

PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE

BOND ANTICIPATION NOTES

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

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



\$7,522,685
CITY OF ROME
ONEIDA COUNTY, NEW YORK
GENERAL OBLIGATIONS
CUSIP BASE NO. 776049

\$7,522,685 Bond Anticipation Notes, 2023
(the "Notes")

Dated: June 13, 2023

Due: June 12, 2024

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

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

At the option of the successful bidder(s), the Notes will be issued registered in the name of the purchaser, or as stated below, in the denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$7,685, as determined by the successful bidder(s), without the option of prior redemption. Principal and interest will be payable at maturity in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as may be selected by such successful bidder(s). Paying agent fees, if any, will be paid by the successful bidder(s).

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective unqualified legal opinions as to the validity of the Notes of Bond, Schoeneck & King, PLLC, Bond Counsel, Utica, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or at such place as may be agreed upon with the Purchasers, on or about June 13, 2023.

May 19, 2023

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com by June 1, 2023 no later than 11:00 A.M., Eastern Time, pursuant to the Notices of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the City, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notices of Sale.

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

CITY OF ROME ONEIDA COUNTY, NEW YORK

JACQUELINE M. IZZO

Mayor



COMMON COUNCIL

STEPHANIE VISCELLI

President

JOHN M. SPARACE
JOHN B. MORTISE

KIMBERLY ROGERS
RAMONA L. SMITH
FRANK R. ANDERSON

RICCARDO D. DURSI, JR.
A. ROBERT TRACY

* * * * *

DAVID NOLAN

City Treasurer

BRIAN ADAMS

Deputy City Treasurer

ERIC SEELIG

City Clerk

GERARD F. FEENEY, ESQ.

Corporation Counsel



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisor

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

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

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
OF THE
CITY OF ROME
ONEIDA COUNTY, NEW YORK
RELATING TO
\$7,522,685 Bond Anticipation Notes, 2023

This Official Statement, which includes the cover page and appendices, has been prepared by the City of Rome, Oneida County, New York (the "City," "County," and "State," respectively), in connection with the sale by the City of \$7,522,685 principal amount Bond Anticipation Notes, 2023 (the "Notes").

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

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

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the City's overall economic situation and outlook (and all of the specific City-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify.

NATURE OF OBLIGATION

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

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

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

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

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

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

"A pledge of the City's faith and credit is both a commitment to pay and a commitment of the City's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith... and credit" is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

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

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

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

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

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

THE NOTES

Description of the Notes

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

The Notes will be dated June 13, 2023 and mature, without the option of prior redemption, on June 12, 2024. Interest on the Notes will be calculated on a 30-day month and a 360-day year basis, and will be payable at maturity. The Notes will be issued in either (i) registered in the name of the purchaser, in denominations of \$5,000 each or multiples thereof, except for one necessary odd denomination which is or includes \$7,685, with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) as registered notes, and, if so issued, registered in the name of Cede & Co. as nominee of DTC, which will act as the securities depository for the Notes. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

AUTHORITY FOR AND PURPOSES OF ISSUE

Purpose of Issue

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

	Ordinance	Authorization Dates	Authorized Amount	Amt Outstanding	Paydown	New Money	Amt To Borrow
Renewal:							
Rome City Hall Façade Repairs	9240	1/24/2018	\$635,350	\$23,237	\$3,416	-	\$19,821
Railroad Street Bridge Rehabilitation	9338A	1/23/2019	5,400,000	243,292	9,415	-	233,877
Replace (2) Wells at Landfill	9352	5/8/2019	100,000	85,391	5,365	-	80,026
2020 Streets	9403	4/8/2020	2,513,338	1,057,564	110,750	-	946,814
701 Lawrence St. ERP	9442	5/12/2021	25,000	23,012	2,087	-	20,925
1333 East Dominick St. ERP	9442	5/12/2021	110,000	101,254	9,183	-	92,071
2021 Streets	9439	4/28/2021	2,373,000	700,175	63,499	-	636,676
Traffic Light Controllers	9442	5/12/2021	22,000	21,335	699	-	20,636
Replace Return Sludge Pumps	9442	5/12/2021	32,000	31,518	506	-	31,012
Replace Pumps at Merrick & Tannery Rd's	9442	5/12/2021	30,000	29,548	474	-	29,074
Roof at Boyd Dam	9442	5/12/2021	44,000	40,502	3,673	-	36,829
2022 Streets Project	9515	4/27/2022	3,136,962	1,324,037	61,359	-	1,262,678
City Hall - Record Retention Widow Replacement	9516	5/11/2022	50,000	50,000	2,317	-	47,683
City hall - Elevator Renovations	9516	5/11/2022	200,000	200,000	15,901	-	184,099
City Hall - HVAC Upgrades	9516	5/11/2022	450,000	450,000	35,777	-	414,223
Public Works Garage - Boiler Replacment	9516	5/11/2022	200,000	200,000	15,901	-	184,099
Sub-Totals Renewal:				4,580,865	340,322	-	4,240,543
New:							
Mohawk River Trail Phase 2	9496	1/26/2022	\$2,424,000	-	-	1,024,000	1,024,000
Crane Truck	9539	9/28/2022	195,000.00	-	-	195,000	195,000
Franklyn Field Clubhouse Rehab ???	9529	7/27/2022	75,000.00	-	-	75,000	75,000
Increase in Cost of Boiler Replacement at Public Work	9592	4/12/2023	30,000.00	-	-	30,000	30,000
2023 City Streets	9595	4/26/2023	3,246,367.00	-	-	1,433,442	1,433,442
Bob Cat, Garbage Truck, Wood Chipper, Replacment							
Well and Backhoe	9596A	4/26/2023	395,000.00	-	-	395,000	395,000
Empire State Canalway Trail Path Improvement	9594	4/26/2023	514,000.00	-	-	129,700	129,700
				Sub-Totals New Money:		3,282,142	
				Total New and Renewal:		7,522,685	

The proceeds of the Notes, along with \$340,322 available funds of the City, will partially redeem and renew the \$4,580,865 bond anticipation notes maturing June 14, 2023 and provide \$3,282,142 new monies for the abovementioned purposes.

BOOK-ENTRY-ONLY SYSTEM

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

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

Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

The Notes will be issued in registered form registered in the name of the Purchaser in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$7,685. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named by the City or at the office of the City Treasurer.

THE CITY

General Information

The City is located in the central part of New York State, has an estimated 2021 U.S. Census population of 31,974 (See “Population Trends” herein) and a land area of 72.7 square miles.

The City is within the Utica-Rome Standard Metropolitan Statistical Area and is the second largest city in Oneida County, a county which has an estimated 2022 U.S. Census population of 228,846. The City is served by the New York State Thruway, the State Barge Canal, the Amtrak Rail System, the Griffiss International Airport and Syracuse Hancock International Airports and several State highways. It is within easy travel distance of all major metropolitan areas in the Northeast, Midwest and Canada. The City bus system is operated by Central New York Regional Transportation Authority (Centro of Oneida, Inc.).

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

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

Financial Institutions and Communications

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

Utilities

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

City Services and Programs

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

Source: City officials.

Economic Developments

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

<u>Year</u>	<u>Annual Average</u>
2018	127.8
2019	128.6
2020	117.7
2021	119.7
2022	122.5

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

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

Development outside Griffiss Park has flourished, most notably:

- **Caliber Commercial Brokerage** has substantially completed a 4,300 s/f Urgent Care facility located on Black River Boulevard. This is the second new construction urgent care facility built within Rome within the last 6 years. In connection with the new urgent care facility, a Starbucks Coffee has been approved and is substantially completed in erecting a 2,000 s/f building that will complement each other along Black River Boulevard. A new 7,200 s/f market is currently under construction on NYS Route 46 just north of Wright-Settlement Road. This project will reconstruct a former local market and grocery and is expected to open in 2023. A new 2,000 s/f ice cream and food business is set to begin construction on Rome-Taberg Road known as “Big Timber”.
- **Industrial Development** has included Cold Point Corporation which in 2021 officially opened its doors under a new 50,000 s/f manufacturing facility located within downtown. The project was progressed through aggressive brownfield remediation and partnership with Rome Community Brownfield Restoration Corporation (RCBRC) and along with funding
- **Nascentia Neighborhood** residing on the 52-acre property, Beeches Manor is a state-of-the-art banquet hall with the ability to seat up to 350 guests. This year-round historical venue is ideal for weddings, meetings, and special events. In 2021 the property was purchased by Nascentia Health and will be redeveloped into a senior community campus and conference center and will allow seniors to age in place and live independently with support from a wide range of professionals. The project will bring valuable healthcare jobs to the area including nurses, occupational therapists, physical therapists, home health aides and more.
- **Kabari Wellness Institute (KWI)** has purchased the former Saint Marys Complex located on Liberty Street and will be undertaking a complete facility renovation to house the new institute. The KWI is focused on providing health, wellness, and beauty services to the community at a one stop facility. This project is a multi-year redevelopment project that will inject vitality and life back into the northern boundary of downtown.
- **The Rome Family YMCA** After 52 years in its current location, is working toward breaking ground on a new state of the art facility relocated to Floyd Avenue in 2023. The proposed 42,000 s/f facility would be built on the former Write Park Manor site across from MVCC campus. This project will include childcare, cooking classes, indoor courts, and health and wellness classes and events. The location will also be complimented with outdoor recreation space for larger sporting events and gatherings. The total project is estimate at \$20 million.
- **City Infrastructure Investments** have maximized the use of various Federal and state funding sources. The City has taken steps to utilize the \$24 million American Rescue Plan Act (ARPA)/ State & Local Fiscal Recovery Funds (SLFRF) towards transformative public infrastructure projects that will reduce municipal expenses and induce economic investment and expansion of the tax base. Several residential subdivisions of over 250 lots are being assisted with new water, sewer, and public roadways through ~\$6 million in ARPA funding. Other investments include expansion of City Hall and its contribution/interaction to and with the downtown area. Several fire trucks have also been purchased around \$2 million that will lessen the tax burden on the local tax payers for these expenses while providing new and modern firefighting equipment and emergency response platforms. The City is also utilizing New York State Environmental Facilities Corporation funding as described elsewhere in this Official Statement to undertake a water service expansion project that will extend service to the town of Verona and residents along the way, and improve system pressures throughout the serviced area by way of elevated water tower construction. Additionally, a new sewer interceptor line project is currently under construction that will install a secondary sewer transition line from a vital pump station directly to the wastewater treatment plant.

- **Residential Developments**

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

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

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

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

Griffiss remains a key employment hub and site of innovation. Since its inception, \$951 Million in capital expenditure has been spent at the park. In the last two years, Orgill's northeast distribution center opened and Air City Lofts commenced construction on Phase III of its mixed used development. In 2022, Skydome-- the largest indoor testing facility for uncrewed aerial systems in the country-- was unveiled. Each investment continues to anchor Griffiss' growth and the region's economic transformation. These capital projects included demolition of more than 9 million square feet of obsolete former military buildings and housing to make way for new development, construction of the 825 parkway and other roads to improve the transportation system, construction of a public high school, a project to consolidate and improve space occupied by the Air Force Research Lab, an almost 800,000 square foot warehouse distribution center, the first in the Northeast, owned by Orgill, Inc., a major mixed use economic development project undertaken by Bonacio Construction creating much needed workforce housing options for the tech park, construction of a distribution center for Family Dollar, new manufacturing plants for UTC United Technologies Corporation, MGS Manufacturing and Sovena USA, formerly East Coast Olive Oil, construction of a 25,000 square foot advanced manufacturing facility for Kris-Tech Wire with an additional 25,000 square feet added in 2018, construction of new office buildings for various private sector uses, a major renovation and expansion of an aircraft hangar to accommodate a heavy aircraft maintenance repair and overhaul facility, capital improvements to numerous facilities for industrial use, and infrastructure improvements to make various parcels shovel-ready for development. In addition, the City was recently awarded a \$10 million grant by the State of New York for downtown redevelopment and work has begun on revitalizing the downtown arts district.

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

- The Federal Aviation Administration announcement in December 2013 that Griffiss International Airport in the City was one of six locations awarded licenses for commercial drone testing, and in 2018 the Airport's license was extended by the FAA for an additional six years. It is expected that up to 470 jobs will be created in the region with an economic impact of \$145.0 million annually. The Northeast UAS Airspace Integration Research Alliance (NUAIR Alliance) which is headquartered at Griffiss, announced that Aurora Flight Sciences successfully flew multiple unmanned test flights of the company's Centaur optionally piloted aircraft (OPA) from Griffiss. The successful test flights marked the first time a large scale, fixed wing aircraft has flown at any of six FAA-designated unmanned aircraft test sites in the U.S. The 174th Squadron from Hancock Airport, Syracuse, successfully landed an MQ9 reaper at Griffiss further emphasizing the importance of UAS to the region's growing economy in this area.
- Oneida County will begin a \$10 million project renovating the center core of Building 100, formerly a large hangar, for a state of the art operations center centered around UAS with a Skydome built specifically for indoor UAS testing as well as the creation of an Innovation Campus to be utilized by the Air Force Research Laboratory. This collaborative campus will allow for civilians from academia, private sector business, government contractors and the scientists associated with the Air Force Research Laboratory to work on the commercialization of the Lab's intellectual property for private sector use. The Innovare Advancement Center (IAC) is open and exceeding expectations for collaborative business growth at Griffiss Park.

- County officials in July 2014 announced that Griffiss International Airport has received three grants, one each from the Federal Aviation Administration, Military Airport Program and Airport Improvement Project, totaling \$6.270 million for the third phase of similar repair work being conducted since 2012. Of that amount, almost \$1.6 million will be spent on repairs and upgrades to the Nose Dock Hangar 785, which can store large aircraft, and \$4.6 million will be devoted to repairing more than 7,000 linear feet out of an approximately 11,820 linear feet of the facility's taxiways. Additionally, a \$10.4 million repaving and upgrading of the 11,820-foot-long runway continues. Strategic Global Aviation recently opened their corporate headquarters in one of the newly renovated hangars. SGA, with management structure of former military/veterans, will provide aircraft maintenance to military aircraft and recently received their first C-130s for annual maintenance. The company has already created over two dozen jobs.
- In 2016 the State announced a \$8.9 million allocation for the completion of State Route 825. The former two-lane roadway through the Griffiss Park has been transformed into a four-lane divided highway with dedicated pedestrian walkways. The estimated 15,000 motorists who travel the road everyday are now experiencing less congestion and better traffic flow as a result of the project which includes two additional roundabouts.
- Assured Information Security ("AIS"), a developer of high technology applications within the cyber domain, moved into their new Corporate Headquarters Facility in Griffiss Park. They have steadily increased employment to 150 employees since launching in 2001 with two co-founders. In 2017 they completed a 20,000 square foot addition to accommodate rapid employment growth at the Rome facility. In early spring 2019, AIS completed another expansion into the Community Bank facility at Griffiss further expanding their footprint as a result of receiving additional work in the area of cybersecurity.
- The County has made investment in the following Griffiss International Airport projects: rehabilitation and renovation of Hangar 783, construction of 17 T hangars, installation of new security systems, expansion of their fuel farm, and installation of self-serve Av-Gas Fuel facility.
- The Griffiss Surgery Center recently completed a \$1,000,000 upgrade to its operating room facilities to expand into several new sub-surgical specialties including GYN and plastic surgery services. This facility is adding an additional 20,000 square feet of surgical space.
- Griffiss Park Sculpture Trail was extended creating 1.1 miles of walking pathways through meadow and wooded preserve. Sidewalks and trails through Griffiss Business and Technology Park extends over five miles with wayfinding signage added to the Park.
- The Griffiss Institute facilitates public, private and academia collaborations to facilitate the growth and support of the technology base for creating solutions to critical cyber security problems. They created thirteen new jobs in their business incubator, served a Prometric testing facility to 600 students, offered thirty classes to 400 students through academia partnerships, and housed a summer internship program for thirteen students. The Griffiss Institute recently expanded its commitment as a center dedicated to nurturing small business development, entrepreneurial ventures and collaborative space with the Air Force Research Laboratory (AFRL) through its management of the new Innovare Advancement Center (IAC). Innovare is becoming a leader in quantum computer research, artificial intelligence (AI) development and machine learning through its management of the IAC and close working relationship with AFRL.
- IDEA NY business accelerator program has promoted 46 startup companies in four years. Budding entrepreneurs, pair together with AFRL engineers, to compete for a \$200,000 top prize and \$100,000 for the runner up over a year long accelerator program.
- Family Dollar Distribution Center added a third shift and increased employment from 336 to 400 employees.

Related Entities

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

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

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

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

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

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

Brownfields Remediation & Redevelopment

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

- **1030 East Dominick:** This 2 acre site located on the East Dominick Street corridor has been awarded Environmental Restoration Program funding through NYSDEC. The site is slated for a full environmental remediation including removing the existing building and removing any impacted soils on the site. This site will be available for redevelopment proposals under a restricted residential use category which allows all but single family redevelopment of the site. The estimated cleanup cost is over \$1 million.

Major Local & Regional Transformation Projects:

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

Marcy NY, Wolfspeed Silicon Chip Manufacturer

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

Population Trends

<u>Year</u>	<u>City of Rome</u>	<u>County of Oneida</u>	<u>New York State</u>
1990	44,350	250,836	17,990,455
2000	34,950	235,469	18,976,457
2010	33,725	234,878	19,378,102
2020	32,127	232,125	20,201,249
2021 (estimate)	31,974	229,942	19,857,492
2022 (estimate)	N/A	228,846	19,677,151

Source: U.S. Census Bureau.

Selected Wealth and Income Indicators

Per capita income statistics are available for the City, County and State. Listed below are select figures from the U.S. Census Bureau 2000 census, and the 2006-2010 and 2017-2021 American Community Survey data.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2017-2021</u>	<u>2000</u>	<u>2006-2010</u>	<u>2017-2021</u>
City of:						
Rome	\$ 18,604	\$ 21,989	\$ 27,240	\$ 42,928	\$ 55,630	\$ 69,224
County of:						
Oneida	18,516	23,458	32,119	45,341	58,017	78,281
State of:						
New York	23,389	30,948	43,208	51,691	67,405	92,731

Note: 2018-2022 American Community Survey estimates are not available as of the date of this Official Statement.

Larger Employers

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

<u>Employer</u>	<u>Type</u>	<u>Approximate Number of Employees</u>
Turning Stone Casino/Oneida Indian Nation ⁽¹⁾	Casino / Hotel	4,500
Mohawk Valley Healthcare System	Healthcare	4,300
Bassett Healthcare	Healthcare	4,267
County of Oneida	Government	1,700
Upstate Caring Partners	Social Services	1,670
Utica City School District	Education	1,522
Metlife Inc.	Insurance/Finance	1,300
Resource Center for Independent Living	Social Services	1,250
Air Force Research Lab	Research & Development	1,164
Utica National Insurance Group	Insurance/Finance	1,149
BNY Mellon	Insurance/Finance	1,140
Defense Finance and Accounting Service	Insurance/Finance	1,100
Colgate University	Education	1,045
Rome City School District	Education	1,035
Indium Corporation	Manufacturing	971

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

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

Unemployment Rate Statistics

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

	<u>Annual Average</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
City of Rome	6.3%	5.5%	5.1%	5.0%	4.7%	4.3%	8.5%	5.5%	3.6%	
Oneida County	6.2	5.4	4.9	5.0	4.4	4.1	7.8	5.1	3.5	
New York State	6.3	5.2	4.9	4.6	4.1	3.9	9.8	7.0	4.3	

	<u>2023 Monthly Figures</u>					
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	
City of Rome	4.2%	3.9%	3.4%	N/A	N/A	
Oneida County	4.3	3.9	3.5	N/A	N/A	
New York State	4.6	4.5	4.0	N/A	N/A	

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted, accessed May 19, 2023).

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Employees

The City currently employs approximately 333 full-time employees. Police and Fire Department employees and general City employees are each represented by a collective bargaining agent. Those agents that represent them and the dates of expiration of their agreements are as follows:

<u>Labor Organization</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
Civil Service Employees Association (“CSEA”)	84	December 31, 2027
Local 1088	84	December 31, 2025
Patrolmen Benevolent Association (“PBA”)	74	December 31, 2025
Firefighters	77	December 31, 2025

Source: City officials.

Status and Financing of Employee Pension Benefits

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

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

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

The City’s contributions to the Retirement Systems for the past five fiscal years and the budgeted contributions for the 2022 fiscal years are as follows:

<u>Year</u>	<u>ERS/PFRS</u>
2017	\$4,391,670
2018	4,169,389
2019	4,195,627
2020	4,368,403
2021 (Unaudited)	4,682,430
2022 (Unaudited)	4,697,789
2023 (Budgeted)	4,444,037

Source: City officials.

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

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

A chart of average ERS and PFRS rates (2019 to 2023) is shown below:

<u>State Fiscal Year Ending</u>	<u>ERS</u>	<u>PFRS</u>
2019	14.9%	23.5%
2020	14.6	23.5
2021	14.6	24.4
2022	16.2	28.3
2023	11.6	27.0

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

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

The City amortized the maximum amount allowed in 2014 and 2015 fiscal years. The City did not amortize its contributions for the 2016 through 2022 fiscal years and does not anticipate doing so for the 2023 fiscal year.

Chapter 57 of the Laws of 2010 of the State of New York requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the Retirement System’s fiscal years when the local employer opts to participate in the program. The liabilities are amortized over 10 years at an interest rate ranging from 3.00% to 3.75%. The total unpaid liability for the pension years 2012 to 2017 at December 31, 2021 was \$802,503 of which \$91,512 was reported in the Proprietary Funds and \$710,991 in the Schedule of Non-Current Governmental Liabilities. Annual debt service requirements to maturity for the unpaid amortized portion of the retirement bills are shown below:

Fiscal Year Ending	Government Activities		Business-Type Activities	
<u>December 31st</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 319,448	\$ 23,572	\$ 39,555	\$ 3,014
2023	236,448	13,022	29,079	1,716
2024	119,624	4,928	16,518	728
2025	35,471	1,138	6,360	204
Totals	\$ 710,991	\$ 42,660	\$ 91,512	\$ 5,662

Source: Audited Financial Statements.

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

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

Other Post-Employment Benefits

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

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

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

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

The following outlines the changes to the Total OPEB Liability during the 2020 and 2021 fiscal years, by source.

Total OPEB Liability - Balance at:	January 1, 2021	January 1, 2022
	\$ 107,209,250	\$ 80,714,397
<u>Changes for the year:</u>		
Service cost	\$ 1,648,015	\$ 1,237,785
Interest	2,304,695	1,648,876
Changes in benefit terms	-	-
Changes in assumptions or other inputs	1,527,307	(17,562,561)
Differences between expected and actual experience	(28,906,370)	-
Benefit payments	(3,068,500)	(2,804,700)
Net Change	(26,494,853)	(17,480,600)
Total OPEB Liability - Balance at:	December 31, 2021	December 31, 2022
	\$ 80,714,397	\$ 63,233,797

Source: The City's GASB 75 actuarial valuations.

Note: The above table is not audited.

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

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

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

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Other Information

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

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

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

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

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

The State Comptroller’s Fiscal Stress Monitoring System

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

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

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

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2021	No Designation	0.0
2020	No Designation	0.0
2019	No Designation	3.3
2018	No Designation	9.6
2017	No Designation	9.6

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

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

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FINANCIAL FACTORS

Form of Government

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

Elected and Appointed Officials

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

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

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

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

Budgetary Procedures

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

Investment Policy and Permitted Investments

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

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

Independent Audit

The City retains the independent Certified Public Accountants of D'Arcangelo & Co., LLP. The last audit report is for the period ending December 31, 2021 and is attached hereto "APPENDIX – D" to this Official Statement. The City's Audited Financial Report for the fiscal year ending December 31, 2022 is expected to be available on or about July 15, 2023. The City's Annual Update Document (as filed with the State Comptroller's Office) fiscal year ending December 31, 2022 is can be found on the Electronic Municipal Market Access ("EMMA"). Certain financial information may be found in the Appendices to this Official Statement. The financial affairs of the City are also subject to periodic compliance audits by the State Comptroller. (See "New York State Comptroller's Report of Examination" hereunder).

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

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

New York State Comptroller Report of Examination

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

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

Key Findings:

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

Key Recommendations:

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

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

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

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

Fund Structures and Accounts

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

Basis of Accounting

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

REVENUES

Property Taxes

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

The following table sets forth total General Fund revenues and real property tax revenues during each of the below ten completed fiscal years, unaudited results for 2022 and the amounts budgeted for the 2022 and 2023 fiscal years.

Fiscal Year Ending December 31st	GENERAL FUND ONLY		Real Property
	Revenues	Real Property Taxes	Taxes to to Revenues (%)
2012	\$ 39,411,925	\$ 15,817,640	40.13
2013	40,808,418	16,793,635	41.15
2014	40,708,818	16,314,467	40.08
2015	41,447,308	16,855,591	40.67
2016	41,030,532	16,058,428	39.14
2017	42,742,908	16,353,112	38.26
2018	42,213,685	16,188,635	38.35
2019	43,192,107	15,526,345	35.95
2020	40,314,450	16,165,006	40.10
2021	48,427,951	16,479,603	34.03
2022 (Budgeted)	45,011,301	16,727,173	37.16
2022 (Unaudited)	49,150,529 ⁽¹⁾	16,617,913	34.91
2023 (Budgeted)	47,445,865	16,829,349	35.47

⁽¹⁾ Includes the recognition of \$1,554,190 of Coronavirus State and Local Fiscal Recovery Funds distributed to various City capital projects.

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

Source: Audited Financial Statements, 2022 unaudited results and 2022-2023 Adopted Budgets of the City.

State Aid

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

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

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The following table sets forth total General Fund revenues and State aid during each of the below ten completed fiscal years, unaudited results for 2022 and the amounts budgeted for the 2022 and 2023 fiscal years.

<u>December 31st</u>	<u>GENERAL FUND ONLY</u>		<u>State Aid to</u>
	<u>Revenues</u>	<u>State Aid</u>	<u>Revenues (%)</u>
2012	\$ 39,411,925	\$ 10,120,782	25.68
2013	40,808,418	10,432,640	25.56
2014	40,708,818	10,321,912	25.36
2015	41,447,308	10,416,990	25.13
2016	41,030,532	10,724,591	26.14
2017	42,742,908	10,672,385	24.97
2018	42,213,685	10,589,224	25.08
2019	43,192,107	10,600,268	24.54
2020	40,235,390	8,321,543	20.68
2021	48,427,951	13,264,127	27.39
2022 (Budgeted)	45,011,301	10,999,032	24.44
2022 (Unaudited)	49,150,529 ⁽¹⁾	11,725,902	23.86
2023 (Budgeted)	47,445,865	11,299,266	23.82

⁽¹⁾ Includes the recognition of \$1,554,190 of Coronavirus State and Local Fiscal Recovery Funds distributed to various City capital projects.

Note: This table is not audited.

Source: Audited Financial Statements, 2022 unaudited results and 2022-2023 Adopted Budgets of the City.

Sales Tax

The following table sets forth total General Fund revenues and Sales Tax during each of the below ten completed fiscal years, unaudited results for 2022 and the amounts budgeted for the 2022 and 2023 fiscal years.

<u>Fiscal Year Ending</u> <u>December 31st</u>	<u>GENERAL FUND ONLY</u>		<u>Sales Tax to</u>
	<u>Revenues</u>	<u>Sales Tax</u>	<u>Revenues (%)</u>
2012	\$ 39,411,925	\$ 9,054,935	22.98
2013	40,808,418	9,009,887	22.08
2014	40,708,818	9,287,383	22.81
2015	41,447,308	9,302,503	22.44
2016	41,030,532	9,486,713	23.12
2017	42,742,908	9,952,886	23.29
2018	42,213,685	10,689,709	25.32
2019	43,192,107	10,757,854	24.91
2020	40,235,390	10,393,366	25.83
2021	48,427,951	14,051,843	29.02
2022 (Budgeted)	45,011,301	11,970,000	26.59
2022 (Unaudited)	49,150,529 ⁽¹⁾	12,776,441	25.99
2023 (Budgeted)	47,445,865	13,135,344	27.68

⁽¹⁾ Includes the recognition of \$1,554,190 of Coronavirus State and Local Fiscal Recovery Funds distributed to various City capital projects.

Note: This table is not audited.

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

The County also imposed, on September 1, 1992 an additional 1% increment to the sales tax. In July, 2007, the New York State Legislature (with the Governor signing into Law) authorized the extension of the County's 1% additional sales tax, originally passed in 1992, until November 30, 2009 which expired on November 30, 2013. On December 1, 2013 the extension was again approved and renewed until November 30, 2015 and an additional sales and compensating use tax of either three quarters of one percent or one-half of one percent was imposed for the same period. On August 13, 2015, the extension was once again approved and is now set to expire on November 30, 2017. The County's "additional" 1% rate was reauthorized by the State in 2017 for a three year period December 1, 2017 - November 30, 2020. The City receives ½% of the collections within its boundaries and the County keeps the remaining ½%.

The collections are split between the municipalities as follows:

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

Source: Audited Financial Statements, and the 2022 and 2023 Adopted Budget of the City.

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RECENT OPERATING RESULTS

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

Fiscal Year Ending December 31st	GENERAL FUND ONLY		Total Other	Prior Period	Total Fund Equity
	<u>Revenues</u>	<u>Expenditures</u>	<u>Financing Sources</u> ⁽¹⁾	<u>Adjustment</u>	<u>(Fund Balance)</u>
2008	38,691,590	37,991,276	(1,043,751)	(34,257)	7,907,626
2009	38,880,208	38,665,519	(805,856)	209,635	7,526,094
2010	39,540,770	38,558,730	(660,008)	137,176	7,985,302
2011	39,607,038	39,258,211	(988,831) ⁽²⁾	1,214,777 ⁽³⁾	8,560,075
2012	39,411,925	38,406,240	(732,555)	(1) ⁽⁴⁾	8,833,204
2013	40,808,418	38,622,443	(952,425)	(2) ⁽⁴⁾	10,066,752
2014	40,708,818	39,726,625	(888,968)	(97,542)	10,062,435
2015	41,447,309	40,194,637	(959,093)	(51,641)	10,304,373
2016	41,030,532	39,755,233	(1,083,117)	-	10,496,554
2017	42,742,908	40,689,132	(1,070,673)	(97,000)	11,382,657
2018	43,213,688	41,052,112	(964,619)	41,606	12,621,217
2019	43,192,107	41,410,047	(1,276,315)	0	13,126,962
2020	40,314,450	39,524,334	(1,302,061)	0 ⁽⁵⁾	12,615,017
2021	48,427,951	42,588,842	(1,598,296)	0	16,855,829
2022 (Projected Unaudited)	49,150,529	41,803,752	(3,603,817) ⁽⁶⁾	0	20,598,789

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

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

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Water Fund

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

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

For the fiscal year ended December 31, 2022, based on unaudited figures, the City's Water Fund revenues were \$9,166,372, Water Fund expenditures were \$7,268,814, and other sources were \$1,981,631. Based on unaudited figures, the Water Fund's total net position as of December 31, 2022 was at \$45,842,028.

In late November 2016, the City had a chlorine leak at its yet to be completed UV facility. At the time of the leak the City had not taken possession of the facility since it was not finished and therefore did not have property damage insurance coverage on it. The City's total investment in the facility to date is in excess of \$10.2 million. The Water Fund recorded a \$2.3 million impairment charge in 2016 for estimated damages. Special counsel to the City is currently reviewing the matter. In the interim, the City sought obtained agreement from the United States Environmental Protection Agency (EPA) to delay its compliance with the LT2 mandate until May 2019. As of June 1, 2019, the plant was operational and fully in compliance with the LT2 mandate.

Sewer Fund

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

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

For the fiscal year ended December 31, 2022, based on unaudited figures, the City's Sewer Fund revenues were \$4,407,859, and Sewer Fund expenditures were \$4,268,002, and other sources were \$3,303,491. Based on unaudited figures, the Sewer Fund's total net position as of December 31, 2022 was at \$43,225,001.

Refuse Fund

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

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

For the fiscal year ended December 31, 2022, based on unaudited figures, the City's Refuse Fund revenues and other sources were \$2,546,156 and Refuse Fund expenditures were \$2,518,488, and other sources were \$19,091. Based on unaudited figures, the Refuse Fund's total net position as of December 31, 2022 was at \$2,413,576.

2023 Budget Summary

For the fiscal year ending December 31, 2023, General Fund revenues are budgeted at \$47,445,864 with a budgeted reserve appropriation of \$80,000, appropriated fund balance of \$1,362,478 and General Fund Expenditures and other uses are budgeted at \$48,888,342.

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending December 31:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assessed Valuation	\$ 834,388,936	\$ 836,922,582	\$ 838,164,434	\$ 834,570,755	\$ 837,206,042
New York State Equalization Rate	71.64%	66.49%	66.09%	61.03%	53.51%
Total Taxable Full Valuation	\$ 1,164,697,007	\$ 1,258,719,480	\$ 1,268,216,726	\$ 1,367,476,249	\$ 1,564,578,662

Tax Rates Per \$1,000 Assessed

<u>Fiscal Year Ending December 31:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund	\$ 18.30	\$ 18.31	\$ 18.32	\$ 18.31	\$ 18.31

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending December 31:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total Tax Levy	\$ 15,267,812	\$ 15,326,314	\$ 15,358,405	\$ 15,283,994	\$ 15,331,884
Amount Uncollected ⁽¹⁾	519,127	736,179	638,600	586,642	N/A
% Uncollected	3.40%	4.80%	4.16%	3.84%	N/A

⁽¹⁾ See "Tax Collection Procedure" herein.

Tax Collection Procedure

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

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

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

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

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

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Constitutional Tax Margin

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

<u>Fiscal Year Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Five Year Average Full Valuation.....	\$ 1,183,696,171	\$ 1,235,939,146	\$ 1,324,737,625
Tax Limit - (2%).....	23,673,923	24,718,783	26,494,753
Total Tax Levy (General).....	15,358,405	15,283,994	15,331,884
Less: Exclusions from Tax Limit.....	9,468,178	7,762,748	6,687,634
Tax Levy Subject to Tax Limit.....	\$ 5,890,227	\$ 7,521,246	\$ 8,644,250
Percentage of Tax Limit Exhausted.....	24.88%	30.43%	32.63%
Constitutional Tax Margin.....	<u>\$ 17,783,696</u>	<u>\$ 17,197,537</u>	<u>\$ 17,850,503</u>

Source: City officials.

Ten Largest Taxpayers - 2022 Tax Rolls for 2023 Taxes

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Family Dollar Services, Inc. ⁽¹⁾	Retail	\$ 50,056,000
Built in a Day (NY) LLC	Commercial	40,335,000
National Grid	Utility	34,588,907
East Coast Olive Co. ⁽¹⁾	Commercial	10,712,300
B240 LLC	Commercial	9,650,400
Wal-Mart Real Estate Business Trust	Retail	8,172,100
Kris-Tech Wire Co. Inc ⁽¹⁾	Commercial	6,182,450
Lowe's Home Centers, Inc.	Retail	6,000,000
New York Becknell Investors Two (PILOT)	Manufacturing	5,724,310
Bryant Property Management LLC	Apartments	5,286,200

⁽¹⁾ These taxpayers have PILOTS agreements (the following bracketed amounts indicate the annual loss in income to the City for the 2022 tax year when compared to taxes that would be collected absent the PILOT agreements): Family Dollar Services, Inc.: (\$531,756), Built in a Day (NY) (\$814,451), East Coast Olive Co.: (\$145,500), Kris-Tech Wire Co. Inc.: (\$98,465) and New York Becknell Investors (\$13,812)

The ten largest taxpayers listed above have a total estimated assessed valuation of \$176,707,667, which represents approximately 21.11% of the tax base of the City for the 2022 fiscal year.

As of the date of this Official Statement, the City has four pending tax certioraris, one of which are for the taxpayers listed above. Wal-Mart has filed for 2022 only which could result in a loss of up to \$25,000. Walgreens at Black River Blvd. has filed for 2020, 2021 and 2022 which could result in a loss of up to \$50,000. Walgreens at South James Street has filed for 2020, 2021 and 2022 which could result in a loss of up to \$50,000. Rite Aid of NY has filed for 2019 only which could result in a loss up to \$30,000. Finally, Family Video Movie Club, Inc. has filed for 2022 only which could result in a loss of up to \$25,000.

Source: City tax rolls and City officials.

TAX LEVY LIMIT LAW

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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

Statutory Procedure

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

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

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

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

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

The City generally issues its obligations after the time period specified in (3) above has expired with no action filed that has contested validity. It is a procedure that is recommended by Bond Counsel and followed by the City, but it is not an absolute legal requirement.

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

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

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

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending December 31:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Bonds	\$ 45,990,000	\$ 50,052,396	\$ 57,654,241	\$ 62,022,766	\$ 66,510,510
Bond Anticipation Notes	18,314,528	7,341,150	6,104,545	6,904,941	4,580,865
EFC Drinking Water Facility Note ⁽¹⁾	8,637,214	7,864,742	0	0	3,423,566
EFC Clean Water Facility Notes ⁽²⁾	46,191	6,244,143	9,174,948	9,014,507	6,716,707
Capital Lease Obligation ⁽³⁾	2,712,299	2,199,126	1,888,182	749,774	996,405
Capital Lease Obligation ⁽⁴⁾	<u>693,654</u>	<u>553,070</u>	<u>948,419</u>	<u>1,303,221</u>	<u>989,797</u>
Totals	<u>\$ 76,393,886</u>	<u>\$ 74,254,127</u>	<u>\$ 75,770,335</u>	<u>\$ 79,995,209</u>	<u>\$ 83,217,850</u>

- (1) NYS EFC Drinking Water Facility Note for 2022 represents a total commitment of \$13.5 million for the Northwest Rome Rephase 3 Water Project. Original note dated 11/18/2021 to mature 12/18/2026. In addition, the City was awarded a \$3.0 million WIIA grant. As a result of sharply higher construction costs since the original cost estimates were prepared, the City is requesting the EFC fund an additional \$11,235,000 for this project.
- (2) NYS EFC Clean Water Facility Notes for upgrades to the City's Solids Handling Sewer plant, to construct a wastewater disinfection facility and for improvements to the City's Anaerobic Digester. The total combined financing arrangement included \$10,702,846 of grant funding, \$9,237,322 of interest free "hardship" loans and \$6,816,910 of interest bearing loans. As of December 31, 2022, \$8,690,200 was outstanding as long-term financing for these projects. In addition, the City issued \$6,677,022 on January 12, 2023 to permanently finance \$6,716,707 EFC Clean Water Facility Notes.
- (3) Lease obligations outstanding for Water, Sewer and Refuse Funds. See "Capital Lease Payable" herein. As of 12/31/2022 included \$193,674 of auto and truck lease payables with original maturities of 3 to 5 years, \$567,447 of leases on building improvements all of which was maturing in 2023 and \$235,284 for a lease on the City's land fill.
- (4) Lease obligations outstanding for the General Fund. See "Capital Lease Payable" herein. As of 12/31/22 included \$617,373 of auto and truck lease payables with original maturities of 3 to 5 years, \$60,513 in printers and copies, \$218,549 in police body cameras and tasers and \$93,362 of leases on building improvements all of which was maturing in 2023.

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

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the City evidenced by bonds and notes as of May 19, 2023:

<u>Type of Obligation</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2023-2052	\$ 71,887,532
<u>Bond Anticipation Notes</u>		
Various City Projects	June 14, 2023	<u>4,580,865</u> ⁽¹⁾
	Total	<u>\$ 76,468,397</u>

⁽¹⁾ To be partially redeemed and renewed at maturity with the proceeds of the Notes and available funds of the City.

⁽²⁾ NYS EFC Clean Water Facility Notes dated August 8, 2019 to mature on August 8, 2024. The total combined financing arrangement includes \$3,000,000 of WIIA grant funding, \$1,000,000 of NYSEDA Net Zero Energy for Economic Development Program grant, \$2,160,300 of interest free “hardship” loans and \$6,839,700 of interest bearing loans. The loans will be converted to a long term 30 year SRF bond effective December 9, 2021. The interest rate for the non-hardship piece of the bonding will be set at that time.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Power prepared and shown as of May 19, 2023:

Five-Year Average Full Valuation of Taxable Real Property	\$ 1,324,737,625
Debt Limit – 7% thereof	92,731,633

Inclusions:

Bonds	\$ 71,887,532	
Bond Anticipation Notes	<u>4,580,865</u>	
Total Inclusions		<u>\$ 76,468,397</u>

Exclusions:

Sewer Debt ⁽¹⁾	\$ 4,039,150	
Water Debt – Bonds ⁽²⁾	28,288,286	
Appropriations – Bonds	2,454,346	
Appropriations – Notes	<u>340,322</u>	
Total Exclusions		<u>\$ 35,122,104</u>

Total Net Indebtedness Subject to Debt Limit	<u>\$ 41,346,293</u>
Net Debt-Contracting Margin	<u>\$ 51,385,340</u>
Percent of Debt Contracting Power Exhausted	44.59%

The proceeds of the Notes will increase the net indebtedness of the City by \$3,835,820.

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

Bonded Debt Service

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

Cash Flow Borrowings

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

Authorized and Unissued Indebtedness

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

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

Capital Lease Payable

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

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

Source: City officials.

Capital Project Plans

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

The project was permanently financed on December 17, 2020 with a \$8,176,276 long term bond. \$1,500,000 of the \$3,000,000 WIIA grant both through the New York State Environmental Facilities Corporation ("NYS EFC") remains available for unbilled expenses. At the time of this Official Statement, the extent to which the City might be reimbursed by the primary contractor, its insurance or the City's own general liability insurance had not been determined. Debt service on this project will be paid through the Water Fund and revenues that will be raised through user fees.

The City issued a NYSEFC Clean Water Facility Note dated June 14, 2018 to mature on June 14, 2023 for upgrades to the City's Solids Handling Sewer Plant. The financing arrangement includes \$1,472,800 of WIIA grant funding and \$4,527,200 of interest free "hardship" loans of which \$4,116,927 was outstanding as of the date of this Official Statement, and is expected to be financed permanently through EFC in 2021. The City also issued a NYSEFC Clean Water Facility Note on the same date for a Wastewater Disinfection Facility. The financing arrangement includes a \$937,500 WIIA grant and \$2,812,500 interest free hardship loan of which \$2,756,250 was outstanding as of the date of this Continuing Disclosure Statement. The City was also awarded a \$2,500,000 New York State DEC Water Quality Improvement Project (WQIP) grant.

The City issued a NYSEFC Clean Water Facility Note dated March 14, 2019 to mature on March 14, 2024 for the installation of a force main, sewer interceptor, and sewer line replacement along Railroad Street to improve water quality in the Mohawk River Barge canal. The financing arrangement includes \$3,500,000 of WIIA grant funding and \$10,500,000 of interest free "hardship" loans. As a result of unanticipated cost increases after the pandemic, total project costs increased to \$16.2 million. NYSEFC tentatively agreed to increase the City's hardship loan by \$2.2 million to a total of \$12,700,000. To date, has incurred almost \$1.6 million in expenditures and has drawn \$644,101 of the WIIA grant.

Finally with regards to EFC financing, the City has obtained a commitment from the EFC for \$3,000,000 of WIIA grants and \$13,500,000 of interest free hardship financing for the Phase 3 of the West Rome Water Improvement project. The project which involves and extension of water lines and above ground tank will significantly improve the delivery of drinking water to the Northern and Western portions of the City. It represents a continuation of work originally begun in 2012. The total project is expected to approximate \$26,000,000 when this phase is completed.

Preliminary plans for 2023 include the purchase and installation of water and sewer meters for all of Rome's residential housing which is currently charged a flat rate for these services. The project is necessitated by an agreement with the New York State DEC which requires the final completion in 2025. Preliminary estimates place the cost at approximately \$13.0 million. Other plans include the repairs and improvements to the City's water infrastructure at an estimated cost of \$5.2 million of which \$3.5 million would come from a dam repair reserve established by the Common Council in December 2021. These plans are in addition to the City's normal equipment replacement needs and annual street improvement projects.

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

City Department	2023	2024	2025	2026	2027	Total
Public Works	\$ 5,155,000	\$ 2,965,000	\$ 4,115,000	\$ 2,965,000	\$ 3,065,000	\$ 18,265,000
City Yard	730,000	1,880,000	2,143,000	872,000	728,000	6,353,000
Snow Removal	-	-	-	-	-	-
Municipal Buildings	-	-	-	-	-	-
Distribution and Transmission	150,000	3,500,000	150,000	205,000	205,000	4,210,000
Engineering	-	-	-	-	-	-
Water Pollution Control	2,080,000	345,000	268,000	165,000	-	2,858,000
Parks and Recreation	321,961	-	-	-	-	321,961
Refuse	545,000	-	-	-	-	545,000
Police Department and Public Safety	-	-	-	-	-	-
Fire Department	360,000	-	-	725,000	-	1,085,000
Public Works Garage	-	1,700,000	439,000	-	-	2,139,000
Rome Parking Operations	-	-	-	-	-	-
Water Supply (Water Filtration Plant)	5,950,000	315,000	90,000	90,000	50,000	6,495,000
Community & Economic Development	22,657,251	13,045,260	12,700,000	12,320,000	3,500,000	64,222,511
Traffic Maintenance	-	-	-	-	-	-
Electrical Department	-	-	-	-	-	-
Shade Trees	-	-	-	190,000	-	190,000
Central Maintenance	-	-	-	-	-	-
Codes	-	-	-	-	-	-
TOTAL:	\$ 37,949,212	\$ 23,750,260	\$ 19,905,000	\$ 17,532,000	\$ 7,548,000	\$ 106,684,472

Source: The City of Rome's 2023-2027 Capital Improvement Plan ("CIP").

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Estimated Overlapping Indebtedness

In addition to the City, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the City. Bonded indebtedness, including bond anticipation notes, is estimated as of the close of the fiscal year of respective municipalities, adjusted to include subsequent bond issues, if any.

<u>Local Government</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>City Share</u>	<u>Net Overlapping Indebtedness</u>
County of:						
Oneida	12/31/2021	\$ 435,810,657	\$ 285,085,407 ⁽²⁾	\$ 150,725,250	10.31%	\$ 15,539,773
School District:						
Rome City SD	6/30/2022	54,900,491	53,802,481 ⁽³⁾	1,098,010	72.64%	797,594
Sherrill City SD	6/30/2022	24,503,064	22,003,751 ⁽³⁾	2,499,313	2.74%	68,481
Westmoreland CSD	6/30/2022	10,572,558	9,420,149 ⁽³⁾	1,152,409	4.91%	56,583
Oriskany CSD	6/30/2022	5,565,000	4,479,825 ⁽³⁾	1,085,175	11.00%	119,369
					Total:	<u>\$ 16,581,801</u>

⁽¹⁾ Bonds and bond anticipation notes as of close the fiscal year. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Sewer, Water, State Office Building indebtedness. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

⁽³⁾ State Building aid.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2021 and 2022.

Debt Ratios

The following table sets forth certain ratios relating to the City's Gross and Net Indebtedness as of May 19, 2023:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Gross Indebtedness ^(c)	\$ 76,468,397	\$ 2,391.58	4.89%
Net Indebtedness ^(c)	41,346,293	1,293.12	2.64
Gross Indebtedness Plus Net Overlapping Indebtedness ^(d)	93,050,198	2,910.18	5.94
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	57,928,094	1,811.72	3.70

^(a) The current population of the City is estimated to be 31,974. (See "THE CITY – Population Trends" herein.)

^(b) The City's full value of taxable real estate for the 2023 fiscal year is \$1,564,578,662. (See "TAX INFORMATION – Taxable Valuations" herein.)

^(c) See "Debt Statement Summary" for the calculations of Gross and Net Indebtedness, herein.

^(d) The City's applicable share of Net Overlapping Indebtedness is estimated to be \$16,581,801. (See "Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

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

Cybersecurity

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

STATE AID

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

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

COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the City's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid, as well as resulting in a delay or reduction of sales tax receipts or other revenues of the City. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak had caused the Federal government to declare a national state of emergency. The State had also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the City's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities located in the State, including the City. The City is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

TAX MATTERS

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

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

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

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

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

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

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

LEGAL MATTERS

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

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

LITIGATION

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

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

CONTINUING DISCLOSURE

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

Historical Compliance

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

- The City failed to provide its annual financial information, consisting of the Audited Financial Statements for fiscal year ending December 31, 2017, within 60 days of receipt. The City’s Audited Financial Statements for fiscal year ending December 31, 2017 is dated as of July 12, 2018 and was posted to the MSRB’s EMMA System on October 3, 2018, which is 83 days after the dated date. A notice of failure to provide annual financial information as required was posted to the MSRB’s EMMA System on October 16, 2018.
- In the past five years, the City on occasion did not file in a timely manner certain material event notices relating to rating changes of various insurers of certain outstanding bonds of the City. The underlying rating of the City was not affected by such bond insurer rating changes.

The City entered into a master lease agreement for the purchase of vehicles and filed a failure to file notice for the incurrence of a financial obligation on May 11, 2020.

RATING

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

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

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

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

The City contact information is as follows: Mr. David C. Nolan, City Treasurer, City of Rome, City Hall, 198 Washington Street, Rome, New York 13440, Phone: (315) 339-7678, Fax: (315) 339-7788, Email: dnolan@romecitygov.com.

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

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

CITY OF ROME, NEW YORK

Dated: May 19, 2023

DAVID C. NOLAN
CITY TREASURER & CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u> (Unaudited)
ASSETS					
Cash and Cash Equivalents	\$ 2,287,732	\$ 2,859,655	\$ 3,196,072	\$ 15,993,244	\$ 17,671,908
Investments	-	-	-	-	10,004,687
Cash and Cash Equivalents - Restricted	3,120,370	3,346,008	3,224,151	4,340,747	4,968,614
Taxes Receivable	2,160,953	1,301,612	1,378,971	1,327,736	1,029,577
Tax Sale Certificates	482,700	482,700	403,802	403,802	187,451
Property Acquired for Taxes	2,851,513	2,102,581	2,106,933	1,906,033	2,121,131
Assessments Receivable	10,688	4,469	461	461	-
Accounts Receivable	416,532	827,586	632,280	870,243	608,015
Allowance for Receivables	(1,199,445)	(1,207,018)	(967,757)	(972,759)	(446,864)
Due from Other Funds	1,786,151	1,248,560	1,515,923	2,251,872	5,884,349
Due from Other Governments	2,141,710	3,076,871	4,957,477	3,822,671	2,400,584
Prepaid Expenditures	1,011,868	1,016,106	1,038,215	1,214,766	1,152,899
TOTAL ASSETS	<u>\$ 15,070,772</u>	<u>\$ 15,059,130</u>	<u>\$ 17,486,528</u>	<u>\$ 31,158,816</u>	<u>\$ 45,582,351</u>
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$ 749,692	\$ 590,688	\$ 408,573	\$ 1,021,749	\$ 488,217
Accrued Liabilities	288,903	773,131	583,166	516,456	872,736
Other Liabilities	-	-	-	12,084,433	22,601,167
Payroll Withholdings Payable	-	-	28,625	-	-
Payroll Liabilities	-	-	-	(26)	(26)
Bond Anticipation Notes Payable	-	-	-	-	-
Judgments & Claims Payable	-	66,585	-	-	-
Due to Other Funds	-	-	-	3,129,395	455,725
Unearned Revenue - Grants/Other	1,644	1,644	3,138,856	-	-
Due to Other Governments	1,084,735	28,611	34,895	40,659	14,646
Deferred Revenue	324,581	471,509	677,397	639,719	551,093
TOTAL LIABILITIES	<u>2,449,555</u>	<u>1,932,168</u>	<u>4,871,512</u>	<u>17,432,385</u>	<u>24,983,558</u>
FUND EQUITY					
Nonspendable	\$ 3,768,180	\$ 3,070,868	\$ 3,145,448	\$ 4,121,246	\$ 4,753,475
Restricted	3,120,370	3,346,008	3,224,151	3,340,599	3,559,264
Assigned	2,066,874	2,102,063	1,155,790	1,148,643	2,090,566
Unassigned	3,665,793	4,608,023	5,089,632	8,245,339	10,195,488
TOTAL FUND EQUITY	<u>12,621,217</u>	<u>13,126,962</u>	<u>12,615,021</u>	<u>16,855,827</u>	<u>20,598,793</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 15,070,772</u>	<u>\$ 15,059,130</u>	<u>\$ 17,486,533</u>	<u>\$ 34,288,212</u>	<u>\$ 45,582,351</u>

Source: 2018-2021 Audited financial reports and 2022 Annual Update Document (unaudited) of the City. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
REVENUES					
Real Property Taxes	\$ 15,235,132	\$ 15,076,564	\$ 14,366,201	\$ 14,974,131	\$ 15,115,383
Real Property Tax Items	1,117,980	1,112,071	1,160,144	1,190,875	1,364,220
Non-Property Tax Items	10,727,790	11,398,423	11,698,961	11,218,882	14,051,843
Departmental Income	980,894	1,004,276	982,976	593,362	634,261
Intergovernmental Charges	772,029	725,053	1,003,478	677,762	796,752
Solar Power Credits	602,901	490,196	448,857	544,005	529,594
Use of Money & Property	369,567	478,183	591,121	432,123	405,665
Licenses and Permits	90,446	127,953	149,214	228,315	160,688
Fines and Forfeitures	71,116	83,442	69,863	56,348	40,650
Sale of Property and Compensation for Loss	95,605	85,423	72,782	123,281	92,920
Miscellaneous	258,866	224,819	266,045	127,626	210,652
Interfund Revenues	1,748,197	1,743,197	1,782,197	1,826,197	1,761,197
Revenues from State Sources	10,672,385	10,589,224	10,600,268	8,321,543	13,264,126
Revenues from Federal Sources	-	74,861	-	-	-
Total Revenues	<u>\$ 42,742,908</u>	<u>\$ 43,213,685</u>	<u>\$ 43,192,107</u>	<u>\$ 40,314,450</u>	<u>\$ 48,427,951</u>
EXPENDITURES					
General Government Support	\$ 4,211,569	\$ 4,264,339	\$ 4,776,526	\$ 4,450,541	\$ 4,745,945
Public Safety	13,410,480	13,917,939	14,198,242	13,961,379	14,502,492
Health	762	869	442	1,030	1,494
Transportation	4,426,211	4,468,772	4,540,340	4,060,289	4,273,760
Economic Assistance and Opportunity	-	-	-	-	-
Culture and Recreation	1,462,043	1,509,386	1,335,301	887,655	1,113,505
Home and Community Services	675,506	517,121	564,949	422,221	366,154
Employee Benefits	11,661,967	11,828,360	11,249,476	10,633,357	12,131,454
Debt Service	4,840,594	4,545,326	4,744,771	5,107,862	5,454,038
Total Expenditures	<u>\$ 40,689,132</u>	<u>\$ 41,052,112</u>	<u>\$ 41,410,047</u>	<u>\$ 39,524,334</u>	<u>\$ 42,588,842</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 2,053,776</u>	<u>\$ 2,161,573</u>	<u>\$ 1,782,060</u>	<u>\$ 790,116</u>	<u>\$ 5,839,109</u>
Other Financing Sources (Uses):					
Other Sources	-	-	-	-	-
Other Uses	-	-	-	-	-
Operating Transfers In	151,439	257,728	(1,276,315)	(79,061)	14,672
Operating Transfers Out	(1,222,112)	(1,222,347)	-	(1,223,000)	(1,612,969)
Total Other Financing	<u>(1,070,673)</u>	<u>(964,619)</u>	<u>(1,276,315)</u>	<u>(1,302,061)</u>	<u>(1,598,297)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>983,103</u>	<u>1,196,954</u>	<u>505,745</u>	<u>(511,945)</u>	<u>4,240,812</u>
FUND BALANCE					
Fund Balance - Beginning of Year	10,496,554	11,382,657	12,621,217	13,126,962	12,615,017
Prior Period Adjustments (net)	(97,000)	41,606	-	-	-
Fund Balance - End of Year	<u>\$ 11,382,657</u>	<u>\$ 12,621,217</u>	<u>\$ 13,126,962</u>	<u>\$ 12,615,017</u>	<u>\$ 16,855,829</u>

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

GENERAL FUND

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

Fiscal Years Ending December 31:

	2021			2022		2023
	Adopted Budget	Amended Budget	Actual	Adopted Budget	Unaudited Actual	Adopted Budget
REVENUES						
Real Property Taxes	\$ 15,226,115	\$ 15,226,115	\$ 15,115,383	\$ 15,289,994	\$ 15,297,342	\$ 15,278,034
Real Property Tax Items	1,342,228	1,342,228	1,364,220	1,437,179	1,320,571	1,551,315
Non-Property Tax Items	11,697,091	11,697,091	14,051,843	12,762,900	13,659,251	13,945,344
Departmental Income	1,380,384	830,640	634,261	1,154,879	1,209,791	1,224,035
Intergovernmental Charges	946,094	946,094	796,752	934,156	987,931	951,431
Solar Power Credits	-	549,744	529,594	-	-	-
Use of Money & Property	414,342	414,344	405,665	291,965	852,933	993,743
Licenses and Permits	115,000	115,000	160,688	95,000	152,373	119,000
Fines and Forfeitures	50,000	50,000	40,650	55,000	33,950	33,500
Sale of Property and Compensation for Loss	67,500	67,500	92,920	61,000	246,962	56,000
Miscellaneous	122,000	122,000	210,652	128,000	241,584	135,000
Interfund Revenues	1,761,197	1,761,197	1,761,197	1,802,197	1,802,197	1,859,197
Revenues from State Sources	10,600,474	10,600,474	13,264,126	10,999,032	11,725,902	11,299,266
Revenues from Federal Sources	-	-	-	-	1,619,742	-
Total Revenues	\$ 43,722,425	\$ 43,722,427	\$ 48,427,951	\$ 45,011,302	\$ 49,150,529	\$ 47,445,865
EXPENDITURES						
General Government Support	\$ 5,014,677	\$ 5,132,054	\$ 4,745,945	\$ 5,350,381	\$ 5,138,809	\$ 6,482,746
Public Safety	15,715,947	14,831,523	14,502,492	16,679,898	15,179,649	17,564,876
Health	1,500	1,500	1,494	1,500	927	1,700
Transportation	6,095,437	4,884,568	4,273,760	6,737,273	4,368,784	6,908,030
Economic Assistance and Opportunity	-	-	-	-	-	-
Culture and Recreation	1,360,822	1,411,398	1,113,505	1,462,092	1,393,965	1,765,052
Home and Community Services	489,968	603,695	366,154	582,807	534,016	766,877
Employee Benefits	10,942,190	12,136,871	12,131,454	11,301,139	11,631,508	11,122,673
Debt Service	5,101,389	5,207,135	5,454,038	3,381,645	3,556,098	4,132,968
Total Expenditures	\$ 44,721,930	\$ 44,208,744	\$ 42,588,842	\$ 45,496,735	\$ 41,803,756	\$ 48,744,919
Excess of Revenues Over (Under) Expenditures	\$ (999,505)	\$ (486,317)	\$ 5,839,109	\$ (485,433)	\$ 7,346,773	\$ (1,299,054)
Other Financing Sources (Uses):						
Appropriated Reserve	360,000	360,000		80,000	-	80,000
Appropriated Fund Balance	832,005	1,350,109		612,934	-	1,441,554
Operating Transfers In	-		14,672	-	4,264	-
Operating Transfers Out	(192,500)	(1,223,792)	(1,612,969)	(207,500)	(3,608,071)	(222,500)
Total Other Financing	999,505	486,317	(1,598,297)	485,434	(3,603,807)	1,299,054
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	4,240,812	-	3,742,966	-
FUND BALANCE						
Fund Balance - Beginning of Year	-		12,615,017	-	16,855,827	-
Prior Period Adjustments (net)	-	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 16,855,829	\$ -	\$ 20,598,793	\$ -

Source: 2021 Audited financial reports, 2022 Annual Update Document (unaudited) and adopted budgets of the City. This Appendix is not itself audited.

CHANGES IN FUND EQUITY

Fiscal Years Ending December 31:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>WATER FUND</u>						
Fund Equity - Beginning of Year	\$ 31,556,288	\$ 32,909,465	\$ 32,074,364	\$ 39,154,271	\$ 40,137,641	\$ 41,961,718
Cummulative Effect of Change in Accounting Principal - OPEB	-	(3,237,062)	-	-	-	-
Prior Period Adjustments (net)	(559,681)	147,812	-	-	-	1,122
Operating Revenue & Sources	8,542,056	9,054,694	14,493,760	9,367,370	10,181,635	11,148,002
Operating Expenses & Other Uses	7,652,223	7,510,237	7,413,853	8,384,000	8,357,558	7,268,814
Nonoperating Revenues	<u>1,023,025</u>	<u>709,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Equity - End of Year	\$ 32,909,465	\$ 32,074,364	\$ 39,154,271	\$ 40,137,641	\$ 41,961,718	\$ 45,842,028
<u>SEWER FUND</u>						
Fund Equity - Beginning of Year	\$ 27,056,819	\$ 29,294,651	\$ 28,980,170	\$ 33,272,199	\$ 35,240,136	\$ 39,781,653
Cummulative Effect of Change in Accounting Principal - OPEB	-	(2,140,894)	-	-	-	-
Prior Period Adjustments (net)	(284,102)	(445,917)	-	-	-	-
Operating Revenues & Sources	3,975,113	4,157,239	9,105,024	6,641,047	8,755,628	7,711,347
Operating Expenses & Other Uses	4,125,288	3,801,147	4,812,995	4,673,110	4,214,111	4,268,002
Nonoperating Revenues	<u>2,672,109</u>	<u>1,916,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Equity - End of Year	\$ 29,294,651	\$ 28,980,170	\$ 33,272,199	\$ 35,240,136	\$ 39,781,653	\$ 43,224,998

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

APPENDIX - B
City of Rome

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2023	\$ 4,716,800	\$ 1,883,919.94	\$ 6,600,719.94
2024	4,834,580	1,667,599.57	6,502,179.57
2025	4,954,580	1,545,121.36	6,499,701.36
2026	4,814,502	1,421,557.27	6,236,059.27
2027	4,854,580	1,297,525.51	6,152,105.51
2028	3,209,580	1,175,128.61	4,384,708.61
2029	3,264,580	1,105,785.17	4,370,365.17
2030	3,324,580	1,032,867.12	4,357,447.12
2031	3,089,580	959,590.42	4,049,170.42
2032	3,129,580	882,768.57	4,012,348.57
2033	3,154,580	801,333.50	3,955,913.50
2034	3,234,580	715,582.66	3,950,162.66
2035	2,139,580	627,328.72	2,766,908.72
2036	2,109,580	573,516.07	2,683,096.07
2037	1,699,580	527,161.07	2,226,741.07
2038	1,704,580	488,625.99	2,193,205.99
2039	1,734,580	446,352.97	2,180,932.97
2040	1,769,580	402,996.69	2,172,576.69
2041	1,799,580	357,964.08	2,157,544.08
2042	1,844,580	310,760.66	2,155,340.66
2043	1,884,580	262,850.27	2,147,430.27
2044	1,724,580	216,378.74	1,940,958.74
2045	1,769,580	171,207.34	1,940,787.34
2046	1,809,580	125,098.18	1,934,678.18
2047	914,580	77,967.11	992,547.11
2048	929,580	60,507.24	990,087.24
2049	939,580	42,679.39	982,259.39
2050	954,580	24,483.56	979,063.56
2051	654,580	10,006.44	664,586.44
2052	222,570	-	222,570.00
TOTALS	\$ 73,187,532	\$ 19,214,664.19	\$ 92,402,196.19

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	2016B NYS EFC			2015B Refunding of 2011			2015 Various Improvements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	510,000	453,779.22	963,779.22	825,000	228,750.00	1,053,750.00	595,000	259,956.25	854,956.25
2024	515,000	447,715.30	962,715.30	870,000	187,500.00	1,057,500.00	610,000	242,106.25	852,106.25
2025	525,000	441,076.94	966,076.94	915,000	144,000.00	1,059,000.00	630,000	223,806.25	853,806.25
2026	530,000	433,784.70	963,784.70	960,000	98,250.00	1,058,250.00	650,000	204,906.25	854,906.25
2027	540,000	425,893.00	965,893.00	1,005,000	50,250.00	1,055,250.00	670,000	185,406.25	855,406.25
2028	550,000	416,113.60	966,113.60	-	-	-	690,000	165,306.25	855,306.25
2029	560,000	404,239.10	964,239.10	-	-	-	715,000	144,606.25	859,606.25
2030	575,000	390,888.70	965,888.70	-	-	-	735,000	123,156.25	858,156.25
2031	585,000	376,151.46	961,151.46	-	-	-	755,000	101,106.25	856,106.25
2032	600,000	360,286.26	960,286.26	-	-	-	780,000	77,512.50	857,512.50
2033	615,000	343,708.26	958,708.26	-	-	-	805,000	53,137.50	858,137.50
2034	630,000	326,094.64	956,094.64	-	-	-	830,000	26,975.00	856,975.00
2035	650,000	307,553.76	957,553.76	-	-	-	-	-	-
2036	670,000	287,956.26	957,956.26	-	-	-	-	-	-
2037	680,000	267,360.46	947,360.46	-	-	-	-	-	-
2038	705,000	246,171.66	951,171.66	-	-	-	-	-	-
2039	725,000	221,264.02	946,264.02	-	-	-	-	-	-
2040	745,000	195,649.74	940,649.74	-	-	-	-	-	-
2041	770,000	169,328.90	939,328.90	-	-	-	-	-	-
2042	795,000	142,124.80	937,124.80	-	-	-	-	-	-
2043	820,000	115,476.40	935,476.40	-	-	-	-	-	-
2044	845,000	87,990.00	932,990.00	-	-	-	-	-	-
2045	875,000	59,665.60	934,665.60	-	-	-	-	-	-
2046	905,000	30,335.60	935,335.60	-	-	-	-	-	-
TOTALS	\$ 15,920,000	\$6,950,608.38	\$ 22,870,608.38	\$ 4,575,000	\$ 708,750.00	\$ 5,283,750.00	\$ 8,465,000	\$1,807,981.25	\$ 10,272,981.25

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	2015 D EFC			2015 Refunding of 2005 & 2006 Serial Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	135,000	77,208.00	212,208.00	215,000	16,725.00	231,725.00
2024	140,000	71,890.36	211,890.36	220,000	10,200.00	230,200.00
2025	140,000	66,333.76	206,333.76	230,000	3,450.00	233,450.00
2026	145,000	60,735.16	205,735.16	-	-	-
2027	150,000	54,907.60	204,907.60	-	-	-
2028	155,000	48,849.10	203,849.10	-	-	-
2029	160,000	42,573.16	202,573.16	-	-	-
2030	165,000	36,062.76	201,062.76	-	-	-
2031	170,000	29,315.90	199,315.90	-	-	-
2032	175,000	22,296.60	197,296.60	-	-	-
2033	180,000	15,070.86	195,070.86	-	-	-
2034	185,000	7,638.66	192,638.66	-	-	-
TOTALS	\$ 1,900,000	\$ 532,881.92	\$ 2,432,881.92	\$ 665,000	\$ 30,375.00	\$ 695,375.00

Fiscal Year Ending December 31st	2019 Various Improvements & Purchases of Equipment			2019 Various Improvements & Purchases of Equipment		
	Principal	Interest	Total	Principal	Interest	Total
2023	645,000	60,850.00	705,850.00	255,000	41,450.00	296,450.00
2024	660,000	47,800.00	707,800.00	260,000	36,300.00	296,300.00
2025	675,000	34,450.00	709,450.00	265,000	31,050.00	296,050.00
2026	685,000	20,850.00	705,850.00	275,000	25,650.00	300,650.00
2027	700,000	7,000.00	707,000.00	280,000	20,100.00	300,100.00
2028				285,000	14,450.00	299,450.00
2029				285,000	8,750.00	293,750.00
2030				295,000	2,950.00	297,950.00
TOTALS	\$ 3,365,000	\$ 170,950.00	\$ 3,535,950.00	\$ 2,200,000	\$ 180,700.00	\$ 2,380,700.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	2020 Various Projects			2020 EFC Drinking Water		
	Principal	Interest	Total	Principal	Interest	Total
2023	190,000	97,125.00	287,125.00	250,000	148,976.30	398,976.30
2024	185,000	92,906.25	277,906.25	250,000	148,288.80	398,288.80
2025	195,000	88,631.25	283,631.25	255,000	147,543.55	402,543.55
2026	185,000	84,356.25	269,356.25	255,000	146,612.80	401,612.80
2027	190,000	80,137.50	270,137.50	255,000	145,427.05	400,427.05
2028	195,000	75,806.25	270,806.25	255,000	143,960.80	398,960.80
2029	195,000	71,175.00	266,175.00	255,000	142,163.05	397,163.05
2030	200,000	66,237.50	266,237.50	260,000	140,063.30	400,063.30
2031	205,000	61,175.00	266,175.00	260,000	137,493.20	397,493.20
2032	210,000	55,987.50	265,987.50	260,000	134,130.10	394,130.10
2033	215,000	50,675.00	265,675.00	265,000	129,888.43	394,888.43
2034	225,000	45,175.00	270,175.00	265,000	124,883.91	389,883.91
2035	225,000	39,550.00	264,550.00	265,000	119,329.51	384,329.51
2036	165,000	34,675.00	199,675.00	270,000	113,338.56	383,338.56
2037	170,000	30,487.50	200,487.50	270,000	106,969.26	376,969.26
2038	175,000	26,175.00	201,175.00	275,000	100,265.98	375,265.98
2039	180,000	21,737.50	201,737.50	275,000	93,263.10	368,263.10
2040	185,000	17,175.00	202,175.00	280,000	86,309.60	366,309.60
2041	185,000	12,550.00	197,550.00	280,000	78,802.80	358,802.80
2042	190,000	7,743.75	197,743.75	285,000	70,505.78	355,505.78
2043	200,000	2,625.00	202,625.00	285,000	62,135.33	347,135.33
2044				290,000	53,691.45	343,691.45
2045				295,000	45,100.73	340,100.73
2046				295,000	36,799.43	331,799.43
2047				300,000	28,793.70	328,793.70
2048				305,000	20,653.43	325,653.43
2049				305,000	12,445.88	317,445.88
2050				310,000	4,171.05	314,171.05
2051				-	-	-
TOTALS	\$ 4,065,000	\$ 1,062,106.25	\$ 5,127,106.25	\$ 7,670,000	\$ 2,722,006.88	\$ 10,392,006.88

Fiscal Year Ending December 31st	2021 EFC Bonds			2021 Various Projects		
	Principal	Interest	Total	Principal	Interest	Total
2023	181,910	141,701.38	323,611.38	200,000	52,393.75	252,393.75
2024	180,000	141,173.86	321,173.86	205,000	48,343.75	253,343.75
2025	185,000	140,435.86	325,435.86	205,000	44,243.75	249,243.75
2026	185,000	139,418.36	324,418.36	210,000	40,093.75	250,093.75
2027	185,000	138,160.36	323,160.36	145,000	36,543.75	181,543.75
2028	185,000	136,698.86	321,698.86	150,000	33,593.75	183,593.75
2029	190,000	134,959.86	324,959.86	155,000	30,543.75	185,543.75
2030	190,000	132,964.86	322,964.86	150,000	27,493.75	177,493.75
2031	195,000	130,779.86	325,779.86	160,000	24,393.75	184,393.75
2032	195,000	128,361.86	323,361.86	150,000	21,293.75	171,293.75
2033	200,000	125,559.70	325,559.70	150,000	18,293.75	168,293.75
2034	200,000	122,171.70	322,171.70	155,000	15,243.75	170,243.75
2035	205,000	118,401.70	323,401.70	40,000	13,293.75	53,293.75
2036	210,000	114,252.50	324,252.50	40,000	12,493.75	52,493.75
2037	215,000	109,750.10	324,750.10	30,000	11,793.75	41,793.75
2038	220,000	104,869.60	324,869.60	35,000	11,143.75	46,143.75
2039	225,000	99,644.60	324,644.60	35,000	10,443.75	45,443.75
2040	230,000	94,118.60	324,118.60	35,000	9,743.75	44,743.75
2041	235,000	88,260.50	323,260.50	35,000	9,021.88	44,021.88
2042	245,000	82,108.20	327,108.20	35,000	8,278.13	43,278.13
2043	250,000	75,079.16	325,079.16	35,000	7,534.38	42,534.38
2044	260,000	67,906.66	327,906.66	35,000	6,790.63	41,790.63
2045	265,000	60,447.26	325,447.26	40,000	5,993.75	45,993.75
2046	275,000	52,844.40	327,844.40	40,000	5,118.75	45,118.75
2047	280,000	44,954.66	324,954.66	40,000	4,218.75	44,218.75
2048	290,000	36,535.06	326,535.06	40,000	3,318.75	43,318.75
2049	300,000	27,814.76	327,814.76	40,000	2,418.75	42,418.75
2050	310,000	18,793.76	328,793.76	40,000	1,518.75	41,518.75
2051	315,000	9,472.06	324,472.06	45,000	534.38	45,534.38
TOTALS	\$ 6,601,910	\$ 2,817,640.10	\$ 9,419,550.10	\$ 2,675,000	\$ 516,134.38	\$ 3,191,134.38

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	2022 Various Projects			2022 EFC SIB		
	Principal	Interest	Total	Principal	Interest	Total
2022						
2023	420,310	204,979.94	625,289.94	72,010	-	72,010.00
2024	445,000	100,025.00	545,025.00	72,010	-	72,010.00
2025	440,000	93,350.00	533,350.00	72,010	-	72,010.00
2026	440,000	86,750.00	526,750.00	72,010	-	72,010.00
2027	440,000	80,150.00	520,150.00	72,010	-	72,010.00
2028	450,000	73,550.00	523,550.00	72,010	-	72,010.00
2029	455,000	66,800.00	521,800.00	72,010	-	72,010.00
2030	460,000	59,975.00	519,975.00	72,010	-	72,010.00
2031	465,000	53,075.00	518,075.00	72,010	-	72,010.00
2032	465,000	46,100.00	511,100.00	72,010	-	72,010.00
2033	430,000	36,800.00	466,800.00	72,010	-	72,010.00
2034	450,000	28,200.00	478,200.00	72,010	-	72,010.00
2035	460,000	19,200.00	479,200.00	72,010	-	72,010.00
2036	460,000	10,000.00	470,000.00	72,010	-	72,010.00
2037	40,000	800.00	40,800.00	72,010	-	72,010.00
2038	-	-	-	72,010	-	72,010.00
2039	-	-	-	72,010	-	72,010.00
2040	-	-	-	72,010	-	72,010.00
2041	-	-	-	72,010	-	72,010.00
2042	-	-	-	72,010	-	72,010.00
2043	-	-	-	72,010	-	72,010.00
2044	-	-	-	72,010	-	72,010.00
2045	-	-	-	72,010	-	72,010.00
2046	-	-	-	72,010	-	72,010.00
2047	-	-	-	72,010	-	72,010.00
2048	-	-	-	72,010	-	72,010.00
2049	-	-	-	72,010	-	72,010.00
2050	-	-	-	72,010	-	72,010.00
2051	-	-	-	72,010	-	72,010.00
TOTALS	\$ 6,320,310	\$ 959,754.94	\$ 7,280,064.94	\$ 2,088,290	\$ -	\$ 2,088,290.00

Fiscal Year Ending December 31st	2023 EFC Sewer Bonds		
	Principal	Interest	Total
2022			
2023	222,570	-	222,570.00
2024	222,570	-	222,570.00
2025	222,570	-	222,570.00
2026	222,492	-	222,492.00
2027	222,570	-	222,570.00
2028	222,570	-	222,570.00
2029	222,570	-	222,570.00
2030	222,570	-	222,570.00
2031	222,570	-	222,570.00
2032	222,570	-	222,570.00
2033	222,570	-	222,570.00
2034	222,570	-	222,570.00
2035	222,570	-	222,570.00
2036	222,570	-	222,570.00
2037	222,570	-	222,570.00
2038	222,570	-	222,570.00
2039	222,570	-	222,570.00
2040	222,570	-	222,570.00
2041	222,570	-	222,570.00
2042	222,570	-	222,570.00
2043	222,570	-	222,570.00
2044	222,570	-	222,570.00
2045	222,570	-	222,570.00
2046	222,570	-	222,570.00
2047	222,570	-	222,570.00
2048	222,570	-	222,570.00
2049	222,570	-	222,570.00
2050	222,570	-	222,570.00
2051	222,570	-	222,570.00
2052	222,570	-	222,570.00
TOTALS	\$ 6,677,022	\$ -	\$ 6,677,022.00

MATERIAL EVENT NOTICES WITH RESPECT TO THE NOTES

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

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

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

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

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

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

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

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

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

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

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CITY OF ROME

ONEIDA COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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



MANAGEMENT'S
DISCUSSION AND
ANALYSIS AND
FINANCIAL STATEMENTS

For the Year Ended
December 31, 2021

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

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0636

Independent Auditor's Report

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

Adverse, Qualified, and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rome, New York, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Rome, New York's basic financial statements as listed in the table of contents.

Summary of Opinions

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

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of Rome, New York, as of December 31, 2021, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Rome, New York, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Rome, New York, and to meet our other ethical

responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, qualified, and unmodified audit opinions.

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Rome, New York's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Rome, New York's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is

required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

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

The combining General Fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022, 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

June 29, 2022

Rome, New York

CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

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, 2021 along with certain comparative data for the year ended December 31, 2020. 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 were exceeded by its liabilities and deferred inflows at December 31, 2021, by \$2,292,918, which is illustrated in the financial statements as "Net Position (deficit)" (pages 17 and 18).
- The total Net Position (deficit) attributable to Governmental Activities increased by \$12,078,380 from 2020 (page 18).
- At December 31, 2021, the City of Rome's governmental funds reported combined ending fund balances of \$8,376,209, an increase of \$2,956,850 from the prior year (page 22). The deficit of \$7,959,971 in the Capital Project Fund was due to timing differences between when the projects are expended and when they are financed.
- The modified 2021 budget anticipated a reduction in the General Fund reserves and fund balance of \$1,710,109; however, the actual operations for 2021 resulted in a surplus in the amount of \$4,240,812.

Business-Type Activities

- The assets of the City of Rome's Business-Type Activities exceeded its liabilities at December 31, 2021, by \$84,113,368, which is illustrated in the financial statements as "Net Position" (pages 17 and 18).
- The total Net Position attributable to Business-Type Activities increased by \$6,414,003 (page 18). This increase was primarily due to \$4,093,907 received through various State and federal grants to fund capital projects in the Water and Sewer Funds.
- The continued various capital projects for the Water and Sewer Funds had a total authorization of \$84,559,921. These projects include plant upgrades, ultra violet, water and sewer improvements, and water extensions. During 2021, the City expended \$5,923,177 for these projects. At December 31, 2021, the aggregate project to date amounts spent on these projects was \$49,571,105.

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 17 and 18.

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, 2021

(Continued)

FUND FINANCIAL STATEMENTS

Our analysis of the City's major funds begins on page 19 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 21.

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

Business-Type Activities – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in business-type activities funds. Business-Type Activities Funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's Enterprise Funds (the only Business-Type Activities funds of the City) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for Business-Type Activities Funds. These statements begin on page 24.

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 28 and 29 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 30-59 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 60-63 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 were exceeded by its liabilities and deferred inflows by \$2,292,918 at December 31, 2021.

By far the largest portion of the City's net position, \$82,465,779, represents its investment in capital assets (e.g. land, buildings, machinery, and equipment), 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, 2021

(Continued)

The following is a summary of the City's Statement of Net Position for the year's ended December 31, 2021 and 2020:

Table 1 - Net Position (In Thousands)

	Governmental Activities		Business-Type Activities		Primary Government	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 35,874	\$ 20,578	\$ 32,514	\$ 25,995	\$ 68,388	\$ 46,573
Capital Assets, (Net of Depreciation)	99,735	98,430	117,394	114,611	217,129	213,041
Total Assets	<u>\$ 135,609</u>	<u>\$ 119,008</u>	<u>\$ 149,908</u>	<u>\$ 140,606</u>	<u>\$ 285,517</u>	<u>\$ 259,614</u>
Deferred Outflows of Resources	<u>\$ 23,327</u>	<u>\$ 26,098</u>	<u>\$ 2,443</u>	<u>\$ 2,768</u>	<u>\$ 25,770</u>	<u>\$ 28,866</u>
Non-Current Liabilities	\$ 96,976	\$ 123,427	\$ 52,681	\$ 49,879	\$ 149,657	\$ 173,306
Other Liabilities	28,585	34,258	11,588	15,715	40,173	49,973
Total Liabilities	<u>\$ 125,561</u>	<u>\$ 157,685</u>	<u>\$ 64,269</u>	<u>\$ 65,594</u>	<u>\$ 189,830</u>	<u>\$ 223,279</u>
Deferred Inflows of Resources	<u>\$ 35,668</u>	<u>\$ 1,792</u>	<u>\$ 3,969</u>	<u>\$ 81</u>	<u>\$ 39,637</u>	<u>\$ 1,872</u>
Net Investment in Capital Assets	\$ 82,466	\$ 79,921	\$ 63,448	\$ 65,034	\$ 145,914	\$ 144,955
Restricted	4,342	3,226	5,089	1,589	9,431	4,815
Unrestricted (Deficit)	(89,101)	(97,518)	15,576	11,076	(73,525)	(86,442)
Total Net Position (Deficit)	<u>\$ (2,293)</u>	<u>\$ (14,371)</u>	<u>\$ 84,113</u>	<u>\$ 77,699</u>	<u>\$ 81,820</u>	<u>\$ 63,328</u>

A portion of the City's net position (\$9.4 million) represents resources that are subject to external restrictions on how they may be used and, thus, are reported as restricted net position. The restrictions include \$8.4 million for various reserves allowed by the New York State General Municipal Law and \$1 million restricted by a standby letter of credit through a contractual agreement to purchase the City's street lights. The *unrestricted net position* may be used to meet the government's ongoing obligations to citizens and creditors. At December 31, 2021, the unrestricted net position totaled negative \$73.5 million, which is the result of the accrual of \$80.7 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 \$5.7 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 were exceeded by its liabilities at December 31, 2021, by \$2,292,918. Governmental activities increased the City's net position by \$12,078,380.

The surplus in the business-type activities increased the City's net position by \$6,414,003. The overall increase was primarily due to State and federal capital grants in the Water and Sewer Funds for a total of \$4,093,907.

**CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021**

(Continued)

The following is a summary of the City's Statement of Activities for the year's ended December 31, 2021 and 2020:

	Table 5- General Funds (In Thousands)			
	2021		2020	
	Amount	% of Total	Amount	% of Total
Revenues				
Real Property Taxes	\$ 15,115	31.2%	\$ 14,974	37.1%
Other Real Property Tax Items	1,364	2.8%	1,191	3.0%
Nonproperty Tax Items (Sales Tax and Franchise Fees)	14,052	29.0%	11,219	27.8%
Departmental Income	634	1.3%	593	1.5%
Intergovernmental Charges	797	1.6%	678	1.7%
Solar Power Credits	530	1.1%	544	1.3%
Use of Money and Property	406	0.8%	432	1.1%
Interfund Revenues	1,761	3.6%	1,826	4.5%
State and Federal Aid	13,264	27.4%	8,322	20.6%
Miscellaneous	505	1.1%	535	1.4%
Total Revenue	48,428	100.0%	40,314	100.0%
Expenses				
General Support	4,746	11.1%	4,451	11.3%
Public Safety	14,503	34.1%	13,961	35.3%
Public Health	1	0.0%	1	0.0%
Transportation	4,274	10.0%	4,060	10.3%
Culture and Recreation	1,114	2.6%	888	2.2%
Home and Community Services	366	0.9%	422	1.1%
Employee Benefits	12,131	28.5%	10,633	26.9%
Debt Service-Principle	4,649	10.9%	4,139	10.5%
Debt Service-Interest	805	1.8%	969	2.4%
Total Expenditures	42,589	100.0%	39,524	100.0%
Other Financing Sources (Uses)	(1,598)		(1,302)	
Total Change in Net Position	\$ 4,241		\$ (512)	

The following are explanations of significant variances noted above:

- Capital Grant revenue increased \$4.8 million due to prior year capital project activity.
- Nonproperty tax items increased \$2.8 million mainly due to the increase in Sales Tax.
- General State Aid increased \$3.8 million – This was mainly the result of delays in the prior year due to COVID-19.
- The expenses in the governmental activities decreased \$9.9 million. This was mainly due to a net decrease of \$8.0 million related to the other post-employment expense and a net increase of \$1.0 million related to pension costs.

**CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021**

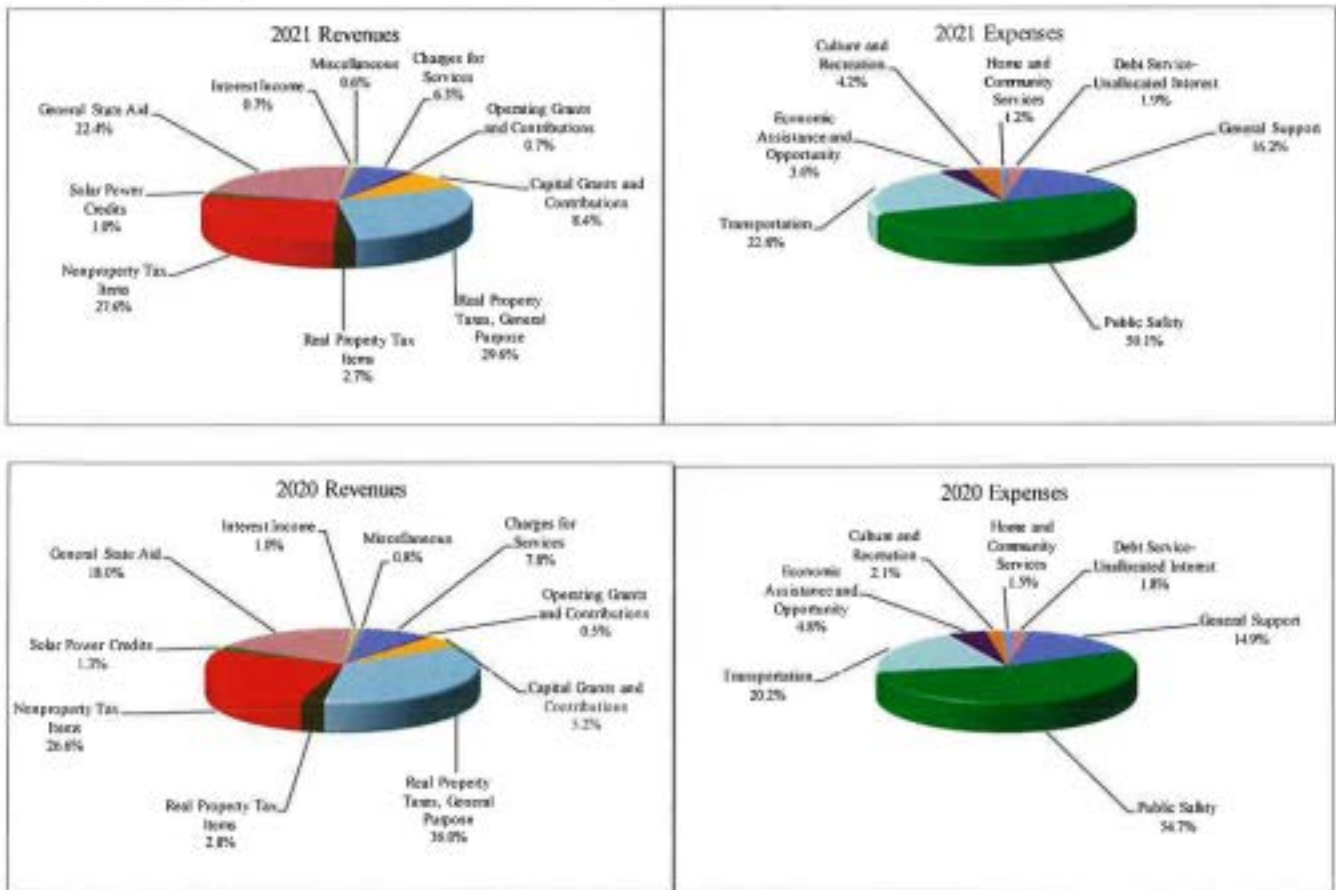
(Continued)

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

Table 3 - Governmental Activities (In Thousands)

	2021		2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Public Safety	\$ 19,493	\$ 18,245	\$ 26,690	\$ 25,423
Transportation	8,856	4,707	9,838	7,530
Economic Assistance and Opportunity	1,416	(114)	2,368	1,226
Culture and Recreation	1,616	1,393	1,018	914
Home and Community Services	462	462	754	754
Total of Analysis	\$ 31,843	\$ 24,693	\$ 40,668	\$ 35,847

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



CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

(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)

	2021			2020		
	Water	Sewer	Refuse District	Water	Sewer	Refuse District
Total Assets and Deferred Outflows of Resources	\$ 81,250	\$ 69,267	\$ 3,157	\$ 81,212	\$ 63,560	\$ 3,104
Net Position	\$ 41,962	\$ 39,782	\$ 2,367	\$ 40,138	\$ 35,240	\$ 2,370
Change in Position	\$ 1,824	\$ 4,542	\$ (3)	\$ 983	\$ 1,968	\$ (242)

Fund Financial Analysis

As the City completed the year, its governmental funds (as presented in the balance sheet on pages 19 and 20) reported a *combined* fund balance of \$8,376,209, which was an increase of \$2,956,850 from last year's total fund balance of \$5,419,359. Included in this year's total change in fund balance is an operating surplus of \$4,240,812 in the City's General Fund, and an operating deficit of \$1,330,857 in the City's Capital Fund.

An overview of the General Fund results for 2021 and 2020 are as follows:

Table 5- General Funds (In Thousands)

	2021		2020	
	Amount	% of Total	Amount	% of Total
Revenues				
Real Property Taxes	\$ 15,115	31.2%	\$ 14,974	37.1%
Other Real Property Tax Items	1,364	2.8%	1,191	3.0%
Nonproperty Tax Items (Sales Tax and Franchise Fees)	14,052	29.0%	11,219	27.8%
Departmental Income	634	1.3%	593	1.5%
Intergovernmental Charges	797	1.6%	678	1.7%
Solar Power Credits	530	1.1%	544	1.3%
Use of Money and Property	406	0.8%	432	1.1%
Interfund Revenues	1,761	3.6%	1,826	4.5%
State and Federal Aid	13,264	27.4%	8,322	20.6%
Miscellaneous	505	1.1%	535	1.4%
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General Support	4,746	11.1%	4,451	11.3%
Public Safety	14,503	34.1%	13,961	35.3%
Public Health	1	0.0%	1	0.0%
Transportation	4,274	10.0%	4,060	10.3%
Culture and Recreation	1,114	2.6%	888	2.2%
Home and Community Services	366	0.9%	422	1.1%
Employee Benefits	12,131	28.5%	10,633	26.9%
Debt Service-Principle	4,649	10.9%	4,139	10.5%
Debt Service-Interest	805	1.8%	969	2.4%
Total Expenditures	42,589	100.0%	39,524	100.0%
Other Financing Sources (Uses)	(1,598)		(1,302)	
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**CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021**

(Continued)

Although there was no rate increase, Real property taxes increased by a net of \$141,000 due a increase in assessments and changes in deferred taxes.

Overall General Fund revenues increased \$8.4 million. This increase was mainly the result of an \$2.8 million increase in nonproperty taxes as a result of a 19% increase in sales tax. In addition, there was a \$4.9 million increase in State Aid mainly due to prior year delays that were due to COVID-19.

GENERAL FUND BUDGET HIGHLIGHTS

The statement on page 60 shows both original and final amended budget totals compared with actual results for the General Fund in 2021. The significant variances between the adopted and the final budget for 2021 were as follows:

Adopted Budget	\$ 44,944,838
Add: Prior Year's Encumbrances	<u>323,785</u>
Original Budget	<u>45,268,623</u>
Amendments:	
Cleaning of Air Ducts	144,140
Ammunition Purchases	<u>19,773</u>
Total Budget Amendments	<u>163,913</u>
Final Budget	<u>\$ 45,432,536</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2021, the City had \$145 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 41-42).

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

	2021		
	Governmental Activities	Business-Type Activities	Primary Government Totals
Land	\$ 6,795	\$ 191	\$ 6,986
Construction in Progress	24,056	36,038	60,094
Buildings and Improvements	11,258	6,738	17,996
Machinery and Equipment	4,431	2,306	6,737
Infrastructure	<u>53,195</u>	<u>72,121</u>	<u>125,316</u>
Total Net Capital Assets	<u>\$ 99,735</u>	<u>\$ 117,394</u>	<u>\$ 217,129</u>
	2020		
	Governmental Activities	Business-Type Activities	Primary Government Totals
Land	\$ 6,795	\$ 191	\$ 6,986
Construction in Progress	19,630	30,114	49,744
Buildings and Improvements	12,132	7,088	19,220
Machinery and Equipment	5,602	2,739	8,341
Infrastructure	<u>54,271</u>	<u>74,479</u>	<u>128,750</u>
Total Net Capital Assets	<u>\$ 98,430</u>	<u>\$ 114,611</u>	<u>\$ 213,041</u>

**CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021**

(Continued)

Long-Term Debt

At year end, the City had \$65.1 million in bonds and leases outstanding (see pages 48-54 for additional detail). The City also has short-term bond anticipation notes payable in the amount of \$15.9 million and \$15.3 million at December 31, 2021 and 2020, respectively. The City has utilized 36.3% and 27.4% of its constitutional debt limit at December 31, 2021 and 2020, respectively.

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

	2021		
	Governmental Activities	Business-Type Activities	Primary Government Totals
General Obligation Bonds	\$ 19,595	\$ 43,432	\$ 63,027
Capital Leases	750	1,303	2,053
Total	<u>\$ 20,345</u>	<u>\$ 44,735</u>	<u>\$ 65,080</u>
	Governmental Activities	Business-Type Activities	Primary Government Totals
General Obligation Bonds	\$ 21,358	\$ 37,455	\$ 58,813
Capital Leases	948	1,888	2,836
Total	<u>\$ 22,306</u>	<u>\$ 39,343</u>	<u>\$ 61,649</u>

Other Long-Term Debt

At year end, the City had other debt that totaled to \$85 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)

	2021		
	Governmental Activities	Business-Type Activities	Primary Government Totals
OPEB Liability	\$ 73,641	\$ 7,073	\$ 80,714
Due to NYS Employees Retirement System	711	92	803
Workers' Compensation Claims Payable	2,025	686	2,711
Compensated Absences	255	95	350
Total	<u>\$ 76,632</u>	<u>\$ 7,946</u>	<u>\$ 84,578</u>
	Governmental Activities	Business-Type Activities	Primary Government Totals
OPEB Liability	\$ 97,767	\$ 9,443	\$ 107,210
Due to NYS Employees Retirement System	1,092	140	1,232
Workers' Compensation Claims Payable	1,815	848	2,663
Compensated Absences	446	105	551
Total	<u>\$ 101,120</u>	<u>\$ 10,536</u>	<u>\$ 111,656</u>

**CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021**

(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 72.7 square miles.

The City is within the Utica-Rome Standard Metropolitan Statistical Area and is the second largest city in Oneida County, a County which has an estimated 2020 U.S. Census population of 232,125. Rome is served by the New York State Thruway, the State Barge Canal, Amtrak Rail System, the Griffiss International Airport and Syracuse Hancock International Airport, and several State highways.

It is within easy travel distance of all major metropolitan areas in the Northeast, Midwest, and Canada. The City bus system is operated by Central New York Regional Transportation Authority, (Centro of Oneida, Inc.).

The City of Rome's architectural and cultural heritages comprise a large portion of its cultural facilities and programs. Several existing structures are on the National Register of Historic Buildings. The area has a number of landmarks prominent from the Revolutionary Period, the Erie Canal days, and a variety of museums and community arts programs. In addition, the area offers many summer and winter recreational opportunities ranging from City facilities and access to Adirondack resorts, such as Old Forge and Lake Placid.

Employment in the City of Rome is stable. Most recent figures provided by the New York State Department of Labor, for the 12-month period ending April 2022, show that the number of employed in the Utica-Rome metro area was 121,200 in comparison to 119,400 in April of 2021 and 108,689 in April 2020 during the height of the pandemic. In March 2022 the unemployment rate stood at 4.2% in comparison to 6.6% in March 2021 and 14.5% in April 2020. The trend of total employment and the unemployed rate is similar to other cities in the State.

COMMERCIAL & INDUSTRIAL DEVELOPMENT

Commercial development in the area has been growing at a faster pace in the last several years. Principal factors in that growth have included the development of the Griffiss Business and Technology Park, Mohawk Valley Economic Development Growth Enterprises Corporation (EDGE), Brownfield Revitalization, improvements to transportation and infrastructure, as well as, regional economic developments.

GRIFFISS BUSINESS & TECHNOLOGY PARK: AN ECONOMIC ENGINE

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

The Griffiss Park continues to show strong economic growth. Orgill, Inc., the largest independent hardware distributor in the world, opened their first Northeast Distribution Center on 64 acres of land at the Griffiss and Business Technology Park. The \$72 million DC is almost 800,000 square feet and employs 300 people.

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.

Bonacio Construction recently completed a newly constructed 40,000 square foot office building occupied by two technology related companies enabling them to expand their footprint in the business and technology park.

**CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021**

(Continued)

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 – including a public high school; expansion and modernization of the Air Force Research Laboratories; a 950,000 square foot distribution center for Family Dollar; a research and development facility for cellulosic ethanol; new advanced manufacturing plants for Goodrich Corporation, MGS Manufacturing, Kris-Tech Wire, and Sovena USA; construction and fit-out of new office buildings for cyber and information technology firms; a major renovation and expansion of an aircraft hangar to accommodate a heavy aircraft maintenance repair and overhaul facility; and site/infrastructure improvements to open more than 30 acres of new land for development. Continued development in the Park was most recently illustrated by a 32,000 square foot office headquarters facility completed for NYSTEC, a nonprofit technology company, and Booz Allen Hamilton, a long-time tenant of the park.

This new collaborative facility will maintain 158 high technology jobs and create 60 more.

Griffiss Business and Technology Park is transforming into a hustling, bustling residential/commercial workspace with the addition of AirCity Lofts. Phase 1 of the \$21 million-dollar AirCity Lofts opened its doors to the first resident tenants on the business park in fall 2020. 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. In response to the fast-changing world of telecommuting, these apartments will feature IP over fiber allowing the residents the very best in high-speed internet service very similar to their work environment. Phase 1 features 84 residential units, fully occupied, with 29,000 square feet of commercial space including 2 restaurants. Phase 2 was recently completed with two more buildings featuring 72 residential units and 26,000 square feet of commercial space fully occupied on opening. Phase 3 broke ground this year featuring 100 residential units with the introduction of some loft style apartments to the Griffiss Park.

Just outside the Park is the former Air Force base housing site, Woodhaven. This nearly 100 acre site on Floyd Avenue, with a back gate access to the Griffiss Business and Technology Park, will soon be home to the largest single family housing development in decades, not only in the City of Rome, but Oneida County. Bonacio Construction has purchased approximately 64 acres to build 250 single-family homes that began with site work in fall 2021 and new home construction in spring 2022 resulting in millions of dollars of new revenue to support the City's residential tax base. Complementing this housing development, nearby schools and the business park, the Rome YMCA will also build a new facility on the Floyd Avenue parcel. Other developments on the former base property are as follows:

- The recent completion of the final phase of State Route 825 which converted the former two lane main thoroughfare through the Park into a four-lane divided highway with dedicated pedestrian walkways.
- Assured Information Security (AIS), a developer of high technology applications within the cyber domain, moved into their new Corporate Headquarters Facility in Griffiss Park. They have steadily increased employment to 170 employees since launching in 2001 with two co-founders.
- Kris-Tech Wire, recently completed a multi-million-dollar 50,000 square foot facility at Griffiss that employing nearly 40 people and has invested an additional \$1.8 million for a 25,000 square foot addition. Kris-Tech recently added a second location for their new acquisition, OnePull, in the West Rome Industrial Park filling the space vacated by Cold Point, Inc., who just opened their recently completed \$5 million-dollar manufacturing facility in downtown Rome and is leasing 100,000 square feet of space in the Park.
- Oneida County has invested more than \$7,500,000 into the new 18,000 square foot Griffiss International Airport terminal building, including the establishment of a US Customs Office at the airport to facilitate commercial traffic and international travel.
- Griffiss International Airport was one of six airports in the United States chosen by the Federal Aviation Agency to allow civilian Unmanned Aerial Vehicle (UAV aka drones) testing. The UAV sector is poised for significant investment and job growth in the coming decade. Add information about Griffiss terminal building and customs office. Griffiss is a strategic component of the NUAIR Alliance – including Saab Sensis, SRC, Raytheon, Lockheed Martin, RIT, MIT, University of Massachusetts, Syracuse University, Clarkson University, and Northeastern University.
- The Griffiss Institute facilitates public, private and academia collaborations to facilitate the growth and support the technology base for creating solutions to critical cyber security problems. They created thirteen new jobs in their business incubator, served a Prometric testing facility to 600 students, offered thirty classes to 400 students through academia partnerships, and housed a summer internship program for STEM students. Griffiss Institute has partnered with the MVCC Thincubator to host the Commercialization Academy – which cultivates new STEM entrepreneurs by commercializing patented technology

**CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021**

(Continued)

developed at the Air Force Research Laboratories. To date, the Commercialization Academy has graduated 2 cohorts with a third underway. The Griffiss Institute is in the midst of a \$6 Million expansion project, adding new space for cyber research and engineering firms such as BAE systems.

ECONOMIC DEVELOPMENT PARTNERSHIPS AND LOCAL GOVERNMENT EFFICIENCY

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

The City of Rome and Mohawk Valley EDGE have forged a mutually-beneficial relationship during the past seven years; wherein EDGE works closely with City departments to provide technical assistance and staff services for strategic site development, structuring complex economic development deals, brownfields redevelopment, and strategic planning activities. Most recently, EDGE has partnered with the City to:

- Secured an incentive proposal for \$1.5 million State grant for demolition of 140 vacant, blighted, and abandoned properties situated on approximately 70 acres – formerly known as Woodhaven military housing development. The project also included preparing a Generic Environmental Impact Statement for preferred redevelopment scenarios for the property, including an additional 30-acre site, known today as Riverwalk Park.
- Unlocked more than \$750,000 in funding from the Department of State Local Waterfront Revitalization Program for strategic site planning and development of a critical section of Rome's canal front from James Street to Bellamy Park. EDGE will facilitate a full DGEIS for the area, assist with preliminary engineering and design, and outline a financing structure for future high-value, mixed-use development along the underutilized waterfront. The S. James Street Overlook, the first public project as a result of this grant, has been awarded for \$500,000 and construction will be underway this year.
- Develop six new funding proposals under the NYS Consolidated Funding Application for CFA Round 9, including proposals for public infrastructure, waterfront programming, trails planning, and brownfield revitalization.
- Pursue economic development leads and provide technical site selection information to prospective companies to locate in Rome.
- Participate in strategic planning, zoning revisions, and infrastructure planning to forge and enhance connections between Griffiss Tech Park and neighborhoods in Rome.
- Ensure tighter coordination with the Mohawk Valley Regional Economic Development Council and alignment with state and regional growth strategies.

BROWNFIELD REVITALIZATION

The Rome Brownfield Opportunity Area (BOA), is a strategic development site located along the Mohawk River and Erie Canal. A comprehensive Implementation Strategy – From Brown to Green – was one of the first of twelve officially designated in 2014 by the State of New York. This designation is unique and sets Rome apart from tens of thousands of rustbelt communities in the Northeast. A designated BOA commands a preference for State funding assistance, while increasing the value of Brownfield Tax Credits that private developers can access for revitalization projects.

Most recently, the City partnered with EDGE, the Rome Community Brownfields Restoration Corporation, and the Oneida County Industrial Development Agency to complete a nearly \$5 million environmental clean-up and demolition effort on the former Rome Cable site in downtown Rome. Funding sources for the project included the NYS Environmental Restoration Program, the Restore NY Program, National Grid, and the City. Five acres of prime development property featuring environmental indemnification from the State, are now made available for redevelopment and the construction of a new 50,000 square foot advanced facility. The Whalen Companies has started construction on a new state of the art 50,000 square foot manufacturing facility. The project will preserve 35 jobs and add 15 more from an additional third shift. The City has secured a \$1 million RESTORE grant and DEC last year completed a \$14 million remediation and redevelopment project of an adjacent brownfield site that will clear the way for 15 new acres of industrial development space in the City's downtown/west side corridor. The RESTORE grant will allow for site work and utilities infrastructure redevelopment to begin later this year at the remediated Complex 4 site where potential end-users have been identified.

TRANSPORTATION & INFRASTRUCTURE

The City of Rome places great value in the condition, form, and function of its infrastructure. The past few years have been marked by dramatic improvements to downtown streetscapes, pedestrian improvements, and green infrastructure. With projects planned and funded through 2022, there are no signs of slowing down.

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

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

In the past two years, the City completed the \$1.2 Million construction of the Mohawk River Trail – a fully paved and accessible multiple-use urban trail system – after nearly a decade of intensive visioning, planning, and development. Since day one, use has virtually exploded, and the trail has become one of the most popular recreational destinations in the City. So popular, in fact, that Phase II construction is underway, which will complete the connection north to Lake Delta.

The City was the recipient of New York State's Downtown Revitalization Initiative (DRI) \$10 million-dollar award in 2017. Priority projects have been funded and are fully underway. The City has successfully demolished the deteriorating Liberty/George Street parking facility, replacing it with an open air, 80 space, parking landscaped parking lot programmed for future development of a housing complex. Additionally, construction of stage 2 of this redevelopment project infuses \$700,000 into the Copper City Commons. This complex will provide outdoor seating with landscaped streetscapes for restaurants and coffee shops adjoining the parking complex. Phase 1 of the Commons was completed in 2021 and Phase 2 will be ready for summer 2022. Other DRI funded initiatives include \$2.5 million renovation to the Capitol Theatre complex with the Capitol providing an additional \$2 million to upgrade the interior of the facility and restore the theatre's marquee.

The Kearney Group from Baldwin, NY has acquired the downtown infill site to construct the Copper City Lofts. The Lofts, a \$16 million investment, will feature 68 loft style apartment units with an emphasis on supporting the arts corridor. Kearney broke ground for the apartment complex in early fall 2021 and construction continues through 2022.

The City will move on the next set of DRI projects including demolition of the existing Fort Stanwix Parking garage to be replaced with a surface parking lot and renovations to City Hall to include a new community room with handicap accessible restrooms for public use in 2022.

The City opened a new Centro bus transfer facility in downtown Rome. This \$400,000 investment in the transportation sector is a component of Rome's Downtown Revitalization Initiative (DRI).

In recent years, Rome has also been successful in securing more than \$3 Million for green infrastructure improvements in the City's Main Street corridors. The Little Italy Colonnade, Rod Mill GIGP, and Capitol Steps green infrastructure projects not only manage and cleanse urban storm water runoff, but provide unique, safe, and functional streetscape amenities and parking to residents, merchants and customers in our urban center. The City was also successful in securing \$350,000 from the Department of Transportation in the City's "Grey to Green" streetscape improvement along East Dominick Street. The project is currently underway and seeks to improve safety for pedestrian traffic with new crosswalks, sidewalks, landscaping, bikeways, and lighting.

Hamilton College recently purchased land at Bellamy Harbor Park to construct a new \$2 million boathouse facility to service the College's rowing teams. This beautiful facility opened in 2022 and provides a state of the art boathouse facility for Hamilton's award winning crews teams with a stunning viewing deck of the rowing events on the barge canal.

The City has begun streetscape and green infrastructure improvements in West Rome. A multi-year, multi-million dollar streetscape program continues for West Dominick Street, including nearly \$500,000 in green infrastructure improvements to complement residential and commercial rehabilitation in the mixed-use neighborhood along with a \$700,000 total streetscape and public art project currently underway. Last spring, the Oneida Indian Nation unveiled their investment of a permanent bronze memorial that tells the story of the "Great Carry" in its original location on W. Dominick Street, and is the first piece of permanent public art in the downtown arts corridor.

**CITY OF ROME, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021**

(Continued)

REGIONAL ECONOMIC DEVELOPMENT FACTORS

Marcy Nanocenter is located at SUNY Polytechnic Institute in Marcy, a 15-minute drive from the City of Rome and is the premier 450-acre greenfield site in NYS for development of semiconductor manufacturing facilities. NYS has provided unprecedented investment to get the site truly shovel-ready and all infrastructure is either programmed or in place. The site is being marketed on a global scale to semiconductor companies for eventual build-out. Mohawk Valley EDGE, Oneida County, Oneida County Industrial Development Agency (OCIDA), National Grid and various other partners have invested over \$100 million on various aspects of the site (planning, marketing, infrastructure, easements/acquisitions, etc.) to ready the site for a semiconductor manufacturer. Mohawk Valley EDGE was successful in 2018 in securing Wolfspeed to become the first major tenant for this parcel. The company's new semiconductor facility opened in spring 2022 with 250+ employees and a target of 600 jobs over the next three years. This is great news not only for Oneida County, but for the City of Rome, in terms of possible residential/commercial tax base growth along with the spinoff jobs that will be created as a result of those doing business with the semiconductor manufacturer.

Danfoss has partnered with General Electric to be the main tenant in the SUNY Poly Quad C also located just a short 15-minute drive from Rome. Danfoss brings global expertise and knowledge to the advanced electronics project. Danfoss is fully operational and will be a collaborating partner with Cree, Inc. New York State is investing \$100 million for tooling and facility modifications with Danfoss creating at least 300 new jobs at the Quad-C facility.

American Rescue Plan of 2021

In March 2021 Congress passed and President Biden signed into law the American Rescue Plan of 2021. The City was awarded \$24.1 million half of which it received in May 2021 and the other half of which it will receive sometime in 2022.

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 unequal impact of the pandemic

To date, the City has invested \$2M for a 100 foot aerial ladder truck and replacement of Engine 1 in the Rome Fire Department as well as investing almost \$5M in water and sewer infrastructure to support the new Woodhaven housing complex. The City will also participate in a \$2M water and sewer expansion as well as expansion of Charles Anken Boulevard on the Delta Luxury site in north Rome to support Buck Construction's development of 50 townhomes on the site. Townhomes are in short supply in the city, and this development will help fill that void. The outlook is excellent to fill these homes.

The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each government to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest hit by the crisis. These funds can also be used to make necessary investments in water, sewer, and broadband infrastructure.

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, 2021

	Governmental Activities	Business-Type Activities	Primary Government Total
Assets			
Cash and Cash Equivalents	\$ 23,115,493	\$ 20,481,106	\$ 43,596,599
Restricted Cash and Cash Equivalents	4,342,081	5,088,827	9,430,908
Cash and Cash Equivalents with Fiscal Agent		155,626	155,626
Investments Held for Retainage		319,074	319,074
Receivables			
Taxes Receivable, Net	2,665,271		2,665,271
Other Receivables, Net	1,033,152	3,548,327	4,581,479
Due From			
Other Governments	4,511,108	209,325	4,720,433
Governmental Funds		2,711,331	2,711,331
Fiduciary Funds	13,308		13,308
Other Assets	193,200		193,200
Capital Assets (Net of Accumulated Depreciations)	99,735,181	117,394,265	217,129,446
Total Assets	135,608,794	149,907,881	285,516,675
Deferred Outflows of Resources			
Pension	22,342,891	2,115,213	24,458,104
OPEB	696,109	67,344	763,453
Deferred Charge on Refunding of Serial Bonds	288,034	260,271	548,305
Total Deferred Outflows of Resources	23,327,034	2,443,028	25,770,062
Total Assets and Deferred Outflows of Resources	\$ 158,935,828	\$ 152,350,909	\$ 311,286,737
Liabilities			
Accounts Payable	\$ 990,830	\$ 1,768,919	\$ 2,759,749
Accrued Liabilities	992,235	474,839	1,467,074
Payroll Withholdings Payable	24,454		24,454
Due To			
Business-Type Activities	2,711,331		2,711,331
Fiduciary Funds	149,460		149,460
Unearned Revenue - Grants	12,067,212	100,000	12,167,212
Bond Anticipation Note Payable	6,708,441	196,500	6,904,941
Environmental Facilities Corporation-Short Term Note		9,014,507	9,014,507
Overpayments and Collections in Advance		24,400	24,400
Net Pension Liability - Proportionate Share	4,940,404	8,981	4,949,385
Noncurrent Liabilities			
Due Within One Year	2,815,932	2,550,412	5,366,344
Due in More Than One Year	94,160,511	50,130,315	144,290,826
Total Liabilities	125,560,810	64,268,873	189,829,683
Deferred Inflows of Resources			
OPEB	13,139,522	1,313,662	14,453,184
Pension	22,528,414	2,655,006	25,183,420
Total Deferred Inflows of Resources	35,667,936	3,968,668	39,636,604
Total Liabilities and Deferred Inflows of Resources	161,228,746	68,237,541	229,466,287
Net Position			
Investment in Capital Assets (Net of Related Debt)	82,465,779	63,448,394	145,914,173
Restricted			
Reserve for Liability Insurance	319,000	340	319,340
Capital Reserves	1,234,167		1,234,167
Reserve for Repairs		3,500,000	3,500,000
Restricted for Contractual Obligations	1,000,148		1,000,148
Reserve for Debt	813,130	1,573,612	2,386,742
Reserve for Workers' Compensation	975,636	14,875	990,511
Total Restricted	4,342,081	5,088,827	9,430,908
Unrestricted (Deficit)	(89,100,778)	15,576,147	(73,524,631)
Total Net Position (Deficit)	(2,292,918)	84,113,368	81,820,450
Total Liabilities, Deferred Inflows, and Net Position	\$ 158,935,828	\$ 152,350,909	\$ 311,286,737

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, 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government Support	\$ 6,299,603	\$ 659,466	\$	\$	\$ (5,640,137)	\$	\$ (5,640,137)
Public Safety	19,492,583	1,069,879	168,531	9,174	(18,244,999)		(18,244,999)
Public Health	1,494	56,177			54,683		54,683
Transportation	8,856,209	1,319,949	204,544	2,624,686	(4,707,030)		(4,707,030)
Economic Assistance and Opportunity	1,415,846			1,529,585	113,739		113,739
Culture and Recreation	1,615,732	98,534		124,475	(1,392,723)		(1,392,723)
Home and Community Services	462,252				(462,252)		(462,252)
Interest on Long-Term Debt	753,265				(753,265)		(753,265)
Total Governmental Activities	38,896,984	3,204,005	373,075	4,287,920	(31,031,984)		(31,031,984)
Business-Type Activities							
Water	8,306,422	9,068,017		1,028,050		1,789,645	1,789,645
Sewer	4,214,111	4,498,994	964,070	3,158,977		4,407,930	4,407,930
Refuse District	2,544,173	2,540,227				(3,946)	(3,946)
Total Business-Type Activities	15,064,706	16,107,238	964,070	4,187,027		6,193,629	6,193,629
Total Primary Government	\$ 53,961,690	\$ 19,311,243	\$ 1,337,145	\$ 8,474,947	(31,031,984)	6,193,629	(24,838,355)
General Revenues							
Real Property Taxes, Levied for General Purposes					15,077,703		15,077,703
Real Property Tax Items					1,364,219		1,364,219
Nonproperty Tax Items (Sales Tax and Franchise Fees)					14,051,843		14,051,843
Solar Power Credits					529,594	205,775	735,369
General State Aid					11,402,305		11,402,305
Sale of Property and Compensation for Gain (Loss)					92,871	1,394	94,265
Use of Money and Property					373,991	6,256	380,247
Miscellaneous					217,838	6,949	224,787
Total General Revenues					43,110,364	220,374	43,330,738
Change in Net Position					12,078,380	6,414,003	18,492,383
Net Position, Beginning of Year					(14,371,298)	77,699,365	63,328,067
Net Position (Deficit), End of Year					\$ (2,292,918)	\$ 84,113,368	\$ 81,820,450

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

CITY OF ROME, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2021

	General	Special Aid	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 15,993,244	\$ 707,994	\$ 175,871	\$ 3,244,712	\$ 20,121,821
Cash and Cash Equivalents - Restricted	4,340,747				4,340,747
Taxes Receivable	1,327,735				1,327,735
Tax Sale Certificates	403,802				403,802
Property Acquired for Taxes	1,906,033				1,906,033
Assessments Receivable	461				461
Accounts Receivable	870,243	151,090	15,000		1,036,333
Allowance for Receivables	(972,760)				(972,760)
Due from Other Funds	2,251,872	927			2,252,799
Due from Other Governments	3,822,672	727,297		6,097	4,556,066
Prepaid Expenditures	1,214,766				1,214,766
Total Assets	\$ 31,158,815	\$ 1,587,308	\$ 190,871	\$ 3,250,809	\$ 36,187,803
Liabilities					
Accounts Payable	\$ 746,315	\$ 124,536	\$ 7,815	\$ 98,684	\$ 977,350
Accrued Liabilities	791,887				791,887
Payroll Withholdings Payable	24,454				24,454
Bond Anticipation Notes Payable				6,708,441	6,708,441
Due to Other Funds		695,123		4,403,655	5,098,778
Unearned Revenue - Grants	12,067,212				12,067,212
Due to Other Governments	33,400				33,400
Total Liabilities	13,663,268	819,659	7,815	11,210,780	25,701,522
Deferred Inflows of Resources					
Unavailable Revenue - Real Property Taxes and Grants	639,718	1,470,354			2,110,072
Total Liabilities and Deferred Inflows of Resources	14,302,986	2,290,013	7,815	11,210,780	27,811,594

(Continued)

CITY OF ROME, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2021

	General	Special Aid	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
	(Continued)				
Fund Balance					
Nonspendable	4,121,246				4,121,246
Restricted	3,340,599				3,340,599
Assigned	1,148,741		183,056		1,331,797
Unassigned (Deficit)	<u>8,245,243</u>	<u>(702,705)</u>		<u>(7,959,971)</u>	<u>(417,433)</u>
Total Fund Balance (Deficit)	<u>16,855,829</u>	<u>(702,705)</u>	<u>183,056</u>	<u>(7,959,971)</u>	<u>8,376,209</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balance (Deficit)	<u>\$ 31,158,815</u>	<u>\$ 1,587,308</u>	<u>\$ 190,871</u>	<u>\$ 3,250,809</u>	<u>\$ 36,187,803</u>

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, 2021

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

Governmental Fund Balance	\$ 8,376,209
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. This amount does not include the capital assets for \$102,163 in the Internal Service fund included below.	99,633,018
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,110,072
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, 2021, is \$192,230. Of this balance, \$3,181 is allocated to the Business-Type Activities, and the remaining \$189,049 is allocated to the Governmental Funds.	189,049
Proportionate share of long-term asset and liability associated with participation in the state retirement system are not current financial resources or obligations and are not reported in the funds. This amount excludes the net (\$96,396) for the respective amounts for the Internal Service fund reported above.	
Decrease in Prepaid for Pension	(1,021,566)
Deferred Outflows - Pensions	21,992,521
Net Pension Liability - Proportionate Share	(4,938,916)
Deferred Inflows - Pensions	(22,088,632)
	(6,056,593)
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	(194,002)
Long-term liabilities, Deferred Outflows of Resources - Refundings of debt	288,034
Serial Bonds Payable	(18,950,864)
Unamortized Premiums on Bonds	(643,653)
Capital Leases Payable	(749,775)
	(20,250,260)
Other Long-term liabilities, OPEB Liability and Compensated Absences, are not due and payable in the current-period and therefore are not reported in the funds. This amount excludes the \$2,695,472 for the Compensated Absences, Due to Employees Retirement System, Workers's 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	(229,494)
Accrued Postemployment Benefit Liability	(71,448,334)
Deferred Outflows - OPEB	676,258
Deferred Inflows - OPEB	(12,764,827)
Workers's Compensation Claims Payable	(1,836,565)
Due to Employees' Retirement System	(691,451)
	(86,294,413)
Net Position of Governmental Activities	\$ (2,292,918)

CITY OF ROME, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	General	Special Aid	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
Revenues					
Real Property Taxes	\$ 15,115,383	\$	\$	\$	\$ 15,115,383
Other Real Property Tax Items	1,364,220				1,364,220
Nonproperty Tax Items	14,051,843				14,051,843
Departmental Income	634,261				634,261
Intergovernmental Charges	796,752		15,000		811,752
Solar Power Credits	529,594				529,594
Use of Money and Property	405,665	18	26		405,709
Licenses and Permits	160,688				160,688
Fines and Forfeitures	40,650				40,650
Sale of Property and Compensation for Loss	92,920				92,920
Gifts and Donations		168,927			168,927
Miscellaneous	210,652	3,510		100,000	314,162
Interfund Revenues	1,761,197				1,761,197
State Aid	13,264,126	174,273		1,105,750	14,544,149
Federal Aid		1,456,872		145,602	1,602,474
Total Revenues	48,427,951	1,803,600	15,026	1,351,352	51,597,929
Expenditures					
General Government Support	4,745,945			278,244	5,024,189
Public Safety	14,502,492	116,244	586	36,388	14,655,710
Public Health	1,494				1,494
Transportation	4,273,760		69,305	6,400,711	10,743,776
Economic Assistance and Opportunity		1,415,846			1,415,846
Culture and Recreation	1,113,505	8,501		39,871	1,161,877
Home and Community Services	366,154	31,800		450,240	848,194
Employee Benefits	12,131,454				12,131,454
Debt Service - Principal	4,649,431				4,649,431
Debt Service - Interest	804,607				804,607
Total Expenditures	42,588,842	1,572,391	69,891	2,205,454	51,436,578
Excess (Deficit) Revenues Over Expenditures	5,839,109	231,209	(54,865)	(5,854,102)	161,351
Other Financing Sources (Uses)					
Interfund Transfers To	(1,612,969)	(129,449)		(14,672)	(1,757,090)
Interfund Transfers From	14,672			1,742,418	1,757,090
BANs Redeemed from Appropriations				832,164	832,164
Proceeds of Long-Term Debt - Installment Purchase Debt				86,393	86,393
Proceeds of Long-Term Debt - Serial Bonds				1,876,942	1,876,942
Total Other Financing Sources (Uses)	(1,598,297)	(129,449)		4,523,245	2,795,499
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	4,240,812	101,760	(54,865)	(1,330,857)	2,956,850
Fund Balance (Deficit), Beginning of Year	12,615,017	(804,465)	237,921	(6,629,114)	5,419,359
Fund Balance (Deficit), End of Year	\$ 16,855,829	\$ (702,705)	\$ 183,056	\$ (7,959,971)	\$ 8,376,209

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, 2021

Net Changes in Fund Balances - Total Governmental Funds		\$ 2,956,850
<p>Capital Outlays to purchase or build 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 expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
	Capital Outlays	7,206,163
	Loss on the Disposition of Assets	(49)
	Depreciation	<u>(5,888,467)</u>
		1,317,647
Revenue in the Statement of Activities that do not provide current financial resources are not reported in the funds.		(29,147)
<p>Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the statement of Net Position.</p>		
	Serial Bond Proceeds	(1,876,942)
	Lease Proceeds	(86,393)
	Principal Payments on Long Term Debt	3,532,230
	Amortization of Advance Refunding Charge	(108,999)
	Amortization of Bond Premiums	108,227
	Principal Payments on Capital Leases	285,037
	Accrued Interest	<u>20,246</u>
		1,873,406
<p>The internal service fund is used by management to allocate the costs of vehicle maintenance to the various functions and funds. Any excess revenue or expense of this fund is eliminated in the respective function and/or fund. The total net income for the internal service fund for 2021 was \$403,032. Of this amount, \$351,896 is allocated to the Government Activities, and \$51,136 is allocated to the Business-Type Activities.</p>		
		351,896
<p>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.</p>		
		466,922
<p>Certain expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.</p>		
	OPEB Liability and Deferred Inflow and Outflows	4,623,981
	Due to Employees Retirement System	370,880
	Workers' Compensation Claims Payable	(43,036)
	Compensated Absences	<u>188,981</u>
		5,140,806
Change in Net Position Governmental Activities		\$ 12,078,380

CITY OF ROME, NEW YORK
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
December 31, 2021

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Refuse District	Total	
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 10,965,882	\$ 7,232,675	\$ 2,282,549	\$ 20,481,106	\$ 2,993,672
Cash and Cash Equivalents - Restricted	4,109,178	979,649		5,088,827	1,334
Cash and Cash Equivalents with Fiscal Agent		155,626		155,626	
Investments Held for Retainage	319,074			319,074	
Accounts Receivable	1,803,436	1,053,736	300,303	3,157,475	
Assessments Receivable	458,053	20,282		478,335	
Allowance for Receivables	(27,019)	(35,693)	(24,771)	(87,483)	
Due from Other Funds	3,006,353	1,023,054	5,051	4,034,458	3,104
Due from Other Governments	7,744	183,922	17,659	209,325	
Total Current Assets	<u>20,642,701</u>	<u>10,613,251</u>	<u>2,580,791</u>	<u>33,836,743</u>	<u>2,998,110</u>
Fixed Assets					
Land	188,561	2,103		190,664	
Buildings and Improvements	1,373,854	12,914,272		14,288,126	
Infrastructure	73,067,450	41,521,614		114,589,064	
Machinery and Equipment	2,355,940	1,580,957	1,633,658	5,570,555	262,431
Construction in Progress	9,102,493	26,935,059		36,037,552	
Total Fixed Assets	86,088,298	82,954,005	1,633,658	170,675,961	262,431
Accumulated Depreciation	26,881,025	25,298,754	1,101,917	53,281,696	160,268
Net Fixed Assets	<u>59,207,273</u>	<u>57,655,251</u>	<u>531,741</u>	<u>117,394,265</u>	<u>102,163</u>
Total Assets	<u>79,849,974</u>	<u>68,268,502</u>	<u>3,112,532</u>	<u>151,231,008</u>	<u>3,100,273</u>
Deferred Outflows of Resources					
Deferred Charge on Refunding Serial Bonds	24,410	235,861		260,271	
OPEB	42,934	24,610		67,544	19,851
Pensions	1,332,819	737,762	44,632	2,115,213	350,370
Total Deferred Outflows of Resources	<u>1,400,163</u>	<u>998,233</u>	<u>44,632</u>	<u>2,443,028</u>	<u>370,221</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 81,250,137</u>	<u>\$ 69,266,735</u>	<u>\$ 3,157,164</u>	<u>\$ 153,674,036</u>	<u>\$ 3,470,494</u>

(Continued)

CITY OF ROME, NEW YORK
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
December 31, 2021

	(Continued)				
	Business Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Refuse District	Total	Activities - Internal Service Fund
Liabilities and Net Position					
Current Liabilities					
Accounts Payable	\$ 595,916	\$ 827,740	\$ 345,263	\$ 1,768,919	\$ 13,480
Accrued Liabilities	87,727	32,610	1,762	122,099	21,085
Accrued Interest Payable	283,219	68,323	1,198	352,740	
Due to Other Funds	306,962	1,007,789	11,557	1,326,308	1,427
Bond Anticipation Notes Payable	44,000	62,000	90,500	196,500	
Environmental Facilities Corporation-Short Term Note		9,014,507		9,014,507	
Customer Deposits	21,400	3,000		24,400	
Total Current Liabilities	1,339,224	11,015,969	450,280	12,805,473	35,992
Long-Term Liabilities					
Serial Bonds Payable and Premiums	30,235,044	12,915,688	280,911	43,431,643	
Capital Leases	170,299	1,132,922		1,303,221	
Accrued Other Postemployment Benefit Liability	4,482,217	2,591,051		7,073,268	2,192,795
Net Pension Liability-Proportionate Share	5,659	3,132	190	8,981	1,488
Due to Employees Retirement System	57,808	31,408	2,296	91,512	19,540
Workers' Compensation Claims Payable	433,392	252,711		686,103	188,570
Compensated Absences	56,814	37,517	649	94,980	21,402
Total Long-Term Liabilities	35,441,233	16,964,429	284,046	52,689,708	2,427,795
Total Liabilities	36,780,457	27,980,398	734,326	65,495,181	2,463,787
Deferred Inflows of Resources					
Deferred Grant Revenue		100,000		100,000	
OPEB	835,013	478,649		1,313,662	374,695
Pensions	1,672,949	926,035	56,022	2,655,006	439,782
Total Deferred Inflows of Resources	2,507,962	1,504,684	56,022	4,068,668	814,477
Net Position					
Investment in Capital Assets (Net of Related Debt)	28,757,930	34,530,134	160,330	63,448,394	102,163
Restricted					
Reserve for Liability Insurance	340			340	
Reserve for Workers Compensation	14,875			14,875	1,334
Reserve for Repairs	3,500,000			3,500,000	
Reserve for Debt	593,963	979,649		1,573,612	
Unassigned	9,094,610	4,271,870	2,206,486	15,572,966	88,733
Total Net Position	41,961,718	39,781,653	2,366,816	84,110,187	192,230
Total Liabilities, Deferred Inflows, and Net Position	\$ 81,250,137	\$ 69,266,735	\$ 3,157,164	\$ 153,674,036	\$ 3,470,494
Adjustments to reflect the consolidation of the internal service fund activities related to the enterprise funds.				3,181	
Net Position of Business-Type Activities				\$ 84,113,368	

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, 2021

	Business - Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Refuse District	Total	
Operating Revenues					
Service Revenues	\$ 9,068,017	\$ 4,498,994	\$ 2,540,227	\$ 16,107,238	\$ 1,466,783
Operating Expenses					
Personnel Services	1,540,355	943,227	353,601	2,837,183	414,595
Depreciation	1,920,204	1,131,467	154,113	3,205,784	13,805
Contractual	2,126,557	1,727,239	1,994,885	5,848,681	339,333
Taxes on Property	1,370,612			1,370,612	
Employee Benefits	675,678	132,002	34,737	842,417	296,528
Debt Service - Interest	724,152	280,176	6,837	1,011,165	1,143
Total Operating Expenses	8,357,558	4,214,111	2,544,173	15,115,842	1,065,404
Operating Income (Loss)	710,459	284,883	(3,946)	991,396	401,379
Nonoperating Revenues and Expense					
Special Assessment	67,261	25,859		93,120	
Use of Money and Property	4,433	1,246	577	6,256	1,045
Premium on Debt Issuance	312	440	642	1,394	
State Grant	960,789	1,233,118		2,193,907	
Federal Grant		1,900,000		1,900,000	
Solar Power Credits	75,553	130,222		205,775	
Solid Waste Authority		233,760		233,760	
Septic Receiver		730,310		730,310	
Miscellaneous	5,270	1,679		6,949	608
Total Nonoperating Revenues and Expense	1,113,618	4,256,634	1,219	5,371,471	1,653
Net Income (Loss)	1,824,077	4,541,517	(2,727)	6,362,867	403,032
Net Position (Deficit), Beginning of Year	40,137,641	35,240,136	2,369,543	77,747,320	(210,802)
Net Position, End of Year	\$ 41,961,718	\$ 39,781,653	\$ 2,366,816	\$ 84,110,187	\$ 192,230

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, 2021

	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	\$ 8,504,488	\$ 4,406,699	\$ 2,520,422	\$ 15,431,609	
Cash Flows from Providing Interfund Services					1,466,807
Cash Payments for Interfund Services	(140,994)	(45,109)		(186,103)	
Cash Payments for Taxes	(1,370,612)			(1,370,612)	
Cash Payments Contractual Expenses	(1,877,930)	(1,660,733)	(1,741,546)	(5,280,209)	(343,626)
Cash Payments Personal Services and Benefits	(2,500,059)	(1,467,249)	(391,321)	(4,358,629)	(630,099)
Other Operating Revenues	80,823	994,318		1,075,141	
Net Cash Flows from Operating Activities	3,095,716	2,230,926	396,555	5,723,197	493,112
Cash Flows from (Used by) Noncapital Financing Activities					
Transfers to/from Other Funds	(639,054)	(16,329)	(62,472)	(717,855)	220
Net Cash Flows (Used by) Noncapital Financing Activities	(639,054)	(16,329)	(62,472)	(717,855)	220
Cash Flows from (Used by) Capital and Related Financing Activities					
Special Assessments	82,580	9,820		92,400	
Proceeds from Debt	72,837	6,853,970		6,926,807	
Premium on Debt	(21,508)	(24,328)	642	(45,195)	
Principal Payments on Debt	(1,378,775)	(1,085,921)	(47,860)	(2,512,556)	
Interest Expense	(699,498)	(226,799)	(8,028)	(934,325)	
Payments to Contractors	(427,261)	(6,751,101)		(7,178,362)	(1,695)
Proceeds from Sale of Equipment					608
Capital Grants Received from Other Governments	956,739	3,133,118	(1,379)	4,088,278	
Net Cash Flows (Used by) Capital and Related Financing Activities	(1,414,967)	1,910,729	(56,831)	438,961	(1,087)
Cash Flows from Investing Activities					
Interest Income	4,433	3,246	578	8,257	1,045
Net Increase in Cash and Cash Equivalents	1,046,128	4,126,602	277,830	5,450,560	493,290
Cash and Cash Equivalents, Beginning of Year	14,028,932	4,241,348	2,094,719	20,274,999	2,501,716
Cash and Cash Equivalents, End of Year	\$ 15,075,060	\$ 8,367,950	\$ 2,282,549	\$ 25,725,559	\$ 2,995,006

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

Net Income (Loss)	\$ 1,824,077	\$ 4,540,517	\$ (2,727)	\$ 6,362,867	\$ 403,032
Adjustment to Reconcile Operating Income to Net Cash Flows from (Used by) Operating Activities					
Depreciation	1,920,204	1,131,487	154,113	3,205,784	13,805
Loss (Gain) on the Disposition of Property					
Deferred Outflows of Resources, Pension	(371,286)	(132,391)	(17,755)	(521,432)	(106,553)
Deferred Inflows of Resources, Pension	1,626,719	896,929	54,730	2,578,378	428,059
Deferred Outflows of Resources, OPEB	503,139	284,505		787,644	177,936
Deferred Inflows of Resources, OPEB	832,329	477,129		1,309,458	348,611
Amortization of Bond Issuance on Advance Refunding	(7,783)	1,879		(5,906)	
(Increase) Decrease in Assets Other Than Cash					
Accounts Receivable	(165,539)	(290,948)	(10,805)	(467,282)	24
Increase (Decrease) in Liabilities					
Accounts Payable and Accrued Expenses	3,504	(96,300)	34,999	(17,797)	(4,518)
Net Pension Liability-Preportionate Share	(1,289,794)	(812,471)	(36,021)	(2,138,286)	(327,002)
Liability for Workers' Compensation	(23,776)	(138,536)		(162,312)	166,786
Liability for OPEB	(1,519,882)	(849,488)		(2,369,370)	(595,180)
Other		100,000	(597)	99,403	(10,276)
Nonoperating Activities					
Special Assessments	(67,261)	(9,820)		(77,081)	
Debt Interest	710,759	211,577	6,837	929,173	
Capital Grants	(960,789)	(3,133,118)		(4,093,907)	
Interest Revenue	14,433	(1,246)	(578)	(6,257)	(1,045)
Bond Premium	(312)	(440)	(641)	(1,393)	
Installment Purchase Debt - Interest		64,701		64,701	
Interfund Transfers			175,000	175,000	
Miscellaneous	85,832	(14,020)		71,812	(997)
Net Cash Flows from Operating Activities	\$ 3,095,716	\$ 2,230,926	\$ 396,555	\$ 5,723,197	\$ 493,112

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

CITY OF ROME, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2021

	Custodial Fund
<hr/>	
Assets	
Cash and Cash Equivalents	\$ 107,021
School District Taxes Receivable	15,368,198
Due From Other Funds	<u>149,460</u>
Total Assets	<u>\$ 15,624,679</u>
Liabilities	
Taxes Collected for Other Governments	\$ 149,873
Tax Redemptions	45,085
Due To Other Funds	<u>13,308</u>
Total Liabilities	<u>208,266</u>
Net Position	
Restricted For	
Taxes and Fees for other Governments	15,368,197
Hospital Scholarship Fund	<u>48,216</u>
Total Net Position	<u>15,416,413</u>
Total Liabilities and Net Position	<u>\$ 15,624,679</u>

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, 2021

	Custodial Funds
	<hr/>
Additions	
Real Property Tax Collections for Other Governments	\$ 38,392,931
Fee Collections for Other Governments	5,661
Interest	<u>176,706</u>
Total Additions	<u>38,575,298</u>
Deductions	
Payments of Real Property Tax to Other Governments	38,461,627
Payments of Fees to Other Governments	<u>4,585</u>
Total Deductions	<u>38,466,212</u>
Change in Net Position	109,086
Net Position, Beginning of Year	<u>15,307,327</u>
Net Position, End of Year	<u>\$ 15,416,413</u>

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, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

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

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

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

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

Financial Reporting Entity

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

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

(a) Reporting Entity

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

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

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

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

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

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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

(c) Excluded From the Reporting Entity

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

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

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

Financial Statements - Government-Wide

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

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

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

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

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

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

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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

Basic Financial Statements - Fund Financial Statements

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

(a) Major Funds:

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

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

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

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

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

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

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

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

- (c) Internal Service Fund*** - The Central Maintenance Fund is used to account for and report the financing of maintenance services provided to various departments of the City. The reimbursements from those departments are treated as operating revenues of the Internal Service Fund and as expenditures/expenses of the reimbursing fund.
- (d) Fiduciary Fund Types*** – Fiduciary funds are used to account for and report assets in a custodial capacity for others and therefore, are not available to support City programs. The City's Fiduciary fund consists of only the Custodial Fund. The Custodial Fund is used to account for real property taxes for Oneida County and the Rome City School District. In addition, the fund is also used to account for the fees collected and remitted to the State of New York by the Rome City Clerk's Office.

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

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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

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

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

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

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

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

Differences Between Governmental Fund Statements and Government-Wide Statements

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

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

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

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

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

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

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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

Budget Policies - The budget policies are as follows:

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

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

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

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

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

Interfund Activity

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

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has three items that qualifies for reporting in this category. The first item is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the City's proportionate share of the collective net pension asset or liability and difference during the measurement period between the City's contributions and its proportionate share of total contributions not included in pension expense. The third item is related to other postemployment benefits (OPEB) reported on the Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item for the governmental funds, 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 two other items that qualify are related to pensions and other post-employment liabilities reported in the City's Government-Wide and Enterprise Statements of Net Position. This first item represents the effect of the net change in the City's proportion of the collective net pension asset or liability and difference during the measurement period between the City's contributions and its proportion share of the contributions to the pension systems not included in pension expense. The second item relates to OPEB reporting in the government-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

Equity Classifications

(a) Government-Wide Financial Statements

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

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

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

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

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

(b) Fund Balance – Reserves and Designations

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

Non-spendable

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

Restricted Resources

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

- ***Reserve for Liability Insurance***

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

- ***Capital Reserve***

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

- **Parking** - This reserve was established through the Rome Parking Authority prior to its dissolution into the City's General Fund. The funds are to be used to offset future capital expenditures for the City's parking facilities. The reserve amount at December 31, 2021 was \$229,185.
- **Capital** - This reserve was established to offset future capital project expenditures for the General Fund – General City, and is accounted for in the General Fund. The reserve amount at December 31, 2021 was \$1,004,982.

- ***Reserve for Debt***

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

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

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

- ***Reserve for Repairs***

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

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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, 2021 was \$3,500,000. The reserve is accounted for in the Water Fund.

• ***Restricted for Contractual Obligations***

On December 14, 2020, the City established an irrevocable standby line of credit in favor of Niagara Mohawk Power Corporation for drawings in the amount of \$1,406,300. The line of credit is being used as financial security assurance for any damages to the Corporation's property as the City the separation work for the street lights. The line of credit expires three hundred and sixty-five days after the effective date, but it will automatically renew unless notified by the Corporation or upon the completion of the purchase. At December 31, 2021, the City has a dedicated bank account for the line of credit in the amount of \$1,000,148. The remaining amount was deposited during 2022.

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, 2021.
- ***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, pages 50-51 for the amount of liability).

Other Benefits

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

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

**CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

Statements of Cash Flows – Cash Equivalents

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

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

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, 2021 an allowance of \$972,760 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 \$720,590. 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.

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 26)	\$ 15,115,842
Internal Service-Central	
Maintenance	(51,136)
Total Expense (page 18)	\$ <u>15,064,706</u>

Future Changes in Accounting Standards

- GASB Statement No. 87 – *Leases* (Effective for the year ended December 31, 2022)

The City will evaluate the impact that this pronouncement may have on its financial statements and will implement it as applicable and when material.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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, 2021, the City's bank balances of \$54,433,399 were not exposed to custodial credit risk because the deposits were fully covered by FDIC coverage and pledged collateral held in a trust department in an account in the City's name.

(b) 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, 2021:

Description	Amount
Due from Other Governments	
Oneida County	\$ 1,029,181
New York State Sales Tax	961,077
New York State - CHIPS	1,439,446
Rome City School District	141,275
Solar Power Credits	12,320
Federal CDBG	197,000
Miscellaneous	42,373
Total Due from Other Governments	<u>\$ 3,822,672</u>

(c) Loans Receivable - REAP

The Rome Entrepreneur Assistance Program (REAP) provides loans to small businesses to develop innovative products and services, and create jobs. The program is funded through the City's Federal Community Development Block Grant. The various loans awarded range from \$10,000 to \$300,000. The loans are to be repaid in monthly installments over 5 years at an interest rate of prime less 1% and prime plus 1%. Two loans for a total of \$279,500 are payable in full in 2025 at 0% interest. The prime rate at December 31, 2021 and 2020 was 5.5% and 4.5%. The total of all loans at December 31, 2021 were \$720,590. With the exception of the loans maturing in 2025, all loans are past due. For all loans, the City has established an allowance for doubtful accounts aggregating to \$720,590.

(d) Property Taxes and Collection

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

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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 2021 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 2021 levy was based, was \$838,164,434. The tax levy is limited to 2% of the five-year average of the above valuation by the New York State Constitution.

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

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

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

(e) Sales Tax

The Sales tax in the City is 8.75% at December 31, 2021. 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, 2021, consists mainly of \$13,329,736 in Sales tax. This amount included a receivable of \$1,720,139 in Sales tax from the State of New York and the County of Oneida.

(f) Property Tax Abatements

The City is subject to property tax abatement programs entered into by the Oneida County Industrial Development Agency (OCIDA). These programs have the stated purpose of increasing economic development and employment in the region. Economic development agreements are entered into by the OCIDA include property tax abatements for any increased assessment value of incentivized projects from the investment of private capital. The abatement agreements include a stipulated reduction pursuant to the limits set forth in State statute and rules. In the future, these abatements will decrease periodically until the project is taxed at the full assessed value. The City property tax revenue was reduced by \$1,233,619 for these abatements in 2021. OCIDA paid the City \$1,005,812 during 2021 and had no outstanding balance at December 31, 2021.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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, 2021:

Entity	Purpose	Amount of Taxes Abated	Received During Year
Liberty Gardens Housing			
Development	To develop affordable housing	\$ 153,536	\$ 17,176
Park Drive II	To develop affordable housing	\$ 102,034	\$ 48,204
Colonial I Associates LP	To develop affordable housing	\$ 16,315	\$ 7,920
Stanwix Associates	To develop affordable housing	\$ 344,029	\$ 78,727
DePaul Rome Housing			
Development	To develop affordable housing	\$ 38,829	\$ 7,621

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

(g) Capital Assets

1. Capital asset activity for the Governmental Activities for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 6,794,506	\$	\$	\$ 6,794,506
Construction in Progress	19,630,435	7,096,967	2,671,579	24,055,823
Total	26,424,941	7,096,967	2,671,579	30,850,329
Capital Assets Being Depreciated				
Buildings and Improvements	37,642,739	1,196		37,643,935
Machinery and Equipment	14,901,213	483,627	347,964	15,036,876
Infrastructure	119,659,624	2,211,254		121,870,878
Leased Vehicles	616,732	86,393		703,125
Total	172,820,308	2,782,470	347,964	175,254,814
Accumulated Depreciation				
Buildings and Improvements	25,510,590	875,022		26,385,612
Machinery and Equipment	9,847,575	1,105,806	347,915	10,605,466
Infrastructure	65,388,490	3,771,969		69,160,459
Leased Vehicles	68,949	149,476		218,425
Total	100,815,604	5,902,273	347,915	106,369,962
Net Capital Assets Being Depreciated	72,004,704	(3,119,803)	49	68,884,852
Net Capital Assets	<u>\$ 98,429,645</u>	<u>\$ 3,972,164</u>	<u>\$ 2,671,628</u>	<u>\$ 99,735,181</u>

CITY OF ROME, NEW YORK
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For the Year Ended December 31, 2021

2. Capital asset activity of the Business-Type Activities for the year ended December 31, 2021, 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	30,114,376	5,923,177		36,037,553
Total	30,305,040	5,923,177		36,228,217
Capital Assets Being Depreciated				
Buildings and Improvements	14,288,126			14,288,126
Machinery and Equipment	5,273,983	60,005	24,877	5,309,111
Infrastructure	114,583,358	5,706		114,589,064
Leased Vehicles	261,444			261,444
Total	134,406,911	65,711	24,877	134,447,745
Accumulated Depreciation				
Buildings and Improvements	7,200,227	349,411		7,549,638
Machinery and Equipment	2,774,153	440,615	24,877	3,189,891
Infrastructure	40,104,181	2,363,469		42,467,650
Leased Vehicles	22,229	52,289		74,518
Total	50,100,790	3,205,784	24,877	53,281,697
Net Capital Assets Being Depreciated	<u>84,306,121</u>	<u>(3,140,073)</u>		<u>81,166,048</u>
Net Capital Assets	<u>\$ 114,611,161</u>	<u>\$ 2,783,104</u>	<u>\$</u>	<u>\$ 117,394,265</u>

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

Governmental Activities

Function/Program

General Government Support	\$ 586,086
Public Safety	581,097
Transportation	4,343,879
Culture and Recreation	377,405
Capital Assets held by the Central Maintenance Internal Service Fund are charged to various functions based on usage.	<u>13,806</u>
Total Governmental Depreciation	<u>\$ 5,902,273</u>

Business-Type Activities

Function/Program

Water	\$ 1,920,204
Sewer	1,131,467
Refuse	<u>154,113</u>
Total Business-Type Depreciation	<u>\$ 3,205,784</u>

Liabilities

(a) Pension Plan

- a. **Plan Descriptions** - The City of Rome participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS), and the Public Employee's Group Life Insurance Plan (Systems). These are cost-sharing, multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and

CITY OF ROME, NEW YORK
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benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes general purpose financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Governor Alfred E. Smith State Office Building, Albany, New York 12244.

- b. **Funding Policy** - The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of its members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund. The New York State Pension System has a fiscal year end of 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, 2022 billings was made in December 2021. The City prepaid 25% of this billing at December 31, 2021.

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

	ERS	PFRS	Total
2020	\$ 1,223,397	\$ 2,453,091	\$ 3,676,488
2021	\$ 1,293,339	\$ 2,625,541	\$ 3,918,880
2022	\$ 1,326,818	\$ 2,918,319	\$ 4,245,137

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

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

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

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

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

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

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program. The liabilities are amortized over 10 years at an interest rate ranging from 3.00% to 3.75%. The total unpaid liability for the pension years 2012 to 2017 at December 31, 2021 was \$802,503 of which \$91,512 is reported in the Proprietary Funds and \$710,991 in the Non-Current Governmental Liabilities.

CITY OF ROME, NEW YORK
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For the Year Ended December 31, 2021

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
2022	\$ 319,448	\$ 23,572	\$ 39,555	\$ 3,014
2023	236,448	13,022	29,079	1,716
2024	119,624	4,928	16,518	728
2025	35,471	1,138	6,360	204
Total	\$ 710,991	\$ 42,660	\$ 91,512	\$ 5,662

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

At December 31, 2021, the City reported a liability of \$4,949,385 (ERS \$34,208 and PFRS \$4,915,177) for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021, 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 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, 2021 and 2020, the City's proportion was 0.0343547 and 0.0328130 percent respectively for ERS and 0.283087 and 0.300191 percent respectively for PFRS.

For the year ended December 31, 2021, the City recognized pension expense of \$3,361,462 (ERS \$743,722 and PFRS \$2,617,740). At December 31, 2021, 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:	\$ 417,777	\$ 1,090,652	\$ 1,508,429
Change of Assumptions	6,289,811	12,076,058	18,365,869
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	156,455	182,214	338,669
Contributions Subsequent to the Measurement Date	1,326,818	2,918,319	4,245,137
Total	\$ 8,190,861	\$ 16,267,243	\$ 24,458,104
Deferred Inflows of Resources	ERS	PFRS	Total
Change of Assumptions	\$ 118,628	\$	\$ 118,628
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments	9,826,650	14,452,790	24,279,440
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	167,843	617,509	785,352
Total	\$ 10,113,121	\$ 15,070,299	\$ 25,183,420

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

Year Ended June 30,	ERS	PFRS	Total
2022	\$ (613,793)	\$ (634,789)	\$ (1,248,582)
2023	\$ (216,109)	\$ (154,345)	\$ (370,454)
2024	\$ (537,026)	\$ (598,753)	\$ (1,135,779)
2025	\$ (1,882,150)	\$ (2,654,166)	\$ (4,536,316)
2026	\$	\$ 2,320,678	\$ 2,320,678

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

e. Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2020 valuation were as follows:

Actuarial Cost Measure	Entry Age Normal
Inflation	2.70%
Investment Rate of Return (Net of Investment Expense, including Inflation)	5.90%
Cost of Living Adjustments	1.4 % Annually
Salary Scale	4.4% ERS/6.2% PFRS
Decrement Tables	April 1, 2015 - March 31, 2020
	System's Experience
Mortality Improvement	Society of Actuaries Scale MP-2020

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, 2021 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32.00%	4.05%
International Equity	15.00%	6.30%
Private Equity	10.00%	6.75%
Real Estate	9.00%	4.95%
Opportunistic/Absolute Return Strategies	3.00%	4.50%
Credit	4.00%	3.63%
Real Assets	3.00%	5.95%
Fixed Income	23.00%	0.00%
Cash	1.00%	0.50%
	100.00%	

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.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

g. Sensitivity of the Proportionate Share of the Net Pension Liability 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			
ERS	\$ 9,494,912	\$ 34,208	\$ (8,690,775)
PFRS	\$ 20,902,102	\$ 4,915,177	\$ (8,317,866)

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.

(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 coverage for retiree (\$6,000), with coverage of \$3,000 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 coverage for retiree (\$4,000), with coverage of \$2,000 for spouse.

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

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

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

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

The City also pays 50% of the cost of 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, 2021, 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.

(c) Employees covered by benefit terms

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

(d) Components of the OPEB liability

	Governmental	Enterprise	Total
Balances, 12/31/20	\$ 97,766,612	\$ 9,442,638	\$ 107,209,250
Changes recognized for the year:			
Service cost	1,483,708	164,307	1,648,015
Interest on Total OPEB Liability	2,101,001	203,694	2,304,695
Changes in assumptions or other inputs	1,392,218	135,089	1,527,307
Actuarial demographic (gain) or loss	(26,279,045)	(2,627,325)	(28,906,370)
Benefit payments	(2,823,365)	(245,135)	(3,068,500)
Net changes	(24,125,483)	(2,369,370)	(26,494,853)
Balances, 12/31/21	\$ 73,641,129	\$ 7,073,268	\$ 80,714,397

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

	1% Decrease (1.05%)	Current Assumption (2.05%)	1% Increase (3.05%)
Total OPEB liability			
Governmental	\$ 87,153,915	\$ 73,641,129	\$ 63,097,406
Enterprise	\$ 8,384,837	\$ 7,073,268	\$ 6,047,869

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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

	1% Decrease (5.50% to 3.75%)	Current Assumption (6.50% to 4.75%)	1% Increase (7.50% to 5.75%)
Total OPEB liability			
Governmental	\$ 63,007,304	\$ 73,641,129	\$ 87,289,107
Enterprise	\$ 6,050,191	\$ 7,073,268	\$ 8,373,767

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

	Governmental		Enterprise	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 13,139,522	\$	\$ 1,313,662
Changes of assumptions or other inputs	696,109		67,544	
Total	\$ 696,109	\$ 13,139,522	\$ 67,544	\$ 1,313,662

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

Year ended December 31:	Governmental	Enterprise
2022	\$ (12,443,413)	\$ (1,246,118)

(i) Actuarial Assumptions

Valuation Date	December 31, 2021
Measurement Date	December 31, 2021
Reporting Date	December 31, 2021
Actuarial Cost Method	Entry Age Normal Cost
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.25%
Healthcare Cost Trend Rates	6.50% to 4.75%
Discount Rate	2.05% based on "The Bond Buyer 20-Bond GO Index" as December 31, 2021 (2020 rate was 2.15%)
Pre-Retirement	U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Employee Male / Female Mortality Projected with Scale MP-2020.
Post-Retirement	U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Annuitant Male / Female Mortality Projected with Scale MP-2020.
Disability	U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Disabled Retiree Male / Female Mortality Projected with Scale MP-2020.

(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.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

The following is a summary of the BAN's outstanding at December 31, 2021:

<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	12/15/2021	\$ 3,522,778	6/15/2022	1.00%	\$ 3,522,778
General Fund	6/16/2021	\$ 3,185,663	6/15/2022	1.00%	3,185,663
Total Governmental Funds					<u>\$ 6,708,441</u>
Enterprise					
Water	6/16/2021	\$ 44,000	6/15/2022	1.00%	\$ 44,000
Sewer	6/16/2021	\$ 62,000	6/15/2022	2.00%	62,000
Refuse	6/16/2021	\$ 90,500	6/15/2022	2.00%	90,500
Total Enterprise Funds					<u>\$ 196,500</u>

The following is a summary of the BAN interest expense for the year ended December 31, 2021:

	<u>Business-Type Activities</u>				
	<u>Enterprise Funds</u>				<u>Total</u>
	<u>General</u>	<u>Water</u>	<u>Sewer</u>	<u>Refuse</u>	
Interest Paid	\$ 100,918	\$	\$ 71,714	\$ 1,907	\$ 73,621
Less: Interest Accrued in the Prior Year	(24,781)		(10,451)	(1,035)	(11,486)
Plus: Interest Accrued in the Current Year	<u>18,922</u>	<u>239</u>	<u>336</u>	<u>491</u>	<u>1,066</u>
Total Interest Expense on Short-Term Debt	<u>\$ 95,059</u>	<u>\$ 239</u>	<u>\$ 61,599</u>	<u>\$ 1,363</u>	<u>\$ 63,201</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

Changes in the City's short-term outstanding debt for the year ended December 31, 2021, are as follows:

Description	Outstanding Beginning Balance	Issued	Refinanced	Paid	Outstanding Ending Balance
Governmental Activities					
Riverwalk Park	\$ 432,947	\$	\$	\$ 432,947	\$
2016 Road Reconstruction	369,819		315,449	54,370	
Rome City Hall Façade Repairs	29,589			3,099	26,490
Various Vehicles and Equipment	30,192			9,577	20,615
Central Fire Station Reconstruction	57,219			2,920	54,299
2019 Road Reconstruction	2,023,701		1,333,921	689,780	
Bridge Rehabilitations	260,799			8,540	252,259
Various Building Improvements	103,416		33,483	29,208	40,725
Salt/Sand Storage Barn	260,000			12,049	247,951
2020 Road Reconstruction	1,428,197			113,548	1,314,649
SWAT Deployment Vehicle	50,000			3,975	46,025
6 Wheel Dump Truck with Front Plow, Wing Plow and Salter		225,000			225,000
701 Lawrence Street ERP		25,000			25,000
1333 East Dominick Street ERP		110,000			110,000
2021 Road Reconstruction		760,650			760,650
Franklin Field Club House Repair		40,000			40,000
Traffic Light Controller		22,000			22,000
Acquisition and upgrade of City Street Lights		<u>3,522,778</u>			<u>3,522,778</u>
Total Governmental	<u>5,045,879</u>	<u>4,705,428</u>	<u>1,682,853</u>	<u>1,360,013</u>	<u>6,708,441</u>
Business-Type Activities					
Replace Return Sludge Pumps		32,000			32,000
Replace Pumps at Merrick & Tannery Rd, Sites		30,000			30,000
Replace Roof at Boyd Dam		44,000			44,000
2 replacement Wells at Landfill	95,366			4,866	90,500
Improvements to City Sewer System	<u>963,300</u>		<u>948,801</u>	<u>14,499</u>	
Total Business-Type Activities	<u>1,058,666</u>	<u>106,000</u>	<u>948,801</u>	<u>19,365</u>	<u>196,500</u>
Total Bond Anticipation Note	<u>\$ 6,104,545</u>	<u>\$ 4,811,428</u>	<u>\$ 2,631,654</u>	<u>\$ 1,379,378</u>	<u>\$ 6,904,941</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

Environmental Facilities Corporation-Short Term Notes –

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

<u>Payable From/Description</u>	<u>Date of Original Issue</u>	<u>Original Amount</u>	<u>Date of Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding Amount</u>
Enterprise					
Sewer					
Upgrades to Solids Handling Sewer plant Wastewater Disinfection Facility and Erie Blvd Sewer Repair	6/14/2018	\$ 4,527,200	6/14/2023	0.00%	\$ 4,152,957
Anaerobic Digester Improvements	6/14/2018	\$ 2,812,500	6/14/2023	0.00%	2,701,250
	8/8/2019	\$ 2,160,300	8/8/2024	0.00%	2,160,300
Total Sewer					9,014,507
Total Enterprise Funds					<u>\$ 9,014,507</u>

Changes in the City's short-term outstanding NYS EFC debt for the year ended December 31, 2021, are as follows:

<u>Description</u>	<u>Outstanding Beginning Balance</u>	<u>Issued</u>	<u>Refinanced</u>	<u>Paid</u>	<u>Outstanding Ending Balance</u>
Enterprise					
Sewer					
Upgrades to Solids Handling Sewer plant Wastewater Disinfection Facility and Erie Blvd Sewer Repair	\$ 4,116,927	\$ 118,531	\$	\$ 82,500	\$ 4,152,958
Anaerobic Digester Improvements	2,756,250			55,000	2,701,250
	2,301,770	5,198,229	5,339,700		2,160,299
Total Sewer	9,174,947	5,316,760	5,339,700	137,500	9,014,507
Total Enterprise Funds	<u>\$ 9,174,947</u>	<u>\$ 5,316,760</u>	<u>\$ 5,339,700</u>	<u>\$ 137,500</u>	<u>\$ 9,014,507</u>

(d) Long-Term Debt

- Debt Limit** – At December 31, 2021, \$34,369,516 of the City's serial bonds and bond anticipation notes were subject to the constitutional debt limit and represented approximately 36.3% of its statutory debt limit.
- The following is a summary of the long-term debt activity for the year:

<u>Description</u>	<u>Outstanding Beginning Balance</u>	<u>Issued</u>	<u>Paid/Amortized</u>	<u>Outstanding Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable	\$ 20,606,152	\$ 1,876,942	\$ 3,532,230	\$ 18,950,864	\$ 2,077,677
Unamortized Premiums on Bonds	751,880	31,869	140,096	643,653	109,434
Capital Lease Notes	948,419	86,394	285,038	749,775	309,373
Total Bonds and Notes Payable	22,306,451	1,995,205	3,957,364	20,344,292	2,496,484
OPEB Liability	97,766,612	4,976,927	29,102,410	73,641,129	
Due to NYS ERS	1,092,147		381,156	710,991	319,448
Workers' Compensation Claims Payable	1,815,313	961,137	751,315	2,025,135	
Compensated Absences	446,115		191,219	254,896	
Total Governmental Activities	<u>\$ 123,426,638</u>	<u>\$ 7,933,269</u>	<u>\$ 34,383,464</u>	<u>\$ 96,976,443</u>	<u>\$ 2,815,932</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

Description	Outstanding Beginning Balance	Issued	Paid/Amortized	Outstanding Ending Balance	Due Within One Year
Business-Type Activities					
Bonds Payable	\$ 37,048,089	\$ 7,794,548	\$ 1,770,735	\$ 43,071,902	\$ 1,843,179
Unamortized Premiums on Bonds	406,868	16,598	63,725	359,741	63,972
Capital Lease Notes	1,888,182		584,961	1,303,221	603,706
Total Bonds and Notes Payable	39,343,139	7,811,146	2,419,421	44,734,864	2,510,857
OPEB Liability	9,442,638	503,090	2,872,460	7,073,268	
Due to NYS ERS	140,023		48,511	91,512	39,555
Workers' Compensation Claims Payable	848,415	27,975	190,287	686,103	
Due to NYPA	18		18		
Compensated Absences	104,663		9,683	94,980	
Total Business Type Activities	\$ 49,878,896	\$ 8,342,211	\$ 5,540,380	\$ 52,680,727	\$ 2,550,412

- 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
2022	\$ 2,077,677	\$ 596,152	\$ 1,843,179	\$ 1,059,456
2023	2,144,369	516,899	1,857,541	1,061,491
2024	2,213,334	446,954	1,881,666	1,026,780
2025	2,289,085	374,263	1,930,915	990,302
2026	2,336,142	299,057	1,743,858	955,180
2027-2031	5,672,837	684,287	8,327,163	4,252,017
2032-2036	2,217,420	129,359	7,812,580	3,235,331
2037-2041			7,195,000	2,222,301
2042-2046			7,560,000	1,086,295
2048-2050			2,920,000	215,643
Total	\$ 18,950,864	\$ 3,046,971	\$ 43,071,902	\$ 16,104,796

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

d. Serial Bond Schedule - The following is a schedule of the serial bonds outstanding at December 31, 2021:

	Date Issued	Date of Maturity	Interest Rate %	Outstanding Balance 1/1/2021	New Bonds Issued	Paid	Outstanding Balance 12/31/2021
General Fund							
Public Improvement - Refunded '03 and '04	07/12	01/21	2.0-3.375	\$ 1,035,500	\$	\$ 1,035,500	\$
Public Improvement - Refinance of 2006 & 2005	4/15	12/25	3.0-4.0	714,888		660,167	54,721
Public Improvement - Refinance of 2011 (Series 2015 B)	10/15	8/27	2.0-5.0	5,597,451		697,970	4,899,481
Public Improvement - 2015	9/15	9/34	2.0-3.25	6,502,590		379,320	6,123,270
Public Improvement - 2019A	6/19	5/27	2.0	3,882,000		521,000	3,361,000
Public Improvement - 2019B	8/19	6/30	2.0	2,150,885		195,535	1,955,350
Public Improvement - 2020	1/20	5/43	2.25-2.625	722,838		42,738	680,100
Public Improvement - 2021	6/21	6/29	2.00-2.375		1,876,942		1,876,942
Total General Fund				\$ 20,606,152	\$ 1,876,942	\$ 3,532,230	\$ 18,950,864
Enterprise Funds							
Water Fund							
Public Improvement - Refunded '03 and '04	07/12	01/21	2.0 to 4.0	\$ 118,321	\$	\$ 118,321	\$
Public Improvement - Refinance of 2006 & 2005	4/15	12/25	3.0-4.0	1,010,730		190,451	820,279
Public Improvement - Refinance of 2011 (Series 2015 B)	10/15	8/27	2.0-5.0	443,929		55,350	388,579
Public Improvement - 2015	9/15	9/34	2.0-3.25	750,600		43,780	706,820
NYS Environmental Facilities Corporation-2016B	9/16	8/46	.061-3.35	16,925,000		500,000	16,425,000
Public Improvement - 2019A	6/19	5/27	2.0	188,000		25,000	163,000
Public Improvement - 2019B	8/19	6/30	2.0	544,115		49,465	494,650
Public Improvement - 2020	1/20	5/43	2.25-2.625	3,267,470		80,570	3,186,900
NYS Environmental Facilities Corporation - 2020 B	12/20	12/50	0.25-2.937	8,176,276		260,000	7,916,276
Public Improvement - 2021	6/21	6/29	2.00-2.375		28,837		28,837
Total Water Fund				31,424,441	28,837	1,322,937	30,130,341
Sewer Fund							
Public Improvement - Refunded '03 and '04	07/12	01/21	2.0 to 4.0	81,179		81,179	
Public Improvement - Refinance of 2006 & 2005	4/15	12/25	3.0-4.0	4,382		4,382	
Public Improvement - Refinance of 2011	10/15	8/27	2.0-5.0	93,620		11,680	81,940
EFC NYS Environmental 2015 Refinance of 2005B	10/15	4/34	3.5-4.1	2,160,000		130,000	2,030,000
Public Improvement - 2015	9/15	9/34	2.0-3.25	2,346,810		136,900	2,209,910
Public Improvement - 2019A	6/19	5/27	2.0	229,000		31,000	198,000
Public Improvement - 2020	1/20	5/43	2.25-2.625	387,657		9,657	378,000
Public Improvement - 2021	6/21	6/29	2.00-2.375		948,801		948,801
NYS Environmental Facilities Corporation - 2021 B	12/21	8/51	.18-3.007		6,816,910		6,816,910
Total Sewer Fund				5,302,648	7,765,711	404,798	12,663,561
Refuse District Fund							
Public Improvement - 2019A	6/19	5/27	2.0	321,000		43,000	278,000
Total Enterprise Fund				\$ 37,048,089	\$ 7,794,548	\$ 1,770,735	\$ 43,071,902

Advance Refunding-Remaining Principal on Bonds Refinanced

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

The following outstanding bonds at December 31, 2021, are considered defeased:

Description	Governmental	Enterprise
2005	\$ 60,000	\$ 900,000
2005 EFC		2,030,000
2011	4,490,622	1,189,378
Total	\$ 4,550,622	\$ 4,119,378

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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 \$1,723,032 which are being amortized over seven to thirteen years.

	Beginning Balance	Issued	Expensed/ Redeemed	Ending Balance
Governmental Activities	\$ 520,340	\$ 0	\$ 123,307	\$ 397,033
Business-Type Activities	\$ 380,314	\$ 0	\$ 60,900	\$ 319,414

- e. Capital Lease Payable - The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the Governmental Funds and in the Propriety Funds. Assets under capital leases for the Governmental Funds and in the Proprietary Funds totaled \$2,465,264 and \$6,988,477 at December 31, 2021, respectively. The accumulated depreciation of the Governmental Funds and in the Proprietary Funds totaled \$1,167,584 and \$2,650,167 at December 31, 2021, respectively. The terms of the leases are 5 to 15 years and have interest rates of 2.89% per annum and 4.465% per annum, respectively. During 2012, \$5,857,547 of the lease was refinanced from an interest rate of 4.72% to the current rate of 2.89%. The refinancing resulted in a payment of a prepayment penalty of \$160,875. The prepayment penalty is being amortized over the remaining life of the lease at \$13,406 per year. The total lease payments in the General Fund and Propriety Funds for the year ended December 31, 2021, were \$268,763 and \$644,083, respectively.

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

	<u>Government Activities</u>		<u>Business-Type Activities</u>	
	Principal	Interest	Principal	Interest
2022	\$ 309,373	\$ 41,230	\$ 603,706	\$ 44,588
2023	243,828	24,524	614,437	25,181
2024	126,971	12,673	50,171	5,670
2025	68,001	3,680	34,906	1,902
2026	1,601	66		
Total	<u>\$ 749,774</u>	<u>\$ 82,173</u>	<u>\$ 1,303,220</u>	<u>\$ 77,341</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

- f. Interest - The City's interest expense for the above obligations for 2021 is as follows:

Governmental-Type Activities

General Fund

Amount Paid	\$ 840,429
Prior Year Accrual	(54,744)
Current Year Accrual	18,922
Total General Fund	804,607

Government-Wide

Change in Accrued Interest	(20,246)
Amortization of Premium	(140,096)
Amortization of Deferred Charge	109,000
Total Governmental-Type	<u>\$ 753,265</u>

Serial Bonds	641,571
Bond Anticipation Notes	65,096
Capital Lease	55,418
NYS Retirement	42,522
Total General Fund	804,607
Government-Wide Serial Bond	(51,342)
Total Governmental-Type	<u>\$ 753,265</u>

Business-Type Activities

Enterprise Fund

Amount Paid	\$ 1,014,395
Prior Year Accrual	(337,981)
Current Year Accrual	352,740
Amortization of Premium	(63,725)
Amortization of Deferred Charge	45,736
	<u>\$ 1,011,165</u>

Serial Bonds	\$ 867,222
Bond Anticipation Notes	61,718
Capital Lease	76,739
NYS Retirement	5,486
	<u>\$ 1,011,165</u>

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

1. Compensated Absences - Compensated absences represent unused vacation and compensatory time payable in the future.
2. Litigation - The City is self-insured in several areas of liability, in addition to those areas of liabilities for which insurance is not available. At December 31, 2021, the City had several outstanding tax certiorari claims in various legal stages. It is the opinion of the City's Council, the majority of the claims have an aggregate possible liability of \$0 to \$295,000.
3. Other Litigation - The City is a plaintiff in a tax certiorari case regarding the assessment by the Town of Lewis for the City's reservoir. The Court issued a decision reducing the levy by \$8,000,000 for the years ended 2012, 2013, 2014, and 2015. The Town is currently appealing the decision. If the City prevails, the Town will be required to refund the City approximately \$520,000. Since the outcome of the appeal is unknown, the City has not recorded a receivable for the potential refund.

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

(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, 2021:

<u>Description</u>	<u>Amount</u>
Accrued Liabilities	
Health Insurance Claims Lag	\$ 569,420
Interest Accrual	18,922
Payroll Accrual	<u>203,545</u>
Total Accrued Liabilities	<u>\$ 791,887</u>

3. INTERFUND TRANSACTIONS

<u>Fund Type</u>	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
Governmental Funds				
General	\$ 2,251,872	\$	\$ 14,672	\$ 1,612,969
Special Aid	927	695,123		129,449
Capital Fund		4,403,655	1,742,418	14,672
Proprietary Funds				
Water	3,006,353	306,962		
Sewer	1,023,054	1,007,789		
Refuse	5,051	11,557		
Internal Service Fund	3,104	1,427		
Custodial Fund	<u>136,152</u>			
Total	<u>\$ 6,426,513</u>	<u>\$ 6,426,513</u>	<u>\$ 1,757,090</u>	<u>\$ 1,757,090</u>

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

4. CONTINGENCIES

Potential Grantor Liability

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

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

Construction Commitments

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

Governmental	\$ 4,045,241
Proprietary	\$ 4,554,854

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

Self Insured

The City is self-insured for health insurance and general liability. The City is covered for general liability but is liable for prior claims. For the City's health insurance plan, the City has aggregate and specific excess loss insurance. In aggregate, the City is covered up to \$1,000,000 for losses that exceed a calculated amount that cannot be less than \$7,310,633. The City also has specific excess loss insurance for each participant in excess of \$225,000 for each contract period. The City currently reports its risk management activities in the fund in which the liability is incurred. Claims expenditures/expenses and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes on Estimates</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2021	\$ 447,638	\$ 5,066,984	\$ 4,854,622	\$ 660,000
2020	\$ 689,981	\$ 5,643,419	\$ 5,885,762	\$ 447,638
2019	\$ 311,000	\$ 6,517,742	\$ 6,138,761	\$ 689,981

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, 2021: Enterprise Funds \$686,103 and Governmental Activities \$2,025,135. The changes in the total workers' compensation liability is as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes on Estimates</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2021	\$ 2,663,728	\$ 989,112	\$ 941,602	\$ 2,711,238
2020	\$ 3,167,817	\$ 202,893	\$ 706,982	\$ 2,663,728
2019	\$ 4,097,855	\$ 267,663	\$ 1,197,701	\$ 3,167,817

Employees' Collective Bargaining Units

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

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

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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, 2021, the City utilized 24.9% of its constitutional taxing power.

6. REFUNDABLE GRANT AWARDS

The City awards housing improvement grants from the U.S. Department of Housing and Urban Development's Community Development Block Grant program to qualifying residents. If the property is transferred within 7 years for liens after January 1, 2008 or 10 years for liens after September 1, 2009 to another party, only the principal of the grant is to be repaid to the City. These commitments to the City are currently secured by liens against the residents' improved property. At December 31, 2021, the total liens payable to the City amounted to approximately \$1.6 million. As the City receives the funds, they are recorded as program income, and the lien is cleared. Program income must generally be used to expand the program.

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

6. 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 it will receive sometime in 2022. Since the initial payment of \$12,067,212 was not expended as of December 31, 2021, the amount is recorded in the General Fund as a 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 unequal 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. To date, the only spending approved was for a \$1.3 million aerial fire truck purchased pursuant to sections 602(c)(1)(C) and 603(c)(1)(C) of the Act regarding the use of Lost Revenues for the acquisition of government services.

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

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

7. DEFICIT FUND BALANCES AND NET POSITION

Capital Fund

The Capital Fund had deficit fund balance at December 31, 2021, of \$7,959,971. This deficit is due to the issuance of bond anticipation notes totaling \$6,708,441 and \$4,403,655 borrowed from the General Fund. As the BAN proceeds are expended, the liability remains until permanent financing is issued or payments are made from General Fund appropriations.

Special Aid Fund

The Special Aid Fund had deficit fund balance at December 31, 2021, of \$702,705. 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.

Governmental Activities

The Governmental Activities had deficit net position at December 31, 2021, of \$2,292,918. The deficit is mainly due to the accrual for other post-employment benefits in the amount of \$73,641,129. Since there is presently no provision in New York State Law to fund this liability, the deficit is not expected to be eliminated.

8. BUDGET REVISIONS

During 2021, the following budget revisions were authorized for the General Fund:

Adopted Budget	\$ 44,944,838
Add: Prior Year's Encumbrances	<u>323,785</u>
Original Budget	<u>45,268,623</u>
Amendments:	
Cleaning of Air Ducts	144,140
Ammunition Purchases	<u>19,773</u>
Total Budget Amendments	<u>163,913</u>
Final Budget	<u>\$ 45,432,536</u>

9. OPERATING LEASES

In 2007, the City entered into an agreement to lease part of its parking garage to New York State. The garage has a cost of \$4,100,868 and a carrying amount of \$2,911,108, after depreciation. The previous lease commenced on September 1, 2001, and terminated on August 31, 2006. The lease was renewed for ten years ending on August 31, 2017. The lease is currently on a month-to-month basis. The State pays the City a fixed rent of \$303,367 per annum. If operating costs of the property exceed that of the base year, then the State is responsible for its proportionate share.

The City also leases non-depreciable land to various lessees. The future lease payments to the City are as follows:

Year	Amount
2022	\$ 79,216
2023	80,428
2024	81,677
2025	79,173
2026	61,543
2027-2031	328,724
2032-2036	343,523
2037-2041	347,457
2042-2043	<u>148,196</u>
Total	<u>\$ 1,549,937</u>

CITY OF ROME, NEW YORK
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

10. FUND BALANCE

- (a) The following is a summary of the change in General Fund restricted reserve funds during the year ended December 31, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance
Restricted				
General Fund				
Liability Insurance	\$ 319,000	\$	\$	\$ 319,000
Capital Reserve	1,234,167			1,234,167
Debt Service	976,589	46,541	210,000	813,130
Workers' Compensation	694,395	429,907	150,000	974,302
Total General Fund Restricted	\$ 3,224,151	\$ 476,448	\$ 360,000	\$ 3,340,599

- (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, 2021:

	General	Special Aid	Miscellaneous Special Revenue	Capital	Total
Nonspendable	\$ 4,121,246	\$	\$	\$	\$ 4,121,246
Restricted					
Liability Insurance	319,000				319,000
Capital Reserve	1,234,167				1,234,167
Debt Service	813,130				813,130
Workers' Compensation	974,302				974,302
Total Restricted	3,340,599				3,340,599
Assigned					
Designated for Subsequent Year's Expenditures	612,933				612,933
Reserve for Encumbrances	535,808				535,808
Other			183,056		183,056
Total Assigned	1,148,741		183,056		1,331,797
Unassigned (Deficit)	8,245,243	(702,705)		(7,959,971)	(417,433)
Total Fund Equity	\$ 16,855,829	\$ (702,705)	\$ 183,056	\$ (7,959,971)	\$ 8,376,209

11. 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.

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, 2021

	Original Budget	Amended Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
Revenues					
Real Property Taxes	\$ 15,226,115	\$ 15,226,115	\$ 15,115,383		\$ (110,732)
Other Real Property Tax Items	1,342,228	1,342,228	1,364,220		21,992
Nonproperty Tax Items	11,697,091	11,697,091	14,051,843		2,354,752
Departmental Income	830,640	830,640	634,261		(196,379)
Intergovernmental Charges	946,094	946,094	796,752		(149,342)
Solar Power Credits	549,744	549,744	529,594		(20,150)
Use of Money and Property	414,343	414,344	405,665		(8,679)
Licenses and Permits	115,000	115,000	160,688		45,688
Fines and Forfeitures	50,000	50,000	40,650		(9,350)
Sale of Property and Compensation for Loss	67,500	67,500	92,920		25,420
Miscellaneous	122,000	122,000	210,652		88,652
Interfund Revenues	1,761,197	1,761,197	1,761,197		
State Aid	10,600,474	10,600,474	13,264,126		2,663,652
Total Revenues	43,722,426	43,722,427	48,427,951		4,705,524
Expenditures					
General Government Support	4,933,916	5,132,054	4,745,945	\$ 83,628	302,481
Public Safety	14,930,496	14,831,523	14,502,492	150,484	178,547
Public Health	1,500	1,500	1,494		6
Transportation	4,734,567	4,884,568	4,273,760	100,530	510,278
Culture and Recreation	1,411,397	1,411,398	1,113,505	61,529	236,364
Home and Community Services	603,695	603,695	366,154	139,637	97,904
Employee Benefits	12,327,871	12,136,871	12,131,454		5,417
Debt Service - Principal	4,203,632	4,280,572	4,649,431		(368,859)
Debt Service - Interest	897,757	926,563	804,607		121,956
Total Expenditures	44,044,831	44,208,744	42,588,842	535,808	1,084,094
Excess (Deficit) Revenues Over Expenditures	(322,405)	(486,317)	5,839,109	(535,808)	5,789,618
Other Financing Sources (Uses)					
Interfund Transfers From			14,672		14,672
Interfund Transfers To	(1,223,792)	(1,223,792)	(1,612,969)		(389,177)
Appropriated Reserve	360,000	360,000			(360,000)
Appropriated Fund Balance	1,186,197	1,350,109			(1,350,109)
Total Other Financing Sources (Uses)	322,405	486,317	(1,598,297)		(2,084,614)
Revenues Over Expenditures and Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 4,240,812	\$ (535,808)	\$ 3,705,004

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, 2021

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

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

Notes to Schedule:

Changes of benefit terms: Not Applicable.

Changes of Assumptions:

1. The single discount rate changed from 2.15% to 2.05% effective December 31, 2021.
2. Revised mortality assumption from using projection scale MP-2020 as of December 31, 2020 to projection scale MP-2021 as of December 31, 2021.

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 CONTRIBUTIONS
For the Year Ended December 31, 2021

ERS Pension Plan										
Last 10 Fiscal Years										
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 1,326,818	\$ 1,293,339	\$ 1,223,397	\$ 1,212,335	\$ 1,201,530	\$ 1,290,050	\$ 1,498,191	\$ 1,574,795	\$ 1,587,224	\$ 1,450,986
Contributions in Relation to the Contractually Required Contribution	<u>1,326,818</u>	<u>1,293,339</u>	<u>1,223,397</u>	<u>1,212,335</u>	<u>1,201,530</u>	<u>1,290,050</u>	<u>1,498,191</u>	<u>1,574,795</u>	<u>1,587,224</u>	<u>1,450,986</u>
Contribution Deficiency (Excess)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
City's Covered- ERS Employee Payroll	\$ 8,556,433	\$ 9,375,930	\$ 8,851,601	\$ 8,527,086	\$ 8,247,928	\$ 8,387,342	\$ 8,259,173	\$ 8,126,119	\$ 8,108,690	\$ 8,467,816
Contributions as a Percentage of Covered-Employee Payroll	15.51%	13.79%	13.82%	14.22%	14.57%	15.38%	18.14%	19.38%	19.57%	17.14%
PFRS Pension Plan										
Last 10 Fiscal Years										
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 2,918,317	\$ 2,625,541	\$ 2,453,091	\$ 2,534,874	\$ 2,671,000	\$ 2,532,874	\$ 2,437,114	\$ 2,645,950	\$ 2,705,617	\$ 2,455,219
Contributions in Relation to the Contractually Required Contribution	<u>2,918,317</u>	<u>2,625,541</u>	<u>2,453,091</u>	<u>2,534,874</u>	<u>2,671,000</u>	<u>2,532,874</u>	<u>2,437,114</u>	<u>2,645,950</u>	<u>2,705,617</u>	<u>2,455,219</u>
Contribution Deficiency (Excess)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
City's Covered- PFRS Employee Payroll	\$ 10,880,972	\$ 11,131,056	\$ 11,062,517	\$ 10,873,273	\$ 11,407,658	\$ 10,647,389	\$ 10,396,866	\$ 10,430,851	\$ 10,318,825	\$ 10,358,181
Contributions as a Percentage of Covered-Employee Payroll	26.82%	23.59%	22.17%	23.31%	23.41%	23.79%	23.44%	25.37%	26.22%	23.70%

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, 2021

NYS Employees Retirement System Pension Plan							
	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.0343547%	0.0328130%	0.0327028%	0.0320929%	0.0331176%	0.0034559%	0.0345204%
City's proportionate share of the net pension liability	\$ 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	\$ 8,556,433	\$ 9,375,930	\$ 8,851,601	\$ 8,527,086	\$ 8,247,928	\$ 8,387,342	\$ 8,259,173
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.40%	92.67%	26.18%	12.15%	37.73%	66.13%	14.12%
Plan fiduciary net position as a percentage of total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

NYS Police and Fire Retirement System Pension Plan							
	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.283087%	0.300191%	0.289192%	0.298134%	0.294491%	0.313404%	0.311106%
City's proportionate share of the net pension liability	\$ 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	\$ 10,880,972	\$ 11,131,056	\$ 11,062,517	\$ 10,873,273	\$ 11,407,658	\$ 10,647,389	\$ 10,396,866
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	45.17%	144.15%	43.84%	27.71%	53.51%	87.15%	8.24%
Plan fiduciary net position as a percentage of total pension liability	95.79%	84.86%	95.09%	96.93%	93.50%	90.20%	99.00%

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

CITY OF ROME, NEW YORK
COMBINING BALANCE SHEET
GENERAL FUND
December 31, 2021

	General City	Inside District	Total General
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 14,039,435	\$ 1,953,809	\$ 15,993,244
Cash and Cash Equivalents - Restricted	4,247,747	93,000	4,340,747
Taxes Receivable	1,020,471	307,264	1,327,735
Tax Sale Certificates	403,802		403,802
Property Acquired for Taxes	1,906,033		1,906,033
Assessments Receivable	461		461
Accounts Receivable	860,142	10,101	870,243
Allowance for Receivables	(853,540)	(119,220)	(972,760)
Due from Other Funds	2,105,036	146,836	2,251,872
Due from Other Governments	3,217,602	605,070	3,822,672
Prepaid Expenditures	857,153	357,613	1,214,766
Total Assets	\$ 27,804,342	\$ 3,354,473	\$ 31,158,815
Liabilities			
Current Liabilities			
Accounts Payable	\$ 740,332	\$ 5,983	\$ 746,315
Accrued Liabilities	543,897	247,990	791,887
Payroll Withholdings Payable	24,454		24,454
Unearned Revenue - Grants	12,067,212		12,067,212
Due to Other Governments	33,400		33,400
Total Current Liabilities	13,409,295	253,973	13,663,268
Deferred Inflows of Resources			
Unavailable Revenue - Real Property Taxes	638,074	1,644	639,718
Total Deferred Inflows of Resources	638,074	1,644	639,718
Fund Balances			
Nonspendable	3,763,633	357,613	4,121,246
Restricted			
Reserve for Liability Insurance	226,000	93,000	319,000
Capital Reserves	1,234,167		1,234,167
Reserve for Debt	813,130		813,130
Reserve for Workers Compensation	974,302		974,302
Total Restricted	3,247,599	93,000	3,340,599
Assigned			
Designated for Subsequent Year's Expenditures	62,363	550,570	612,933
Reserve for Encumbrances	496,788	39,020	535,808
Total Assigned	559,151	589,590	1,148,741
Unassigned	6,186,590	2,058,653	8,245,243
Total Fund Balances	13,756,973	3,098,856	16,855,829
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 27,804,342	\$ 3,354,473	\$ 31,158,815

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, 2021

	General City	Inside District	Total General
Revenues			
Real Property Taxes	\$ 10,959,636	\$ 4,155,747	\$ 15,115,383
Other Real Property Tax Items	903,174	461,046	1,364,220
Nonproperty Tax Items	10,083,538	3,968,305	14,051,843
Departmental Income	487,811	146,450	634,261
Intergovernmental Charges	337,738	459,014	796,752
Solar Power Credits	529,594		529,594
Use of Money and Property	405,045	620	405,665
Licenses and Permits	160,688		160,688
Fines and Forfeitures	27,175	13,475	40,650
Sale of Property and Compensation for Loss	90,970	1,950	92,920
Miscellaneous	210,652		210,652
Interfund Revenues	1,362,197	399,000	1,761,197
State Aid	<u>12,024,681</u>	<u>1,239,445</u>	<u>13,264,126</u>
Total Revenues	<u>37,582,899</u>	<u>10,845,052</u>	<u>48,427,951</u>
Expenditures			
General Government Support	4,655,983	89,962	4,745,945
Public Safety	7,726,344	6,776,148	14,502,492
Public Health	1,494		1,494
Transportation	4,273,760		4,273,760
Culture and Recreation	1,113,505		1,113,505
Home and Community Services	366,154		366,154
Employee Benefits	8,419,389	3,712,065	12,131,454
Debt Service - Principal	4,566,451	82,980	4,649,431
Debt Service - Interest	<u>771,799</u>	<u>32,808</u>	<u>804,607</u>
Total Expenditures	<u>31,894,879</u>	<u>10,693,963</u>	<u>42,588,842</u>
Excess Revenues Over Expenditures	<u>5,688,020</u>	<u>151,089</u>	<u>5,839,109</u>
Other Financing (Uses)			
Interfund Transfers From	14,672		14,672
Interfund Transfers To	<u>(1,612,969)</u>		<u>(1,612,969)</u>
Total Other Financing (Uses)	<u>(1,598,297)</u>		<u>(1,598,297)</u>
Excess Revenues Over Expenditures and Other Financing (Uses)	4,089,723	151,089	4,240,812
Fund Balance, Beginning of Year	<u>9,667,250</u>	<u>2,947,767</u>	<u>12,615,017</u>
Fund Balances, End of Year	<u>\$ 13,756,973</u>	<u>\$ 3,098,856</u>	<u>\$ 16,855,829</u>

See Independent Auditor's Report.

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Rome, New York, as of and for the year ended December 31, 2021, 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 June 29, 2022. Our report includes an adverse opinion on aggregate discretely presented component units since the financial statements referred to above do not include financial statements for the City's sole legally separate component unit. Accounting principles generally accepted in the United States of America require financial data for the component unit to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component unit. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the aggregate discretely presented component unit would have been presented. The financial information for the Component Unit was not available.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

D'Arcangelo & Co., LLP

June 29, 2022

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Rome, New York's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Rome, New York's major federal programs for the year ended December 31, 2021. 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, 2021.

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

June 29, 2022

Rome, New York

CITY OF ROME, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal CFDA Number</u>	<u>Current Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster				
Direct				
Community Development Block Grant – Entitlement Grant	B-13-MC-36-0106	14.218	\$ 27,393	\$
Community Development Block Grant – Entitlement Grant	B-14-MC-36-0106	14.218	205	205
Community Development Block Grant – Entitlement Grant	B-15-MC-36-0106	14.218	485	485
Community Development Block Grant – Entitlement Grant	B-16-MC-36-0106	14.218	3,598	
Community Development Block Grant – Entitlement Grant	B-17-MC-36-0106	14.218	699	699
Community Development Block Grant – Entitlement Grant	B-18-MC-36-0106	14.218	123,837	
Community Development Block Grant – Entitlement Grant	B-19-MC-36-0106	14.218	101,766	35,547
Community Development Block Grant – Entitlement Grant	B-20-MC-36-0106	14.218	525,308	152,564
Community Development Block Grant – Entitlement Grant	B-21-MC-36-0106	14.218	279,679	
Community Development Block Grant – Entitlement Grant	2020-COVID-19	14.218	308,437	
Total CDBG - Entitlement Grants Cluster			<u>1,371,407</u>	<u>189,500</u>
Total U.S. Department of Housing and Urban Development			<u>1,371,407</u>	<u>189,500</u>
<u>U.S. Department of Justice</u>				
Direct				
Edward Byrne Memorial Justice Assistance Grant Program		16.607	<u>7,585</u>	
Total U.S. Department of Justice			<u>7,585</u>	
<u>U.S. Department of Transportation</u>				
Highway Safety Cluster				
Pass through Governor's Traffic Safety Committee				
State and Community Highway Safety	PD-00240-033	20.600	<u>5,789</u>	
State and Community Highway Safety	PD-00010-033	20.616	<u>385</u>	
Highway Planning and Construction Cluster				
Pass through NYS Department of Transportation				
Highway Planning and Construction	D040238	20.205	60,580	
Highway Planning and Construction	2650.53.121	20.205	<u>75,508</u>	
			<u>136,088</u>	
Total U.S. Department of Transportation and Highway Safety			<u>142,262</u>	
<u>U.S. Environmental Protection Agency</u>				
<u>Pass through the NYS Environmental Facilities Corporation</u>				
Clean Water State Revolving Fund	C6-6037-017-01	66.458	<u>2,000,000</u>	
Total US Environmental Protection Agency			<u>2,000,000</u>	
<u>U.S. Department of Homeland Security</u>				
Direct				
Assistance to Firefighters Grant		97.044	<u>2,613</u>	
Total U.S. Department of Homeland Security			<u>2,613</u>	
Total Federal Financial Assistance			<u>\$ 3,523,867</u>	<u>\$ 189,500</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, 2021

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, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Rome, New York, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Rome, New York.

Basis of Accounting

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. The amounts reported as federal expenditures were obtained from the financial records detail, which is the source of the financial statements.

Cluster Programs

The following programs are identified by the Uniform Guidance to be part of a cluster of programs:

U.S. Department of Housing and Urban Development

CDBG – Entitlement Grants Cluster

AL# 14.218 Community Development Block Grant – Entitlement Grant

U.S. Department of Transportation

Highway Safety Cluster

AL# 20.600 State and Community Highway Safety

Highway Planning and Construction Cluster

AL# 20.205 Highway Planning and Construction

U.S. Environmental Protection Agency

Clean Water State Revolving Fund Cluster

AL# 66.458 Clean Water State Revolving Fund

2. SUBRECIPIENTS

Of the Federal expenditures presented in the Schedule, the City of Rome, New York provided the following Federal Awards to subrecipients:

Community Development Block Grant – Entitlement Grant (CFDA No. 14.218)

Mohawk Valley Community College	\$ 15,400
The Abraham House	10,000
Center for Family Life and Recovery	11,000
Rome Alliance for Education	53,164
Rome Art and Community Center	25,000
Rome Rescue Mission	50,000
YWCA of the Mohawk Valley	24,936
Total	\$ 189,500

3. Loans Receivable - Community Development Block Grant – Entitlement Grant (CFDA No. 14.218)

The Rome Entrepreneur Assistance Program (REAP) provides loans to small businesses to develop innovative products and services and create jobs. The program is funded through the City's Federal Community Development Block Grant. The various loans awarded range from \$10,000 to \$300,000. The loans are to be repaid in monthly installments over 5 years at an interest rate of 0% to prime less 1%. The prime rate at December 31, 2021 was 3.25%. The interest received is considered to be program income and is used to pay administrative costs associated with the program as well as for subsequent loans. At December 31, 2021 revolving loan portfolio has cash holdings of \$89,218, current year expenditures of \$0 and outstanding principal balance of those loans were \$720,590, less \$720,590 set up as an allowance.

CITY OF ROME, NEW YORK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021

4. De Minimis Indirect Cost Rate

The City of Rome, New York has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CITY OF ROME, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS UNIFORM GUIDANCE
For the Year Ended December 31, 2021

Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified for all but aggregate discretely presented component unit (adverse)
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Was there any material internal control weakness conditions reported for major Federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies over internal controls reported for major Federal programs?	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. Environmental Protection Agency</u> Clean Water State Revolving Fund Cluster: Clean Water State Revolving Fund (AL# 66.458)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

(Continued)

CITY OF ROME, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2021

(Continued)

I. FINDINGS—FINANCIAL STATEMENT AUDIT

None

II. FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

None

(Continued)

CITY OF ROME, NEW YORK
STATUS OF PRIOR-YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2021

I. FINDINGS—FINANCIAL STATEMENT AUDIT

None

II. FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

None