

PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Bond, Schoeneck & King, PLLC, Bond Counsel, based upon existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax imposed by the Code on individuals; however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS", herein.

The Notes will NOT be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.



\$13,940,009

CITY OF ROME

ONEIDA COUNTY, NEW YORK

GENERAL OBLIGATIONS

CUSIP BASE NO. 776049

\$13,940,009 Bond Anticipation Notes, 2024

(the "Notes")

Dated: June 11, 2024

Due: June 11, 2025

The Notes are general obligations of the City of Rome, Oneida County, New York (the "City"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. (See "TAX LEVY LIMIT LAW" herein).

The Notes will not be subject to redemption prior to maturity. Interest on the Notes will be calculated on a 30-day month and a 360-day year basis and will be payable at maturity.

At the option of the successful bidder(s), the Notes will be issued registered in the name of the purchaser, or as stated below, in the denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$5,009, as determined by the successful bidder(s), without the option of prior redemption. Principal and interest will be payable at maturity in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as may be selected by such successful bidder(s). Paying agent fees, if any, will be paid by the successful bidder(s).

Alternatively, at the option of the purchaser(s), the Notes will be issued as registered notes, and, when issued, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Registered noteholders will not receive certificates representing their ownership interest in the Notes purchased. Under this option, payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the unqualified legal opinion as to the validity of the Notes of Bond, Schoeneck & King, PLLC, Bond Counsel, Utica, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or at such place as may be agreed upon with the Purchasers, on or about June 11, 2024.

May 16, 2024

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com by May 23, 2024 no later than 10:30 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the City, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

THE CITY DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDERS, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATION HEREIN DESCRIBED. SEE "APPENDIX – C, MATERIAL EVENT NOTICES WITH RESPECT TO THE NOTES" HEREIN.

CITY OF ROME ONEIDA COUNTY, NEW YORK

JEFFREY LANIGAN
Mayor



COMMON COUNCIL

JOHN A. NASH
President

JOHN M. SPARACE
JOHN B. MORTISE

LINDA J. FAZIO
RAMONA L. SMITH
FRANK R. ANDERSON

RICCARDO D. DURSI, JR.
DAVID E. SBARAGLIA

* * * * *

BRIAN M. ADAMS
City Treasurer

R. WESLEY SLAGHT
Deputy City Treasurer

ERIC SEELIG
City Clerk

GERARD F. FEENEY, ESQ.
Corporation Counsel



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

BOND SCHOENECK
& KING
BOND SCHOENECK & KING PLLC.
Bond Counsel

No person has been authorized by the City of Rome to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City of Rome.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
OF THE
CITY OF ROME
ONEIDA COUNTY, NEW YORK
RELATING TO
\$13,940,009 Bond Anticipation Notes, 2024

This Official Statement, which includes the cover page and appendices, has been prepared by the City of Rome, Oneida County, New York (the “City,” “County,” and “State,” respectively), in connection with the sale by the City of \$13,940,009 principal amount Bond Anticipation Notes, 2024 (the “Notes”).

The factors affecting the City’s financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the City tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the City contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

NATURE OF OBLIGATION

Each Note when duly issued and paid for will constitute a contract between the City and the holder thereof.

Holders of any series of notes or bonds of the City may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the City and will contain a pledge of the faith and credit of the City for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the City has power and statutory authorization to levy ad valorem taxes on all real property within the City subject to such taxation by the City, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limit Law”). The Tax Levy Limit Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the City is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the City’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “TAX LEVY LIMIT LAW” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith... and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both

words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

THE NOTES

Description of the Notes

The Notes are general obligations of the City, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the City is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to statutory limits imposed by Chapter 97 of the Laws of 2011. (See “TAX LEVY LIMIT LAW” herein).

The Notes will be dated June 11, 2024 and mature, without the option of prior redemption, on June 11, 2025. Interest on the Notes will be calculated on a 30-day month and a 360-day year basis, and will be payable at maturity. The Notes will be issued in either (i) registered in the name of the purchaser, in denominations of \$5,000 each or multiples thereof, except for one necessary odd denomination which is or includes \$5,009, with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) as registered notes, and, if so issued, registered in the name of Cede & Co. as nominee of DTC, which will act as the securities depository for the Notes. (See “BOOK-ENTRY-ONLY SYSTEM” herein).

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

AUTHORITY FOR AND PURPOSES OF ISSUE

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the General City Law, the Local Finance Law and various bond ordinances authorizing the following purposes:

	Ordinance	Authorization Dates	Authorized Amount	Amount Outstanding	Paydown	New Money	Amount To Borrow
Renewal:							
Rome City Hall Façade Repairs	9240	1/24/2018	\$635,350	\$19,821	\$3,587	-	\$16,234
Railroad Street Bridge Rehabilitation	9338A	1/23/2019	5,400,000	233,877	9,886	-	223,991
Replace (2) Wells at Landfill	9352	5/8/2019	100,000	80,026	80,026	-	-
2020 Streets	9403	4/8/2020	2,513,338	946,814	116,288	-	830,526
701 Lawrence St. ERP	9442	5/12/2021	250,000	20,925	2,191	-	18,734
1333 East Dominick St. ERP	9442	5/12/2021	1,100,000	92,071	9,642	-	82,429
2021 Streets	9439	4/28/2021	2,373,000	636,676	66,674	-	570,002
Traffic Light Controllers	9442	5/12/2021	22,000	20,636	734	-	19,902
Replace Return Sludge Pumps	9442	5/12/2021	32,000	31,012	531	-	30,481
Replace Pumps at Merrick & Tannery Rd's	9442	5/12/2021	30,000	29,074	498	-	28,576
Roof at Boyd Dam	9442	5/12/2021	44,000	36,829	3,857	-	32,972
2022 Streets Project	9515	4/27/2022	3,136,962	1,262,678	64,427	-	1,198,251
City Hall - Record Retention Widow Replacement	9516	5/11/2022	50,000	47,683	2,433	-	45,250
City hall - Elevator Renovations	9516	5/11/2022	200,000	184,099	16,696	-	167,403
City Hall - HVAC Upgrades	9516	5/11/2022	450,000	414,223	37,566	-	376,657
Public Works Garage - Boiler Replacement	9516	5/11/2022	200,000	184,099	16,696	-	167,403
Mohawk River Trail Phase 2	9496	1/26/2022	\$2,424,000	1,024,000	47,455	-	976,545
Crane Truck	9539	9/28/2022	195,000.00	195,000	9,037	-	185,963
Franklyn Field Clubhouse Rehab	9529	7/27/2022	75,000.00	75,000	3,476	-	71,524
Increase in Cost of Boiler Replacement at Public Works Garage	9592	4/12/2023	30,000.00	30,000	1,390	-	28,610
2023 City Streets	9595	4/26/2023	3,246,367	1,433,442	113,965	-	1,319,477
Bob Cat, Replacement Well and Backhoe	9596A	4/26/2023	395,000	395,000	24,772	-	370,228
Empire State Canalway Trail Path Improvement	9594	4/26/2023	514,000	129,700	6,011	-	123,689
			Sub-Totals Renewal:	\$7,522,685	\$637,838	-	\$6,884,847
New:							
City Hall HVAC	9694	4/24/2024	360,000	-	-	360,000	360,000
Flusher Truck	9695	4/24/2024	427,000	-	-	427,000	427,000
Main Bar Screen	9696	4/24/2024	320,000	-	-	320,000	320,000
High Level Pump Replacement	9696	4/24/2024	150,000	-	-	150,000	150,000
Kessinger Dam Electronics	9697	4/24/2024	150,000	-	-	150,000	150,000
Low Lift Pumps	9697	4/24/2024	125,000	-	-	125,000	125,000
Generator Replacement	9697	4/24/2024	125,000	-	-	125,000	125,000
Water Supply System Telemetry Upgrade	9697	4/24/2024	229,000	-	-	229,000	229,000
South James St Bridge	9698	4/24/2024	2,573,000	-	-	128,650	128,650
Power to Low Lift Crane	9698	4/24/2024	100,000	-	-	100,000	100,000
Water Filtration Parking Lot Improvements	9698	4/24/2024	50,000	-	-	50,000	50,000
2024 Streets	9699	4/24/2024	4,780,000	-	-	2,150,000	2,150,000
Garbage Truck Replacement	9687	4/10/2024	290,000	-	-	290,000	290,000
2 - 10 Wheelers with Plow Equipment	9687	4/10/2024	600,000	-	-	600,000	600,000
Snowblower Replacement	9687	4/10/2024	160,000	-	-	160,000	160,000
John Deere Payloader	9687	4/10/2024	260,000	-	-	260,000	260,000
Wood Chipper	9610	6/28/2023	135,000	-	-	135,000	135,000
Laurel St Fire Station Roof	9618	7/26/2023	73,000	-	-	73,000	73,000
Demolition of 1030 E. Dominick St (Municipally owned bldg.)	9627	3/27/2024	1,222,512	-	-	1,222,512	1,222,512
			Sub-Totals New Money:			7,055,162	7,055,162
			Total New and Renewal:				13,940,009

The proceeds of the Notes, along with \$637,838 available funds of the City, will partially redeem and renew the \$7,522,685 bond anticipation notes maturing June 12, 2024 and provide \$7,055,162 new monies for the abovementioned purposes.

Note: The City's Common Council approved various bond ordinances on March 27, 2024, April 10, 2024, and April 24, 2024 authorizing the issuance of serial bonds for various projects, as further detailed above. The City is in the process of complying with the estoppel procedure for these ordinances, which may not be complete before the anticipated closing of the Notes on June 11, 2024.

BOOK-ENTRY-ONLY SYSTEM

If requested by the purchaser the Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes. One fully-registered Note certificate will be issued for each note which bears the same rate of interest and CUSIP number.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of the Notes (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, bond and note certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond and note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sample offering document language supplied by DTC, but the City takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE CITY MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law or the City may terminate its participation in the system of book-entry-only system transfers through DTC at any time, In the event that such book-entry-only system is utilized by a purchaser of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form registered in the name of the Purchaser in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$5,009. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named by the City or at the office of the City Treasurer.

THE CITY

General Information

The City is located in the central part of New York State, has an estimated 2022 U.S. Census population of 31,735 (See "Population Trends" herein) and a land area of 72.7 square miles.

The City is within the Utica-Rome Standard Metropolitan Statistical Area and is the second largest city in Oneida County, a county which has an estimated 2023 U.S. Census population of 227,555. The City is served by the New York State Thruway, the State Barge Canal, the Amtrak Rail System, the Griffiss International Airport and Syracuse Hancock International Airports and several State highways. It is within easy travel distance of all major metropolitan areas in the Northeast, Midwest and Canada. The City bus system is operated by Central New York Regional Transportation Authority (Centro of Oneida, Inc.).

The City's architectural and cultural heritages comprise a large portion of its cultural facilities and programs. Several existing structures are on the National Register of Historic Buildings. The area has a number of prominent historical landmarks related to the Revolutionary Period and the Erie Canal and a variety of museums and community arts programs.

The area offers many summer and winter recreational opportunities ranging from City-owned facilities such as the John F. Kennedy Civic Arena (also known as Kennedy Arena) to Adirondack resorts such as Old Forge and Lake Placid.

Financial Institutions and Communications

There are four commercial banks, Key Bank, Adirondack Bank, NBT Bank, and M&T Bank, located in and serving the residents of the City. The City is served by numerous radio and television stations. The City also has three local newspapers: the Rome Daily Sentinel, the Observer Dispatch and the Rome Observer.

Utilities

Electricity and natural gas are supplied to the City by National Grid and the New York State Office of General Services. Telephone service is provided by Time Warner and Verizon. The City provides sewer facilities and water supply distribution to its residents, and is responsible for financing the construction, operation and maintenance of these systems.

City Services and Programs

The City is responsible for and provides the following services: police, fire, sanitation, water, sewer, solid waste management, wastewater treatment and street maintenance. The City also operates various park and recreational facilities. Pursuant to State law, the County, rather than the City, is responsible for providing health and social services. Public education is provided by the City School District of the City of Rome (the “District”). The District has a separately elected governing body and has independent taxing and debt issuance authority.

Source: City officials.

Economic Developments

The chart below shows the annual average (in thousands) for the nonfarm job count in the Utica-Rome metro area as provided by the New York State Department of Labor for the past five years:

<u>Year</u>	<u>Annual Average</u>
2019	128.6
2020	117.7
2021	119.7
2022	122.5
2023	122.7

Source: Department of Labor, State of New York. (Note: Data in thousands. Figures not seasonally adjusted).

Commercial development in the area has accelerated in the past few years. Growth has occurred both inside the Griffiss Business and Technology Park (“Griffiss Park”) and outside Griffiss Park within the City of Rome municipal jurisdiction.

Development outside Griffiss Park has flourished, most notably:

- **Caliber Commercial Brokerage** has substantially completed a 4,300 s/f Urgent Care facility located on Black River Boulevard. This is the second new construction urgent care facility built within Rome within the last 6 years. In connection with the new urgent care facility, a Starbucks Coffee has been approved and is substantially completed in erecting a 2,000 s/f building that will complement each other along Black River Boulevard. A new 7,200 s/f market is currently under construction on NYS Route 46 just north of Wright-Settlement Road. This project will reconstruct a former local market and grocery and is expected to open in 2023. A new 2,000 s/f ice cream and food business is set to begin construction on Rome-Taberg Road known as “Big Timber”.
- **Industrial Development** has included has included Cold Point Corporation which in 2021 officially opened its doors under a new 50,000 s/f manufacturing facility located within downtown. The project was progressed through aggressive brownfield remediation and partnership with Rome Community Brownfield Restoration Corporation (RCBRC) and along with funding
- **Nascentia Neighborhood** residing on the 52-acre property, Beeches Manor is a state-of-the-art banquet hall with the ability to seat up to 350 guests. This year-round historical venue is ideal for weddings, meetings, and special events. In 2021 the property was purchased by Nascential Health and will be redeveloped into a senior community campus and conference center and will allow seniors to age in place and live independently with support from a wide range of professionals. The project will bring valuable healthcare jobs to the area including nurses, occupational therapists, physical therapists, home health aides and more.

- **Kabari Wellness Institute (KWI)** has purchased the former Saint Marys Complex located on Liberty Street and will be undertaking a complete facility renovation to house the new institute. The KWI is focused on providing health, wellness, and beauty services to the community at a one stop facility. This project is a multi-year redevelopment project that will inject vitality and life back into the northern boundary of downtown.
- **The Rome Family YMCA** After 52 years in its current location, is working toward breaking ground on a new state of the art facility relocated to Floyd Avenue in 2023. The proposed 42,000 s/f facility would be built on the former Write Park Manor site across from MVCC campus. This project will include childcare, cooking classes, indoor courts, and health and wellness classes and events. The location will also be complimented with outdoor recreation space for larger sporting events and gatherings. The total project is estimate at \$20 million.
- **City Infrastructure Investments** have maximized the use of various Federal and state funding sources. The City has taken steps to utilize the \$24 million American Rescue Plan Act (ARPA)/ State & Local Fiscal Recovery Funds (SLFRF) towards transformative public infrastructure projects that will reduce municipal expenses and induce economic investment and expansion of the tax base. Several residential subdivisions of over 250 lots are being assisted with new water, sewer, and public roadways through ~\$6 million in ARPA funding. Other investments include expansion of City Hall and its contribution/interaction to and with the downtown area. Several fire trucks have also been purchased around \$2 million that will lessen the tax burden on the local tax payers for these expenses while providing new and modern firefighting equipment and emergency response platforms. The City is also utilizing New York State Environmental Facilities Corporation funding as described elsewhere in this Continuing Disclosure Statement to undertake a water service expansion project that will extend service to the town of Verona and residents along the way, and improve system pressures throughout the serviced area by way of elevated water tower construction. Additionally, a new sewer interceptor line project is currently under construction that will install a secondary sewer transition line from a vital pump station directly to the wastewater treatment plant.
- **Residential Developments**

Delta Luxury Townhomes: Recognizing an immediate and growing need for high-standard rental housing in the area, Delta Luxury Townhomes, LLC, an affiliate of Buck Construction Management of Whitesboro, is currently developing a 50 lot residential subdivision in Rome. The nearly \$10 million development is located adjacent to the related, 64-unit, Delta Luxury Apartments complex. The OCIDA is assisting Delta with exemption from sales and use taxes on the construction and equipping of the facility and exemption from the mortgage recording tax related to the private financing of the project.

Woodhaven Ventures: Formerly known as Woodhaven Park, this complex on Park Drive sat vacant for decades as over 140 structures fell victim to decay. The City of Rome responded by investing more than \$2M in acquisition, remediation, and demolition to pave the way for new investment. Woodhaven Ventures, LLC (a related company of Bonacio Construction, Inc. of Saratoga Springs) was the successful RFEI respondent. Relying on findings of the Oneida County Vision 2020 report and the economic outlook of the region, Woodhaven Ventures will develop up to 250 homes over a 15-year period with a total estimated project cost of over \$82 million. 2022 saw completion of the first new homes and continued starts on additional homes are continuing with the support of the OCIDA.

Air City Lofts: A mixed-use development that began construction during the height of the Covid-19 Pandemic has blossomed into a current 250 unit residential/80,000 s/f commercial mixed use destination within the Floyd Avenue gateway of the Griffiss Business and Technology Park. A total of 6 buildings are currently constructed that house 1 and 2 bedroom luxury apartments with modern amenities and plenty of transportation connectivity for living, working, and playing within Rome.

Griffiss Park is a 3,500 acre multi-use business, technology and industrial park on the grounds of the former Griffiss Air Force Base in Rome. More than 5,800 people work for some 76 employers at Griffiss Park. Major employers include the Air Force Research Laboratory, Defense Finance Accounting Service, Eastern Air Defense Sector, Orgill Inc., UTC United Technologies Corporation, Alion Science & Technology, Assured Information Security, BAE Systems, Cathedral Corporation, Sovena Olive Oil, ITT Technology, MGS Manufacturing, Kris Tech Wire, Family Dollar, Birnie Bus Services and the Rome City School District.

Griffiss remains a key employment hub and site of innovation. Since its inception, \$951 Million in capital expenditure has been spent at the park. In the last two years, Orgill's northeast distribution center opened and Air City Lofts commenced construction on Phase III of its mixed used development. In 2022, Skydome-- the largest indoor testing facility for uncrewed aerial systems in the country-- was unveiled. Each investment continues to anchor Griffiss' growth and the region's economic transformation. These capital projects included demolition of more than 9 million square feet of obsolete former military buildings and housing to make way for new development, construction of the 825 parkway and other roads to improve the transportation system, construction of a public high school, a project to consolidate and improve space occupied by the Air Force Research Lab, an almost 800,000 square foot warehouse distribution center, the first in the Northeast, owned by Orgill, Inc., a major mixed use economic development project undertaken by Bonacio Construction creating much needed workforce housing options for the tech park, construction of a distribution center for Family Dollar, new manufacturing plants for UTC United Technologies Corporation, MGS Manufacturing and Sovena

USA, formerly East Coast Olive Oil, construction of a 25,000 square foot advanced manufacturing facility for Kris-Tech Wire with an additional 25,000 square feet added in 2018, construction of new office buildings for various private sector uses, a major renovation and expansion of an aircraft hangar to accommodate a heavy aircraft maintenance repair and overhaul facility, capital improvements to numerous facilities for industrial use, and infrastructure improvements to make various parcels shovel-ready for development. In addition, the City was recently awarded a \$10 million grant by the State of New York for downtown redevelopment and work has begun on revitalizing the downtown arts district.

Continued development in the Griffiss Park was most recently illustrated by:

- The Federal Aviation Administration announcement in December 2013 that Griffiss International Airport in the City was one of six locations awarded licenses for commercial drone testing, and in 2018 the Airport's license was extended by the FAA for an additional six years. It is expected that up to 470 jobs will be created in the region with an economic impact of \$145.0 million annually. The Northeast UAS Airspace Integration Research Alliance (NUAIR Alliance) which is headquartered at Griffiss, announced that Aurora Flight Sciences successfully flew multiple unmanned test flights of the company's Centaur optionally piloted aircraft (OPA) from Griffiss. The successful test flights marked the first time a large scale, fixed wing aircraft has flown at any of six FAA-designated unmanned aircraft test sites in the U.S. The 174th Squadron from Hancock Airport, Syracuse, successfully landed an MQ9 reaper at Griffiss further emphasizing the importance of UAS to the region's growing economy in this area.
- Oneida County will begin a \$10 million project renovating the center core of Building 100, formerly a large hangar, for a state of the art operations center centered around UAS with a Skydome built specifically for indoor UAS testing as well as the creation of an Innovation Campus to be utilized by the Air Force Research Laboratory. This collaborative campus will allow for civilians from academia, private sector business, government contractors and the scientists associated with the Air Force Research Laboratory to work on the commercialization of the Lab's intellectual property for private sector use. The Innovare Advancement Center (IAC) is open and exceeding expectations for collaborative business growth at Griffiss Park.
- County officials in July 2014 announced that Griffiss International Airport has received three grants, one each from the Federal Aviation Administration, Military Airport Program and Airport Improvement Project, totaling \$6.270 million for the third phase of similar repair work being conducted since 2012. Of that amount, almost \$1.6 million will be spent on repairs and upgrades to the Nose Dock Hangar 785, which can store large aircraft, and \$4.6 million will be devoted to repairing more than 7,000 linear feet out of an approximately 11,820 linear feet of the facility's taxiways. Additionally, a \$10.4 million repaving and upgrading of the 11,820-foot-long runway continues. Strategic Global Aviation recently opened their corporate headquarters in one of the newly renovated hangars. SGA, with management structure of former military/veterans, will provide aircraft maintenance to military aircraft and recently received their first C-130s for annual maintenance. The company has already created over two dozen jobs.
- In 2016 the State announced a \$8.9 million allocation for the completion of State Route 825. The former two-lane roadway through the Griffiss Park has been transformed into a four-lane divided highway with dedicated pedestrian walkways. The estimated 15,000 motorists who travel the road everyday are now experiencing less congestion and better traffic flow as a result of the project which includes two additional roundabouts.
- Assured Information Security ("AIS"), a developer of high technology applications within the cyber domain, moved into their new Corporate Headquarters Facility in Griffiss Park. They have steadily increased employment to 150 employees since launching in 2001 with two co-founders. In 2017 they completed a 20,000 square foot addition to accommodate rapid employment growth at the Rome facility. In early spring 2019, AIS completed another expansion into the Community Bank facility at Griffiss further expanding their footprint as a result of receiving additional work in the area of cybersecurity.
- The County has made investment in the following Griffiss International Airport projects: rehabilitation and renovation of Hangar 783, construction of 17 T hangars, installation of new security systems, expansion of their fuel farm, and installation of self-serve Av-Gas Fuel facility.
- The Griffiss Surgery Center recently completed a \$1,000,000 upgrade to its operating room facilities to expand into several new sub-surgical specialties including GYN and plastic surgery services. This facility is adding an additional 20,000 square feet of surgical space.
- Griffiss Park Sculpture Trail was extended creating 1.1 miles of walking pathways through meadow and wooded preserve. Sidewalks and trails through Griffiss Business and Technology Park extends over five miles with wayfinding signage added to the Park.
- The Griffiss Institute facilitates public, private and academia collaborations to facilitate the growth and support of the technology base for creating solutions to critical cyber security problems. They created thirteen new jobs in their business incubator, served a Prometric testing facility to 600 students, offered thirty classes to 400 students through academia partnerships, and housed a summer internship program for thirteen students. The Griffiss Institute recently expanded its commitment as a center dedicated to nurturing small business development, entrepreneurial ventures and collaborative space with the Air Force Research Laboratory (AFRL) through its management of the new Innovare Advancement Center (IAC). Innovare is becoming a leader in quantum computer research, artificial intelligence (AI) development and machine learning through its management of the IAC and close working relationship with AFRL.

- IDEA NY business accelerator program has promoted 46 startup companies in four years. Budding entrepreneurs, pair together with AFRL engineers, to compete for a \$200,000 top prize and \$100,000 for the runner up over a year long accelerator program.
- Family Dollar Distribution Center added a third shift and increased employment from 336 to 400 employees.

Related Entities

The Rome Industrial Development Corporation (“RIDC”) is a private, not for profit, 501(c)(3) membership organization created to promote the economic welfare and prosperity of the City's inhabitants. The RIDC members have complete responsibility for management of the agency and accountability for its fiscal matters. The City is not liable for bonds, notes or other obligations of RIDC.

The Oneida-Herkimer Solid Waste Management Authority (the “Authority”) was created by the State Legislature at the request of Oneida County and Herkimer County (collectively, the “Counties”) by passage of Article 8, Title 13-FF of the New York Public Authority Law on September 1, 1988. The Authority is authorized to provide waste management services and to develop appropriate solid waste management facilities for the benefit of the Counties. Based on this foundation, the Authority has developed a comprehensive, integrated, system of facilities to serve all the residents, businesses, industries, and institutions, of the Counties. The Authority currently owns eight operational solid waste management facilities which include: a recycling center, three solid waste transfer stations, a green waste composting facility, a land clearing debris facility, a brush processing facility, and a household hazardous waste facility. The Authority's annual budget is approximately \$27 million and covers expenses for disposal of waste, recycling, household hazardous waste, composting, public education, administration, collection of waste and recyclables in Utica, operations, maintenance and debt service.

The Authority’s revenue structure is primarily a fee for service system. A fee (system tip fee) is charged for every ton of non-recyclable waste delivered to the Authority to cover all expenses. These fees cover the majority of the expenses included in the Authority budget. The Authority receives the remaining revenue from other sources such as investments, sale of recyclables and grants. The Authority receives no funds from the Counties. The City is not liable for bonds, notes or other obligations of the Authority. The City receives a fee of \$1 for every ton of non-recyclable waste dropped off at its transfer station on River Road which amounts to approximately \$50,000 - \$60,000 in revenues per year.

The City School District of the City of Rome (the “District”) is governed by school board members who are elected by the qualified voters of the District. The District derives its revenues from property taxes, the assessment of which is based on the City's taxing procedures. The City is responsible for billing and collecting District taxes and makes the District whole for any uncollected taxes (see "Real Property Tax Collection Procedures and History", herein). The City guarantees collection on any District taxes in arrears. The Board of Education of the District appoints management and exercises complete responsibility for all fiscal matters. The City is not liable for bonds, notes or other obligations of the District.

The Mid-York Library System (the “System”) is a nonprofit cooperative library system serving 47 public libraries in Herkimer, Madison, and Oneida Counties. The System, one of 23 public library systems in New York State, was chartered in 1960 by the Board of Regents of the University of the State of New York. The Jervis Public Library branch serves residents of the City. The City is not liable for bonds, notes or other obligations of the System.

The Mohawk Valley Economic Development Growth Enterprises Corporation (“EDGE”) continues to market the entire region to site selectors, developers and businesses around the globe who are seeking to expand their presence and invest in the Northeast United States. Key development sites in the Mohawk Valley being aggressively marketed include Griffiss Business and Technology Park, Oneida County Airport Business Park, Route 5S North Industrial Park, Schuyler Business Park, West Frankfort Industrial Park, Dominick Assaro Business Park, and Utica Business Park. In addition, EDGE assisted local and national realtors and site selection firms seeking information on several local greenfield sites; assisted RIDC in rezoning its South Rome site for a possible distribution center; assisted the Town of New Hartford in a Tax Increment Financing plan for a new business park; and commenced consultant selection for a Master Plan for the former Oneida County Airport site in the Town of Whitestown. Some highlights of EDGE’s progress to date:

Brownfields Remediation & Redevelopment

- **Former Rome Cable Site:** The City partnered with EDGE, the Rome Community Brownfields Restoration Corporation, and the Oneida County Industrial Development Agency to complete a nearly \$5 million environmental clean-up and demolition effort on the former Rome Cable site in downtown Rome. Funding sources for the project included the NYS Environmental Restoration Program, the Restore NY Program, National Grid and the City. Five acres of prime development property featuring environmental indemnification from the State, are now made available for redevelopment and the construction of a new 50,000 square foot advanced facility. . The Whalen Companies recently completed construction on a new state of the art 50,000 square foot manufacturing facility. The project preserves 35 jobs and adds 15 more from an additional third shift. The City secured a \$1 million RESTORE grant and DEC has completed a \$14 million remediation and redevelopment project of an adjacent brownfield site that clears the way for 20 new acres of industrial development space in the City's downtown/west side corridor.
- **109 Canal Street:** The City secured a number of state and federal grants to see through the environmental remediation of the former radiator manufacturing site which is located along a critical gateway into downtown and directly across from the Fort Stanwix National Monument. The City secured a site developer in 2019 that has been working on a Brownfield Cleanup Program opportunity through the NYSDEC at the site, and anticipates completing cleanup efforts and marketing the site for redevelopment of the 1.5 acre former manufacturing site.
- **701 Lawrence Street:** In 2022 the City substantially completed the remedial measures to close the environmental work plan for this strategic waterfront brownfield site through a NYSDEC Environmental Restoration Program grant. This site will be actively marketing and is planned to return to active use within the next several years through a public Request for Proposals process.
- **1333 East Dominick Street:** A longtime manufacturing site, this property located along a main street corridor has experience extreme environmental contamination over its last 20 years. The building and all contaminated site material have been removed and remediated and the site is actively being marketed. This more than 2 acre site has the potential for many desirable uses and will once again positively contribute to the community either through active or passive means in the near future.
- **112 Columbus Avenue:** The Former Columbus School Revitalization Project (112 Columbus Avenue) includes demolition and addresses neighborhood environmental justice of an existing 56,000 3 story 2.8 acre former elementary school complex. The project is an identified Strategic Site within the Downtown Rome Brownfield Opportunity Area (BOA) Designation and has been the hub of crime and public nuisances for decades since its decommissioning in the late 1990s. The City was awarded a BOA Implementation Grant to assess the redevelopment potential of the site through the 2022 CFA, which will be undertaken in 2023. The site has the potential to catalyze the revitalization efforts and other economic development investments of and within the East Rome Residential area.
- **1030 East Dominick:** This 2 acre site located on the East Dominick Street corridor has been awarded Environmental Restoration Program funding through NYSDEC. The site is slated for a full environmental remediation including removing the existing building and removing any impacted soils on the site. This site will be available for redevelopment proposals under a restricted residential use category which allows all but single family redevelopment of the site. The estimated cleanup cost is over \$1 million.

Major Local & Regional Transformation Projects:

Downtown Revitalization Initiative (DRI). The City of Rome was awarded the Mohawk Valley's Regional Economic Development District \$10 million Downtown Revitalization Initiative in 2017. The State of New York will be infusing \$10 million into Rome's downtown district with projects which are truly transformational which will revitalize the downtown corridor. The city and private developers plan to leverage these funds to complete a total of \$20-30 million investment in new projects in downtown Rome. The first large scale project began in spring 2019 with the demolition of the Liberty/George Street parking garage making way for a multiuse project on a key downtown corner. The Centro Bus Transfer facility was completed in late Fall 2020. The DRI Business Development Fund awarded over \$300,000 in new business grants with four new businesses either under construction or recently opened. They are THRIVE an initiative offering co-working collaborative spaces, The Balanced Chef a food service business built on a model of healthy, well balanced meals prepared fresh daily with the recent opening of retail space and Technergenics a cybersecurity firm establishing a downtown office for 40 employees working in a collaborative environment to support the Air Force Research Laboratory at the Griffiss Business and Technology Park and C&D Advertising who has purchased a downtown property for business expansion and will bring new jobs to the downtown area. The REACH Center, a DRI priority project, has recently completed a \$450,000 renovation of their facility and is welcoming new tenants.

Marcy NY, Wolfspeed Silicon Chip Manufacturer . In April, Wolfspeed cut the ribbon on the world’s first, largest, and only 200-millimeter silicon carbide semiconductor facility at Marcy Nanocenter. Wolfspeed has hired over 300 of its estimated 614 jobs forecasted for the Mohawk Valley Fab by 2027. To support this growth, EDGE is working closely with Mohawk Valley Community College, SUNY Polytechnic Institute, and BOCES on a workforce development pipeline to support continued growth of this region’s advanced manufacturing sector. Wolfspeed invested \$1 billion in the new chip fab facility specializing in silicone carbide products. Additionally, Danfoss Silicon Power, a worldwide supplier of Power Electronics continues its buildout of the Quad-C building at SUNYIT. Packaging operations have been established and Danfoss has been ramping employment to 300 employee threshold. Danfoss and Wolfspeed are both working on the emerging silicone carbide chip technology.

Population Trends

<u>Year</u>	<u>City of Rome</u>	<u>County of Oneida</u>	<u>New York State</u>
1990	44,350	250,836	17,990,455
2000	34,950	235,469	18,976,457
2010	33,725	234,878	19,378,102
2020	32,127	232,125	20,201,249
2022 (estimate)	31,735	228,358	19,673,200
2023 (estimate)	N/A	227,555	19,571,516

Source: U.S. Census Bureau.

Selected Wealth and Income Indicators

Per capita income statistics are available for the City, County and State. Listed below are select figures from the 2006-2010, 2016-2020 and 2018-2022 U.S. Census American Community Survey data.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>
City of:						
Rome	\$ 21,989	\$ 26,731	\$ 31,008	\$ 55,630	\$ 66,714	\$ 74,084
County of:						
Oneida	23,458	30,678	35,284	58,017	74,796	84,410
State of:						
New York	30,948	40,898	47,173	67,405	87,270	100,846

Note: 2019-2023 American Community Survey estimates are not available as of the date of this Official Statement.

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Larger Employers

The following are the largest employers located within and in close proximity to the City:

<u>Employer</u>	<u>Type</u>	<u>Approximate Number of Employees</u>
Turning Stone Casino/Oneida Indian Nation ⁽¹⁾	Casino / Hotel	4,500
Mohawk Valley Healthcare System	Healthcare	4,300
Bassett Healthcare	Healthcare	4,267
County of Oneida	Government	1,700
Upstate Caring Partners	Social Services	1,638
Utica City School District	Education	1,564
Metlife Inc.	Insurance/Finance	1,300
Resource Center for Independent Living	Social Services	1,250
Air Force Research Lab	Research & Development	1,242
Utica National Insurance Group	Insurance/Finance	1,149
BNY Mellon	Insurance/Finance	1,140
Defense Finance and Accounting Service	Insurance/Finance	1,100
Indium Corporation	Manufacturing	1,031
Colgate University	Education	999
Briggs & Stratton	Manufacturing	950

⁽¹⁾ Turning Stone Casino is located in the Town of Verona which is located approximately 12 miles from the City.

Source: Mohawk Valley Economic Development Growth Enterprises Corporation (EDGE) and New York State Department of Labor Current Employment by Industry.

Unemployment Rate Statistics

Unemployment statistics are available for the City as such. The information set forth below with respect to the City, County of Oneida, and the State of New York is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County or State is necessarily representative of the City, or vice versa.

	<u>Annual Average</u>									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	
City of Rome	5.5%	5.1%	5.0%	4.7%	4.3%	8.5%	5.6%	3.7%	3.9%	
Oneida County	5.4	4.9	5.0	4.4	4.1	7.8	5.1	3.6	3.7	
New York State	5.2	4.9	4.6	4.1	3.9	9.8	7.1	4.3	4.2	

	<u>2024 Monthly Figures</u>				
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
City of Rome	4.6%	4.9%	4.6%	N/A	N/A
Oneida County	4.4	4.5	4.3	N/A	N/A
New York State	4.3	4.5	4.5	N/A	N/A

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted, accessed April 30, 2024).

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Employees

The City currently employs approximately 307 full-time employees. Police and Fire Department employees and general City employees are each represented by a collective bargaining agent. Those agents that represent them and the dates of expiration of their agreements are as follows:

<u>Labor Organization</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
Civil Service Employees Association (“CSEA”)	79	December 31, 2027
Local 1088	72	December 31, 2025
Patrolmen Benevolent Association (“PBA”)	66	December 31, 2025
Firefighters	75	December 31, 2025

Source: City officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the City are members of the New York State and Local Employees’ Retirement System (“ERS”) or the New York State and Local Police and Fire Retirement System (“PFRS”; with ERS, the “Retirement Systems”). The ERS and PFRS together are generally also known as the “Common Retirement Fund”. The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the “Retirement System Law”). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. The Retirement Systems are non-contributory with respect to members working ten or more years. All members working less than ten years must contribute 3% of gross annual salary towards the cost of retirement programs.

On December 12, 2009, the Governor signed a new Tier V into law. The law was effective for new ERS hires beginning on January 1, 2010. New “Tier V” ERS employees now contribute 3 percent of their salaries. There is no provision for these contributions to cease after a certain period of service. Overtime in excess of \$15,000 will not be subject to ERS either in contribution from the City or the employee.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and PFRS employees hired after April 1, 2012. The Tier VI legislation provided for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from three years to five years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

The City’s contributions to the Retirement Systems for the past five fiscal years and the budgeted contributions for the 2024 fiscal years are as follows:

<u>Year</u>	<u>ERS/PFRS</u>
2019	\$4,195,627
2020	4,368,403
2021	4,682,330
2022	4,698,119
2023 (Unaudited)	4,654,607
2024 (Budgeted)	5,391,036

Source: City officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees.

Historical Trends and Contribution Rates: Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and PFRS rates (2021 to 2025) is shown below:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2021	14.6%	24.4%
2022	16.2	28.3
2023	11.6	27.0
2024	13.1	27.8
2025	15.2	31.2

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The City amortized the maximum amount allowed in 2014 and 2015 fiscal years. The City did not amortize its contributions for the 2016 through 2023 fiscal years and does not anticipate doing so for the 2024 fiscal year.

Chapter 57 of the Laws of 2010 of the State of New York requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the Retirement System’s fiscal years when the local employer opts to participate in the program. The liabilities are amortized over 10 years at an interest rate ranging from 3.00% to 3.75%. The total unpaid liability for the pension years 2012 to 2017 at December 31, 2022 was \$443,501 of which \$51,958 was reported in the Proprietary Funds and \$391,543 in the Schedule of Non-Current Governmental Liabilities. Annual debt service requirements to maturity for the unpaid amortized portion of the retirement bills are shown below:

Fiscal Year Ending	Government Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
December 31st				
2023	\$ 236,448	\$ 13,022	\$ 29,079	\$ 1,716
2024	119,624	4,928	16,518	728
2025	35,471	1,138	6,361	204
Totals	\$ 391,543	\$ 19,088	\$ 51,958	\$ 2,648

Source: Audited Financial Statements.

Stable Rate Pension Contribution Option: The Enacted 2013-14 State Budget includes a provision that provides local governments, including the County, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

The investment of monies and assumptions underlying same, of the Retirement System covering the County’s employees is not subject to the direction of the County. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities (“UAALs”) of the Retirement System. The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the County which could affect other budgetary matters. Concerned investors should contact the Retirement System administrative staff for further information on the latest actuarial valuations of the Retirement System.

Other Post-Employment Benefits

Healthcare Costs. It should also be noted that the City provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the City, to account for post-retirement healthcare benefits as it accounts for vested pension benefits.

OPEB. Other Post-Employment Benefits (“OPEB”) refers to “other post-employment benefits,” meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the GASB released new accounting standards for public other postemployment benefits (OPEB) plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. As of December 31, 2018 the City implemented GASB 75 which requires municipalities to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required municipalities to calculate and report a net other postemployment benefit obligation. However, under GASB 45 municipalities could amortize the OPEB liability over a period of years, whereas GASB 75 requires municipalities to report the entire OPEB liability on the statement of net position.

Summary of Changes from the Last Valuation. The City contracted with Brown and Brown Consulting, an actuarial firm, to calculate its actuarial valuations under GASB 75.

The following outlines the changes to the Total OPEB Liability during the 2022 and 2023 fiscal years, by source.

Total OPEB Liability - Balance at:	January 1, 2022	January 1, 2023
	\$ 80,714,397	\$ 63,233,797
<u>Changes for the year:</u>		
Service cost	\$ 1,237,785	\$ 789,490
Interest	1,648,876	2,308,947
Changes in benefit terms	-	-
Changes in assumptions or other inputs	(17,562,561)	4,375,740
Differences between expected and actual experience	-	-
Actuarial demographic (gain) or loss	-	4,403,021
Benefit payments	(2,804,700)	(2,989,500)
Net Change	(17,480,600)	8,887,698
Total OPEB Liability - Balance at:	December 31, 2022	December 31, 2023
	\$ 63,233,797	\$ 72,121,495

(Source: The City’s GASB 75 actuarial valuations.

Note: The above table is not audited.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The City has reserved \$0 towards its OPEB liability. The City funds this liability on a pay-as-you-go basis.

The City’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the City’s finances and could force the City to reduce services, raise taxes or both.

Actuarial Valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are less than 200 members.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Notes are to be issued is the City Charter and the Local Finance Law.

The City is in compliance with the procedure for the publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of the City is past due. Due to clerical error, the City was one day late making interest payments due July 15, 2014 and May 15, 2015, and three days late making an interest payment due March 1, 2017. The City filed material event notifications with EMMA on July 23, 2014, May 19, 2015, and April 3, 2017, respectively.

The fiscal year of the City commences January 1 and ends December 31.

Except for as shown under “STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness”, this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the City.

The State Comptroller’s Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State’s school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System (“FSMS”) to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State’s school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district’s ST-3 report filed with the State Education Department annually, and each municipality’s annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in “Significant Fiscal Stress”, in “Moderate Fiscal Stress,” as “Susceptible Fiscal Stress” or “No Designation”. Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of “no designation.” This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity’s financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past five years for the City are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	0.0
2019	No Designation	3.3
2018	No Designation	9.6

Note: Reference to website implies no warranty of accuracy of information therein.

Source: Website of the Office of the New York State Comptroller.

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FINANCIAL FACTORS

Form of Government

The City has had the President-Common Council form of City government since 1960. The Common Council of the City (the "Common Council") consists of the Common Council President who is elected at large every four years and seven Councilors elected by Council districts every two years.

Elected and Appointed Officials

It is the responsibility of the Common Council to approve all legislation, including ordinances and local laws, to adopt and modify, as required, operating and capital budgets, to levy real property taxes and to authorize the issuance of all indebtedness.

The Mayor is elected at a general election for a four-year term and there is no restriction on the number of terms that may be served. The Mayor is the Chief Executive Officer of the City.

The City Treasurer is the Chief Fiscal Officer and is responsible for the receiving and collecting of funds. It is the responsibility of the City Treasurer to disburse and account for all financial transactions.

The Treasurer's Department is responsible for accounting for all revenues and disbursements of the City, for preparation and payment of employee payrolls, for custody and investment of all City funds, supervision of tax billing, tax and revenue collections including school tax billing and collection, administration of tax lien sales, management of bank accounts and the preparation and monitoring of the annual operating budget and five-year capital plan.

Budgetary Procedures

The budget is formulated and presented to the Board of Estimate and Contract, no later than September 15 of each year. The Board of Estimate and Contract, composed of the Mayor, President of the Common Council, City Treasurer, Commissioner of Public Works and Corporation Counsel review, modify and recommend the annual budget to the Common Council by October 1 of each year. The Common Council may not increase the budget, nor may it decrease revenues, salaries and wages, and debt service appropriations. The Common Council shall consider and adopt the annual budget as presented or as amended. Should the Common Council take no final action before October 31 of each year, the budget submitted by the Board of Estimate and Contract shall be deemed adopted.

Investment Policy and Permitted Investments

Pursuant to the statutes of the State, the City is permitted to invest only in the following investments: (1) special time deposits in, or certificates of deposits issued by a bank or trust company located and authorized to do business in the State; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State; (5) with the approval of the State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the City; (6) obligations of a New York public benefit corporations which are made lawful investments in which the City may invest pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State; and (8) in the case of City moneys held in certain reserve funds established pursuant to law, obligations issued by the City. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the City's current policy to invest only in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the City may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

Independent Audit

The City retains the independent Certified Public Accountants of D’Arcangelo & Co., LLP. The last audit report is for the period ending December 31, 2022 and is attached hereto “APPENDIX – D” to this Official Statement. The City’s Audited Financial Report for the fiscal year ending December 31, 2023 is expected to be available on or about July 15, 2024. The City’s Annual Update Document (as filed with the State Comptroller’s Office) fiscal year ending December 31, 2023 can be found on the Electronic Municipal Market Access (“EMMA”). Certain financial information may be found in the Appendices to this Official Statement. The financial affairs of the City are also subject to periodic compliance audits by the State Comptroller. (See “New York State Comptroller’s Report of Examination” hereunder).

The City complies with the Uniform System of Accounts as prescribed for cities in the State by the Office of the State Comptroller. Except for the accounting for fixed assets, this system conforms to generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants’ Industry Audit Guide, “Audits of State and Local Governmental Units,” and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending December 31, 2003, the City is required and has issued its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis.

New York State Comptroller Report of Examination

The State Comptroller’s office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the City has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller’s office released an audit report of the City on June 4, 2021. The purpose of the audit was to provide an independent evaluation of the City’s adopted budget for the 2021 fiscal year.

Key Findings:

- Our review found that officials adequately assessed the impact of the pandemic on financial operations while developing estimates for significant revenues and expenditures in the 2021 adopted budget.

Key Recommendations:

- In consideration of the continually new and evolving impacts caused by the pandemic, City officials should carefully monitor their budgeted to actual revenues and expenditures and make amendments to the budget as needed throughout the year.

A copy of the completed report can be found via the website of the Office of the New York State Comptroller.

There are no reports of the State Comptroller that are in currently progress or pending release.

Note: Reference to websites implies no warranty of accuracy of information therein.

Fund Structures and Accounts

The General Fund and the Special Revenue Funds are the principal funds used to account for the City’s financial resources except those required to be accounted for in another fund. The General Fund accounts for substantially all of the City’s operating and maintenance costs. The Special Revenue Funds are used to account for proceeds of specific revenue sources (other than major capital projects) that are restricted to expenditures for specified purposes. Special Revenue Funds maintained by the City are the Water Fund, the Sewer Fund and the Refuse Fund. There is also a Debt Service Fund which is used to account for transfers from all funds for the payment of debt service on the long-term obligations of these funds and a Capital Projects Fund which is used to account for financial resources such as proceeds from bonds, notes, transfers from government funds, and federal and state grants which are to be applied for permanent or semi-permanent capital improvements.

Basis of Accounting

The City utilizes the modified accrual basis of accounting for recording transactions in all governmental type funds. Under this method, (1) revenues are recorded when received in cash except for revenues which are material and susceptible to accrual (measurable and available to finance the current year’s operations) which are recorded when earned, and (2) expenditures, other than retirement plan contributions, vacation and sick pay, and accrued interest on bond anticipation notes and general long-term debt, are recorded at the time liabilities are incurred.

REVENUES

Property Taxes

The City derives a major portion of its general fund revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in "APPENDIX – A", herein).

The following table sets forth total General Fund revenues and real property tax revenues during each of the below ten completed fiscal years, unaudited results for 2023 and the amount budgeted for the 2024 fiscal year.

Fiscal Year Ending December 31 st	<u>GENERAL FUND ONLY</u>		Real Property Taxes to to Revenues (%)
	<u>Revenues</u>	<u>Real Property Taxes</u>	
2013	\$ 40,808,418	\$ 16,793,635	41.15
2014	40,708,818	16,314,467	40.08
2015	41,447,308	16,855,591	40.67
2016	41,030,532	16,058,428	39.14
2017	42,742,908	16,353,112	38.26
2018	42,213,685	16,188,635	38.35
2019	43,192,107	15,526,345	35.95
2020	40,314,450	16,165,006	40.10
2021	48,427,951	16,479,603	34.03
2022	49,958,671	16,617,912	33.26
2023 (Unaudited)	57,559,207	16,246,190	28.23
2024 (Budgeted)	48,609,421	16,746,014	34.45

Note: Water, sewer, and refuse revenues are recorded in separate self-sustaining funds. (This table is not audited.)

Source: Audited Financial Statements, 2023 unaudited results and 2024 Adopted Budgets of the City.

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State Aid

The City also receives a significant portion of its revenues in the form of State aid. However, there is no assurance that the State appropriation for State aid to cities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid.

State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the City, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

The following table sets forth total General Fund revenues and State aid during each of the below ten completed fiscal years, unaudited results for 2023 and the amounts budgeted for the 2024 fiscal year.

<u>December 31st</u>	<u>GENERAL FUND ONLY</u>		<u>State Aid to Revenues (%)</u>
	<u>Revenues</u>	<u>State Aid</u>	
2013	\$ 40,808,418	\$ 10,432,640	25.56
2014	40,708,818	10,321,912	25.36
2015	41,447,308	10,416,990	25.13
2016	41,030,532	10,724,591	26.14
2017	42,742,908	10,672,385	24.97
2018	42,213,685	10,589,224	25.08
2019	43,192,107	10,600,268	24.54
2020	40,314,450	8,321,543	20.64
2021	48,427,951	13,264,127	27.39
2022	49,958,671	11,725,903	23.47
2023 (Unaudited)	57,559,207	11,702,663	20.33
2024 (Budgeted)	48,609,421	11,399,267	23.45

Note: This table is not audited.

Source: Audited Financial Statements, 2023 unaudited results and 2024 Adopted Budget of the City.

Sales Tax

The following table sets forth total General Fund revenues and Sales Tax during each of the below ten completed fiscal years, unaudited results for 2023 and the amounts budgeted for the 2024 fiscal year.

<u>Fiscal Year Ending December 31st</u>	<u>GENERAL FUND ONLY</u>		<u>Sales Tax to Revenues (%)</u>
	<u>Revenues</u>	<u>Sales Tax</u>	
2013	\$ 40,808,418	\$ 9,009,887	22.08
2014	40,708,818	9,287,383	22.81
2015	41,447,308	9,302,503	22.44
2016	41,030,532	9,486,713	23.12
2017	42,742,908	9,952,886	23.29
2018	42,213,685	10,689,709	25.32
2019	43,192,107	10,757,854	24.91
2020	40,314,450	10,393,366	25.78
2021	48,427,951	13,329,736	27.52
2022	49,958,674	12,776,441	25.57
2023 (Unaudited)	57,559,207	13,463,887	23.39
2024 (Budgeted)	48,609,421	14,287,894	29.39

Note: This table is not audited.

Source: City officials, Audited Financial Statements, 2023 unaudited results and the 2024 Adopted Budget of the City.

On July 14, 1999, the County Legislators extended a resolution dated October 27, 1982 imposing a County-wide sales tax of 3%. The City of Rome received 1-1/2% of the collections within its city boundaries and the County of Oneida keeps the remaining 1-1/2%.

The County also imposed, on September 1, 1992 an additional 1% increment to the sales tax. In July, 2007, the New York State Legislature (with the Governor signing into Law) authorized the extension of the County's 1% additional sales tax, originally passed in 1992, until November 30, 2009 which expired on November 30, 2013. On December 1, 2013 the extension was again approved and renewed until November 30, 2015 and an additional sales and compensating use tax of either three quarters of one percent or one-half of one percent was imposed for the same period. On August 13, 2015, the extension was once again approved and is now set to expire on November 30, 2017. The County's "additional" 1% rate was reauthorized by the State in 2017 for a three year period December 1, 20-7 - November 30, 2020. The City receives 1/2% of the collections within its boundaries and the County keeps the remaining 1/2%.

The collections are split between the municipalities as follows:

New York State	4.00%
Oneida County	2.75
City of Rome	<u>2.00</u>
	8.75%

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RECENT OPERATING RESULTS

The following table shows the General Fund Revenues and other sources, General Fund Expenditures and other sources, and the Total Fund Equity (fund balance) based on audited figures of the City for the below listed fiscal years.

Fiscal Year Ending <u>December 31st</u>	<u>GENERAL FUND ONLY</u>		<u>Total Other</u>	<u>Prior Period</u>	<u>Total Fund Equity</u>
	<u>Revenues</u>	<u>Expenditures</u>	<u>Financing Sources</u> ⁽¹⁾	<u>Adjustment</u>	<u>(Fund Balance)</u>
2009	38,880,208	38,665,519	(805,856)	209,635	7,526,094
2010	39,540,770	38,558,730	(660,008)	137,176	7,985,302
2011	39,607,038	39,258,211	(988,831) ⁽²⁾	1,214,777 ⁽³⁾	8,560,075
2012	39,411,925	38,406,240	(732,555)	(1) ⁽⁴⁾	8,833,204
2013	40,808,418	38,622,443	(952,425)	(2) ⁽⁴⁾	10,066,752
2014	40,708,818	39,726,625	(888,968)	(97,542)	10,062,435
2015	41,447,309	40,194,637	(959,093)	(51,641)	10,304,373
2016	41,030,532	39,755,233	(1,083,117)	-	10,496,554
2017	42,742,908	40,689,132	(1,070,673)	(97,000)	11,382,657
2018	43,213,688	41,052,112	(964,619)	41,606	12,621,217
2019	43,192,107	41,410,047	(1,276,315)	0	13,126,962
2020	40,314,450	39,524,334	(1,302,061)	0 ⁽⁵⁾	12,615,017
2021	48,427,951	42,588,842	(1,598,296)	0	16,855,829
2022	49,958,671	41,803,753	(3,742,961) ⁽⁶⁾	0	20,598,790
2023 (Projected Unaudited)	57,559,207	45,855,737	(10,556,007) ⁽⁷⁾	0	21,746,253

- (1) Other financing uses represent a combination of either transfers to various capital fund projects of the City, net of premium received, proceeds of refunded debt in excess of payments to the escrow agent, and any payments to the escrow agent for a bond refunding in excess of additional proceeds received.
- (2) Other financing uses of \$981,823 represent transfers to various capital fund projects of the City in addition to \$7,008 of payments to the escrow agent for a bond refunding in excess of additional proceeds received.
- (3) The City closed 56 capital projects all related to the General Fund and completed prior to December 31, 2011. In the aggregate, the projects that did not have outstanding debt associated with them but had an aggregate deficit of \$871,120 which was charged to the General Fund's equity. In addition, the projects with residual equity from bond proceeds had an aggregate total of \$2,085,897 which was credited to the Reserve for Debt in accordance with New York State Local Finance Law. Reserve for Debt is a component of General Fund Balance. Further information regarding the closure of these projects can be found in Note 11 of the City's Management Discussion and Analysis and Financial Statements for the Year Ended December 31, 2011. See also "THE CITY – The New York State Comptroller's Report of Examination" herein.
- (4) Adjustment due to rounding and/or mathematical errors.
- (5) The City incurred a loss for the year ended December 31, 2020 primarily as a result of the delay in collection of \$735,170 of sales tax revenue due from Oneida County and \$2,398,763 of State Aid. While these funds were not collected in the City's 60 day window for accrual to the 2020 fiscal year, they were received later in the first and second quarters of 2021.
- (6) Net of Operating Transfers and Interfund Transfers. Operating Transfers includes \$1,554,190 distributed to capital projects being completed with Coronavirus State and Local Fiscal Recovery Funds.
- (7) Net of Operating Transfers and Interfund Transfers. Operating Transfers includes \$8,620,998 distributed to capital projects being completed with Coronavirus State and Local Fiscal Recovery Funds.

Source: City officials and the Audited Financial Statements of the City. Additionally, see "APPENDIX – A, A1, A2 & A3" attached hereto.

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Water Fund

The Water Fund is used to account for transactions relating to the operation and maintenance of the City-owned water supply and distribution system. Substantially all of the fund's activities are financed through the sale of water; no tax moneys are contributed for the support of this service.

For the fiscal year ended December 31, 2021, based on audited figures, the City's Water Fund revenues were \$9,068,017, Water Fund expenditures were \$8,357,558, and other sources were \$1,113,618. Other sources included \$110,430 representing a WIIA grant received from the Environmental Facilities Corporation (EFC) for the construction of the City's water treatment plant and \$850,358 received from the Empire State Development Corporation (ESD) for the construction of water mains in Northwest Rome. Based on audited figures, the Water Fund's total net position as of December 31, 2021 was \$41,961,718.

For the fiscal year ended December 31, 2022, based on audited figures, the City's Water Fund revenues were \$9,166,372, Water Fund expenditures were \$7,268,814, and other sources were \$2,767,998. Based on audited figures, the Water Fund's total net position as of December 31, 2022 was \$46,627,273.

For the fiscal year ended December 31, 2023, based on unaudited figures, the City's Water Fund revenues were \$9,132,873, Water Fund expenditures were \$8,312,106, and other sources were \$5,289,603. Based on unaudited figures, the Water Fund's total net position as of December 31, 2023 was \$52,737,643.

Sewer Fund

The Sewer Fund is used to account for revenues and expenses of sewer services provided to the residents and businesses in the City.

For the fiscal year ended December 31, 2021, based on audited figures, the City's Sewer Fund revenues were \$4,498,994, Sewer Fund expenditures were \$4,214,111, and other sources were \$4,256,634 included \$1,233,118 in grant funding from 2 state agencies for capital improvement projects and \$1,900,000 for a EPA Green Innovation Grant Program (GIGP) award for the City's Anerobic Digester capital improvement project. Based on audited figures, the Sewer Fund's total net position as of December 31, 2021 was \$39,781,653.

For the fiscal year ended December 31, 2022, based on audited figures, the City's Sewer Fund revenues were \$4,407,859, and Sewer Fund expenditures were \$4,268,002, and other sources were \$3,303,487. Based on audited figures, the Sewer Fund's total net position as of December 31, 2022 was \$43,224,998.

For the fiscal year ended December 31, 2023, based on unaudited figures, the City's Sewer Fund revenues were \$4,434,486, and Sewer Fund expenditures were \$6,123,511 and other sources were \$2,849,841. Based on unaudited figures, the Sewer Fund's total net position as of December 31, 2023 was \$44,385,814.

Refuse Fund

The Refuse Fund is used to account for revenues and expenses of operating the waste management services.

For the fiscal year ended December 31, 2021, based on audited figures, the City's Refuse Fund revenues and other sources were \$2,540,227 and Refuse Fund expenditures were \$2,544,173, and other uses were \$1,219. Based on audited figures, the Refuse Fund's total net position as of December 31, 2021 was \$2,366,816.

For the fiscal year ended December 31, 2022, based on audited figures, the City's Refuse Fund revenues and other sources were \$2,546,156 and Refuse Fund expenditures were \$2,518,488, and other sources were \$19,093. Based on audited figures, the Refuse Fund's total net position as of December 31, 2022 was \$2,413,577.

For the fiscal year ended December 31, 2023, based on unaudited figures, the City's Refuse Fund revenues were \$2,532,960 and Refuse Fund expenditures were \$2,321,648, and other sources were \$82,646. Based on unaudited figures, the Refuse Fund's total net position as of December 31, 2022 was \$2,707,535.

2024 Budget Summary

For the fiscal year ending December 31, 2024, General Fund revenues are budgeted at \$48,609,421 with a budgeted reserve appropriation of \$80,000 appropriated fund balance of \$2,416,167 and General Fund Expenditures and other uses are budgeted at \$51,105,588.

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending December 31:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Assessed Valuation	\$ 836,922,582	\$ 838,164,434	\$ 834,570,755	\$ 837,206,042	\$ 842,920,616
New York State					
Equalization Rate	66.49%	66.09%	61.03%	53.51%	45.38%
Total Taxable Full Valuation	\$ 1,258,719,480	\$ 1,268,216,726	\$ 1,367,476,249	\$ 1,564,578,662	\$ 1,857,471,609

Tax Rates Per \$1,000 Assessed

<u>Fiscal Year Ending December 31:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund	\$ 18.31	\$ 18.32	\$ 18.31	\$ 18.31	\$ 18.29

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending December 31:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Tax Levy	\$ 15,326,314	\$ 15,358,405	\$ 15,283,994	\$ 15,331,884	\$ 15,417,415
Amount Uncollected ⁽¹⁾	736,179	638,600	586,642	629,519	N/A
% Uncollected	4.80%	4.16%	3.84%	4.11%	N/A

⁽¹⁾ See “Tax Collection Procedure” herein.

Tax Collection Procedure

The City is responsible for the collection of its own taxes, both current and delinquent. The City also collects the District’s current and delinquent taxes and pays them to the District as collected.

Tax payments are due one-half from April 1 to April 30 and one-half from October 1 to October 31. On taxes remaining unpaid after May 1 and November 1, 2% is added for that initial month, and then 1% per month thereafter.

Total real property taxes in the City are comprised of three separate taxing elements: (1) City, (2) County; and (3) School. Real property taxes become payable upon the levy of such taxes by the City Council, the County Legislature and the local Board of Education, respectively.

Preparation of the tax assessment roll is the statutory responsibility of the City under the Real Property Tax Law. The City Assessment Office undertakes regular inspections of property to ensure that new construction, improvements or demolitions are reflected in the annual roll of taxable properties.

The taxes levied by the City become a lien on January 1; County taxes are billed on a single statement and are levied January 1. City taxes are one-half payable on April 30 one-half payable on October 31. County taxes are payable February 28. The District taxes are levied July 1 and are one-half payable October 31 and one-half payable April 30. The City guarantees the District the full amount of its tax levy.

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Constitutional Tax Margin

Computation of Constitutional Tax Margin for the City for the fiscal years ending December 31:

<u>Fiscal Year Ending December 31:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Five Year Average Full Valuation.....	\$ 1,235,939,146	\$ 1,324,737,625	\$ 1,463,292,545
Tax Limit - (2%).....	24,718,783	26,494,753	29,265,851
Total Tax Levy (General).....	15,283,994	15,331,884	15,417,415
Less: Exclusions from Tax Limit.....	7,762,748	6,687,634	6,771,676
Tax Levy Subject to Tax Limit.....	\$ 7,521,246	\$ 8,644,250	\$ 8,645,739
Percentage of Tax Limit Exhausted.....	30.43%	32.63%	29.54%
Constitutional Tax Margin.....	<u>\$ 17,197,537</u>	<u>\$ 17,850,503</u>	<u>\$ 20,620,112</u>

Source: City officials.

Ten Largest Taxpayers - 2023 Tax Rolls for 2024 Taxes

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Family Dollar Services, Inc. ⁽¹⁾	Retail	\$50,056,000
Built in a Day (NY) LLC ⁽¹⁾	Commercial	40,335,000
Niagara Mohawk Power Corp.	Utility	34,524,668
B240 LLC ⁽¹⁾	Commercial	16,026,450
East Coast Olive Co. ⁽¹⁾	Commercial	10,712,300
Wal-Mart Real Estate Business Trust	Retail	8,172,100
Kris-Tech Wire Co Inc. ⁽¹⁾	Commercial	6,188,525
Bryant Property Management LLC.	Apartments	6,012,300
Lowe’s Home Center, Inc.	Retail	6,000,000
New York Becknell ⁽¹⁾	Manufacturing	5,739,500

⁽¹⁾ These taxpayers have PILOTS agreements (the following bracketed amounts indicate the annual loss in income to the City for the 2023 tax year when compared to taxes that would be collected absent the PILOT agreements): Family Dollar Services, Inc.: (\$534,631), Built in a Day (NY) LLC (\$814,451), B240 LLC. (323,669), East Coast Olive Co.: (\$73,055), Kris-Tech Wire Co. Inc.: (\$100,672) and New York Becknell (\$6,936).

As of the date of this Official Statement, the City has three pending tax certioraris, one of which are for the taxpayers listed above. Wal-Mart has filed for 2022 and 2023 which could result in a loss of up to \$50,000. Family Video Movie Club, Inc. has filed for 2022 only, which could result in a loss of up to \$25,000. Lastly, Pine Haven has filed for 2023 only, which could result in a loss up to \$25,000.

The ten largest taxpayers listed above have a total estimated assessed valuation of \$183,766,843, which represents approximately 21.8% of the tax base of the City for the 2024 fiscal year.

Source: City tax rolls and City officials.

TAX LEVY LIMIT LAW

Prior to the enactment of Chapter 97 of the New York Laws of 2011, as amended (the “Tax Levy Limit Law”) all the taxable real property within the City had been subject to the levy of ad valorem taxes to pay the Notes of the City and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the City, without providing an exclusion for debt service on obligations issued by the City. As a result, the power of the City to cause the levy of real estate taxes on all the taxable real property within the City, to pay the principal of and interest on the Bonds and the Notes, is subject to the statutory limitations imposed by the Tax Levy Limit Law.

The following is a brief summary of certain relevant provisions of Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof.

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the City, subject to certain exceptions. The Tax Levy Limit Law permits the City to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The City is required to calculate its tax levy limit for the upcoming year in accordance with the provisions above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the City, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by City. The City Council can adopt a resolution, approved by a vote of sixty percent of the total voting power of the City Council, to override the tax levy limit for a given year.

There can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating applicable law (i) for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) by limiting the pledge of its faith and credit by a City for the payment of debt service on obligations issued by such City because the Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the City or such indebtedness incurred after the effective date of the Tax Levy Limit Law.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the City (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the City and its indebtedness (including the Notes), include the following provisions:

Purpose and Pledge. Subject to certain enumerated exceptions, the City shall not give or loan any money or property to or in aid of any individual, private corporation or private undertaking or give or loan its credit to or in aid of any foreign or public corporation. The City may contract indebtedness only for a City purpose and shall pledge its faith and credit for the payment of the principal of any interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless substantially level or declining debt service is utilized. The City is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its bonds.

Debt Limit. The City has the power to contract indebtedness for any City purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real property of the City and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the City is calculated by taking 7% of the latest five-year average of the full valuation of all taxable real property.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the City to borrow and incur indebtedness by the enactment of the Local Finance Law subject to the provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the City Charter and the General Municipal Law.

Pursuant to the Local Finance Law and the City Charter, the City authorizes the issuance of bonds by the adoption of a bond ordinance approved by at least two-thirds of the members of the Common Council, the finance board of the City. Customarily, the Common Council has delegated to the City Treasurer, as chief fiscal officer of the City, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that when a bond ordinance is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the City is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations, and
- (3) An action contesting such validity is commenced within twenty days after the date of such publication, or

If such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions, the City generally issues its obligations after the time period specified in (3) above has expired with no action filed that has contested validity. It is a procedure that is recommended by Bond Counsel but it is not an absolute legal requirement. The City's Common Council approved various bond ordinances on March 27, 2024, April 10, 2024, and April 24, 2024 authorizing the issuance of serial bonds for various projects (See "AUTHORITY FOR AND PURPOSES OF ISSUE" herein). The City is in the process of complying with the estoppel procedure for these ordinances, which may not be complete before the anticipated closing of the Notes on June 11, 2024.

Each bond ordinance usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto. The City has authorized bonds for a variety of City objects or purposes.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such bonds outstanding, commencing no later than two years from the date of the first of such bonds and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein.)

In general, the Local Finance Law contains provisions providing the City with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget and capital notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending December 31:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Bonds	\$ 50,052,396	\$ 57,654,241	\$ 62,022,766	\$ 66,510,510	\$ 68,470,732
Bond Anticipation Notes	7,341,150	6,104,545	6,904,941	4,580,865	7,522,685
EFC Drinking Water Facility Note ⁽¹⁾	7,864,742	0	0	3,423,566	13,258,379
EFC Clean Water Facility Notes ⁽²⁾	6,244,143	9,174,948	9,014,507	6,716,707	0
Capital Lease Obligation ⁽³⁾	2,199,126	1,888,182	749,774	996,405	570,590
Capital Lease Obligation ⁽⁴⁾	<u>553,070</u>	<u>948,419</u>	<u>1,303,221</u>	<u>989,797</u>	<u>1,106,719</u>
Totals	<u>\$ 74,254,127</u>	<u>\$ 75,770,335</u>	<u>\$ 79,995,209</u>	<u>\$ 83,217,850</u>	<u>\$ 90,929,105</u>

⁽¹⁾ NYS EFC Drinking Water Facility Note for 2022 represents a total commitment of \$13.5 million for the Northwest Rome Rephase 3 Water Project. Original note was dated November 18, 2021 to mature December 18, 2026. In addition, the City was awarded a \$3.0 million WIIA grant. As a result of sharply higher construction costs since the original cost estimates were prepared, the City is requesting the EFC fund an additional \$11,235,000 for this project of which the City has received \$9,834,813.

⁽²⁾ Lease obligations outstanding for Water, Sewer and Refuse Funds. See "Capital Lease Payable" herein. As of December 31, 2023 the amounts included \$340,590 of auto and truck lease payables with original maturities of 3 to 5 years, and \$230,000 for a lease on the City's landfill.

⁽³⁾ Lease obligations outstanding for the General Fund. See "Capital Lease Payable" herein. As of December 31, 2023, the amount included \$908,254 of auto and truck lease payables with original maturities of 3 to 5 years, \$29,125 in printers and copies, and \$169,341 in police body cameras and tasers.

Note: The capital lease obligations listed above are not included in the debt calculations herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the City evidenced by bonds and notes as of May 16, 2024:

<u>Type of Obligation</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2024-2052	\$ 67,155,732
 <u>Bond Anticipation Notes</u>		
Various City Projects	June 12, 2024	7,522,685 ⁽¹⁾
 <u>NYS EFC Short-Term Financing</u>		
Northwest Rome Rephase 3 Water Project	November 18, 2026	<u>13,258,379</u>
		Total \$ <u>87,936,796</u>

- (1) To be partially redeemed and renewed at maturity with the proceeds of the Notes and \$563,442 available funds of the City.
- (2) See Capital Project Plans” herein for additional information relating to the City’s NYS EFC Financings.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Power prepared and shown as of May 16, 2024:

Five-Year Average Full Valuation of Taxable Real Property	\$ 1,463,292,545
Debt Limit – 7% thereof	102,430,478

Inclusions:

Bonds	\$ 67,155,732	
Bond Anticipation Notes	7,522,685	
EFC Drinking Water Notes	<u>13,258,379</u>	
Total Inclusions		<u>\$ 87,936,796</u>

Exclusions:

Sewer Debt ⁽¹⁾	\$ 3,746,105	
Water Debt – Bonds ⁽²⁾	27,014,646	
Water Debt – EFC Notes	13,258,379	
Appropriations – Bonds	2,537,345	
Appropriations – Notes	<u>563,442</u>	
Total Exclusions		<u>\$ 47,119,917</u>

Total Net Indebtedness Subject to Debt Limit	<u>\$ 40,816,879</u>
Net Debt-Contracting Margin	<u>\$ 61,613,599</u>
Percent of Debt Contracting Power Exhausted	39.85%

The proceeds of the Notes will increase the net indebtedness of the City by \$7,055,162.

- (1) Sewer Debt is excluded pursuant to Section 124.10 of the Local Finance Law. Sewer debt can be excluded upon application to the State Comptroller office and the issuance of a certification for sewer debt exclusion. The City’s application for this exclusion was approved and a certificate was issued August 14, 2017.
- (2) Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.

Bonded Debt Service

A schedule of Bonded Debt Service may be found attached hereto as “APPENDIX – B” of this Official Statement.

Cash Flow Borrowings

The City has found it necessary to borrow revenue and tax anticipation notes in the past; however, the last revenue anticipation note borrowing was on October 6, 2010. The City does not see the need to issue revenue or tax anticipation notes in the foreseeable future.

Authorized and Unissued Indebtedness

From time to time there are a number of projects which are continually being evaluated. Additional borrowings will depend on which projects the City elects to undertake.

The City's current projects are being financed using bond anticipation notes. Pending market conditions, the outstanding bond anticipation notes may be renewed or converted to serial bonds at maturity.

Capital Lease Payable

The City leases various equipment for its departments. The following table shows the year-end balances for the City's general fund and its water and sewer fund enterprise funds as of December 31, 2022:

Fiscal Year Ending	General Fund		Water & Sewer Fund	
	Principal	Interest	Principal	Interest
December 31st				
2023	\$ 401,248	\$ 67,671	\$ 631,284	\$ 48,302
2024	294,106	40,479	63,558	26,500
2025	198,595	17,767	51,868	21,112
2026	82,482	6,889	21,988	18,093
2027	13,367	686	22,816	15,791
2028-2040	-	-	204,891	118,510
Totals	\$ 989,798	\$ 133,492	\$ 996,405	\$ 248,308

Source: City officials.

Capital Project Plans

The U.S. Environmental Protection Agency published the Long Term 2 Enhanced Surface Water Treatment Rule ("LT2ESWTR") on January 5, 2006. The LT2ESWTR improves control of microbial pathogens. The LT2ESWTR requires source water monitoring at public water systems that use surface water or ground water under the direct influence of surface water. Based on system size and filtration type, systems need to monitor for Cryptosporidium, E. coli, and turbidity. As part of the new regulations, a municipality, such as the City, with an uncovered finished water storage facility must choose to either use tanks to store the finished water, cover the uncovered finished water storage facility, or treat the discharge from the uncovered finished water storage facility to the distribution. The City submitted final plans and specifications for compliance by May 1, 2015, awarded its contract for the intended project by August 1, 2015, and construction began September 1, 2015. The City was on track to complete the project and have an operational system in compliance with the new regulations by December 31, 2016. As indicated in the section entitled "RECENT OPERATING RESULTS", however; in late November 2016 the City had a chlorine leak at this facility and incurred an estimated loss of \$2.3 million which was recorded in the financial statements for that year. The project at the time was not completed and the City had not taken possession of the facility since it was not completed. Since the City did not have legal possession of the facility at the time, it did not have property damage insurance coverage on it. The City's total investment in the facility to date is in excess of \$10.3 million which includes the \$2.3 million loss noted above. As of June 1, 2019, the plant was operational and fully in compliance with the LT2 mandate. The City has been engaged in multi-party litigation regarding this matter since November 2019. If a settlement is not reached the matter is expected to go to trial by the end of 2024.

The project was permanently financed on December 17, 2020 with a \$8,176,276 long term bond. \$1,369,107 of the \$3,000,000 WIIA grant both through the New York State Environmental Facilities Corporation ("NYS EFC") remains available for unbilled expenses. At the time of this Official Statement, the extent to which the City might be reimbursed by another party, another party's insurance company, or the City's own general liability insurance has not been determined. Debt service on this project will be paid through the Water Fund and revenues that will be raised through user fees.

The City issued two NYS EFC Clean Water Facility Notes dated June 14, 2018 that would have matured on June 14, 2023. These projects included upgrades to the City’s Solids Handling Sewer Plant and a Wastewater Disinfection Facility. The NYS EFC Clean Water Facility Notes were converted to long-term financing in January 2023, as interest free financing, with a final maturity date of January 2052. The combined long-term financing of said projects totaled \$6,677,022. The financing arrangement included \$1,472,800 of WIIA grant funding. The financing arrangement includes a \$937,500 WIIA grant and \$2,500,000 New York State DEC Water Quality Improvement Project (WQIP) grant.

The City issued a NYS EFC Clean Water Facility Note dated March 14, 2019 to which was set to mature on March 14, 2024. This project encompassed the installation of a force main, sewer interceptor, and sewer line replacement along Railroad Street to improve water quality in the Mohawk River Barge canal. The financing arrangement includes \$3,500,000 of WIIA grant funding, and \$10,500,000 of interest free “hardship” loans. As a result of unanticipated cost increases after the pandemic, total project costs increased to \$16.2 million. NYS EFC tentatively agreed to increase the City’s hardship loan by \$2.2 million to a total of \$12.7 million. To date, the City has incurred almost \$10.5 million in expenditures and has drawn \$1,750,000 of the WIIA grant.

On June 15, 2023, the City issued to NYS EFC the City’s \$12.7 million maximum principal amount EFC Clean Water Facility Note-2023 (the “2023 EFC Note”), to implement the \$2.2 million loan increase referenced in the immediately preceding paragraph. The 2023 EFC Note will replace the City’s \$10,500,000 note issued to NYS EFC on March 14, 2019 (the “2019 EFC Note”). No funds were drawn on the 2019 EFC Note, so the 2019 EFC Note will be cancelled upon issuance of the 2023 EFC Note. The 2023 EFC Note will be an interest free “hardship” loan, with proceeds to be drawn by the City as and when needed to pay costs of the project, and will mature on March 14, 2026. The City intends to issue long-term bonds to NYS EFC to permanently finance this project upon completion.

Finally with regards to EFC financing, the City has obtained a commitment from the EFC for \$3,000,000 of WIIA grants and \$24,735,000 of interest free hardship financing for the Phase 3 of the West Rome Water Improvement project. The project which involves an extension of water lines and above ground tank will significantly improve the delivery of drinking water to the Northern and Western portions of the City. It represents a continuation of work originally begun in 2012. The total project is expected to be approximately \$38,514,782 when this phase is completed. As of the date of the Official Statement, the City has drawn down \$13,258,379.

Preliminary plans for 2025 include the purchase and installation of water and sewer meters for all of Rome’s residential housing which is currently charged a flat rate for these services. The project is necessitated by an agreement with the New York State DEC which requires the final completion in 2025. Preliminary estimates place the cost at approximately \$20.0 million. Other plans include the repairs and improvements to the City’s water infrastructure at an estimated cost of \$16.3 million of which approximately \$5 million would come from a dam repair reserve established by the Common Council in December 2021. These plans are in addition to the City’s normal equipment replacement needs and annual street improvement projects.

Below is the City’s capital improvement plan summary chart, used for the planning and budgeting of the City’s infrastructure needs over the next five years:

City Department	2024	2025	2026	2027	2028	Total
Public Works	\$ 8,038,000	\$ 4,315,000	\$ 3,065,000	\$ 3,065,000	\$ 3,165,000	\$ 21,648,000
City Yard	874,000	3,707,000	1,123,000	675,000	997,000	7,376,000
Snow Removal	-	-	-	-	-	-
Municipal Buildings	370,000	-	-	-	-	370,000
Distribution and Transmission	700,000	-	4,000,000	250,000	-	4,950,000
Engineering	-	-	-	-	-	-
Water Pollution Control	3,240,000	250,000	50,000	275,000	-	3,815,000
Parks and Recreation	868,000	368,000	618,000	595,000	400,000	2,849,000
Refuse	-	290,000	-	-	-	290,000
Police Department and Public Safety	-	-	-	-	-	-
Fire Department	950,000	885,000	450,000	-	1,100,000	3,385,000
Public Works Garage	-	2,139,000	-	-	-	2,139,000
Rome Parking Operations	-	-	-	-	-	-
Water Supply (Water Filtration Plant)	8,248,000	675,000	400,000	-	-	9,323,000
Community & Economic Development	19,934,957	4,270,000	16,870,000	400,000	400,000	41,874,957
Traffic Maintenance	-	-	-	-	-	-
Electrical Department	-	-	-	-	-	-
Shade Trees	-	-	190,000	-	-	190,000
Central Maintenance	-	-	-	-	-	-
Codes	-	-	-	-	-	-
TOTAL:	\$ 43,222,957	\$ 16,899,000	\$ 26,766,000	\$ 5,260,000	\$ 6,062,000	\$ 98,209,957

Source: The City of Rome’s 2024-2028 Capital Improvement Plan (“CIP”).

Estimated Overlapping Indebtedness

In addition to the City, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the City. Estimated indebtedness of the respective municipalities is outlined in the table below:

<u>Local Government</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>City Share</u>	<u>Net Overlapping Indebtedness</u>
County of:						
Oneida	2/8/2024	\$ 477,195,498 ⁽²⁾	\$ 315,300,498 ⁽³⁾	\$ 161,895,000	10.80%	\$ 17,484,660
School District:						
Rome City SD	5/6/2024	48,541,055 ⁽²⁾	47,181,905 ⁽⁴⁾	1,359,150	71.44%	970,976
Sherrill City SD	12/22/2023	19,000,000 ⁽²⁾	16,815,000 ⁽⁴⁾	2,185,000	2.61%	57,029
Westmoreland CSD	12/17/2023	9,455,508 ⁽²⁾	8,160,103 ⁽⁴⁾	1,295,405	4.21%	54,537
Oriskany CSD	12/15/2023	15,795,000 ⁽²⁾	12,525,435 ⁽⁴⁾	3,269,565	12.33%	403,137
					Total:	<u>\$ 18,970,339</u>

- (1) Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
- (2) Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.
- (3) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (4) Amount excluded represents State building aid on existing bonded indebtedness estimated to be received by the district pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963.

Debt Ratios

The following table sets forth certain ratios relating to the City's Gross and Net Indebtedness as of May 16, 2024:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Gross Indebtedness ^(c)	\$ 87,936,796	\$ 2,770.97	4.73%
Net Indebtedness ^(c)	40,816,879	1,286.18	2.20
Gross Indebtedness Plus Net Overlapping Indebtedness ^(d)	106,907,135	3,368.75	5.76
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	59,787,218	1,883.95	3.22

- (a) The current population of the City is estimated to be 31,735. (See "THE CITY – Population Trends" herein.)
- (b) The City's full value of taxable real estate for the 2024 fiscal year is \$1,857,471,609. (See "TAX INFORMATION – Taxable Valuations" herein.)
- (c) See "Debt Statement Summary" for the calculations of Gross and Net Indebtedness, herein.
- (d) The City's applicable share of Net Overlapping Indebtedness is estimated to be \$18,970,339. (See "Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the City upon any judgment or accrued claim against it shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of or interest on the Notes.

In accordance with the general rule with respect to municipalities, judgments against the City may not be enforced by levy and execution against property owned by the City.

The Federal Bankruptcy Code allows public bodies recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

At the Extraordinary Session of the State Legislature held in November 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of the City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any city, county, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the City.

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness."

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial condition of the City as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the City's control. There can be no assurance that adverse events in the State or in other jurisdictions of the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or in other jurisdictions of the country or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the City to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The City is dependent in significant part on financial assistance from the State. In several recent years, the City has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "THE-CITY - State Aid" herein).

Cybersecurity

The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the City will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

STATE AID

The City receives financial assistance from the State. The State is not constitutionally obligated to maintain or continue State aid to the City including supplemental small cities aid and Aid Incentives to Municipalities. No assurance can be given that present State aid levels, including, in particular the supplemental small cities aid and Aid Incentives for Municipalities, will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the City, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. Furthermore, if a significant default or other financial crisis should occur in the affairs of New York State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the City to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

There can be no assurance that the State appropriation for State aid to cities will be continued in future years, either pursuant to existing formulas or any form whatsoever. State aid appropriated and apportioned to the City can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excludable from gross income for federal income tax purposes. These requirements include provisions, which prescribe yield and other limits relative to the investment and expenditures of the proceeds of the Notes and other amounts and require that certain earnings be rebated to the federal government. The City will agree to comply with certain provisions and procedures, pursuant to which such requirements can be satisfied. Non-compliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to the date of issuance thereof, irrespective of the date on which non-compliance is ascertained.

The Code imposes a 30% branch profits tax on the earnings and profits of a United States branch of certain foreign corporations attributable to its income effectively connected (or treated as effectively connected) with a United States trade or business. Included in the earnings and profits of the United States branch of a foreign corporation is income that would be effectively connected with the United States trade or business if such income were taxable, such as the interest on the Notes. Existing United States income tax treaties may modify, reduce, or eliminate the branch profits tax, except in cases of treaty shopping.

The Code further provides that interest on the Notes is included in the calculation of modified adjusted gross income in determining whether a portion of Social Security or railroad retirement benefits is to be included in taxable income of individuals. In addition, certain S Corporations may have a tax imposed on passive income, including tax-exempt interest, such as interest on the Notes.

Prospective purchasers should consult their tax advisors with respect to the calculations of the alternative minimum tax or foreign branch profits tax liability, and the tax on passive income of S Corporations or the inclusion of Social Security or other retirement payments in taxable income.

In the opinion of Bond Counsel, assuming compliance with certain requirements of the Code, under existing laws, interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Notes that is included in the adjusted financial statement income of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code.

The opinion of Bond Counsel described herein with respect to the federal income tax treatment of interest paid on the Notes is based upon the current provisions of the Code. There can be no assurance that the Code will not be amended in the future so as to reduce or eliminate such favorable federal income tax treatment on the Notes. Any such future legislation would have an adverse effect on the market value of the Notes.

In addition, in the opinion of Bond Counsel, under existing laws, interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinions of Bond, Schoeneck & King, PLLC, Bond Counsel, Utica, New York. Such legal opinions will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the City, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount, subject to the statutory limitation imposed by the Tax Levy Limitation Law, (ii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including the City of New York; and (iii) interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Notes that is included in the adjusted financial statement income of certain corporations is not excluded from the corporate alternative minimum tax imposed by the Code. The opinions of Bond Counsel set forth in (iii) above are subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds and/or Notes in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds and/or Notes. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes. It is to be understood that the rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be also subject to exercise of judicial discretion in appropriate cases. See "TAX LEVY LIMIT LAW" herein.

Bond Counsel has not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement (except to the extent, if any, stated in the Official Statement) or any other offering material relating to the Notes, and Bond Counsel expresses no opinion relating thereto (excepting only matters set forth as Bond Counsel's opinion in the Official Statement).

LITIGATION

The City is subject to a number of lawsuits in the ordinary conduct of its affairs. The City does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the City.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the City, threatened against or affecting the City to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the City taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the City.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. ("the "Municipal Advisor"), is a Municipal Advisor, registered with the Commission and the MSRB. The Municipal Advisor serves as an independent financial advisor to the City on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the City and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the City or the information set forth in this Official Statement or any other information available to the City with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the City to the Municipal Advisor may be contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the City provided, however; the City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the City will enter into an Undertaking to provide notice of certain material events with respect to the Notes, a description of which is attached hereto as “APPENDIX – C”.

Historical Compliance

The City is, in all material respects, in compliance with all prior continuing disclosure undertakings pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”) for the past five years, except as follows:

- The City entered into a master lease agreement for the purchase of vehicles and filed a failure to file notice for the incurrence of a financial obligation on May 11, 2020.
- The City issued \$13,500,000 bond anticipation notes to the New York State Environmental Facilities Corporation and filed a failure to file notice for the incurrence of a financial obligation on December 8, 2021.

RATING

The Notes are not rated. Pending the approval of the City and applicable rating agency, the purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the City, as such rating action may result in a material event notification to be posted to EMMA which is required by the City’s Undertaking to provide notice of certain Material Events, the description of which is attached hereto as “APPENDIX – C”.

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”) has assigned its underlying rating of “A+” with a stable outlook to the City’s outstanding bonds. A rating reflects only the view of the rating agency assigning such rating and any desired explanation of the significance of such rating should be obtained from S&P Global Ratings, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds or the Notes.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates in good faith, no assurance can be given that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the City management’s beliefs as well as assumptions made by, and information currently available to, the City’s management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the City’s files with the repositories. When used in City documents or oral presentation, the words “anticipate”, “estimate”, “expect”, “objective”, “projection”, “forecast”, “goal”, or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

Bond, Schoeneck & King, PLLC, Utica, New York, Bond Counsel to the City, expressed no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the City for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the City will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the City.

The Official Statement is submitted only in connection with the sale of the Notes by the City and may not be reproduced or used in whole or in part for any other purpose.

The City hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the City nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the City disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the City also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The City contact information is as follows: Mr. Brian M. Adams, City Treasurer, City of Rome, City Hall, 198 Washington Street, Rome, New York 13440, Phone: (315) 339-7764, Fax: (315) 339-7788, Email: badams@romecitygov.com.

Additional copies of the Official Statement and Notice of Sale may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com.

This Official Statement has been duly executed and delivered by the City Treasurer of the City of Rome.

CITY OF ROME, NEW YORK

Dated: May 16, 2024

BRIAN M. ADAMS
CITY TREASURER & CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
ASSETS					
Cash and Cash Equivalents	\$ 2,859,655	\$ 3,196,073	\$ 15,993,244	\$ 17,671,907	\$ 18,687,133
Investments	-	-	-	10,004,687	-
Cash and Cash Equivalents - Restricted	3,346,008	3,224,151	4,340,747	4,968,614	3,528,767
Taxes Receivable	1,301,612	1,378,971	1,327,735	1,029,577	1,076,689
Tax Sale Certificates	482,700	403,802	403,802	187,451	187,451
Property Acquired for Taxes	2,102,581	2,106,933	1,906,033	2,121,131	1,673,501
Assessments Receivable	4,469	461	461	-	-
Accounts Receivable	827,586	632,280	870,243	608,015	795,523
Allowance for Receivables	(1,207,018)	(967,757)	(972,759)	(446,865)	(447,688)
Due from Other Funds	1,248,560	1,515,923	2,251,872	4,620,474	5,838,128
Due from Other Governments	3,076,871	4,957,477	3,822,671	2,400,584	4,745,520
Lease Receivables	-	-	-	831,082	798,441
Prepaid Expenditures	1,016,106	1,038,215	1,214,766	1,152,899	1,210,936
TOTAL ASSETS	\$ 15,059,130	\$ 17,486,529	\$ 31,158,815	\$ 45,149,556	\$ 38,094,401
LIABILITIES					
Accounts Payable	\$ 590,688	\$ 408,573	\$ 746,315	\$ 488,218	\$ 1,034,759
Accrued Liabilities	773,131	583,166	791,887	872,736	390,081
Accrued Interest Payable	-	-	-	-	175,751
Other Liabilities	-	-	-	-	13,174,511
Payroll Withholdings Payable	-	28,625	24,454	27,220	-
Payroll Liabilities	-	-	-	-	-
Bond Anticipation Notes Payable	-	-	-	-	-
Judgments & Claims Payable	66,585	-	-	-	-
Due to Other Funds	-	-	-	-	270,659
State Retirement	-	-	-	-	6,479
Unearned Revenue - Grants/Other	1,644	3,138,856	12,067,212	21,772,083	-
Due to Other Governments	28,611	34,895	33,400	8,334	38,634
TOTAL LIABILITIES	1,460,659	4,194,115	13,663,268	23,168,591	15,090,874
DEFERRED INFLOWS OF RESOURCES					
Leases	-	-	-	831,082	-
Deferred Inflow of Resources	-	-	-	-	785,615
Unavailable Revenue - Real Property Taxes and Grants	471,509	677,397	639,718	551,093	610,101
TOTAL DEFERRED INFLOWS OF RESOURCES	471,509	677,397	639,718	1,382,175	1,395,716
FUND BALANCE					
Nonspendable	\$ 3,070,868	\$ 3,145,448	\$ 4,121,246	\$ 4,753,475	\$ 2,884,738
Restricted	3,346,008	3,224,151	3,340,599	3,559,264	3,528,767
Assigned	2,102,063	1,155,789	1,148,741	2,090,564	2,932,745
Unassigned	4,608,023	5,089,629	8,245,243	10,195,487	12,261,561
TOTAL FUND EQUITY	13,126,962	12,615,017	16,855,829	20,598,790	21,607,811
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 15,059,130	\$ 17,486,529	\$ 31,158,815	\$ 45,149,556	\$ 38,094,401

Source: 2019-2022 audited financial reports and 2023 unaudited annual financial report of the City. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
REVENUES					
Real Property Taxes	\$ 15,076,564	\$ 14,366,201	\$ 14,974,131	\$ 15,115,383	\$ 15,297,342
Real Property Tax Items	1,112,071	1,160,144	1,190,875	1,364,220	1,320,570
Non-Property Tax Items	11,398,423	11,698,961	11,218,882	14,051,843	13,659,251
Departmental Income	1,004,276	982,976	593,362	634,261	701,945
Intergovernmental Charges	725,053	1,003,478	677,762	796,752	952,726
Solar Power Credits	490,196	448,857	544,005	529,594	543,051
Use of Money & Property	478,183	591,121	432,123	405,665	820,440
Lease Revenue	-	-	-	-	32,492
Licenses and Permits	127,953	149,214	228,315	160,688	152,373
Fines and Forfeitures	83,442	69,863	56,348	40,650	33,950
Sale of Property and Compensation for Loss	85,423	72,782	123,281	92,920	246,962
Miscellaneous	224,819	266,045	127,626	210,652	241,577
Interfund Revenues	1,743,197	1,782,197	1,826,197	1,761,197	1,802,197
Revenues from State Sources	10,589,224	10,600,268	8,321,543	13,264,126	11,725,903
Revenues from Federal Sources	74,861	-	-	-	2,427,892
Total Revenues	\$ 43,213,685	\$ 43,192,107	\$ 40,314,450	\$ 48,427,951	\$ 49,958,671
EXPENDITURES					
General Government Support	\$ 4,264,339	\$ 4,776,526	\$ 4,450,541	\$ 4,745,945	\$ 5,138,809
Public Safety	13,917,939	14,198,242	13,961,379	14,502,492	15,179,648
Health	869	442	1,030	1,494	927
Transportation	4,468,772	4,540,340	4,060,289	4,273,760	4,368,784
Economic Assistance and Opportunity	-	-	-	-	-
Culture and Recreation	1,509,386	1,335,301	887,655	1,113,505	1,393,965
Home and Community Services	517,121	564,949	422,221	366,154	534,016
Employee Benefits	11,828,360	11,249,476	10,633,357	12,131,454	11,631,507
Debt Service	4,545,326	4,744,771	5,107,862	5,454,038	3,556,097
Total Expenditures	\$ 41,052,112	\$ 41,410,047	\$ 39,524,334	\$ 42,588,842	\$ 41,803,753
Excess of Revenues Over (Under) Expenditures	\$ 2,161,573	\$ 1,782,060	\$ 790,116	\$ 5,839,109	\$ 8,154,918
Other Financing Sources (Uses):					
Other Sources	-	-	-	-	-
Other Uses	-	-	-	-	-
Operating Transfers In	257,728	(1,276,315)	(79,061)	14,672	4,264
Operating Transfers Out	(1,222,347)	-	(1,223,000)	(1,612,969)	(4,416,221)
Total Other Financing	(964,619)	(1,276,315)	(1,302,061)	(1,598,297)	(4,411,957)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,196,954	505,745	(511,945)	4,240,812	3,742,961
FUND BALANCE					
Fund Balance - Beginning of Year	11,382,657	12,621,217	13,126,962	12,615,017	16,855,829
Prior Period Adjustments (net)	41,606	-	-	-	-
Fund Balance - End of Year	\$ 12,621,217	\$ 13,126,962	\$ 12,615,017	\$ 16,855,829	\$ 20,598,790

Source: Audited financial reports of the City. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending December 31:	2023		2024
	Adopted Budget	Unaudited Actual	Adopted Budget
REVENUES			
Real Property Taxes	\$ 15,278,034	\$ 14,865,016	\$ 15,367,415
Real Property Tax Items	1,551,315	1,381,174	1,378,599
Non-Property Tax Items	13,945,344	14,414,984	15,102,894
Departmental Income	1,224,035	3,039,064	1,209,457
Intergovernmental Charges	951,431	1,116,774	944,660
Solar Power Credits	-	-	-
Use of Money & Property	993,743	1,788,109	953,432
Lease Revenue	-	-	-
Licenses and Permits	119,000	162,897	123,000
Fines and Forfeitures	33,500	39,270	31,500
Sale of Property and Compensation for Loss	56,000	260,441	59,000
Miscellaneous	135,000	163,419	130,000
Interfund Revenues	1,859,197	-	1,910,197
Revenues from State Sources	11,299,266	11,702,663	11,399,267
Revenues from Federal Sources	-	8,649,454	-
Total Revenues	\$ 47,445,865	\$ 57,583,265	\$ 48,609,421
EXPENDITURES			
General Government Support	\$ 6,482,746	\$ 5,718,651	\$ 6,522,291
Public Safety	17,564,876	17,132,110	18,865,602
Health	1,700	1,682	1,700
Transportation	6,908,030	4,096,096	7,064,931
Economic Assistance and Opportunity	-	-	-
Culture and Recreation	1,765,052	1,539,978	1,856,631
Home and Community Services	766,877	758,792	701,946
Employee Benefits	11,122,673	12,206,771	11,591,166
Debt Service	4,132,968	4,564,160	4,278,821
Total Expenditures	\$ 48,744,919	\$ 46,018,240	\$ 50,883,088
Excess of Revenues Over (Under) Expenditures	\$ (1,299,054)	\$ 11,565,025	\$ (2,273,667)
Other Financing Sources (Uses):			
Appropriated Reserve	80,000	-	80,000
Appropriated Fund Balance	1,441,554	-	2,416,167
Operating Transfers In	-	2,817	-
Operating Transfers Out	(222,500)	(10,558,824)	(222,500)
Total Other Financing	1,299,054	(10,556,007)	2,273,667
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	1,009,018	-
FUND BALANCE			
Fund Balance - Beginning of Year	-	20,598,793	-
Prior Period Adjustments (net)	-	-	-
Fund Balance - End of Year	\$ -	\$ 21,607,811	\$ -

Source: 2023 unaudited annual financial report of the City and 2023 and 2024 budgets (unaudited). This Appendix is not itself audited.

CHANGES IN FUND EQUITY

Fiscal Years Ending December 31:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
WATER FUND						
Fund Equity - Beginning of Year	\$ 32,909,465	\$ 32,074,364	\$ 39,154,271	\$ 40,137,641	\$ 41,961,718	\$ 46,627,273
Cummulative Effect of Change in Accounting Principal - OPEB	(3,237,062)	-	-	-	-	-
Prior Period Adjustments (net)	147,812	-	-	-	-	-
Operating Revenue & Sources	9,054,694	14,493,760	9,367,370	10,181,635	9,166,372	14,422,496
Operating Expenses & Other Uses	7,510,237	7,413,853	8,384,000	8,357,558	7,268,815	8,314,328
Nonoperating Revenues	709,692	-	-	-	2,767,998	-
Fund Equity - End of Year	\$ 32,074,364	\$ 39,154,271	\$ 40,137,641	\$ 41,961,718	\$ 46,627,273	\$ 52,735,441
SEWER FUND						
Fund Equity - Beginning of Year	\$ 29,294,651	\$ 28,980,170	\$ 33,272,199	\$ 35,240,136	\$ 39,781,653	\$ 43,224,998
Cummulative Effect of Change in Accounting Principal - OPEB	(2,140,894)	-	-	-	-	-
Prior Period Adjustments (net)	(445,917)	-	-	-	-	-
Operating Revenues & Sources	4,157,239	9,105,024	6,641,047	8,755,628	7,711,347	7,284,327
Operating Expenses & Other Uses	3,801,147	4,812,995	4,673,110	4,214,111	4,268,002	6,124,203
Nonoperating Revenues	1,916,238	-	-	-	-	-
Fund Equity - End of Year	\$ 28,980,170	\$ 33,272,199	\$ 35,240,136	\$ 39,781,653	\$ 43,224,998	\$ 44,385,122

Source: Audited and unaudited annual financial reports of the City. This Appendix is not itself audited.

APPENDIX - B
City of Rome

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2024	\$ 4,834,580	\$ 1,667,599.57	\$ 6,502,179.57
2025	4,954,580	1,545,121.36	6,499,701.36
2026	4,814,502	1,421,557.27	6,236,059.27
2027	4,854,580	1,297,525.51	6,152,105.51
2028	3,209,580	1,175,128.61	4,384,708.61
2029	3,264,580	1,105,785.17	4,370,365.17
2030	3,324,580	1,032,867.12	4,357,447.12
2031	3,089,580	959,590.42	4,049,170.42
2032	3,129,580	882,768.57	4,012,348.57
2033	3,154,580	801,333.50	3,955,913.50
2034	3,234,580	715,582.66	3,950,162.66
2035	2,139,580	627,328.72	2,766,908.72
2036	2,109,580	573,516.07	2,683,096.07
2037	1,699,580	527,161.07	2,226,741.07
2038	1,704,580	488,625.99	2,193,205.99
2039	1,734,580	446,352.97	2,180,932.97
2040	1,769,580	402,996.69	2,172,576.69
2041	1,799,580	357,964.08	2,157,544.08
2042	1,844,580	310,760.66	2,155,340.66
2043	1,884,580	262,850.27	2,147,430.27
2044	1,724,580	216,378.74	1,940,958.74
2045	1,769,580	171,207.34	1,940,787.34
2046	1,809,580	125,098.18	1,934,678.18
2047	914,580	77,967.11	992,547.11
2048	929,580	60,507.24	990,087.24
2049	939,580	42,679.39	982,259.39
2050	954,580	24,483.56	979,063.56
2051	654,580	10,006.44	664,586.44
2052	222,570	-	222,570.00
TOTALS	\$ 68,470,732	\$ 17,330,744.26	\$ 85,801,476.26

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	2016B NYS EFC			2015B Refunding of 2011			2015 Various Improvements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2024	\$ 515,000	\$ 447,715.30	\$ 962,715.30	\$ 870,000	\$ 187,500.00	\$ 1,057,500.00	\$ 610,000	\$ 242,106.25
2025	525,000	441,076.94	966,076.94	915,000	144,000.00	1,059,000.00	630,000	223,806.25	853,806.25
2026	530,000	433,784.70	963,784.70	960,000	98,250.00	1,058,250.00	650,000	204,906.25	854,906.25
2027	540,000	425,893.00	965,893.00	1,005,000	50,250.00	1,055,250.00	670,000	185,406.25	855,406.25
2028	550,000	416,113.60	966,113.60	-	-	-	690,000	165,306.25	855,306.25
2029	560,000	404,239.10	964,239.10	-	-	-	715,000	144,606.25	859,606.25
2030	575,000	390,888.70	965,888.70	-	-	-	735,000	123,156.25	858,156.25
2031	585,000	376,151.46	961,151.46	-	-	-	755,000	101,106.25	856,106.25
2032	600,000	360,286.26	960,286.26	-	-	-	780,000	77,512.50	857,512.50
2033	615,000	343,708.26	958,708.26	-	-	-	805,000	53,137.50	858,137.50
2034	630,000	326,094.64	956,094.64	-	-	-	830,000	26,975.00	856,975.00
2035	650,000	307,553.76	957,553.76	-	-	-	-	-	-
2036	670,000	287,956.26	957,956.26	-	-	-	-	-	-
2037	680,000	267,360.46	947,360.46	-	-	-	-	-	-
2038	705,000	246,171.66	951,171.66	-	-	-	-	-	-
2039	725,000	221,264.02	946,264.02	-	-	-	-	-	-
2040	745,000	195,649.74	940,649.74	-	-	-	-	-	-
2041	770,000	169,328.90	939,328.90	-	-	-	-	-	-
2042	795,000	142,124.80	937,124.80	-	-	-	-	-	-
2043	820,000	115,476.40	935,476.40	-	-	-	-	-	-
2044	845,000	87,990.00	932,990.00	-	-	-	-	-	-
2045	875,000	59,665.60	934,665.60	-	-	-	-	-	-
2046	905,000	30,335.60	935,335.60	-	-	-	-	-	-
TOTALS	\$ 15,410,000	\$6,496,829.16	\$ 21,906,829.16	\$ 3,750,000	\$ 480,000.00	\$ 4,230,000.00	\$ 7,870,000	\$1,548,025.00	\$ 9,418,025.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	2015 D EFC			2015 Refunding of 2005 & 2006 Serial Bonds			2019 Various Improvements & Purchases of Equipment		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2024	\$ 140,000	\$ 71,890.36	\$ 211,890.36	\$ 220,000	\$ 10,200.00	\$ 230,200.00	\$ 260,000	\$ 36,300.00
2025	140,000	66,333.76	206,333.76	230,000	3,450.00	233,450.00	265,000	31,050.00	296,050.00
2026	145,000	60,735.16	205,735.16	-	-	-	275,000	25,650.00	300,650.00
2027	150,000	54,907.60	204,907.60	-	-	-	280,000	20,100.00	300,100.00
2028	155,000	48,849.10	203,849.10	-	-	-	285,000	14,450.00	299,450.00
2029	160,000	42,573.16	202,573.16	-	-	-	285,000	8,750.00	293,750.00
2030	165,000	36,062.76	201,062.76	-	-	-	295,000	2,950.00	297,950.00
2031	170,000	29,315.90	199,315.90	-	-	-	-	-	-
2032	175,000	22,296.60	197,296.60	-	-	-	-	-	-
2033	180,000	15,070.86	195,070.86	-	-	-	-	-	-
2034	185,000	7,638.66	192,638.66	-	-	-	-	-	-
TOTALS	\$ 1,765,000	\$ 455,673.92	\$ 2,220,673.92	\$ 450,000	\$ 13,650.00	\$ 463,650.00	\$ 1,945,000	\$ 139,250.00	\$ 2,084,250.00

Fiscal Year Ending December 31st	2019 Various Improvements & Purchases of Equipment		
	Principal	Interest	Total
2024	\$ 660,000	\$ 47,800.00	\$ 707,800.00
2025	675,000	34,450.00	709,450.00
2026	685,000	20,850.00	705,850.00
2027	700,000	7,000.00	707,000.00
TOTALS	\$ 2,720,000	\$ 110,100.00	\$ 2,830,100.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	2020 Various Projects			2020 EFC Drinking Water		
	Principal	Interest	Total	Principal	Interest	Total
	2024	\$ 185,000	\$ 92,906.25	\$ 277,906.25	\$ 250,000	\$ 148,288.80
2025	195,000	88,631.25	283,631.25	255,000	147,543.55	402,543.55
2026	185,000	84,356.25	269,356.25	255,000	146,612.80	401,612.80
2027	190,000	80,137.50	270,137.50	255,000	145,427.05	400,427.05
2028	195,000	75,806.25	270,806.25	255,000	143,960.80	398,960.80
2029	195,000	71,175.00	266,175.00	255,000	142,163.05	397,163.05
2030	200,000	66,237.50	266,237.50	260,000	140,063.30	400,063.30
2031	205,000	61,175.00	266,175.00	260,000	137,493.20	397,493.20
2032	210,000	55,987.50	265,987.50	260,000	134,130.10	394,130.10
2033	215,000	50,675.00	265,675.00	265,000	129,888.43	394,888.43
2034	225,000	45,175.00	270,175.00	265,000	124,883.91	389,883.91
2035	225,000	39,550.00	264,550.00	265,000	119,329.51	384,329.51
2036	165,000	34,675.00	199,675.00	270,000	113,338.56	383,338.56
2037	170,000	30,487.50	200,487.50	270,000	106,969.26	376,969.26
2038	175,000	26,175.00	201,175.00	275,000	100,265.98	375,265.98
2039	180,000	21,737.50	201,737.50	275,000	93,263.10	368,263.10
2040	185,000	17,175.00	202,175.00	280,000	86,309.60	366,309.60
2041	185,000	12,550.00	197,550.00	280,000	78,802.80	358,802.80
2042	190,000	7,743.75	197,743.75	285,000	70,505.78	355,505.78
2043	200,000	2,625.00	202,625.00	285,000	62,135.33	347,135.33
2044				290,000	53,691.45	343,691.45
2045				295,000	45,100.73	340,100.73
2046				295,000	36,799.43	331,799.43
2047				300,000	28,793.70	328,793.70
2048				305,000	20,653.43	325,653.43
2049				305,000	12,445.88	317,445.88
2050				310,000	4,171.05	314,171.05
2051				-	-	-
TOTALS	\$ 3,875,000	\$ 964,981.25	\$ 4,839,981.25	\$ 7,420,000	\$ 2,573,030.58	\$ 9,993,030.58

Fiscal Year Ending December 31st	2021 EFC Bonds			2021 Various Projects		
	Principal	Interest	Total	Principal	Interest	Total
	2024	\$ 180,000	\$ 141,173.86	\$ 321,173.86	\$ 205,000	\$ 48,343.75
2025	185,000	140,435.86	325,435.86	205,000	44,243.75	249,243.75
2026	185,000	139,418.36	324,418.36	210,000	40,093.75	250,093.75
2027	185,000	138,160.36	323,160.36	145,000	36,543.75	181,543.75
2028	185,000	136,698.86	321,698.86	150,000	33,593.75	183,593.75
2029	190,000	134,959.86	324,959.86	155,000	30,543.75	185,543.75
2030	190,000	132,964.86	322,964.86	150,000	27,493.75	177,493.75
2031	195,000	130,779.86	325,779.86	160,000	24,393.75	184,393.75
2032	195,000	128,361.86	323,361.86	150,000	21,293.75	171,293.75
2033	200,000	125,559.70	325,559.70	150,000	18,293.75	168,293.75
2034	200,000	122,171.70	322,171.70	155,000	15,243.75	170,243.75
2035	205,000	118,401.70	323,401.70	40,000	13,293.75	53,293.75
2036	210,000	114,252.50	324,252.50	40,000	12,493.75	52,493.75
2037	215,000	109,750.10	324,750.10	30,000	11,793.75	41,793.75
2038	220,000	104,869.60	324,869.60	35,000	11,143.75	46,143.75
2039	225,000	99,644.60	324,644.60	35,000	10,443.75	45,443.75
2040	230,000	94,118.60	324,118.60	35,000	9,743.75	44,743.75
2041	235,000	88,260.50	323,260.50	35,000	9,021.88	44,021.88
2042	245,000	82,108.20	327,108.20	35,000	8,278.13	43,278.13
2043	250,000	75,079.16	325,079.16	35,000	7,534.38	42,534.38
2044	260,000	67,906.66	327,906.66	35,000	6,790.63	41,790.63
2045	265,000	60,447.26	325,447.26	40,000	5,993.75	45,993.75
2046	275,000	52,844.40	327,844.40	40,000	5,118.75	45,118.75
2047	280,000	44,954.66	324,954.66	40,000	4,218.75	44,218.75
2048	290,000	36,535.06	326,535.06	40,000	3,318.75	43,318.75
2049	300,000	27,814.76	327,814.76	40,000	2,418.75	42,418.75
2050	310,000	18,793.76	328,793.76	40,000	1,518.75	41,518.75
2051	315,000	9,472.06	324,472.06	45,000	534.38	45,534.38
TOTALS	\$ 6,420,000	\$ 2,675,938.72	\$ 9,095,938.72	\$ 2,475,000	\$ 463,740.63	\$ 2,938,740.63

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	2022 Various Projects			2022 EFC SIB		
	Principal	Interest	Total	Principal	Interest	Total
	2024	\$ 445,000	\$ 193,375.00	\$ 638,375.00	\$ 72,010	\$ -
2025	440,000	180,100.00	620,100.00	72,010	-	72,010.00
2026	440,000	166,900.00	606,900.00	72,010	-	72,010.00
2027	440,000	153,700.00	593,700.00	72,010	-	72,010.00
2028	450,000	140,350.00	590,350.00	72,010	-	72,010.00
2029	455,000	126,775.00	581,775.00	72,010	-	72,010.00
2030	460,000	113,050.00	573,050.00	72,010	-	72,010.00
2031	465,000	99,175.00	564,175.00	72,010	-	72,010.00
2032	465,000	82,900.00	547,900.00	72,010	-	72,010.00
2033	430,000	65,000.00	495,000.00	72,010	-	72,010.00
2034	450,000	47,400.00	497,400.00	72,010	-	72,010.00
2035	460,000	29,200.00	489,200.00	72,010	-	72,010.00
2036	460,000	10,800.00	470,800.00	72,010	-	72,010.00
2037	40,000	800.00	40,800.00	72,010	-	72,010.00
2038	-	-	-	72,010	-	72,010.00
2039	-	-	-	72,010	-	72,010.00
2040	-	-	-	72,010	-	72,010.00
2041	-	-	-	72,010	-	72,010.00
2042	-	-	-	72,010	-	72,010.00
2043	-	-	-	72,010	-	72,010.00
2044	-	-	-	72,010	-	72,010.00
2045	-	-	-	72,010	-	72,010.00
2046	-	-	-	72,010	-	72,010.00
2047	-	-	-	72,010	-	72,010.00
2048	-	-	-	72,010	-	72,010.00
2049	-	-	-	72,010	-	72,010.00
2050	-	-	-	72,010	-	72,010.00
2051	-	-	-	72,010	-	72,010.00
TOTALS	\$ 5,900,000	\$1,409,525.00	\$ 7,309,525.00	\$ 2,016,280	\$ -	\$ 2,016,280.00

Fiscal Year Ending December 31st	2023 EFC Sewer Bonds		
	Principal	Interest	Total
2024	\$ 222,570	\$ -	\$ 222,570.00
2025	222,570	-	222,570.00
2026	222,492	-	222,492.00
2027	222,570	-	222,570.00
2028	222,570	-	222,570.00
2029	222,570	-	222,570.00
2030	222,570	-	222,570.00
2031	222,570	-	222,570.00
2032	222,570	-	222,570.00
2033	222,570	-	222,570.00
2034	222,570	-	222,570.00
2035	222,570	-	222,570.00
2036	222,570	-	222,570.00
2037	222,570	-	222,570.00
2038	222,570	-	222,570.00
2039	222,570	-	222,570.00
2040	222,570	-	222,570.00
2041	222,570	-	222,570.00
2042	222,570	-	222,570.00
2043	222,570	-	222,570.00
2044	222,570	-	222,570.00
2045	222,570	-	222,570.00
2046	222,570	-	222,570.00
2047	222,570	-	222,570.00
2048	222,570	-	222,570.00
2049	222,570	-	222,570.00
2050	222,570	-	222,570.00
2051	222,570	-	222,570.00
2052	222,570	-	222,570.00
TOTALS	\$ 6,454,452	\$ -	\$ 6,454,452.00

MATERIAL EVENT NOTICES WITH RESPECT TO THE NOTES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, the City has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the City
- (m) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the City does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The City may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the City determines that any such other event is material with respect to the Notes; but the City does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The City reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, and notices of events, as set forth above, if and when the City no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The City acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the City's obligations under its continuing disclosure undertaking and any failure by the City to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City; provided that the City agrees that any such modification will be done in a manner consistent with the Rule, with the approving opinion of nationally recognized bond counsel.

A "Material Event Notices Certificate" to this effect shall be provided to the purchaser(s) at closing.

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CITY OF ROME

ONEIDA COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2022

Such Audited Financial Statement and opinion were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.



**MANAGEMENT'S
DISCUSSION AND
ANALYSIS AND
FINANCIAL STATEMENTS**

**For the Year Ended
December 31, 2022**

**CITY OF ROME, NEW YORK
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D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

Independent Auditor's Report

Honorable Mayor, Jacqueline M. Izzo and
Common Council
City of Rome, New York

Report on the Audit of the Financial Statements

Adverse, Qualified, and Unmodified Opinions

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, New York, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Rome, New York's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
Governmental Fund – General	Unmodified
Governmental Fund – Community Development	Unmodified
Governmental Fund – Miscellaneous Special Revenue	Unmodified
Governmental Fund – Capital	Unmodified
Enterprise Fund - Water	Unmodified
Enterprise Fund - Sewer	Unmodified
Enterprise Fund - Refuse	Unmodified
Internal Service Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of Rome, New York, as of December 31, 2022, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Business-Type Activities, and Each Major Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Rome, New York, as of December 31, 2022, 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.

Basis for Adverse and Unmodified Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Rome, New York, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, qualified, and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the City of Rome, New York's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for the component unit to be reported with the financial data of the City's primary government unless the City of Rome, New York also issues financial statements for the financial reporting entity that include the financial data for its component unit. The City of Rome, New York has not issued such reporting entity financial statements. The effects of not including the City of Rome, New York's legally separate component unit on the aggregate discretely presented component units have not been determined.

New Accounting Standard

As discussed in Notes 1 and 13 to the financial statements, the City changed its accounting policies related to the accounting and reporting of leases by adopting the Governmental Accounting Standards Board's (GASB) Statement No. 87, *Leases*. The new pronouncement changes the criteria used, and provides guidance on accounting and reporting for leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Rome, New York's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Rome, New York's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Rome, New York's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rome, New York's basic financial statements. The combining General Fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining General Fund financial statements and the schedule of expenditures of federal awards 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 combining fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2023, on our consideration of the City of Rome, New York'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 of Rome, New York'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 City of Rome, New York's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

August 31, 2023

Rome, New York

CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022

Our discussion and analysis of the City of Rome, New York's financial performance provides an overview of the City's financial activities for the year ended December 31, 2022 along with certain comparative data for the year ended December 31, 2021. This section is a summary of the City's financial activities based on currently known facts, decisions, or conditions. It is also based on both government-wide and fund-based financial statements. This document should be read in conjunction with the City's financial statements, which follows this narrative.

FINANCIAL HIGHLIGHTS

Governmental Activities

- The assets and deferred outflows of the City of Rome's Governmental Activities exceeded its liabilities and deferred inflows at December 31, 2022, by \$29,053,897, which is illustrated in the financial statements as "Net Position" (pages 16 and 17).
- The total Net Position attributable to Governmental Activities increased by \$31,346,815 from 2021 (page 17).
- At December 31, 2022, the City of Rome's governmental funds reported combined ending fund balances of \$16,650,849, an increase of \$8,274,640 from the prior year (page 21). The surplus of \$4,958,336 in the Capital Project Fund was due to timing differences between when the projects are expended and when they are financed.
- The amended 2022 budget anticipated a reduction in the General Fund reserves and fund balance of \$1,624,394; however, the actual operations for 2022 resulted in a surplus in the amount of \$3,742,961.
- The City of Rome has been awarded a federal grant through the Coronavirus State and Local Fiscal Recovery Funds - America Rescue Plan Act in the amount of \$24,134,423. The full amount of the grant was received during 2021 and 2022. At December 31, 2022, \$2,362,340 of the grant has been expended with the remaining recorded as unearned grant revenue in the General Fund.

Business-Type Activities

- The assets and deferred outflows of the City of Rome's Business-Type Activities exceeded its liabilities and deferred inflows at December 31, 2022, by \$92,345,335, which is illustrated in the financial statements as "Net Position" (pages 16 and 17).
- The total Net Position attributable to Business-Type Activities increased by \$8,283,103 (page 17). This increase was primarily due to \$3,519,256 received through various State and federal grants to fund capital projects in the Water and Sewer Funds.
- The continued various capital projects for the Water and Sewer Funds had a total authorization of \$103,275,472. These projects include plant upgrades, ultra violet, water and sewer improvements, and water extensions. During 2022, the City expended \$9,010,721 for these projects. At December 31, 2022, the aggregate project to date amounts spent on these projects was \$57,958,286 leaving a remaining authorization of \$45,317,186.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the City of Rome's financial statements. These statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The financial statements present two different views of the City through the use of government-wide statements and fund financial statements. Each view will be explained in more detail to follow in this narrative. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Rome.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole and can be found on pages 16 and 17.

The two government-wide statements report the City's Net Position and how they have changed. Net position is the difference between the City's total assets, deferred outflows, total liabilities, and deferred inflows. Measuring net position is one way to gauge the City's financial condition. The government-wide statements are divided into two categories: 1) governmental activities, and 2) business-type activities. The governmental activities include most of the City's basic services such as police, fire, DPW, recreation, parks, transportation, and economic assistance and opportunity. Property taxes, sales tax, and State and Federal grant funds finance most of these activities. The business-type activities include water, sewer, and refuse services offered by the City of Rome. The City charges those customers separately for those particular services.

CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022

(Continued)

FUND FINANCIAL STATEMENTS

Our analysis of the City's major funds begins on page 18 and provides detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law; however, the City's Common Council may establish other funds to help it control and manage money for particular purposes. The City's three types of funds – *Governmental, Business-Type Activities, and Fiduciary* - use different accounting approaches.

Governmental Funds – Most of the City's basic services are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental Fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (of differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation on page 20.

The City maintains various governmental funds. Information is presented separately in the Governmental Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Special Aid Fund, Miscellaneous Special Revenue Fund, and the Capital Project Fund which are considered to be major funds.

Business-Type Activities – When the City charges customers for the services it provides - whether to outside customers or to other units of the City – these services are generally reported in business-type activities funds. Business-Type Activities Funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's Enterprise Funds (the only Business-Type Activities funds of the City) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for Business-Type Activities Funds. These statements begin on page 23.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for Business-Type Activities. The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

Notes to the Financial Statements: The notes 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 can be found on pages 29-62 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* regarding budgetary comparisons of the City's General Fund, OPEB, and Pension liabilities. Required supplementary information can be found on pages 63-66 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Rome, assets and deferred outflows exceeded its liabilities and deferred inflows by \$28,845,273 at December 31, 2022.

By far the largest portion of the City's net position, \$82,654,598, represents its investment in capital assets (e.g. land, buildings, machinery, equipment, and leased assets), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022

(Continued)

The following is a summary of the City's Statement of Net Position for the year's ended December 31, 2022 and 2021:

Table 1 - Net Position (In Thousands)

	Governmental Activities		Business-Type Activities		Primary Government	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 51,556	\$ 35,874	\$ 35,929	\$ 32,514	\$ 87,485	\$ 68,388
Capital and Leased Assets, (Net)	103,778	99,735	122,836	117,394	226,614	217,129
Total Assets	<u>\$ 155,334</u>	<u>\$ 135,609</u>	<u>\$ 158,765</u>	<u>\$ 149,908</u>	<u>\$ 314,099</u>	<u>\$ 285,517</u>
Deferred Outflows of Resources	<u>\$ 19,391</u>	<u>\$ 23,327</u>	<u>\$ 1,688</u>	<u>\$ 2,443</u>	<u>\$ 21,079</u>	<u>\$ 25,770</u>
Non-Current Liabilities	\$ 85,086	\$ 96,976	\$ 51,167	\$ 52,681	\$ 136,253	\$ 149,657
Other Liabilities	29,655	28,585	13,865	11,588	43,520	40,173
Total Liabilities	<u>\$ 114,741</u>	<u>\$ 125,561</u>	<u>\$ 65,032</u>	<u>\$ 64,269</u>	<u>\$ 179,773</u>	<u>\$ 189,830</u>
Deferred Inflows of Resources	<u>\$ 30,929</u>	<u>\$ 35,668</u>	<u>\$ 3,076</u>	<u>\$ 3,969</u>	<u>\$ 34,005</u>	<u>\$ 39,637</u>
Net Investment in Capital Assets	\$ 82,655	\$ 82,466	\$ 67,996	\$ 63,448	\$ 150,651	\$ 145,914
Restricted	4,970	4,342	4,509	5,089	9,479	9,431
Unrestricted (Deficit)	(58,570)	(89,101)	19,840	15,576	(38,730)	(73,525)
Total Net Position (Deficit)	<u>\$ 29,055</u>	<u>\$ (2,293)</u>	<u>\$ 92,345</u>	<u>\$ 84,113</u>	<u>\$ 121,400</u>	<u>\$ 81,820</u>

A portion of the City's net position (\$9.5 million) represents resources that are subject to external restrictions on how they may be used and, thus, are reported as restricted net position. The restrictions include \$8.1 million for various reserves allowed by the New York State General Municipal Law and \$1.4 million restricted by a standby letter of credit through a contractual agreement to purchase the City's street lights. The *unrestricted net position* may be used to meet the government's ongoing obligations to citizens and creditors. At December 31, 2022, the unrestricted net position totaled negative \$38.7 million, which is the result of the accrual of \$63.2 million for the liability for Other Postemployment Benefits.

The City's proportionate share of Net Pension Liabilities and Deferred Outflows/Inflows of Resources for the New York State Employees' and Police and Fire Retirement Systems had a net effect on the City's net position in the amount of a negative \$3.1 million. The details are fully described on pages 44 to 47 of the financial statements.

Net position may serve over time as one useful indicator of a government's financial condition. The assets of the City of Rome's Governmental Activities exceeded by its liabilities at December 31, 2022, by \$28,845,273. Governmental activities increased the City's net position by \$31,138,191. This increase was mainly the result of federal and State capital grants of \$8,514,996, an increase in the discount rate for the OPEB liability resulting in an overall increase in net position of \$19,571,370, and a decrease in the proportionate share of net pension asset/liability and deferred inflows and out flows resulting in an overall increase in the net position of \$2,329,886.

The surplus in the Business-Type Activities increased the City's net position by \$8,283,103. The overall increase was primarily due to State and federal capital grants in the Water and Sewer Funds for a total of \$3,519,256.

See Independent Auditor's Report.

CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022

(Continued)

The following is a summary of the City's Statement of Activities for the year's ended December 31, 2022 and 2021:

	Table 2 - Changes in Net Position (In Thousands)					
	Governmental Activities		Business-Type Activities		Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	\$ 3,454	\$ 3,204	\$ 16,120	\$ 16,107	\$ 19,574	\$ 19,311
Operating Grants and Contributions	1,399	373	1,101	964	2,500	1,337
Capital Grants and Contributions	8,515	4,288	3,519	4,187	12,034	8,475
General Revenues						
Real Property Taxes, General Purpose	15,209	15,078			15,209	15,078
Real Property Tax Items	1,321	1,364			1,321	1,364
Nonproperty Tax Items	13,659	14,052			13,659	14,052
Solar Power Credits	543	530	264	206	807	736
General State Aid	9,669	11,402			9,669	11,402
Interest Income	623	374	209	6	832	380
Miscellaneous	1,320	310	997	8	2,317	318
Total Revenue	55,712	50,975	22,210	21,478	77,922	72,453
Expenses						
General Support	3,942	6,300			3,942	6,300
Public Safety	6,669	19,493			6,669	19,493
Public Health	1	1			1	1
Transportation	7,494	8,856			7,494	8,856
Economic Assistance and Opportunity	2,519	1,416			2,519	1,416
Culture and Recreation	1,535	1,616			1,535	1,616
Home and Community Services	1,396	462			1,396	462
Debt Service-Unallocated Interest	809	753			809	753
Water			7,141	8,306	7,141	8,306
Sewer			4,268	4,214	4,268	4,214
Refuse District			2,518	2,544	2,518	2,544
Total Expenses	24,365	38,897	13,927	15,064	38,292	53,961
Total Change in Net Position	\$ 31,347	\$ 12,078	\$ 8,283	\$ 6,414	\$ 39,630	\$ 18,492

The following are explanations of significant variances noted above:

- Capital Grant revenue increased \$3.6 million due to capital project activity. This was mainly due to \$2,362,340 in revenue recognized from the ARPA grant.
- Nonproperty tax items decreased \$0.3 million due to the 2021 increase of \$2.8 million in Sales Tax that were attributable to 2020 revenues. In 2020, due to COVID-19, these funds were withheld by the State and not estimated to be collectable.
- General State Aid decreased \$2.7 million – This was mainly the result of 2020 revenue withholdings by the State due to COVID-19. In 2021, these revenue were fully funded by the State and recognized by the City.
- The expenses in the governmental activities decreased \$14.5 million. This was mainly due to an increase in the discount rate for the OPEB liability resulting in an overall decrease in expense of \$19,571,370, and a decrease in the proportionate share of net pension asset/liability and deferred inflows and outflows resulting in an overall decrease in the expense of \$2,329,886.

See Independent Auditor's Report.

CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022

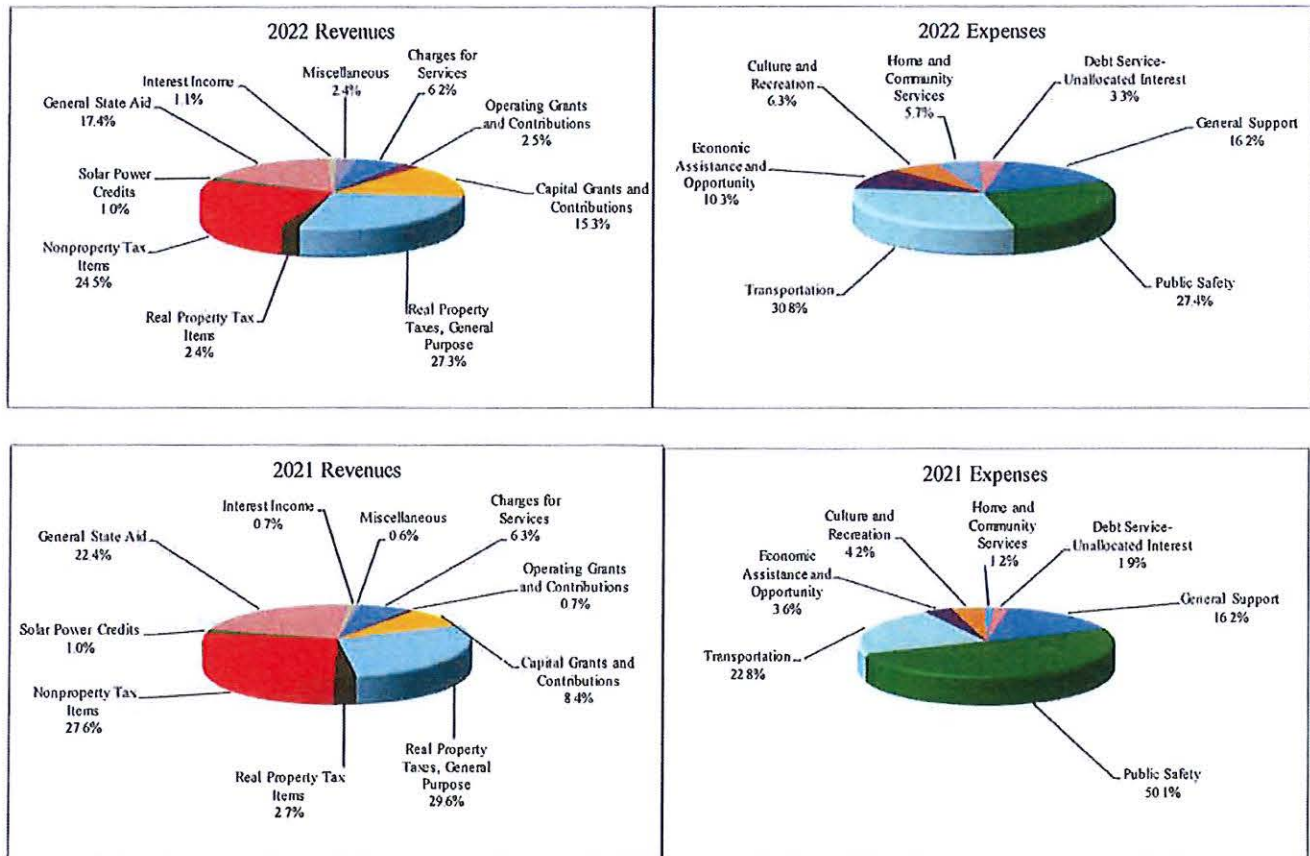
(Continued)

Table 3 presents the cost of each of the City's five largest governmental programs: Public Safety, Culture and Recreation, Transportation, Economic Assistance and Opportunity, and Home and Community Services as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Table 3 - Governmental Activities (In Thousands)

	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Public Safety	\$ 6,669	\$ 2,997	\$ 19,493	\$ 18,245
Transportation	7,494	656	8,856	4,707
Economic Assistance and Opportunity	2,519	2,319	1,416	(114)
Culture and Recreation	1,535	277	1,616	1,393
Home and Community Services	1,396	(277)	462	462
Total of Analysis	\$ 19,613	\$ 5,972	\$ 31,843	\$ 24,693

The following is a graphic presentation of the revenue and expenses of the Governmental Activities:



See Independent Auditor's Report.

CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022

(Continued)

Business-Type Activities: The City's Business-Type Activities consist of the water, sewer, and refuse district funds. The basic financial statements for the funds are included in this report. Because the focus on business-type funds is a cost-of-service measurement or capital maintenance, we have included these funds in Table 4, which demonstrates assets, net position, and changes in net position.

Table 4 - Business Type Activities (In Thousands)

	2022			2021		
	Water	Sewer	Refuse District	Water	Sewer	Refuse District
Total Assets and Deferred Outflows of Resources	\$ 89,288	\$ 69,108	\$ 3,689	\$ 81,250	\$ 69,267	\$ 3,157
Net Position	\$ 46,627	\$ 43,225	\$ 2,414	\$ 41,962	\$ 39,782	\$ 2,367
Change in Position	\$ 4,665	\$ 3,443	\$ 47	\$ 1,824	\$ 4,542	\$ (3)

Fund Financial Analysis

As the City completed the year, its governmental funds (as presented in the balance sheet on pages 18 and 19) reported a *combined* fund balance of \$16,650,849, an increase of \$8,274,640 from the prior year (page 21). The surplus of \$4,958,336 in the Capital Project Fund was due to timing differences between when the projects are expended and when they are financed. The \$3,742,961 surplus in the General Fund was due to an unexpended budget of \$2,491,507 and actual revenues over budget by \$2,147,762.

An overview of the General Fund results for 2022 and 2021 are as follows:

Table 5- General Funds (In Thousands)

	2022		2021	
	Amount	% of Total	Amount	% of Total
Revenues				
Real Property Taxes	\$ 15,297	30.6%	\$ 15,115	31.2%
Other Real Property Tax Items	1,321	2.6%	1,364	2.8%
Nonproperty Tax Items (Sales Tax and Franchise Fees)	13,659	27.3%	14,052	29.0%
Departmental Income	702	1.4%	634	1.3%
Intergovernmental Charges	953	1.9%	797	1.6%
Solar Power Credits	543	1.1%	530	1.1%
Use of Money and Property	820	1.6%	406	0.8%
Lease Revenue	32	0.1%		0.0%
Interfund Revenues	1,802	3.6%	1,761	3.6%
State and Federal Aid	14,154	28.3%	13,264	27.4%
Miscellaneous	676	1.3%	505	1.0%
Total Revenue	49,959	100.0%	48,428	100.0%
Expenses				
General Support	5,139	12.3%	4,746	11.1%
Public Safety	15,180	36.3%	14,503	34.1%
Public Health	1	0.0%	1	0.0%
Transportation	4,368	10.4%	4,274	10.0%
Culture and Recreation	1,394	3.3%	1,114	2.6%
Home and Community Services	534	1.3%	366	0.9%
Employee Benefits	11,632	27.8%	12,131	28.5%
Debt Service-Principle	2,757	6.6%	4,649	10.9%
Debt Service-Interest	799	2.0%	805	1.9%
Total Expenditures	41,804	100.0%	42,589	100.0%
Other Financing Sources (Uses)	(4,412)		(1,598)	
Total Change in Net Position	\$ 3,743		\$ 4,241	

See Independent Auditor's Report.

**CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

(Continued)

Although there was no rate increase, Real property taxes increased by a net of \$131,000 due an increase in assessments and changes in deferred taxes.

Other financing uses increased \$2.8 million mainly due to the transfers of American Rescue Program grant fund of \$2.4 million to the Capital Fund for projects.

GENERAL FUND BUDGET HIGHLIGHTS

The statement on page 63 shows both original and final amended budget totals compared with actual results for the General Fund in 2022. The significant variances between the adopted and the final budget for 2022 were as follows:

Adopted Budget	\$	45,704,235
Add: Prior Year's Encumbrances		<u>535,808</u>
Original Budget		<u>46,240,043</u>
 Amendments:		
Police budget for changes in police body camera contract and to increase under budgeted accounts		93,881
Software license related to purchase of pole cameras		15,300
Increase in the cost of liability insurance		24,129
Budget reduction		(81,937)
Public works garage		11,500
CHIPS - Pave Our Potholes (POP)		200,575
Increase in cost of information technology		6,975
Increase in cost of information technology		6,945
Increase in the cost of gasoline and diesel		23,000
Cost of air conditioning units for the Rome Police Department		196,272
Purpose of building stabilization for 233 West Dominick Street		99,000
CHIPS - Extreme Winter Recovery Program		240,957
American Rescue Plan Federal Grant		2,362,340
Other Adjustments		<u>588</u>
Total Budget Amendments		<u>3,199,525</u>
 Final Budget	 \$	 <u>49,439,568</u>

See Independent Auditor's Report.

CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022

(Continued)

CAPITAL ASSET AND DEBT ADMINISTRATION

At December 31, 2022, the City had \$151 million (net of related outstanding debt) invested in a broad range of capital assets including equipment, buildings, roads, bridges, water and sewer lines and plant (see pages 42-43).

Table 6 – Capital Assets at Year End
(Net of Depreciation, In Thousands)

	2022		
	Governmental Activities	Business-Type Activities	Primary Government Totals
Land	\$ 6,868	\$ 191	\$ 7,059
Construction in Progress	27,205	30,412	57,617
Buildings and Improvements	10,750	17,951	28,701
Machinery and Equipment	5,452	439	5,891
Infrastructure	<u>52,560</u>	<u>69,789</u>	<u>122,349</u>
Total Net Capital Assets	<u>\$ 102,835</u>	<u>\$ 118,782</u>	<u>\$ 221,617</u>
	2021 (Restated)		
	Governmental Activities	Business-Type Activities	Primary Government Totals
Land	\$ 6,795	\$ 191	\$ 6,986
Construction in Progress	24,056	36,038	60,094
Buildings and Improvements	11,258	4,240	15,498
Machinery and Equipment	4,431	806	5,237
Infrastructure	<u>52,710</u>	<u>72,121</u>	<u>124,831</u>
Total Net Capital Assets	<u>\$ 99,250</u>	<u>\$ 113,396</u>	<u>\$ 212,646</u>

Long-Term Debt

At year end, the City had \$69.4 million in bonds and leases outstanding (see pages 52-56 for additional detail). The City also has short-term bond anticipation notes payable in the amount of \$14.7 million and \$15.9 million at December 31, 2022 and 2021, respectively. The City has utilized 36.1% and 36.3% of its constitutional debt limit at December 31, 2022 and 2021, respectively.

Table 7 – Debt Obligations Outstanding at Year End
(In Thousands)

	2022		
	Governmental Activities	Business-Type Activities	Primary Government Totals
General Obligation Bonds	\$ 23,624	\$ 43,828	\$ 67,452
Leases	996	1,005	2,001
Total	<u>\$ 24,620</u>	<u>\$ 44,833</u>	<u>\$ 69,453</u>
	2021 (Restated)		
	Governmental Activities	Business-Type Activities	Primary Government Totals
General Obligation Bonds	\$ 19,595	\$ 43,432	\$ 63,027
Leases	1,126	1,525	2,651
Total	<u>\$ 20,721</u>	<u>\$ 44,957</u>	<u>\$ 65,678</u>

See Independent Auditor's Report.

**CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

(Continued)

Other Long-Term Debt

At year end, the City had other debt that totaled to \$67 million. The majority of this was due to the provisions of GASB No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions* which requires an accrual for postretirement benefits.

Table 8 -- Other Outstanding Debt at Year End
(In Thousands)

	2022		
	Governmental Activities	Business-Type Activities	Primary Government Totals
OPEB Liability	\$ 57,677	\$ 5,557	\$ 63,234
Due to NYS Employees Retirement System	392	52	444
Workers' Compensation Claims Payable	2,032	631	2,663
Compensated Absences	380	103	483
Total	<u>\$ 60,481</u>	<u>\$ 6,343</u>	<u>\$ 66,824</u>
	2021		
	Governmental Activities	Business-Type Activities	Primary Government Totals
OPEB Liability	\$ 73,641	\$ 7,073	\$ 80,714
Due to NYS Employees Retirement System	711	92	803
Workers' Compensation Claims Payable	2,025	686	2,711
Compensated Absences	255	95	350
Total	<u>\$ 76,632</u>	<u>\$ 7,946</u>	<u>\$ 84,578</u>

FUTURE ECONOMIC FACTORS AND BUDGET

The City of Rome, located in the central part of New York State, has an estimated 2020 U.S. Census population of 32,127, and a land area of 72.7 square miles.

The City is within the Utica-Rome Standard Metropolitan Statistical Area and is the second largest city in Oneida County, a County which has an estimated 2020 U.S. Census population of 232,125. Rome is served by the New York State Thruway, the State Barge Canal, Amtrak Rail System, the Griffiss International Airport and Syracuse Hancock International Airport, and several State highways. It is within easy travel distance of all major metropolitan areas in the Northeast, Midwest, and Canada. The City bus system is operated by Central New York Regional Transportation Authority (Centro of Oneida, Inc.).

The City of Rome's architectural and cultural heritages comprise a large portion of its cultural facilities and programs. Several existing structures are on the National Register of Historic Buildings. The area has a number of landmarks prominent from the Revolutionary Period, the Erie Canal days, and a variety of museums and community arts programs. The City is home to the National Parks Service site Fort Stanwix National Monument, a reconstructed revolutionary war fortress which attracts 100,000 visitors annually into downtown Rome. In addition, the area offers many summer and winter recreational opportunities including Delta Lake State Park and Woods Valley Ski Area which are located just minutes north of the City as well as access to Adirondack resorts, including Old Forge and Lake Placid.

Employment in the City of Rome is stable. Most recent figures provided by the New York State Department of Labor, for the 12-month period ending April 2023, show that the number of employed in the Utica-Rome metro area was 123,620 in comparison to 122,290 in April of 2022 and 107,594 in April 2020 during the height of the pandemic. In April 2023 the unemployment rate stood at 2.8% in comparison to 3.4% in April 2022 and 16.9% in April 2020. The trend of total employment and the unemployed rate is similar to other cities in the State.

See Independent Auditor's Report.

**CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

(Continued)

PRIVATE DEVELOPMENTS

Residential, commercial, and industrial development has proven strong over the past several years within the City. Notable residential development include a \$50 million mixed-use development focusing around the newly constructed Air City Boulevard providing 200 units of housing and ground floor commercial space, a \$10 million investment in Delta Luxury Townhomes located on Merrick Road providing 50 single family townhomes, a \$82 million investment in Woodhaven Park which will provide 250 single family homes located on Park Drive, and a \$25 million investment at Copper City Artist Lofts, an affordable 64 unit housing complex located in downtown Rome.

Notable commercial developments include a 4,300 s/f/urgent care facility coupled with a Starbucks located on Black River Boulevard, Nascentia Health's rehabilitation of the Beeches Manor banquet facility, Kabari Wellness Institute redevelopment of the former St. Mary's complex on Liberty Street into health and wellness facility, the YMCA of the Greater Tri Valley's construction of a 50,000 s/f facility on Floyd Ave, Bonacio Construction's 40,000 s/f Sensitive Compartmented Information Facility (SCIF) office complex on Brooks Road, and Hamilton College's construction of a \$2 million boathouse facility to service the College's rowing teams on the Erie Barge Canal. The Hamilton College facility opened in 2022 and provides a state-of-the-art boathouse facility for Hamilton's award-winning crew teams with a stunning viewing deck of the rowing events on the barge canal. In addition, a number of small businesses have set roots within downtown Rome through support from New York State and the City. Coupled with the recently renovated Capitol Arts Complex which is discussed further below under Transportation & Infrastructure, they have created a local entertainment destination.

Industrial developments include the Cold Point Corporation 50,000 s/f manufacturing facility with an investment of \$10 million, and Orgill, Inc., the largest independent hardware distributor in the world, opened their first Northeast Distribution Center (DC) on 64 acres of land at the Griffiss and Business Technology Park in 2021. The \$72 million DC is almost 800,000 square feet and employs 300 people.

BROWNFIELD REVITALIZATION

- Former Rome Cable Site: nearly \$5 million environmental clean-up and demolition effort on the former Rome Cable site in downtown Rome. Five acres of prime development property featuring environmental indemnification from the State, are now made available for redevelopment.
- 109 Canal Street: The City secured a site developer in 2019 that has been working on a Brownfield Cleanup Program opportunity through the NYSDEC at the site, and anticipates completing cleanup efforts and marketing the site for redevelopment of the 1.5-acre former manufacturing site.
- 701 Lawrence Street: This waterfront site will be actively marketed and is planned to return to active use within the next several years.
- 1333 East Dominick Street: A longtime manufacturing site, this 2-acre main street property has been remediated and is being actively marketed and zoned for commercial and residential use.
- 112 Columbus Avenue: The 56,000 3 story 2.8-acre former elementary school complex will be completely razed. The project will mitigate public nuisances occurring for decades since its decommissioning in the late 1990s.
- 1030 East Dominick: This 2-acre site is slated for a full environmental remediation including removing the existing building and removing any impacted soils on the site. This site will be available for redevelopment proposals under a restricted residential use category which allows all but single-family redevelopment of the site.

TRANSPORTATION & INFRASTRUCTURE

By far the largest and most impactful transportation project in Rome is the final phase of construction of NYS 825 (Griffiss Parkway) which is now complete. The multi-phase \$21 million investment by the NYS DOT since 2008 converted the two-lane road with no pedestrian infrastructure into a four-lane divided highway with dedicated pedestrian walkways. The roadway serves over 15,000 motorists daily. The new parkway and park road network is further complemented by the Griffiss International Sculpture Trail.

The business park has invested nearly \$1 million in development of a world-class cultural trails network, anchored by almost two dozen sculptures set amidst a range of ecotypes, and crowned by the recent paving of the entire network – making the trail accessible to more than 6,000 employees on the park. In 2018, the final connection between the Mohawk River Trail and the Griffiss International Sculpture Garden was forged; connecting the business & technology park to downtown Rome and the waterfront.

In the past two years, the City completed a \$2.5 Million construction of the Mohawk River Trail – a fully paved and accessible multiple-use urban trail system – after nearly a decade of intensive visioning, planning, and development. Since day one, use has

See Independent Auditor's Report.

CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022

(Continued)

virtually exploded, and the trail has become one of the most popular recreational destinations in the City. This greenway system is well integrated into the NYS Canalway/Empire State Trail system which attracts visitors worldwide. The completed project will connect downtown to Delta Lake State Park.

The City was the recipient of New York State's Downtown Revitalization Initiative (DRI) \$10 million-dollar award in 2017. Priority projects have been funded and are fully underway. The City has successfully demolished the deteriorating Liberty/George Street parking facility, replacing it with an open air, 80 space, parking lot programmed for future redevelopment. Additionally, construction of stage 2 of this redevelopment project infused \$700,000 into the Copper City Commons. This complex will provide outdoor seating with landscaped streetscapes for restaurants and coffee shops adjoining the parking complex. Other DRI funded initiatives include \$2.5 million renovation to the Capitol Theatre complex with the Capitol providing an additional \$2 million to upgrade the interior of the facility and restore the theatre's marquee.

The Kearney Group from Baldwin, NY has acquired the downtown infill site to construct the Copper City Lofts. The Lofts, a \$16 million investment, will feature 68 loft style apartment units with an emphasis on supporting the arts corridor. Kearney broke ground for the apartment complex in early fall 2021 and construction continues through 2022. The City will move on the next set of DRI projects including demolition of the existing Fort Stanwix Parking garage to be replaced with a 150-space surface parking lot and renovations to City Hall to include a new community room with handicap accessible restrooms for public use and better programming of the City Green. The City opened a new Centro bus transfer facility in downtown Rome. This \$800,000 investment in the transportation sector is a component of Rome's Downtown Revitalization Initiative (DRI).

GRIFFISS BUSINESS & TECHNOLOGY PARK: AN ECONOMIC ENGINE

Griffiss Business and Technology Park ("Griffiss Park") is a 3,500-acre multi-use business, technology and industrial park on the grounds of the former Griffiss Air Force Base in Rome. More than 6,000 people work for almost 80 employers at Griffiss Park. Major employers include the Air Force Research Laboratory, Defense Finance Accounting Service, Eastern Air Defense Sector, Orgill, Inc., Goodrich Corporation, Alion Science & Technology, Assured Information Security, BAE Systems, Cathedral Corporation, Kris-Tech Wire, Sovena Olive Oil, Harris Corporation, Family Dollar Distribution, Premier Aviation, MGS Manufacturing, Birnie Bus Services, and the Rome City School District.

Oneida County, in conjunction with the City of Rome, State of New York, SUNY Research Foundation, Griffiss Institute, and Griffiss Local Development Corporation, have completed a \$12 million renovation of Building 100, creating an Open Innovation Campus to support the Air Force Research Laboratory (Rome Lab). Innovare Advancement Center opened in July 2021, and hosts academics and research scientists from around the world to collaborate on new software initiatives, defense related products, quantum computing, artificial intelligence (AI), machine learning, unmanned aerial systems technology and much more in an unclassified setting. Innovare presents a great opportunity for Rome Lab and the community to display the innovative work performed at the Lab, as well as Rome Lab being named the headquarters lab for quantum computing for the Air Force and Space Force. In its first year of full operations, Innovare hosted over 3,600 visitors including academic and scientific research specialists, interns and entrepreneurs.

In addition to Innovare, the renovation of Building 100 also features the first of its kind in the country, Skydome, a massive indoor testing ground for unmanned aerial systems (UAS). This \$9 million upgrade features a secure indoor/outdoor flying space for drone testing to complement the FAA designated test site and will be open for operations this year.

More than \$500 million in public and private funding has been invested in the development of Griffiss Park since 1995. These capital projects included demolition of more than nine million square feet of obsolete former military buildings and housing to facilitate new development in transportation, business retention & attraction, and advanced technology.

Almost one million square feet of demolition has given way to the construction of new, modern, and regionally-significant facilities. Griffiss Business and Technology Park is transforming into a hustling, bustling residential/commercial workspace with the addition of AirCity Lofts. AirCity offers market rate apartments with common area lifestyle amenities and commercial spaces creating a mixed-use community to complement the growth of the Park.

REGIONAL ECONOMIC DEVELOPMENT FACTORS

In April, Wolfspeed cut the ribbon on the world's first, largest, and only 200-millimeter silicon carbide semiconductor facility at Marcy Nanocenter. Wolfspeed has hired over 300 of its estimated 614 jobs forecasted for the Mohawk Valley Fab by 2027. To support this growth, EDGE is working closely with Mohawk Valley Community College, SUNY Polytechnic Institute, and BOCES on a workforce development pipeline to support continued growth of this region's advanced manufacturing sector. Wolfspeed invested \$1 billion in the new chip fab facility specializing in silicon carbide products. Additionally, Danfoss Silicon Power, a worldwide supplier of Power Electronics continues its buildout of the Quad-C building at SUNY Polytechnic Institute. Packaging operations have been established and Danfoss has been ramping employment to a 300-employee threshold. Danfoss and Wolfspeed are both working on the emerging silicon carbide chip technology.

See Independent Auditor's Report.

**CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

(Continued)

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer, City Hall, Rome, New York, 13440.

See Independent Auditor's Report.

CITY OF ROME, NEW YORK
STATEMENT OF NET POSITION
December 31, 2022

	Governmental Activities	Business-Type Activities	Primary Government Total
Assets			
Cash and Cash Equivalents	\$ 27,583,482	\$ 25,559,790	\$ 53,143,272
Restricted Cash and Cash Equivalents	4,969,948	4,509,327	9,479,275
Investments	10,004,687		10,004,687
Investments Held for Retainage		322,994	322,994
Receivables			
Taxes Receivable, Net	2,891,294		2,891,294
Other Receivables, Net	656,576	3,139,851	3,796,427
Due From			
Other Governments	4,269,655	786,135	5,055,790
Governmental Funds		974,377	974,377
Fiduciary Funds	10,958		10,958
Lease Receivables	831,082		831,082
Other Assets	183,000		183,000
Net Pension Asset - Proportionate Share	155,126	636,721	791,847
Capital Assets (Net of Accumulated Depreciation)	102,835,487	118,781,585	221,617,072
Right to Use Leased Assets (Net of Accumulated Amortization)	942,236	4,054,336	4,996,572
Total Assets	<u>155,333,531</u>	<u>158,765,116</u>	<u>314,098,647</u>
Deferred Outflows of Resources			
Pension	19,155,279	1,482,149	20,637,428
Deferred Charge on Refunding of Serial Bonds	235,302	205,831	441,133
Total Deferred Outflows of Resources	<u>19,390,581</u>	<u>1,687,980</u>	<u>21,078,561</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 174,724,112</u>	<u>\$ 160,453,096</u>	<u>\$ 335,177,208</u>
Liabilities			
Accounts Payable	\$ 1,098,696	\$ 2,235,276	\$ 3,333,972
Accrued Liabilities	1,172,916	1,272,668	2,445,584
Payroll Withholdings Payable	27,386		27,386
Due To			
Business-Type Activities	974,377		974,377
Fiduciary Funds	215,198		215,198
Unearned Revenue - Grants	21,772,083		21,772,083
Bond Anticipation Note Payable	4,393,906	10,327,232	14,721,138
Overpayments and Collections in Advance		29,400	29,400
Noncurrent Liabilities			
Due Within One Year	3,285,966	2,611,165	5,897,131
Due in More Than One Year	81,800,533	48,555,774	130,356,307
Total Liabilities	<u>114,741,061</u>	<u>65,031,515</u>	<u>179,772,576</u>
Deferred Inflows of Resources			
Leases	831,082		831,082
OPEB	8,001,138	780,142	8,781,280
Pension	22,096,934	2,296,104	24,393,038
Total Deferred Inflows of Resources	<u>30,929,154</u>	<u>3,076,246</u>	<u>34,005,400</u>
Total Liabilities and Deferred Inflows of Resources	<u>145,670,215</u>	<u>68,107,761</u>	<u>213,777,976</u>
Net Position			
Investment in Capital Assets (Net of Related Debt)	82,654,598	67,996,026	150,650,624
Restricted			
Reserve for Liability Insurance	319,000	340	319,340
Capital Reserves	1,234,167		1,234,167
Reserve for Repairs		2,920,500	2,920,500
Restricted for Contractual Obligations	1,409,350		1,409,350
Reserve for Debt	853,692	1,573,612	2,427,304
Reserve for Workers' Compensation	1,153,732	14,875	1,168,614
Total Restricted	<u>4,969,948</u>	<u>4,509,327</u>	<u>9,479,275</u>
Unrestricted (Deficit)	(58,570,649)	19,839,982	(38,730,667)
Total Net Position	<u>29,053,897</u>	<u>92,345,335</u>	<u>121,399,232</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 174,724,112</u>	<u>\$ 160,453,096</u>	<u>\$ 335,177,208</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

CITY OF ROME, NEW YORK
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital	Primary Government		Total
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary Government							
Governmental Activities							
General Government Support	\$ 3,942,310	\$ 743,036	\$	\$	\$ (3,199,274)	\$	\$ (3,199,274)
Public Safety	6,668,791	1,115,218	89,617	2,467,164	(2,996,792)		(2,996,792)
Public Health	927	57,801			56,874		56,874
Transportation	7,493,567	1,366,520	270,096	5,201,423	(655,528)		(655,528)
Economic Assistance and Opportunity	2,519,004			200,043	(2,318,961)		(2,318,961)
Culture and Recreation	1,535,516	171,072		15,149	(1,351,295)		(1,351,295)
Home and Community Services	1,395,730		1,039,060	633,217	276,547		276,547
Interest on Long-Term Debt	808,914				(808,914)		(808,914)
Total Governmental Activities	<u>24,364,759</u>	<u>3,453,647</u>	<u>1,398,773</u>	<u>8,514,996</u>	<u>(10,997,343)</u>		<u>(10,997,343)</u>
Business-Type Activities							
Water	7,141,373	9,166,372		1,550,652		3,575,651	3,575,651
Sewer	4,268,002	4,407,860	1,101,191	1,968,604		3,209,653	3,209,653
Refuse District	2,518,488	2,546,156				27,668	27,668
Total Business-Type Activities	<u>13,927,863</u>	<u>16,120,388</u>	<u>1,101,191</u>	<u>3,519,256</u>		<u>6,812,972</u>	<u>6,812,972</u>
Total Primary Government	<u>\$ 38,292,622</u>	<u>\$ 19,574,035</u>	<u>\$ 2,499,964</u>	<u>\$ 12,034,252</u>	<u>(10,997,343)</u>	<u>6,812,972</u>	<u>(4,184,371)</u>
General Revenues							
Real Property Taxes, Levied for General Purposes					15,208,717		15,208,717
Real Property Tax Items					1,320,571		1,320,571
Nonproperty Tax Items (Sales Tax and Franchise Fees)					13,659,250		13,659,250
Solar Power Credits					543,051	264,327	807,378
General State Aid					9,669,021		9,669,021
Sale of Property and Compensation for Gain					240,781	1,679	242,460
Use of Money and Property					622,741	208,996	831,737
Miscellaneous					1,080,026	995,129	2,075,155
Total General Revenues					<u>42,344,158</u>	<u>1,470,131</u>	<u>43,814,289</u>
Change in Net Position					31,346,815	8,283,103	39,629,918
Net Position (Deficit), Beginning of Year					(2,292,918)	84,062,232	81,769,314
Net Position, End of Year					<u>\$ 29,053,897</u>	<u>\$ 92,345,335</u>	<u>\$ 121,399,232</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

CITY OF ROME, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2022

	General	Special Aid	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 17,671,907	\$ 744,572	\$ 145,067	\$ 5,834,440	\$ 24,395,986
Cash and Cash Equivalents - Restricted	4,968,614				4,968,614
Taxes Receivable	1,029,577				1,029,577
Tax Sale Certificates	187,451				187,451
Property Acquired for Taxes	2,121,131				2,121,131
Accounts Receivable	608,015	48,561			656,576
Allowance for Receivables	(446,865)				(446,865)
Due from Other Funds	4,620,474			230,297	4,850,771
Due from Other Governments	2,400,584	1,051,862		746,056	4,198,502
Investment in Securities	10,004,687				10,004,687
Lease Receivables	831,082				831,082
Prepaid Expenditures	1,152,899				1,152,899
Total Assets	\$ 45,149,556	\$ 1,844,995	\$ 145,067	\$ 6,810,793	\$ 53,950,411
Liabilities					
Accounts Payable	\$ 488,218	\$ 95,160	\$	\$ 413,035	\$ 996,413
Accrued Liabilities	872,736				872,736
Payroll Withholdings Payable	27,220				27,220
Bond Anticipation Notes Payable				4,393,906	4,393,906
Due to Other Funds		941,466		5,005,487	5,946,953
Unearned Revenue - Grants	21,772,083				21,772,083
Due to Other Governments	8,334				8,334
Total Liabilities	23,168,591	1,036,626	\$	9,812,428	34,017,645
Deferred Inflows of Resources					
Leases	831,082				831,082
Unavailable Revenue - Real Property Taxes and Grants	551,093	1,899,742			2,450,835
Deferred Inflows of Resources	1,382,175	1,899,742			3,281,917
Total Liabilities and Deferred Inflows of Resources	24,550,766	2,936,368	\$	9,812,428	37,299,562

(Continued)

The Accompanying Notes are an Integral Part of These Financial Statements.

CITY OF ROME, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2022

	General	Special Aid	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
	(Continued)				
Fund Balance					
Nonspendable	4,753,475				4,753,475
Restricted	3,559,264				3,559,264
Assigned	2,090,564		145,067		2,235,631
Unassigned (Deficit)	10,195,487	(1,091,373)		(3,001,635)	6,102,479
Total Fund Balance (Deficit)	20,598,790	(1,091,373)	145,067	(3,001,635)	16,650,849
 Total Liabilities, Deferred Inflow of Resources, and Fund Balance (Deficit)	 \$ 45,149,556	 \$ 1,844,995	 \$ 145,067	 \$ 6,810,793	 \$ 53,950,411

The Accompanying Notes are an Integral Part of These Financial Statements.

CITY OF ROME, NEW YORK
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2022

Amounts reported for governmental activities in the Statement of Net Position are different due to the following:

Governmental Fund Balance	\$	16,650,849
Capital and leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. This amount does not include the capital assets for \$128,781 in the Internal Service fund included below.		103,648,942
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		2,450,835
Internal Service fund is used by management to allocate costs of vehicle maintenance to the various functions and funds. The assets and liabilities of the Internal Service fund are included in the governmental activities in the Statement of Net Position. The total Internal Service fund net position at December 31, 2022, is \$1,307,449. Of this balance, \$79,487 is allocated to the Business-Type Activities, and the remaining \$1,227,962 is allocated to the Governmental Funds.		1,227,962
Proportionate share of long-term asset and liability associated with participation in the state retirement system are not current financial resources or obligations and are not reported in the funds. This amount excludes the net (\$29,721) for the respective amounts for the Internal Service fund reported above.		
		(969,899)
		18,906,739
		48,355
		<u>(21,711,902)</u>
		(3,726,707)
Long-term liabilities, including bonds payable, are not due and payable in the current-period and, therefore, are not reported in the funds.		
		(272,740)
		235,302
		(22,951,090)
		(642,030)
		<u>(981,489)</u>
		(24,612,047)
Other Long-term liabilities, OPEB Liability and Compensated Absences, are not due and payable in the current-period and therefore are not reported in the funds. This amount excludes the \$2,695,472 for the Compensated Absences, Due to Employees Retirement System, Workers' Compensation Claims Payable, and OPEB Liability and Deferred Outflows/Deferred Inflows for the Internal Service fund reported above. Long-term liabilities consisted of the following at year end:		
		(354,904)
		(56,173,019)
		(7,792,514)
		(1,885,485)
		<u>(380,015)</u>
		(66,585,937)
Net Position of Governmental Activities	\$	<u>29,053,897</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

CITY OF ROME, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

	General	Special Aid	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
Revenues					
Real Property Taxes	\$ 15,297,342	\$	\$	\$	\$ 15,297,342
Other Real Property Tax Items	1,320,570				1,320,570
Nonproperty Tax Items	13,659,251				13,659,251
Departmental Income	701,945				701,945
Intergovernmental Charges	952,726	1,527	15,000		969,253
Solar Power Credits	543,051				543,051
Use of Money and Property	820,440	18	27		820,485
Lease Revenue	32,492				32,492
Licenses and Permits	152,373				152,373
Fines and Forfeitures	33,950				33,950
Sale of Property and Compensation for Loss	246,962				246,962
Gifts and Donations		105,566		50,000	155,566
Miscellaneous	241,577	9,102		190,535	441,214
Interfund Revenues	1,802,197				1,802,197
State Aid	11,725,903	129,118		3,510,437	15,365,458
Federal Aid	2,427,892	1,340,060		739,959	4,507,911
Total Revenues	<u>49,958,671</u>	<u>1,585,391</u>	<u>15,027</u>	<u>4,490,931</u>	<u>56,050,020</u>
Expenditures					
General Government Support	5,138,809			105,444	5,244,253
Public Safety	15,179,648	156,046	600	1,361,552	16,697,846
Public Health	927				927
Transportation	4,368,784		52,416	4,801,022	9,222,222
Economic Assistance and Opportunity		1,540,259		22,905	1,563,164
Culture and Recreation	1,393,965	16,948		31,797	1,442,710
Home and Community Services	534,016	100,071		3,777,224	4,411,311
Employee Benefits	11,631,507				11,631,507
Debt Service - Principal	2,757,185				2,757,185
Debt Service - Interest	798,912				798,912
Total Expenditures	<u>41,803,753</u>	<u>1,813,324</u>	<u>53,016</u>	<u>10,099,944</u>	<u>53,770,037</u>
Excess (Deficit) Revenues Over Expenditures	<u>8,154,918</u>	<u>(227,933)</u>	<u>(37,989)</u>	<u>(5,609,013)</u>	<u>2,279,983</u>
Other Financing Sources (Uses)					
Interfund Transfers To	(4,416,221)	(160,735)		(4,264)	(4,581,220)
Interfund Transfers From	4,264			3,598,211	3,602,475
BANs Redeemed from Appropriations				265,053	265,053
Proceeds of Long-Term Debt - Installment Purchase Debt				630,446	630,446
Proceeds of Long-Term Debt - Serial Bonds				6,077,903	6,077,903
Total Other Financing Sources (Uses)	<u>(4,411,957)</u>	<u>(160,735)</u>		<u>10,567,349</u>	<u>5,994,657</u>
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	<u>3,742,961</u>	<u>(388,668)</u>	<u>(37,989)</u>	<u>4,958,336</u>	<u>8,274,640</u>
Fund Balance (Deficit), Beginning of Year	<u>16,855,829</u>	<u>(702,705)</u>	<u>183,056</u>	<u>(7,959,971)</u>	<u>8,376,209</u>
Fund Balance (Deficit), End of Year	<u>\$ 20,598,790</u>	<u>\$ (1,091,373)</u>	<u>\$ 145,067</u>	<u>\$ (3,001,635)</u>	<u>\$ 16,650,849</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

CITY OF ROME, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

Net Changes in Fund Balances - Total Governmental Funds		\$ 8,274,640
<p>Capital Outlays to purchase or build or lease capital assets are reported in Governmental Funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their useful lives as depreciation and amortization expense in the statement of activities. This is the amount by which capital outlays and leases exceeded depreciation and amortization in the period.</p>		
	<p>Acquired Right to Use Leased Assets 750,840 Amortization of Leased Assets (293,304) Capital Outlays 9,294,223 Loss on the Disposition of Assets (6,181) Depreciation <u>(5,729,654)</u></p>	<p>4,015,924</p>
Revenue in the Statement of Activities that do not provide current financial resources are not reported in the funds.		340,763
<p>Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the statement of Net Position.</p>		
	<p>Serial Bond Proceeds (6,077,903) Lease Proceeds (630,446) Principal Payments on Long Term Debt 2,077,677 Amortization of Advance Refunding Charge (52,732) Amortization of Bond Premiums 1,623 Principal Payments on Leases 398,732 Accrued Interest <u>(78,738)</u></p>	<p>(4,361,787)</p>
The internal service fund is used by management to allocate the costs of vehicle maintenance to the various functions and funds. Any excess revenue or expense of this fund is eliminated in the respective function and/or fund. The total net income for the internal service fund for 2022 was \$1,115,219. Of this amount, \$1,038,913 is allocated to the Government Activities, and \$76,306 is allocated to the Business-Type Activities.		1,038,913
Decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		2,329,886
<p>Certain expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.</p>		
	<p>OPEB Liability and Deferred Inflow and Outflows 19,571,370 Due to Employees Retirement System 311,436 Workers' Compensation Claims Payable (48,920) Compensated Absences <u>(125,410)</u></p>	<p>19,708,476</p>
Change in Net Position Governmental Activities		\$ 31,346,815

The Accompanying Notes are an Integral Part of These Financial Statements.

CITY OF ROME, NEW YORK
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
December 31, 2022

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Refuse District	Total	
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 14,264,866	\$ 8,560,276	\$ 2,734,648	\$ 25,559,790	\$ 3,187,496
Cash and Cash Equivalents - Restricted	3,529,678	979,649		4,509,327	1,334
Investments Held for Retainage	322,994			322,994	
Accounts Receivable	1,646,989	869,627	276,175	2,792,791	
Assessments Receivable	416,834	17,709		434,543	
Allowance for Receivables	(27,019)	(35,693)	(24,771)	(87,483)	
Due from Other Funds	1,787,571	787,087	31,512	2,606,170	3,196
Due from Other Governments	13,459	755,654	17,022	786,135	
Total Current Assets	<u>21,955,372</u>	<u>11,934,309</u>	<u>3,034,586</u>	<u>36,924,267</u>	<u>3,192,026</u>
Fixed Assets					
Land	188,561	2,103		190,664	
Buildings and Improvements	1,006,112	21,125,637		22,131,749	
Infrastructure	73,100,207	41,521,614		114,621,821	
Machinery and Equipment	2,239,526	1,529,779	1,590,783	5,360,088	301,402
Construction in Progress	17,670,979	12,741,025		30,412,004	
Total Fixed Assets	<u>94,205,385</u>	<u>76,920,158</u>	<u>1,590,783</u>	<u>172,716,326</u>	<u>301,402</u>
Accumulated Depreciation	<u>28,449,725</u>	<u>24,261,130</u>	<u>1,223,886</u>	<u>53,934,741</u>	<u>172,621</u>
Net Fixed Assets	<u>65,755,660</u>	<u>52,659,028</u>	<u>366,897</u>	<u>118,781,585</u>	<u>128,781</u>
Right to Use Leased Assets					
Land Improvements			240,220	240,220	
Buildings and Improvements		6,359,291		6,359,291	
Machinery and Equipment	548,704	136,270		684,974	
Total Leased Assets	<u>548,704</u>	<u>6,495,561</u>	<u>240,220</u>	<u>7,284,485</u>	
Accumulated Amortization	<u>316,792</u>	<u>2,900,714</u>	<u>12,643</u>	<u>3,230,149</u>	
Net Right to Use Leased Assets	<u>231,912</u>	<u>3,594,847</u>	<u>227,577</u>	<u>4,054,336</u>	
Other Assets					
Net Pension Asset - Proportionate Share	<u>398,311</u>	<u>220,456</u>	<u>17,954</u>	<u>636,721</u>	<u>106,771</u>
Total Assets	<u>88,341,255</u>	<u>68,408,640</u>	<u>3,647,014</u>	<u>160,396,909</u>	<u>3,427,578</u>
Deferred Outflows of Resources					
Deferred Charge on Refunding Serial Bonds	19,732	186,099		205,831	
Pensions	927,182	513,174	41,793	1,482,149	248,540
Total Deferred Outflows of Resources	<u>946,914</u>	<u>699,273</u>	<u>41,793</u>	<u>1,687,980</u>	<u>248,540</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 89,288,169</u>	<u>\$ 69,107,913</u>	<u>\$ 3,688,807</u>	<u>\$ 162,084,889</u>	<u>\$ 3,676,118</u>

(Continued)

CITY OF ROME, NEW YORK
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
December 31, 2022

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Refuse District	Total	
(Continued)					
Liabilities and Net Position					
Current Liabilities					
Accounts Payable	\$ 1,742,997	\$ 63,164	\$ 429,115	\$ 2,235,276	\$ 22,796
Accrued Liabilities	868,477	38,498	3,793	910,768	27,440
Accrued Interest Payable	254,938	103,931	3,031	361,900	166
Due to Other Funds	963,936	747,344		1,711,280	6,144
Bond Anticipation Notes Payable	3,464,068	6,777,773	85,391	10,327,232	
Customer Deposits	26,400	3,000		29,400	
Total Current Liabilities	<u>7,320,816</u>	<u>7,733,710</u>	<u>521,330</u>	<u>15,575,856</u>	<u>56,546</u>
Long-Term Liabilities					
Serial Bonds Payable and Premiums	28,968,326	14,407,083	452,400	43,827,809	30,856
Lease Liabilities	140,026	621,095	235,284	996,405	
Accrued Other Postemployment Benefit Liability	3,596,335	1,960,557		5,556,892	1,503,886
Due to Employees Retirement System	32,708	17,779	1,471	51,958	11,528
Workers' Compensation Claims Payable	595,253	35,565		630,818	146,976
Compensated Absences	66,172	36,885		103,057	25,221
Total Long-Term Liabilities	<u>33,398,820</u>	<u>17,078,964</u>	<u>689,155</u>	<u>51,166,939</u>	<u>1,718,467</u>
Total Liabilities	<u>40,719,636</u>	<u>24,812,674</u>	<u>1,210,485</u>	<u>66,742,795</u>	<u>1,775,013</u>
Deferred Inflows of Resources					
OPEB	504,896	275,246		780,142	208,624
Pensions	1,436,364	794,995	64,745	2,296,104	385,032
Total Deferred Inflows of Resources	<u>1,941,260</u>	<u>1,070,241</u>	<u>64,745</u>	<u>3,076,246</u>	<u>593,656</u>
Net Position					
Investment in Capital Assets (Net of Related Debt)	33,415,152	34,447,924	132,950	67,996,026	97,925
Restricted					
Reserve for Liability Insurance	340			340	
Reserve for Workers Compensation	14,875			14,875	1,334
Reserve for Repairs	2,920,500			2,920,500	
Reserve for Debt	593,963	979,649		1,573,612	
Unassigned	9,682,443	7,797,425	2,280,627	19,760,495	1,208,190
Total Net Position	<u>46,627,273</u>	<u>43,224,998</u>	<u>2,413,577</u>	<u>92,265,848</u>	<u>1,307,449</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 89,288,169</u>	<u>\$ 69,107,913</u>	<u>\$ 3,688,807</u>	<u>\$ 162,084,889</u>	<u>\$ 3,676,118</u>
Adjustments to reflect the consolidation of the internal service fund activities related to the enterprise funds.				79,487	
Net Position of Business-Type Activities				<u>\$ 92,345,335</u>	

CITY OF ROME, NEW YORK
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS
For the Year Ended December 31, 2022

	Business - Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Refuse District	Total	
Operating Revenues					
Service Revenues	\$ 9,166,372	\$ 4,407,860	\$ 2,546,156	\$ 16,120,388	\$ 1,309,479
Operating Expenses					
Personnel Services	1,670,971	1,023,838	327,532	3,022,341	419,835
Depreciation and Amortization	1,895,729	1,863,090	162,157	3,920,976	12,353
Contractual	2,310,802	1,750,204	1,977,502	6,038,508	402,614
Taxes on Property	1,320,875			1,320,875	
Employee Benefits	(564,275)	(706,488)	27,413	(1,243,350)	(598,820)
Debt Service - Interest	634,713	337,358	23,884	995,955	245
Total Operating Expenses	<u>7,268,815</u>	<u>4,268,002</u>	<u>2,518,488</u>	<u>14,055,305</u>	<u>236,227</u>
Operating Income	<u>1,897,557</u>	<u>139,858</u>	<u>27,668</u>	<u>2,065,083</u>	<u>1,073,252</u>
Nonoperating Revenues and Expense					
Special Assessment	30,189	10,435		40,624	
Use of Money and Property	112,673	77,998	18,325	208,996	41,006
Premium on Debt Issuance	363	548	768	1,679	
Minor Sales	162	625		787	961
State Grant	1,520,463	1,858,169		3,378,632	
Federal Grant		100,000		100,000	
Solar Power Credits	113,287	151,040		264,327	
Transfer From (To) Other Funds	978,745			978,745	
Solid Waste Authority		319,491		319,491	
Septic Receiver		781,700		781,700	
Miscellaneous	12,116	3,481		15,597	
Total Nonoperating Revenues and Expense	<u>2,767,998</u>	<u>3,303,487</u>	<u>19,093</u>	<u>6,090,578</u>	<u>41,967</u>
Net Income	4,665,555	3,443,345	46,761	8,155,661	1,115,219
Net Position, Beginning of Year	41,961,718	39,781,653	2,366,816	84,110,187	192,230
Net Position, End of Year	<u>\$ 46,627,273</u>	<u>\$ 43,224,998</u>	<u>\$ 2,413,577</u>	<u>\$ 92,265,848</u>	<u>\$ 1,307,449</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

CITY OF ROME, NEW YORK
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended December 31, 2022

	Business-Type Activities				Governmental Activities -
	Water	Sewer	Refuse District	Total	Internal Service Fund
Cash Flows from (Used by) Operating Activities					
Cash Flows from Providing Services	\$ 9,327,819	\$ 4,511,193	\$ 2,570,284	\$ 16,409,296	\$
Cash Flows From Providing Interfund Services					1,309,479
Cash Payments for Interfund Services	(107,528)	(42,113)		(149,641)	
Cash Flows Payments for Taxes	(1,320,875)			(1,320,875)	
Cash Payments Contractual Expenses	(623,835)	(2,027,833)	(1,709,648)	(4,361,316)	(400,132)
Cash Payments Personal Services and Benefits	(2,370,466)	(1,465,314)	(360,970)	(4,196,750)	(754,563)
Other Operating Revenues	124,280	662,750		787,030	
Net Cash Flows from Operating Activities	<u>5,029,395</u>	<u>1,638,683</u>	<u>499,666</u>	<u>7,167,744</u>	<u>154,784</u>
Cash Flows from (Used by) Noncapital Financing Activities					
Transfers to/from Other Funds	2,661,001	(24,478)	(206,688)	2,429,835	4,625
Net Cash Flows From (Used by) Noncapital Financing Activities	<u>2,661,001</u>	<u>(24,478)</u>	<u>(206,688)</u>	<u>2,429,835</u>	<u>4,625</u>
Cash Flows from (Used by) Capital and Related Financing Activities					
Special Assessments	71,408	13,008		84,416	
Proceeds from Debt	3,465,021	39,341	451,771	3,956,133	30,856
Premium on Debt	(22,177)	(40,346)	766	(61,757)	
Principal Payments on Debt	(1,301,371)	(1,317,612)	(53,045)	(2,672,028)	
Interest Expense	(656,409)	(251,988)	(19,113)	(927,510)	563
Payments to Contractors	(8,348,467)	(925,599)	(240,220)	(9,514,286)	(38,972)
Proceeds from Sale of Equipment	162			162	962
Capital Grants Received from Other Governments	1,514,748	1,962,968	637	3,478,353	
Transfers to/from Other Funds	193,500			193,500	
Net Cash Flows From (Used by) Capital and Related Financing Activities	<u>(5,083,585)</u>	<u>(520,228)</u>	<u>140,796</u>	<u>(5,463,017)</u>	<u>(6,591)</u>
Cash Flows from Investing Activities					
Interest Income	112,673	77,998	18,325	208,996	41,006
Net Increase in Cash and Cash Equivalents	2,719,484	1,171,975	452,099	4,343,558	193,824
Cash and Cash Equivalents, Beginning of Year	15,075,060	8,367,950	2,282,549	25,725,559	2,995,006
Cash and Cash Equivalents, End of Year	<u>\$ 17,794,544</u>	<u>\$ 9,539,925</u>	<u>\$ 2,734,648</u>	<u>\$ 30,069,117</u>	<u>\$ 3,188,830</u>

Reconciliation of Net Income (Loss) to Net Cash Flows from (Used by) Operating Activities

Net Income	\$ 4,665,555	\$ 3,443,345	\$ 46,761	\$ 8,155,661	\$ 1,115,219
Adjustment to Reconcile Operating Income to Net Cash					
Flows from by Operating Activities					
Depreciation	1,895,729	1,863,090	162,157	3,920,976	12,353
Loss (Gain) on the Disposition of Property	(162)			(162)	
Deferred Outflows of Resources, Pension	169,052	224,588	2,839	396,479	101,830
Deferred Inflows of Resources, Pension	(236,585)	(131,040)	8,723	(358,902)	(54,750)
Deferred Outflows of Resources, OPEB	42,934	24,610		67,544	19,851
Deferred Inflows of Resources, OPEB	(330,117)	(203,403)		(533,520)	(166,071)
Amortization of Bond Issuance on Advance Refunding	(4,678)	1,031		(3,647)	
(Increase) Decrease in Assets Other Than Cash					
Accounts Receivable	156,447	(387,623)	24,128	(207,048)	
Increase (Decrease) in Liabilities					
Accounts Payable and Accrued Expenses	1,529,248	(308,598)	85,883	1,306,533	15,490
Net Pension Liability-Proportionate Share	(167,385)	(223,588)	(18,144)	(409,117)	(108,259)
Liability for Workers' Compensation	161,861	(217,146)		(55,285)	(41,595)
Liability for OPEB	(885,882)	(630,494)		(1,516,376)	(688,909)
Other		(100,000)	(1,474)	(101,474)	(8,012)
Nonoperating Activities					
Special Assessments	(30,189)	(13,008)		(43,197)	
Debt Interest	662,994	300,719	23,884	987,597	(397)
Capital Grants	(1,520,463)	(1,962,968)		(3,483,431)	
Interest Revenue	(112,673)	(77,998)	(18,325)	(208,996)	(41,006)
Bond Premium	(363)	(548)	(766)	(1,677)	
Interfund Transfers	(978,745)	24,478	184,000	(770,267)	
Miscellaneous	12,817	13,236		26,053	(960)
Net Cash Flows from Operating Activities	<u>\$ 5,029,395</u>	<u>\$ 1,638,683</u>	<u>\$ 499,666</u>	<u>\$ 7,167,744</u>	<u>\$ 154,784</u>

The Accompanying Notes are an Integral Part of These Financial Statements

CITY OF ROME, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2022

	Custodial Fund
Assets	
Cash and Cash Equivalents	\$ 107,272
School District Taxes Receivable	15,473,762
Due From Other Funds	215,198
Total Assets	\$ 15,796,232
Liabilities	
Taxes Collected for Other Governments	\$ 216,243
Tax Redemptions	46,981
Due To Other Funds	10,958
Total Liabilities	274,182
Net Position	
Restricted For	
Taxes and Fees for Other Governments	15,473,762
Hospital Scholarship Fund	48,288
Total Net Position	15,522,050
 Total Liabilities and Net Position	 \$ 15,796,232

The Accompanying Notes are an Integral Part of These Financial Statements.

CITY OF ROME, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended December 31, 2022

	Custodial Funds
Additions	
Real Property Tax Collections for Other Governments	\$ 39,842,981
Fee Collections for Other Governments	134,831
Interest	188,582
Total Additions	40,166,394
Deductions	
Payments of Real Property Tax to Other Governments	40,056,172
Payments of Fees to Other Governments	4,585
Total Deductions	40,060,757
Change in Net Position	105,637
Net Position, Beginning of Year	15,416,413
Net Position, End of Year	\$ 15,522,050

The Accompanying Notes are an Integral Part of These Financial Statements.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

The City of Rome, New York (City) (which was incorporated as a city in 1870) is governed by (the Charter of The City of Rome, New York) the Municipal Law and other general laws of the State of New York (and various local laws and ordinances). According to the 2020 census data, the City has a population of 32,127 and an area of 72.7 square miles.

The Common Council, which consists of seven elected members and a president, is the legislative body responsible for overseeing the overall operations of the City of Rome. The Mayor serves as chief executive officer and the Treasurer serves as chief fiscal officer of the City. The Mayor is elected for a four-year term.

The Board of Estimate and Contract (E & C) is an administrative body responsible for overseeing the day-to-day operations of the City. The Board of E & C consists of the Mayor, the Corporate Counsel, the Commissioner of Public Works, the Treasurer, and the President of the Common Council.

The following basic services are provided: police, fire, public works, water, sewer, recreation parks, civil defense, transportation, civic arenas, tourism, and economic assistance and opportunity grants. All governmental activities and functions performed for the City are its direct responsibility.

Financial Reporting Entity

The accompanying financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the primary standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have been prepared primarily from accounts maintained by the City.

The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for State and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in U.S. GAAP and used by the City are discussed in the following notes to the financial statements:

(a) Reporting Entity

The financial statements present the City, as well as the component unit determined to be included in the City's financial reporting entity, in accordance with GASB.

The decision to include a potential component unit in the City's reporting entity is based on several criteria set forth by GASB including legal standing, fiscal dependency, and financial accountability. GASB defines financial accountability of the primary government as being determined on the basis of fiscal dependency, appointment of a voting majority of a governing board, ability to impose its will or potential for the organization to provide specific financial benefits to or to impose specific financial burdens on, the primary government.

Based on the application of these criteria, the following is a brief review of certain entities considered in determining the City's reporting entity as a whole.

(b) Departure from GAAP - City's Component Unit Excluded in the Reporting Entity

Omitted Component Unit - Based on the foregoing criteria and the significant factors presented below, the following organization should be included in the reporting entity. The Component Unit should be reported in a separate column in the government-wide financial statements and include financial data of the City's Component Unit.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

Rome Housing Authority was created in 1947 by the New York State Legislature for the purpose of administering Federal and State grants to provide low-income housing in The City of Rome, New York. The governing Board members are appointed by the Mayor of the City, and the Mayor may also remove the board for inefficiency, neglect of duty, or misconduct of office. The City is liable for any deficits that arise from the Low-Income Housing Program. The City is also contingently liable for any loans made by the State to the Authority. Since the Authority is financially accountable to the City, it should be discretely presented as a Component Unit of the City.

(c) Excluded From the Reporting Entity

Although the following organizations, functions, or activities are related to the City, they are not included in the City reporting entity because of the reasons noted:

The Rome City School District was created by State legislation which designates the School Board of Education as the governing authority. School Board members are elected by the qualified voters of the district. The Board designates management and exercises complete responsibility for all fiscal matters. Also, the City is not responsible for any debt or operating losses. The City Common Council exercises no oversight over School operations.

Jervis Public Library Association was created by the authority of the laws of New York State. Although the Association is substantially supported by the City, the Association is excluded from the reporting entity. This exclusion is based upon the fact that the City does not approve the Association's budget, appoint board members or management, nor does it have any authority over the daily operations. Also, the City is not responsible for any debt or operating losses.

Financial Statements - Government-Wide

The City's financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Public safety, maintenance of roads, public works, recreation, and general administrative services are classified as governmental activities. The City's Sewer, Water, and Refuse Funds are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts: invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. All direct expenses incurred are charged to the corresponding function. Capital asset additions that cannot be identified to a specific function are allocated based on total expenses by program.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Sewer, and Sanitation Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Employee benefits are reported as a separate function on the fund financial statements. These costs have been allocated for the government-wide financial statements based on the respective payroll for each function.

The net costs (by function or business-type activity) are normally covered by general revenues (property, non-property, or sales taxes, intergovernmental revenues, interest income, etc.).

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Basic Financial Statements - Fund Financial Statements

The fund statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The City reports the following major governmental funds:

(a) Major Funds:

General Fund – The principal operating fund and includes all operations not required to be reported in other funds. Activities accounted for and reported in the General Fund include those activities financed by City-wide taxation.

Special Aid – Used to account for and reports the proceeds of specific revenues, such as Federal and State grants, that are legally restricted to expenditures for the specific purpose of the grant.

Miscellaneous Special Revenue – Used to account for and reports service fee payments made by property owners located in the Griffiss Park and other miscellaneous grants and donations. The funds are to be used to fund the maintenance and improvement of the infrastructure located in the Griffiss Park or for the purpose of the grants and donations.

Capital Projects – Used to account for and reports financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the Business-Type Activities).

(b) Business-Type Activities – The focus of Business-Type Activities measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The U.S. generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating and non-operating revenues are defined based on how individual transactions are categorized for purposes of preparing a statement of cash flows using the standards required by GASB. Transactions for which cash flows are reported as capital and related financing activities, non-capital financing activities, or investing activities normally would not be reported as components of operating income. The following is a description of the Business-Type Activities of the City:

Water Fund – is used to account for and reports water services to residents and businesses within the City. The Fund recognizes capital grants as a nonrevenue source of funds. Fixed assets are depreciated on a straight-line basis over their estimated useful lives from 5 to 50 years.

Sewer Fund – is used to account for and reports sewer services to residents and businesses within the City. The Fund recognizes capital grants as a nonrevenue source of funds. Fixed assets are depreciated on a straight-line basis over their estimated useful lives from 5 to 50 years.

Refuse District Fund – is used to account for and reports waste removal services to residents and businesses within the City. The City contracts with a third party for this service. Therefore, there are no physical assets associated with the fund.

(c) Internal Service Fund - The Central Maintenance Fund is used to account for and report the financing of maintenance services provided to various departments of the City. The reimbursements from those departments are treated as operating revenues of the Internal Service Fund and as expenditures/expenses of the reimbursing fund.

(d) Fiduciary Fund Types – Fiduciary funds are used to account for and report assets in a custodial capacity for others and therefore, are not available to support City programs. The City's Fiduciary fund consists of only the Custodial Fund. The Custodial Fund is used to account for real property taxes for Oneida County and the Rome City School District. In addition, the fund is also used to account for the fees collected and remitted to the State of New York by the Rome City Clerk's Office.

Since by definition these assets are being held for the benefit of a third party (other local governments) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

Measurement Focus and Basis of Accounting - Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual – Both governmental business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Non-exchange transactions are transactions in which the City gives or receives value without directly receiving or giving equal value in exchange, which include property taxes, grants, and donations. Non-exchange revenues are generally reported as non-operating revenues. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Modified Accrual – The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end for collections of real property taxes. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Material revenues that are accrued include real property taxes, Federal and State aid, sales tax, and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

Expenditures are recorded when the fund liability is incurred except that:

- a. Expenditures for prepaid expenses and inventory-type items are recognized at the time of the disbursements.
- b. Principal on indebtedness is not recognized as an expenditure until due.
- c. Compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as an expenditure when paid.

Differences Between Governmental Fund Statements and Government-Wide Statements

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Government-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic resource management focus of the Statement of Activities, compared with the current financial resource management focus of the governmental funds.

Total Fund Balances of Governmental Funds Compared To Net Positions of Governmental Activities

Total fund balances of the City’s governmental funds differs from “net positions” of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet.

a. Statement of Revenues, Expenditures, and Changes in Fund Balance Compared to Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of six broad categories. The amounts shown below represent:

1. ***Long-Term Revenue Differences*** - Long-term revenue differences arise because governmental funds report revenues only when they are considered “available,” whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.
2. ***Capital Related Differences*** - Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

3. **Long-Term Debt Transaction Differences** - Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.
4. **Employee Benefit Allocation** - Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Equity based on the requirements of New York State. These costs have been allocated based on total salary for each function on the Statement of Activities.
5. **Pension Differences** - Pension differences occur as a result of changes in the City's proportion of the collective net position, asset/liability, and differences between the City's contributions and its proportionate share of the total contributions to pension expense.
6. **OPEB Differences** - OPEB differences occur as a result of changes in the City's total OPEB liability and differences between the City's contributions and OPEB expense.

Budget Policies - The budget policies are as follows:

- a. On or before the fifteenth day of September, the Mayor submits to the Board of Estimate and Contract a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Upon adoption of the operating budget as proposed or amended, the Board of Estimate and Contract submits the final form to the Common Council no later than the first day of October.
- c. Public hearings are conducted to obtain taxpayer comments.
- d. After such hearings, and within thirty days after such estimate shall have been submitted to it, the Council shall adopt such estimate so submitted or shall diminish or reject any item therein, and adopt said estimate as so amended. The Council shall not have the power to diminish any items which relate to salaries, the indebtedness or estimated revenues, nor shall the Council increase any item for any purpose contained in said estimate.
- e. Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is employed in the General and Capital Projects Funds. On a GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balance as neither expenditures nor liabilities exist.
- f. The City Treasurer may not disburse money unless appropriated and not in excess of such amounts. With the exception of personal services and debt service, department heads are authorized to transfer budgeted amounts within major objects of expense; however, any revisions that alter the total expenditures of any fund must be approved by the Common Council.

Legally Adopted Budget - The General Fund has a legally adopted budget. Appropriations for all budgets lapse at fiscal year-end. The General Fund's budget is adopted on a departmental level of expenditure basis in which expenditures may not legally exceed appropriations on a departmental and object of expenditure level.

Individual governmental fund comparisons of budget and actual data at the legal level of control established by the adopted budget (i.e., minimally at the department and object level) are not presented in this report for those funds with annual adopted budgets due to the excessive detail involved. However, a separate budgetary comparison report is available which contains this information.

Budget Basis of Accounting - Budgets are adopted annually on a basis generally consistent with U.S. GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Appropriations lapse at the end of the year unless expended or encumbered. The budget may be amended by the Legislature for increased grants or State aid received during the year.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

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. The City has three items that qualifies for reporting in this category. The first item 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. The second item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the City's proportionate share of the collective net pension asset or liability and difference during the measurement period between the City's contributions and its proportionate share of total contributions not included in pension expense. The third item is related to other postemployment benefits (OPEB) reported on the Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

In addition to liabilities, the Statement of Net 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 only two type of item for the governmental funds. The first of which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The third item is related to agreements in which the City acts as a lessor and is deferring the lease receivable and any initial payments received over the term of the lease. The two other items that qualify are related to pensions and other post-employment liabilities reported in the City's Government-Wide and Enterprise Statements of Net Position. This first item represents the effect of the net change in the City's proportion of the collective net pension asset or liability and difference during the measurement period between the City's contributions and its proportion share of the contributions to the pension systems not included in pension expense. The second item relates to OPEB reporting in the government-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

Equity Classifications

(a) Government-Wide Financial Statements

In the Government-Wide statements there are three classes of Net Position:

Investment in capital assets, net of related debt – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.

Restricted Net Position – reports Net Position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – reports all other Net Position that do not meet the definition of the above two classifications and are deemed to be available for general use by the City.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

(b) Fund Balance – Reserves and Designations

The following classifications describe the relative strength of the spending constraints:

Non-spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of the prepaid expenditures, noncurrent loans receivable, property acquired for taxes, and collateral pledged for the purchase of Street Lights (See Note 12).

Restricted Resources

This category includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Generally, the City's policy is to use restricted resources only when appropriated by the Common Council. When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy concerning which to apply first varies with the intended use, and with associated legal requirements. The City has established the following restricted fund balances:

- ***Reserve for Liability Insurance***

This reserve is used to accumulate funds to pay liability claims incurred. The total amount accumulated in the reserve may not exceed 3% of the total annual budget. The reserve is accounted for in the General and Water Funds.

- ***Capital Reserve***

The Capital Reserve is used to pay the cost of any object or purpose for which bonds may be issued.

- **Parking** - This reserve was established through the Rome Parking Authority prior to its dissolution into the City's General Fund. The funds are to be used to offset future capital expenditures for the City's parking facilities. The reserve amount at December 31, 2022 was \$229,185.
- **Capital** - This reserve was established to offset future capital project expenditures for the General Fund – General City, and is accounted for in the General Fund. The reserve amount at December 31, 2022 was \$1,004,982.

- ***Reserve for Debt***

This reserve is used to account for proceeds from the prior years' additional sales tax collected for the debt of Rome Hospital prior to privatization, earnings on outstanding obligations, and remaining bond proceeds not to be utilized for the intended purpose. These monies must be used to pay the debt service of the obligations from and for which they originated. This reserve is accounted for in the respective funds.

- ***Reserve for Workers' Compensation***

Workers' Compensation Reserve (GML §6-j) is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law and for payment of expenses of administering this self-insurance program. The reserve is established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the General and Water Funds.

- ***Reserve for Repairs***

The Repair Reserve (GML§6-d) is used to accumulate funds for the purpose of financing of certain repairs to capital improvements or equipment, including repairs to City dams. The type of repairs must not recur annually or at shorter intervals. A Common Council resolution appropriating moneys from a repair reserve fund is subject to a public hearing and at least five days must elapse between the publication of the notice of hearing and the date specified for the hearing. In an emergency, moneys in a repair reserve fund may be expended without giving notice and without holding a public hearing. To make such an emergency expenditure, the governing board must pass a resolution approved by at least a

CITY OF ROME, NEW YORK
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For the Year Ended December 31, 2022

two-thirds vote. In addition, at least one-half of the expenditure must be repaid in the next fiscal year and the balance repaid by the end of the fiscal year after that. The reserve amount at December 31, 2022 was \$2,920,500. The reserve is accounted for in the Water Fund.

• ***Restricted for Contractual Obligations***

On December 14, 2020, the City established an irrevocable standby line of credit in favor of Niagara Mohawk Power Corporation for drawings in the amount of \$1,406,300. The line of credit is being used as financial security assurance for any damages to the Corporation's property as the City the separation work for the street lights. The line of credit expires three hundred and sixty-five days after the effective date, but it will automatically renew unless notified by the Corporation or upon the completion of the purchase. At December 31, 2022, the City has a dedicated bank account for the line of credit in the amount of \$1,409,350.

Unrestricted Resources

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assignment actions.

- ***Committed*** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority, i.e., the Common Council. The City has no committed fund balances as of December 31, 2022.
- ***Assigned*** – Includes amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board or (b) the designated official, such as the City's Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than in the Capital Fund, are classified as Assigned Fund Balance in the applicable fund. The amount appropriated for the subsequent year's budget of the General fund is also classified as Assigned Fund Balance in the General Fund.
- ***Unassigned*** – Includes all other fund net position that do not meet the definition of the above classifications and are deemed to be available for general use by the City. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

Leave, Sick Leave, and Compensated Absences

City employees are granted vacation and sick leave and earn compensated absences in varying amounts and determined by negotiated contracts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation leave, sick leave, and unused compensated absences at various rates subject to certain maximum limitations.

For the government-wide financial statements and proprietary funds, it is the City's policy to accrue all costs associated with earned, but not yet paid, compensated absences of all employees involved in the operations of the City's reporting entity. Government funds record an expenditure when paid. (See Note 2, page 53 for the amount of liability).

Other Benefits

Employees participate in the New York State Employees' Retirement System and the New York State and Local Police and Fire Retirement System.

In addition to providing pension benefits, the City provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the City's employees may become eligible for these benefits if they reach normal retirement age while working for the City. Currently, 349 retirees meet those eligibility requirements. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The retired employee reimburses the City monthly for the amount needed to make the above percentages equal to 100%. The percentage reimbursed varies on the type of employee and type of coverage.

CITY OF ROME, NEW YORK
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For the Year Ended December 31, 2022

Statements of Cash Flows – Cash Equivalents

For purposes of the Statements of Cash Flows, the City considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents include all unrestricted as well as restricted assets with the exception of those held by trustees.

Investments

The investments in securities are carried at fair value and are categorized as investments held by the City. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values of securities traded on a national securities exchange are based on the last reported sales price on the last business day of the year; bonds, notes, and government securities for which no sale was reported on that date are valued at the last reported bid price.

The net change in the unrealized gain or loss is recognized as investment income.

Capital Assets/Property, Plant, and Equipment

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	40 Years
Machinery and Equipment	3-15 Years
Infrastructure	20-50 Years

Right to Use Leased Assets

The City has recorded right to use lease assets as a result of implementing GASB 87, *Leases*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right to use assets are amortized on a straight-line basis over the life of the related lease, which range from 3-19 years.

Deferred Revenues/Grants

The City follows the policy that if an expenditure of funds is the prime factor for determining the release of grant funds, revenues are recognized at the time of the expenditure. If release of grant funds is not contingent upon expenditure of funds, revenues are recorded when received or when the grant becomes an obligation of the grantor.

Insurance

The City is self-insured for health insurance and general liability except for certain property damage. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

Allowance for Uncollectible Accounts Receivable

The City has established allowances for certain uncollectible receivables. At December 31, 2022 an allowance of \$446,865 for uncollectible real property taxes has been established in the General Fund based on past experience. In addition, the City's Community Development Block Grant Loan Program has an established allowance of \$720,440. All other receivables have been deemed fully collectible.

Although receivables in the proprietary funds are guaranteed and enforced by the General Fund, an allowance of \$87,483 has been established.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

Use of Estimates

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

Differences between Statement of Revenues, Expenses, and Changes in Net position – Proprietary Funds and Statement of Activities

Total Operating Expense (page 25)	\$ 14,055,305
Internal Service-Central	
Maintenance	<u>(127,442)</u>
Total Expense (page 17)	<u>\$ 13,927,863</u>

New Accounting Standard

Effective January 1, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the City’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Future Changes in Accounting Standards

GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending December 31, 2023. The City will evaluate the impact this pronouncement may have on its financial statements and will implement it as applicable and when material.

2. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

Assets

(a) Cash and Cash Equivalents

The City's investment policies are governed by State statutes. In addition, the City has its own investment policy. City monies must be deposited in commercial banks or trust companies insured by the Federal Deposit Insurance Corporation (FDIC) and located within the State. The City is authorized to use demand accounts, certificates of deposit, and investment pools. Permissible investments include obligations of the U.S. treasury and U.S. agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for applicable deposits not covered by FDIC coverage. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the Federal Government. Underlying securities must have a market value of at least 105 percent of the cost of the repurchase agreement.

Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. While the City does not have a specific policy for custodial credit risk, New York State statutes govern the City’s investment policies, as discussed previously in these Notes.

As of December 31, 2022, the City’s bank balances of \$49,209,917 were not exposed to custodial credit risk because the deposits were fully covered by FDIC coverage and pledged collateral held in a trust department in an account in the City’s name.

(b) Investment Pool

The City participates in a multi-municipal cooperation investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-o, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

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The following amounts are included as unrestricted cash equivalents:

Fund	Cost	Fair Value
Governmental Activities		
General Fund	\$ 12,623,867	\$ 12,623,867
Internal Service Fund	305	305
Total	<u>12,624,172</u>	<u>12,624,172</u>
Business Type Enterprise		
Water	2,930,093	2,930,093
Sewer	629	629
Refuse	156	156
Total	<u>2,930,878</u>	<u>2,930,878</u>
Total	<u>\$ 15,555,050</u>	<u>\$ 15,555,050</u>

The above amounts represent the cost of the investment pool share and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. The Investment Pool issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to MBIA/CLASS, 113 King Street, Albany, New York 10504.

(c) Investments

Investments are stated at fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets.
- Level 2 inputs are significant other observable inputs.
- Level 3 inputs are significant unobservable inputs.

The investments consist of only United States Treasury Bills. These securities are considered Level 1 because the valuation is based on quoted market prices. The investments are registered and held by the financial institution's trust department in the name of the City. The net change in the unrealized gain or loss is recognized as investment income. The income received from these investments is to be used to offset future debt service costs.

The investments at December 31, 2022, are as follows:

Description	Quantity	Maturity	Cost	Fair Value
U.S. Treasury Bill	5,087,000	3/23/2023	\$ 4,999,196	\$ 5,037,900
U.S. Treasury Notes Strip	5,013,000	6/30/2023	4,999,753	4,966,787
Total Investments			<u>\$ 9,998,949</u>	<u>\$ 10,004,687</u>
Fund				
General Fund				<u>\$ 10,004,687</u>

CITY OF ROME, NEW YORK
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For the Year Ended December 31, 2022

(d) General Fund – Aggregated Accounts

The General Fund's balance sheet includes asset accounts that have been aggregated for financial statement presentation purposes. The following is a detail of the significant aggregations at December 31, 2022:

Description	Amount
Due from Other Governments	
Oneida County	\$ 1,135,106
New York State Sales Tax	1,077,174
Solar Power Credits	20,450
Federal CDBG	164,336
Miscellaneous	<u>3,518</u>
Total Due from Other Governments	<u>\$ 2,400,584</u>

(c) Loans Receivable - REAP

The Rome Entrepreneur Assistance Program (REAP) provides loans to small businesses to develop innovative products and services, and create jobs. The program is funded through the City's Federal Community Development Block Grant. The various loans awarded range from \$10,000 to \$300,000. The loans are to be repaid in monthly installments over 5 years at an interest rate of prime less 1% and prime plus 1%. Two loans for a total of \$279,500 are payable in full in 2025 at 0% interest. The prime rate at December 31, 2022 and 2021 was 5.5% and 4.5%. The total of all loans at December 31, 2022 were \$720,440. With the exception of the loans maturing in 2025, all loans are past due. For all loans, the City has established an allowance for doubtful accounts aggregating to \$720,440.

(d) Property Taxes and Collection

Property taxes are levied on January 1 and may be paid in two installments (without discount or penalty), one-half to be paid on or before April 30; and the second half on or before October 31. If the total amount is paid on or before April 30, 1% may be deducted. If neither of the above options are complied with, then a penalty of 2% for the first month will be added on the amount, and 1% per month additional penalty after the first month will be added through the date of payment. The City enforces all delinquent taxes. The City is also responsible for collecting and guaranteeing school taxes due to the Rome City School District for properties within the City.

The recognition of revenue from real property taxes is considered available to finance current operations if collected within 60 days after the end of the year. The net receivables collected during the 2022 fiscal year and within the first sixty days of the subsequent fiscal year are recognized as revenues at year end.

Uncollected property taxes for the School District are turned over to the City for enforcement on June 1. The City has two years to collect the delinquent taxes and remit to the School District. After two years have passed, the City assumes the remaining delinquent taxes and remits the unpaid amount to the School District.

The assessed valuation of taxable real estate, as established by the City Assessor's Office, upon which the 2022 levy was based, was \$834,570,755. The tax levy is limited to 2% of the five-year average of the above valuation by the New York State Constitution.

Assessment receivables due to governmental spending funds are reported on their balance sheets, in spite of their measurement focus. Recognition of governmental fund type revenues represented by these receivables are deferred until the funds are received.

Assessment receivables due to Proprietary Fund Types are recognized as revenues when earned.

Water Fund revenues are based upon quarterly meter readings and cyclical billings to customers. Unreceived billings at year end are accrued and reported in the financial statements.

(e) Sales Tax

The Sales tax in the City is 8.75% at December 31, 2022. The collections are split between the municipalities as follows:

New York State	4.00%
Oneida County	2.75%
City of Rome	<u>2.00%</u>
	<u>8.75%</u>

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For the Year Ended December 31, 2022

The City receives its 1.5% sales tax payments from the State on a bi-monthly basis and .5% from Oneida County on a quarterly basis. Effective September 1992 the County imposed a 1% increase from 7% to 8% in sales tax. Pursuant to State statute and Resolution of the Oneida County Board of Legislators, of all sales generated within The City of Rome, the additional 1% Sales tax increase will be split between the County and the City. In addition, the County imposed an additional 1% to cover its Medicaid costs. On November 30, 2007, 3% of the additional Sales tax was decreased to 2.75%. This resulted in an overall Sales tax rate of 8.75%.

The General Fund's nonproperty tax item mainly consists of sales tax revenues which are recorded on an accrual basis to the extent that such accrued amounts were received by New York State and Oneida County (the intermediary governments) from vendors through December 31. The City also accrues its portion of such revenue attributable to the current year but remitted to the State (and ultimately the County) in the subsequent year.

The General Fund's nonproperty tax item, recognized as revenue during the year ended December 31, 2022, consists mainly of \$12,776,441 in Sales tax. This amount included a receivable of \$2,212,280 in Sales tax from the State of New York and the County of Oneida.

(f) Property Tax Abatements

The City is subject to property tax abatement programs entered into by the Oneida County Industrial Development Agency (OCIDA). These programs have the stated purpose of increasing economic development and employment in the region. Economic development agreements are entered into by the OCIDA include property tax abatements for any increased assessment value of incentivized projects from the investment of private capital. The abatement agreements include a stipulated reduction pursuant to the limits set forth in State statute and rules. In the future, these abatements will decrease periodically until the project is taxed at the full assessed value. The City property tax revenue was reduced by \$2,377,500 for these abatements in 2022. OCIDA paid the City \$975,917 during 2022 and had no outstanding balance at December 31, 2022.

In addition, the City negotiates property tax abatement agreements on an individual basis. The City has tax abatement agreements with the following entities as of December 31, 2022:

<u>Entity</u>	<u>Purpose</u>	<u>Amount of Taxes Abated</u>	<u>Received During Year</u>
Liberty Gardens Housing			
Devopment	To develop affordable housing	\$ 153,684	\$ 17,028
Park Drive II	To develop affordable housing	\$ 102,034	\$ 48,204
Colonial I Associates LP	To develop affordable housing	\$ 16,383	\$ 7,852
Stanwix Associates	To develop affordable housing	\$ 344,029	\$ 73,814
DePaul Rome Housing			
Development	To develop affordable housing	\$ 38,861	\$ 7,590

Each agreement was negotiated under Section 125 of the Private Housing Finance Law, allowing localities to abate property taxes for which a redevelopment company housing project is to be located to enter into a contract with such redevelopment company to provide for an exemption from local and municipal taxes, other than assessment for local improvements, of all or part of the value of the property included in such project which represents an increase over the assessed valuation of the real property, both land and improvements, acquired for the project at the time of its acquisition by the redevelopment company which originally undertook the project for such definite period of years as such contract may provide.

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For the Year Ended December 31, 2022

(g) Capital Assets

1. Capital asset activity for the Governmental Activities for the year ended December 31, 2022, was as follows:

	Beginning Balance	Prior Period Adjustment	Additions	Deletions	Ending Balance
Governmental Activities					
Capital Assets Not Being Depreciated					
Land	\$ 6,794,506	\$	\$ 73,717	\$	\$ 6,868,223
Construction in Progress	24,055,823		8,932,772	5,783,283	27,205,312
Total	30,850,329		9,006,489	5,783,283	34,073,535
Capital Assets Being Depreciated					
Buildings and Improvements	37,643,935		388,999		38,032,934
Machinery and Equipment	15,036,876		2,213,369	553,610	16,696,635
Infrastructure	121,870,878		3,507,619		125,378,497
Leased Vehicles	703,125	(703,125)			
Total	175,254,814	(703,125)	6,109,987	553,610	180,108,066
Accumulated Depreciation					
Buildings and Improvements	26,385,612		897,085		27,282,697
Machinery and Equipment	10,605,466		1,186,643	547,429	11,244,680
Infrastructure	69,160,459		3,658,278		72,818,737
Leased Vehicles	218,425	(218,425)			
Total	106,369,962	(218,425)	5,742,006	547,429	111,346,114
Net Capital Assets Being Depreciated	68,884,852	(484,700)	367,981	6,181	68,761,952
Net Capital Assets	\$ 99,735,181	\$ (484,700)	\$ 9,374,470	\$ 5,789,464	\$ 102,835,487

2. Capital asset activity of the Business-Type Activities for the year ended December 31, 2022, was as follows:

	Beginning Balance	Prior Period Adjustment	Additions	Deletions	Ending Balance
Business-Type Activities					
Capital Assets Not Being Depreciated					
Land	\$ 190,664		\$	\$	\$ 190,664
Construction in Progress	36,037,553		9,184,637	14,810,186	30,412,004
Total	36,228,217		9,184,637	14,810,186	30,602,668
Capital Assets Being Depreciated					
Buildings and Improvements	14,288,126	(6,727,033)	14,570,656		22,131,749
Machinery and Equipment	5,309,111	23,474	77,739	50,236	5,360,088
Infrastructure	114,589,064		32,757		114,621,821
Leased Vehicles	261,444	(261,444)			
Total	134,447,745	(6,965,003)	14,681,152	50,236	142,113,658
Accumulated Depreciation					
Buildings and Improvements	7,549,638	(2,638,215)	859,917		5,771,340
Machinery and Equipment	3,189,891	(254,229)	394,518		3,330,180
Infrastructure	42,467,650		2,365,571		44,833,221
Leased Vehicles	74,518	(74,518)			
Total	53,281,697	(2,966,962)	3,620,006		53,934,741
Net Capital Assets Being Depreciated	81,166,048	(3,998,041)	11,061,146	50,236	88,178,917
Net Capital Assets	\$ 117,394,265	\$ (3,998,041)	\$ 20,245,783	\$ 14,860,422	\$ 118,781,585

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3. Depreciation was charged to the functions/programs as follows:

Governmental Activities	
<u>Function/Program</u>	
General Government Support	\$ 540,518
Public Safety	554,903
Transportation	4,256,116
Culture and Recreation	378,117
Capital Assets held by the Central Maintenance Internal Service Fund are charged to various functions based on usage.	<u>12,353</u>
Total Governmental Depreciation	<u>\$ 5,742,006</u>
Business-Type Activities	
<u>Function/Program</u>	
Water	\$ 1,842,468
Sewer	1,628,024
Refuse	<u>149,514</u>
Total Business-Type Depreciation	<u>\$ 3,620,006</u>

4. Right to use leased asset activity for the year ended December 31, 2022, is as follows:

	<u>Beginning Balance</u>	<u>Prior Period Adjustment</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities					
Leased Assets Being Amortized					
Leased Vehicles	\$ _____	\$ 703,125	\$ 750,840	\$ _____	\$ 1,453,965
Accumulated Amortization					
Leased Vehicles	_____	218,425	293,304	_____	511,729
Net Leased Assets	<u>\$ _____</u>	<u>\$ 484,700</u>	<u>\$ 457,536</u>	<u>\$ _____</u>	<u>\$ 942,236</u>
	<u>Beginning Balance</u>	<u>Prior Period Adjustment</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities					
Leased Assets Being Amortized					
Land Improvements	\$ _____	\$ _____	\$ 240,220	\$ _____	\$ 240,220
Buildings and Improvements		6,359,291			6,359,291
Leased Vehicles	_____	606,011	78,963	_____	684,974
Total	_____	6,965,302	319,183	_____	7,284,485
Accumulated Amortization					
Land Improvements			12,643		
Buildings and Improvements		2,638,215	213,640		2,851,855
Leased Vehicles	_____	290,964	74,687	_____	365,651
Total	_____	2,929,179	300,970	_____	3,230,149
Net Leased Assets	<u>\$ _____</u>	<u>\$ 4,036,123</u>	<u>\$ 18,213</u>	<u>\$ _____</u>	<u>\$ 4,054,336</u>

CITY OF ROME, NEW YORK
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For the Year Ended December 31, 2022

3. Amortization was charged to the functions/programs as follows:

Governmental Activities

Function/Program

General Government Support	\$ 68,319
Public Safety	188,136
Transportation	<u>36,849</u>
Total Governmental Amortization	<u>\$ 293,304</u>

Business-Type Activities

Function/Program

Water	\$ 53,261
Sewer	235,066
Refuse	<u>12,643</u>
Total Business-Type Amortization	<u>\$ 300,970</u>

Liabilities

(a) Pension Plan

- a. **Plan Descriptions** - The City participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing multiple-employer retirement systems. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The City also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.
- b. **Funding Policy** - The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3 percent of their salary for their entire length of service. Those who joined on or after April 1, 2012 contribute at a rate ranging from 3% to 6% based on their total annualized salary. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

The City's contributions made to the Systems were equal to 100 percent of the contributions required for each year. The contribution for the March 31, 2023 billings was made in December 2022. The City prepaid 25% of this billing at December 31, 2022.

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The required contributions for the current year and two preceding years were:

		ERS	PFRS	Total
2021	\$	1,293,339	\$ 2,625,541	\$ 3,918,880
2022	\$	1,326,818	\$ 2,918,319	\$ 4,245,137
2023	\$	1,020,953	\$ 2,990,953	\$ 4,011,906

* Net of amortization described below in Note 2(a)(c).

The City's contributions made to the Systems were equal to 100% of the contributions required for each year.

- c. Chapter 57 of the Laws of 2010 of the State of New York was enacted that allows local employers to amortize a portion of retirement bill for 10 years in accordance with the following stipulations:

For State fiscal year 2010-2011, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.

For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.

For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program. The liabilities are amortized over 10 years at an interest rate ranging from 3.00% to 3.75%. The total unpaid liability for the pension years 2012 to 2017 at December 31, 2022 was \$443,501 of which \$51,958 is reported in the Proprietary Funds and \$391,543 in the Non-Current Governmental Liabilities.

Annual debt service requirements to maturity for the unpaid amortized portion of the retirement bills is as follows:

	Government Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 236,448	\$ 13,022	\$ 29,079	\$ 1,716
2024	119,624	4,928	16,518	728
2025	35,471	1,138	6,361	204
Total	\$ 391,543	\$ 19,088	\$ 51,958	\$ 2,648

- d. *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At December 31, 2022, the City reported an PFRS liability of \$1,726,493 and an ERS asset of \$2,518,340 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of March 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability(asset) was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2022 and 2021, the City's proportion was 0.0308069 and 0.0343547 percent respectively for ERS and 0.3039362 and 0.283087 percent respectively for PFRS.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

For the year ended December 31, 2022, the City recognized pension expense of \$1,622,664 (ERS \$5,686 and PFRS \$1,616,978). At December 31, 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	ERS	PFRS	Total
Differences Between Expected and Actual Experience:	\$ 190,717	\$ 930,765	\$ 1,121,482
Change of Assumptions	4,202,826	10,333,434	14,536,260
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	206,146	461,341	667,487
Contributions Subsequent to the Measurement Date	<u>1,020,953</u>	<u>2,990,953</u>	<u>4,011,906</u>
Total	<u>\$ 5,620,642</u>	<u>\$ 14,716,493</u>	<u>\$ 20,337,135</u>

Deferred Inflows of Resources	ERS	PFRS	Total
Differences Between Expected and Actual Experience:	\$ 247,371	\$	\$ 247,371
Change of Assumptions	70,918		70,918
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments	8,246,507	14,507,051	22,753,558
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	<u>516,683</u>	<u>804,508</u>	<u>1,321,191</u>
Total	<u>\$ 9,081,479</u>	<u>\$ 15,311,559</u>	<u>\$ 24,393,038</u>

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 Ended June 30,	ERS	PFRS	Total
2023	\$ (724,070)	\$ (784,002)	\$ (1,508,072)
2024	\$ (1,011,298)	\$ (1,259,953)	\$ (2,271,251)
2025	\$ (2,216,364)	\$ (3,468,157)	\$ (5,684,521)
2026	\$ (530,058)	\$ 1,872,955	\$ 1,342,897
2027	\$	\$ 53,138	\$ 53,138

e. Actuarial Assumptions

The total pension liability at March 31, 2022 was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension liability to March 31, 2022. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2021 valuation were as follows:

	ERS	PFRS
Investment rate of return (net of investment expense, including inflation)	5.90%	5.90%
Salary Increases	4.40%	6.20%
Inflation rate	2.70%	2.70%
Assumptions Based on	April 1, 2015 - March 31, 2020 System's Actual Experience Study	
Annuitant Mortality Rates	Society of Actuaries Scale MP-2020	

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

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 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 target asset allocation as of March 31, 2022 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	32%	3.30%
International equity	15%	5.85%
Private equity	10%	6.50%
Real estate	9%	5.00%
Opportunistic/Absolute return strategies	3%	4.10%
Credit	4%	3.78%
Real assets	3%	5.80%
Fixed Income	23%	0.00%
Cash	1%	-1.00%
	100.00%	

*The real rate of return is net of the long-term inflation assumption of 2.5%

f. Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System'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 periods of projected benefit payments to determine the total pension asset/liability.

g. Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption

The following presents the City's proportionate share of the net pension liability (calculated using the discount rate of 5.9 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Proportionate Share of the Net Pension Liability (Asset)			
ERS	\$ 6,482,179	\$ (2,518,340)	\$ (10,046,639)
PFRS	\$ 19,204,570	\$ 1,726,493	\$ (12,740,714)

h. Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued System financial report that can be accessed on the Comptroller's website at www.osc.state.ny.us/pension/cafr.htm.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

(b) Postretirement Health Care Benefits

(a) Plan Description

City of Rome (the City) administers the City of Rome Retiree Medical Plan (the Plan) as a single-employer defined benefit plan. The Plan provides for continuation of medical and life insurance benefits for certain retirees and their spouses and can be amended by action of the City subject to applicable collective bargaining and employment agreements as follows:

- **AFSCME Local 1088, Council 66** - Members are eligible in accordance with the New York State Employees' Retirement System (NYSERS). Member must be at least 55 years old with at least 20 years of service, or must have an approved disability. For medical, hospitalization, vision, and dental, the City will pay 100% for members hired before January 1, 1985, and 75% for those hired after that date. Surviving spouses and retiree dependents are required to pay 100% of the costs.

The City also pays 50% of the cost of life insurance coverage for retiree (\$4,000), with coverage of \$2,000 for spouse for members retired on or after January 1, 1984.

- **Rome Phillip S. McDonald Police Benevolent Association, Inc.** - Members are eligible in accordance with the New York State Police and Fire Retirement System (NYSPFRS). Member must have at least 20 years of service, or must have an approved disability. For medical, hospitalization, vision, and dental, the City will pay 100% for members hired before January 1, 1986, and 75% for those hired after that date. For retirees hired after January 1, 2007, the City pays 75% of the cost for medical coverage under the City "PPO Plan". Additionally, for any full-time officer employed as of July 31, 2004 who retires with at least 20 years of service, the City pays 100% of the cost of coverage until age 65, and 75% of the cost thereafter. If the retiree dies before age 65, the City pays 100% of the coverage of the surviving spouse and dependents. Surviving spouses and retiree dependents are required to pay 100% of the costs when the retiree would have reached age 65.

The City also pays 50% of the cost of life insurance coverage for retiree (\$4,000), with coverage of \$2,000 for spouse.

- **Rome Professional Firefighters Association Local #694 AFL-CIO** - Members are eligible in accordance with the NYSPFRS. Member must be at least 55 years old with at least 20 years of service, or must have an approved disability. For medical, hospitalization, vision, and dental, the City will pay 100% for members hired before January 1, 1985, and 75% for those hired after that date. Surviving spouses and retiree dependents are required to pay 100% of the costs.

The City also pays 50% of the cost of coverage for retiree (\$4,000), with coverage of \$2,000 for spouse.

- **The City of Rome Unit Civil Service Employees Association, Inc.** - Members are eligible in accordance with the NYSERS. Member must be at least 55 years old with at least 20 years of service, or must have an approved disability. For medical, hospitalization, vision, and dental, the City will pay 100% for members hired before January 1, 1985, and 75% for those hired after that date. Surviving spouses and retiree dependents are required to pay 100% of the costs.

The City also pays 50% of the cost of life insurance coverage for retiree (\$4,000), with coverage of \$2,000 for spouse.

For all retirees, medical benefits coordinate with Medicare primary and the City Plan secondary for retirees eligible for Medicare. Medicare eligible retirees and dependents are required to enroll in Medicare Part B. The City does not reimburse Medicare eligible retirees and dependents for the Medicare Part B premium. The City does receive a subsidy from Medicare for providing prescription drug coverage to Medicare eligible retirees and dependents. The Medicare Part D subsidy is not considered in this valuation.

The Plan does not issue a stand along publicly available financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

(b) Funding Policy

The obligations of the Plan members and the City are established by action of the City pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. For the year ended December 31, 2022, the City's Plan contributions ranged from 75% to 100% of the cost of coverage. The employer currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the Plan are paid by the City.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

(c) Employees covered by benefit terms

	Governmental	Enterprise	Total
Inactive employees currently receiving benefit payments	308	25	333
Active employees	233	28	261
Total	541	53	594

(d) Components of the OPEB liability

	Governmental	Enterprise	Total
Balances, 12/31/21	\$ 73,641,129	\$ 7,073,268	\$ 80,714,397
Changes recognized for the year:			
Service cost	1,114,018	123,767	1,237,785
Interest on Total OPEB Liability	1,503,834	145,042	1,648,876
Changes in assumptions or other inputs	(16,002,276)	(1,560,285)	(17,562,561)
Net changes	(15,964,224)	(1,516,376)	(17,480,600)
Balances, 12/31/22	\$ 57,676,905	\$ 5,556,892	\$ 63,233,797

(e) Sensitivity of the OPEB Liability to changes in the discount rate

	1% Decrease (2.70%)	Current Assumption (3.70%)	1% Increase (4.70%)
Total OPEB liability			
Governmental	\$ 66,624,777	\$ 57,676,905	\$ 50,530,004
Enterprise	\$ 6,430,059	\$ 5,556,892	\$ 4,858,185

(f) Sensitivity of the total OPEB liability to changes in the healthcare trend rate

	1% Decrease (5.50% to 3.75%)	Current Assumption (6.50% to 4.75%)	1% Increase (7.50% to 5.75%)
Total OPEB liability			
Governmental	\$ 50,005,111	\$ 57,676,905	\$ 67,301,985
Enterprise	\$ 4,813,006	\$ 5,556,892	\$ 6,486,809

*(g) OPEB expense and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to OPEB*

	Governmental		Enterprise	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$	\$ 8,001,138	\$	\$ 780,142

(h) Projected Recognition of Deferred Outflows and Inflows of Resources

	Governmental	Enterprise
Year ended December 31: 2023	\$ (8,001,138)	\$ (780,142)

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

(i) Actuarial Assumptions

Valuation Date	December 31, 2021
Measurement Date	December 31, 2022
Reporting Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal Cost
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.50% (2021 Rate was 2.25%)
Healthcare Cost Trend Rates	6.50% to 4.75%
Discount Rate	3.70% based on "The Bond Buyer 20-Bond GO Index" as December 31, 2022 (2021 rate was 2.05%)
Pre-Retirement	U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Employee Male / Female Mortality Projected with Scale MP-2021
Post-Retirement	U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Annuitant Male / Female Mortality Projected with Scale MP-2021
Disability	U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Disabled Retiree Male / Female Mortality Projected with Scale MP-2021

(c) Short-Term Debt

The City may issue Bond Anticipation Notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

The following is a summary of the BAN's outstanding at December 31, 2022:

<u>Payable From/Description</u>	<u>Date of Original Issue</u>	<u>Original Amount</u>	<u>Date of Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding Amount</u>
Governmental					
General Fund	6/14/2022	\$ 3,522,778	6/14/2023	3.00	\$ <u>4,393,906</u>
Enterprise					
Water	6/14/2022	\$ 44,000	6/14/2023	3.00	\$ 40,502
Sewer	6/14/2022	\$ 62,000	6/14/2023	3.00	61,066
Refuse	6/14/2022	\$ 90,500	6/14/2023	3.00	85,391
Total Enterprise Funds					\$ <u>186,959</u>

The following is a summary of the BAN interest expense for the year ended December 31, 2022:

	<u>Business-Type Activities</u>				
	<u>General</u>	<u>Enterprise Funds</u>			
		<u>Water</u>	<u>Sewer</u>	<u>Refuse</u>	<u>Total</u>
Interest Paid	\$ 49,470	\$ 440	\$ 620	\$ 905	\$ 1,965
Less: Interest Accrued in the Prior Year	(18,922)	(239)	(336)	(491)	(1,066)
Plus: Interest Accrued in the Current Year	71,506	659	994	1,390	3,043
Total Interest Expense on Short-Term Debt	<u>\$ 102,054</u>	<u>\$ 860</u>	<u>\$ 1,278</u>	<u>\$ 1,804</u>	<u>\$ 3,942</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

Changes in the City's short-term outstanding debt, excluding EFC debt noted on page 52, for the year ended December 31, 2022, are as follows:

Description	Outstanding Beginning Balance	Issued	Refinanced	Paid	Outstanding Ending Balance
Governmental Activities					
6 Wheel Dump Truck with Front Plow, Wing Plow and Salter	225,000		183,568	41,432	
701 Lawrence Street ERP	25,000			1,988	23,012
1333 East Dominick Street ERP	110,000			8,746	101,254
2021 Road Reconstruction	760,650			60,475	700,175
Franklin Field Club House Repair	40,000		38,016	1,984	
Traffic Light Controller	22,000			665	21,335
Acquisition and upgrade of City Street Lights	3,522,778		3,522,778		
Rome City Hall Façade Repairs	26,490			3,253	23,237
Pole Security Cameras at Parks	20,615		9,522	11,093	
Central Fire Station Reconstruction	54,299		51,183	3,116	
Bridge Rehabilitations	252,259			8,967	243,292
Various Land & Equipment	40,725		38,328	2,397	
Salt/Sand Storage Barn	247,951		235,300	12,651	
2020 Road Reconstruction	1,314,649			257,085	1,057,564
SWAT Deployment Vehicle	46,025		41,851	4,174	
2022 Road Reconstruction		1,324,037			1,324,037
Record Retention Bldg Window Replacement		50,000			50,000
City Hall Elevator Renovations		200,000			200,000
City Hall HVAC Upgrades		450,000			450,000
Public Works Garage Boiler Replacement		200,000			200,000
Total Governmental	6,708,441	2,224,037	4,120,546	418,026	4,393,906
Business-Type Activities					
Replace Return Sludge Pumps	32,000			482	31,518
Replace Pumps at Merrick & Tannery Rd, Sites	30,000			452	29,548
Replace Roof at Boyd Dam	44,000			3,498	40,502
2 replacement Wells at Landfill	90,500			5,109	85,391
Total Business-Type Activities	196,500			9,541	186,959
Total Bond Anticipation Note	\$ 6,904,941	\$ 2,224,037	\$ 4,120,546	\$ 427,567	\$ 4,580,865

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

Environmental Facilities Corporation-Short Term Notes –

The City has entered into loan agreements with the NYS Environmental Facilities Corporation (EFC). The EFC is the registered owner of the bond anticipation notes. The interest free “hardship” loans are subsidized by the NYS EFC. The following is a summary of the projects with outstanding debt:

<u>Payable From/Description</u>	<u>Date of Original Issue</u>	<u>Original Amount</u>	<u>Date of Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding Amount</u>
Enterprise					
Sewer					
Upgrades to Solids Handling Sewer plant Wastewater Disinfection Facility and Erie Blvd Sewer Repair	6/14/2018	\$ 4,527,200	6/14/2023	0.00%	\$ 4,070,457
	6/14/2018	\$ 2,812,500	6/14/2023	0.00%	2,646,250
Total Sewer					<u>6,716,707</u>
Water					
Northwest Rome Rephase 3 Water Project	11/18/2021	\$ 13,500,000	12/18/2026	0.00%	3,423,566
Total Enterprise Funds					<u>\$ 10,140,273</u>

Changes in the City’s short-term outstanding NYS EFC debt for the year ended December 31, 2022, are as follows:

<u>Description</u>	<u>Outstanding Beginning Balance</u>	<u>Issued</u>	<u>Refinanced</u>	<u>Paid</u>	<u>Outstanding Ending Balance</u>
Enterprise					
Sewer					
Upgrades to Solids Handling Sewer plant Wastewater Disinfection Facility and Erie Blvd Sewer Repair	\$ 4,152,957	\$	\$	\$ 82,500	\$ 4,070,457
Anaerobic Digester Improvements	2,701,250			55,000	2,646,250
Total Sewer	<u>9,014,507</u>		<u>2,160,300</u>	<u>137,500</u>	<u>6,716,707</u>
Water					
Northwest Rome Rephase 3 Water Project		<u>3,423,566</u>			<u>3,423,566</u>
Total Enterprise Funds	<u>\$ 9,014,507</u>	<u>\$ 3,423,566</u>	<u>\$ 2,160,300</u>	<u>\$ 137,500</u>	<u>\$ 10,140,273</u>

(d) Long-Term Debt

- a. **Debt Limit** – At December 31, 2022, \$31,225,424 of the City’s \$81,231,648 in serial bonds and bond anticipation notes were subject to the constitutional debt limit and represented approximately 36.1% of its statutory debt limit.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

b. The following is a summary of the long-term debt activity for the year:

Description	Outstanding Beginning Balance	Prior Period Adjustment	Issued	Paid & Amortized	Outstanding Ending Balance	Due Within One Year
Governmental Activities						
Bonds Payable	\$ 18,950,864	\$	\$ 6,108,759	\$ 2,077,677	\$ 22,981,946	\$ 2,543,428
Unamortized Premiums on Bonds	<u>643,653</u>	<u> </u>	<u>111,528</u>	<u>113,151</u>	<u>642,030</u>	<u>113,151</u>
Total Bonds and Unamortized Premiums	19,594,517	 	6,220,287	2,190,828	23,623,976	2,656,579
Lease Payables	749,775	376,188	278,299	422,773	981,489	392,939
OPEB Liability	73,641,129		2,617,852	18,582,076	57,676,905	
Due to NYS ERS	710,991			319,448	391,543	236,448
Workers' Compensation Claims Payable	2,025,135		619,972	612,646	2,032,461	
Compensated Absences	<u>254,896</u>	<u> </u>	<u>125,229</u>	<u> </u>	<u>380,125</u>	<u> </u>
Total Governmental Activities	<u>\$ 96,976,443</u>	<u>\$ 376,188</u>	<u>\$ 9,861,639</u>	<u>\$ 22,127,771</u>	<u>\$ 85,086,499</u>	<u>\$ 3,285,966</u>
Business-Type Activities						
Bonds Payable	\$ 43,071,902	\$	\$ 2,371,851	\$ 1,915,189	\$ 43,528,564	\$ 1,950,802
Unamortized Premiums on Bonds	<u>359,741</u>	<u> </u>	<u>3,862</u>	<u>64,358</u>	<u>299,245</u>	<u>63,868</u>
Total Bonds and Unamortized Premiums	43,431,643	 	2,375,713	1,979,547	43,827,809	1,950,802
Lease Payables	1,303,221	221,524	80,309	608,649	996,405	631,284
OPEB Liability	7,073,268		268,809	1,785,185	5,556,892	
Due to NYS ERS	91,512			39,554	51,958	29,079
Workers' Compensation Claims Payable	686,103		24,147	79,432	630,818	
Compensated Absences	<u>94,980</u>	<u> </u>	<u>8,077</u>	<u> </u>	<u>103,057</u>	<u> </u>
Total Business Type Activities	<u>\$ 52,680,727</u>	<u>\$ 221,524</u>	<u>\$ 2,757,055</u>	<u>\$ 4,492,367</u>	<u>\$ 51,166,939</u>	<u>\$ 2,611,165</u>

c. **General Obligation Bonds** – The City borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. General obligation bonds have been issued for both governmental and business-type activities.

Annual debt service requirements to maturity for general obligation debt are as follows:

	Government Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 2,543,428	\$ 812,610	\$ 1,950,802	\$ 1,071,310
2024	2,637,034	634,719	1,974,976	1,032,880
2025	2,708,085	549,388	2,023,925	995,733
2026	2,755,142	461,612	1,836,868	959,945
2027	2,763,832	371,993	1,868,178	925,533
2028-2032	6,213,645	1,078,869	8,691,405	4,077,271
2033-2037	3,360,780	219,219	7,864,270	3,025,703
2038-2042			7,740,050	2,006,700
2043-2047			6,990,050	853,502
2048-2051			<u>2,588,040</u>	<u>137,677</u>
Total	<u>\$ 22,981,946</u>	<u>\$ 4,128,411</u>	<u>\$ 43,528,564</u>	<u>\$ 15,086,254</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

d. Serial Bond Schedule - The following is a schedule of the serial bonds outstanding at December 31, 2022:

	Date Issued	Date of Maturity	Interest Rate %	Outstanding Balance 1/1/2022	New Bonds Issued	Paid	Outstanding Balance 12/31/2022
General Fund							
Public Improvement - Refinance of 2006 & 2005	4/15	12/25	3.0-4.0	\$ 54,721	\$	\$ 14,000	\$ 40,721
Public Improvement - Refinance of 2011 (Series 2015 B)	10/15	8/27	2.0-5.0	4,899,481		725,340	4,174,141
Public Improvement - 2015	9/15	9/34	2.0-3.25	6,123,270		389,470	5,733,800
Public Improvement - 2019A	6/19	5/27	2.0	3,361,000		535,000	2,826,000
Public Improvement - 2019B	8/19	6/30	2.0	1,955,350		199,525	1,755,825
Public Improvement - 2020	1/20	5/43	2.25-2.625	680,100		50,400	629,700
Public Improvement - 2021	6/21	6/29	2.00-2.375	1,876,942		163,942	1,713,000
Public Improvement - 2022	6/22	6/38	3.0-3.4		6,077,903		6,077,903
Total General Fund				\$ 18,950,864	\$ 6,077,903	\$ 2,077,677	\$ 22,951,090
Internal Service - Central Maintenance Fund							
Public Improvement - 2022	6/22	6/38	3.0-3.4	\$	\$ 30,856	\$	\$ 30,856
Enterprise Funds							
Water Fund							
Public Improvement - Refinance of 2006 & 2005	4/15	12/25	3.0-4.0	\$ 820,279	\$	\$ 196,000	\$ 624,279
Public Improvement - Refinance of 2011 (Series 2015 B)	10/15	8/27	2.0-5.0	388,579		57,530	331,049
Public Improvement - 2015	9/15	9/34	2.0-3.25	706,820		44,960	661,860
NYS Environmental Facilities Corporation-2016B	9/16	8/46	.061-3.35	16,425,000		505,000	15,920,000
Public Improvement - 2019A	6/19	5/27	2.0	163,000		26,000	137,000
Public Improvement - 2019B	8/19	6/30	2.0	494,650		50,475	444,175
Public Improvement - 2020	1/20	5/43	2.25-2.625	3,186,900		116,200	3,070,700
NYS Environmental Facilities Corporation - 2020 B	12/20	12/50	0.25-2.937	7,916,276		246,276	7,670,000
Public Improvement - 2022	6/22	6/38	3.0-3.4	28,837		1,737	27,100
Total Water Fund				30,130,341		1,244,178	28,886,163
Sewer Fund							
Public Improvement - Refinance of 2011	10/15	8/27	2.0-5.0	81,940		12,130	69,810
EFC NYS Environmental 2015 Refinance of 2005B	10/15	4/34	3.5-4.1	2,030,000		130,000	1,900,000
Public Improvement - 2015	9/15	9/34	2.0-3.25	2,209,910		140,570	2,069,340
Public Improvement - 2019A	6/19	5/27	2.0	198,000		31,000	167,000
Public Improvement - 2020	1/20	5/43	2.25-2.625	378,000		13,400	364,600
Public Improvement - 2021	6/21	6/29	2.00-2.375	948,801		13,901	934,900
NYS Environmental Facilities Corporation - 2021 B	12/21	8/51	.18-3.007	6,816,910		215,000	6,601,910
NYS Environmental Facilities Corporation - 2022	12/21	8/51	.18-3.007		2,160,300	72,010	2,088,290
Total Sewer Fund				12,663,561	2,160,300	628,011	14,195,850
Refuse District Fund							
Public Improvement - 2019A	6/19	5/27	2.0	278,000		43,000	235,000
Public Improvement - 2022	6/22	6/38	3.0-3.4		211,551		211,551
Total Refuse District Fund				278,000	211,551	43,000	416,551
Total Enterprise Fund				\$ 43,071,902	\$ 2,371,851	\$ 1,915,189	\$ 43,528,564

Advance Refunding-Remaining Principal on Bonds Refinanced

In the current year and prior years, the City defeased serial bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities are not included in the City's financial statements.

The following outstanding bonds at December 31, 2022, are considered defeased:

Description	Governmental	Enterprise
2005	\$ 45,000	\$ 690,000
2005 EFC		1,900,000
2011	3,715,131	1,114,869
Total	\$ 3,760,131	\$ 3,704,869

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

Deferred Charge on Advance Refunding

The charge on advance refundings is the difference between the acquisition price and the net carrying value of proprietary refunded debt are capitalized and amortized over the term of the respective bonds using a method, which approximates the effective interest rate. Presently, the above refunded debt had issue costs of \$1,112,176 which are being amortized over seven to thirteen years.

	Beginning Balance	Issued	Expensed/ Redeemed	Ending Balance
Governmental Activities	\$ 288,034	\$	\$ 52,732	\$ 235,302
Business-Type Activities	\$ 260,271	\$	\$ 54,440	\$ 205,831

- e. **Lease Payables** - The City is obligated under various leases for land, vehicles, and equipment. The lease agreements qualify as other than short-term leases under GASB 87, *Leases* and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the implementation of the new standard. The leased assets and related obligations are accounted for in the Governmental Funds and in the Propriety Funds. The terms of the leases are 5 to 15 years and have interest rates that range from 2.89% per annum to 12.55% per annum, respectively. During 2012, \$5,857,547 of an energy performance contract lease was refinanced from an interest rate of 4.72% to the current rate of 2.89%. The refinancing resulted in a payment of a prepayment penalty of \$160,875. The prepayment penalty is being amortized over the remaining life of the lease at \$13,406 per year. The total lease payments in the General Fund and Propriety Funds for the year ended December 31, 2022, were \$414,464 and \$608,649, respectively.

The following is a schedule of future minimum lease payments under capital leases:

	Government Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 392,939	\$ 67,671	\$ 631,284	\$ 48,302
2024	294,106	40,479	63,558	26,500
2025	198,595	17,767	51,868	21,112
2026	82,482	6,889	21,988	18,093
2027	13,367	686	22,816	15,791
2028-2032			50,950	66,050
2033-2037			86,258	42,742
2038-2040			67,683	9,717
Total	\$ 981,489	\$ 133,493	\$ 996,405	\$ 248,307

- f. **Interest** - The City's interest expense for the above obligations for 2022 is as follows:

Governmental-Type Activities

General Fund

Amount Paid	\$ 738,014
Prior Year Accrual	(18,922)
Current Year Accrual	71,503
Total General Fund	790,595

Government-Wide

Change in Accrued Interest	78,738
Amortization of Premium	(113,151)
Amortization of Deferred Charge	52,732
Total Governmental-Type	\$ 808,914

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

Governmental-Type Activities

Serial Bonds	\$	596,152
Bond Anticipation Notes		102,055
Capital Lease		69,457
NYS Retirement		<u>22,931</u>
Total General Fund		790,595
Government-Wide Serial Bond		<u>18,319</u>
Total Governmental-Type	\$	<u>808,914</u>

Business-Type Activities

Enterprise Fund

Amount Paid	\$	1,010,119
Prior Year Accrual		(352,740)
Current Year Accrual		361,900
Amortization of Premium		(64,358)
Amortization of Deferred Charge		<u>41,034</u>
	\$	<u>995,955</u>
Serial Bonds	\$	914,385
Bond Anticipation Notes		3,942
Capital Lease		74,691
NYS Retirement		<u>2,937</u>
	\$	<u>995,955</u>

g. Other Long-Term Liabilities – In addition to the above long-term debt, the City had the following other long-term liabilities:

1. Compensated Absences – Compensated absences represent unused vacation and compensatory time payable in the future.
2. Litigation – The City is self-insured in several areas of liability, in addition to those areas of liabilities for which insurance is not available. At December 31, 2022, the City had several outstanding tax certiorari claims in various legal stages. It is the opinion of the City’s Council, the majority of the claims have an aggregate possible liability of \$55,000 to \$250,000.
3. Other Litigation – The City is a plaintiff in a tax certiorari case regarding the assessment by the Town of Lewis for the City’s reservoir. The Court issued a decision reducing the levy by \$8,000,000 for the years ended 2012, 2013, 2014, and 2015. The Town is currently appealing the decision. If the City prevails, the Town will be required to refund the City approximately \$520,000. Since the outcome of the appeal is unknown, the City has not recorded a receivable for the potential refund.

(e) **General Fund – Aggregated Accounts**

The General Fund’s balance sheet includes liability accounts that have been aggregated for financial statement presentation purposes. The following is a detail of the significant aggregations at December 31, 2022:

Description	Amount
Accrued Liabilities	
Health Insurance Claims Lag	\$ 592,500
Interest Accrual	71,506
Payroll Accrual	<u>208,730</u>
Total Accrued Liabilities	<u>\$ 872,736</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

3. INTERFUND TRANSACTIONS

Fund Type	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
Governmental Funds				
General	\$ 4,620,474	\$	\$ 4,264	\$ 4,416,221
Special Aid		941,466		160,735
Capital Fund	230,297	5,005,487	3,598,211	4,264
Proprietary Funds				
Water	1,787,571	963,936	978,745	
Sewer	787,087	747,344		
Refuse	31,512			
Internal Service Fund	3,196	6,144		
Custodial Fund	215,198	10,958		
Total	<u>\$ 7,675,335</u>	<u>\$ 7,675,335</u>	<u>\$ 4,581,220</u>	<u>\$ 4,581,220</u>

All interfund receivables and payables are considered current. The purpose of the above balances are to provide cash flow for various projects and to correct misclassifications. The transfer from the General Fund to the Capital Fund was to fund street improvement projects.

4. CONTINGENCIES

Potential Grantor Liability

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Litigation [See Note 2 Liabilities Long Term Debt (d) g.]

Construction Commitments

The Common Council and the Board of Estimate and Contract have authorized various projects. These projects are in various stages of completion. The unexpended amounts of the projects are the result of uncompleted contracts. The City will be obligated for the contract as the work is performed. The following is a summary of the unexpended construction commitments:

Governmental	\$ 3,411,419
Proprietary	\$ 23,756,181

Self-Insured

The City is self-insured for health insurance and general liability. The City is covered for general liability but is liable for prior claims. For the City's health insurance plan, the City has aggregate and specific excess loss insurance. In aggregate, the City is covered up to \$1,000,000 for losses that exceed a calculated amount that cannot be less than \$7,184,710. The City also has specific excess loss insurance for each participant in excess of \$225,000 for each contract period. The City currently reports its risk management activities in the fund in which the liability is incurred. Claims expenditures/expenses and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

	Beginning of Year Liability	Current Year Claims and Changes on Estimates	Claim Payments	End of Year Liability
2022	\$ 660,000	\$ 6,062,162	\$ 6,103,027	\$ 619,135
2021	\$ 447,638	\$ 5,066,984	\$ 4,854,622	\$ 660,000
2020	\$ 689,981	\$ 5,643,419	\$ 5,885,762	\$ 447,638

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

The liability for health insurance is recorded in the various governmental and proprietary funds as accrued liabilities.

The City is also self-insured for workers' compensation claims. The liabilities are record based on an evaluation that the claims are probable and the amount can is reasonably estimated. The estimated accrued claims payable are recorded as follows at December 31, 2022: Enterprise Funds \$630,818 and Governmental Activities \$2,032,461. The changes in the total workers' compensation liability is as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes on Estimates</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2022	\$ <u>2,711,238</u>	\$ <u>644,119</u>	\$ <u>692,078</u>	\$ <u>2,663,279</u>
2021	\$ <u>2,663,728</u>	\$ <u>989,112</u>	\$ <u>941,602</u>	\$ <u>2,711,238</u>
2020	\$ <u>3,167,817</u>	\$ <u>202,893</u>	\$ <u>706,982</u>	\$ <u>2,663,728</u>

Employees' Collective Bargaining Units

The City currently employs approximately 345 full-time and 50 part-time employees. Police and fire department employees and general city employees are each represented by a collective bargaining agent. Those agents which represent them and the dates of expiration of their agreements are as follows:

<u>Number of Members</u>	<u>Labor Organization</u>	<u>Expiration Date</u>
74	Civil Service Employees Association	December 31, 2022
72	AFSCME Council #66 - Local #1088	December 31, 2022
73	Patrolmen Benevolent Association ("PBA")	December 31, 2022
75	Rome Professional Fire Chiefs Association	December 31, 2022

5. CONSTITUTIONAL TAX LIMIT

The constitution of the State of New York limits the amount of real property taxes which may be levied by the City. Basically, the City may levy an amount of real property tax which is limited to 2% of the 5-year average full valuation of taxable real estate within the City taking into consideration any applicable exclusion. At December 31, 2022, the City utilized 30.4% of its constitutional taxing power.

6. REFUNDABLE GRANT AWARDS

The City awards housing improvement grants from the U.S. Department of Housing and Urban Development's Community Development Block Grant program to qualifying residents. If the property is transferred within 7 years for liens after January 1, 2008 or 10 years for liens after September 1, 2009 to another party, only the principal of the grant is to be repaid to the City. These commitments to the City are currently secured by liens against the residents' improved property. At December 31, 2022, the total liens payable to the City amounted to \$812,466. As the City receives the funds, they are recorded as program income, and the lien is cleared. Program income must generally be used to expand the program.

These liens have not been recognized because they do not meet the availability criteria and the actual amount to be received cannot be reasonably estimated. They are recognized upon receipt in the Special Revenue Fund.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

7. UNEARNED GRANT AWARDS – GENERAL FUND

In March 2021, Congress passed and President Biden signed into law the American Rescue Plan of 2021. The City was awarded \$24,134,423 half of which it received in May 2021 and the other half of which was received in 2022. Since \$22,580,233 of the grant was not expended as of December 31, 2022, the amount is recorded in the General Fund as unearned grant revenue.

The stated goals of the Plan are:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control
- Replace lost revenue for eligible state, local, territorial, and Tribal governments to strengthen support for vital public services and help retain jobs
- Support immediate economic stabilization for households and businesses
- Address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic

The City's Common Council created the American Rescue Plan Committee consisting of two councilors and the President of the Common Council to work with the City Administration to determine appropriate activities and projects to fund with the award. All funds will be utilized pursuant to sections 602(c)(1)(C) and 603(c)(1)(C) of the Act regarding the use of Lost Revenues for the acquisition of government services.

Under the Treasury's Interim Final Rule, jurisdictions receiving funding must obligate them by December 31, 2024 and fully spend them by December 31, 2026. The longer time frame to actually spend obligated funds is to permit recipients investing in long term infrastructure projects sufficient time to complete the designated projects.

8. DEFICIT FUND BALANCES AND NET POSITION

Capital Fund

The Capital Fund had deficit fund balance at December 31, 2022, of \$3,001,635. This deficit is due to the issuance of bond anticipation notes totaling \$4,393,906. As the BAN proceeds are expended, the liability remains until permanent financing is issued or payments are made from General Fund appropriations.

Special Aid Fund

The Special Aid Fund had deficit fund balance at December 31, 2022, of \$1,091,373. This deficit is due receivables that are not currently available. The receivables are from expenditures for which reimbursement from grants has not been received. The deficit will be eliminated as funds are received.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

9. BUDGET REVISIONS

During 2022, the following budget revisions were authorized for the General Fund:

Adopted Budget	\$ 45,704,235
Add: Prior Year's Encumbrances	<u>535,808</u>
Original Budget	<u>46,240,043</u>
 Amendments:	
Police budget for changes in police body camera contract and to increase under budgeted accounts	93,881
Software license related to purchase of pole cameras	15,300
Increase in the cost of liability insurance	24,129
Budget reduction	(81,937)
Public works garage	11,500
CHIPS - Pave Our Potholes (POP)	200,575
Increase in cost of information technology	6,975
Increase in cost of information technology	6,945
Increase in the cost of gasoline and diesel	23,000
Cost of air conditioning units for the Rome Police Department	196,272
Purpose of building stabilization for 233 West Dominick Street	99,000
CHIPS - Extreme Winter Recovery Program	240,957
American Rescue Plan Federal Grant	2,362,340
Other Adjustments	<u>588</u>
Total Budget Amendments	<u>3,199,525</u>
 Final Budget	 <u>\$ 49,439,568</u>

10. LEASE RECEIVABLE AND LESSOR AGREEMENTS

In 2007, the City entered into an agreement to lease part of its parking garage to New York State. The garage has a cost of \$4,100,868 and a carrying amount of \$1,107,743, after depreciation. The previous lease commenced on September 1, 2001, and terminated on August 31, 2006. The lease was renewed for ten years ending on August 31, 2017. The lease is currently on a month-to-month basis. The State pays the City a fixed rent of \$303,367 per annum. If operating costs of the property exceed that of the base year, then the State is responsible for its proportionate share. The lease was terminated in 2023 because of the scheduled demolition of the parking garage in 2023.

The City has entered into agreements with Districts to lease parcels of land. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded as a receivable at the present value of the future minimum lease payments as of the date of the inception of the agreements. The agreements were executed for a term of 10-20 years. The City has recorded a lease receivable and a deferred inflow of resources at December 31, 2022. For the year ended December 31, 2022, the City recognized \$32,492 in lease revenue and \$47,224 in lease interest revenue.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

Future payments due to the City and deferred inflow recognition under these agreements are as follows for the year ended June 30, 2022:

Year	Payments To be Received	Deferred Inflow
2023	\$ 81,626	\$ 86,539
2024	83,593	59,514
2025	81,477	59,514
2026	62,106	39,173
2027	63,488	39,173
2028-2032	339,060	195,570
2033-2037	345,352	173,462
2038-2042	356,500	149,505
2043	<u>6,343</u>	<u>28,632</u>
Total	1,419,545	831,082
Less Interest	<u>588,463</u>	
Present Value of Lease Receivables	<u>\$ 831,082</u>	<u>\$ 831,082</u>

11. FUND BALANCE

(a) The following is a summary of the change in General Fund restricted reserve funds during the year ended December 31, 2022:

	Beginning Balance	Increases	Decreases	Ending Balance
Restricted				
General Fund				
Liability Insurance	\$ 319,000	\$	\$	\$ 319,000
Capital Reserve	1,234,167			1,234,167
Debt Service	813,130	120,562	80,000	853,692
Workers' Compensation	<u>974,302</u>	<u>178,103</u>		<u>1,152,405</u>
Total General Fund Restricted	<u>\$ 3,340,599</u>	<u>\$ 298,665</u>	<u>\$ 80,000</u>	<u>\$ 3,559,264</u>

(b) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet at December 31, 2022:

	General	Special Aid	Miscellaneous Special Revenue	Capital	Total
Nonspendable	\$ 4,753,475	\$	\$	\$	\$ 4,753,475
Restricted					
Liability Insurance	319,000				319,000
Capital Reserve	1,234,167				1,234,167
Debt Service	853,692				853,692
Workers' Compensation	1,152,405				1,152,405
Total Restricted	<u>3,559,264</u>				<u>3,559,264</u>
Assigned					
Designated for Subsequent Year's Expenditures	1,362,478				1,362,478
Reserve for Encumbrances	728,086				728,086
Other			145,067		145,067
Total Assigned	<u>2,090,564</u>		<u>145,067</u>		<u>2,235,631</u>
Unassigned (Deficit)	<u>10,195,487</u>	<u>(1,091,373)</u>		<u>(3,001,635)</u>	<u>6,102,479</u>
Total Fund Equity	<u>\$ 20,598,790</u>	<u>\$ (1,091,373)</u>	<u>\$ 145,067</u>	<u>\$ (3,001,635)</u>	<u>\$ 16,650,849</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

12. SOLAR FARM POWER PURCHASE AGREEMENT

In 2014, the City entered into two power purchase agreements with Global Resource Options, Inc. (dba:groSolar). The agreements allow for the company to construct, operate, and maintain solar powered electric generating systems on City property known as Lamphear Road Pump Site and the Tannery Road Landfill. The term of the agreement for the Lamphear Road site is 20 years and the term of the agreement for the Tannery Road site is 25 years. Both have options by which Global Resource can extend the agreements for an additional 5 years. The aggregate anticipated power to be generated from both sites is 6.9 megawatts. The City will participate in the Niagara Mohawks Power Corporation's Remote Net Metering for Non-Residential Solar Electric Customer Generators, Rule 36.7 of the Niagara Mohawks Power Corporation's electric tariff. Based on this participation the City expects to receive a monthly delivery and supply credit from Niagara Mohawks Power Corporation at approximately 13 cents per kwh. The City is required to make an operating lease payment to Global Resource Options, Inc. at a starting rate of 9 cent per kwh at the Lamphear Road site and 9.5 cents at the Tannery Road site, both with a 2% escalator per year. During the 25-year term of the lease, the City expects to realize a net savings as well as \$347,000 from annual lease payments received from Global Resource for the two sites.

13. CUMULATIVE EFFECT OF IMPLEMENTING NEW ACCOUNTING STANDARD

The following adjustments were made to the prior year's net position and fund balance due to the implementation of GASB 87, *Leases*:

	Governmental					Business-Type Activities		Primary Government Total
Activities						Refuse	Internal Service Fund - Central	
	Water	Sewer	District	Maintenance	Total			
Net Position (Deficit) Beginning of Year, As Previously Stated	\$ (2,292,918)	\$ 41,961,718	\$ 39,781,653	\$ 2,366,816	\$ (47,955)	\$ 84,062,232	\$ 81,769,314	
GASB Statement No. 87 Implementation:								
Lease Receivables	863,574							863,574
Deferred Inflow from Leases	(863,574)							(863,574)
Net Book Value Leased Asset	376,188		240,220		240,220			616,408
Lease Liability	(376,188)		(240,220)		(240,220)			(616,408)
Cumulative Effect of Change in Accounting Principle								
Net Position (Deficit) Beginning of Year, As Restated	\$ (2,292,918)	\$ 41,961,718	\$ 39,781,653	\$ 2,366,816	\$ (47,955)	\$ 84,062,232	\$ 81,769,314	

14. SUBSEQUENT EVENTS

The City issued a bond anticipation note dated June 12, 2023 for \$7,522,685 that matures on June 13, 2024 at an interest rate of 4.75%. The proceeds of the Notes, along with \$340,322 available funds of the City, will partially redeem and renew the \$4,580,865 bond anticipation notes maturing June 14, 2023 and provide \$3,282,142 new monies for the abovementioned purposes.

CITY OF ROME, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES)
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
Revenues					
Real Property Taxes	\$ 15,289,994	\$ 15,289,994	\$ 15,297,342		\$ 7,348
Other Real Property Tax Items	1,437,179	1,437,179	1,320,570		(116,609)
Nonproperty Tax Items	12,762,900	12,762,900	13,659,251		896,351
Departmental Income	668,762	668,762	701,945		33,183
Intergovernmental Charges	934,156	934,156	952,726		18,570
Solar Power Credits	486,116	486,116	543,051		56,935
Use of Money and Property	291,966	291,966	820,440		528,474
Lease Revenue			32,492		32,492
Licenses and Permits	95,000	95,000	152,373		57,373
Fines and Forfeitures	55,000	55,000	33,950		(21,050)
Sale of Property and Compensation for Loss	61,000	61,000	246,962		185,962
Miscellaneous	128,000	128,000	241,577		113,577
Interfund Revenues	1,802,197	1,802,197	1,802,197		
State Aid	10,999,032	11,440,564	11,725,903		285,339
Federal Aid		2,362,340	2,427,892		65,552
Total Revenues	<u>45,011,302</u>	<u>47,815,174</u>	<u>49,958,671</u>		<u>2,143,497</u>
Expenditures					
General Government Support	5,275,284	5,612,535	5,138,809	\$ 196,202	277,524
Public Safety	15,963,841	15,646,944	15,179,648	250,205	217,091
Public Health	1,500	1,500	927		573
Transportation	5,060,498	5,031,128	4,368,784	104,100	558,244
Culture and Recreation	1,480,878	1,496,896	1,393,965	44,116	58,815
Home and Community Services	702,141	825,681	534,016	133,463	158,202
Employee Benefits	12,761,906	12,840,986	11,631,507		1,209,479
Debt Service - Principal	2,502,473	2,677,740	2,757,185		(79,445)
Debt Service - Interest	879,172	889,936	798,912		91,024
Total Expenditures	<u>44,627,693</u>	<u>45,023,346</u>	<u>41,803,753</u>	<u>728,086</u>	<u>2,491,507</u>
Excess (Deficit) Revenues Over Expenditures	<u>383,609</u>	<u>2,791,828</u>	<u>8,154,918</u>	<u>(728,086)</u>	<u>4,635,004</u>
Other Financing Sources (Uses)					
Interfund Transfers From			4,264		4,264
Interfund Transfers To	(1,612,350)	(4,416,222)	(4,416,221)		1
Appropriated Reserve	80,000	80,000			(80,000)
Appropriated Fund Balance	1,148,741	1,544,394			(1,544,394)
Total Other Financing Sources (Uses)	<u>(383,609)</u>	<u>(2,791,828)</u>	<u>(4,411,957)</u>		<u>(1,620,129)</u>
Revenues Over Expenditures and Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,742,961</u>	<u>\$ (728,086)</u>	<u>\$ 3,014,875</u>

Notes to Required Supplementary Information:

The City administration prepares a proposed budget for approval by the Common Council for the General Fund, the only fund with a legally adopted budget.

The budget is adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

CITY OF ROME, NEW YORK
SCHEDULES OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended December 31, 2022

Governmental Activities					
	2022	2021	2020	2019	2018*
Service cost	\$ 1,114,018	\$ 1,483,708	\$ 1,222,581	\$ 964,638	\$ 1,192,853
Interest	1,503,834	2,101,001	2,451,226	3,147,827	2,877,004
Changes in assumptions or other inputs	(16,002,276)	1,392,218	7,722,967	12,568,746	(9,665,462)
Actuarial demographic (gain) or loss		(26,279,045)		(3,184,707)	(694,227)
Expected benefit payments	(2,579,800)	(2,823,365)	(3,366,690)	(3,253,135)	(3,376,051)
Net change in total OPEB liability	(15,964,224)	(24,125,483)	8,030,084	10,243,369	(9,665,883)
Total OPEB liability - beginning	73,641,129	97,766,612	89,736,528	79,493,159	89,159,042
Total OPEB liability - ending	\$ 57,676,905	\$ 73,641,129	\$ 97,766,612	\$ 89,736,528	\$ 79,493,159
Covered employee payroll	\$ 18,755,497	\$ 18,209,072	\$ 17,031,348	\$ 17,776,525	\$ 16,838,417
Total OPEB liability as a percentage of covered payroll	307.52%	404.42%	574.04%	504.80%	472.09%
Business-Type Activities					
	2022	2021	2020	2019	2018*
Service cost	\$ 123,767	\$ 164,307	\$ 135,596	\$ 123,346	\$ 151,158
Interest	145,042	203,694	235,694	280,040	253,761
Changes in assumptions or other inputs	(1,560,285)	135,089	765,696	1,417,022	(906,960)
Actuarial demographic (gain) or loss		(2,627,325)		(12,614)	(61,039)
Expected benefit payments	(224,900)	(245,135)	(282,407)	(212,464)	(220,492)
Net change in total OPEB liability	(1,516,376)	(2,369,370)	854,579	1,595,330	(783,572)
Total OPEB liability - beginning	7,073,268	9,442,638	8,588,059	6,992,729	7,776,301
Total OPEB liability - ending	\$ 5,556,892	\$ 7,073,268	\$ 9,442,638	\$ 8,588,059	\$ 6,992,729
Covered employee payroll	\$ 2,498,603	\$ 2,425,758	\$ 2,319,465	\$ 2,284,714	\$ 2,125,011
Total OPEB liability as a percentage of covered payroll	222.40%	291.59%	407.10%	375.89%	329.07%

* 10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

Notes to Schedule:

Changes of benefit terms: Not Applicable.

Changes of Assumptions:

1. The single discount rate changed from 2.05% to 3.70% effective December 31, 2022.

Plan Assets: No assets are accumulated in a trust that meets all of the criteria of GASBS No. 75, paragraph 4, to pay benefits.

See Independent Auditor's Report.

CITY OF ROME, NEW YORK
SCHEDULE OF CITY'S PENSION CONTRIBUTIONS
For the Year Ended December 31, 2022

ERS Pension Plan										
Last 10 Fiscal Years										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 1,020,953	\$ 1,326,818	\$ 1,293,339	\$ 1,223,397	\$ 1,212,335	\$ 1,201,530	\$ 1,290,050	\$ 1,498,191	\$ 1,574,795	\$ 1,587,224
Contributions in Relation to the Contractually Required Contribution	<u>1,020,953</u>	<u>1,326,818</u>	<u>1,293,339</u>	<u>1,223,397</u>	<u>1,212,335</u>	<u>1,201,530</u>	<u>1,290,050</u>	<u>1,498,191</u>	<u>1,574,795</u>	<u>1,587,224</u>
Contribution Deficiency (Excess)	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
City's Covered- ERS Employee Payroll	\$ 9,275,488	\$ 8,556,433	\$ 9,375,930	\$ 8,851,601	\$ 8,527,086	\$ 8,247,928	\$ 8,387,342	\$ 8,259,173	\$ 8,126,119	\$ 8,108,690
Contributions as a Percentage of Covered-Employee Payroll	11.01%	15.51%	13.79%	13.82%	14.22%	14.57%	15.38%	18.14%	19.38%	19.57%
PFRS Pension Plan										
Last 10 Fiscal Years										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 2,990,366	\$ 2,918,317	\$ 2,625,541	\$ 2,453,091	\$ 2,534,874	\$ 2,671,000	\$ 2,532,874	\$ 2,437,114	\$ 2,645,950	\$ 2,705,617
Contributions in Relation to the Contractually Required Contribution	<u>2,990,366</u>	<u>2,918,317</u>	<u>2,625,541</u>	<u>2,453,091</u>	<u>2,534,874</u>	<u>2,671,000</u>	<u>2,532,874</u>	<u>2,437,114</u>	<u>2,645,950</u>	<u>2,705,617</u>
Contribution Deficiency (Excess)	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
City's Covered- PFRS Employee Payroll	\$ 11,642,980	\$ 10,880,972	\$ 11,131,056	\$ 11,062,517	\$ 10,873,273	\$ 11,407,658	\$ 10,647,389	\$ 10,396,866	\$ 10,430,851	\$ 10,318,825
Contributions as a Percentage of Covered-Employee Payroll	25.68%	26.82%	23.59%	22.17%	23.31%	23.41%	23.79%	23.44%	25.37%	26.22%

CITY OF ROME, NEW YORK
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Year Ended December 31, 2022

NYS Employees Retirement System Pension Plan															
	2022		2021		2020		2019		2018		2017		2016		2015 *
City's proportion of the net pension liability (asset)	0.0308069%		0.0343547%		0.0328130%		0.0327028%		0.0320929%		0.0331176%		0.0034559%		0.0345204%
City's proportionate share of the net pension liability (asset)	\$ (2,518,340)	\$	34,208	\$	8,689,078	\$	2,317,095	\$	1,035,779	\$	3,111,804	\$	5,546,770	\$	1,166,183
City's covered-employee payroll	\$ 9,275,488	\$	8,556,433	\$	9,375,930	\$	8,851,601	\$	8,527,086	\$	8,247,928	\$	8,387,342	\$	8,259,173
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-27.15%		0.40%		92.67%		26.18%		12.15%		37.73%		66.13%		14.12%
Plan fiduciary net position as a percentage of total pension liability (asset)	103.65%		99.95%		86.39%		96.27%		98.24%		94.70%		90.70%		97.90%

NYS Police and Fire Retirement System Pension Plan															
	2022		2021		2020		2019		2018		2017		2016		2015 *
City's proportion of the net pension liability	0.303936%		0.283087%		0.300191%		0.289192%		0.298134%		0.294491%		0.313404%		0.311106%
City's proportionate share of the net pension liability	\$ 1,726,493	\$	4,915,177	\$	16,045,031	\$	4,849,933	\$	3,013,409	\$	6,103,782	\$	9,279,219	\$	856,350
City's covered-employee payroll	\$ 11,642,980	\$	10,880,972	\$	11,131,056	\$	11,062,517	\$	10,873,273	\$	11,407,658	\$	10,647,389	\$	10,396,866
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	14.83%		45.17%		144.15%		43.84%		27.71%		53.51%		87.15%		8.24%
Plan fiduciary net position as a percentage of total pension liability	98.66%		95.79%		84.86%		95.09%		96.93%		93.50%		90.20%		99.00%

* 10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

CITY OF ROME, NEW YORK
COMBINING BALANCE SHEET
GENERAL FUND
December 31, 2022

	General City	Inside District	Total General
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 15,451,683	\$ 2,220,224	\$ 17,671,907
Cash and Cash Equivalents - Restricted	4,875,614	93,000	4,968,614
Taxes Receivable	766,744	262,833	1,029,577
Tax Sale Certificates	187,451		187,451
Property Acquired for Taxes	2,121,131		2,121,131
Accounts Receivable	539,742	68,273	608,015
Allowance for Receivables	(327,645)	(119,220)	(446,865)
Due from Other Funds	4,509,472	111,002	4,620,474
Due from Other Governments	1,892,614	507,970	2,400,584
Investments	10,004,687		10,004,687
Lease Receivables	831,082		831,082
Prepaid Expenditures	811,097	341,802	1,152,899
Total Assets	\$ 41,663,672	\$ 3,485,884	\$ 45,149,556
Liabilities			
Current Liabilities			
Accounts Payable	\$ 460,759	\$ 27,459	\$ 488,218
Accrued Liabilities	686,542	186,194	872,736
Payroll Withholdings Payable	27,220		27,220
Unearned Revenue - Grants	21,772,083		21,772,083
Due to Other Governments	8,334		8,334
Total Current Liabilities	22,954,938	213,653	23,168,591
Deferred Inflows of Resources			
Leases	831,082		831,082
Unavailable Revenue - Real Property Taxes	549,449	1,644	551,093
Total Deferred Inflows of Resources	1,380,531	1,644	1,382,175
Fund Balances			
Nonspendable	4,391,473	362,002	4,753,475
Restricted			
Reserve for Liability Insurance	226,000	93,000	319,000
Capital Reserves	1,234,167		1,234,167
Reserve for Debt	853,692		853,692
Reserve for Workers Compensation	1,152,405		1,152,405
Total Restricted	3,466,264	93,000	3,559,264
Assigned			
Designated for Subsequent Year's Expenditures	868,555	493,923	1,362,478
Reserve for Encumbrances	700,845	27,241	728,086
Total Assigned	1,569,400	521,164	2,090,564
Unassigned	7,901,066	2,294,421	10,195,487
Total Fund Balances	17,328,203	3,270,587	20,598,790
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 41,663,672	\$ 3,485,884	\$ 45,149,556

See Independent Auditor's Report.

CITY OF ROME, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE

GENERAL FUND

For the Year Ended December 31, 2022

	General City	Inside District	Total General
Revenues			
Real Property Taxes	\$ 11,127,974	\$ 4,169,368	\$ 15,297,342
Other Real Property Tax Items	878,419	442,151	1,320,570
Nonproperty Tax Items	9,762,477	3,896,774	13,659,251
Departmental Income	553,852	148,093	701,945
Intergovernmental Charges	456,400	496,326	952,726
Solar Power Credits	543,051		543,051
Use of Money and Property	811,852	8,588	820,440
Lease Revenue	32,492		32,492
Licenses and Permits	152,373		152,373
Fines and Forfeitures	25,000	8,950	33,950
Sale of Property and Compensation for Loss	218,336	28,626	246,962
Miscellaneous	241,577		241,577
Interfund Revenues	1,403,197	399,000	1,802,197
State Aid	10,271,697	1,454,206	11,725,903
Federal Aid	<u>2,427,892</u>		<u>2,427,892</u>
Total Revenues	<u>38,906,589</u>	<u>11,052,082</u>	<u>49,958,671</u>
Expenditures			
General Government Support	4,974,950	163,859	5,138,809
Public Safety	8,074,719	7,104,929	15,179,648
Public Health	927		927
Transportation	4,368,784		4,368,784
Culture and Recreation	1,393,965		1,393,965
Home and Community Services	534,016		534,016
Employee Benefits	8,232,208	3,399,299	11,631,507
Debt Service - Principal	2,594,176	163,009	2,757,185
Debt Service - Interest	<u>749,657</u>	<u>49,255</u>	<u>798,912</u>
Total Expenditures	<u>30,923,402</u>	<u>10,880,351</u>	<u>41,803,753</u>
Excess Revenues Over Expenditures	<u>7,983,187</u>	<u>171,731</u>	<u>8,154,918</u>
Other Financing (Uses)			
Interfund Transfers From	4,264		4,264
Interfund Transfers To	<u>(4,416,221)</u>		<u>(4,416,221)</u>
Total Other Financing (Uses)	<u>(4,411,957)</u>		<u>(4,411,957)</u>
Excess Revenues Over Expenditures and Other Financing (Uses)	3,571,230.00	171,731.00	3,742,961.00
Fund Balance, Beginning of Year	<u>13,756,973.00</u>	<u>3,098,856.00</u>	<u>16,855,829.00</u>
Fund Balances, End of Year	<u>17,328,203.00</u>	<u>3,270,587.00</u>	<u>20,598,790.00</u>

See Independent Auditor's Report.

D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

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315-336-9220 Fax: 315-336-0836

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

To the Honorable Mayor, Jacqueline M. Izzo and Common Council
City of Rome, New York

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of City of Rome, New York, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise City of Rome, New York's basic financial statements, and have issued our report thereon dated August 31, 2023. Our report includes an adverse opinion on aggregate discretely presented component units since the financial statements referred to above do not include financial statements for the City's sole legally separate component unit. Accounting principles generally accepted in the United States of America require financial data for the component unit to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component unit. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the aggregate discretely presented component unit would have been presented. The financial information for the Component Unit was not available.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Rome, New York's internal control over financial reporting (internal control) as a basis for designing 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 City of Rome, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Rome, New York'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Rome, New York'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

D'Arcangelo + Co., LLP

August 31, 2023

Rome, New York

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Honorable Mayor, Jacqueline M. Izzo and Common Council
City of Rome, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Rome, New York's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Rome, New York's major federal programs for the year ended December 31, 2022. City of Rome, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Rome, New York 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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Rome, New York and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Rome, New York's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Rome, New York's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Rome, New York's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Rome, New York's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Rome, New York's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Rome, New York's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 City of Rome, New York's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Item 2022-01. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on City of Rome, New York's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. City of Rome, New York's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-01 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on City of Rome, New York's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. City of Rome, New York's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

D'Arcangelo + Co., LLP

August 31, 2023

Rome, New York

CITY OF ROME, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal ALN Number</u>	<u>Current Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster				
Direct				
Community Development Block Grant – Entitlement Grant	B-19-MC-36-0106	14.218	121,544	
Community Development Block Grant – Entitlement Grant	B-20-MC-36-0106	14.218	76,271	28,000
Community Development Block Grant – Entitlement Grant	COVID-19 CV	14.218	60,608	11,600
Community Development Block Grant – Entitlement Grant	COVID-19 CV3	14.218	181,752	180,158
Community Development Block Grant – Entitlement Grant	B-21-MC-36-0106	14.218	531,739	32,313
Community Development Block Grant – Entitlement Grant	B-22-MC-36-0106	14.218	<u>405,586</u>	
Total CDBG - Entitlement Grants Cluster			<u>1,377,500</u>	<u>252,071</u>
Total U.S. Department of Housing and Urban Development			<u>1,377,500</u>	<u>252,071</u>
<u>U.S. Department of Justice</u>				
Direct				
Equitable Sharing Program		16.922	2,981	
Pass through Division of Criminal Justice Services				
National Criminal History Improvement Program	T662381	16.554	<u>15,000</u>	
Total U.S. Department of Justice			<u>17,981</u>	
<u>U.S. Department of Transportation</u>				
Highway Safety Cluster				
Pass through Governor's Traffic Safety Committee				
State and Community Highway Safety	PD-00037-033	20.600	7,531	
State and Community Highway Safety	3313-495	20.600	<u>9,874</u>	
Total Highway Safety Cluster			<u>17,405</u>	
State and Community Highway Safety	PD-00027-033	20.616	<u>356</u>	
Highway Planning and Construction Cluster				
Pass through NYS Department of Transportation				
Highway Planning and Construction	D040238	20.205	54,281	
Highway Planning and Construction	D35782	20.205	<u>602,402</u>	
Total Highway Planning and Construction Cluster			<u>656,683</u>	
Total U.S. Department of Transportation and Highway Safety			<u>674,444</u>	
<u>U.S. Department of Treasury</u>				
Direct				
Coronavirus State and Local Fiscal Recovery Funds (ARPA)	OMB#1505-0271	21.019	<u>2,362,340</u>	
Total US Department of Treasury			<u>2,362,340</u>	
<u>U.S. Department of Homeland Security</u>				
Direct				
Disaster Grants-Public Assistance	PW-00074(53)	97.036	26,425	
Disaster Grants Public Assistance	PW-00102(78)	97.036	<u>39,127</u>	
Total U.S. Department of Homeland Security			<u>65,552</u>	
Total Federal Financial Assistance			<u>\$ 4,497,817</u>	<u>\$ 252,071</u>

See Independent Auditor's Report and Notes to the Schedule of Expenditure of Federal Awards.

CITY OF ROME, NEW YORK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

Organization

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Rome, New York, an entity defined in Note I to The City's financial statements under programs of the federal government for the year ended December 31, 2022. 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). Because the Schedule presents only a selected portion of the operations of the City of Rome, New York, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Rome, New York.

Basis of Accounting

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. The amounts reported as federal expenditures were obtained from the financial records detail, which is the source of the financial statements.

Cluster Programs

The following programs are identified by the Uniform Guidance to be part of a cluster of programs:

U.S. Department of Housing and Urban Development

CDBG – Entitlement Grants Cluster

AL# 14.218 Community Development Block Grant – Entitlement Grant

U.S. Department of Transportation

Highway Safety Cluster

AL# 20.600 State and Community Highway Safety

Highway Planning and Construction Cluster

AL# 20.205 Highway Planning and Construction

2. SUBRECIPIENTS

Of the Federal expenditures presented in the Schedule, the City of Rome, New York provided the following Federal Awards to subrecipients:

Community Development Block Grant – Entitlement Grant (CFDA No. 14.218)

Center for Family Life and Recovery	\$ 100,306
MVCAA	41,600
Rome Alliance for Education	55,000
Rome Art and Community Center	32,313
Catholic Charities	4,852
YWCA of the Mohawk Valley	<u>18,000</u>
Total	<u>\$ 252,071</u>

3. Loans Receivable - Community Development Block Grant – Entitlement Grant (CFDA No. 14.218)

The Rome Entrepreneur Assistance Program (REAP) provides loans to small businesses to develop innovative products and services and create jobs. The program is funded through the City's Federal Community Development Block Grant. The various loans awarded range from \$10,000 to \$300,000. The loans are to be repaid in monthly installments over 5 years at an interest rate of 0% to prime less 1%. The prime rate at December 31, 2022 was 7.5%. The interest received is considered to be program income and is used to pay administrative costs associated with the program as well as for subsequent loans. At December 31, 2022 revolving loan portfolio has cash holdings of \$87,955, current year expenditures of \$0 and outstanding principal balance of those loans were \$720,590, less \$720,590 set up as an allowance.

4. De Minimis Indirect Cost Rate

The City of Rome, New York has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

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CITY OF ROME, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS UNIFORM GUIDANCE
For the Year Ended December 31, 2022

Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified for all opinion units except for aggregate discretely presented component unit (adverse)
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Was there any material internal control weakness conditions reported for major Federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies over internal controls reported for major Federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR section 200.516 (a)?	Yes
(d)(1)(vii)	Major Programs (list):	<p><u>U.S. Department of Housing and Urban Development</u> CDBG -Entitlement Grants Cluster Community Development Block Grant-Entitlement Grant (AL# 14.218)</p> <p><u>U.S. Department of Treasury</u> Coronavirus State and Local Fiscal Recovery Funds (ARPA) (AL# 21.019)</p>
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

(Continued)

CITY OF ROME, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

(Continued)

I. FINDINGS—FINANCIAL STATEMENT AUDIT

None

II. FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

2022-01 Reporting Under Federal Funding Accountability and Transparency Act (FFATA)

Compliance Requirement: Reporting

U.S. Department of Housing and Urban Development

CDBG – Entitlement Grants Cluster

AL# 14.218 Community Development Block Grant – Entitlement Grant

Condition: During our test of FFATA submissions we tested 2 sub grants and 4 contracts and noted the following:

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
2	0	1	1	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$138,490	\$0	\$138,490	\$0	\$0

Transactions Tested	Subcontract not reported	Report not timely	Subcontract amount incorrect	Subcontract missing key elements
4	0	1	1	0
Dollar Amount of Tested Transactions	Subcontract not reported	Report not timely	Subcontract amount incorrect	Subcontract missing key elements
\$1,162,059	\$677,344	\$484,715	\$0	\$0

Criteria: First-tier awards that are subject to reporting under the Transparency Act based on (a) the date of the award and (b) the amount of the obligating action for subawards and subcontracts including modifications. If a subaward/subcontract is subject to reporting, the City is required to enter the award/contract information in the FSRS portal. Information entered should be supported by source documents such as signed subaward/contract agreements and if applicable modifications or amendments. The action needs to be reported in FSRS portal no later than the last day of the month following the month in which the subaward (contract)/subaward (contract) amendment obligation was made.

Cause: Unknown.

Effect or Potential Effect: Noncompliance with FFATA reporting including timeliness and accuracy of information submitted.

Known Questioned Costs: None noted.

Context: First-tier subawards/subcontracts.

Repeat Finding: No

Recommendation: It is recommended that the timeliness and accuracy requirements in submitting the FFATA reporting should be adhered to. Specifically, if a department receives a direct federal grant award and in turn makes first-tier subawards/subcontracts, the person responsible for the grant administration should be alerted to the triggering events that could result in a need for the FFATA reporting. This includes any amendments to the sub award/contract agreement.

II. FINDINGS—FEDERAL AWARD PROGRAMS AUDITS (Continued)

2022-01 Reporting Under Federal Funding Accountability and Transparency Act (FFATA) (Continued)

Views of Responsible Officials: The City acknowledges the deficiencies found on page 77 of the audit concerning timely filing of Federal Funding Accountability and Transparency Act (FFATA). The Finance Clerk in the Treasurer's Office prepares the filing on behalf of the City Departments. In this case of deficiency, FFATA reporting was being transmitted from the CED department to the Finance Clerk at the time of Purchase Order Request and not the date of contract execution. The lag between contract executions and Purchase Order Requests has been in some instances longer than the reporting period of contracting, which is the end of the month following the month in which the prime awardee awards any sub-awards equal to or greater than \$30,000, and thus reporting has been untimely, although ultimately reported on.

CITY OF ROME, NEW YORK
STATUS OF PRIOR-YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

I. FINDINGS—FINANCIAL STATEMENT AUDIT

None

II. FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

None