Greater Rome Convention and Visitors Bureau				
Component unit:				
Capital assets, being depreciated:				
Buildings	$ 181,429	$ -	$ -	$ 181,429
Machinery and equipment	7,000	-	-	7,000
Vehicles	10,000	40,092	-	50,092
Total capital assets being depreciated	198,429	40,092	-	238,521
Less accumulated depreciation for:				
Buildings	(137,525)	(2,632)	-	(140,157)
Machinery and equipment	(7,000)	-	-	(7,000)
Vehicles	(2,500)	(6,048)	-	(8,548)
Total accumulated depreciation	(147,025)	(8,680)	-	(155,705)
Total capital assets, being depreciated, net	51,404	31,412	-	82,816
Greater Rome Convention and Visitors Bureau	$ 51,404	$ 31,412	$ -	$ 82,816

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Component Units (Continued)	Beginning Balance 6/30/2017	Increases	Decreases	Ending Balance 6/30/2018
Rome Board of Education				
Component unit:				
Capital assets, not being depreciated:				
Land	$ 157,048	$ -	$ -	$ 157,048
Total capital assets not being depreciated	157,048	-	-	157,048
Capital assets, being depreciated:				
Buildings and Improvements	2,792,778	-	-	2,792,778
Computers and equipment	11,235,915	517,539	-	11,753,454
Vehicles	1,742,440	-	-	1,742,440
Total capital assets being depreciated	15,771,133	517,539	-	16,288,672
Less accumulated depreciation for:				
Buildings and Improvements	(1,264,433)	(78,419)	-	(1,342,852)
Computers and equipment	(5,452,209)	(1,622,818)	-	(7,075,027)
Vehicles	(1,442,156)	(101,030)	-	(1,543,186)
Total accumulated depreciation	(8,158,798)	(1,802,267)	-	(9,961,065)
Total capital assets, being depreciated, net	7,612,335	(1,284,728)	-	6,327,607
Rome Board of Education capital assets, net	$ 7,769,383	$ (1,284,728)	$ -	$ 6,484,655

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

D. Interfund Transactions

Interfund balances at December 31, 2018 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, 2018 are as follows:

	Payable From									
	General Fund	Capital Fund	SPLOST Fund	Non-major Governmental Funds	Water & Sewer System Fund	Fire Fund	Solid Waste Commission Fund	Non-major Enterprise Funds	Internal Service Funds	**Total**
Payable To:										
General Fund	$ -	$ 21,070	$ 13,718	$ 837	$ 8,641	$ -	$ 45,036	$ 242,781	$ 131	$ 332,214
Capital Fund	2,268,422	-	-	-	342	-	29,200	-	-	2,297,964
Tax Allocation District	387	-	-	365	-	-	-	-	-	752
Non-major Governmental Funds	4,161	-	-	6,962	-	-	-	-	-	11,123
Water & Sewer System Fund	-	-	-	-	-	12,645	-	118,833	-	131,478
Fire Fund	-	-	-	-	2,794	-	1,199	-	-	3,993
Non-major Enterprise Funds	312,636	-	-	6,595	2,686	-	-	-	2	321,919
Internal Service Funds	95,346			13,988	45,340	70,590	13,795	105,012		344,071
Total	$ 2,680,952	$ 21,070	$ 13,718	$ 28,747	$ 59,803	$ 83,235	$ 89,230	$ 466,626	$ 133	$ 3,443,514

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

D. Interfund Transactions - Continued

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

	Rome Convention & Visitors Bureau	
	Payable From	Payable To
General Fund	$ -	$ 1,601
Capital Fund	1,353	43
Non-major governmental funds	21,514	-
Non-major enterprise funds	-	-
Internal service funds	-	7,786
Total	$ 22,867	$ 9,430

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

Interfund advances consist of the following:

	Advances From:			
	General Fund	Capital Fund	Internal Service Fund	Total
Advances To:				
Capital Fund	$ 590,000	$ -	$ 601,752	$ 1,191,752
Water and Sewer Fund	-	109,998	-	109,998
Fire Fund	-	480,120	-	480,120
Solid Waste Commission Fund	-	175,200	-	175,200
Non-major Enterprise Funds	-	595,829	-	595,829
Total	$ 590,000	$ 1,361,147	$ 601,752	$ 2,552,899

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 $175,200 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 repaid over a maximum of ten years at 3% interest. As of December 31, 2018, the principal amount outstanding was $601,752.

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

Interfund transfers for the year ended December 31, 2018 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	$ -	$ 400,000	$ 318,099	$ 16,000	$ 6,390,000	$ 2,492,313	$ 9,616,412
Non-major Governmental Funds	166,636	42,753	-	-	-	359,818	569,207
Water & Sewer System Fund	1,635,975	-	-	-	-	-	1,635,975
Fire Fund	1,568,047	-	-	38,471	-	-	1,606,518
Solid Waste Commission Fund	103,239	-	-	-	-	-	103,239
Non-major Enterprise Funds	694,439	-	-	-	-	-	694,439
Total	$ 4,168,336	$ 442,753	$ 318,099	$ 54,471	$ 6,390,000	$ 2,852,131	$ 14,225,790

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt

1. Water and Sewerage System Bonds Payable

Outstanding Water and Sewerage System Bonds were issued as follows:

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

In May 2012, the City issued $32,125,000 of Water and Sewerage Revenue Refunding and Improvement bonds. The 2012 bonds were issued to (i) refund $33,540,000 in aggregate principal of its 2004 A Water and Sewerage Revenue Refunding and Improvement bonds and (ii) pay the costs of issuance of the 2012 bonds. The net proceeds from the issuance of the water revenue bonds were used to purchase general obligations of the United States of America and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments of the prior bonds when due or called. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. Outstanding bonds from the refunded debt outstanding at December 31, 2018, considered defeased, totaled $15,645,000.

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

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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, 2018 are as follows:

Water and Sewer Bonds - Series 2012	$	14,880,000
Water and Sewer Bonds - Series 2013		4,884,000
Subtotal		19,764,000
Less current maturities		671,000
Bonds payable, long term	$	19,093,000

Reconciliation of Bonds Payable to Financial Statements:

Current		
Bonds payable in less than one year	$	671,000
Long-term		
Bonds payable in more than one year	$	19,093,000
Bond premium, net of amortization		792,455
	$	19,885,455

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

2. Golf Bonds Payable

In 2009, The City of Rome Recreation Facilities Authority issued $4,955,000 of Series 2009 Revenue Bonds to (i) refund all of the Series 1999 Revenue Bonds and pay the one percent (1%) redemption premium due in connection therewith and (ii) pay the costs of issuing the Series 2009 Bonds. Refunding was undertaken to save on the debt service payments maturing through 2024. The City defeased the 1999 bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2018, $2,360,000 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, 2018, $2,390,000 of these bonds were outstanding. Bonds payable reflected in the financial statements is net of $40,517 of unamortized bond premium.

3. Governmental Bonds Payable

In 2015, The City of Rome Recreation Facilities Authority issued $10,785,000 of Series 2015 Revenue Bonds to (i) provide funds to finance the acquisition, construction and equipping of Rome Tennis Center of Georgia at Berry College for the City and (ii) pay the costs of issuance of the Bonds. The City has pledged its full faith and credit and taxing power to service the debt. The Series 2015 Bonds mature through 2019 with interest ranging from 2.0% to 5.0%. At December 31, 2018, $2,975,000 of these bonds were outstanding. Bonds payable reflected in the financial statements is net of $107,073 of unamortized bond premium.

4. Certificates of Participation – Georgia Municipal Association

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

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt – Continued

4. Certificates of Participation – Georgia Municipal Association - Continued

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

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody's. At December 31, 2018, the floating rate being paid by the City is 2.02% and the market value of this agreement is $943,267, a decrease of $157,361 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, 2018 based on the derivative contract. This market value is reported as another asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as a deferred inflow of resources in the statement of net position.

5. Debt Service to Maturity for all Bond Issues

	Water and Sewer		Golf		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	$ 671,000	$ 1,027,741	$ 365,000	$ 98,175	$ 1,036,000	$ 1,125,916
2020	5,362,000	831,570	375,000	85,400	5,737,000	916,970
2021	5,461,000	582,655	385,000	72,275	5,846,000	654,930
2022	5,688,000	323,779	400,000	58,800	6,088,000	382,579
2023	494,000	52,538	865,000	56,600	1,359,000	109,138
2024-2028	2,088,000	114,413	-	-	2,088,000	114,413
	$ 19,764,000	$ 2,932,696	$ 2,390,000	$ 371,250	$ 22,154,000	$ 3,303,946

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt – Continued

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

	Recreation Facilities Authority Bonds Payable		GMA COP		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	$ 2,975,000	$ 148,750	$ -	$ 215,032	$ 2,975,000	$ 363,782
2020	-	-	-	215,032	-	215,032
2021	-	-	-	215,032	-	215,032
2022	-	-	-	215,032	-	215,032
2023	-	-	-	215,032	-	215,032
2024-2028	-	-	4,527,000	1,075,160	4,527,000	1,075,160
	$ 2,975,000	$ 148,750	$ 4,527,000	$ 2,150,320	$ 7,502,000	$ 2,299,070

6. Notes Payable and Intergovernmental Agreement

In 2013, the City entered into an agreement with the Georgia Environmental Finance Authority (GEFA) and the State Revolving Loan Fund to finance the construction and improvements of various water and sewer facilities. As of December 31, 2018, the City had entered into one (1) such loan agreement with a loan balance of $2,053,605.

The following is a schedule of the future required principal and interest payments on the GEFA loan agreements as of December 31, 2018:

Issue Date	Interest Rate (%)	Maturity Date	Beginning Balance	Retired	Outstanding	Current	Long-Term
12/31/2014	2.13%	1/1/2035	$ 2,159,552	$ 105,947	$ 2,053,605	$ 108,225	$ 1,945,380

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

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt - Continued

6. Notes Payable and Intergovernmental Agreement - Continued

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

In January and April 2018, the City entered into agreements with two developers to provide for certain costs associated with the constructing of an apartment project, hotel project and reimbursing for a portion of related costs. Two notes were issued to provide for certain costs in the areas, which are designated as Tax Allocation Districts (TADs). The TAD notes are promissory notes issued by the City that are payable and secured by anticipated incremental increases in ad valorem property taxes collected within the districts and paid to the City. TAD Note 1 was issued for $2,504,379 with a present value of $2,142,302 and TAD Note 2 was issued for $3,300,000 with a present value of $2,774,676. TAD Note 1 matures in 2029 and TAD Note 2 matures in 2032. An imputed interest amount, or discount, was calculated on the notes payable due to neither note having a stated interest rate.

The following is a schedule of the future required principal and interest payments on the notes payable as of December 31, 2018:

	Governmental Activities			Business-type Activities		
Ended December 31,	Principal	Interest	Total	Principal	Interest	Total
2019	$ 467,843	$ 15,855	$ 483,698	$ 108,225	$ 42,689	$ 150,914
2020	470,125	13,573	483,698	110,553	40,361	150,914
2021	472,541	11,517	484,058	112,931	37,984	150,915
2022	475,098	8,600	483,698	115,360	35,554	150,914
2023	477,804	5,894	483,698	117,841	33,073	150,914
2024-2028	2,195,460	3,031	2,198,491	628,336	126,238	754,574
2029-2033	1,088,700	-	1,088,700	698,882	55,693	754,575
2034	-	-	-	161,477	2,013	163,490
Total	5,647,571	$ 58,470	$ 5,706,041	2,053,605	$ 373,605	$ 2,427,210
Less current maturities	467,843			108,225		
Long-term	$ 5,179,728			$ 1,945,380		

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt - Continued

6. Notes Payable and Intergovernmental Agreement - Continued

The following is a schedule of the future required principal and interest payments on the intergovernmental agreement as of December 31, 2018:

	Governmental Activities		
Year Ended December 31,	Principal	Interest	Total
2019	$ 170,000	$ 97,515	$ 267,515
2020	175,000	90,715	265,715
2021	180,000	85,465	265,465
2022	187,500	80,065	267,565
2023	190,000	76,315	266,315
2024-2028	1,037,500	301,738	1,339,238
2029-2032	980,000	100,000	1,080,000
Total	2,920,000	$ 831,813	$ 3,751,813
Less current maturities	170,000		
Long-term	$ 2,750,000		

7. Capital Lease Payable

In December 2018, the City entered into a capital lease agreement as lessee for financing the acquisition of police software used in general governmental activities. The lease agreement qualifies as capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. As of December 31, 2018 the City had software equipment under capital lease with a cost of $147,703 and accumulated depreciation of $6,218 for a net book value of $141,485. Annual depreciation of the asset is included in depreciation expense.

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, 2018. 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:

	Restated Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018	Due within one year	Due in more than one year
Governmental Activities:						
Certificates of Participation	$ 4,527,000	$ -	$ -	$ 4,527,000	$ -	$ 4,527,000
Bonds Payable	5,835,000	-	2,860,000	2,975,000	2,975,000	-
Unamortized Bond Premium	296,493	-	189,420	107,073	107,073	-
Notes Payable	478,743	5,804,379	635,551	5,647,571	467,843	5,179,728
Discount on notes payable	-	(887,401)	(118,095)	(769,306)	-	(769,306)
Capital Lease	-	147,703	-	147,703	47,805	99,898
Total OPEB Liability	16,322,549	2,022,718	978,573	17,366,694	-	17,366,694
Intergovernmental Agreements	3,082,500	-	162,500	2,920,000	170,000	2,750,000
Net Pension Liability	21,800,224	12,139,161	11,192,218	22,747,167	-	22,747,167
Compensated Absences	1,031,470	714,357	761,054	984,773	738,580	246,193
Total Governmental Activities	$ 53,373,979	$ 19,940,917	$ 16,661,221	$ 56,653,675	$ 4,506,301	$ 52,147,374
Business-Type Activities:						
Revenue Bonds	$ 27,695,000	$ -	$ 5,541,000	$ 22,154,000	$ 1,036,000	$ 21,118,000
Unamortized Bond Premium	1,330,146	-	497,174	832,972	-	832,972
Notes Payable	2,159,552	-	105,947	2,053,605	108,225	1,945,380
Landfill Closure/Postclosure	8,768,104	448,609	98,676	9,118,037	234,048	8,883,989
Compensated Absences	1,412,208	1,146,430	1,030,118	1,528,520	1,145,387	383,133
Total Business-Type Activities	$ 41,365,010	$ 1,595,039	$ 7,272,915	$ 35,687,134	$ 2,523,660	$ 33,163,474

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 12/31/2017	Additions	Deletions	Balance 12/31/2018	Due within one year	Due in more than one year
Greater Rome Convention & Visitors Bureau						
Compensated Absences	$ 35,100	$ 29,592	$ 23,309	$ 41,383	$ 31,037	$ 10,346
Total Greater Rome Convention and Visitors Bureau	$ 35,100	$ 29,592	$ 23,309	$ 41,383	$ 31,037	$ 10,346

Component Unit	Restated Balance 6/30/2017	Additions	Deletions	Balance 6/30/2018	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	51,515	161,821	132,066	81,270	81,270	-
Total OPEB Liability	48,590,085	2,419,729	6,185,385	44,824,429	-	44,824,429
Net Pension Liability	56,915,676	7,341,275	12,918,011	51,338,940	-	51,338,940
Total Rome Board of Education	$ 107,557,276	$ 9,922,825	$ 19,235,462	$ 98,244,639	$ 81,270	$ 98,163,369

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans

1. City of Rome Defined Benefit Plan

a) Plan Description

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

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

Plan Membership. At July 1, 2018, the date of the most recent actuarial valuation, there were 1,073 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	373
Terminated vested participants not yet receiving benefits	128
Active employees - vested	303
Active employees - nonvested	269
Total	1,073

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan is to contribute an amount equal to or greater than the recommended contribution described below. For 2018, the actuarially determined contribution was $3,127,262. The City makes all contributions to the plan. For 2018, the City's contribution to the Plan was $3,482,251.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome Defined Benefit Plan - Continued

8. Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 with update procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2018.

Actuarial assumptions. The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25 - 8.25%, including inflation
Investment rate of return	7.5%, net of persion plan investment expense, including inflation

Mortality rates for the July 1, 2017 valuation were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010–June 30, 2014.

Cost of living adjustments were assumed to be 2.75% for Class 5; 0.00% otherwise.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome Defined Benefit Plan - Continued

b) Net Pension Liability of the City - Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2018 are summarized in the table below:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.71%
International equity	20%	7.71
Real estate	10%	5.21
Global fixed income	5%	3.36
Domestic fixed income	20%	2.11
Cash	—%	
Total	100%	

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

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome Defined Benefit Plan - Continued

b) Net Pension Liability of the City - Continued

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended December 31, 2018 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/17	$ 86,497,336	$ 64,697,112	$ 21,800,224
Changes for the year:			
Service cost	853,503	-	853,503
Interest	6,484,320	-	6,484,320
Differences between expected and actual experience	3,320,661	-	3,320,661
Contributions—employer	-	3,243,663	(3,243,663)
Net investment income	-	7,948,555	(7,948,555)
Benefit payments, including refunds of employee contributions	(5,657,377)	(5,657,377)	-
Administrative expense	-	(121,270)	121,270
Other changes	1,359,407	-	1,359,407
Net changes	6,360,514	5,413,571	946,943
Balances at 12/31/18	$ 92,857,850	$ 70,110,683	$ 22,747,167

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

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome Defined Benefit Plan - Continued

b) Net Pension Liability of the City - Continued

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability	$ 32,353,046	$ 22,747,167	$ 14,566,907

Changes in the Net Pension Liability of the City. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2018 and the current sharing pattern of costs between employer and employee.

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome Defined Benefit Plan - Continued

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

For the fiscal year ended December 31, 2018, the City recognized pension expense of $3,442,362. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,953,561	$ 193,774
Changes in assumptions	1,019,556	-
Net difference between projected and actual earnings on pension plan investments	-	2,533,573
City contributions subsequent to the measurement date	2,611,688	-
Total	$ 6,584,805	$ 2,727,347

NOTE III - DETAILED NOTES ON ALL FUNDS - Continued

F. Pension Plans - Continued

1. City of Rome Defined Benefit Plan - Continued

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

City contributions subsequent to the measurement date of $2,611,688 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:		
2019	$	1,048,146
2020		806,039
2021		(1,863)
2022		(606,552)
Total	$	1,245,770

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, 2018 totaled $227,352.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

G. Postretirement Health Care and Life Insurance Benefits

Plan Description and Benefits

The Rome City Commission has contracted with the Standard Insurance Company to administer postretirement life insurance benefits to all employees who retire under early or normal retirement provisions. There are no separately issued financial statements related to the City's Plan. The City's obligation to provide these benefits was created under a City ordinance. At age 65, life insurance coverage is reduced to 65% of the amount previously allowed under the Plan and at age 70, the coverage is reduced to 50% of the amount previously allowed under the Plan. The City has elected not to establish a separate trust fund to account for other postemployment benefits, and has not funded the Plan as of December 31, 2018. The City of Rome Retirement Pension Insurance Plan is a single-employer defined benefit postemployment health care plan or other postemployment benefit (OPEB) plan.

The City of Rome currently contracts with Blue Cross Blue Shield to administer the postretirement health care benefits. The City's obligation to provide these benefits was created under a City ordinance. Upon termination of employment, eligible employees are entitled to continue coverage, at their own cost, under the City's medical self-insurance plan (Note H.1) up to age 65. After 15 years of service, the City pays 10% of the retiree's share of charges from the City's medical self-insurance fund and life insurance carriers. The City's portion is increased 1% for each year of service to a maximum of 30%.

Eligibility

Eligible participants for Other Postemployment Benefits include full time employees, hired prior to January 1, 2006, meeting the City's requirements for normal or early retirement.

Plan Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Health Care Plan as of January 1, 2018:

Active members	576
Retired members	207
Total	783

City Contributions

The City has elected to fund the plan on a pay-as-you go basis. For the year ended December 31, 2018, the City contributed $1,186,233 for the pay as you go benefits for the OPEB Plan.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

G. Postretirement Health Care and Life Insurance Benefits - Continued

Total OPEB Liability

Effective January 1, 2018, the City implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly changed the City's accounting for OPEB amounts. The information disclosed in this note is presented in accordance with this new standard.

The City's total OPEB liability of $17,366,694 was measured as of January 1, 2018 and was determined by an actuarial valuation as of January 1, 2018 using standard rollforward techniques.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation rate	2.75%
Salary increase, including wage inflation	3.25%
Discount rate	3.44%
Health care cost trends	
Pre-medicare	7.25% - 4.75%, Ultimate Trend in 2028
Medicare	5.38% - 4.75%, Ultimate Trend in 2022

Mortality rates were based on the SOA RP-2000 Combined Healthy Mortality Table with sex-distinct rates. Disability mortality based on RP-2000 disability.

The actuarial assumptions used in the January 1, 2018 valuation were based on a review of recent plan experience done concurrently with the January 1, 2018 valuation.

The discount rate is based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). Specifically, the chosen rate of the Bond Buyer General Obligation 20-year Municipal Bond Index published as of the measurement date of January 1, 2018.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

G. Postretirement Health Care and Life Insurance Benefits - Continued

Changes in the Total OPEB Liability

The changes in the total OPEB liability for the City for the fiscal year ended December 31, 2018 were as follows:

	Total OPEB Liability
Balance at January 1, 2017	$ 16,322,549
Service Cost	289,143
Interest	598,669
Experience differences	392,046
Assumption changes	742,860
Benefit payments	(978,573)
Balance at January 1, 2018	$ 17,366,694

Sensitivity for the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.44 percent) or 1-percentage-point higher (4.44) than the current discount rate:

	1% Decrease (2.44%)	Current Discount Rate (3.44%)	1% Increase (4.44%)
Total OPEB liability	$ 19,861,709	$ 17,366,694	$ 15,312,342

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

G. Postretirement Health Care and Life Insurance Benefits - Continued

Sensitivity for the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (Pre-Medicare 6.25% trended down to 3.75% and Medicare 4.38% trended down to 3.75%) or 1-percentage-point higher (Pre-Medicare 8.25% trended down to 5.75% and Medicare 6.38% trended down to 5.75%) than the current healthcare cost trend rates:

	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates	1% Increase in Health Care Cost Trend Rates
Total OPEB liability	$ 16,728,633	$ 17,366,694	$ 18,134,756

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 revisions 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 January 1, 2018 and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018 the City recognized OPEB expense of $1,096,052. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 320,111	$ -
Changes in plan assumptions	606,555	-
City contributions subsequent to the measurement date	1,186,233	-
Total	$ 2,112,899	$ -

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

G. Postretirement Health Care and Life Insurance Benefits - Continued

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB - Continued

City contributions made subsequent to the measurement date of $1,186,233 are reported as deferred outflows of resources and will be recognized as a decrease of the total OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year ending December 31:		
2019	$	208,240
2020		208,240
2021		208,240
2022		208,240
Thereafter		93,706
	$	926,666

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, 2018 total $9,755,127. 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 $175,000 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
2017	$ 549,076	$ 5,222,443	$ (5,271,519)	$ 500,000
2018	500,000	4,676,822	(4,751,822)	425,000

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 risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claims or loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds. The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. Therefore, the City is not liable for workers' compensation claims occurring subsequent to January 1, 2002. However, the City continues to be responsible for outstanding claims filed prior to January 1, 2002. There is a stop-loss limit of $250,000 per claim covered through a private insurance carrier. Also, during 2018, the City recorded a reimbursement of $192,036 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, 2018. 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
2017	$ 230,000	$ 468,885	$ (423,885)	$ 275,000
2018	275,000	442,428	(467,428)	250,000

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.

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

J. Landfill Closure and Postclosure Care Cost

The City has closed and placed a final cover on its Walker Mountain Phase I - III landfill site and is currently operating Phases IV, V, VI and VII sites and C&D construction and demolition Phase I site. State and Federal laws and regulations require the City to perform certain maintenance and monitoring functions at these sites for 30 years after closure. Although these postclosure care costs will be paid only after the date that the landfill stops accepting waste, the City has reported these postclosure care costs as an operating expense in the current and prior years based on landfill capacity used as of each statement of net position date. The $2,503,996 ($124,679 current) reported as postclosure care liability at December 31, 2018, represents the cumulative amount reported to date based on the use of 100% of the capacity of Phase I - VI of the landfill and 73% of the capacity of Phase VII. The $1,350,771 ($46,902 current) reported as postclosure care liability at December 31, 2018 represents the cumulative amount reported to date based on the use of 96% of the capacity of Phase I of C&D. In addition, $4,138,864 has been accrued at December 31, 2018 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 postclosure care costs at a landfill site previously operated by the County (Berryhill site). Accordingly, a liability for postclosure costs totaling $1,124,406 ($62,467 current) has been recognized in the Solid Waste Commission Fund as of December 31, 2018. 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, 2018 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 Northwest 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 2018, the City paid dues in the amount of $38,375 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 an 8% lodging tax. In 1995, the City of Rome and Floyd County imposed a 1% tax for the purpose of promoting tourism, conventions and trade shows. In July 2014, the lodging tax was increased to 8%. The additional 2% is for operations and maintenance of the Rome Tennis Center at Berry College. A summary of transactions for the fiscal year ended December 31, 2018 is as follows:

	5% Levy	1% Levy	2% Levy
Balance as of December 31, 2017	$ 809,276	$ 138,481	$ 697
2018 Tax Revenues	891,729	178,346	356,691
2018 Interest Revenue	9,876	1,882	-
2018 Expenditures			
Greater Rome Convention & Visitors Bureau	621,705	65,239	-
City of Rome	108,750	-	-
Floyd County	-	71,963	-
Transfer to Tennis Center	30,627	-	356,691
Balance as of December 31, 2018	$ 949,799	$ 181,507	$ 697

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 $137,202 made during 2018 were 77% of total 2018 1% tax collections and expenditures of $761,082 were 85% of 2018 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. Construction Commitments

The City of Rome has a several active construction projects as of December 31, 2018. These projects are associated with water and sewer improvements and public works construction. They are all financed with SPLOST proceeds and budgeted capital monies.

Project	Remaining Commitment
Northeast Sewer Interceptor	$ 121,262
Chulio Hills	715,733
Carnegie Building	143,075
Spiderweb Drive	79,037
Mount Alto Water	45,984

O. Tax Abatements

For the year ended December 31, 2018, City property tax revenues were reduced by $254,275 under agreements entered into by the Rome Floyd County Development Authority. Under the agreements, taxes on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

P. Subsequent Event

In May 2019, the City of Rome issued City of Rome Recreational Facilities Authority Revenue Bonds (Rome Tennis Center of Georgia at Berry College Project Phase II) Series 2019A Bonds in the aggregate principal amount of $4,265,000 for the purposes of constructing a Rome Tennis Center of Georgia project. The City of Rome also issued City of Rome Recreational Facilities Authority Refunding Revenue Bonds (Stonebridge Golf Course Project) Series 2019B in the aggregate principal amount of $1,955,000 for the purposes of refunding the City of Rome Recreation Facilities Authority Revenue Bonds Series 2009.

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

Q. Restatement of Beginning Balances

1. City of Rome

Management of the City has determined that a restatement to beginning net position of governmental activities was required for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which required retroactive reporting of opening balances. The effect of the restatement resulted in a change to beginning net position of the governmental activities as follows:

Net Position, governmental activities, as previously reported	$	146,957,483
Restatement for implementation of GASB Statement No. 75:		
Total OPEB liability as of January 1, 2018		(16,322,549)
Removal of prior Net OPEB obligation reported December 31, 2017		1,463,702
Beginning deferred outflows related to OPEB		978,573
Net Position, governmental activities, as restated	$	133,077,209

NOTE III - DETAILED NOTES ON ALL FUNDS – Continued

Q. Restatement of Beginning Balances

2. Component Unit – Rome Board of Education

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Board is required to change its accounting treatment of OPEB liabilities and the related OPEB expense. The new standard requires that the Board's proportionate share of the Net OPEB Liability be recorded on the Statement of Net Position. Therefore, in conjunction with the implementation of Statement No. 75, the following restatement was required to the beginning net position of the Governmental Activities to properly recognize the Board's Net OPEB Liability and related deferred outflows of resources for contributions subsequent to the measurement date as of the end of the prior period:

	Governmental Activities
Net Position - beginning, as prevoiously reported	$ (23,096,612)
Recognition of the net OPEB liability related to the OPEB plan accordance with GASB Statement No. 75	(48,590,085)
Recognition of the beginning of the measurement period deferred outflows of resources for contributions subsequent to the measurement period in accordance with GASB Statement No. 75	1,663,477
Net Position - beginning, as restated	$ (70,023,220)

REQUIRED SUPPLEMENTARY INFORMATION

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

The City of Rome Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of City Contributions, and Schedule of Changes in the City's Total OPEB Liability and Related Ratios – OPEB 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, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Ad valorem taxes:				
Real and personal property:				
Current year	$ 8,150,000	$ 9,000,000	$ 8,985,757	$ (14,243)
Prior years	900,000	1,300,000	1,254,732	(45,268)
Public utilities	300,000	300,000	339,095	39,095
Motor vehicles	150,000	150,000	173,247	23,247
Tag Title Fee	850,000	850,000	1,056,125	206,125
Mobile homes	2,000	2,000	1,691	(309)
Timber tax	1,000	1,000	152	(848)
Total ad valorem taxes	10,353,000	11,603,000	11,810,799	207,799
Other taxes:				
Intangible tax	210,000	210,000	304,748	94,748
Insurance premium tax	2,250,000	2,250,000	2,606,818	356,818
Franchise tax	3,387,000	3,325,000	3,332,144	7,144
Local option sales tax	5,800,000	5,800,000	5,963,215	163,215
Real estate transfer tax	35,000	35,000	44,477	9,477
Tax on liquor and wine	800,000	800,000	778,470	(21,530)
Mixed drink tax	74,000	74,000	104,002	30,002
Total other taxes	12,556,000	12,494,000	13,133,874	639,874
Licenses, permits and fees:				
Business licenses	1,849,000	1,849,000	1,873,669	24,669
Permits and fees	126,500	126,500	100,226	(26,274)
Total licenses, permits and fees	1,975,500	1,975,500	1,973,895	(1,605)
Intergovernmental:				
Highway maintenance	120,000	120,000	120,190	190
Traffic signals	53,000	53,000	51,732	(1,268)
County environmental information	75,000	75,000	12,974	(62,026)
Entitlement reimbursement	25,000	25,000	22,960	(2,040)
Housing authority	55,000	55,000	47,744	(7,256)
Grant reimbursement	-	-	88,059	88,059
Total intergovernmental	328,000	328,000	343,659	15,659

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Fines and forfeitures:				
Police court fines and fees	$ 1,305,000	$ 1,305,000	$ 886,828	$ (418,172)
Total fines and forfeitures	1,305,000	1,305,000	886,828	(418,172)
Other revenues:				
Charges for services	-	-	130,969	130,969
Interest and costs	290,000	290,000	245,105	(44,895)
Cemetery revenue	145,000	145,000	165,010	20,010
Rent	100,000	100,000	135,914	35,914
Interest on investments	52,000	52,000	146,484	94,484
Miscellaneous revenue	40,000	40,000	120,293	80,293
Total other revenues	627,000	627,000	943,775	316,775
TOTAL REVENUES	27,144,500	28,332,500	29,092,830	760,330

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CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES:				
GENERAL GOVERNMENT				
City Commission:				
Personal services	$ 165,720	$ 166,000	$ 165,807	$ 193
Supplies	7,920	11,500	11,189	311
Other services and charges	47,500	64,000	63,878	122
Total City Commission	221,140	241,500	240,874	626
Municipal Court:				
Personal services	308,730	308,730	296,225	12,505
Supplies	19,300	19,300	20,622	(1,322)
Other services and charges	75,100	75,100	60,419	14,681
Total Municipal Court	403,130	403,130	377,266	25,864
Manager's Office:				
Personal services	283,490	294,000	293,709	291
Supplies	9,480	9,000	8,926	74
Other services and charges	12,600	13,000	12,916	84
Total Manager's Office	305,570	316,000	315,551	449
Clerk's Office:				
Personal services	341,660	341,660	339,804	1,856
Supplies	11,250	11,250	11,689	(439)
Other services and charges	15,000	15,000	14,880	120
Total Clerk's Office	367,910	367,910	366,373	1,537
Finance:				
Personal services	524,000	524,000	518,119	5,881
Supplies	12,500	12,500	12,316	184
Other services and charges	8,850	8,850	8,195	655
Total Finance	545,350	545,350	538,630	6,720

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Human Resources:				
Personal services	$ 291,390	$ 291,390	$ 275,330	$ 16,060
Supplies	17,000	17,000	11,915	5,085
Other services and charges	45,800	45,800	50,324	(4,524)
Total Human Resources	354,190	354,190	337,569	16,621
Purchasing:				
Personal services	259,780	259,780	236,303	23,477
Supplies	6,750	6,750	4,249	2,501
Other services and charges	10,200	10,200	10,464	(264)
Total Purchasing	276,730	276,730	251,016	25,714
Information Technology:				
Personal services	366,770	366,770	365,066	1,704
Supplies	241,050	241,050	227,353	13,697
Other services and charges	15,990	15,990	11,078	4,912
Total Information Technology	623,810	623,810	603,497	20,313
Assistant City Manager:				
Personal services	116,340	125,500	125,312	188
Supplies	1,425	90	87	3
Other services and charges	10,650	6,500	6,444	56
Total Assistant City Manager	128,415	132,090	131,843	247
General Administration:				
Personal services	2,517,980	3,079,980	2,881,792	198,188
Supplies	21,600	21,600	10,515	11,085
Other services and charges	419,500	1,079,500	1,200,516	(121,016)
Total General Administration	2,959,080	4,181,080	4,092,823	88,257

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Total General Government:				
Personal services	$ 5,175,860	$ 5,757,810	$ 5,497,467	$ 260,343
Supplies	348,275	350,040	318,861	31,179
Other services and charges	661,190	1,333,940	1,439,114	(105,174)
TOTAL GENERAL GOVERNMENT	6,185,325	7,441,790	7,255,442	186,348
PUBLIC SAFETY				
Police:				
Personal services	6,964,670	6,964,670	6,818,488	146,182
Supplies	654,470	654,470	577,794	76,676
Other services and charges	315,060	315,060	348,777	(33,717)
Total Police	7,934,200	7,934,200	7,745,059	189,141
Police Training Center:				
Supplies	49,420	49,420	45,849	3,571
Other services and charges	79,050	79,050	72,936	6,114
Total Police Training Center	128,470	128,470	118,785	9,685
Total Public Safety:				
Personal services	6,964,670	6,964,670	6,818,488	146,182
Supplies	703,890	703,890	623,643	80,247
Other services and charges	394,110	394,110	421,713	(27,603)
TOTAL PUBLIC SAFETY	8,062,670	8,062,670	7,863,844	198,826
PUBLIC WORKS				
Public Works Office:				
Personal services	385,640	409,200	409,191	9
Supplies	33,200	40,000	39,905	95
Other services and charges	14,155	9,400	9,345	55
Total Public Works Office	432,995	458,600	458,441	159

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Engineering:				
Personal services	$ 501,310	$ 501,310	$ 472,963	$ 28,347
Supplies	19,000	19,000	13,655	5,345
Other services and charges	6,850	6,850	5,326	1,524
Total Engineering	527,160	527,160	491,944	35,216
Streets and Drainage:				
Personal services	1,977,930	1,977,930	1,929,931	47,999
Supplies	370,810	370,810	294,243	76,567
Other services and charges	61,000	61,000	40,917	20,083
Total Streets and Drainage	2,409,740	2,409,740	2,265,091	144,649
Electrical/Traffic Control:				
Personal services	266,060	266,060	248,124	17,936
Supplies	60,450	60,450	53,369	7,081
Other services and charges	42,110	42,110	27,153	14,957
Total Electrical/Traffic Control	368,620	368,620	328,646	39,974
Street Lighting:				
Supplies	3,000	3,000	1,759	1,241
Other services and charges	902,500	902,500	867,482	35,018
Total Street Lighting	905,500	905,500	869,241	36,259
Buildings and Grounds:				
Supplies	1,000	1,000	252	748
Other services and charges	2,300	2,300	2,320	(20)
Total Buildings and Grounds	3,300	3,300	2,572	728

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Cemetery:				
Personal services	$ 339,020	$ 339,020	$ 326,731	$ 12,289
Supplies	34,430	34,430	28,976	5,454
Other services and charges	28,410	28,410	26,282	2,128
Payments for inmate charges	50,000	50,000	50,180	(180)
Total Cemetery	451,860	451,860	432,169	19,691
Garage:				
Personal services	539,020	539,020	497,190	41,830
Supplies	41,100	41,100	40,785	315
Other services and charges	39,730	39,730	35,180	4,550
Total Garage	619,850	619,850	573,155	46,695
Total Public Works:				
Personal services	4,008,980	4,032,540	3,884,130	148,410
Supplies	562,990	569,790	472,944	96,846
Other services and charges	1,097,055	1,092,300	1,014,005	78,295
Payments	50,000	50,000	50,180	(180)
TOTAL PUBLIC WORKS	5,719,025	5,744,630	5,421,259	323,371
PUBLIC FACILITIES				
City Auditorium:				
Personal services	170,200	177,200	177,152	48
Supplies	51,600	54,500	54,261	239
Other services and charges	114,030	108,700	108,639	61
Total City Auditorium	335,830	340,400	340,052	348
Civic Center:				
Supplies	8,300	21,300	21,257	43
Other services and charges	25,010	21,000	20,938	62
Total Civic Center	33,310	42,300	42,195	105

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Other Facilities:				
Supplies	$ 66,050	$ 66,150	$ 58,216	$ 7,934
Other services and charges	60,750	60,750	63,636	(2,886)
Total Other Facilities	126,800	126,900	121,852	5,048
Total Public Facilities:				
Personal services	170,200	177,200	177,152	48
Supplies	125,950	141,950	133,734	8,216
Other services and charges	199,790	190,450	193,213	(2,763)
TOTAL PUBLIC FACILITIES	495,940	509,600	504,099	5,501
PUBLIC SERVICES				
Community Services:				
Other services and charges	274,500	212,500	204,691	7,809
Total Community Services	274,500	212,500	204,691	7,809
Environmental Information:				
Personal Services	247,900	247,900	226,358	21,542
Supplies	8,900	8,900	8,463	437
Other services and charges	25,860	25,860	19,856	6,004
Total Environmental Information	282,660	282,660	254,677	27,983
Public Information Coordinator:				
Personal Services	15,000	15,000	15,000	-
Total Public Information Coordinator	15,000	15,000	15,000	-
Community Events:				
Supplies	2,500	2,500	406	2,094
Other services and charges	18,300	18,300	11,065	7,235
Total Community Events	20,800	20,800	11,471	9,329

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Roman Holiday Boat:				
Supplies	$ 6,550	$ 6,550	$ 6,095	$ 455
Other services and charges	21,250	21,250	21,226	24
Total Roman Holiday Boat	27,800	27,800	27,321	479
Trolley:				
Personal services	640	640	368	272
Supplies	1,050	1,050	1,000	50
Other services and charges	600	600	564	36
Total Trolley	2,290	2,290	1,932	358
Total Public Services:				
Personal services	263,540	263,540	241,726	21,814
Supplies	19,000	19,000	15,964	3,036
Other services and charges	340,510	278,510	257,402	21,108
TOTAL PUBLIC SERVICES	623,050	561,050	515,092	45,958
COMMUNITY DEVELOPMENT				
Personal services	50,000	361,000	290,649	70,351
Supplies	20,000	20,000	15,461	4,539
Other services and charges	80,000	130,000	45,118	84,882
TOTAL COMMUNITY DEVELOPMENT	150,000	511,000	351,228	159,772
TOTAL EXPENDITURES	21,236,010	22,830,740	21,910,964	919,776
OTHER FINANCING SOURCES AND USES:				
TRANSFERS IN:				
Water and Sewer Fund	1,409,370	1,540,000	1,542,167	2,167
Building Inspection Fund	64,500	64,500	75,214	10,714
Transit Fund	281,250	332,000	341,826	9,826
Fire Fund	1,355,000	1,569,000	1,568,047	(953)
Solid Waste Commission Fund	90,000	90,000	103,239	13,239
Forum Parking Deck Fund	-	-	24,000	24,000
Tourism Fund	48,300	48,300	-	(48,300)
Hotel/Motel Tax Fund	100,000	100,000	100,000	-
Downtown Development Fund	13,550	13,550	-	(13,550)
Solid Waste Fund	170,280	235,000	234,498	(502)
Planning Commission Fund	35,500	35,500	42,636	7,136
Downtown Parking Fund	14,780	14,780	-	(14,780)
Tennis Fund	42,900	42,900	42,900	-
Community Development Fund	17,670	17,670	-	(17,670)
Insurance Fund	10,500	10,680	-	(10,680)
Workers' Compensation Fund	-	-	-	-
Renewal and Extension Fund	70,960	70,960	93,809	22,849
TOTAL TRANSFERS IN	3,724,560	4,184,840	4,168,336	(16,504)

continued

CITY OF ROME, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES & EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
TRANSFERS OUT:				
Planning Commission Fund	$ 190,050	$ 190,050	$ 190,050	$ -
Capital Fund	400,000	400,000	400,000	-
Transit Fund	450,000	500,000	497,313	2,687
Community Development Fund	192,000	192,000	128,049	63,951
Building Inspection Fund	-	3,550	-	3,550
Water Fund	16,000	16,000	16,000	-
Fire Fund	6,390,000	6,390,000	6,390,000	-
Golf Fund	565,000	565,000	565,000	-
Solid Waste Management Fund	1,430,000	1,430,000	1,430,000	-
TOTAL TRANSFERS OUT	9,633,050	9,686,600	9,616,412	70,188
TOTAL OTHER FINANCING SOURCES (USES)	(5,908,490)	(5,501,760)	(5,448,076)	53,684
Net change in fund balance	-	-	1,733,790	
FUND BALANCE, BEGINNING OF YEAR	19,152,518	19,152,518	19,152,518	
FUND BALANCE, END OF YEAR	$ 19,152,518	$ 19,152,518	$ 20,886,308	

CITY OF ROME, GEORGIA
TAX ALLOCATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	Tax Allocation District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 695,000	$ 695,000	$ 695,552	$ 552
Interest earned	-	-	1,994	1,994
Total revenues	695,000	695,000	697,546	2,546
EXPENDITURES				
Community development	431,000	431,000	4,972,020	(4,541,020)
Debt service				
Principal	244,000	244,000	465,686	(221,686)
Interest	20,000	20,000	18,012	1,988
Total expenditures	695,000	695,000	5,455,718	(4,760,718)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	-	(4,758,172)	(4,758,172)
OTHER FINANCING SOURCES (USES)				
Notes payable	-	-	5,804,379	5,804,379
Discounts on notes payable	-	-	(887,401)	(887,401)
Total other financing sources (uses)	-	-	4,916,978	4,916,978
NET CHANGE IN FUND BALANCE	-	-	158,806	158,806
FUND BALANCE, BEGINNING OF YEAR	380,548	380,548	380,548	-
FUND BALANCE, END OF YEAR	$ 380,548	$ 380,548	$ 539,354	$ 158,806

City of Rome, Georgia

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

December 31, 2018

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 adopts 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 $1,648,280, which were approved by the City Commission. The main reason for these amendments was to better align budgeted expenditures with a decrease in actual revenues. This information was not available during the original budget process.

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

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

B. Budget/GAAP Reconciliation

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

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

CITY OF ROME, GEORGIA

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

	2018	2017	2016	2015
Total pension liability				
Service cost	$ 853,503	$ 795,901	$ 744,598	$ 789,416
Interest on total pension liability	6,484,320	6,373,185	6,093,495	5,972,746
Differences between expected and actual experience	3,320,661	(387,547)	1,852,264	1,678,459
Changes of assumptions	1,359,407	-	-	(2,274,787)
Change of benefit terms	-	121,617	-	-
Benefit payments, including refunds of employee contributions	(5,657,377)	(5,280,938)	(4,881,972)	(4,333,589)
Net change in total pension liability	6,360,514	1,622,218	3,808,385	1,832,245
Total pension liability - beginning	86,497,336	84,875,118	81,066,733	79,234,488
Total pension liability - ending (a)	$ 92,857,850	$ 86,497,336	$ 84,875,118	$ 81,066,733
Plan fiduciary net position				
Contributions - employer	$ 3,243,663	$ 3,092,227	$ 3,067,188	$ 3,005,912
Net investment income	7,948,555	7,359,944	160,536	5,492,303
Benefit payments, including refunds of member contributions	(5,657,377)	(5,280,938)	(4,881,972)	(4,333,589)
Administrative expenses	(121,270)	(125,388)	(93,523)	(84,874)
Net change in plan fiduciary net position	5,413,571	5,045,845	(1,747,771)	4,079,752
Plan fiduciary net position - beginning	64,697,112	59,651,267	61,399,038	57,319,286
Plan fiduciary net position - ending (b)	$ 70,110,683	$ 64,697,112	$ 59,651,267	$ 61,399,038
City's net pension liability - ending (a) - (b)	$ 22,747,167	$ 21,800,224	$ 25,223,851	$ 19,667,695
Plan fiduciary net position as a percentage of the total pension liability	75.50%	74.80%	70.28%	75.74%
Covered payroll	$ 25,394,265	$ 25,117,322	$ 24,044,603	$ 23,529,213
City's net pension liability as a percentage of covered payroll	89.58%	86.79%	104.90%	83.59%

Notes to the Schedule:

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

CITY OF ROME, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	2018	2017	2016	2015
Actuarially determined contribution	$ 3,127,262	$ 3,155,064	$ 2,918,508	$ 3,007,137
Contributions in relation to the actuarially determined contribution	3,482,251	3,164,134	3,066,825	3,067,144
Contribution deficiency (excess)	$ (354,989)	$ (9,070)	$ (148,317)	$ (60,007)
Covered payroll	$ 25,117,322	$ 24,044,603	$ 23,529,213	$ 24,044,603
Contributions as a percentage of covered payroll	13.86%	13.16%	13.03%	12.76%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	July 1, 2017
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost-of-living Adjustment	2.75% for Class 5; 0.00% otherwise
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective period of 11 years

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

CITY OF ROME, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
OPEB HEALTHCARE BENEFIT PLAN
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS

	2018
Total OPEB liability	
Service cost	$ 289,143
Interest on total OPEB liability	598,669
Difference between expected and actual experience	392,046
Changes of assumptions and other inputs	742,860
Benefit payments	(978,573)
Net change in total OPEB liability	1,044,145
Total OPEB liability - beginning	16,322,549
Total OPEB liability - ending	$ 17,366,694
Covered payroll	$ 25,070,957
Total OPEB liability as a percentage of covered-employee payroll	69.3%

Notes to the Schedule:

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

The City is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

NONMAJOR GOVERNMENTAL FUNDS
COMBINED STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

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

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

NONMAJOR GOVERNMENTAL FUNDS – Continued

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

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

CITY OF ROME, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2018

	Nonmajor Governmental Funds		
	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds (Entitlement Fund)	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 2,253,801	$ 2	$ 2,253,803
Taxes receivable, net of allowance for uncollectibles	-	-	-
Accounts receivable, net of allowance for uncollectibles	76,432	-	76,432
Accounts receivable loans	114,176	-	114,176
Due from other funds	11,123	-	11,123
Due from other governments	27,070	14,201	41,271
Total assets	$ 2,482,602	$ 14,203	$ 2,496,805
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 8,869	$ 643	$ 9,512
Accrued liabilities	9,644	-	9,644
Due to component unit	21,514	-	21,514
Due to other governments	16,964	-	16,964
Due to other funds	15,189	13,558	28,747
Total liabilities	72,180	14,201	86,381
FUND BALANCES			
Restricted for:			
Revolving loans and housing initiatives	869,158	-	869,158
Planning and zoning activities	144,160	-	144,160
Tourism & forum promotion	1,132,003	-	1,132,003
Capital improvements	111,962	2	111,964
Forum parking deck operations	109,168	-	109,168
Assigned for:			
Community development operations	43,971	-	43,971
Total fund balances	2,410,422	2	2,410,424
TOTAL LIABILITIES AND FUND BALANCES	$ 2,482,602	$ 14,203	$ 2,496,805

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	Nonmajor Governmental Funds		
	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds (Entitlement Fund)	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	$ 319,714	$ 331,949	$ 651,663
Charges for services	148,010	-	148,010
Taxes	1,497,588	-	1,497,588
Interest earned	19,368	-	19,368
Miscellaneous	96,998	-	96,998
TOTAL REVENUES	2,081,678	331,949	2,413,627
EXPENDITURES			
Community development	724,889	-	724,889
Public facilities	813,750	-	813,750
Capital outlay	-	331,949	331,949
Debt service:			
Principal	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	1,538,639	331,949	1,870,588
EXCESS OF REVENUES OVER EXPENDITURES	543,039	-	543,039
OTHER FINANCING SOURCES AND USES			
Transfers in	318,099	-	318,099
Transfers out	(569,207)	-	(569,207)
	(251,108)	-	(251,108)
NET CHANGE IN FUND BALANCES	291,931	-	291,931
FUND BALANCES - BEGINNING OF YEAR	2,118,491	2	2,118,493
FUND BALANCES - END OF YEAR	$ 2,410,422	$ 2	$ 2,410,424

CITY OF ROME, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
December 31, 2018

	Special Revenue Funds					Total
	Community Development Fund	Planning Commission Fund	Hotel/Motel Tax Fund	Business Improvement District Fund	Forum Parking Deck Fund	Nonmajor Special Revenue Funds
ASSETS						
Cash	$ 802,277	$ 133,173	$ 1,094,049	$ 110,623	$ 113,679	$ 2,253,801
Taxes receivable, net of allowance for uncollectibles	-	-	-	-	-	-
Accounts receivable, net of allowance for uncollectibles	-	-	76,432	-	-	76,432
Accounts receivable loans	114,176	-	-	-	-	114,176
Due from other funds	8,212	2,490	-	-	421	11,123
Due from other governments	476	24,588	-	1,706	300	27,070
Total assets	$ 925,141	$ 160,251	$ 1,170,481	$ 112,329	$ 114,400	$ 2,482,602
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 774	$ 3,537	$ -	$ -	$ 4,558	$ 8,869
Accrued liabilities	3,120	5,850	-	-	674	9,644
Due to component unit	-	-	21,514	-	-	21,514
Due to other governments	-	-	16,964	-	-	16,964
Due to other funds	8,118	6,704	-	367	-	15,189
Total liabilities	12,012	16,091	38,478	367	5,232	72,180
FUND BALANCES						
Restricted for:						
Revolving loans and housing initiatives	869,158	-	-	-	-	869,158
Planning and zoning activities		144,160	-	-	-	144,160
Tourism & forum promotion	-	-	1,132,003	-	-	1,132,003
Capital improvements	-	-	-	111,962	-	111,962
Forum parking deck operations	-	-	-	-	109,168	109,168
Assigned for:						
Community development operations	43,971	-	-	-	-	43,971
Total fund balances	913,129	144,160	1,132,003	111,962	109,168	2,410,422
TOTAL LIABILITIES AND FUND BALANCES	$ 925,141	$ 160,251	$ 1,170,481	$ 112,329	$ 114,400	$ 2,482,602

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, 2018

	Special Revenue Funds					Total
	Community Development Fund	Planning Commission Fund	Hotel/Motel Tax Fund	Business Improvement District Fund	Forum Parking Deck Fund	Nonmajor Special Revenue Funds
REVENUES						
Intergovernmental	$ 49,375	$ 270,339	$ -	$ -	$ -	$ 319,714
Charges for services	105	10,795	-	34,474	102,636	148,010
Taxes	-	-	1,426,766	70,822	-	1,497,588
Interest earned	5,755	797	11,758	515	543	19,368
Miscellaneous	96,998	-	-	-	-	96,998
TOTAL REVENUES	152,233	281,931	1,438,524	105,811	103,179	2,081,678
EXPENDITURES						
Community development	151,453	483,619	-	89,817	-	724,889
Public facilities	-	-	752,404	-	61,346	813,750
TOTAL EXPENDITURES	151,453	483,619	752,404	89,817	61,346	1,538,639
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	780	(201,688)	686,120	15,994	41,833	543,039
OTHER FINANCING SOURCES (USES)						
Transfers in	128,049	190,050	-	-	-	318,099
Transfers out	-	(42,636)	(502,571)	-	(24,000)	(569,207)
TOTAL OTHER FINANCING SOURCES (USES)	128,049	147,414	(502,571)	-	(24,000)	(251,108)
NET CHANGE IN FUND BALANCES	128,829	(54,274)	183,549	15,994	17,833	291,931
FUND BALANCES - BEGINNING OF YEAR	784,300	198,434	948,454	95,968	91,335	2,118,491
FUND BALANCES - END OF YEAR	$ 913,129	$ 144,160	$ 1,132,003	$ 111,962	$ 109,168	$ 2,410,422

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, 2018

	Community Development			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 373,500	$ 373,500	$ 49,375	$ (324,125)
Charges for services	-	-	105	105
Interest earned	500	500	5,755	5,255
Miscellaneous	-	-	96,998	96,998
Total revenues	374,000	374,000	152,233	(221,767)
EXPENDITURES				
Community development	506,330	506,330	151,453	354,877
Total expenditures	506,330	506,330	151,453	354,877
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(132,330)	(132,330)	780	133,110
OTHER FINANCING SOURCES (USES)				
Transfers in	150,000	150,000	128,049	(21,951)
Transfers out	(17,670)	(17,670)	-	17,670
Total other financing sources (uses)	132,330	132,330	128,049	(4,281)
NET CHANGE IN FUND BALANCE	-	-	128,829	128,829
FUND BALANCE, BEGINNING OF YEAR	784,300	784,300	784,300	-
FUND BALANCE, END OF YEAR	$ 784,300	$ 784,300	$ 913,129	$ 128,829

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, 2018

	Planning Commission			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 282,570	$ 282,570	$ 270,339	$ (12,231)
Charges for services	9,500	9,500	10,795	1,295
Interest earned	520	520	797	277
Total revenues	292,590	292,590	281,931	(10,659)
EXPENDITURES				
Community development	562,640	562,640	483,619	79,021
Total expenditures	562,640	562,640	483,619	79,021
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(270,050)	(270,050)	(201,688)	68,362
OTHER FINANCING SOURCES (USES)				
Transfers in	190,050	190,050	190,050	-
Transfers out	(35,000)	(35,000)	(42,636)	(7,636)
Total other financing sources (uses)	155,050	155,050	147,414	(7,636)
NET CHANGE IN FUND BALANCE	(115,000)	(115,000)	(54,274)	60,726
FUND BALANCE, BEGINNING OF YEAR	198,434	198,434	198,434	-
FUND BALANCE, END OF YEAR	$ 83,434	$ 83,434	$ 144,160	$ 60,726

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, 2018

	Hotel/Motel Tax			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 1,440,000	$ 1,440,000	$ 1,426,766	$ (13,234)
Interest earned	-	-	11,758	11,758
Total revenues	1,440,000	1,440,000	1,438,524	(1,476)
EXPENDITURES				
Public facilities	919,000	919,000	752,404	166,596
Total expenditures	919,000	919,000	752,404	166,596
EXCESS OF REVENUES OVER EXPENDITURES	521,000	521,000	686,120	165,120
OTHER FINANCING USES				
Transfers out	(521,000)	(521,000)	(502,571)	(18,429)
Total other financing uses	(521,000)	(521,000)	(502,571)	(18,429)
NET CHANGE IN FUND BALANCE	-	-	183,549	183,549
FUND BALANCE, BEGINNING OF YEAR	948,454	948,454	948,454	-
FUND BALANCE, END OF YEAR	$ 948,454	$ 948,454	$ 1,132,003	$ 183,549

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, 2018

	Business Improvement District			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 36,000	$ 36,000	$ 34,474	$ (1,526)
Taxes	57,000	57,000	70,822	13,822
Interest earned	-	-	515	515
Total revenues	93,000	93,000	105,811	12,811
EXPENDITURES				
Community development	93,000	93,000	89,817	3,183
Total expenditures	93,000	93,000	89,817	3,183
NET CHANGE IN FUND BALANCE	-	-	15,994	15,994
FUND BALANCE, BEGINNING OF YEAR	95,968	95,968	95,968	-
FUND BALANCE, END OF YEAR	$ 95,968	$ 95,968	$ 111,962	$ 15,994

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, 2018

	Forum Parking Deck			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 90,000	$ 90,000	$ 102,636	$ 12,636
Interest earned	250	250	543	293
Total revenues	90,250	90,250	103,179	12,929
EXPENDITURES				
Public facilities	66,250	66,250	61,346	4,904
Total expenditures	66,250	66,250	61,346	4,904
EXCESS OF REVENUES OVER EXPENDITURES	24,000	24,000	41,833	17,833
OTHER FINANCING USES				
Transfers out	(24,000)	(24,000)	(24,000)	-
Total other financing uses	(24,000)	(24,000)	(24,000)	-
NET CHANGE IN FUND BALANCE	-	-	17,833	17,833
FUND BALANCE, BEGINNING OF YEAR	91,335	91,335	91,335	-
FUND BALANCE, END OF YEAR	$ 91,335	$ 91,335	$ 109,168	$ 17,833

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, 2018

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	2,363,838	2,363,838	-	2,363,838	100%
Redmond Road Turn Lane	1,470,000	1,610,572	1,610,572	-	1,610,572	100%
Fire Training Facility	500,000	547,555	547,555	-	547,555	100%
Turner McCall Bridge	2,000,000	2,000,000	-	-	-	0%
River Education Center	834,825	917,605	917,605	-	917,605	100%
South Broad Corridor	2,000,000	2,128,347	2,128,347	-	2,128,347	100%
North Rome Swim Center	530,000	512,621	512,621	-	512,621	100%
New Tennis Courts	600,000	702,853	702,853	-	702,853	100%
City Park Practice Fields	200,000	174,908	174,908	-	174,908	100%
Town Green	1,690,000	1,684,818	1,684,818	-	1,684,818	100%
City Hall/Carnegie Repairs	1,500,000	1,131,220	1,131,220	-	1,131,220	100%
	25,859,825	25,689,722	23,689,722	-	23,689,722	

continued

CITY OF ROME, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
December 31, 2018

Project	Total Allocated Splost Costs (Unaudited)	Total Allocated Splost Costs Adjusted (Unaudited)	Expenditures			Estimated Percentage of Completion (Unaudited)
			Prior Years	Current Year	Total	
2013 SPLOST						
Tennis Center	$ 11,400,000	$ 11,424,000	$ 11,358,984	$ 64,462	$ 11,423,446	100%
Chulio Hills Back Entrance for Bus	800,000	800,000	59,387	141,258	200,645	25%
Trail Connectivity Expansion	1,800,000	1,800,000	84,169	274,452	358,621	20%
Fire Equipment & Fire Facility Improvements	750,000	750,000	345,886	-	345,886	46%
Police Training Facility Improvements	396,000	397,338	397,338	-	397,338	100%
City Hall Auditorium Modernization	1,700,000	2,102,320	2,102,320	-	2,102,320	100%
City Street Milling and Paving	500,000	500,000	445,765	54,235	500,000	100%
Unity Point/South Broad Bridge Renovations	1,800,000	1,542,458	-	-	-	0%
Jackson Hill Fort Norton Renovation	200,000	245,883	219,300	26,583	245,883	100%
Downtown Visitor Information Center	50,000	50,000	50,000	-	50,000	100%
Sewer Improvements	1,000,000	1,000,001	1,000,001	-	1,000,001	100%
Burnett Ferry Road	2,721,000	2,505,000	1,703,172	801,569	2,504,741	100%
Playground Improvements	500,000	500,000	476,129	1,909	478,038	96%
	23,617,000	23,617,000	18,242,451	1,364,468	19,606,919	
Total Projects	$ 51,926,825	$ 52,175,638	$ 44,405,462	$ 1,364,468	$ 45,769,930	
Fire Station Renovations (Floyd County SPLOST)			578,604	-	578,604	
Burnett Ferry			55,597	-	55,597	
Total SPLOST Expenditures			$ 45,039,663	$ 1,364,468	$ 46,404,131	

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

Special Purpose Local Option Sales Tax Fund	
Total Expenditures	$ 4,488,868
Debt Service Expenditures	(3,124,400)
	$ 1,364,468

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.
Tennis Center Fund -	to account for the activities related to the tennis center operations.

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2018

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
ASSETS							
Current Assets:							
Cash and cash equivalents	$ 547,636	$ 757,607	$ 554,823	$ 101,888	$ 1,850,260	$ 63,240	$ 3,875,454
Restricted cash	-	-	-	-	348,064	-	348,064
Accounts receivable, net of allowance for uncollectibles	2,783	-	267,995	785	-	3,233	274,796
Due from other governments	1,121,338	-	-	-	-	5,000	1,126,338
Due from other funds	144,126	10,145	5,820	161,563	265	-	321,919
Prepaid items	-	-	-	9,167	-	4,000	13,167
Inventories	272,186	-	-	12,355	-	42,551	327,092
Total current assets	2,088,069	767,752	828,638	285,758	2,198,589	118,024	6,286,830
Non-current Assets:							
Capital assets:							
Non-depreciable assets	394,683	-	-	4,609,653	550,000	489,150	6,043,486
Depreciable assets, net of accumulated depreciation	2,779,883	44,703	878,903	137,459	174,754	11,303,895	15,319,597
Total non-current assets	3,174,566	44,703	878,903	4,747,112	724,754	11,793,045	21,363,083
TOTAL ASSETS	5,262,635	812,455	1,707,541	5,032,870	2,923,343	11,911,069	27,649,913
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charge on refunding	-	-	-	120,472	-	-	120,472
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	120,472	-	-	120,472

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
December 31, 2018

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
LIABILITIES							
Current Liabilities:							
Revenue bonds, current	$ -	$ -	$ -	$ 365,000	$ -	$ -	$ 365,000
Accounts payable	30,275	2,089	58,048	30,471	498	17,034	138,415
Accrued liabilities	70,473	11,585	55,128	73,675	-	26,659	237,520
Unearned revenue	-	-	-	43,796	11,729	-	55,525
Due to other funds	212,568	15,510	183,419	12	50,560	4,557	466,626
Compensated absences, current	66,277	28,536	88,866	-	-	-	183,679
Total current liabilities	379,593	57,720	385,461	512,954	62,787	48,250	1,446,765
Long-term Liabilities:							
Revenue bonds, long-term, net	-	-	-	2,065,517	-	-	2,065,517
Advances due to Capital Fund	-	-	595,829	-	-	-	595,829
Compensated absences, long term	23,426	9,512	29,622	-	-	-	62,560
Total long-term liabilities	23,426	9,512	625,451	2,065,517	-	-	2,723,906
TOTAL LIABILITIES	403,019	67,232	1,010,912	2,578,471	62,787	48,250	4,170,671
NET POSITION							
Net investment in capital assets	3,174,566	44,703	878,903	2,437,067	724,754	11,793,045	19,053,038
Unrestricted	1,685,050	700,520	(182,274)	137,804	2,135,802	69,774	4,546,676
TOTAL NET POSITION	$ 4,859,616	$ 745,223	$ 696,629	$ 2,574,871	$ 2,860,556	$ 11,862,819	$ 23,599,714

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, 2018

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
OPERATING REVENUES							
Charges for services	$ 1,688,522	$ 1,017,967	$ 2,228,682	$ 951,700	$ 133,080	$ 372,844	$ 6,392,795
Miscellaneous	896	4,609	2,029	23,484	6,654	-	37,672
TOTAL OPERATING REVENUES	1,689,418	1,022,576	2,230,711	975,184	139,734	372,844	6,057,623
OPERATING EXPENSES							
Cost of goods sold	-	-	-	86,620	-	45,496	132,116
Salaries and employee benefits	2,356,114	659,137	2,081,422	487,638	-	-	5,584,311
Supplies	393,308	32,249	267,511	109,592	49,287	-	851,947
Maintenance and repairs	78,142	3,102	169,015	47,488	10,694	-	308,441
Operating services and charges	562,982	46,213	647,432	310,747	60,061	755,194	2,382,629
Depreciation	643,215	17,023	421,164	48,933	209,704	256,893	1,596,932
TOTAL OPERATING EXPENSES	4,033,761	757,724	3,586,544	1,091,018	329,746	1,057,583	10,856,376
OPERATING INCOME (LOSS)	(2,344,343)	264,852	(1,355,833)	(115,834)	(190,012)	(684,739)	(4,425,909)
NON-OPERATING INCOME (EXPENSE)							
Intergovernmental	899,450	45,618	-	-	-	-	945,068
Interest income	11,828	6,073	4,022	1,065	26,621	305	49,914
Interest expense	-	-	(12,403)	(104,690)	-	-	(117,093)
Gain (loss) on sale of capital assets	7,403	3,261	(2,672)	143	-	-	8,135
TOTAL NON-OPERATING INCOME (EXPENSE)	918,681	54,952	(11,053)	(103,482)	26,621	305	886,024
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(1,425,662)	319,804	(1,366,886)	(219,316)	(163,391)	(684,434)	(3,539,885)

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, 2018

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
Transfers in	$ 497,313	$ -	$ 1,430,000	$ 565,000	$ -	$ 359,818	$ 2,852,131
Transfers out	(341,827)	(75,214)	(234,498)	-	-	(42,900)	(694,439)
Capital contributions	1,241,650	-	-	-	-	55,761	1,297,411
	1,397,136	(75,214)	1,195,502	565,000	-	372,679	3,455,103
CHANGE IN NET POSITION	(28,526)	244,590	(171,384)	345,684	(163,391)	(311,755)	(84,782)
NET POSITION - BEGINNING OF YEAR	4,888,142	500,633	868,013	2,229,187	3,023,947	12,174,574	23,684,496
NET POSITION - END OF YEAR	$ 4,859,616	$ 745,223	$ 696,629	$ 2,574,871	$ 2,860,556	$ 11,862,819	$ 23,599,714

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2018

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	$ 715,118	$ 1,022,576	$ 2,241,773	$ 973,527	$ 139,903	$ 417,400	$ 5,510,297
Receipts from interfund services provided	122,136	4,016	68,656	40,050	18,557	2,495	255,910
Payments to suppliers	(998,354)	(83,058)	(1,069,540)	(573,999)	(122,431)	(793,648)	(3,641,030)
Payments to employees	(2,358,434)	(649,961)	(2,068,935)	(487,638)	-	-	(5,564,968)
Net cash provided (used) by operating activities	(2,519,534)	293,573	(828,046)	(48,060)	36,029	(373,753)	(3,439,791)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfer from other funds	497,313	-	1,430,000	565,000	-	359,818	2,852,131
Transfer to other funds	(341,827)	(75,214)	(234,498)	-	-	(42,900)	(694,439)
Advances from other funds	-	-	128,514	-	-	-	128,514
Repayment of advances from other funds	-	-	(313,450)	-	-	-	(313,450)
Intergovernmental revenue	-	45,618	-	-	-	-	45,618
Subsidy from federal grant	899,450	-	-	-	-	-	899,450
Net cash provided (used) by noncapital financing activities	1,054,936	(29,596)	1,010,566	565,000	-	316,918	2,917,824
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital contributions	1,241,650	-	-	-	-	-	1,241,650
Purchases of capital assets	(822,928)	-	(155,846)	144	-	-	(978,630)
Proceeds from the sale of capital assets	7,403	3,261	-	-	-	-	10,664
Principal paid on capital debt	-	-	-	(350,000)	-	-	(350,000)
Interest paid on capital debt	-	-	(12,403)	(104,690)	-	-	(117,093)
Net cash provided (used) by capital and related financing activities	426,125	3,261	(168,249)	(454,546)	-	-	(193,409)

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2018

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	$ 11,828	$ 6,073	$ 4,022	$ 1,065	$ 26,621	$ 305	$ 49,914
Net cash provided by investing activities	11,828	6,073	4,022	1,065	26,621	305	49,914
Net increase (decrease) in cash and cash equivalents	(1,026,645)	273,311	18,293	63,459	62,650	(56,530)	(665,462)
Cash and cash equivalents, January 1	1,574,281	484,296	536,530	38,429	2,135,674	119,770	4,888,980
Cash and cash equivalents, December 31	$ 547,636	$ 757,607	$ 554,823	$ 101,888	$ 2,198,324	$ 63,240	$ 4,223,518
Reconciliation of Cash and Cash Equivalents:							
Cash and cash equivalents	$ 547,636	$ 757,607	$ 554,823	$ 101,888	$ 1,850,260	$ 63,240	$ 3,875,454
Cash and cash equivalents - restricted	-	-	-	-	348,064	-	348,064
Total cash and cash equivalents	$ 547,636	$ 757,607	$ 554,823	$ 101,888	$ 2,198,324	$ 63,240	$ 4,223,518

continued

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY - ENTERPRISE FUNDS
For the Year Ended December 31, 2018

	Transit Fund	Building Inspection Fund	Solid Waste Management Fund	Municipal Golf Fund	Public Facilities Fund	Tennis Center Fund	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	$ (2,344,343)	$ 264,852	$ (1,355,833)	$ (115,834)	$ (190,012)	$ (684,739)	$ (4,425,909)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	643,215	17,023	421,164	48,933	209,704	256,893	1,596,932
Amortization expense	-	-	-	7,835	-	-	7,835
(Increase) decrease in accounts receivable	(2,783)	-	11,062	(785)	-	16,852	24,346
(Increase) decrease in due from other governments	(971,517)	-	-	-	-	27,704	(943,813)
(Increase) decrease in due from other funds	(76,976)	(6,134)	(5,820)	39,988	(265)	-	(49,207)
Increase in due from component unit	-	-	-	(2,350)	-	-	(2,350)
Increase in prepaid items	-	-	-	-	-	(4,000)	(4,000)
(Increase) decrease in inventories	(1,516)	-	-	(4,374)	-	3,013	(2,877)
Increase (decrease) in accounts payable and accrued liabilities	37,594	3,126	14,418	(20,613)	(2,389)	8,029	40,165
(Increase) decrease in compensated absences payable	(2,320)	9,176	12,487	-	-	-	19,343
(Increase) decrease in unearned revenue	-	-	-	(872)	169	-	(703)
Decrease in due to other governments	-	(4,620)	-	-	-	-	(4,620)
Increase in due to other funds	199,443	10,150	74,476	12	18,822	2,495	305,398
Decrease in due to component unit	(331)	-	-	-	-	-	(331)
Total adjustments	(175,191)	28,721	527,787	67,774	226,041	310,986	986,118
Net cash provided (used) by operating activities	$ (2,519,534)	$ 293,573	$ (828,046)	$ (48,060)	$ 36,029	$ (373,753)	$ (3,439,791)
Schedule of noncash capital and related financing activities:							
Capital contributions	$ -	$ -	$ -	$ -	$ -	$ 55,761	$ 55,761

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, 2018

	Health Insurance Fund	Workers' Compensation Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,541,063	$ 1,560,938	$ 4,102,001
Accounts receivable, net	170	-	170
Due from other funds	344,071	-	344,071
Due from other governments	-	109,439	109,439
Due from component unit	7,786	-	7,786
Prepaid items	5,105	-	5,105
Total current assets:	2,898,195	1,670,377	4,568,572
Non-current assets:			
Advances due from other funds	601,752	-	601,752
Total non-current assets:	601,752	-	601,752
TOTAL ASSETS	3,499,947	1,670,377	5,170,324
LIABILITIES			
Current Liabilities			
Accounts payable	14,047	49,448	63,495
Accrued liabilities	1,927	-	1,927
Due to other funds	133	-	133
Claims payable	425,000	250,000	675,000
TOTAL LIABILITIES	441,107	299,448	740,555
NET POSITION			
Unrestricted	3,058,840	1,370,929	4,429,769
TOTAL NET POSITION	$ 3,058,840	$ 1,370,929	$ 4,429,769

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2018

	Health Insurance Fund	Workers' Compensation Fund	Total
OPERATING REVENUES			
Charges for services	$ 6,815,727	$ 1,370,604	$ 8,186,331
TOTAL OPERATING REVENUES	6,815,727	1,370,604	8,186,331
OPERATING EXPENSES			
Salaries and employee benefits	107,393	-	107,393
Other services and charges	988,429	656,517	1,644,946
Claims	4,676,822	442,428	5,119,250
Administrative fees	324,931	31,950	356,881
TOTAL OPERATING EXPENSES	6,097,575	1,130,895	7,228,470
OPERATING INCOME	718,152	239,709	957,861
NON-OPERATING INCOME			
Intergovernmental	-	192,036	192,036
Interest income	53,413	14,336	67,749
CHANGE IN NET POSITION	771,565	446,081	1,217,646
NET POSITION - BEGINNING OF YEAR	2,287,275	924,848	3,212,123
NET POSITION - END OF YEAR	$ 3,058,840	$ 1,370,929	$ 4,429,769

CITY OF ROME, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2018

	Health Insurance Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 6,816,283	$ 1,314,577	$ 8,130,860
Payments for interfund services provided	(142,813)	-	(142,813)
Payments to suppliers	(1,327,541)	(652,013)	(1,979,554)
Payments to employees	(107,393)	-	(107,393)
Claims paid	(4,751,822)	(467,428)	(5,219,250)
Net cash provided by operating activities	486,714	195,136	681,850
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Repayment of advances to other funds	150,000	-	150,000
Net cash provided by capital financing activities	150,000	-	150,000
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Intergovernmental revenue	-	192,036	192,036
Net cash provided by non capital financing activities	-	192,036	192,036
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	53,413	14,336	67,749
Net cash provided by investing activities	53,413	14,336	67,749
Net increase in cash and cash equivalents	690,127	401,508	1,091,635
Cash and cash equivalents, January 1	1,850,936	1,159,430	3,010,366
Cash and cash equivalents, December 31	$ 2,541,063	$ 1,560,938	$ 4,102,001
Reconciliation of operating income to net cash provided by operating activities			
Operating income	$ 718,152	$ 239,709	$ 957,861
Adjustments to reconcile operating income to net cash provided by operating activities:			
Decrease in accounts receivable	556	-	556
(Increase) decrease in due from other funds	(130,721)	12,225	(118,496)
Increase in due from other governments	-	(68,252)	(68,252)
Increase (decrease) in accounts and claims payable	(89,181)	11,454	(77,727)
Decrease in due to other funds	(12,092)	-	(12,092)
Total adjustments	(231,438)	(44,573)	(276,011)
Net cash provided by operating activities	$ 486,714	$ 195,136	$ 681,850

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, 2018

	Greater Rome Convention & Visitors Bureau
ASSETS	
Cash	$ 131,148
Accounts Receivable, net of allowance	4,832
Due from other governments	12,165
Due from primary government	22,867
Total assets	$ 171,012
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 12,772
Accrued liabilities	9,777
Due to primary government	9,430
Total liabilities	31,979
FUND BALANCE	
Unrestricted	139,033
Total fund balance	139,033
TOTAL LIABILITIES AND FUND	$ 171,012

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, 2018

	Greater Rome Convention & Visitors Visitors Bureau
REVENUES	
Intergovernmental	$ 655,715
Charges for services	32,264
Contributions	108,602
TOTAL REVENUES	796,581
EXPENDITURES	
Personal services	449,868
Supplies	32,053
Other services and charges	283,350
TOTAL EXPENDITURES	765,271
NET CHANGE IN FUND BALANCE	31,310
FUND BALANCE - BEGINNING OF YEAR	107,723
FUND BALANCE - END OF YEAR	$ 139,033

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	$ 109,793	$ 117,293	$ 125,089	$ 124,859	$ 122,991	$ 132,207	$ 137,041	$ 127,674	$ 134,594	$ 141,661
Restricted	745	741	3,255	3,696	3,459	5,986	20,178	14,192	14,147	15,727
Unrestricted	20,075	19,618	16,251	15,538	16,636	16,423	(16,833)	(4,232)	(15,664)	(17,815)
Total governmental activities net position	$ 130,613	$ 137,652	$ 144,595	$ 144,093	$ 143,086	$ 154,616	$ 140,386	$ 137,634	$ 133,077	$ 139,573
Business - type activities										
Net investment in capital assets	$ 120,303	$ 122,951	$ 128,164	$ 131,764	$ 134,833	$ 136,590	$ 139,466	$ 152,422	$ 155,279	$ 157,536
Restricted	355	368	372	377	942	698	1,572	1,082	1,025	786
Unrestricted	2,123	5,011	5,957	7,031	7,829	12,724	16,306	21,980	25,110	29,499
Total business - type activities net position	$ 122,781	$ 128,330	$ 134,493	$ 139,172	$ 143,604	$ 150,012	$ 157,344	$ 175,484	$ 181,414	$ 187,821
Primary government										
Net investment in capital assets	$ 230,096	$ 240,244	$ 253,253	$ 256,623	$ 257,824	$ 268,797	$ 276,507	$ 280,096	$ 289,873	$ 299,197
Restricted	1,100	1,109	3,627	4,073	4,401	6,684	21,750	15,274	15,172	16,513
Unrestricted	22,198	24,629	22,208	22,569	24,465	29,147	(527)	17,748	9,446	11,684
Total primary government net position	$ 253,394	$ 265,982	$ 279,088	$ 283,265	$ 286,690	$ 304,628	$ 297,730	$ 313,118	$ 314,491	$ 327,394

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Governmental activities:										
General government	$ 3,459	$ 3,726	$ 4,504	$ 3,651	$ 3,701	$ 4,037	$ 5,643	$ 7,475	$ 7,349	$ 11,044
Public safety	8,330	7,659	7,167	7,393	7,546	7,706	7,850	7,637	7,988	7,968
Public Works	9,902	8,881	10,441	10,850	11,781	10,731	10,626	4,164	4,208	6,422
Public Facilities	1,259	1,381	1,419	1,916	1,516	1,589	1,356	1,432	1,509	1,593
Public Services	447	397	514	431	448	468	449	424	529	510
Community Development	1,088	1,759	1,315	1,217	2,113	1,136	1,079	1,095	1,304	6,042
Education	1,183	1,185	1,275	1,466	1,463	1,458	1,425	1,682	1,722	1,919
Interest on debt	369	241	153	274	538	474	933	520	454	517
Total governmental activities expenses	26,037	25,229	26,788	27,198	29,106	27,599	29,361	24,429	25,063	36,015
Business - type activities:										
Water and Sewer	17,631	17,279	18,187	18,156	17,501	17,852	17,220	17,415	17,620	17,427
Fire	10,247	10,249	10,645	12,748	11,959	11,500	11,167	11,068	11,295	11,302
Solid Waste Commission	2,466	1,988	2,076	3,093	1,899	2,267	1,483	2,214	2,287	2,791
Transit	2,970	3,092	3,120	3,589	3,734	3,464	3,574	3,531	3,844	4,034
Building Inspection	774	839	853	782	755	690	624	687	759	758
Solid Waste Management	3,463	3,304	3,503	3,551	3,495	3,513	3,353	3,339	3,557	3,599
Municipal Golf Fund	1,294	1,256	1,158	1,163	1,242	1,309	1,250	1,266	1,250	1,196
Public Facilities	408	394	460	388	364	319	324	333	332	330
Tennis Center	-	-	-	-	-	1	8	553	1,073	1,057
Total business - type activities expenses	39,253	38,401	40,002	43,470	40,949	40,915	39,003	40,406	42,017	42,494
Total primary government expense:	$ 65,290	$ 63,630	$ 66,790	$ 70,668	$ 70,055	$ 68,514	$ 68,364	$ 64,835	$ 67,080	$ 78,509
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	$ 1,879	$ 1,880	$ 1,992	$ 2,063	$ 2,078	$ 2,191	$ 2,270	$ 2,413	$ 2,421	$ 2,406
Public Safety	1,667	1,581	1,302	1,244	1,358	1,176	1,260	1,219	1,129	887
Community Development	258	258	122	131	134	117	117	149	147	148
Operating grants and contributions	1,123	711	881	871	943	862	707	849	1,089	663
Capital grants and contributions	7,580	11,259	14,201	7,054	6,556	16,662	13,886	6,589	6,752	13,283
Total governmental activities program revenues	12,507	15,689	18,498	11,363	11,069	21,008	18,240	11,219	11,538	17,387
Business - type activities:										
Charges for services:										
Water and Sewer	19,856	21,403	21,408	21,975	21,960	23,446	23,248	24,519	24,200	24,519
Fire	5,318	5,351	5,403	5,530	5,607	5,792	5,889	6,137	6,319	6,402
Solid Waste Commission	2,936	2,550	2,439	2,377	2,454	2,468	2,763	2,721	3,016	3,274
Transit	1,456	1,397	1,403	1,458	1,492	1,509	1,671	1,678	1,665	1,689
Building Inspection	1,038	702	797	693	615	726	783	970	836	1,023
Solid Waste Management	1,521	1,653	1,829	1,923	1,913	2,041	2,079	2,126	2,211	2,231
Municipal Golf Fund	760	801	795	1,024	963	977	918	1,019	961	975
Public Facilities	694	694	694	694	694	694	694	322	138	140
Tennis Center	-	-	-	-	-	-	-	136	323	373
Operating grants and contributions	517	708	744	1,618	1,243	1,077	944	954	969	945
Capital grants and contributions	1,165	1,034	2,924	895	1,359	1,028	957	516	1,133	1,465
Total business- type activities program revenues	35,261	36,293	38,436	38,187	38,300	39,758	39,946	41,098	41,771	43,036
Total primary government program revenue	$ 47,768	$ 51,982	$ 56,934	$ 49,550	$ 49,369	$ 60,766	$ 58,186	$ 52,317	$ 53,309	$ 60,423

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2017
Net (expense)/ revenue										
Governmental activities	$ (13,530)	$ (9,539)	$ (8,290)	$ (15,836)	$ (18,037)	$ (6,591)	$ (11,121)	$ (13,210)	$ (13,525)	$ (18,628)
Business- type activities	(3,992)	(2,108)	(1,566)	(5,283)	(2,649)	(1,157)	943	692	(246)	542
Total primary government net expens	$ (17,522)	$ (11,647)	$ (9,856)	$ (21,119)	$ (20,686)	$ (7,748)	$ (10,178)	$ (12,518)	$ (13,771)	$ (18,086)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 9,662	$ 10,007	$ 9,749	$ 10,221	$ 10,074	$ 10,967	$ 11,790	$ 12,088	$ 13,055	$ 13,466
Sales taxes	6,128	5,980	6,162	6,232	5,590	5,762	5,320	5,682	5,675	5,963
Other taxes	7,085	7,188	7,147	7,211	7,294	7,788	8,109	8,446	8,800	9,658
Gain on Sale of Capital Assets	-	-	-	-	-	66	17	-	-	-
Interest Earnings	562	654	714	790	599	654	715	711	597	674
Miscellaneous	109	150	501	684	691	263	358	837	576	620
Transfers	(9,745)	(7,401)	(8,549)	(9,803)	(7,018)	(7,379)	(6,248)	(17,306)	(5,854)	(5,256)
Total governmental activities	13,801	16,578	15,724	15,335	17,230	18,121	20,061	10,458	22,849	25,125
Business- type activities:										
Gain on Sale of Capital Assets	27	50	109	82	-	110	55	26	25	47
Investment earnings	59	42	27	32	62	63	80	113	281	561
Miscellaneous	37	165	12	44	1	13	7	3	15	-
Transfers	9,745	7,401	8,549	9,803	7,018	7,379	6,248	17,306	5,854	5,256
Total business- type activities	9,868	7,658	8,697	9,961	7,081	7,565	6,390	17,448	6,175	5,864
Total primary governmen	$ 23,669	$ 24,236	$ 24,421	$ 25,296	$ 24,311	$ 25,686	$ 26,451	$ 27,906	$ 29,024	$ 30,989
Change in Net Position										
Governmental activities	$ 271	$ 7,038	$ 7,434	$ (502)	$ (807)	$ 11,530	$ 8,940	$ (2,752)	$ 9,324	$ 6,497
Business- type activities	5,876	5,549	7,131	4,679	4,432	6,408	7,333	18,140	5,929	6,406
Total primary governmen	$ 6,147	$ 12,587	$ 14,565	$ 4,177	$ 3,625	$ 17,938	$ 16,273	$ 15,388	$ 15,253	$ 12,903

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved	$ 856	$ 891	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	9,652	10,120	-	-	-	-	-	-	-	-
Nonspendable			216	792	763	735	705	721	743	745
Restricted			790	771	784	782	801	812	812	809
Assigned			-	25	-	-	-	520	-	-
Unassigned			10,661	11,012	11,260	12,101	12,667	15,230	17,598	19,332
Total General fund	$ 10,508	$ 11,011	$ -	$ 12,600	$ 12,807	$ 13,618	$ 14,173	$ 17,283	$ 19,153	$ 20,886
All other governmental funds										
Reserved	$ 5,284	$ 4,978	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	152	125	-	-	-	-	-	-	-	-
Capital projects funds	1,989	1,633	-	-	-	-	-	-	-	-
Nonspendable			* 2,828	2,221	2,365	-	-	-	-	-
Restricted			2,465	2,925	2,676	7,030	19,377	13,379	13,334	14,918
Assigned, reported in										
Special revenue funds			57	74	83	47	36	32	17	44
Capital projects funds			1,617	-	-	-	-	-	-	-
Unassigned			-	(165)	(226)	-	-	-	-	-
Total all other governmental funds	$ 7,425	$ 6,736	$ -	$ 5,055	$ 4,898	$ 7,077	$ 19,413	$ 13,411	$ 13,351	$ 14,962

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

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

	Fiscal Year									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Revenues										
Taxes	$ 22,358	$ 23,053	$ 23,069	$ 23,450	$ 23,010	$ 24,651	$ 24,882	$ 27,035	$ 27,606	$ 29,088
Licenses and permits	1,675	1,681	1,658	1,722	1,735	1,813	1,890	1,947	1,988	1,974
Intergovernmental	8,462	9,911	10,019	5,164	5,268	5,950	7,621	6,784	6,917	7,083
Charges for services	586	542	464	472	476	495	497	615	580	580
Fines/Forfeitures	1,543	1,496	1,294	1,244	1,358	1,176	1,260	1,219	1,129	887
Investment earnings	562	654	715	790	599	653	715	711	635	739
Miscellaneous	109	150	500	684	691	263	358	837	576	620
Total revenues	35,295	37,487	37,719	33,526	33,137	35,001	37,223	39,148	39,431	40,971
Expenditures										
General government	3,478	3,313	3,143	3,138	3,181	3,477	5,347	6,495	6,326	7,256
Public safety	7,523	7,414	7,222	7,122	7,372	7,397	7,659	7,243	7,630	7,864
Public works	5,586	5,430	5,670	5,623	5,577	5,614	5,447	5,390	5,348	5,421
Public facilities	959	1,023	1,007	1,035	1,039	1,116	1,128	1,205	1,246	1,318
Public services	391	379	388	407	433	442	436	419	514	515
Community development	1,072	1,126	1,135	1,204	1,163	1,120	1,081	1,078	1,291	6,048
Capital outlay	6,762	11,165	9,416	5,658	6,907	4,692	7,525	11,304	5,730	4,759
Debt service										
Principal	198	262	557	319	306	376	364	2,572	3,139	3,658
Interest	245	245	245	276	542	469	515	824	765	632
Bond Issuance Costs	-	-	-	-	-	-	245	-	-	-
Total expenditures	26,214	30,357	28,783	24,782	26,520	24,703	29,747	36,530	31,989	37,471
Excess of revenues over (under) expenditures	9,081	7,130	8,936	8,744	6,617	10,298	7,476	2,618	7,442	3,500

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other financing sources (uses)										
Transfers in	$ 2,019	$ 1,847	$ 2,672	$ 1,807	$ 1,903	$ 1,909	$ 3,532	$ 4,781	$ 4,405	$ 4,929
Transfers out	(11,764)	(9,248)	(11,221)	(11,610)	(8,922)	(9,288)	(9,780)	(10,398)	(10,113)	(10,186)
Proceeds from sale of bonds/notes	300	-	-	-	-	-	10,785	-	-	-
Premium on issuance of Long Term Debt	-	-	-	-	-	-	861	-	-	-
Capital leases	-	-	50	-	-	-	-	-	-	148
Notes payable	-	-	-	-	-	-	-	-	-	5,804
Discount on notes payable	-	-	-	-	-	-	-	-	-	(887)
Proceeds from sale of capital assets	13	85	449	80	452	70	17	107	75	36
Total other financing sources (uses)	(9,432)	(7,316)	(8,050)	(9,723)	(6,567)	(7,309)	5,415	(5,510)	(5,633)	(156)
Net change in fund balances	$ (351)	$ (186)	$ 886	$ (979)	$ 50	$ 2,989	$ 12,891	$ (2,892)	$ 1,809	$ 3,344
Debt service as a percentage of noncapital expenditures	2.3%	2.7%	4.0%	2.9%	3.8%	4.0%	4.8%	13.9%	16.4%	13.1%

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
2009	$ 9,372	$ 6,128	$ 3,192	$ 1,939	$ 861	$ 866	$ 22,358
2010	10,207	6,029	3,352	1,883	825	757	23,053
2011	10,047	6,162	3,553	1,703	812	792	23,069
2012	10,403	6,232	3,357	1,809	841	808	23,450
2013	10,612	5,590	3,236	1,873	855	844	23,010
2014	11,554	5,762	3,428	1,958	869	1,080	24,651
2015	11,844	5,320	3,445	2,092	862	1,319	24,882
2016	13,458	5,681	3,297	2,281	879	1,439	27,035
2017	13,630	5,675	3,220	2,435	867	1,779	27,606
2018	14,086	5,963	3,332	2,607	882	2,218	29,088
% change between 2009 & 2018	50.30%	-2.69%	4.39%	34.45%	2.44%	156.12%	30.10%

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
2009	$ 855,730,720	$ 188,100,111	$ 26,556,590	$ 77,936,110	$ 176,001	$ 1,148,499,532	$ (71,744,994)	$ 1,120,352,248	24.42	$ 2,800,880,620	40%
2010	829,091,871	185,601,135	25,503,243	68,205,850	172,014	1,108,574,113	(71,811,792)	1,078,630,642	26.15	2,696,576,605	40%
2011	816,351,825	186,162,190	28,265,457	69,194,300	192,965	1,100,166,737	(71,808,416)	1,062,672,937	26.15	2,656,682,342	40%
2012	815,093,673	185,918,089	28,265,457	70,303,830	170,110	1,099,751,159	(70,124,530)	1,045,889,201	26.15	2,614,723,003	40%
2013	810,347,679	189,949,428	29,001,905	76,515,750	180,990	1,105,995,752	(69,730,929)	1,050,919,941	26.15	2,627,299,853	40%
2014	811,586,270	198,147,609	31,601,367	66,616,670	174,465	1,108,126,381	(68,821,009)	1,053,960,998	26.15	2,634,902,495	40%
2015	834,527,447	199,255,502	33,184,031	47,340,010	165,982	1,114,472,972	(70,736,324)	1,056,420,392	26.14	2,641,050,980	40%
2016	836,127,575	208,975,968	32,000,019	35,162,930	154,808	1,112,421,300	(72,205,318)	1,053,828,111	27.54	2,634,570,278	40%
2017	857,637,052	219,269,723	30,456,372	26,087,700	136,582	1,133,587,429	(72,327,731)	1,076,721,213	27.54	2,691,803,033	40%
2018	882,516,219	237,497,031	31,659,637	19,438,420	129,037	1,171,240,344	(75,970,985)	1,119,487,012	27.54	2,798,717,530	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
2009	6.67	1.85	-	15.90	24.42	8.767		0.25	33.44
2010	6.80	1.90	-	17.45	26.15	8.767		0.25	35.17
2011	6.80	1.90	-	17.45	26.15	8.767		0.25	35.17
2012	6.80	1.90	-	17.45	26.15	8.767	*	0.20	35.12
2013	6.80	1.90	-	17.45	26.15	8.767		0.15	35.07
2014	6.80	1.90	-	17.45	26.15	8.767		0.10	35.02
2015	6.80	1.89	-	17.45	26.14	9.600		0.05	35.79
2016	8.15	1.94	-	17.45	27.54	9.600		-	37.14
2017	8.15	1.94	-	17.45	27.54	9.487		-	37.03
2018	8.15	1.94	-	17.45	27.54	9.480		-	37.02

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, 2018
(amounts expressed in thousands)

	2018			2009		
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	$ 33,221	1	2.84%	$ 34,609	1	3.01%
Southeastern Mills	26,412	2	2.26%	13,668	8	1.19%
Georgia Power Company	19,134	3	1.63%	13,570	4	1.18%
Walmart (All Locations)	17,029	4	1.45%	15,037	3	1.31%
Harbin Properties, LLC	16,158	5	1.38%	13,510	5	1.18%
GE Energy Parts	22,670	6	1.94%			
Keebler Company	12,753	7	1.09%	13,781	7	1.20%
River Root Partners LLC	9,719	8	0.83%	8,731	9	0.76%
Foss	12,433	9	1.06%			
Chp Rome GA Mob Owner (Floyd Medical/Taxable)	8,308	10	0.71%			
Larry Martin				15,107	2	1.32%
Bekaert Corporation				17,929	6	1.56%
Rome/Floyd County Development Authority				8,344	10	0.73%
Totals	$ 177,837		15.18%	$ 154,286		13.44%

Source-Floyd County Tax Assessor Office

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2009	$ 25,513	$ 22,395	87.8%	*	$ 1,368	$ 23,763	93.1%
2010	26,281	23,044	87.7%		1,311	24,355	92.7%
2011	25,709	22,690	88.3%		1,941	24,556	95.5%
2012	25,523	23,081	90.4%		1,882	24,963	97.8%
2013	25,597	23,437	91.6%		1,290	24,626	96.2%
2014	26,229	23,994	91.5%		1,927	25,921	98.8%
2015	27,219	24,690	90.7%		2,364	27,054	99.4%
2016	28,889	26,088	90.3%		2,711	28,799	99.7%
2017	29,763	27,692	93.0%		1,520	27,692	93.0%
2018	31,208	29,229	93.7%		-	29,229	93.7%

* 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 & Intergovernmental Agreements	Certificates of Participation	Capital Leases	Bonded Debt	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
2009	$ -	$ 5,782	$ 4,527	$ 27	$ 65,993	$ 9,824	$ 415	$ 86,568	8.06%	2,395
2010	-	5,547	4,527	-	60,813	9,224	228	80,339	7.28%	2,213
2011	-	5,492	4,527	40	55,497	8,602	793	74,951	6.54%	2,072
2012	-	5,183	4,527	30	52,744	7,956	570	71,010	6.14%	1,976
2013	-	4,886	4,527	20	54,241	1,336 *	460	65,470	5.54%	1,811
2014	-	4,676	4,527	10	47,655	2,456	349	59,673	4.88%	1,658
2015	11,645	4,322	4,527	-	40,797	2,365	235	63,891	5.02%	1,759
2016	9,150	3,950	4,527	-	34,952	2,263	119	54,961	4.30%	1,509
2017	6,131	3,561	4,527	-	29,025	2,160	-	45,404	3.43%	1,249
2018	3,082	7,798	4,527	148	22,987	2,054	-	40,596	3.00%	1,116

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 for Debt Service	Total	Percentage of Estimated Actual Taxable Value of Property **	Per Capita ***
2009	$ -	$ -	$ -	N/A	N/A
2010	-	-	-	N/A	N/A
2011	-	-	-	N/A	N/A
2012	-	-	-	N/A	N/A
2013	-	-	-	N/A	N/A
2014	-	-	-	N/A	N/A
2015	11,645	2,087	9,558	0.36%	263
2016	9,150	2,033	7,117	0.27%	195
2017	6,131	2,046	4,085	0.15%	112
2018	3,082	2,173	909	0.03%	24.99

** 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, 2018

Governmental Unit	Certificates of Participation	Capital Leases	General Obligation Bonds		Notes Payable	Other Debt Outstanding	Percent Applicable to City of Rome	Amount Applicable to City of Rome
City of Rome	$ 4,527,000	$ -	$ 3,082,000	**	$ -	$ 2,920,000	100%	$ 10,529,000
Academy Bonds								
	$ 4,527,000	$ -	$ 3,082,000		$ -	$ $ 2,920,000		$ 10,529,000

Source-Rome Board of Education

Note-Overlapping governments are those that may coincide, at least in part, with the geographic boundaries of the city.

** Does not include TAD Debt because TAD debt is not supported by general tax payor obligation.

City of Rome, Georgia
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Debt limit	$ 114,849,953	$ 110,857,411	$ 110,016,673	$ 109,975,116	$ 110,599,575	$ 110,812,638	$ 111,380,929	$ 111,242,130	$ 113,358,743	$ 117,124,034
Total net debt applicable to limit	-	-	-	-	-	-	11,645,000	9,150,000	6,131,000	3,082,000
Legal debt margin	$ 114,849,953	$ 110,857,411	$ 110,016,673	$ 109,852,761	$ 110,599,575	$ 110,812,638	$ 123,025,929	$ 102,092,130	$ 107,227,743	$ 114,042,034
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%	10.46%	8.23%	5.41%	2.63%

Legal Debt Margin Calculation for Fiscal Year 2018

Total assessed value	$ 1,171,240,344
Debt limit (10% of total assessed value)	117,124,034
Debt applicable to limit:	
General obligation bonds	3,082,000
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	3,082,000
Legal debt margin	$ 114,042,034

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

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

	Water & Sewer Revenue Bonds					
				Debt Service		
Fiscal Year	Water & Sewer Charges & Other (1)	Less: Operating Expenses (2)	Net Available Revenue	Principal	Interest	Coverage
2009	$ 19,863,718	$ 9,103,422	$ 10,760,296	$ 3,610,000	$ 2,600,893	1.7
2010	21,411,092	8,978,125	12,432,967	4,465,000	2,297,715	1.8
2011	21,413,544	9,677,717	11,735,827	4,605,000	2,159,128	1.7
2012	21,980,265	10,163,561	11,816,704	4,780,000	1,321,847	1.9
2013	21,965,249	9,361,007	12,604,242	5,441,000	1,826,484	1.7
2014	23,466,061	9,634,424	13,831,637	5,601,000	1,633,467	1.9
2015	23,263,538	9,032,695	14,230,843	5,824,000	1,542,939	1.9
2016	24,548,427	9,507,896	15,040,531	4,862,000	1,357,125	2.4
2017	24,312,060	10,000,236	14,311,824	5,021,000	1,224,650	2.3
2018	24,770,269	10,303,146	14,467,123	5,206,000	1,035,290	2.3

(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
2009	36,142	*	$ 1,073,923		$ 29,714	5,571	12.4%
2010	36,303		1,103,430		30,395	5,579	10.6%
2011	36,181	**	1,145,816	**	31,669	5,737	12.7%
2012	35,942	**	1,156,110	**	32,166	5,669	11.8%
2013	36,159	**	1,182,219	**	32,695	6,006	9.0%
2014	35,997	**	1,223,682	**	33,994	6,114	7.9%
2015	36,323	**	1,273,266	**	35,054	6,210	5.8%
2016	36,431	**	1,277,052	**	35,054	6,267	5.6%
2017	36,340	**	1,325,320	**	36,470	6,311	4.5%
2018	36,375	**	1,353,296	**	37,204	6,448	4.4%

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

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

	2018			2009		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Floyd Medical Center	2,700	1	6.37%	2,324	1	13.41%
Harbin Clinic	1,400	2	3.30%	1,134	3	6.54%
Redmond Regional Medical Center	1,300	3	3.07%	1,200	2	6.92%
Rome City Schools	782	4	1.85%	757	5	4.37%
Floyd County Government	667	5	1.57%	800	4	4.61%
City of Rome	627	6	1.48%	649	6	3.74%
Berry College	600	8	1.42%			
Kellogg's	585	7	1.38%	558	7	3.22%
F & P Georgia	562	9	1.33%			
Neaton Rome	552	10	1.30%			
Mohawk Industries				452	8	2.61%
Sara Lee Food Services				340	9	1.96%
Southeastern Mills				307	10	1.77%
Totals	9,775		23.1%	8,521		49.15%

Source-Rome Chamber of Commerce

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

	Fiscal Year									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Function										
General government	29	28	28	28	27	28	27	30	34	32
Legislative and judicial										
Commission	9	9	9	9	9	9	9	9	9	9
Municipal court	2	2	2	2	7	5	6	6	6	6
Attorney	1	1	1	1	1	1	1	1	1	1
Public safety										
Police										
Officers	98	92	95	95	101	98	96	96	96	96
Civilians	11	11	15	15	15	18	20	20	20	20
Public services	7	4	4	4	3	3	3	3	3	4
Public facilities	4	4	4	4	4	4	3	3	3	3
Fire										
Civilians	3	3	2	1	2	2	11	6	7	7
Firefighters and officers	146	148	149 **	162	161	161	154	158	159	159
Public works										
Public works office	4	4	4	4	4	4	3	4	4	4
Engineering	7	7	7	6	6	6	5	5	5	6
Street	39	31	31	31	31	31	29	29	35	35
Traffic	12	13	13	13	13	13	13	13	4	4
Cemetery	6	6	6	6	6	6	5	5	5	5
Garage	12	11	12	12	12	13	12	12	12	12
Building inspection	9	9	9	9	8	9	9	10	10	10
Transit	43	43	43	43	43	43	51	51	55	57
Planning commission	6	6	6	6	6	6	5	5	5	6
Solid Waste Management	61	56	55	57	57	57	56	57	57	56
Culture and recreation	12	11	19	21	24	24	28	40	44	51
Water and sewer	104	102	102	102	105	105	105	105	109	109
Total	625 *	601	616	631	645	646	651	668	683	692

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

	Fiscal Year									
Function	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Public Safety:										
Police arrests	2,168	2,030	1,858	1,793	2,197	2,008	1,952	1,986	2,028	1,640
Parking/Traffic violations	16,251	14,455	13,228	12,270	14,253	11,452	11,520	13,375	12,639	10,494
Public Works:										
Street resurfacing (miles)	2.02	10.50	5.78	4.25	3.64	4.19	3.73	4.43	5.48	6.14
Public Facilities:										
Rentals - Aud/Civic Center	48,668	54,072	58,773	57,613	57,007	58,156	61,275	87,703	97,489	79,398
Senior Citizen Center	2,610	2,803	2,795	2,371	2,935	2,740	4,971	11,052	10,952	8,350
Education:										
School Enrollment	5,571	5,579	5,737	5,669	6,006	6,114	6,210	6,267	6,311	6,448
Water and Sewer:										
Customers										
Water	20,034	20,065	20,083	20,094	20,120	20,155	20,186	20,242	(6) 19,319	19,401
Sewer	21,113	21,163	21,173	21,181	21,211	21,254	21,299	21,338	21,422	21,545
Water - (millions of gallons)										
Average daily production	7.6	7.9	7.6	7.4	7.1	7.5	6.8	7.4	6.5	6.7
Maximum daily production	12.0	10.9	12.1	11.1	9.7	10.8	9.9	10.2	8.52	8.64
Wastewater - (millions of gallons)										
Average daily sewage treatment	14.0	10.8	10.7	9.1	13.9 (1)	11.3	12.0	10.2	11.45	15.39
Maximum daily sewage treatment	57.9	51.5	56.3	31.1	50.0	53.7	53.7	46.2	39.86	55.72
Fire										
Number of responses	4,275	4,292	4,401	4,142	4,247	4,699	4,919	6,313	6,954	6,812
Inspections	911	1,045	1,413	1,915	1,751	1,352	1,361	2,202	2,032	1,491
Solid Waste Management:										
Refuse collected (tons)										
Inert	9,673	9,075	8,330	6,879	6,535	8,847	7,647	5,767	5,485	5,068
Trash	2,150	1,865	1,578	1,423	1,407	1,456	1,749	2,016	2,115	2,322
Garbage	14,530	13,801	14,248	13,755	14,311	14,164	14,703	15,037	16,388	16,021
Recycling	912	1,017	1,409	1,472	1,325	1,329	1,589	854	524	1,003
Transit:										
Transit miles	593,820	591,152	585,837	589,766	604,407	591,300	614,038	617,241	604,762	509,719
Transit passengers	962,500	982,471	1,014,181	1,053,540	1,075,603	1,069,526	1,110,252	1,164,287	1,118,401	1,065,947
Building Inspection:										
New Construction Permits	114	67 (3)	36	55	62	93	121	145	182	227
Solid Waste Commission:										
Inert tonnage	225	194	816 (4)	733	488	697	2,224	1,187	2,148	2,441
C&D tonnage	34,759 (2)	24,753	22,654	20,030	24,117	20,041	22,663	8,147	11,048	14,206
Garbage tonnage	78,326	73,410	70,417	70,179	69,416	72,939	79,320	90,054	96,324	103,414
Municipal Golf:										
Rounds played	27,142	28,542	29,405	39,715 (5)	34,113	30,243	34,406	37,174	34,440	33,376

Source: City of Rome Trends Publication
Note: Operating indicators are not available for General Government, Public Services, and Community Development
(1) Sharp increase in maximum daily sewage treatment due to very wet year and increase in commercial users
(2) Large increase due to hail storm area roof replacements
(3) Permit decrease due to economic downturn
(4) Increase due to storm related incidents
(5) Increased play contributed to conversion of greens
(6) Decrease due to exclusion of Solid Waste Dumpster Accounts

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

Principal Water Customers (in descending order):

	2018	2009
1)	Floyd County Wholesale	Floyd County Wholesale
2)	Floyd Medical Center	Zartic
3)	Bekaert Steel	Floyd Medical Center
4)	Mohawk Industries	Rome Housing Authority
5)	Syntec Industries	Kelloggs
6)	Redmond Regional Medical Center	Bekaert Steel
7)	Kelloggs	Floyd County Government
8)	Shorter University	Mohawk Industries
9)	Floyd County Jail	Redmond Regional Medical Center
10)	Rome Housing Authority	Alliance Laundry

Principal Sewer Customers (in descending order):

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

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

	Fiscal Year									
Function	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Vehicles	65	65	65	71	71	72	80	80	80	80
Public Works:										
Streets (miles) **	275	266	267	267	265	267	268	268	268	268
Street lights	4,566	4,566	4,566	4,566	4,566	4,566	4,566	4,641	4,645	4,645
Traffic signals	93	93	93	95	95	95	95	95	96	96
Signage	10,248	10,248	10,250	10,253	10,257	10,257	10,257	10,257	10,257	10,257
Public Facilities:										
Parks	22	22	22	22	22	22	22	22	22	22
Auditoriums and Civic Centers	3	3	3	3	3	3	3	3	3	3
Public Services:										
Volumes in Library System	350,528	359,188	364,338	366,293	366,383	362,859	323,302	366,129	378,591	378,591
Water:										
Water mains (miles)	285	285	285	285	285	285	285	285	285	285
Fire hydrants	1,644	1,661	1,718	1,800	1,800	1,339	1,339	1,339	1,888	1,888
Sewer:										
Sanitary sewers (miles)	399	399	399	401	401	399	399	399	399	399
Storm sewers (miles)										
Fire:										
Fire stations	10	10	10	10	10	10	10	10	10	10
Solid Waste Management:										
Collection Vehicles	40	40	40	37	37	35	36	36	38	38
Transit:										
Buses	48	48	49	58	59	64	58	58	56	56

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

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

** Includes State Route 34.66 miles

CITY OF ROME, GEORGIA

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

DECEMBER 31, 2018

CITY OF ROME, GEORGIA

SINGLE AUDIT OF FEDERAL PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2018

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MAULDIN & JENKINS

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

To the 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, 2018, 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 19, 2018. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of January 1, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 19, 2018

MAULDIN & JENKINS

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Rome, Georgia's (the "City's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Rome Board of Education, which received $8,987,118 in federal awards during the year ended June 30, 2018 which is not included in the City's schedule of expenditures of federal awards. Our audit, described below, did not include the operations of the City of Rome Board of Education because the component unit obtained a separate audit in accordance with the Uniform Guidance.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Rome, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rome, Georgia as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise City of Rome Georgia's basic financial statements. We issued our report thereon dated June 19, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 19, 2018

CITY OF ROME, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Federal Grantor/Pass-Through Program Title	CFDA Number	Agency or Pass-through Grantor Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Transportation				
Passed through the Georgia Department of Transportation:				
Metropolitan Transportation Planning Services Program	20.505	T005996	$ -	$ 22,870
Passed through the Georgia Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction Program	20.205	PL 0015468	-	103,091
Highway Planning and Construction Program	20.205	0015628-PLN	-	78,848
Subtotal Highway Planning and Construction Cluster			-	181,939
Passed through the Georgia Department of Transportation:				
Federal Transit - Urbanized Area Formula Grant	20.507	T006497	-	754,125
Federal Transit - Urbanized Area Formula Grant	20.507	T005580	-	84,582
Federal Transit - Urbanized Area Formula Grant	20.507	T004893	-	2,322
Federal Transit - Urbanized Area Formula Grant	20.507	T005306	-	116,875
Federal Transit - Urbanized Area Formula Grant	20.507	T006046	-	875,000
Federal Transit - Urbanized Area Formula Grant	20.507	T006493	-	145,883
Subtotal Federal Transit Cluster			-	1,978,787
Total U.S. Department of Transportation			-	2,183,596
U.S. Department of Justice				
Passed through the Bureau of Justice Assistance:				
Bulletproof Vest Partnership Program	16.607	2016	-	4,794
Edward Byrne Memorial Justice Assistance Program	16.738	2017-DJ-BX-0767	6,730	20,395
Total U.S. Department of Justice			-	25,189
U.S. Department of Interior				
Passed through the Georgia Department of Natural Resources				
Historic Preservation Fund Grant	15.904	GA-17-019	-	47,326
Total U.S. Department of Interior			-	47,326
U.S. Department of Housing and Urban Development				
Community Development Block Grant -				
Entitlement Grant	14.218	B-16-MC-13-0014	-	37,641
Entitlement Grant	14.218	B-17-MC-13-0014	-	294,308
Subtotal Community Development Block Grant			-	331,949
Community Home Investment Partnerships -				
Community HOME Investment Program (CHIP)	14.239	2013-874	-	476
HOME Homeownership and Small Rental Housing Development	14.239	SF2014-103	-	48,899
Subtotal Community Home Investment Partnerships			-	49,375
Total U.S. Department of Housing and Urban Development			-	381,324
Total Expenditures of Federal Awards			$ -	$ 2,637,435

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, 2018

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Rome, Georgia (the "City") and is presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred.

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

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

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

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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, 2018

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting: Material weaknesses identified?	_____ yes __X__ no
Significant deficiencies identified?	_____ yes __X__ none reported
Noncompliance material to financial statements noted?	_____ yes __X__ no

Federal Awards

Internal Control over major federal programs: Material weaknesses identified?	_____ yes __X__ no
Significant deficiencies identified?	_____ yes __X__ none reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ yes __X__ no

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
20.507	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	_____ yes __X__ no

CITY OF ROME, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Section II – Financial Statement Findings and Questioned Costs

None reported

CITY OF ROME, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Section III - Federal Awards Findings and Questioned Costs

None reported

CITY OF ROME, GEORGIA

STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

2017-001 Restatement of Prior Year Balances

Condition: Internal controls were not sufficient to timely detect material misstatements in the City's financial statements for the fiscal year ended December 31, 2016.

Context/Cause: During the audit for the fiscal year ended December 31, 2017, a material misstatement was identified by management that caused the need to restate opening net position (equity) for the fiscal year ended December 31, 2017 for governmental activities. The City improperly recognized depreciation expense on various infrastructure capital assets as a result of an error within the City's capital asset software, which caused accelerated depreciation on these assets. A total adjustment of $4,672,093 was required to correct the accumulated depreciation balance and restate the opening net position of governmental activities.

Status: Corrected.