



MANAGEMENT'S
DISCUSSION AND
ANALYSIS AND
FINANCIAL STATEMENTS

For the Year Ended
December 31, 2024

CITY OF ROME, NEW YORK
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Independent Auditor's Report

Honorable Mayor, Jeffrey M. Lanigan and
Common Council
City of Rome, New York

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rome, New York (City), as of and for the year ended December 31, 2024, 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.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rome, New York, as of December 31, 2024, 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.

We did not audit the financial statements of Rome Housing Authority, which is the City's sole component unit as of March 31, 2024. Those statements were audited by other auditors whose report(s) has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Rome Housing Authority, is based solely on the report of the other auditor.

Basis for 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 audit opinions.

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 compensated absences by adopting the Governmental Accounting Standards Board's (GASB) Statement No. 101, *Compensated Absences*. The new pronouncement changes the criteria used and provides guidance on accounting and reporting for the compensated absences liability. 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, which 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 July 16, 2025, 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

July 16, 2025

Rome, New York

CITY OF ROME, NEW YORK
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

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, 2024 along with certain comparative data for the year ended December 31, 2023. 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, 2024, by \$47,003,986, which is illustrated in the financial statements as “Net Position” (Page 15).
- The total Net Position attributable to Governmental Activities increased by \$8,820,911 from 2023 (Page 16).
- At December 31, 2024, the City of Rome’s governmental funds reported combined ending fund balances of \$5,534,618, a decrease of \$8,210,757 from the prior year (Page 20). The deficit of \$6,721,749 in the Capital Projects Fund was due to timing differences between when the projects are expended and when they are financed.
- The amended 2024 budget anticipated a reduction in the General Fund reserves and fund balance of \$4,361,401; however, the actual operations for 2024 resulted in a deficit in the amount of \$1,043,097.
- 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, 2024, \$19,217,708 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, 2024, by \$99,412,594, which is illustrated in the financial statements as “Net Position” (Page 15).
- The total Net Position attributable to Business-Type Activities decreased by \$710 (Page 16).
- The continued various capital projects for the Enterprise Funds had a total authorization of \$129,057,133. These projects include plant upgrades, water and sewer improvements, water extensions, and equipment. During 2024, the City expended \$19,072,346 for these projects. At December 31, 2024, the aggregate project to date amounts spent on these projects was \$97,963,571 leaving a remaining authorization of \$31,093,562.

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 15 and 16.

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, 2024

(Continued)

FUND FINANCIAL STATEMENTS

Our analysis of the City's major funds begins on Page 17 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 19.

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 Projects 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 22.

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 26 and 27 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 28-69 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 70-73 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 \$47,003,986 at December 31, 2024.

By far the largest portion of the City's net position, \$113,482,892, 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, 2024

(Continued)

The following is a summary of the City's Statement of Net Position for the year's ended December 31, 2024 and 2023:

Table 1 - Net Position (In Thousands)

	Governmental Activities		Business-Type Activities		Primary Government	
	2024	2023 (Restated)	2024	2023 (Restated)	2024	2023 (Restated)
Current and Other Assets	\$ 38,925	\$ 43,297	\$ 26,337	\$ 32,491	\$ 65,262	\$ 75,788
Capital and Leased Assets, (Net)	<u>129,611</u>	<u>110,940</u>	<u>155,936</u>	<u>141,612</u>	<u>285,547</u>	<u>252,552</u>
Total Assets	<u>\$ 168,536</u>	<u>\$ 154,237</u>	<u>\$ 182,273</u>	<u>\$ 174,103</u>	<u>\$ 350,809</u>	<u>\$ 328,340</u>
Deferred Outflows of Resources	<u>\$ 19,134</u>	<u>\$ 23,694</u>	<u>\$ 1,347</u>	<u>\$ 1,908</u>	<u>\$ 20,481</u>	<u>\$ 25,602</u>
Non-Current Liabilities	\$ 85,006	\$ 92,333	\$ 53,912	\$ 55,984	\$ 138,918	\$ 148,317
Other Liabilities	<u>45,123</u>	<u>45,213</u>	<u>29,357</u>	<u>20,435</u>	<u>74,480</u>	<u>65,648</u>
Total Liabilities	<u>\$ 130,129</u>	<u>\$ 137,546</u>	<u>\$ 83,269</u>	<u>\$ 76,419</u>	<u>\$ 213,398</u>	<u>\$ 213,965</u>
Deferred Inflows of Resources	<u>\$ 10,537</u>	<u>\$ 2,201</u>	<u>\$ 939</u>	<u>\$ 179</u>	<u>\$ 11,476</u>	<u>\$ 2,380</u>
Net Investment in Capital Assets	\$ 113,483	\$ 92,320	\$ 86,084	\$ 79,094	\$ 199,567	\$ 171,414
Restricted	2,669	4,977	6,309	6,729	8,978	11,706
Unrestricted (Deficit)	<u>(69,148)</u>	<u>(59,113)</u>	<u>7,019</u>	<u>13,590</u>	<u>(62,129)</u>	<u>(45,523)</u>
Total Net Position	<u>\$ 47,004</u>	<u>\$ 38,184</u>	<u>\$ 99,412</u>	<u>\$ 99,413</u>	<u>\$ 146,416</u>	<u>\$ 137,597</u>

A portion of the City's net position (\$9.0 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 are for various reserves allowed by the New York State General Municipal Law. The *unrestricted net position* may be used to meet the government's ongoing obligations to citizens and creditors. At December 31, 2024, the unrestricted net position totaled negative \$62.1 million, which is the result of the accrual of \$66.3 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 \$7.4 million. The details are fully described on Pages 42 to 45 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, 2024, by \$47,003,986. Governmental activities increased the City's net position by \$8,820,911. This increase was mainly the result of federal and State capital grants of \$17,428,960 resulting in a \$18,622,799 net increase in capital assets, an increase in the discount rate with the amortization of past changes for the OPEB liability resulting in an overall decrease in net position of \$1,447,406, and an increase in the proportionate share of net pension asset/liability and deferred inflows and out flows resulting in an overall decrease in the net position of \$972,661.

The deficit in the Business-Type Activities decreased the City's net position by \$710. For 2024, the rates for water, sewer, and refuse services did not change from 2023. For 2023, the increase in net position was \$7,342,102. The 2023 overall increase was primarily due to State and federal capital grants in the Water and Sewer Funds for a total of \$3,499,967. This amount includes \$2,356,234 of American Rescue Program Act grant funds transferred from the General fund. In addition, the Water Fund recognized a tax refund from a tax certiorari settlement in 2023 in the amount of \$2,132,627.

CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

(Continued)

The following is a summary of the City's Statement of Activities for the year's ended December 31, 2024 and 2023:

Table 2 - Changes in Net Position (In Thousands)

	Governmental Activities		Business-Type Activities		Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	\$ 3,680	\$ 3,588	\$ 15,975	\$ 16,100	\$ 19,655	\$ 19,688
Operating Grants and Contributions	226	680	987	1,181	1,213	1,861
Capital Grants and Contributions	17,429	15,348	200	1,144	17,629	16,492
General Revenues						
Real Property Taxes, General Purpose	15,204	14,938			15,204	14,938
Real Property Tax Items	1,439	1,381			1,439	1,381
Nonproperty Tax Items	14,531	14,308			14,531	14,308
Solar Power Credits	518	480	182	296	700	776
General State Aid	10,446	9,762			10,446	9,762
Interest Income	1,260	1,729	1,079	1,072	2,339	2,801
Refund of Prior Year Taxes on Property				2,133		2,133
Interfund Transfers	(433)	(2,356)	433	2,356		
Miscellaneous	596	965	77	105	673	1,070
Total Revenue	<u>64,896</u>	<u>60,823</u>	<u>18,933</u>	<u>24,387</u>	<u>83,829</u>	<u>85,210</u>
Expenses						
General Support	8,492	7,627			8,492	7,627
Public Safety	30,219	25,121			30,219	25,121
Public Health	1	3,002			1	3,002
Transportation	8,291	8,899			8,291	8,899
Economic Assistance and Opportunity	4,140	618			4,140	618
Culture and Recreation	2,374	2,109			2,374	2,109
Home and Community Services	1,389	2,285			1,389	2,285
Debt Service-Unallocated Interest	1,169	989			1,169	989
Water			9,943	8,269	9,943	8,269
Sewer			6,320	6,124	6,320	6,124
Refuse District			2,671	2,652	2,671	2,652
Total Expenses	<u>56,075</u>	<u>50,650</u>	<u>18,934</u>	<u>17,045</u>	<u>75,009</u>	<u>67,695</u>
Total Change in Net Position	<u>\$ 8,821</u>	<u>\$ 10,173</u>	<u>\$ (1)</u>	<u>\$ 7,342</u>	<u>\$ 8,820</u>	<u>\$ 17,515</u>

The following are explanations of significant variances noted above:

- Capital Grant revenue increased \$1.2 million. This was mainly due to \$2 million in grant revenue for various capital projects.
- General State Aid increase \$684,000. This increase was mainly due to State Temporary Municipal Assistance aid for \$1,054,771, State Aid for the 2024 tornado damage for \$1,000,000, offset with decreases in State Aid Mortgage Tax and other prior year special Grants.
- The expenses in the governmental activities increased \$5.4 million. The increase is mainly due to increases for salaries and benefits. The increase was partially offset by the \$3.0 million decrease in the Public Health expense due to one-time \$3 million transfer to the Rome Health capital project funded by federal Coronavirus State and Local Fiscal Recovery Funds - America Rescue Plan Act.
- The Business-Type Activity revenues decreased \$5.4 million. The decrease was due to a 2023 \$2.1 million refund of property taxes and a 2023 \$2.4 million transfer from the General Fund for capital projects.

See Independent Auditor's Report.

**CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024**

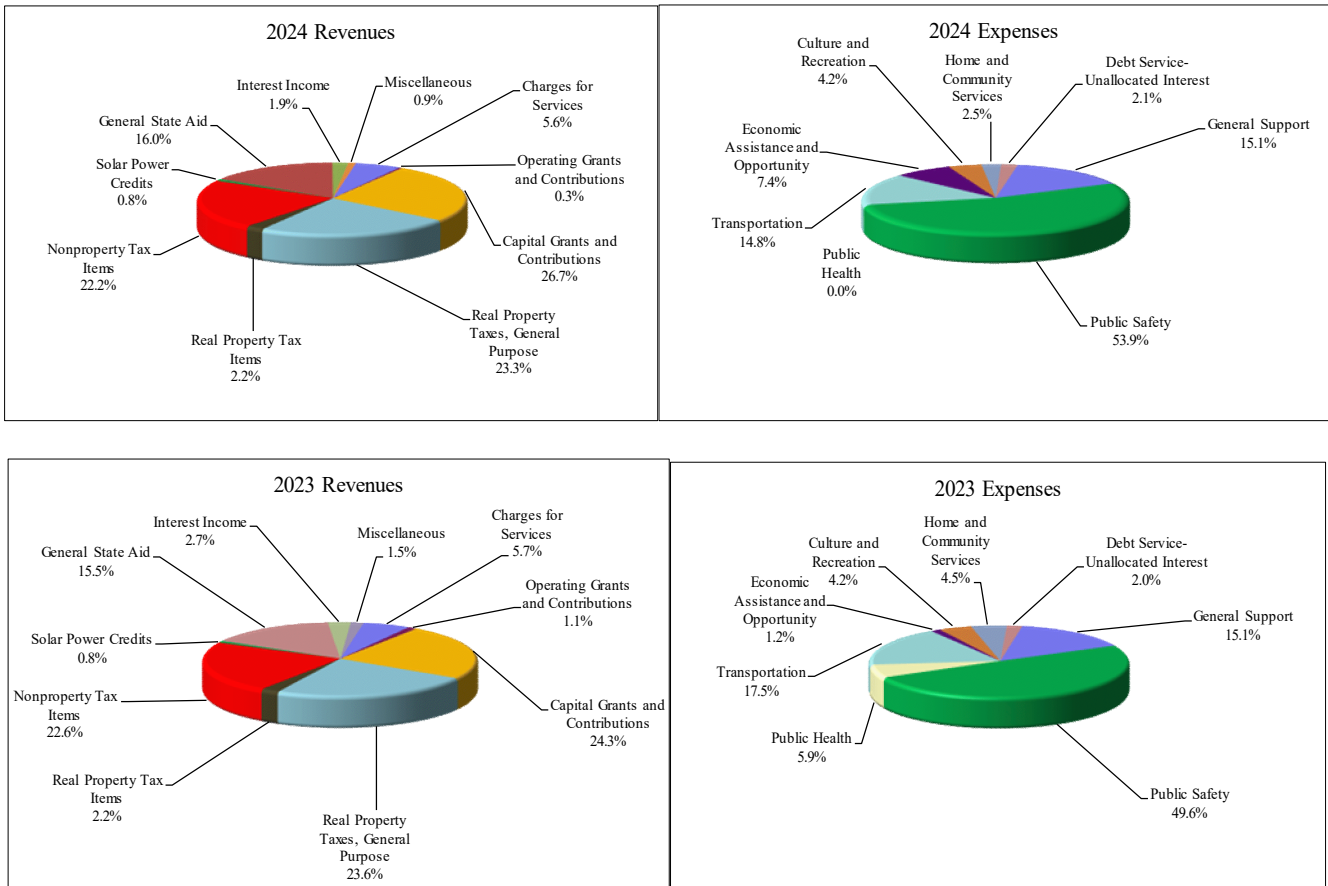
(Continued)

Table 3 presents the cost of each of the City's six largest governmental programs: Public Safety, Public Health, 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)

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Public Safety	\$ 30,219	\$ 22,792	\$ 25,121	\$ 18,079
Transportation	8,291	(4,222)	8,899	2,748
Economic Assistance and Opportunity	4,140	(104)	618	(306)
Culture and Recreation	2,374	(2,104)	2,109	1,902
Home and Community Services	1,389	(1,379)	2,285	800
Total of Analysis	\$ 46,413	\$ 14,983	\$ 39,032	\$ 23,223

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, 2024**

(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)

	2024			2023		
	Water	Sewer	Refuse District	Water	Sewer	Refuse District
Total Assets and Deferred						
Outflows of Resources	\$ 104,162	\$ 75,381	\$ 4,013	\$ 103,728	\$ 69,230	\$ 3,808
Net Position	\$ 53,181	\$ 43,844	\$ 2,323	\$ 52,633	\$ 44,285	\$ 2,376
Change in Position	\$ 548	\$ (441)	\$ (53)	\$ 6,174	\$ 1,160	\$ (37)

Fund Financial Analysis

As the City completed the year, its governmental funds (as presented in the balance sheet on Pages 17 and 18) reported a *combined* fund balance of \$5,534,618, a decrease of \$8,210,757 from the prior year (Page 20). The deficit of \$12,971,133 in the Capital Project Fund was due to timing differences between when the projects are expended and when they are financed. The \$1,043,097 deficit in the General Fund was due to an unexpended budget of \$2,216,998 and actual revenues over budget by \$1,101,306, which was offset by \$4,361,401 for appropriated fund balance and reserves.

An overview of the General Fund results for 2024 and 2023 are as follows:

Table 5 - General Funds (In Thousands)

	2024		2023	
	Amount	% of Total	Amount	% of Total
Revenues				
Real Property Taxes	\$ 15,144	25.9%	\$ 14,865	25.8%
Other Real Property Tax Items	1,439	2.5%	1,381	2.4%
Nonproperty Tax Items (Sales Tax and Franchise Fees)	14,530	24.8%	14,308	24.9%
Departmental Income	778	1.3%	766	1.3%
Intergovernmental Charges	944	1.6%	1,050	1.8%
Solar Power Credits	518	0.9%	480	0.8%
Use of Money and Property	1,260	2.2%	1,729	3.0%
Lease Revenue	60	0.1%	60	0.1%
Interfund Revenues	1,910	3.3%	1,859	3.2%
State and Federal Aid	21,602	36.9%	20,436	35.5%
Miscellaneous	375	0.5%	626	1.1%
Total Revenue	58,560	100.0%	57,560	100.0%
Expenses				
General Support	5,535	11.5%	5,719	12.4%
Public Safety	16,966	35.3%	17,132	37.2%
Public Health	1	0.0%	2	0.0%
Transportation	4,448	9.3%	4,096	8.9%
Culture and Recreation	1,508	3.1%	1,540	3.3%
Home and Community Services	587	1.2%	759	1.6%
Employee Benefits	14,118	29.4%	12,206	26.5%
Debt Service-Principle	3,668	7.6%	3,393	7.4%
Debt Service-Interest	1,214	2.6%	1,171	2.5%
Total Expenditures	48,045	100.0%	46,018	100.0%
Other Financing Sources (Uses)	(11,558)		(10,640)	
Total Change in Net Position	\$ (1,043)		\$ 902	

Although there was no rate change, real property taxes increased by a net of \$279,000 due to reduction in the Property Acquired for Taxes account in 2023.

See Independent Auditor's Report.

**CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024**

(Continued)

GENERAL FUND BUDGET HIGHLIGHTS

The statement on Page 61 shows both original and final amended budget totals compared with actual results for the General Fund in 2024. The significant variances between the adopted and the final budget for 2024 were as follows:

Change from Adopted Budget to Final Budget

Adopted Budget	\$ 51,105,588
Add: Prior Year's Encumbrances	<u>516,578</u>
Original Budget	<u>51,622,166</u>
Amendments:	
Mayor's conference room executive chairs	7,000
2024 Streets Budget	49,176
emergency evaluation and demolition of the City owned building located at 233 W. Dominick St	250,000
Public Works Garage emergency purchase and installation of a heat exchanger	29,609
Police subscription and setup of PowerDMS Time Keeping Software	6,687
Police Health Insurance	241,050
ARPA Grant	8,954,634
Appropriated Capital Reserve	765,131
Other Adjustments	<u>3</u>
Total Budget Amendments	<u>10,303,290</u>
Final Budget	<u><u>\$ 61,925,456</u></u>

CAPITAL ASSET AND DEBT ADMINISTRATION

At December 31, 2024, the City had \$200 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 39-40).

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

	2024			2023		
	Governmental Activities	Business-Type Activities	Primary Government Totals	Governmental Activities	Business-Type Activities	Primary Government Totals
Land	\$ 6,868	\$ 191	\$ 7,059	\$ 6,868	\$ 191	\$ 7,059
Construction in Progress	60,567	68,484	129,051	37,777	52,242	90,019
Buildings and Improvements	9,338	18,343	27,681	10,126	19,153	29,279
Machinery and Equipment	5,227	2,335	7,562	5,776	1,989	7,765
Infrastructure	<u>46,345</u>	<u>65,904</u>	<u>112,249</u>	<u>49,176</u>	<u>67,462</u>	<u>116,638</u>
Total Net Capital Assets	<u><u>\$ 128,345</u></u>	<u><u>\$ 155,257</u></u>	<u><u>\$ 283,602</u></u>	<u><u>\$ 109,723</u></u>	<u><u>\$ 141,037</u></u>	<u><u>\$ 250,760</u></u>

CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

(Continued)

Long-Term Debt

At year end, the City had \$66.1 million in bonds and leases outstanding (see Pages 52-55 for additional detail). The City also has short-term bond anticipation notes payable in the amount of \$34.5 million and \$20.8 million at December 31, 2024 and 2023, respectively. The City has utilized 41.8% and 43.2% of its constitutional debt limit at December 31, 2024 and 2023, respectively.

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

	2024		
	Governmental Activities	Business-Type Activities	Primary Government Totals
General Obligation Bonds	\$ 18,217	\$ 46,005	\$ 64,222
Leases	1,174	686	1,860
Total	<u>\$ 19,391</u>	<u>\$ 46,691</u>	<u>\$ 66,082</u>
	2023		
	Governmental Activities	Business-Type Activities	Primary Government Totals
General Obligation Bonds	\$ 20,967	\$ 48,267	\$ 69,234
Leases	1,107	571	1,678
Total	<u>\$ 22,074</u>	<u>\$ 48,838</u>	<u>\$ 70,912</u>

Other Long-Term Debt

At year end, the City had other debt that totaled to \$72.8 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)

	2024		
	Governmental Activities	Business-Type Activities	Primary Government Totals
OPEB Liability	\$ 60,700	\$ 5,590	\$ 66,290
Due to NYS Employees Retirement System	35	6	41
Workers' Compensation Claims Payable	2,981	1,072	4,053
Compensated Absences	1,899	553	2,452
Total	<u>\$ 65,615</u>	<u>\$ 7,221</u>	<u>\$ 72,836</u>
	2023		
	Governmental Activities	Business-Type Activities	Primary Government Totals
	(Restated)	(Restated)	(Restated)
OPEB Liability	\$ 66,075	\$ 6,046	\$ 72,121
Due to NYS Employees Retirement System	155	23	178
Workers' Compensation Claims Payable	2,571	681	3,252
Compensated Absences	414	390	804
Total	<u>\$ 69,215</u>	<u>\$ 7,140</u>	<u>\$ 76,355</u>

See Independent Auditor's Report.

CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

(Continued)

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 75.7 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 County and 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 and in 2025 the Rome Residential Historic District was adopted to the NYS and National Registry of Historic Places and includes over 800 properties. 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 approximately 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.

According to the New York State Department of Labor, for the 12-month period ending May 2025, the nonfarm job count in the Utica-Rome metro decreased -300, or -0.2%, to 122,900. Private sector employment grew +100, or +0.1%, to 93,100. Job gains were posted in private education and health services (+400) and leisure and hospitality (+300). Job losses occurred in government (-400), manufacturing (-400), and professional and business services (-300). The unemployment rate in the Utica-Rome metro decreased from 3.5% in May 2024 to 3.1% in May 2025. The unemployment rate was 3.3% in April.

In May 2024, the national unemployment rate was 4.0%, while New York State's seasonally adjusted unemployment rate was 4.2%, according to the Bureau of Labor Statistics. The national rate increased slightly from 3.9% in April, while New York's rate remained steady, according to the Department of Labor.

The City of Rome issued 301 building permits, and the taxable assessment grew by \$15,698,588.

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, an \$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 new Seven Brews on Erie Blvd, a Starbucks located on Black River Boulevard, Nascentia Health's rehabilitation of the Beeches Manor banquet facility, Kabari Wellness Institute on Liberty Street into health and wellness facility, 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. On April 22, 2024, Chobani announced that it will be investing \$1.2 billion to construct a \$1.8 billion s/f manufacturing and distribution facility that will create more than 1,000 jobs. Early estimates indicate that the economic impact of the new facility will be \$58.8 million of wages related directly to those 1,000 jobs and over 500 additional indirect jobs, resulting in an additional \$28.7 million of wages. Combined sales (direct by Chobani, its employees, and the indirect economic activity) of over \$265 million. This is the largest domestic food production investment in history.

See Independent Auditor's Report.

CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

(Continued)

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.
- 510-14 West Liberty Street: The City of Rome is partnering with MV EDGE to utilize EPA Brownfields Revolving Loan Fund Grants for partial demolition and remediation. Once complete, the City will market this building.
- 701 Lawrence Street: This waterfront site is being actively marketed and should be sold for active use within the next few 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 has been completely razed. The project mitigated public nuisances occurring for decades since its decommissioning in the late 1990s. A reuse strategy is currently being developed.
- 1030 East Dominick: This 2-acre site is slated for full environmental remediation, including removing the existing building and any impacted soils. It will be available for redevelopment proposals under a restricted residential use category, which allows all but single-family redevelopment.

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 Griffiss International Sculpture Trail further complements the new parkway and park road network.

The business park has invested nearly \$1 million in the development of a world-class cultural trail 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.

The City recently 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. From the very beginning, usage of the trail has surged, making it one of the most popular recreational destinations in the City. This greenway system is well integrated into the NYS Canalway/Empire State Trail system, attracting visitors from all over the world. Once completed, the 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. All priority projects have been substantially completed and the City is looking at its next revitalization implementation plan. The DRI focused on revitalizing Rome's downtown district through selective demolition, new construction, and activation of public spaces through context sensitive design solutions.

Over the last several years, the City of Rome has made significant improvements to its water and sewer infrastructure. Those investments have paid off and were a determining factor in the City of Rome being selected by Chobani for their state-of-the-art manufacturing facility. As a result of the Chobani plant being constructed, Oneida County and the City of Rome will be partnering together to increase capacity at the City's Water Pollution Control Facility, securing its national and regional position for dairy-based manufacturing.

The Kearney Group from Baldwin, NY has completed construction of the downtown infill site now known as Copper City Lofts. The Lofts, a \$16 million investment, 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 was completed in Spring 2024. The City has also completed the demolition of the existing Fort Stanwix Parking garage and has replaced it with a 150-space surface parking lot. Renovations to City Hall are nearing completion and will include a new community room with handicap-accessible restrooms for public use, as well as enhanced programming of the City Green. The City also 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).

CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

(Continued)

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, the Rome City School District and now Chobani.

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 2022, 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 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 silicon carbide chip technology. Micron Technology is planning a massive semiconductor manufacturing complex, referred to as a "megafab," in Clay, New York, a town near Syracuse. The project, with an estimated \$100 billion investment over 20 years, is the largest private investment in New York state history. The megafab is expected to create up to 50,000 jobs in the region, including 9,000 direct jobs at Micron and 40,000 community jobs.

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.

CITY OF ROME, NEW YORK
STATEMENT OF NET POSITION
December 31, 2024
(Rome Housing Authority March 31, 2024)

	Governmental Activities	Business-Type Activities	Primary Government Total	Component Unit Rome Housing Authority
Assets				
Cash and Cash Equivalents	\$ 19,538,665	\$ 16,918,608	\$ 36,457,273	\$ 3,641,270
Restricted Cash and Cash Equivalents	2,669,376	6,309,355	8,978,731	9,424
Cash and Cash Equivalents with Fiscal Agent		12,573	12,573	
Investments				711,116
Receivables				
Taxes Receivable, Net	2,245,766		2,245,766	
Other Receivables, Net	865,103	2,641,652	3,506,755	1,261,020
Loans Receivable, Net				6,464,735
Due From				
Other Governments	12,721,966	16,816	12,738,782	
Governmental Funds		437,645	437,645	
Lease Receivables	761,765		761,765	
Other Assets	122,000		122,000	37,383
Capital Assets (Net of Accumulated Depreciation)	128,345,381	155,256,837	283,602,218	399,820
Subscription-Based IT Arrangement Asset				32,871
Right to Use Leased Assets (Net of Accumulated Amortization)	<u>1,265,284</u>	<u>679,028</u>	<u>1,944,312</u>	
Total Assets	<u>168,535,306</u>	<u>182,272,514</u>	<u>350,807,820</u>	<u>12,557,639</u>
Deferred Outflows of Resources				
Pension	17,567,056	1,207,355	18,774,411	232,573
OPEB	1,438,234	29,441	1,467,675	58,158
Deferred Charge on Refunding of Serial Bonds	<u>128,839</u>	<u>110,358</u>	<u>239,197</u>	
Total Deferred Outflows of Resources	<u>19,134,129</u>	<u>1,347,154</u>	<u>20,481,283</u>	<u>290,731</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 187,669,435</u>	<u>\$ 183,619,668</u>	<u>\$ 371,289,103</u>	<u>\$ 12,848,370</u>
Liabilities				
Accounts Payable	\$ 2,368,446	\$ 3,336,499	\$ 5,704,945	\$ 174,228
Accrued Liabilities	1,645,459	1,486,499	3,131,958	251,858
Payroll Withholdings Payable	175,060		175,060	
Due To				
Business-Type Activities	437,645		437,645	
Fiduciary Funds	249,536		249,536	
Unearned Revenue - Grants	11,731,623	45,512	11,777,135	39,876
Bond Anticipation Note Payable	11,250,621	23,293,279	34,543,900	
Overpayments and Collections in Advance		44,400	44,400	9,424
Net Pension Liability - Proportionate Share	17,265,020	1,150,125	18,415,145	269,700
Noncurrent Liabilities				
Due Within One Year	3,880,129	2,637,917	6,518,046	36,220
Due in More Than One Year	<u>81,125,445</u>	<u>51,274,370</u>	<u>132,399,815</u>	<u>1,421,747</u>
Total Liabilities	<u>130,128,984</u>	<u>83,268,601</u>	<u>213,397,585</u>	<u>2,203,053</u>
Deferred Inflows of Resources				
Leases	712,053		712,053	
OPEB	2,708,273	261,468	2,969,741	59,414
Pension	<u>7,116,139</u>	<u>677,005</u>	<u>7,793,144</u>	<u>171,968</u>
Total Deferred Inflows of Resources	<u>10,536,465</u>	<u>938,473</u>	<u>11,474,938</u>	<u>231,382</u>
Total Liabilities and Deferred Inflows of Resources	<u>140,665,449</u>	<u>84,207,074</u>	<u>224,872,523</u>	<u>2,434,435</u>
Net Position				
Investment in Capital Assets (Net of Related Debt)	<u>113,482,892</u>	<u>86,083,873</u>	<u>199,566,765</u>	<u>399,777</u>
Restricted				
Reserve for Liability Insurance	319,000	340	319,340	
Capital Reserves	339,871		339,871	
Reserve for Repairs		4,720,500	4,720,500	
Reserve for Debt	702,842	1,573,640	2,276,482	
Reserve for Workers' Compensation	<u>1,307,663</u>	<u>14,875</u>	<u>1,322,538</u>	
Total Restricted	<u>2,669,376</u>	<u>6,309,355</u>	<u>8,978,731</u>	
Unrestricted (Deficit)	<u>(69,148,282)</u>	<u>7,019,366</u>	<u>(62,128,916)</u>	<u>10,014,158</u>
Total Net Position	<u>47,003,986</u>	<u>99,412,594</u>	<u>146,416,580</u>	<u>10,413,935</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 187,669,435</u>	<u>\$ 183,619,668</u>	<u>\$ 371,289,103</u>	<u>\$ 12,848,370</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, 2024

(Rome Housing Authority For the Year Ended March 31, 2024)

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Rome Housing Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	
Primary Government							
Governmental Activities							
General Government Support	\$ 8,491,721	\$ 838,666	\$	\$	\$ (7,653,055)	\$	\$ (7,653,055)
Public Safety	30,219,409	1,094,782	120,319	6,211,906	(22,792,402)		(22,792,402)
Public Health	1,348	55,796		3,000,000	3,054,448		3,054,448
Transportation	8,291,115	1,433,622	94,782	4,169,914	(2,592,797)		(2,592,797)
Economic Assistance and Opportunity	4,139,957			4,035,930	(104,027)		(104,027)
Culture and Recreation	2,374,129	257,351	1,250	11,210	(2,104,318)		(2,104,318)
Home and Community Services	1,388,581		9,649		(1,378,932)		(1,378,932)
Interest on Long-Term Debt	1,169,128				(1,169,128)		(1,169,128)
Total Governmental Activities	<u>56,075,388</u>	<u>3,680,217</u>	<u>226,000</u>	<u>17,428,960</u>	<u>(34,740,211)</u>		<u>(34,740,211)</u>
Business-Type Activities							
Water	9,942,914	9,140,788		191,513	(610,613)		(610,613)
Sewer	6,320,186	4,312,454	987,369	8,007	(1,012,356)		(1,012,356)
Refuse District	2,670,699	2,521,384			(149,315)		(149,315)
Total Business-Type Activities	<u>18,933,799</u>	<u>15,974,626</u>	<u>987,369</u>	<u>199,520</u>	<u>(1,772,284)</u>		<u>(1,772,284)</u>
Total Primary Government	<u>\$ 75,009,187</u>	<u>\$ 19,654,843</u>	<u>\$ 1,213,369</u>	<u>\$ 17,628,480</u>	<u>(34,740,211)</u>	<u>(1,772,284)</u>	<u>(36,512,495)</u>
Component Unit							
Rome Housing Authority	\$ 4,269,193	\$ 581,072	\$ 3,276,686	\$ 1,219,419			807,984
General Revenues							
Real Property Taxes, Levied for General Purposes					15,204,175		15,204,175
Real Property Tax Items					1,438,822		1,438,822
Nonproperty Tax Items (Sales Tax and Franchise Fees)					14,530,266		14,530,266
Solar Power Credits					517,659	182,492	700,151
General State Aid					10,446,036		10,446,036
Sale of Property and Compensation for Gain					283,252	18,746	301,998
Use of Money and Property					1,260,463	1,078,519	2,338,982
Interfund Transfers					(432,837)	432,837	
Miscellaneous					313,286	58,980	372,266
Total General Revenues					<u>43,561,122</u>	<u>1,771,574</u>	<u>45,332,696</u>
Transfer to Other Entity							(1,170,214)
Change in Net Position					<u>8,820,911</u>	<u>(710)</u>	<u>8,820,201</u>
Net Position, Beginning of Year					39,227,128	99,687,437	138,914,565
Cumulative Effect of Change in Accounting Principle					(1,044,053)	(274,133)	(1,318,186)
Net Position, Beginning of Year (Restated)					<u>38,183,075</u>	<u>99,413,304</u>	<u>137,596,379</u>
Net Position, End of Year					<u>\$ 47,003,986</u>	<u>\$ 99,412,594</u>	<u>\$ 146,416,580</u>

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

CITY OF ROME, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2024

	General	Special Aid	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 11,384,570	\$ 778,992	\$ 133,355	\$ 4,312,133	\$ 16,609,050
Cash and Cash Equivalents - Restricted	2,668,042				2,668,042
Taxes Receivable	1,111,182				1,111,182
Tax Sale Certificates	187,451				187,451
Property Acquired for Taxes	1,395,654				1,395,654
Accounts Receivable	657,585	176,757			834,342
Allowance for Receivables	(448,521)				(448,521)
Due from Other Funds	6,792,354	270,550		3,402,628	10,465,532
Due from Other Governments	3,530,779	2,000,542		7,234,048	12,765,369
Lease Receivables	761,765				761,765
Prepaid Expenditures	1,389,417				1,389,417
Total Assets	<u>\$ 29,430,278</u>	<u>\$ 3,226,841</u>	<u>\$ 133,355</u>	<u>\$ 14,948,809</u>	<u>\$ 47,739,283</u>
Liabilities					
Accounts Payable	\$ 1,053,952	\$ 142,415		\$ 1,068,773	\$ 2,265,140
Accrued Liabilities	1,387,073				1,387,073
Payroll Withholdings Payable	175,060				175,060
Bond Anticipation Notes Payable				11,250,621	11,250,621
Due to Other Funds		2,303,247		8,785,640	11,088,887
Unearned Revenue - Grants	4,916,715				4,916,715
Due to Other Governments	43,403				43,403
Total Liabilities	<u>7,576,203</u>	<u>2,445,662</u>		<u>21,105,034</u>	<u>31,126,899</u>
Deferred Inflows of Resources					
Leases	712,053				712,053
Unavailable Revenue - Real Property Taxes and Grants	684,463	2,866,342		6,814,908	10,365,713
Deferred Inflows of Resources	1,396,516	2,866,342		6,814,908	11,077,766
Total Liabilities and Deferred Inflows of Resources	<u>8,972,719</u>	<u>5,312,004</u>		<u>27,919,942</u>	<u>42,204,665</u>

(Continued)

CITY OF ROME, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2024

	General	Special Aid	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
	(Continued)				
Fund Balance					
Nonspendable	2,785,921				2,785,921
Restricted	2,668,042				2,668,042
Assigned	4,060,046		133,355		4,193,401
Unassigned (Deficit)	10,943,550	(2,085,163)		(12,971,133)	(4,112,746)
Total Fund Balance (Deficit)	20,457,559	(2,085,163)	133,355	(12,971,133)	5,534,618
 Total Liabilities, Deferred Inflow of Resources, and Fund Balance (Deficit)	 \$ 29,430,278	 \$ 3,226,841	 \$ 133,355	 \$ 14,948,809	 \$ 47,739,283

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, 2024

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

Governmental Fund Balance		\$ 5,534,618
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 of \$192,174 in the Internal Service fund included below.		129,418,491
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		3,550,805
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, 2024, is \$1,198,887. Of this balance, \$64,176 is allocated to the Business-Type Activities, and the remaining \$1,134,711 is allocated to the Governmental Funds.		1,134,711
Proportionate share of long-term 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 (\$86,588) for the respective amounts for the Internal Service fund reported above.		
	Decrease in Prepaid for Pension	(1,267,417)
	Deferred Outflows - Pensions	17,335,000
	Net Pension Liability - Proportionate Share	(17,043,964)
	Deferred Inflows - Pensions	(6,986,018)
		(7,962,399)
Long-term liabilities, including bonds payable, are not due and payable in the current-period and, therefore, are not reported in the funds.		
	Accrued Interest on Long-term Debt	(166,052)
	Long-term liabilities, Deferred Outflows of Resources - Refundings of debt	128,839
	Serial Bonds Payable	(17,775,484)
	Unamortized Premiums on Bonds	(415,728)
	Lease Payables	(1,129,144)
		(19,357,569)
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 \$1,833,137 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:		
	Compensated Absences	(1,825,583)
	Accrued Postemployment Benefit Liability	(59,337,306)
	Deferred Outflows - OPEB	1,405,953
	Deferred Inflows - OPEB	(2,647,487)
	Workers' Compensation Claims Payable	(2,876,199)
	Due to Employees' Retirement System	(34,049)
		(65,314,671)
Net Position of Governmental Activities		\$ 47,003,986

CITY OF ROME, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	General	Special Aid	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
Revenues					
Real Property Taxes	\$ 15,143,860	\$	\$	\$	\$ 15,143,860
Other Real Property Tax Items	1,438,822				1,438,822
Nonproperty Tax Items	14,530,267				14,530,267
Departmental Income	777,754				777,754
Intergovernmental Charges	943,546				943,546
Solar Power Credits	517,659				517,659
Use of Money and Property	1,260,281	9	27		1,260,317
Lease Revenue	59,514				59,514
Licenses and Permits	111,205				111,205
Fines and Forfeitures	35,285				35,285
Sale of Property and Compensation for Loss	168,695	124,266			292,961
Gifts and Donations		329,157		824,636	1,153,793
Miscellaneous	60,744	25,086			85,830
Interfund Revenues	1,910,197				1,910,197
State Aid	13,451,671	619,125		3,152,191	17,222,987
Federal Aid	8,150,476	1,157,862		1,581,688	10,890,026
Total Revenues	<u>58,559,976</u>	<u>2,255,505</u>	<u>27</u>	<u>5,558,515</u>	<u>66,374,023</u>
Expenditures					
General Government Support	5,534,873			516,543	6,051,416
Public Safety	16,966,144	345,002	1,131	86,820	17,399,097
Public Health	1,348				1,348
Transportation	4,448,055		8,186	9,457,003	13,913,244
Economic Assistance and Opportunity		1,742,606		7,709,910	9,452,516
Culture and Recreation	1,507,774	72,122		871,572	2,451,468
Home and Community Services	586,806	496,003		5,865,109	6,947,918
Employee Benefits	14,117,665				14,117,665
Debt Service - Principal	3,668,334				3,668,334
Debt Service - Interest	1,213,852				1,213,852
Total Expenditures	<u>48,044,851</u>	<u>2,655,733</u>	<u>9,317</u>	<u>24,506,957</u>	<u>75,216,858</u>
Excess (Deficit) Revenues Over Expenditures	<u>10,515,125</u>	<u>(400,228)</u>	<u>(9,290)</u>	<u>(18,948,442)</u>	<u>(8,842,835)</u>
Other Financing Sources (Uses)					
Interfund Transfers To	(11,663,607)	(36,393)		(5,386)	(11,705,386)
Interfund Transfers From	105,385			11,167,164	11,272,549
BANs Redeemed from Appropriations				524,285	524,285
Proceeds of Long-Term Debt - Installment Purchase Debt				540,630	540,630
Total Other Financing Sources (Uses)	<u>(11,558,222)</u>	<u>(36,393)</u>		<u>12,226,693</u>	<u>632,078</u>
Deficit of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>(1,043,097)</u>	<u>(436,621)</u>	<u>(9,290)</u>	<u>(6,721,749)</u>	<u>(8,210,757)</u>
Fund Balance (Deficit), Beginning of Year	<u>21,500,656</u>	<u>(1,648,542)</u>	<u>142,645</u>	<u>(6,249,384)</u>	<u>13,745,375</u>
Fund Balance (Deficit), End of Year	<u>\$ 20,457,559</u>	<u>\$ (2,085,163)</u>	<u>\$ 133,355</u>	<u>\$ (12,971,133)</u>	<u>\$ 5,534,618</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, 2024

Net Changes in Fund Balances - Total Governmental Funds \$ (8,210,757)

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.

Acquired Right to Use Leased Assets	643,543	
Amortization of Leased Assets	(595,551)	
Capital Outlays	23,423,658	
Loss on the Disposition of Assets	(9,709)	
Depreciation	<u>(4,840,699)</u>	18,621,242

Revenue in the Statement of Activities that do not provide current financial resources are not reported in the funds. (473,678)

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.

Lease Proceeds	(540,630)	
Principal Payments on Long Term Debt	2,625,844	
Amortization of Advance Refunding Charge	(53,731)	
Amortization of Bond Premiums	113,151	
Principal Payments on Leases	518,205	
Accrued Interest	<u>(14,696)</u>	2,648,143

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 deficit for the internal service fund for 2024 was \$482,126. Of this amount, \$426,913 is allocated to the Government Activities, and \$55,213 is allocated to the Business-Type Activities. (426,913)

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. (1,192,809)

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.

OPEB Liability and Deferred Inflow and Outflows	(1,415,516)	
Due to Employees Retirement System	124,980	
Workers' Compensation Claims Payable	(422,064)	
Compensated Absences	<u>(431,717)</u>	(2,144,317)

Change in Net Position Governmental Activities \$ 8,820,911

CITY OF ROME, NEW YORK
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
December 31, 2024

	Business Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Refuse District	Total	Activities - Internal Service Fund
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 8,390,538	\$ 5,856,947	\$ 2,671,123	\$ 16,918,608	\$ 2,929,615
Cash and Cash Equivalents - Restricted	5,329,678	979,677		6,309,355	1,334
Cash and Cash Equivalents with Fiscal Agent		12,573		12,573	
Accounts Receivable	1,384,409	764,109	253,740	2,402,258	30,761
Assessments Receivable	315,649	11,228		326,877	
Allowance for Receivables	(27,019)	(35,693)	(24,771)	(87,483)	
Due from Other Funds	203,026	163,211	7,545	373,782	516
Due from Other Governments			16,816	16,816	
Total Current Assets	<u>15,596,281</u>	<u>7,752,052</u>	<u>2,924,453</u>	<u>26,272,786</u>	<u>2,962,226</u>
Fixed Assets					
Land	188,561	2,103		190,664	
Buildings and Improvements	1,641,781	27,484,928		29,126,709	
Infrastructure	73,168,591	42,308,851		115,477,442	
Machinery and Equipment	2,470,004	1,678,654	2,274,982	6,423,640	373,099
Construction in Progress	42,392,749	25,976,841	114,223	68,483,813	
Total Fixed Assets	<u>119,861,686</u>	<u>97,451,377</u>	<u>2,389,205</u>	<u>219,702,268</u>	<u>373,099</u>
Accumulated Depreciation	32,296,915	30,593,960	1,554,556	64,445,431	180,925
Net Fixed Assets	<u>87,564,771</u>	<u>66,857,417</u>	<u>834,649</u>	<u>155,256,837</u>	<u>192,174</u>
Intangible Assets					
Subscription-Based IT Arrangement Asset	12,943			12,943	
Right to Use Leased Assets	493,131	331,805	240,220	1,065,156	
Total Leased Assets	<u>506,074</u>	<u>331,805</u>	<u>240,220</u>	<u>1,078,099</u>	
Accumulated Amortization	204,911	156,231	37,929	399,071	
Net Right to Use Leased Assets	<u>301,163</u>	<u>175,574</u>	<u>202,291</u>	<u>679,028</u>	
Total Assets	<u>103,462,215</u>	<u>74,785,043</u>	<u>3,961,393</u>	<u>182,208,651</u>	<u>3,154,400</u>
Deferred Outflows of Resources					
Deferred Charge on Refunding Serial Bonds	10,377	99,981		110,358	
OPEB	16,437	13,004		29,441	32,281
Pensions	673,433	482,811	51,111	1,207,355	232,056
Total Deferred Outflows of Resources	<u>700,247</u>	<u>595,796</u>	<u>51,111</u>	<u>1,347,154</u>	<u>264,337</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 104,162,462</u>	<u>\$ 75,380,839</u>	<u>\$ 4,012,504</u>	<u>\$ 183,555,805</u>	<u>\$ 3,418,737</u>

(Continued)

CITY OF ROME, NEW YORK
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
December 31, 2024

	(Continued)				
	Business Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Refuse District	Total	Activities - Internal Service Fund
Liabilities and Net Position					
Current Liabilities					
Accounts Payable	\$ 1,461,103	\$ 1,471,024	\$ 404,372	\$ 3,336,499	\$ 103,306
Accrued Liabilities	960,847	104,057	4,720	1,069,624	92,255
Due to Other Governments	3,988	7,007		10,995	
Accrued Interest Payable	272,245	117,423	16,212	405,880	79
Due to Other Funds			313	313	166
Bond Anticipation Notes Payable	15,888,911	6,788,636	615,732	23,293,279	
Customer Deposits	41,400	3,000		44,400	
Total Current Liabilities	<u>18,628,494</u>	<u>8,491,147</u>	<u>1,041,349</u>	<u>28,160,990</u>	<u>195,806</u>
Long-Term Liabilities					
Serial Bonds Payable and Premiums	26,372,872	19,314,739	317,001	46,004,612	26,000
Lease Liabilities	287,082	174,480	224,347	685,909	44,408
Accrued Other Postemployment Benefit Liability	3,121,013	2,469,254		5,590,267	1,362,382
Net Pension Liability-Proportionate Share	641,512	459,925	48,688	1,150,125	221,056
Due to Employees Retirement System	3,934	2,242	187	6,363	1,422
Workers' Compensation Claims Payable	1,052,791	19,214		1,072,005	104,617
Compensated Absences	304,709	219,383	29,039	553,131	73,252
Total Long-Term Liabilities	<u>31,783,913</u>	<u>22,659,237</u>	<u>619,262</u>	<u>55,062,412</u>	<u>1,833,137</u>
Total Liabilities	<u>50,412,407</u>	<u>31,150,384</u>	<u>1,660,611</u>	<u>83,223,402</u>	<u>2,028,943</u>
Deferred Inflows of Resources					
Deferred Grant Revenue	45,512			45,512	
OPEB	145,976	115,492		261,468	60,786
Pensions	377,617	270,728	28,660	677,005	130,121
Total Deferred Inflows of Resources	<u>569,105</u>	<u>386,220</u>	<u>28,660</u>	<u>983,985</u>	<u>190,907</u>
Net Position					
Investment in Capital Assets (Net of Related Debt)	45,317,069	40,755,136	11,668	86,083,873	166,174
Restricted					
Reserve for Liability Insurance	340			340	
Reserve for Workers Compensation	14,875			14,875	1,334
Reserve for Repairs	4,720,500			4,720,500	
Reserve for Debt	593,963	979,677		1,573,640	
Unassigned	2,534,203	2,109,422	2,311,565	6,955,190	1,031,379
Total Net Position	<u>53,180,950</u>	<u>43,844,235</u>	<u>2,323,233</u>	<u>99,348,418</u>	<u>1,198,887</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 104,162,462</u>	<u>\$ 75,380,839</u>	<u>\$ 4,012,504</u>	<u>\$ 183,555,805</u>	<u>\$ 3,418,737</u>
Adjustments to reflect the consolidation of the internal service fund activities related to the enterprise funds.				64,176	
Net Position of Business-Type Activities				<u>\$ 99,412,594</u>	

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

CITY OF ROME, NEW YORK
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS
For the Year Ended December 31, 2024

	Business - Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Refuse District	Total	Activities - Internal Service Fund
Operating Revenues					
Service Revenues	\$ 9,140,788	\$ 4,312,454	\$ 2,521,384	\$ 15,974,626	\$ 1,175,800
Operating Expenses					
Personnel Services	1,822,715	1,388,398	396,177	3,607,290	467,017
Depreciation and Amortization	1,974,863	1,890,362	166,628	4,031,853	24,062
Contractual	2,642,842	2,061,695	2,010,247	6,714,784	320,293
Taxes on Property	1,219,439			1,219,439	
Employee Benefits	1,554,883	669,082	52,161	2,276,126	983,256
Debt Service - Interest	672,959	310,649	45,486	1,029,094	4,483
Total Operating Expenses	<u>9,887,701</u>	<u>6,320,186</u>	<u>2,670,699</u>	<u>18,878,586</u>	<u>1,799,111</u>
Operating Income	<u>(746,913)</u>	<u>(2,007,732)</u>	<u>(149,315)</u>	<u>(2,903,960)</u>	<u>(623,311)</u>
Nonoperating Revenues and Expense					
Special Assessment	31,550	8,007		39,557	
Use of Money and Property	712,216	299,367	66,936	1,078,519	116,560
Premium on Debt Issuance	9,470	4,984	4,292	18,746	
Minor Sales	19,552	40,625		60,177	24,600
Other Government Capital Grant	159,963			159,963	
Solar Power Credits	71,256	111,236		182,492	
Transfer From Other Funds	288,459	118,770	25,608	432,837	
Solid Waste Authority		248,242		248,242	
Septic Receiver		739,127		739,127	
Miscellaneous	2,274	(3,471)		(1,197)	25
Total Nonoperating Revenues and Expense	<u>1,294,740</u>	<u>1,566,887</u>	<u>96,836</u>	<u>2,958,463</u>	<u>141,185</u>
Net Income (Loss)	<u>547,827</u>	<u>(440,845)</u>	<u>(52,479)</u>	<u>54,503</u>	<u>(482,126)</u>
Net Position, Beginning of Year	52,800,573	44,385,122	2,376,775	99,562,470	1,729,724
Cumulative Effect of Change in Accounting Principal - Compensated Absences	<u>(167,450)</u>	<u>(100,042)</u>	<u>(1,063)</u>	<u>(268,555)</u>	<u>(48,711)</u>
Net Position, Beginning of Year (Restated)	<u>52,633,123</u>	<u>44,285,080</u>	<u>2,375,712</u>	<u>99,293,915</u>	<u>1,681,013</u>
Net Position, End of Year	<u>\$ 53,180,950</u>	<u>\$ 43,844,235</u>	<u>\$ 2,323,233</u>	<u>\$ 99,348,418</u>	<u>\$ 1,198,887</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, 2024

	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	\$ 9,301,660	\$ 4,329,428	\$ 2,520,647	\$ 16,151,735	\$
Cash Flows From Providing Interfund Services					1,149,811
Cash Payments for Interfund Services	(96,133)	(38,519)		(134,652)	
Cash Flows Payments for Taxes	(1,219,439)			(1,219,439)	
Cash Payments Contractual Expenses	(2,889,355)	(2,104,797)	(1,670,925)	(6,665,077)	(246,079)
Cash Payments Personal Services and Benefits	(2,838,293)	(1,877,310)	(410,655)	(5,126,258)	(1,324,337)
Other Operating Revenues	239,180	1,936,193		2,175,373	
Net Cash Flows from Operating Activities	<u>2,497,620</u>	<u>2,244,995</u>	<u>439,067</u>	<u>5,181,682</u>	<u>(420,605)</u>
Cash Flows from (Used by) Noncapital Financing Activities					
Transfers to/from Other Funds	(89,789)	(118,278)	(241,906)	(449,973)	(5,614)
Net Cash Flows From (Used by) Noncapital Financing Activities	<u>(89,789)</u>	<u>(118,278)</u>	<u>(241,906)</u>	<u>(449,973)</u>	<u>(5,614)</u>
Cash Flows from (Used by) Capital and Related Financing Activities					
Special Assessments	86,601	9,162		95,763	
Proceeds from Debt	2,827,277	6,698,042	425,000	9,950,319	44,408
Premium on Debt	(12,581)	(36,431)	4,292	(44,720)	
Principal Payments on Debt	(1,635,426)	(1,444,763)	(162,247)	(3,242,436)	(2,000)
Interest Expense	(645,549)	(262,752)	(38,379)	(946,680)	(4,316)
Payments to Contractors	(11,132,081)	(5,441,925)	(467,659)	(17,041,665)	(73,610)
Proceeds from Sale of Equipment	24,000			24,000	24,600
Capital Grants Received from Other Governments	7,742		(1,628)	6,114	
Miscellaneous			(2)	(2)	
Transfers to/from Other Funds	288,459	117,548		406,007	22
Net Cash Flows (Used by) Capital and Related Financing Activities	<u>(10,191,558)</u>	<u>(361,119)</u>	<u>(240,623)</u>	<u>(10,793,300)</u>	<u>(10,896)</u>
Cash Flows from Investing Activities					
Interest Income	712,216	299,367	66,938	1,078,521	116,561
Net Increase (Decrease) in Cash and Cash Equivalents	(7,071,511)	2,064,965	23,476	(4,983,070)	(320,554)
Cash and Cash Equivalents, Beginning of Year	20,791,727	4,784,232	2,647,647	28,223,606	3,251,503
Cash and Cash Equivalents, End of Year	<u>\$ 13,720,216</u>	<u>\$ 6,849,197</u>	<u>\$ 2,671,123</u>	<u>\$ 23,240,536</u>	<u>\$ 2,930,949</u>

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

Net Income (Loss)	\$ 547,827	\$ (440,845)	\$ (52,479)	\$ 54,503	\$ (482,126)
Adjustment to Reconcile Operating Income to Net Cash					
Flows from by Operating Activities					
Depreciation	1,974,863	1,890,362	166,628	4,031,853	24,062
Loss (Gain) on the Disposition of Property	(19,552)			(19,552)	(24,600)
Deferred Outflows of Resources, Pension	218,520	35,040	(4,436)	249,124	11,954
Deferred Inflows of Resources, Pension	145,976	206,997	22,916	375,889	100,091
Deferred Outflows of Resources, OPEB	149,748	120,532		270,280	92,404
Deferred Inflows of Resources, OPEB	267,847	115,492		383,339	60,786
Amortization of Bond Issuance on Advance Refunding	4,678	36,356		41,034	
(Increase) Decrease in Assets Other Than Cash					
Accounts Receivable	106,360	813,924	(737)	919,547	(25,989)
Increase (Decrease) in Liabilities					
Accounts Payable and Accrued Expenses	(79,102)	(99,007)	65,648	(112,461)	196,818
Net Pension Liability-Proportionate Share	(457,182)	(177,956)	(8,805)	(643,943)	(79,512)
Liability for Workers' Compensation	223,992			223,992	(60,925)
Liability for OPEB	(231,499)	(224,621)		(456,120)	(121,300)
Other	45,512		26,074	71,586	
Nonoperating Activities					
Special Assessments	(31,550)	(9,162)		(40,712)	
Debt Interest	650,680	299,108	45,486	995,274	4,316
Capital Grants					
Interest Revenue	(721,572)	(335,723)	(66,938)	(1,124,233)	(116,561)
Bond Premium	(9,470)	(4,984)	(4,292)	(18,746)	
Interfund Transfers	(288,459)	(730)	250,000	(39,189)	(1)
Miscellaneous	3	20,212	2	20,217	(22)
Net Cash Flows from Operating Activities	<u>\$ 2,497,620</u>	<u>\$ 2,244,995</u>	<u>\$ 439,067</u>	<u>\$ 5,181,682</u>	<u>\$ (420,605)</u>

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

CITY OF ROME, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2024

	Custodial Fund
Assets	
Cash and Cash Equivalents	\$ 122,876
School District Taxes Receivable	16,501,746
Due From Other Funds	249,536
Total Assets	\$ 16,874,158
Liabilities	
Taxes Collected for Other Governments	\$ 94,345
Tax Redemptions	38,927
Surplus from Tax Sales	190,708
Total Liabilities	323,980
Net Position	
Restricted For	
Taxes and Fees for Other Governments	16,501,962
Hospital Scholarship Fund	48,216
Total Net Position	16,550,178
Total Liabilities and Net Position	\$ 16,874,158

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, 2024

	Custodial Funds
Additions	
Real Property Tax Collections for Other Governments	\$ 43,087,658
Fee Collections for Other Governments	125,816
Interest	175,205
Total Additions	43,388,679
Deductions	
Payments of Real Property Tax to Other Governments	43,067,317
Change in Net Position	321,362
Net Position, Beginning of Year	16,228,816
Net Position, End of Year	\$ 16,550,178

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, 2024

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) *City's Component Unit Included in the Reporting Entity*

Discretely Presented Component Unit - Based on the foregoing criteria and the significant factors presented below, the following organization is included in the reporting entity. The Component Unit column in the government-wide financial statements include financial data of the City's Component Unit. The Organization is reported in a separate column to illustrate they are legally separate from the City.

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.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

The above discretely presented financial statements are presented in the financial statements as an Enterprise Fund. The complete financial statements for March 31, 2024 may be obtained at the administrative office as follows:

Rome Housing Authority
Colonial Apartments
205 St. Peter's Avenue
Rome, New York 13440

(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.).

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.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

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.

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

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

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.
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.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

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.

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.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

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 types of items 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 second 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 other item that qualifies are related to pension liabilities reported in the City's Government-Wide and Enterprise Statements of Net Position. This 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.

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.

(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. 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, 2024 was \$339,871.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

- ***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 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, 2024 was \$4,720,500. The reserve is accounted for in the Water Fund.

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, 2024.
- ***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 52 for the amount of liability).

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

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, 345 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.

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.

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, 2024 an allowance of \$446,668 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, 2024

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 24)	\$ 18,878,586
Internal Service-Central	
Maintenance	<u>55,213</u>
Total Expense (page 16)	<u>\$ 18,933,799</u>

Changes in Accounting Standards

Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections*, was implemented for the year ended December 31, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, was implemented as of the beginning of the year ended December 31, 2024. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Future Change in Accounting Standards

GASB Statement No. 102, *Certain Risk Disclosures*, requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. This Statement is effective for fiscal years beginning after June 15, 2024.

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, 2024, the City's bank balances of \$26,259,340 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.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

(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.

The following amounts are included as unrestricted cash equivalents:

Fund	Cost	Fair Value
Governmental Activities		
General Fund	\$ 7,780,959	\$ 7,780,959
Business Type Enterprise		
Water	4,720,500	4,720,500
Total	\$ 12,501,459	\$ 12,501,459

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.

(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, 2024:

Description	Amount
Due from Other Governments	
Oneida County	\$ 1,126,106
New York State Sales Tax	1,068,628
Solar Power Credits	114,157
NYS Arterial Maintenance	94,772
NYS Home & Community Renewal	1,000,000
Federal CDBG	126,000
Miscellaneous	1,116
Total Due from Other Governments	\$ 3,530,779

(c) 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 2024 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 2024 levy was based, was \$842,920,616. 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.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

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.

(d) Sales Tax

The Sales tax in the City is 8.75% at December 31, 2024. 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>

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, 2024, consists mainly of \$13,687,180 in Sales tax. This amount included a receivable of \$1,883,632 in Sales tax from the State of New York and the County of Oneida.

(e) 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 \$2,356,003 for these abatements in 2024. OCIDA paid the City \$1,065,077 during 2024 and had no outstanding balance at December 31, 2024.

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, 2024:

<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	\$ 170,712	\$ 16,316
Park Drive II	To develop affordable housing	\$ 150,237	\$ 48,204
Colonial I Associates LP	To develop affordable housing	\$ 147,430	\$ 7,701
Colonial II Associates LP	To develop affordable housing	\$ 31,304	\$ 6,866
Stanwix Associates	To develop affordable housing	\$ 141,424	\$ 24,032
DePaul Rome Housing			
Development	To develop affordable housing	\$ 87,852	\$ 7,544
Copper City Lofts Housing			
Development	To develop affordable housing	\$ 42,411	\$ 20,189

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

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

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.

(f) Capital Assets

1. Capital asset activity for the Governmental Activities for the year ended December 31, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 6,868,223	\$	\$	\$ 6,868,223
Construction in Progress	<u>37,776,503</u>	<u>23,819,450</u>	<u>1,028,773</u>	<u>60,567,180</u>
Total	<u>44,644,726</u>	<u>23,819,450</u>	<u>1,028,773</u>	<u>67,435,403</u>
Capital Assets Being Depreciated				
Buildings and Improvements	38,239,561	43,231		38,282,792
Machinery and Equipment	17,290,514	623,041	59,004	17,854,551
Infrastructure	<u>125,407,097</u>	<u>37,359</u>		<u>125,444,456</u>
Total	<u>180,937,172</u>	<u>703,631</u>	<u>59,004</u>	<u>181,581,799</u>
Accumulated Depreciation				
Buildings and Improvements	28,113,499	831,844		28,945,343
Machinery and Equipment	11,514,856	1,161,777	49,295	12,627,338
Infrastructure	<u>76,230,961</u>	<u>2,868,179</u>		<u>79,099,140</u>
Total	<u>115,859,316</u>	<u>4,861,800</u>	<u>49,295</u>	<u>120,671,821</u>
Net Capital Assets Being Depreciated	<u>65,077,856</u>	<u>(4,158,169)</u>	<u>9,709</u>	<u>60,909,978</u>
Net Capital Assets	<u>\$ 109,722,582</u>	<u>\$ 19,661,281</u>	<u>\$ 1,038,482</u>	<u>\$ 128,345,381</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

2. Capital asset activity of the Business-Type Activities for the year ended December 31, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	\$ 190,664		\$	\$ 190,664
Construction in Progress	<u>52,241,775</u>	<u>18,051,823</u>	<u>1,809,785</u>	<u>68,483,813</u>
Total	<u>52,432,439</u>	<u>18,051,823</u>	<u>1,809,785</u>	<u>68,674,477</u>
Capital Assets Being Depreciated				
Buildings and Improvements	28,858,782	267,927		29,126,709
Machinery and Equipment	5,665,261	766,246	7,867	6,423,640
Infrastructure	<u>114,662,394</u>	<u>819,435</u>	<u>4,387</u>	<u>115,477,442</u>
Total	<u>149,186,437</u>	<u>1,853,608</u>	<u>12,254</u>	<u>151,027,791</u>
Accumulated Depreciation				
Buildings and Improvements	9,705,526	1,077,798		10,783,324
Machinery and Equipment	3,676,134	416,153	3,294	4,088,993
Infrastructure	<u>47,200,361</u>	<u>2,372,753</u>		<u>49,573,114</u>
Total	<u>60,582,021</u>	<u>3,866,704</u>	<u>3,294</u>	<u>64,445,431</u>
Net Capital Assets Being Depreciated	<u>88,604,416</u>	<u>(2,013,096)</u>	<u>8,960</u>	<u>86,582,360</u>
Net Capital Assets	<u>\$ 141,036,855</u>	<u>\$ 16,038,727</u>	<u>\$ 1,818,745</u>	<u>\$ 155,256,837</u>

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

Governmental Activities

Function/Program

General Government Support	\$ 459,717
Public Safety	591,343
Transportation	3,440,351
Culture and Recreation	349,288
Capital Assets held by the Central Maintenance Internal Service Fund are charged to various functions based on usage.	<u>21,101</u>
Total Governmental Depreciation	<u>\$ 4,861,800</u>

Business-Type Activities

Function/Program

Water	\$ 1,885,292
Sewer	1,827,427
Refuse	<u>153,985</u>
Total Business-Type Depreciation	<u>\$ 3,866,704</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

4. Right to use leased asset activity for the year ended December 31, 2024, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Leased Assets Being Amortized				
SBITA	\$ 91,363	\$	\$	\$ 91,363
Leased Vehicles and Equipment	<u>2,092,857</u>	<u>643,543</u>	<u></u>	<u>2,736,400</u>
Total	<u>2,184,220</u>	<u>643,543</u>	<u></u>	<u>2,827,763</u>
Accumulated Amortization				
SBITA	18,273	18,272		36,545
Leased Vehicles and Equipment	<u>948,655</u>	<u>577,279</u>	<u></u>	<u>1,525,934</u>
Total	<u>966,928</u>	<u>595,551</u>	<u></u>	<u>1,562,479</u>
Net Capital Assets Being Depreciated	<u>1,217,292</u>	<u>47,992</u>	<u></u>	<u>1,265,284</u>
Net Leased Assets	<u>\$ 1,217,292</u>	<u>\$ 47,992</u>	<u>\$</u>	<u>\$ 1,265,284</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Leased Assets Being Amortized				
Land Improvements	\$ 240,220	\$	\$	\$ 240,220
SBITA	12,943			12,943
Leased Vehicles and Equipment	<u>555,539</u>	<u>269,398</u>	<u></u>	<u>824,937</u>
Total	<u>808,702</u>	<u>269,398</u>	<u></u>	<u>1,078,100</u>
Accumulated Amortization				
Land Improvements	25,286	12,643		37,929
SBITA	2,589	149,918		152,507
Leased Vehicles and Equipment	<u>206,047</u>	<u>2,589</u>	<u></u>	<u>208,636</u>
Total	<u>233,922</u>	<u>165,150</u>	<u></u>	<u>399,072</u>
Net Leased Assets	<u>\$ 574,780</u>	<u>\$ 104,248</u>	<u>\$</u>	<u>\$ 679,028</u>

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

Governmental Activities

Function/Program

General Government Support	\$ 154,115
Public Safety	358,507
Transportation	<u>82,929</u>
Total Governmental Amortization	<u>\$ 595,551</u>

Business-Type Activities

Function/Program

Water	\$ 89,572
Sewer	62,935
Refuse	<u>12,643</u>
Total Business-Type Amortization	<u>\$ 165,150</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

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, 2024 billings was made in December 2024. The City prepaid 25% of this billing at December 31, 2024.

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

	ERS	PFRS	Total
2023	\$ 1,262,467	\$ 3,049,735	\$ 4,312,202
2024	\$ 1,305,275	\$ 3,211,387	\$ 4,516,662
2025	\$ 1,501,888	\$ 4,066,605	\$ 5,568,493

* 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.

CITY OF ROME, NEW YORK
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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, 2024 was \$41,834 of which \$6,363 is reported in the Proprietary Funds and \$35,471 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
2025	\$ 35,471	\$ 1,138	\$ 6,363	\$ 204

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

At December 31, 2024, the City reported an PFRS liability of \$13,558,387 and an ERS asset of \$4,856,758 for its proportionate share of the net pension liability. The net pension liability (asset) was measured as of March 31, 2024, 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, 2024 and 2023, the City's proportion was 0.032985 and 0.032978 percent respectively for ERS and 0.285872 and 0.310182 percent respectively for PFRS.

For the year ended December 31, 2024, the City recognized pension expense of \$6,522,267 (ERS \$2,015,114 and PFRS \$4,507,153). At December 31, 2024, 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:	\$ 1,564,358	\$ 4,177,157	\$ 5,741,515
Change of Assumptions	1,836,231	5,114,235	6,950,466
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	195,954	317,983	513,937
Contributions Subsequent to the Measurement Date	1,501,888	4,066,605	5,568,493
Total	\$ 5,098,431	\$ 13,675,980	\$ 18,774,411
Deferred Inflows of Resources	ERS	PFRS	Total
Differences Between Expected and Actual Experience:	\$ 132,431	\$	\$ 132,431
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments	2,372,501	3,680,447	6,052,948
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	353,928	1,253,837	1,607,765
Total	\$ 2,858,860	\$ 4,934,284	\$ 7,793,144

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
2025	\$ (967,886)	\$ (1,217,634)	\$ (2,185,520)
2026	\$ 838,667	\$ 3,806,124	\$ 4,644,791
2027	\$ 1,400,562	\$ 2,099,855	\$ 3,500,417
2028	\$ (533,660)	\$ (501,796)	\$ (1,035,456)
2029	\$	\$ 488,542	\$ 488,542

e. Actuarial Assumptions

The total pension liability at March 31, 2024 was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2024. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2023 valuation were as follows:

	<u>ERS</u>	<u>PFRS</u>
Investment rate of return (net of investment expense, including inflation)	5.90%	5.90%
Salary Increases	4.40%	6.20%
Inflation rate	2.90%	2.90%
Assumptions Based on	April 1, 2015 - March 31, 2020 System's Actual Experience Study	
Annuitant Mortality Rates	Society of Actuaries Scale MP-2021	

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, 2024 are summarized below.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	32%	4.00%
International equity	15%	6.85%
Private equity	10%	7.25%
Real estate	9%	4.60%
Opportunistic/Absolute return strategies	3%	5.25%
Credit	4%	5.40%
Real assets	3%	5.79%
Fixed Income	23%	1.50%
Cash	1%	0.25%
	100.00%	

*The real rate of return is net of the long-term inflation assumption of 2.9%

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	\$ 15,270,145	\$ 4,856,758	\$ (3,840,579)
PFRS	\$ 31,689,129	\$ 13,558,387	\$ (1,420,257)

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, 2024

(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 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 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 alone 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, 2024, 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
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(c) Employees covered by benefit terms

	<u>Governmental</u>	<u>Enterprise</u>	<u>Total</u>
Inactive employees currently receiving benefit payments	306	26	332
Active employees	233	27	260
Total	<u>539</u>	<u>53</u>	<u>592</u>

(d) Components of the OPEB liability

	<u>Governmental</u>	<u>Enterprise</u>	<u>Total</u>
Balances, 12/31/23	\$ 66,075,108	\$ 6,046,387	\$ 72,121,495
Changes recongnized for the year:			
Service cost	841,355	117,821	959,176
Interest on Total OPEB Liability	2,129,369	196,343	2,325,712
Changes in assumptions or other inputs	(5,395,244)	(509,184)	(5,904,428)
Benefit payments	<u>(2,950,900)</u>	<u>(261,100)</u>	<u>(3,212,000)</u>
Net changes	<u>(5,375,420)</u>	<u>(456,120)</u>	<u>(5,831,540)</u>
Balances, 12/31/24	<u>\$ 60,699,688</u>	<u>\$ 5,590,267</u>	<u>\$ 66,289,955</u>

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

	1% Decrease (3.08%)	Current Assumption (4.08%)	1% Increase (5.08%)
Total OPEB liability			
Governmental	\$ 69,678,660	\$ 60,699,688	\$ 53,481,886
Enterprise	\$ 6,401,550	\$ 5,590,267	\$ 4,933,297

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

	1% Decrease (7.5% to 3.5%)	Current Assumption (8.50% to 4.5%)	1% Increase (9.50% to 5.5%)
Total OPEB liability			
Governmental	\$ 52,933,453	\$ 60,699,688	\$ 70,381,156
Enterprise	\$ 4,885,479	\$ 5,590,267	\$ 6,458,493

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

	<u>Governmental</u>		<u>Enterprise</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,438,234	\$	\$ 29,441	\$
Changes of assumptions or other inputs		<u>2,708,273</u>		<u>261,468</u>
Total	<u>\$ 1,438,234</u>	<u>\$ 2,708,273</u>	<u>\$ 29,441</u>	<u>\$ 261,468</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

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

Year ended December 31:	<u>Governmental</u>	<u>Enterprise</u>
2025	\$ 1,427,583	\$ 22,565
2026	(1,348,811)	(127,296)
2027	<u>(1,348,811)</u>	<u>(127,296)</u>
Total	<u>\$ (1,270,039)</u>	<u>\$ (232,027)</u>

(i) Actuarial Assumptions

Valuation Date	December 31, 2023
Measurement Date	December 31, 2024
Reporting Date	December 31, 2024
Actuarial Cost Method	Entry Age Normal Cost
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.50%
Healthcare Cost Trend Rates	8.50% to 4.50%
Discount Rate	4.08% based on "The Bond Buyer 20-Bond GO Index" as December 31, 2024 (2023 rate was 3.26%)
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, 2024:

<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	6/11/2024	\$ 11,250,621	6/11/2025	4.50	<u>\$ 11,250,621</u>
Enterprise					
Water	6/11/2024	\$ 1,358,636	6/11/2025	4.50	\$ 1,358,636
Sewer	6/11/2024	\$ 715,020	6/11/2025	4.50	715,020
Refuse	6/11/2024	\$ 615,732	6/11/2025	4.50	<u>615,732</u>
Total Enterprise Funds					<u>\$ 2,689,388</u>

CITY OF ROME, NEW YORK
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The following is a summary of the BAN interest expense for the year ended December 31, 2024:

	Business-Type Activities				
	Enterprise Funds				
	General	Water	Sewer	Refuse	Total
Interest Paid	\$ 323,085	\$ 7,902	\$ 12,083	\$ 13,264	\$ 33,249
Less: Interest Accrued in the Prior Year	(175,751)	(4,299)	(6,573)	(7,215)	(18,087)
Plus: Interest Accrued in the Current Year	<u>281,574</u>	<u>34,003</u>	<u>17,895</u>	<u>15,410</u>	<u>67,308</u>
Total Interest Expense on Short-Term Debt	<u>\$ 428,908</u>	<u>\$ 37,606</u>	<u>\$ 23,405</u>	<u>\$ 21,459</u>	<u>\$ 82,470</u>

CITY OF ROME, NEW YORK
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For the Year Ended December 31, 2024

Changes in the City's short-term outstanding debt, excluding EFC debt noted on page 52, for the year ended December 31, 2024, are as follows:

Description	Outstanding Beginning Balance	Issued	Refinanced	Paid	Outstanding Ending Balance
Governmental Activities					
701 Lawrence Street ERP	\$ 20,925	\$	\$	\$ 2,191	\$ 18,734
1333 East Dominick Street ERP	92,071			9,642	82,429
2021 Road Reconstruction	636,676			66,674	570,002
Traffic Light Controller	20,636			734	19,902
Rome City Hall Façade Repairs	19,821			3,587	16,234
Bridge Rehabilitations	233,877			9,886	223,991
2020 Road Reconstruction	946,814			116,288	830,526
2022 Road Reconstruction	1,262,678			64,427	1,198,251
Record Retention Bldg Window Replacment	47,683			2,433	45,250
City Hall Elevator Renovations	184,099			16,696	167,403
City Hall HVAC Upgrades	414,223			37,566	376,657
Public Works Garage Boiler Replacement	184,099			16,696	167,403
Bobcat	65,000			5,168	59,832
Mohawk River Trail Phase 2	1,024,000			47,455	976,545
Franklyn Field Clubhouse	75,000			3,476	71,524
Public Works Garage	30,000			1,390	28,610
Canal Towpath Trail	129,700			6,011	123,689
Reconstruction Various Roads	1,433,442			113,965	1,319,477
Laurel St Fire Station Roof		73,000			73,000
Demolition of 1030 E. Dominick St (Municipally owned bldg.)		1,222,512			1,222,512
2 - 10 Wheelers with Plow Equipment		600,000			600,000
Snowblower Replacement		160,000			160,000
John Deere Payloader		260,000			260,000
City Hall HVAC		360,000			360,000
South James St Bridge		128,650			128,650
2024 Road Reconstruction		2,150,000			2,150,000
Total Governmental	6,820,744	4,954,162		524,285	11,250,621
Business-Type Activities					
Replace Return Sludge Pumps	31,012			531	30,481
Replace Pumps at Merrick & Tannery Rd, Sites	29,074			498	28,576
Machinery & Apparatus Crane Truck	195,000			9,037	185,963
Replace Roof at Boyd Dam	36,829			3,857	32,972
Backhoe	130,000			10,336	119,664
Replace 2 Wellls at Landfil	80,026			80,026	
Wells Landfill	200,000			9,268	190,732
Wood Chipper		135,000			135,000
Garbage Truck Replacement		290,000			290,000
Replacement		470,000			470,000
Flusher Truck		427,000			427,000
Kessinger Dam Electronics, Low Lift Pumps, Generator Replacement, & Telemetry Upgrade		629,000			629,000
Power to Low Lift Crane		100,000			100,000
Filtration Parking Lot Improvements		50,000			50,000
Total Business-Type Activities	701,941	2,101,000		113,553	2,689,388
Total Bond Anticipation Note	\$ 7,522,685	\$ 7,055,162	\$	\$ 637,838	\$ 13,940,009

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For the Year Ended December 31, 2024

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					
Railroad St Interceptor Project	6/15/2023	\$ 12,700,000	3/14/2026	0.00%	\$ 6,073,616
Water					
Northwest Rome Rephase 3 Water Project	11/18/2021	\$ 13,500,000	12/18/2026	0.00%	<u>14,530,275</u>
Total Enterprise Funds					<u>\$ 20,603,891</u>

Changes in the City’s short-term outstanding NYS EFC debt for the year ended December 31, 2024, are as follows:

<u>Description</u>	<u>Outstanding Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Outstanding Ending Balance</u>
Enterprise				
Sewer				
Railroad St Interceptor Project	\$	\$ 6,073,616	\$	\$ 6,073,616
Water				
Northwest Rome Rephase 3 Water Project	<u>13,258,379</u>	<u>1,537,396</u>	<u>265,500</u>	<u>14,530,275</u>
Total Enterprise Funds	<u>\$ 13,258,379</u>	<u>\$ 7,611,012</u>	<u>\$ 265,500</u>	<u>\$ 20,603,891</u>

CITY OF ROME, NEW YORK
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(d) Long-Term Debt

a. **Debt Limit** – At December 31, 2024, \$42,814,524 of the City’s \$98,180,052 in serial bonds and bond anticipation notes were subject to the constitutional debt limit and represented approximately 41.8% of its statutory debt limit.

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

Description	Outstanding Beginning Balance	Change in Accounting Principle	Issued	Paid & Amortized	Outstanding Ending Balance	Due Within One Year
Governmental Activities						
Bonds Payable	\$ 20,438,518	\$	\$	\$ 2,637,034	\$ 17,801,484	\$ 2,708,085
Unamortized Premiums on Bonds	<u>528,879</u>	<u> </u>	<u> </u>	<u>113,151</u>	<u>415,728</u>	<u>107,669</u>
Total Bonds and Unamortized Premiums	20,967,397			2,750,185	18,217,212	2,815,754
Lease Payables	1,106,719		578,703	511,870	1,173,552	463,540
OPEB Liability	66,075,108		2,970,724	8,346,144	60,699,688	
Due to NYS ERS	155,095			119,624	35,471	35,471
Workers' Compensation Claims Payable	2,570,966		797,371	387,521	2,980,816	
Compensated Absences	<u>413,647</u>	<u>1,044,053</u>	<u>441,135</u>	<u> </u>	<u>1,898,835</u>	<u>565,364</u>
Total Governmental Activities	<u>\$ 91,288,932</u>	<u>\$ 1,044,053</u>	<u>\$ 4,787,933</u>	<u>\$ 12,115,344</u>	<u>\$ 85,005,574</u>	<u>\$ 3,880,129</u>

Description	Outstanding Beginning Balance	Change in Accounting Principle	Issued	Paid & Amortized	Outstanding Ending Balance	Due Within One Year
Business-Type Activities						
Bonds Payable	\$ 48,032,214	\$	\$	\$ 2,197,546	\$ 45,834,668	\$ 2,246,495
Unamortized Premiums on Bonds	<u>234,334</u>	<u> </u>	<u> </u>	<u>64,390</u>	<u>169,944</u>	<u>54,226</u>
Total Bonds and Unamortized Premiums	48,266,548			2,261,936	46,004,612	2,300,721
Lease Payables	570,589		265,256	149,936	685,909	133,968
OPEB Liability	6,046,387		314,164	770,284	5,590,267	
Due to NYS ERS	22,879			16,516	6,363	6,363
Workers' Compensation Claims Payable	681,326		561,462	170,783	1,072,005	
Compensated Absences	<u>120,939</u>	<u>268,555</u>	<u>163,637</u>	<u> </u>	<u>553,131</u>	<u>196,865</u>
Total Business Type Activities	<u>\$ 55,708,668</u>	<u>\$ 268,555</u>	<u>\$ 1,304,519</u>	<u>\$ 3,369,455</u>	<u>\$ 53,912,287</u>	<u>\$ 2,637,917</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
2025	\$ 2,708,085	\$ 549,388	\$ 2,246,495	\$ 995,733
2026	2,755,142	461,612	2,059,360	959,945
2027	2,763,832	371,993	2,090,748	925,533
2028	1,293,330	285,990	1,916,250	889,139
2029	1,315,265	250,917	1,949,315	854,868
2030-2034	5,938,330	719,375	9,994,570	3,672,768
2035-2039	1,027,500	41,806	8,360,400	2,621,179
2040-2044			9,022,900	1,550,950
2045-2049			6,362,900	477,459
2050-2051			1,831,730	34,490
Total	<u>\$ 17,801,484</u>	<u>\$ 2,681,082</u>	<u>\$ 45,834,668</u>	<u>\$ 12,982,064</u>

CITY OF ROME, NEW YORK
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For the Year Ended December 31, 2024

d. Serial Bond Schedule - The following is a schedule of the serial bonds outstanding at December 31, 2024:

	Date Issued	Date of Maturity	Interest Rate %	Outstanding Balance 1/1/2024	Bonds Issued	Paid	Outstanding Balance 12/31/2024
General Fund							
Public Improvement - Refinance of 2006 & 2005	4/15	12/25	3.0-4.0	\$ 26,998	\$	\$ 13,469	\$ 13,529
Public Improvement - Refinance of 2011 (Series 2015 B)	10/15	8/27	2.0-5.0	3,421,425		793,770	2,627,655
Public Improvement - 2015	9/15	9/34	2.0-3.25	5,330,780		413,190	4,917,590
Public Improvement - 2019A	6/19	5/27	2.0	2,284,000		555,000	1,729,000
Public Improvement - 2019B	8/19	6/30	2.0	1,552,315		207,505	1,344,810
Public Improvement - 2020	1/20	5/43	2.25-2.625	574,300		50,400	523,900
Public Improvement - 2021	6/21	6/29	2.00-2.375	1,539,000		180,000	1,359,000
Public Improvement - 2022	6/22	6/38	3.0-3.4	5,681,700		421,700	5,260,000
Total General Fund				<u>\$ 20,410,518</u>	<u>\$</u>	<u>\$ 2,635,034</u>	<u>\$ 17,775,484</u>
Internal Service - Central Maintenance Fund							
Public Improvement - 2022	6/22	6/38	3.0-3.4	\$ 28,000	\$	\$ 2,000	\$ 26,000
Enterprise Funds							
Water Fund							
Public Improvement - Refinance of 2006 & 2005	4/15	12/25	3.0-4.0	\$ 423,002	\$	\$ 206,531	\$ 216,471
Public Improvement - Refinance of 2011 (Series 2015 B)	10/15	8/27	2.0-5.0	271,350		62,950	208,400
Public Improvement - 2015	9/15	9/34	2.0-3.25	615,340		47,690	567,650
NYS Environmental Facilities Corporation-2016B	9/16	8/46	.061-3.35	15,410,000		515,000	14,895,000
Public Improvement - 2019A	6/19	5/27	2.0	111,000		27,000	84,000
Public Improvement - 2019B	8/19	6/30	2.0	392,685		52,495	340,190
Public Improvement - 2020	1/20	5/43	2.25-2.625	2,950,100		120,700	2,829,400
NYS Environmental Facilities Corporation - 2020 B	12/20	12/50	0.25-2.937	7,420,000		250,000	7,170,000
Public Improvement - 2022	6/22	6/38	3.0-3.4	25,400		1,700	23,700
Total Water Fund				<u>27,618,877</u>	<u>\$</u>	<u>1,284,066</u>	<u>26,334,811</u>
Sewer Fund							
Public Improvement - Refinance of 2011	10/15	8/27	2.0-5.0	57,225		32,000	25,225
EFC NYS Environmental 2015 Refinance of 2005B	10/15	4/34	3.5-4.1	1,765,000		13,280	1,751,720
Public Improvement - 2015	9/15	9/34	2.0-3.25	1,923,880		140,000	1,783,880
Public Improvement - 2019A	6/19	5/27	2.0	135,000		149,120	(14,120)
Public Improvement - 2020	1/20	5/43	2.25-2.625	350,600		13,900	336,700
Public Improvement - 2021	6/21	6/29	2.00-2.375	910,600		23,300	887,300
NYS Environmental Facilities Corporation - 2021 B	12/21	8/51	.18-3.007	6,420,000		180,000	6,240,000
NYS Environmental Facilities Corporation - 2022	12/21	8/51	0	2,016,280		72,010	1,944,270
NYS Environmental Facilities Corporation - 2023	1/23	1/52	0	6,454,452		222,570	6,231,882
Total Sewer Fund				<u>20,033,037</u>	<u>\$</u>	<u>846,180</u>	<u>19,186,857</u>
Refuse District Fund							
Public Improvement - 2019A	6/19	5/27	2.0	190,000		46,000	144,000
Public Improvement - 2022	6/22	6/38	3.0-3.4	190,300		21,300	169,000
Total Refuse District Fund				<u>380,300</u>	<u>\$</u>	<u>67,300</u>	<u>313,000</u>
Total Enterprise Fund				<u>\$ 48,032,214</u>	<u>\$</u>	<u>\$ 2,197,546</u>	<u>\$ 45,834,668</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

Advance Refunding-Remaining Principal on Bonds Refinanced

In 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, 2024, are considered defeased:

<u>Description</u>	<u>Governmental</u>	<u>Enterprise</u>
2005	\$ 15,000	\$ 24,000
2005 EFC		1,625,000
2011	<u>2,755,273</u>	<u>1,149,727</u>
Total	<u>\$ 2,770,273</u>	<u>\$ 2,798,727</u>

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.

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Expensed/ Redeemed</u>	<u>Ending Balance</u>
Governmental Activities	\$ 182,570	\$	\$ 53,731	\$ 128,839
Business-Type Activities	\$ 151,392	\$	\$ 41,034	\$ 110,358

Special Provisions Affecting Remedies Upon Default

In the event of a default in the payment of the principal of and/or interest of the Bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the City and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds.

- 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. The total lease payments in the General Fund and Propriety Funds for the year ended December 31, 2024, were \$511,870 and \$149,936, respectively.

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

	<u>Government Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 463,540	\$ 111,999	\$ 133,968	\$ 61,268
2026	334,754	68,091	114,246	48,270
2027	201,209	34,184	120,328	34,807
2028	129,272	13,099	95,032	22,338
2029	44,777	1,480	32,798	14,774
2030-2034			66,635	58,365
2035-2039			98,793	30,207
2040			24,109	1,692
Total	<u>\$ 1,173,552</u>	<u>\$ 228,853</u>	<u>\$ 685,909</u>	<u>\$ 271,721</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

f. Interest - The City's interest expense for the above obligations for 2024 is as follows:

Governmental-Type Activities

General Fund

Amount Paid	\$ 1,199,156
Prior Year Accrual	(151,356)
Current Year Accrual	<u>166,052</u>
Total General Fund	1,213,852

Government-Wide

Change in Accrued Interest	14,696
Amortization of Premium	(113,151)
Amortization of Deferred Charge	<u>53,731</u>
Total Governmental-Type	<u>\$ 1,169,128</u>

Governmental-Type Activities

Serial Bonds	\$ 633,789
Bond Anticipation Notes	428,908
Capital Lease	146,396
NYS Retirement	<u>4,759</u>
Total General Fund	1,213,852
Government-Wide Serial Bond	<u>(44,724)</u>
Total Governmental-Type	<u>\$ 1,169,128</u>

Business-Type Activities

Enterprise Fund

Amount Paid	\$ 964,409
Prior Year Accrual	(364,029)
Current Year Accrual	405,880
Amortization of Premium	63,868
Amortization of Deferred Charge	<u>(41,034)</u>
Total Business-Type	<u>\$ 1,029,094</u>

Serial Bonds	\$ 879,698
Bond Anticipation Notes	82,470
Capital Lease	66,218
NYS Retirement	<u>708</u>
Total Business-Type	<u>\$ 1,029,094</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

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 sick time payable in the future estimated to be either used or paid upon retirement or termination. The current portion of the liability is determined from past use or payments.
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, 2024, the City had several outstanding tax certioraris 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 \$20,000 to \$200,000. Since these amounts are not considered probable, no liability has been recognized.

(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, 2024:

Description	Amount
Accrued Liabilities	
Health Insurance Claims Lag	\$ 842,613
Interest Accrual	281,574
Payroll Accrual	262,886
Total Accrued Liabilities	\$ 1,387,073

3. INTERFUND TRANSACTIONS

Fund Type	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
Governmental Funds				
General	\$ 6,792,354	\$	\$ 105,385	\$ 11,663,607
Special Aid	270,550	2,303,247		36,393
Capital Fund	3,402,628	8,785,640	11,167,164	5,386
Proprietary Funds				
Water	203,026		288,459	
Sewer	163,211		118,770	
Refuse	7,545	313	25,608	
Internal Service Fund	516	166		
Custodial Fund	249,536			
Total	\$ 11,089,366	\$ 11,089,366	\$ 11,705,386	\$ 11,705,386

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 and Proprietary Funds was to fund various street, American Rescues Program Act, and tornado recovery capital projects.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

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	\$ 11,946,053
Proprietary	\$ 5,210,381

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 \$8,010,428. The City also has specific excess loss insurance for each participant in excess from \$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 <u>Liability</u>	Current Year Claims and Changes <u>on Estimates</u>	Claim <u>Payments</u>	End of Year <u>Liability</u>
2024	\$ <u>592,000</u>	\$ <u>7,406,501</u>	\$ <u>6,925,501</u>	\$ <u>1,073,000</u>
2023	\$ <u>619,135</u>	\$ <u>5,462,013</u>	\$ <u>5,489,148</u>	\$ <u>592,000</u>
2022	\$ <u>660,000</u>	\$ <u>6,062,162</u>	\$ <u>6,103,027</u>	\$ <u>619,135</u>

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, 2024: Enterprise Funds \$1,072,005 and Governmental Activities \$2,980,816. The changes in the total workers' compensation liability are as follows:

	Beginning of Year <u>Liability</u>	Current Year Claims and Changes <u>on Estimates</u>	Claim <u>Payments</u>	End of Year <u>Liability</u>
2024	\$ <u>3,252,292</u>	\$ <u>1,358,834</u>	\$ <u>558,305</u>	\$ <u>4,052,821</u>
2023	\$ <u>2,663,279</u>	\$ <u>1,172,428</u>	\$ <u>583,415</u>	\$ <u>3,252,292</u>
2022	\$ <u>2,711,238</u>	\$ <u>644,119</u>	\$ <u>692,078</u>	\$ <u>2,663,279</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

Employees' Collective Bargaining Units

The City currently employs approximately 299 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>
80	Civil Service Employees Association	December 31, 2027
74	AFSCME Council #66 - Local #1088	December 31, 2025
68	Patrolmen Benevolent Association ("PBA")	December 31, 2025
77	Firefighters	December 31, 2025

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, 2024, the City utilized 29.5% 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 recipients. If the property is transferred within 3 years for liens to another party, 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, 2024, the total liens payable to the City amounted to \$679,500. If 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.

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 \$4,916,715 of the grant was not expended as of December 31, 2024, 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.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

Under the Treasury’s Interim Final Rule, jurisdictions receiving funding must obligate the funds by December 31, 2024 and fully spend the funds 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, 2024, of \$12,971,133. This deficit is due to the issuance of bond anticipation notes totaling \$11,250,621. As 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, 2024, of \$2,085,163. 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.

9. BUDGET REVISIONS

During 2024, the following budget revisions were authorized for the General Fund:

Change from Adopted Budget to Final Budget

Adopted Budget	\$ 51,105,588
Add: Prior Year's Encumbrances	<u>516,578</u>
Original Budget	<u>51,622,166</u>
Amendments:	
Mayor's conference room executive chairs	7,000
2024 Streets Budget	49,176
emergency evaluation and	250,000
demolition of the City owned building located at 233 W. Dominick St	
Public Works Garage emergency purchase and installation	29,609
of a heat exchanger	
Police subscription and setup of PowerDMS Time	6,687
Keeping Software	
Police Health Insurance	241,050
ARPA Grant	8,954,634
Appropriated Capital Reserve	765,131
Other Adjustments	<u>3</u>
Total Budget Amendments	<u>10,303,290</u>
Final Budget	<u><u>\$ 61,925,456</u></u>

10. LEASE RECEIVABLE AND LESSOR AGREEMENTS

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, 2024. The interest rate used for all leases is 6.0%. For the year ended December 31, 2024, the City recognized \$59,514 in lease revenue and \$46,917 in lease interest revenue.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

Future payments due to the City and deferred inflow recognition under these agreements are as follows for the year ended December 31, 2024:

Year	Payments To be Received	Deferred Inflow
2025	\$ 81,477	\$ 59,514
2026	62,106	39,173
2027	63,488	39,173
2028	64,911	39,173
2029	66,377	39,173
2030-2034	351,633	195,274
2035-2039	342,666	159,019
2040-2043	<u>221,668</u>	<u>141,554</u>
Total	1,254,326	712,053
Less Interest	<u>492,561</u>	
Present Value of Lease Receivables	<u>\$ 761,765</u>	<u>\$ 712,053</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, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance
Restricted				
General Fund				
Liability Insurance	\$ 319,000	\$	\$	\$ 319,000
Capital Reserve	1,234,167	100,000	994,296	339,871
Debt Service	777,457	5,385	80,000	702,842
Workers' Compensation	<u>1,198,143</u>	<u>108,186</u>		<u>1,306,329</u>
Total General Fund Restricted	<u>\$ 3,528,767</u>	<u>\$ 213,571</u>	<u>\$ 1,074,296</u>	<u>\$ 2,668,042</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, 2024:

	General	Special Aid	Miscellaneous Special Revenue	Capital	Total
Nonspendable	<u>\$ 2,785,921</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,785,921</u>
Restricted					
Liability Insurance	319,000				319,000
Capital Reserve	339,871				339,871
Debt Service	702,842				702,842
Workers' Compensation	<u>1,306,329</u>	<u></u>	<u></u>	<u></u>	<u>1,306,329</u>
Total Restricted	<u>2,668,042</u>	<u></u>	<u></u>	<u></u>	<u>2,668,042</u>
Assigned					
Designated for Subsequent Year's Expenditures	3,260,251				3,260,251
Reserve for Encumbrances	799,795				799,795
Other	<u></u>	<u></u>	133,355	<u></u>	133,355
Total Assigned	<u>4,060,046</u>	<u></u>	<u>133,355</u>	<u></u>	<u>4,193,401</u>
Unassigned (Deficit)	<u>10,943,550</u>	<u>(2,085,163)</u>	<u></u>	<u>(12,971,133)</u>	<u>(4,112,746)</u>
Total Fund Equity	<u>\$ 20,457,559</u>	<u>\$ (2,085,163)</u>	<u>\$ 133,355</u>	<u>\$ (12,971,133)</u>	<u>\$ 5,534,618</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

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. RESTATEMENTS

Governmental Accounting Standards Board Statement No. 101, Compensated Absences, was implemented as of the beginning of the year ended December 31, 2024. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The beginning net position is restated as follows:

	Governmental	Business-Type Activities					Primary Government
	Activities	Business-Type Activities					Total
		Refuse			Internal Service		
		Water	Sewer	District	Fund - Central		
					Maintenance	Total	
Net Position - Beginning of Year, As Previously Stated	\$ 39,227,128	\$ 52,800,573	\$ 44,385,122	\$ 2,376,775	\$ 124,967	\$ 99,687,437	\$ 138,914,565
Cumulative Effect of Change in Accounting Principle							
GASB Statement No. 101, <i>Compensated Absences</i> Implementation:							
Internal Service Fund Allocated	(43,133)				(5,578)	(5,578)	(48,711)
	(1,044,053)	(167,450)	(100,042)	(1,063)	(5,578)	(274,133)	(1,318,186)
Net Position - Beginning of Year, As Restated	<u>\$ 38,183,075</u>	<u>\$ 52,633,123</u>	<u>\$ 44,285,080</u>	<u>\$ 2,375,712</u>	<u>\$ 119,389</u>	<u>\$ 99,413,304</u>	<u>\$ 137,596,379</u>

14. SIGNIFICANT EVENTS

2024 Tornado – In July 2024, the City experienced a tornado which brought devastating damage throughout the City including but not limited to several municipal buildings, trees, as well as privately owned parcels. The estimated cost for the cleanup and rebuilding process is \$9,395,000. The State has awarded the City grants of \$5 million which will be used towards the purchase of property and demolition of buildings. In addition, insurance is expected to reimburse the City \$3,000,000.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

15. ROME HOUSING AUTHORITY

Organization

The Rome Housing Authority (the Authority) was established to function in the community for purposes of administering the housing funds granted to Rome and for the additional purpose of operating and governing, under a single operating entity and board as the Rome Housing Authority. The Authority has the power to transact business and other powers as defined by law. Programs for which grants are received by the Authority include contracts with the U.S. Department of Housing and Urban Development (HUD) and the New York State Housing Program.

The Authority is an independent agency, operations of which are separate from those of The City of Rome, New York. Five of the seven commissioners are appointed by the Mayor of the City of Rome to serve for periods of three to five years. The other two members of the commission are elected by the tenants. The City may thereafter dissolve the Authority and either act as the Authority or appoint another Authority. Other than as indicated above, The City has no control over the acts of the Authority. Obligations of the Authority, including loans through direct borrowing or from sale of bonds, are not obligations of The City of Rome, New York.

Accounting records of the Authority are maintained separately from those of The City. The fiscal year of the Authority and the contracts provide for a year ending March 31.

Blended Component Units of the Rome Housing Authority

Liberty Gardens Housing Development Fund Company, Inc. - Formed pursuant to Article XI of the Private Housing Finance Law Section 402 of the Not-for-Profit Corporation Law on January 24, 2011, exclusively for the charitable purpose of providing housing accommodations for persons and families of low -income, as defined in Section 2 of the Private Housing Finance Law, which housing accommodations shall be situated and located at/or near 200 North Levitt Street, City of Rome, County of Oneida, State of New York, and/or such other locations, if any, as the members of the board of directors of the Corporation shall hereafter authorize. Liberty Gardens Housing Development Fund Company, Inc., is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Separately issued financial statements are not available for the entity. A tax return for the entity can be obtained from Rome Housing Authority.

Liberty Gardens Area Community Development, L.L.C. - Formed under Section 203 of the Limited Liability Company law on May 11, 2011, and is wholly owned by Rome Housing Authority as its sole member. Separately issued financial statements are not available for the entity.

Liberty Gardens II Housing Development Fund Company, Inc. - Formed pursuant to Article XI of the Private Housing Finance Law and Section 402 of the Not-for-Profit Corporation Law on October 24, 2012, exclusively for the charitable purpose of providing housing accommodations for persons and families of low-income, as defined in Section 2 of the Private Housing Finance Law, which housing accommodations shall be situated and located at/or near 200 North Levitt Street, City of Rome, County of Oneida, State of New York, and/or such other locations, if any, as the members of the board of directors of the Corporation shall hereafter authorize. Liberty Gardens II Housing Development Fund Company, Inc., is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Separately issued financial statements are not available for the entity. A tax return for the entity can be obtained from Rome Housing Authority.

Liberty Gardens III Housing Development Fund Company, Inc. - Formed pursuant to Article XI of the Private Housing Finance Law and Section 402 of the Not-for-Profit Corporation Law on February 26, 2014, exclusively for the charitable purpose of providing housing accommodations for persons and families of low -income, as defined in Section 2 of the Private Housing Finance Law, which housing accommodations shall be situated and located at/or near 200 North Levitt Street, City of Rome, County of Oneida, State of New York, and/or such other locations, if any, as the members of the board of directors of the Corporation shall hereafter authorize. Liberty Gardens III Housing Development Fund Company, Inc., is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Separately issued financial statements are not available for the entity. A tax return for the entity can be obtained from Rome Housing Authority.

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NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

Colonial Housing Development Fund Company, Inc. - Formed pursuant to Article XI of the Private Housing Finance Law and Section 402 of the Not-for-Profit Corporation Law on October 16, 2017, exclusively for the charitable purpose of providing housing accommodations for persons and families of low -income, as defined in Section 2 of the Private Housing Finance Law, which housing accommodations shall be situated and located at/or near 200 North Levitt Street, City of Rome, County of Oneida, State of New York, and/or such other locations, if any, as the members of the board of directors of the Corporation shall hereafter authorize. Colonial Housing Development Fund Company, Inc., is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Separately issued financial statements are not available for the entity. A tax return for the entity can be obtained from Rome Housing Authority.

Colonial Housing II Development Fund Company, Inc. - Formed pursuant to Article XI of the Private Housing Finance Law and Section 402 of the Not-for-Profit Corporation Law on 2022, exclusively for the charitable purpose of providing housing accommodations for persons and families of low -income, as defined in Section 2 of the Private Housing Finance Law, which housing accommodations shall be situated and located at/or near 200 North Levitt Street, City of Rome, County of Oneida, State of New York, and/or such other locations, if any, as the members of the board of directors of the Corporation shall hereafter authorize. Colonial Housing II Development Fund Company, Inc., is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Separately issued financial statements are not available for the entity. A tax return for the entity can be obtained from Rome Housing Authority.

Basis of Accounting

The Rome Housing Authority currently prepares their financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of significant accounting policies followed by the Authority:

- Basis of Accounting - The Authority uses the accrual basis of accounting in the proprietary funds. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.
- Enterprise Fund - This type of fund is reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided. When both restricted and unrestricted net positions are available for use, generally it is the Authority's policy to use restricted resources first.
- Revenues and Expenses - Revenues and expenses are recognized in essentially the same manner as used in commercial accounting. Revenues relating to the Authority are operating activities including rental related income, interest income and other sources of revenues are recognized in the accounting period in which they are earned. Other major sources of revenues include the operating subsidy from HUD and other HUD funding for capital and operating expenses. In accordance with GASB standards dwelling income has been netted with bad debt expense of \$20,672. Collection losses on accounts receivable are expensed, in the appropriate Fund, on the specific write-off method.
- Operating Revenue - 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 Authority are charges to customers for rents. Operating expenses 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. Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net position below the non -operating revenue and expense.
- Accounts receivable consists of all amounts earned at year end and not yet received. Allowances for uncollectible accounts are based upon historical trends and periodic aging of accounts receivable. Accounts for which no possibility of collection is anticipated are charged to bad debts expense which is netted against dwelling rent revenues on the statement of revenues, expenses, and changes in net position. Amounts due from other housing authorities related to Housing Choice Voucher Port In vouchers are deemed by management as fully collectible and no allowance has been established for those types of accounts receivable.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

- Buildings and equipment are carried at cost, less accumulated depreciation. Donated assets are carried at fair market value at the date of donation, less accumulated depreciation. Maintenance and repairs are charged to operations. Gains and losses from the sale of equipment are included in income. Depreciation is calculated on a straight-line basis utilizing the following assets' estimated useful lives:

Buildings and Improvements	10-40 Years
Furniture and Equipment	3-15 Years

- Deferred Inflows/Outflows 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 and so will not be recognized as an expense or expenditure until then. The deferred outflows of resources are all related to the Pension and OPEB. Also, 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 and so will not be recognized as revenue until then. The deferred inflows of resources are all related to the Pension and OPEB.
- Other Post-Employment Benefits (OPEB) - For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of our plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.
- Compensated Absences - Employees of the Authority are entitled to paid vacation days depending on job classification, length of service and other factors. Management has estimated the amount of compensation for future absences computed based on yearend conditions. The cost of accrued unpaid vacation pay of all employees at the end of the fiscal year is \$82,965, which includes the current portion of \$8,296.
- Dwelling Rental - Rents charged to Authority tenants under lease agreements, in accordance with HUD guidelines, are based on percentages of family income levels, and accordingly may not represent fair market rent. Residents may opt to pay a flat rent under HUD guidelines. Leases may be cancelled by the tenant at any time however, the Authority may cancel the lease only for cause.
- Insurance - The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Authority. As of the date of the report, the Authority had necessary insurance coverage in force.
- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The Authority has elected to follow GASB for financial reporting.

New Accounting Standards Implemented

The Authority implemented the following Governmental Accounting Standards Board (GASB) during the fiscal year ended March 31, 2024. GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA) - Effective Date: The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for SBITA by governments. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right - to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. As of March 31, 2024, the Authority's management has analyzed their contracts, and have found one SBITA contract to be material to the financial statements for Rome Housing Authority.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

Net Position

Net position represents the difference between assets and liabilities. GASB reports equity as "net position" rather than "fund balances." Net position is classified into three categories according to external donor restrictions or availability of assets for satisfaction of Authority obligations. The Authority's net position is classified as follows:

Net Investment in Capital Assets - This represents the Authority's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position - This includes resources that are restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Unrestricted Net Position - This represents resources derived from operating revenue. These resources are used for transactions relating to the general operations of the Authority, and may be used at the discretion of the Authority's management to meet current expenses for any purpose.

Summary of HUD Programs

The accompanying financial statements consist of the activities of the housing programs subsidized by HUD. A summary of each of these programs and the related contracts with HUD is provided below.

Annual Contributions Contract NY-034

- a) Low Rent Public Housing - This type of housing consists of apartments and single-family dwellings owned and operated by the Authority. Funding is provided by tenant rent payments and subsidies provided by HUD.
- b) Capital Fund Program - Substantially all additions to land, buildings, and equipment are accomplished through the capital fund program. This program adds to, replaces or materially upgrades deteriorated portions of the Authority's housing units. Funding is provided through programs established by HUD.
- c) Housing Choice Voucher - HUD provides grants to the Authority to subsidize rents paid by low income families and individuals who rent dwelling units from private landlords. Under this program, qualified applicants are issued vouchers which may be used by the applicant to obtain housing in the private rental market. The Authority will subsidize the landlord for the difference between the rent requested and the tenant's share of the rent not to exceed a predetermined payment standard.

Significant Assets

(a) Deposits

At March 31, 2024, the Authority's deposit amounted to \$3,650,694. Of the bank balances held in various financial institutions, \$250,000 was covered by Federal Depository Insurance and the remainder was covered by collateral held under the Dedicated Method.

(b) Fixed Assets

A summary of changes in capital assets were as follows:

	4/1/2023			3/31/2024
	Balance	Additions	Deletions	Balance
Capital Assets Not Being Depreciated				
Land	\$ 71,545	\$	\$	\$ 71,545
Construction in Progress	<u>26,502</u>		26,502	
Total	<u>98,047</u>		<u>26,502</u>	<u>71,545</u>
Capital Assets Being Depreciated				
Buildings and Improvements	4,577,927	116,536		4,694,463
Machinery and Equipment	298,915			298,915
SBITA	164,354			164,354
Total	<u>5,041,196</u>	<u>116,536</u>		<u>5,157,732</u>
Accumulated Depreciation	4,579,715	85,388		4,665,103
Accumulated Amortization	<u>98,612</u>	<u>32,871</u>		<u>131,483</u>
Total	<u>4,678,327</u>	<u>118,259</u>		<u>4,796,586</u>
Net Capital Assets Being Depreciated	<u>362,869</u>	<u>(1,723)</u>		<u>361,146</u>
Net Capital Assets	<u>\$ 460,916</u>	<u>\$ (1,723)</u>	<u>\$ 26,502</u>	<u>\$ 432,691</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

Notes Receivable

Notes receivable with Liberty Gardens Associates, L.P., in the principal sum of \$1,633,200. Repayment of principal and interest due August 9, 2041. Interest accruing at 3.86% per annum amounted to \$56,248 with a cumulative total of \$706,864 for the year ended March 31, 2024.	\$ 1,457,200
Notes receivable with Liberty Garden Associates II, L.P., in the principal sum of \$1,111,050. Repayment of principal and interest due October 25, 2042. Interest accruing at 2.36% per annum amounted to \$26,221 with a cumulative total of \$293,311 for the year ended March 31, 2024.	1,111,050
Notes receivable with Liberty Gardens Area Community Development, L.L.C., in the principal sum of \$308,354. Repayment of principal and interest due May 17, 2048. Interest accruing at 1.0% per annum amounted to \$3,084 with a cumulative total of \$17,354 for the year ended March 31, 2024.	308,354
Notes receivable with Colonial I Associates, L.P., in the principal sum of \$628,550. Repayment of principal and interest due May 17, 2048. Interest accruing at 1.0% per annum amounted to \$6,286 with a cumulative total of \$35,373 for the year ended March 31, 2024.	628,550
Notes receivable with Colonial II Associates, L.P., in the principal sum of \$2,000,000. Repayment of principal and interest due March 31, 2072. Interest accruing at 0.0%.	<u>1,906,679</u>
Total Notes Receivable - Principal	5,411,833
Accrued Interest on Notes Receivable	<u>1,052,902</u>
Total Notes Receivable	<u>\$ 6,464,735</u>

Pension

The Authority participates in the New York State Employees' Retirement System (NYSERS). This pension system is described in the City's Liability Note above. The Authorities contributions to the System were equal to 100% of the required contributions. The required contributions to the System were as follows:

2024	\$	91,892
2023	\$	82,321
2022	\$	113,581

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

At March 31, 2024, the Authority reported the following liability for its proportionate share of the net pension asset/(liability) for the ERS System. The net pension liability was measured as of March 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Authority's proportionate share of the net pension liability was based on a projection of the Authority's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in reports provided to the Authority.

Actuarial valuation date	4/1/2023
Net pension liability	\$ 269,700
Authority's proportion of the Plan's net pension liability	0.0018317%

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

For the year ended March 31, 2024, the Authority recognized a pension expense of \$130,522. At March 31, 2024 the Authority's reported deferred outflows of resources related to the pension from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 86,870	\$ 7,354
Changes in Assumptions	101,967	
Net difference between projected and actual earnings on pension plan investments		131,747
Changes in proportion and differences between the Authority's contributions and proportionate share of Contributions	<u>43,736</u>	<u>32,867</u>
Total	<u>\$ 232,573</u>	<u>\$ 171,968</u>

Amounts reported as deferred outflows of resources related to the pension will be recognized in pension expense as follows:

2024	\$ (40,587)
2025	57,287
2026	77,042
2027	(33,137)
2028	0

Actuarial Assumptions

The actuarial assumptions are listed in the City's pension ERS plan note to the financials statement.

Other Postemployment Benefits

Plan Descriptions:

The Authority's defined benefit other post-employment benefits plan (OPEB) provides benefits for all permanent full-time general and public safety employees of the Authority. The plan is a single-employer defined benefit OPEB plan administered by the Authority. No assets are accumulated in a trust that meets the criteria in paragraph 5 of GASB Statement No. 75. The Plan does not issue financial statements and is not a trust. Eligibility for benefits is based on covered employees who retire from the Authority at age 55 or older and have met vesting requirements.

Benefits Provided:

The Authority provides health insurance benefits for retirees and their dependents. The benefit terms are depended on which contract each employee falls under. The specifics of each contract are on file at the Authority offices and are available upon request.

Employees Covered by Benefit Terms:

At March 31, 2024, the total number of participants in the OPEB plan were comprised as follows:

Active employees, eligible to retire	6
Retired employees and surviving spouses	<u>16</u>
Total	<u>22</u>

Total OPEB Liability:

The Authority's total OPEB liability of \$1,391,986 was measured as of March 31, 2024 and was determined by an actuarial valuation as of that date.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

Actuarial Assumptions and Other Inputs:

The total OPEB liability in the March 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Healthcare cost trend rates – Pre-Medicare 7.25% graded down to 4.5% by 0.25% per year. Post-Medicare (Plan C & D), 5.50% graded down to 4.5% by 0.25% per year; Dental 3.00%.

Inflation – 2.50%

Salary increases – 2.00%

Mortality – Society of Actuaries Pub -2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables with adjustments for mortality improvements based on the SOA Scale MP-2021.

Discount rate – 4.23% for March 31, 2024 (4.05% for March 31, 2023) The discount rate is based on a 20-year AA/Aa tax-exempt municipal bond yield.

Changes in the Total OPEB Liability -

Balance at March 31, 2023	\$ 1,355,473
Charges for the year:	
Service Cost	23,080
Interest	53,434
Differences between expected and actual experience	104,016
Changes in Assumptions and other inputs	(25,574)
Benefit payments	<u>(118,443)</u>
Net Changes	<u>36,513</u>
Balance at March 31, 2024	<u>\$ 1,391,986</u>

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate. The following table presents the total OPEB liability of the Authority, as well as what the Authority’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point higher or lower than the current discount rate.

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>(3.23%)</u>	<u>(4.23%)</u>	<u>(5.23%)</u>
Total OPEB liability	<u>\$ 1,546,726</u>	<u>\$ 1,391,986</u>	<u>\$ 1,262,671</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the total OPEB liability of the Authority, as well as what the Authority’s total OPEB liability would be if it were calculated using a rate that is 1% higher or lower than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 1,255,318</u>	<u>\$ 1,391,986</u>	<u>\$ 1,555,367</u>

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

For the year ended March 31, 2024, the Authority recognized a negative OPEB expense of \$103,374. At March 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 58,158	\$
Changes of assumptions or other inputs	<u> </u>	<u>59,414</u>
Total	<u>\$ 58,158</u>	<u>\$ 59,414</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending March 31,	<u>Amount</u>
2024	\$ (8,388)
2025	7,132
Thereafter	0

Commitments and Contingencies

State/Local Programs - The Authority was administering one New York Low-Income Housing Project within Rome, New York. This project is known as Liberty Gardens (NYS-51). As of December 1, 2010, 52 units of the original 180 units of the program was converted to Low Rent Public Housing Units. Pursuant to the contract entered into between the State of New York and the City of Rome, the City agreed to subsidize the accumulated deficits of the project over and above the New York State Subsidy. However, the City has declined to make these payments on the basis the City's allocations of Community Development Block Grants, in prior years for the benefit of the Project, more than offset a payment due. At March 31, 2001, this disputed receivable amounts to \$243, 984, and was removed from the books of the Authority. Between March 31, 2001 and March 31, 2010, the Authority has accrued subsidy shortages of \$254,973. On the GAAP basis financial statements, this accrual was removed from the books of the Authority. During 2012, State Program housing units were sold to Liberty Gardens Associates, L.P., and Liberty Gardens Associates II, L.P. The State Program was transferred to Liberty Gardens Area Community Development, L.L.C., as part of this transaction.

Grants and Contracts - The Authority participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of March 31, 2024.

The Section 8 Housing Choice Voucher Program (the Program) under the implementation of the Consolidated Appropriations Act 2005, Funding Provisions for the Housing Choice Voucher Program, changed the funding methodology, and in addition the Authority, is no longer required to complete a settlement statement. As a result, in accordance with GASB Statement No. 33 and PIH Notice 2009-9, the cumulative amount of unspent Housing Assistance Payment subsidy as of March 31, 2024, is being reflected in restricted net position in the basic financial statements.

Capital Fund - The Authority receives capital funding each year for ongoing capital improvements, and repairs and maintenance.

Insurance - The Authority is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors, and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

Contingent Liabilities to the City - Pursuant to the contract entered into between the State of New York and the City of Rome, the City agreed to subsidize the accumulated deficits of the Project over and above the New York State subsidy. However, the City has declined to make these payments on the basis that City allocations of Community Development Block Grants, in prior years for the benefit of the Project, more than offset any payment due. At March 31, 2001, this disputed receivable amounted to \$243,984, and was removed from the books of the Authority. Between March 31, 2001 and March 31, 2010, the Authority has accrued subsidy shortages of \$254,973. On the GAAP basis financial statements, this accrual was removed from the books of the Authority. During 2012, State Program housing units were sold to Liberty Gardens Associates, L.P. and Liberty Gardens Associates II, L.P. The State Program has been transferred to Liberty Gardens Area Community Development LLC as part of this transaction.

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, 2024

	Original Budget	Amended Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
Revenues					
Real Property Taxes	\$ 15,367,415	\$ 15,367,415	\$ 15,143,860		\$ (223,555)
Other Real Property Tax Items	1,378,599	1,378,599	1,438,822		60,223
Nonproperty Tax Items	15,102,893	15,102,893	14,530,267		(572,626)
Departmental Income	684,827	684,827	777,754		92,927
Intergovernmental Charges	944,660	944,660	943,546		(1,114)
Solar Power Credits	524,630	524,630	517,659		(6,971)
Use of Money and Property	953,433	953,433	1,260,281		306,848
Lease Revenue			59,514		59,514
Licenses and Permits	123,000	123,000	111,205		(11,795)
Fines and Forfeitures	31,500	31,500	35,285		3,785
Sale of Property and Compensation for Loss	59,000	59,000	168,695		109,695
Miscellaneous	130,000	130,000	60,744		(69,256)
Interfund Revenues	1,910,197	1,910,197	1,910,197		
State Aid	11,399,267	11,399,267	13,451,671		2,052,404
Federal Aid		8,954,634	8,150,476		(804,158)
Total Revenues	<u>48,609,421</u>	<u>57,564,055</u>	<u>58,559,976</u>		<u>995,921</u>
Expenditures					
General Government Support	6,434,124	6,317,657	5,534,873	\$ 203,192	579,592
Public Safety	17,995,636	17,266,778	16,966,144	216,150	84,484
Public Health	1,700	1,700	1,348		352
Transportation	5,088,543	4,902,733	4,448,055	152,790	301,888
Culture and Recreation	1,882,262	1,758,999	1,507,774	81,729	169,496
Home and Community Services	760,023	758,317	586,806	145,934	25,577
Employee Benefits	13,243,231	14,373,022	14,117,665		255,357
Debt Service - Principal	3,211,980	3,668,363	3,668,334		29
Debt Service - Interest	1,066,840	1,214,280	1,213,852		428
Total Expenditures	<u>49,684,339</u>	<u>50,261,849</u>	<u>48,044,851</u>	<u>799,795</u>	<u>1,417,203</u>
Excess (Deficit) Revenues Over Expenditures	<u>(1,074,918)</u>	<u>7,302,206</u>	<u>10,515,125</u>	<u>(799,795)</u>	<u>2,413,124</u>
Other Financing Sources (Uses)					
Interfund Transfers From			105,385		105,385
Interfund Transfers To	(1,937,827)	(11,663,607)	(11,663,607)		0
Appropriated Reserve	80,000	845,131			(845,131)
Appropriated Fund Balance	2,932,745	3,516,270			(3,516,270)
Total Other Financing Sources (Uses)	<u>1,074,918</u>	<u>(7,302,206)</u>	<u>(11,558,222)</u>		<u>(4,256,016)</u>
Revenues Over Expenditures and Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,043,097)</u>	<u>\$ (799,795)</u>	<u>\$ (1,842,892)</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, 2024

Governmental Activities	2024	2023	2022	2021	2020	2019	2018*
Service cost	\$ 841,355	\$ 707,101	\$ 1,114,018	\$ 1,483,708	\$ 1,222,581	\$ 964,638	\$ 1,192,853
Interest	2,129,369	2,105,228	1,503,834	2,101,001	2,451,226	3,147,827	2,877,004
Changes in assumptions or other inputs	(5,395,244)	4,014,480	(16,002,276)	1,392,218	7,722,967	12,568,746	(9,665,462)
Actuarial demographic (gain) or loss		4,314,700		(26,279,045)		(3,184,707)	(694,227)
Expected benefit payments	(2,950,900)	(2,743,306)	(2,579,800)	(2,823,365)	(3,366,690)	(3,253,135)	(3,376,051)
Net change in total OPEB liability	(5,375,420)	8,398,203	(15,964,224)	(24,125,483)	8,030,084	10,243,369	(9,665,883)
Total OPEB liability - beginning	66,075,108	57,676,905	73,641,129	97,766,612	89,736,528	79,493,159	89,159,042
Total OPEB liability - ending	\$ 60,699,688	\$ 66,075,108	\$ 57,676,905	\$ 73,641,129	\$ 97,766,612	\$ 89,736,528	\$ 79,493,159
Covered employee payroll	\$ 21,719,572	\$ 21,086,679	\$ 18,755,497	\$ 18,209,072	\$ 17,031,348	\$ 17,776,525	\$ 16,838,417
Total OPEB liability as a percentage of covered payroll	279.47%	313.35%	307.52%	404.42%	574.04%	504.80%	472.09%
Business-Type Activities	2024	2023	2022	2021	2020	2019	2018*
Service cost	\$ 117,821	\$ 82,389	\$ 123,767	\$ 164,307	\$ 135,596	\$ 123,346	\$ 151,158
Interest	196,343	203,719	145,042	203,694	235,694	280,040	253,761
Changes in assumptions or other inputs	(509,184)	361,260	(1,560,285)	135,089	765,696	1,417,022	(906,960)
Actuarial demographic (gain) or loss		88,321		(2,627,325)		(12,614)	(61,039)
Expected benefit payments	(261,100)	(246,194)	(224,900)	(245,135)	(282,407)	(212,464)	(220,492)
Net change in total OPEB liability	(456,120)	489,495	(1,516,376)	(2,369,370)	854,579	1,595,330	(783,572)
Total OPEB liability - beginning	6,046,387	5,556,892	7,073,268	9,442,638	8,588,059	6,992,729	7,776,301
Total OPEB liability - ending	\$ 5,590,267	\$ 6,046,387	\$ 5,556,892	\$ 7,073,268	\$ 9,442,638	\$ 8,588,059	\$ 6,992,729
Covered employee payroll	\$ 2,972,123	\$ 2,885,415	\$ 2,498,603	\$ 2,425,758	\$ 2,319,465	\$ 2,284,714	\$ 2,125,011
Total OPEB liability as a percentage of covered payroll	188.09%	209.55%	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 3.26% to 4.08% as of December 31, 2024.

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

CITY OF ROME, NEW YORK
SCHEDULE OF CITY'S PENSION CONTRIBUTIONS
For the Year Ended December 31, 2024

ERS Pension Plan										
Last 10 Fiscal Years										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 1,501,888	\$ 1,305,275	\$ 1,262,467	\$ 1,326,818	\$ 1,293,339	\$ 1,223,397	\$ 1,212,335	\$ 1,201,530	\$ 1,290,050	\$ 1,498,191
Contributions in Relation to the Contractually Required Contribution	<u>1,501,888</u>	<u>1,305,275</u>	<u>1,262,467</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>
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	\$ 10,788,754	\$ 9,919,931	\$ 9,275,488	\$ 8,556,433	\$ 9,375,930	\$ 8,851,601	\$ 8,527,086	\$ 8,247,928	\$ 8,387,342	\$ 8,259,173
Contributions as a Percentage of Covered-Employee Payroll	13.92%	13.16%	13.61%	15.51%	13.79%	13.82%	14.22%	14.57%	15.38%	18.14%
PFRS Pension Plan										
Last 10 Fiscal Years										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 4,066,605	\$ 3,211,387	\$ 3,049,735	\$ 2,918,317	\$ 2,625,541	\$ 2,453,091	\$ 2,534,874	\$ 2,671,000	\$ 2,532,874	\$ 2,437,114
Contributions in Relation to the Contractually Required Contribution	<u>4,066,605</u>	<u>3,211,387</u>	<u>3,049,735</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>
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	\$ 13,288,027	\$ 11,895,983	\$ 11,642,980	\$ 10,880,972	\$ 11,131,056	\$ 11,062,517	\$ 10,873,273	\$ 11,407,658	\$ 10,647,389	\$ 10,396,866
Contributions as a Percentage of Covered-Employee Payroll	30.60%	27.00%	26.19%	26.82%	23.59%	22.17%	23.31%	23.41%	23.79%	23.44%

See Independent Auditor's Report.

CITY OF ROME, NEW YORK
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Year Ended December 31, 2024

NYS Employees Retirement System Pension Plan										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.0329852%	0.0329781%	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)	\$ 4,856,758	\$ 7,071,841	\$ (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	\$ 9,919,931	\$ 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
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	48.96%	76.24%	-29.43%	0.36%	98.16%	27.17%	12.56%	37.10%	67.16%	14.35%
Plan fiduciary net position as a percentage of total pension liability (asset)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

NYS Police and Fire Retirement System Pension Plan										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.285872%	0.310182%	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	\$ 13,558,387	\$ 17,092,510	\$ 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	\$ 11,895,983	\$ 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
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	113.97%	146.81%	15.87%	44.16%	145.04%	44.60%	26.42%	57.33%	89.25%	8.21%
Plan fiduciary net position as a percentage of total pension liability	89.72%	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.50%	90.20%	99.00%

CITY OF ROME, NEW YORK
COMBINING BALANCE SHEET
GENERAL FUND
December 31, 2024

	General City	Inside District	Total General
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 10,617,398	\$ 767,172	\$ 11,384,570
Cash and Cash Equivalents - Restricted	2,575,042	93,000	2,668,042
Taxes Receivable	859,298	251,884	1,111,182
Tax Sale Certificates	187,451		187,451
Property Acquired for Taxes	1,395,654		1,395,654
Accounts Receivable	600,724	56,861	657,585
Allowance for Receivables	(329,301)	(119,220)	(448,521)
Due from Other Funds	6,464,961	327,393	6,792,354
Due from Other Governments	2,942,119	588,660	3,530,779
Lease Receivables	761,765		761,765
Prepaid Expenditures	948,990	440,427	1,389,417
Total Assets	\$ 27,024,101	\$ 2,406,177	\$ 29,430,278
Liabilities			
Current Liabilities			
Accounts Payable	\$ 1,021,821	\$ 32,131	\$ 1,053,952
Accrued Liabilities	1,014,759	372,314	1,387,073
Payroll Withholdings Payable	175,060		175,060
Unearned Revenue - Grants	4,916,715		4,916,715
Due to Other Governments	43,403		43,403
Total Current Liabilities	7,171,758	404,445	7,576,203
Deferred Inflows of Resources			
Leases	712,053		712,053
Unavailable Revenue - Real Property Taxes	682,819	1,644	684,463
Total Deferred Inflows of Resources	1,394,872	1,644	1,396,516
Fund Balances			
Nonspendable	2,345,494	440,427	2,785,921
Restricted			
Reserve for Liability Insurance	226,000	93,000	319,000
Capital Reserves	339,871		339,871
Reserve for Debt	702,842		702,842
Reserve for Workers Compensation	1,306,329		1,306,329
Total Restricted	2,575,042	93,000	2,668,042
Assigned			
Designated for Subsequent Year's Expenditures	2,287,002	973,249	3,260,251
Reserve for Encumbrances	714,902	84,893	799,795
Total Assigned	3,001,904	1,058,142	4,060,046
Unassigned	10,535,031	408,519	10,943,550
Total Fund Balances	18,457,471	2,000,088	20,457,559
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 27,024,101	\$ 2,406,177	\$ 29,430,278

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, 2024

	<u>General City</u>	<u>Inside District</u>	<u>Total General</u>
Revenues			
Real Property Taxes	\$ 10,950,980	\$ 4,192,880	\$ 15,143,860
Other Real Property Tax Items	957,049	481,773	1,438,822
Nonproperty Tax Items	10,420,119	4,110,148	14,530,267
Departmental Income	659,253	118,501	777,754
Intergovernmental Charges	448,967	494,579	943,546
Solar Power Credits	517,659		517,659
Use of Money and Property	1,239,650	20,631	1,260,281
Lease Revenue	59,514		59,514
Licenses and Permits	111,205		111,205
Fines and Forfeitures	17,930	17,355	35,285
Sale of Property and Compensation for Loss	137,217	31,478	168,695
Miscellaneous	59,775	969	60,744
Interfund Revenues	1,511,197	399,000	1,910,197
State Aid	10,938,672	2,512,999	13,451,671
Federal Aid	8,150,476		8,150,476
Total Revenues	<u>46,179,663</u>	<u>12,380,313</u>	<u>58,559,976</u>
Expenditures			
General Government Support	5,279,122	255,751	5,534,873
Public Safety	9,362,454	7,603,690	16,966,144
Public Health	1,348		1,348
Transportation	4,448,055		4,448,055
Culture and Recreation	1,507,774		1,507,774
Home and Community Services	586,806		586,806
Employee Benefits	9,337,324	4,780,341	14,117,665
Debt Service - Principal	3,382,618	285,716	3,668,334
Debt Service - Interest	1,142,339	71,513	1,213,852
Total Expenditures	<u>35,047,840</u>	<u>12,997,011</u>	<u>48,044,851</u>
Excess (Deficit) Revenues Over Expenditures	<u>11,131,823</u>	<u>(616,698)</u>	<u>10,515,125</u>
Other Financing (Uses)			
Interfund Transfers From	105,385		105,385
Interfund Transfers To	(11,663,607)		(11,663,607)
Total Other Financing (Uses)	<u>(11,558,222)</u>		<u>(11,558,222)</u>
Excess (Deficit) Revenues Over Expenditures and Other Financing (Uses)	<u>(426,399)</u>	<u>(616,698)</u>	<u>(1,043,097)</u>
Fund Balance, Beginning of Year	<u>18,883,870</u>	<u>2,616,786</u>	<u>21,500,656</u>
Fund Balances, End of Year	<u>\$ 18,457,471</u>	<u>\$ 2,000,088</u>	<u>\$ 20,457,559</u>

See Independent Auditor's Report.

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

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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, Jeffrey M. Lanigan 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, 2024, 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 July XX, 2025. Our report includes a reference to other auditors who audited the financial statements of the Rome Housing Authority, a discretely presented component unit, as described in our report on the City of Rome, New York's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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

July 16, 2025

Rome, New York

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

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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, Jeffrey M. Lanigan 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, 2024. 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, 2024.

Other Matters—Federal Expenditures Not Included in the Compliance Audit

City of Rome, New York's basic financial statements include the operations of the Rome Housing Authority, a discretely presented component unit, which expended \$4,496,105 in federal awards which is not included in City of Rome, New York's schedule of expenditures of federal awards during the year ended December 31, 2024. Our audit, described in the Opinion on Each Major Federal Program section, did not include the operations of Rome Housing Authority because the Authority engaged other auditors to perform an audit of compliance.

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.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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

July 16, 2025

Rome, New York

CITY OF ROME, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024

<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>				
Direct				
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants				
Griffiss-Woodhaven Revitalization	B-22-CP-NY-0655	14.251	\$ 1,254,386	\$
Park Drive Complete Streets Project	B-25-CP-NY-1162	14.251	<u>124,883</u>	<u> </u>
Total Economic Development Initiative, Community Project Funding, and Miscellaneous Grants			<u>1,379,269</u>	<u> </u>
CDBG - Entitlement Grants Cluster				
Community Development Block Grant – Entitlement Grant	B-21-MC-36-0106	14.218	13,149	62,615
Community Development Block Grant – Entitlement Grant	B-22-MC-36-0106	14.218	159,417	48,000
Community Development Block Grant – Entitlement Grant	B-23-MC-36-0106	14.218	581,716	
Community Development Block Grant – Entitlement Grant	B-24-MC-36-0106	14.218	<u>138,227</u>	<u> </u>
Total CDBG - Entitlement Grants Cluster			<u>892,511</u>	<u>110,615</u>
Total U.S. Department of Housing and Urban Development			<u>2,271,779</u>	<u>110,615</u>
<u>U.S. Department of Agriculture</u>				
Title IC – Volunteer Fire Assistance Grant Program 2023		10.698	<u>1,879</u>	<u> </u>
Total U.S. Department of Agriculture			<u>1,879</u>	<u> </u>
<u>U.S. Department of Justice</u>				
DEA Forfeiture for US Dept. of Justice		16.922	<u>2,507</u>	<u> </u>
Total U.S. Department of Justice			<u>2,507</u>	<u> </u>
<u>U.S. Department of Transportation</u>				
Highway Safety Cluster				
Pass through Governor’s Traffic Safety Committee				
State and Community Highway Safety	T006887	20.600	6,371	
Child Passenger Safety Program	SA00002691	20.616	<u>297</u>	<u> </u>
Total Highway Safety Cluster			<u>6,668</u>	<u> </u>
Highway Planning and Construction Cluster				
Pass through NYS Department of Transportation				
Highway Planning and Construction	D040238	20.205	24,517	
Highway Planning and Construction	D040489	20.205	117,484	
Highway Planning and Construction	D040693	20.205	<u>43,703</u>	<u> </u>
Total Highway Planning and Construction Cluster			<u>185,704</u>	<u> </u>
Total U.S. Department of Transportation			<u>192,372</u>	<u> </u>
<u>U.S. Department of Homeland Security</u>				
FEMA – Hazard Mitigation Grant Program	Proj4625-0007	97.039	478,747	
FEMA – Disaster 4625 Remnants of Tropical Storm Fred	Proj 667071	97.036	692,928	
FEMA – Disaster 4625 Remnants of Tropical Storm Fred	Proj 667080	97.036	<u>88,103</u>	<u> </u>
Total U.S. Department of Homeland Security			<u>1,259,778</u>	<u> </u>

(Continued)

See Independent Auditor’s Report and Notes to the Schedule of Expenditure of Federal Awards.

CITY OF ROME, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024

(Continued)

<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 Treasury</u>				
Direct				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ARPA)	OMB#1505-0271	21.019	8,150,466	_____
Total US Department of Treasury			<u>8,150,466</u>	<u>_____</u>
<u>Total Federal Financial Assistance</u>			<u>\$ 11,878,781</u>	<u>\$ 110,615</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, 2024

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, 2024. 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

AL# 20.616 Child Passenger Safety Program

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 (AL# 14.218)

The Abraham House	\$ 16,000
YMCA	5,615
Rome Alliance for Education	44,500
Rome Art and Community Center	16,000
YWCA of the Mohawk Valley	<u>28,500</u>
Total	<u>\$ 110,615</u>

3. 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.

CITY OF ROME, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS UNIFORM GUIDANCE
For the Year Ended December 31, 2024

Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(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?	No
(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)?	No
(d)(1)(vii)	Major Programs (list):	<u>U.S. Department of Housing and Urban Development</u> Griffiss-Woodhaven Revitalization (AL #14.251) <u>U.S. Department of Homeland Security</u> FEMA – Hazard Mitigation Grant Program (AL #97.039) FEMA Disaster 4625 Remnants of Tropical Storm Fred (AL# 97.036) <u>U.S. Department of Treasury</u> Coronavirus State and Local Fiscal Recovery Funds (ARPA) (AL# 21.019)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

CITY OF ROME, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

(Continued)

I. FINDINGS—FINANCIAL STATEMENT AUDIT

None

II. FINDINGS AND QUESTIONED COSTS—FEDERAL AWARD PROGRAMS AUDITS

None

CITY OF ROME, NEW YORK
STATUS OF PRIOR-YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

I. FINDINGS—FINANCIAL STATEMENT AUDIT

None

II. FINDINGS AND QUESTIONED COSTS —FEDERAL AWARD PROGRAMS AUDITS

None