PRELIMINARY OFFICIAL STATEMENT DATED JUNE 19, 2025

NEW AND RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Trespasz Law Offices, LLP, Bond Counsel to the School District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, 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"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. (See "TAX MATTERS" herein.)

The Notes will NOT be designated "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

$17,198,018

CITY SCHOOL DISTRICT OF THE CITY OF ROME

ONEIDA COUNTY, NEW YORK

GENERAL OBLIGATIONS

$17,198,018 Bond Anticipation Notes, 2025

(the "Notes")

Dated: July 16, 2025 **Due: June 25, 2026**

The Notes are general obligations of the City School District of the City of Rome, Oneida County, New York (the "School District" or "District"), all the taxable real 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. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

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

At the option of the purchaser(s), the Notes will be issued in (i) registered certificated form registered in the name of the purchaser(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the District Clerk. A single note certificate will be issued for Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes $8,018, as may be determined by the successful bidder(s). A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (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 approving legal opinion as to the validity of the Notes of Trespasz Law Offices, LLP, Bond Counsel, Syracuse, 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 as may be agreed upon by the purchaser(s), on or about July 16, 2025.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction" accessible via www.FiscalAdvisorsAuction.com on June 26, 2025 until 11:15 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids also may be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

June __, 2025

THE DISTRICT 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 BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX C – MATERIAL EVENT NOTICES" HEREIN.

CITY SCHOOL DISTRICT OF ROME
ONEIDA COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

CASSIE KNUTTI
President

SUE CARVELLI
Vice President

JENNIFER CAMPOS
KELLY CARINCI
JEFF DEMATTEIS
JON MAGGIOLINO
NADIA RASHID
KIRSTIN SAFIN
PAULA WITT

* * * * * * * * * * *

NERLANDE ANSELME
Superintendent of Schools

ROBERT B. MEZZA, JR.
Assistant Superintendent for Operations and Management

JENNIFER DEPERNO
Assistant Superintendent of Educational Programs

DR. GEORGIA GONZALEZ
Director of Business and Finance

SANDRA RUSSELL
District Clerk

FERRARA FIORENZA PC
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

TRESPASZ LAW OFFICES, LLP
BOND COUNSEL

No person has been authorized by the City School District of 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 School District of the City of Rome.

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

OF THE

CITY SCHOOL DISTRICT OF THE CITY OF ROME

ONEIDA COUNTY, NEW YORK

RELATING TO

$17,198,018 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page and appendices, has been prepared by the City School District of the City of Rome, Oneida County, New York (the "School District" or "District", "County ", “City” and "State", respectively) in connection with the sale by the School District of $17,198,018 Bond Anticipation Notes, 2025 (the “Notes”).

The factors affecting the District’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 District 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 District 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 District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

THE NOTES

Description of the Notes

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

The Notes will be dated July 16, 2025 and will mature June 25, 2026. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) registered certificated form registered in the name of the purchaser, in denominations of $5,000 each or multiples thereof, except for a necessary odd denomination which is or includes $8,018, as determined by the successful bidder(s) or (ii) at the option of the purchaser, in book-entry-only form, 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.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law along with a bond resolution adopted by the District’s Board of Education on January 27, 2022 authorizing the issuance of up to $18,198,018 bonds and other obligations to finance a capital improvement project consisting of interior and exterior renovations, improvements and upgrades, site improvements to physical education and recreational facilities, and various infrastructure upgrades at Rome Free Academy, Lyndon H. Strough Middle School, Stokes Elementary School, Ridge Mills Elementary School, Louis V. Denti Elementary School, John E. Joy Elementary School, Gansevort Elementary School, Francis Bellamy Elementary School and Jerry C. Clough Pre-K School and the construction at Rome Free Academy of a new multi-purpose baseball/softball physical education field complex with artificial turf, grandstands, parking, lighting, sidewalks and dugouts, and the resurfacing of and associated enhancements at the tennis courts (the “2022 Capital Project”), at a total estimated cost not to exceed $21,608,018, including the expenditure of $3,410,000 from a Capital Reserve approved by the District voters on December 18, 2019.

The proceeds of the Notes will redeem and renew in full $11,100,000 bond anticipation notes maturing July 17, 2025 with the balance of proceeds providing $6,098,018 in new money for the 2022 Capital Project.

No Optional Redemption

The Notes shall not be subject to redemption prior to maturity.

NATURE OF OBLIGATION

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

Holders of any series of notes or bonds of the District 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 Notes.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District 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 District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, without limitation as to rate or amount.

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" or "Chapter 97"). 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 District 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 District'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 Notes 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 Noteholders 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 Notes 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 Note 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.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world's largest depository, 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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 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 is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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"). 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 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 each Note ("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 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 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. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption proceeds, distributions, and dividend 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 upon DTC's receipt of funds and corresponding detail information from the District on payable date 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 nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, 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 District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE DISTRICT 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 OR REDEMPTION PREMIUM 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 DISTRICT 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 OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; 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 DISTRICT 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

If the book-entry form is initially chosen by the purchaser of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District 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 in denominations of $5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes $8,018, as determined by the successful bidder(s). 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 as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District is situated in central New York State in the central portion of Oneida County, about 15 miles northwest of the City of Utica. It encompasses approximately 130 square miles and is located primarily within the City of Rome (the "City") however, it does not include the entire geographic boundaries of the City. Additionally, the District encompasses various portions of the Towns of Annsville, Lee, Verona and Western (collectively, the "Towns"). The District lies within the Utica-Rome Standard Metropolitan Statistical Area.

The character of the District is both urban and suburban residential. The District is comprised of multi-family and single-family residences, and there has recently been co-operative and condominium development. There has been moderate development of the industrial and commercial sectors. A portion of the District has been zoned for industrial development and expansion. The West Rome Industrial Park, developed in the late 1960s under a grant from the Economic Development Administration, has over 66 acres of industrial development. Commercial activity within the District is concentrated in several commercially zoned areas and in shopping malls. Within the District there are also tourism and recreational facilities, including several parks, Fort Stanwix, and Erie Canal Village.

Transportation is provided to and from the District by bus companies, internal staff and a network of highways. The District is served by the New York State Thruway, and New York State Routes 12B, 26, 46, 69, 233, 365 and 825. Rail passenger service to and from the District is provided by Amtrak. The State Barge Canal also serves the District. Major airline service is provided at the Syracuse Hancock International Airport.

Electricity and natural gas are supplied throughout the District by National Grid and Griffiss Utility Services Corporation. The City and Towns maintain water supply and distribution systems, entirely supported from user charges and special benefit assessments, and they provide sanitary sewage collection and treatment facilities.

Police protection is provided by the State Police, the Rome Police Department, the County Sheriff's Office, and by the police departments of the Towns. Fire protection service is provided by the Rome Fire Department and by local volunteer units. Ambulance service is provided by private companies.

Source: District officials.

District Population

The 2023 estimated population of the District is 36,750. (Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates.)

Note: U.S. Census Bureau, 2020-2024 American Community Survey 5-Year Estimates data is not available as of the date of this Official Statement.

Local Economy and 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:

Year	Annual Average
2020	117.7
2021	119.7
2022	122.5
2023	122.7
2024	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.

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 within the Griffiss Park includes the following:

- The County's Unmanned Aerial Systems (UAS) Test Site at Griffiss International Airport in Rome has been reauthorized by the Federal Aviation Administration (FAA), extending its designation for another five years through 2028. The test site, which is owned by Oneida County and operated with AX Enterprize, is one of just seven such sites designated by the FAA in the U.S.. The test site remains at the forefront of public policy development, commercialization and safe integration of UAS into the global airspace. Since its inception in 2014, the site has worked with over 200 partners. The extension is vital for UAS research and development so the Mohawk Valley can continue to advance UAS research, pioneer safe UAS operations in the national airspace and accelerate UAS industry economic development across the region.
- The County has made investments 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.

Continued development outside the Griffiss Park includes the following:

- Nascentia Neighborhood: Beeches Manor, residing on the 52-acre property is a state-of-the-art banquet hall with the ability to seat up to 350 guests. This year-round historical venue is ideal for weddings, meetings, and special events. In 2021 the property was purchased by Nascential Health and was redeveloped into a senior community campus and conference center that allows seniors to age in place and live independently with support from a wide range of professionals. The project brings valuable healthcare jobs to the area including nurses, occupational therapists, physical therapists, home health aides and more.
- 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 the 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 taxpayers 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 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.

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.

Wolfspeed Silicon Chip Manufacturer, Marcy NY. In April 2022, Wolfspeed cut the ribbon on the world's first, largest, and only 200-millimeter silicon carbide semiconductor facility at Marcy Nanocenter. Wolfspeed has hired over 400 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 silicon carbide chip technology. In May 2025 various financial publications reported that the company could file for bankruptcy in the coming weeks. Wolfspeed has been grappling with sluggish demand in industrial and automotive markets and tariff-induced uncertainty. The company is looking to file for Chapter 11 bankruptcy that would have the support of a majority of its creditors, after rejecting several out-of-court debt restructuring proposals from creditors.

Source: District officials and City of Rome Official Statement dated May 22, 2025.

Largest Employers

Some of the major employers located within the District and in the surrounding area are as follows:

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

(1) Turning Stone Casino is located in the Town of Verona, which is approximately 16 miles from the District.

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

Banking Facilities

The following banks maintain offices within the borders of the District:

Adirondack Bank	M & T Bank
NBT Bank, N.A.	KeyBank, N.A.
Berkshire Bank	Community Bank, NA
Chase Manhattan Bank	Rome Teacher's Credit Union

Source: District officials.

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, are the below listed City, Towns and County. The figures set below with respect to the City and such Towns and County are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the City, Towns or County are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2019-2023	2006-2010	2016-2020	2019-2023
City of:						
Rome	$ 21,989	$ 26,731	$ 31,946	$ 55,630	$ 66,714	$ 75,542
Towns of:						
Annsville	20,616	25,517	29,503	47,560	54,239	68,618
Lee	24,121	35,882	48,186	62,734	80,426	102,443
Verona	22,642	30,182	38,380	54,160	80,702	97,120
Western	30,185	34,559	59,693	68,333	84,615	99,444
County of:						
Oneida	23,458	30,678	36,865	58,017	74,796	88,011
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Note: 2020-2024 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2019-2023 American Community Survey 5-year data estimates.

Unemployment Rate Statistics

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

Annual Averages

	2017	2018	2019	2020	2021	2022	2023	2024
City of Rome	5.2%	4.8%	4.4%	8.9%	5.8%	3.8%	3.9%	4.1%
Oneida County	4.9%	4.3%	4.0%	7.7%	5.1%	3.6%	3.5%	3.7%
New York State	4.6%	4.1%	3.9%	9.8%	7.1%	4.3%	4.1%	4.3%

2025 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun
City of Rome	4.4%	4.9%	4.4%	3.5%	N/A	N/A
Oneida County	4.3%	4.6%	4.1%	3.2%	N/A	N/A
New York State	4.6%	4.3%	4.1%	3.6%	N/A	N/A

Note: Unemployment rates for May 2025 are unavailable as of the date of this Official Statement.

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

Form of School Government

The Board of Education, which is the policy-making body of the District, consists of nine members with overlapping three-year terms. The President and the Vice President are selected by the Board of Education members. The President of the Board of Education is the Chief Fiscal Officer of the District.

The duties of the administrative officers of the District are to implement the policies of the Board of Education and supervise the operation of the school system.

Investment Policy

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (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 of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the District; (6) obligations of a New York public corporation which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. 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 District's current policy to invest 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 District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared a tentative budget of the District for the ensuing fiscal year. This tentative budget must be completed at least fourteen days before the annual District meeting at which it is to be presented. Copies are available upon request to taxpayers within the District, fourteen days preceding such meeting and at each such meeting. The Board must also give notice that a copy of the tentative budget may be obtained at each schoolhouse within the District.

The Board of Education causes a notice to be published stating the time, date, place and purpose of the annual or district meeting. At least forty-five days must elapse between the first publication of such notice and the date specified for such meeting. The meeting must be held at the time and place specified but it may be adjourned to permit voting on the following day. If the qualified voters at the annual or District meeting approve the tentative budget, the Board of Education, by resolution adopts the tentative budget as the budget of the District for the ensuing year.

If by majority vote the budget is rejected, the Board of Education may make any change, alteration or revision to the budget and may hold a second public hearing and referendum. If no budget is approved, the Board of Education, must, pursuant to law, adopt by resolution an austerity budget for the ensuing fiscal year. The Board of Education may then levy a tax for ordinary contingent expenses of the District, which includes debt service.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012–2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the District to exceed the School District Tax Cap to be exceeded also must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the third Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

Recent Budget Vote Results

The budget for the 2024-25 fiscal year was adopted by the qualified voters on May 21, 2024 by a vote of 587 to 417. The District’s adopted budget for the 2024-25 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.94%, which was equal to the District tax levy limit of 2.94% for the 2024-25 fiscal year.

The budget for the 2025-26 fiscal year was adopted by the qualified voters on May 20, 2025 by a vote of 434 to 257. The District’s adopted budget for the 2025-26 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.56%, which was equal to the District tax levy limit of 2.56% for the 2024-25 fiscal year.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2025-26 fiscal year, approximately 69.8% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

In addition to the amount of State aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program.

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (See also “MARKET AND RISK FACTORS”).

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the School District, 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.

There can be no assurance that the State’s financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State’s 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State’s fiscal year of April 1. With the exception of the State’s fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, thirty-eight (38) days after the April 1 deadline, the State’s fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State’s fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State’s budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Federal aid received by the State.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

President Trump signed an executive order that directs the Secretary of Education to take all necessary steps to facilitate the closure of the U.S. Department of Education. The executive order aims to minimize the federal role in education but stops short of completely closing the Department as this would require 60 votes in the U.S. Senate. President Trump also indicated his preference that critical functions, like distributing Individuals with Disabilities Education Act funding, would be the responsibility of other federal agencies. The impact that the executive order will have on the State and school districts in the State is unknown at this time.

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Building Aid is paid over fifteen years for reconstruction work, twenty years for building additions, or thirty years for new building construction. Building Aid for a specific building project is eligible to begin eighteen months after State Commissioner of Education approval date, for that project, and is paid over the previously described timeframe, assuming all necessary building aid forms are filed with the State in a timely manner. The building aid received is equal to the assumed debt service for that project, which factors in the bond percent, times the building aid ratio that is assigned to the District, and amortized over the predefined timeframe. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-26 preliminary building aid ratios, the District expects to receive State building aid of approximately 96.5% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

State aid history:

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

School district fiscal year (2021-2022): The State's 2021-22 Enacted Budget included $29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of $13 billion of federal funds for emergency relief, along with the Governor's

Emergency Education Relief, which included, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of $10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget included $31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also included $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, was designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocated $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increased federal funds by $125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School district fiscal year (2023-2024): The State's 2023-24 Enacted Budget included $34.5 billion for school aid, an increase of $3.1 billion or 10%. The States 2023-24 Budget also provided a $2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provided $134 million to increase access to free school meals. An additional $20 million in grant funding was included to establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of $10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional $150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-2025): The State's 2024-25 Enacted Budget provided $35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever at that time (assuming the State aid amount agreed to as described in the following paragraphs is the amount ultimately enacted). This represented an increase of $1.3 billion compared to the 2023-24 school year and included a $934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintained the "save harmless" provision, which ensured a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): The State's 2025-26 Enacted Budget includes approximately $37.6 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of $1.7 billion. The State's 2025-26 Budget provides an estimated $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. As part of the 2025–26 Enacted State Budget, the Governor and Legislature made targeted adjustments to the Foundation Aid formula. While the formula itself remains largely intact, the budget includes a hold harmless provision ensuring that no district receives less Foundation Aid than in the prior year. Additionally, all districts are guaranteed at least a 2% year-over-year increase in Foundation Aid. The enacted budget also includes formula modifications intended to provide enhanced support for high-need and disadvantaged school districts.

Provisions in the State's 2025-26 Enacted Budget grant the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State Aid) if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. Specifically, the State's 2025-26 Enacted Budget provides that a "general fund imbalance" has occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of $2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity v. New York ("CFE") mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that $1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of the CFE decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as Foundation Aid. The stated purpose of Foundation Aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive $5.5 billion increase in Foundation Aid over a four fiscal year phase-in covering 2007 to 2011.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the CFE case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Hochul announced that New York State reached an agreement to settle and discontinue the *NYSER* case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the CFE cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 and FY 2025 budget and enacted this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: $19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and a 2% minimum increase in Foundation Aid to all school districts.

State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for the below fiscal years comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	$ 113,252,941	$ 73,816,209	65.18%
2020-2021	115,026,930	70,413,647	61.21
2021-2022	125,354,377	75,279,167	60.05
2022-2023	131,470,907	87,028,889	66.20
2023-2024	146,254,363	100,018,927	68.39
2024-2025 (Budgeted)	142,493,274 (1)	99,404,681	69.76
2025-2026 (Budgeted)	148,207,011 (2)	101,660,415	68.59

(1) Does not include $14,892,470 appropriated fund balance.
(2) Does not include $12,326,447 appropriated fund balance.

Source: Audited financial statements for the 2019-20 through the 2023-24 fiscal year and adopted budget (unaudited) of the District for the 2024-25 and 2025-26 fiscal years. This table is not audited.

District Facilities

The District currently operates the following facilities:

Name	Grades	Capacity	Year(s) Built/Additions
Bellamy Elementary School	K-4	540	1959, '86, '90, '94, '97, '03, '09
Clough Elementary School	Pre-K	300	1957, '86, '91, '94, '97, '98, '03, '11
Denti Elementary School	K-4	564	1969, '88, '93, '96, '97, '03, '09, '12
Gansevoort Elementary School	K-4	496	1924, '54, '64, '90, '92, '93, '95, '97, '03, '11
Ridge Mills Elementary School	K-4	440	1957, '58, '62, '92, '93, '94, '96, '03, '04, '07, '08, '10
Stokes Elementary School	K-4	477	1957, '60, '86, '90, '91, '93, '94, '97, '03, '04, '06
John E. Joy Elementary School	K-4	382	1957, '64, '86, '90, '91, '93, '97, '98, '03
Staley Junior High School	5-6	1,258	1957, '67, '81, '88, '89, '92, '02, '03, '04, '05, '07
Strough Junior High School	7-8	1,519	1950, '74, '86, '88, '89, '91, '93, '94, ’96, '03
Rome Free Academy	9-12	1,800	2001, '04, '07

The District is pursuing the sale of the closed Fort Stanwix school.

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2020-2021	5,867	2025-2026	5,300
2021-2022	5,729	2026-2027	5,350
2022-2023	5,684	2027-2028	5,400
2023-2024	5,674	2028-2029	5,450
2024-2025	5,237	2029-2030	5,500

Source: District officials.

Employees

The District employs a total of 1,106 persons, of which 940 are represented by the various bargaining units listed below:

Number of Members	Union Representation	Expiration Date
406	Rome City School District Teachers' Association	June 30, 2027
270	Rome City School District Aides, Monitors & Cafeterias' Employees	June 30, 2027
129	Rome City School District Substitute Teachers	June 30, 2028
67	Local200B – SEIU – AFL-CIO (The Custodial Unit)	June 30, 2028
34	Rome City School District C.S.E.A.	June 30, 2028
28	Rome City School District Administrators' Association - RAA	June 30, 2029
6	Rome City School District UPSEU	June 30, 2027

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement 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 had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. 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. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, 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 the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years. The State's 2024-25 Enacted Budget included a provision that improved the pension benefits of Tier VI members by modifying the final average salary calculation from 5 years back to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five fiscal years and budgeted figures for the 2025-26 fiscal years are as follows:

Fiscal Year	ERS	TRS
2020-2021	$ 1,141,119	$ 3,293,473
2021-2022	1,146,519	3,546,583
2022-2023	970,542	3,817,432
2023-2024	1,331,646	4,901,687
2024-2025 (Actual)	1,931,987	5,108,990
2025-2026 (Budgeted)	1,946,386	5,025,959

Source: District records.

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. The District has not offered early retirement incentives since the 2014-2015 fiscal year.

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 TRS employer contribution rates as a percent of payroll (2020-21 to 2025-26) is shown below:

Fiscal Year	ERS	TRS
2020-21	14.6%	9.53%
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59*

* Estimated. Final contribution rate expected to be adopted at the July 31, 2025 TRS Retirement Board meeting.

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS 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 the 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 District is not amortizing any pension payments, nor does it intend to do so in the foreseeable future.

Stable Rate Pension Contribution Option. The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, 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 TRS. The stable rates would be 12% for ERS and 14% for TRS. 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 District did not participate in the Stable Rate Pension Contribution Option, nor does it intend to do so in the foreseeable future.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District’s employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems (“UAALs”). 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 District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has since established such a reserve fund and the balance of reserves as of June 30, 2024 was $2,482,728.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment 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 will require governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB 75 and OPEB. In 2015, 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. The District implemented GASB 75. The implementation of this statement requires school districts to report 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 requires school districts to calculate and report a net other postemployment benefit obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

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

The District contracted with Questar III BOCES to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2022-23 and 2023-24 fiscal years, by source.

Balance beginning at June 30:	2022	2023
Changes for the year:	$ 337,672,234	$ 355,700,689
Service cost	9,626,343	10,039,862
Interest on Total OPEB Liability	12,099,357	13,145,625
Effect of Demographic Gains or Losses	-	(7,675,401)
Changes in assumptions or other inputs	7,417,115	(14,989,525)
Benefit payments	(11,114,360)	(11,273,901)
Net Changes	$ 18,028,455	$ (10,753,340)
Balance ending at June 30:	**2023**	**2024**
	$ 355,700,689	**$ 344,947,349**

Source: Audited financial statements of the District. The above table is not audited. For additional information see "APPENDIX – E" attached hereto.

The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the District's audited financial statements.

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last completed audit report covers the period ending June 30, 2024 and is attached hereto as "APPENDIX – E". Certain summary financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for Districts in New York State by the State. This system differs from 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 June 30, 2003, the District issues 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.

D'Arcangelo & Co., LLP, the independent auditor for the District, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. D'Arcangelo & Co., LLP also has not performed any procedures relating to this Official Statement.

New York State Comptroller Reports of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District 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. Audit reports of the District published by the State Comptroller's Office in the past five years are summarized below.

The State Comptroller's office released an audit report of the District on December 3, 2021. The purpose of the audit was to Determine whether the Board and District officials properly managed fund balance and reserves for the period July 19, 2019 through July 12, 2021.

<u>Key Findings:</u>

- Reviewed historical trends to project future revenues and expenditures but did not calculate the projected annual operating deficits in future fiscal years or assess the impact of the operating deficits on fund balance and reserves.
- Maintained asset inventory lists, replacement schedules and conducted periodic building condition surveys but did not incorporate the information into a comprehensive capital plan to prioritize and fund capital projects and purchases.

<u>Key Recommendation</u>

- Develop and adopt comprehensive written multiyear financial and capital plans.

There are no State Comptroller's audits of the District currently in progress or pending release at this time.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

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 classifications of the District for the 2019-20 through 2023-24 fiscal years are as follows:

Fiscal Year Ending:	Stress Designation	Fiscal Score
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	0.0
2020	Susceptible Fiscal Stress	25.0

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein, nor incorporation hereof.

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 Education Law and the Local Finance Law.

The District 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 District is past due. The District was three days late in making a partial principal and interest payment relating to $24,925,000 Bond Anticipation Notes, 2018 (Renewals). Due to a clerical oversight by the District, a $424,071 portion of the $24,925,000 principal amount due, including $685,437.50 of interest was not paid by the maturity date of the August 2, 2019. The District was notified on August 5, 2019 by the Depository Trust Company ("DTC") that payment was not received. The balance of the principal and interest due was paid by the District to DTC on August 5, 2019. The District had funds on hand to make payment and the missed payment was not related to any cash flow issues. The District was also one day late in making a $50,200 interest payment relating to $2,100,000 School District Revenue Bond Financing Program Revenue Bonds, 2017G to the Dormitory Authority of the State of New York ("DASNY") due on February 1, 2022. The District had funds on hand to make payment and the missed payment was not related to any cash flow issues.

The fiscal year of the District is July 1 to June 30.

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 District.

TAX INFORMATION

Taxable Valuations

For Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
City of:					
Rome	$ 801,305,928	$ 803,842,320	$ 801,347,862	$ 801,871,370	$ 804,878,963
Towns of:					
Lee	9,929,357	9,989,935	10,057,294	10,118,913	10,165,008
Western	43,464,246	44,132,342	44,415,849	128,702,154 (1)	126,252,383
Verona	3,183,780	3,184,593	3,215,363	3,249,218	3,270,990
Annsville	4,105,975	4,192,715	4,441,881	4,120,164	4,209,250
Total Assessed Valuation	$ 861,989,286	$ 865,341,905	$ 863,478,249	$ 948,061,819	$ 948,776,594
State Equalization Rates					
City of:					
Rome	66.09%	61.03%	53.51%	45.38%	45.37%
Towns of:					
Lee	3.04%	2.88%	2.40%	2.24%	2.11%
Western	53.00%	50.00%	48.00%	100.00% (1)	100.00%
Verona	64.00%	63.00%	57.00%	49.00%	48.00%
Annsville	55.00%	58.95%	57.20%	52.00%	50.00%
Total Full Valuation	$ 1,633,518,217	$ 1,764,431,189	$ 2,022,560,001	$ 2,362,008,709	$ 2,368,621,949

(1) Significant change from the previous year due to town-wide revaluation.

Source: District officials.

Tax Rates Per $1,000 (Assessed)

For Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
City of:					
Rome	$ 33.26	$ 33.63	$ 33.95	$ 35.32	$ 36.77
Towns of:					
Lee	727.74	731.31	719.59	787.71	745.18
Western	41.73	41.94	41.44	14.63 (1)	16.69
Verona	34.56	34.73	32.89	33.16	34.06
Annsville	40.96	40.41	35.14	33.04	16.69

(1) Significant change from the previous year due to town-wide revaluation.

Source: District officials.

Tax Collection Procedure

The real property taxes of the District are collected by the Receiver of Taxes of the District. Such taxes are due and payable on October 1, and may be paid in full until October 31 without penalty. Alternatively, such taxes may be paid in two equal installments, the first installment payable from October 1 through 31, inclusive, without penalty, and the second installment payable from April 1 through April 30, inclusive, without penalty. There is a 2% penalty upon first installment taxes paid through November. There is an additional 1% per month penalty upon first installment taxes beginning in December, through to the time of payment. The second installment may be paid anytime between October 1 and April 30, inclusive, without penalty. There is a 2% penalty upon second installment taxes paid through May 31. There is an additional 1% per month penalty upon second installment taxes beginning in June, through time of payment.

Between May 1 and June 30, uncollected school taxes are reported to the City of Rome and Oneida County, as applicable. The County normally pays in full to the District its portion of such uncollected school taxes, plus a 2% penalty, by August 1. The City collects its portion of such uncollected school taxes through the close of the succeeding fiscal year, and makes monthly payments to the District of such tax payments received. The City is required to remit in full, any remaining delinquencies upon its portion of the uncollected school taxes by October 31 of the second succeeding fiscal year.

The District is not responsible for the collection of taxes of any other unit of government.

Tax Levy and Tax Collection Record

For Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Total Tax Levy	$ 35,159,690	$ 35,651,940	$ 36,543,239	$ 37,602,993	$ 39,525,366
Amount Uncollected (1)	2,504,839	1,795,453	1,809,119	1,845,688	N/A
% Uncollected	7.12%	5.04%	4.95%	4.91%	N/A

(1) Represent amount collected and returned to County at end of collection period. The District receives 100% of its tax levy each year. See "Tax Collection Procedure" herein.

Source: District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total General Fund revenues of the District for the below fiscal years comprised of Real Property Taxes.

Fiscal Year	Total Revenues	Total Real Property Tax Levy	Percentage of Total Revenues Consisting of Real Property Tax
2019-2020	$ 113,252,941	$ 35,976,690	31.77%
2020-2021	115,026,930	35,976,690	31.28
2021-2022	125,354,377	36,468,940	29.09
2022-2023	131,470,907	37,360,239	28.42
2023-2024	146,254,363	38,419,993	26.27
2024-2025 (Budgeted)	142,493,274 (1)	38,708,366	27.17
2025-2026 (Budgeted)	148,207,011 (2)	39,699,188	26.79

(1) Does not include $14,892,470 appropriated fund balance.
(2) Does not include $12,326,447 appropriated fund balance.

Source: Audited financial statements for the 2019-20 through the 2023-24 fiscal year and adopted budget (unaudited) of the District for the 2024-25 and 2025-26 fiscal years. This table is not audited.

Ten Larger Taxpayers – 2024 Assessment Roll for 2024-25 District Tax Roll

Name	Type	Taxable Assessed Valuation
Niagara Mohawk Power Corp.	Utility	$ 37,541,765
G&I IX Empire Freedom Plaza	Retail	6,708,494
Wal-Mart Real Estate Business Trust	Retail	6,800,000
Lowe's Home Centers, Inc.	Retail	4,976,300
WD Housing and Holdings LLC	Apartments	4,631,100
New Plan East LLC (Price Chopper and Applebee's)	Commercial	4,002,500
Bryant Property Management, LLC	Real Estate	6,222,400
Rome Hospitality Group LLC (Hampton Inn)	Hotel	4,202,500
New York Central Lines	Railway	3,837,007
Martin's Foods of S Burlington (Hannaford)	Supermarket	3,890,135

The ten larger taxpayers listed above have a total estimated taxable assessed valuation of $82,812,201, which represents 8.7% of the tax base of the District for the 2024-25 fiscal year.

As of the date of this Official Statement, the District does not have any pending or outstanding tax certioraris that are known or believed could have a material impact on the finances of the District.

Source: District tax rolls.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

STAR – School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $107,300 or less for the 2025-26 school year, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $86,100 for the 2025-26 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-16 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-16 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes were intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to $250,000, compared with a $500,000 limit for the credit. The amount of the STAR exemption remains the same each year, while the amount of the STAR credit can increase up to two percent annually.

The table below lists the basic and enhanced exemption amounts for the 2025-26 District tax roll for the municipalities applicable to the District:

Municipality	Enhanced Exemption	Basic Exemption	Date Certified
City of Rome	$ 40,010	$ 14,510	10/16/2024
Town of Annsville	43,050	15,000	4/10/2025
Town of Lee	1,820	630	4/10/2025
Town of Western	86,100	30,700	4/10/2025
Town of Verona	41,330	14,400	4/10/2025

$4,640,489 of the District's $37,602,993 school tax levy for 2023-24 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2024.

$4,346,080 of the District's $38,780,366 school tax levy for 2024-25 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2025.

The District anticipates a similar amount of its tax levy to be exempted by the STAR program for 2025-26.

Additional Tax Information

Real property located in the District is assessed by the Towns and the City.

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-68%, Commercial-20%, and Industrial-12%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $2,173 including County, City or Town, School District and Fire District taxes and not including a STAR exemption.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor ("Chapter 97" or the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020, however, recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation, applicable to the Notes.

See "State Aid" for a discussion of the New Yorkers for Students' Educational Rights v. State of New York case which includes a challenge to the supermajority requirements regarding school district property tax increases.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and 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; unless substantially level or declining annual debt service is utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The District 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 notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "NATURE OF OBLIGATION," the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, Chapter 97 of the Laws of 2011 imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in such law. See "TAX LEVY LIMITATION LAW" herein.

Statutory Procedure

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

Debt Limit. The District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such ratio shall be determined.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

Each bond resolution 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 Local Finance Law also provides that where a bond resolution 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 District is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,

(3) Such obligations are authorized in violation of the provisions of the Constitution.

The District complied with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

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 notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
Bonds	$ 50,765,000	$ 45,940,000	$ 40,835,000	$ 35,750,000	$ 42,625,000
Bond Anticipation Notes	3,610,958	7,500,000	14,065,491	13,491,055	0
Total Debt Outstanding	$ 54,375,958	$ 53,440,000	$ 54,900,491	$ 49,241,055	$ 42,625,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of June 19, 2025.

Type of Indebtedness	Maturity		Amount
Bonds	2025-2041		$ 36,775,000
Bond Anticipation Notes			
2022 Capital Project	July 17, 2025		11,100,000 [1]
		Total Indebtedness:	$ 47,875,000

[1] To be redeemed and renewed, in full, at maturity with proceeds of the Notes.

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 19, 2025:

Full Valuation of Taxable Real Property			$ 2,368,621,949
Debt Limit 10% thereof			236,862,195
Inclusions:			
Bonds	$ 36,775,000		
Bond Anticipation Notes (BANs):	11,100,000		
Total Inclusions prior to issuance of the Notes	47,875,000		
Less: BANs being redeemed from appropriations	0		
Add: New money proceeds of the Notes	6,098,018		
Total Net Inclusions after issuance of the Notes		$ 53,973,018	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness after issuance of the Notes			$ 53,973,018
Net Debt-Contracting Margin			$ 182,889,177
The percent of debt contracting power exhausted is			22.79%

[1] Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2025-26 Building Aid Ratios, the School District anticipates State Building aid of 96.5% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the Building aid it anticipates, however, no assurance can be given as to when and how much Building aid the School District will receive in relation to its capital project indebtedness.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Bonded Debt Service

A schedule of Bonded Debt Service may be found in “APPENDIX – B” to this Official Statement.

Cash Flow Borrowings

The District, historically, does not issue tax anticipation notes but has issued revenue anticipation notes in the past five years. The District issued $6,000,000 revenue anticipation notes in the 2018-19 fiscal year, $8,000,000 in the 2019-20 fiscal year; and last issued $8,000,000 revenue anticipation notes in the 2020-21 fiscal year. The District does not currently anticipate issuing revenue anticipation notes in the foreseeable future.

Capital Project Plans

On March 22, 2022, the qualified voters of the District approved a proposition authorizing the District to undertake a capital improvement project consisting of interior and exterior renovations, improvements and upgrades, site improvements to physical education and recreational facilities, and various infrastructure upgrades at Rome Free Academy, Lyndon H. Strough Middle School, Stokes Elementary School, Ridge Mills Elementary School, Louis V. Denti Elementary School, John E. Joy Elementary School, Gansevort Elementary School, Francis Bellamy Elementary School and Jerry C. Clough Pre-K School and the construction at Rome Free Academy of a new multi-purpose baseball/softball physical education field complex with artificial turf, grandstands, parking, lighting, sidewalks and dugouts, and the resurfacing of and associated enhancements at the tennis courts (the "2022 Capital Project"), at a total estimated cost not to exceed $21,608,018, including the expenditure of $3,410,000 from the Capital Reserve approved by the District voters on December 18, 2019. To date the District has issued $11,100,000 bond anticipation notes pursuant to this authorization, of which $11,100,000 notes are currently outstanding and will mature on July 17, 2025. The proceeds of the Notes will redeem and renew in full the $11,100,000 outstanding notes maturing July 17, 2025 with the balance of proceeds providing $6,098,018 in new money for the 2022 Capital Project.

On May 21, 2024, the qualified voters of the District approved a proposition authorizing the District to undertake a capital improvement project consisting of the reconstruction, renovations and improvements to all District buildings, facilities and grounds (the "2024 Capital Project"), at a total estimated cost not to exceed $34,187,872. The District anticipates future short-term borrowings to begin Summer 2026, pursuant to State Education Department approval and construction cash flow needs.

On May 20, 2025, the qualified voters of the District approved a proposition authorizing the District to establish a Capital Reserve Fund for a ten-year term pursuant to Section 3651 of the Education Law to be titled "2025 Capital Reserve Fund" and fund such reserve in an amount not to exceed $10,000,000 to be used for construction, reconstruction, renovations, improvements and additions to all District facilities, including purchase of equipment, technology upgrades, classroom equipment and/or school infrastructure equipment, site development, athletic fields, storm and sanitary sewer, driveways, and parking lots; such reserve fund to be funded from (i) year-end budget surplus funds known as unassigned fund balance, as available, for the fiscal year ending June 30, 2025 and each fiscal year thereafter for the term of the reserve fund, (ii) transfers of excess monies from Board of Education designated reserves, (iii) amounts from budgetary appropriations from time to time, and (iv) New York State Aid received and made available by the Board of Education from time to time.

On May 20, 2025, the qualified voters of the District approved a proposition authorizing the District to expend up to $200,000 from the General Fund of the 2025-26 budget for the purpose of purchasing and replacing one (1) 66 passenger diesel school bus for the transportation of district students.

The District is currently reviewing its need for a future capital project that could potentially be presented to voters in December 2025. The scope, timing, and estimated cost of the referendum is not known as of the date of this Official Statement.

Other than stated above, the District has no other authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes of the respective municipalities are listed below.

Municipality	Status of Debt as of	Gross Indebtedness [1]		Exclusions		Net Indebtedness	District Share	Applicable Indebtedness
County of:								
Oneida	2/13/2025	$ 482,367,139	(3)	$ 308,527,139	(2)	$ 173,840,000	12.95%	$ 22,512,280
City of:								
Rome	5/22/2025	104,879,611	(3)	48,227,459	(2)	56,652,152	93.78%	53,128,388
Town of:								
Annsville	12/31/2023	380,417	(4)	N/A	(5)	-	5.38%	-
Lee	12/31/2023	-	(4)	N/A	(5)	-	87.47%	-
Western	12/31/2023	-	(4)	N/A	(5)	-	56.59%	-
Verona	12/31/2023	25,394,716	(3)	19,934,321	(2)	5,460,395	1.29%	70,439
							Total:	$ 75,711,107

(1) Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.

(2) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

(3) Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.

(4) Gross indebtedness sourced from local government data provided by the State Comptroller's office for the most recent fiscal year such data is available for the respective municipality.

(5) Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 19, 2025.

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 53,973,018	$ 1,468.65	2.28%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	129,684,125	3,528.82	5.48

(a) The 2023 estimated population of the District is 36,750. (See "THE SCHOOL DISTRICT – District Population" herein.)

(b) The District's full value of taxable real estate for the 2024-25 fiscal year is $2,368,621,949. (See "TAX INFORMATION – Taxable Valuations" herein.)

(c) See "Debt Statement Summary" herein for the calculation of Net Indebtedness.

(d) Estimated net overlapping indebtedness is $75,711,107. (See "Estimated Overlapping Indebtedness" herein.)

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept for School Districts. In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond. Such investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

General Municipal Law Contract Creditors' Provision. The Notes when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. 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 and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the School District may not be enforced by levy and execution against property owned by the School District.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as municipalities, 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 or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

Constitutional Non-Appropriation Provision. 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." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

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

Default Litigation. In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

No Past Due Debt. No principal of or interest on School District indebtedness is past due. The District was three days late in making a partial principal and interest payment relating to $24,925,000 Bond Anticipation Notes, 2018 (Renewals). Due to a clerical oversight by the District, a $424,071 portion of the $24,925,000 principal amount due, including $685,437.50 of interest was not paid by the maturity date of the August 2, 2019. The District was notified on August 5, 2019 by the Depository Trust Company ("DTC") that payment was not received. The balance of the principal and interest due was paid by the District to DTC on August 5, 2019. The District had funds on hand to make payment and the missed payment was not related to any cash flow issues. The District was also one day late in making a $50,200 interest payment relating to $2,100,000 School District Revenue Bond Financing Program Revenue Bonds, 2017G to the Dormitory Authority of the State of New York ("DASNY") due on February 1, 2022. The District had funds on hand to make payment and the missed payment was not related to any cash flow issues

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 District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State or in other jurisdictions in 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 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 District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in any year, the District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the District. In several recent years, the District 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 SCHOOL DISTRICT – State Aid").

There are a number of general factors which could have a detrimental effect on the ability of the District to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the District. Unforeseen developments could also result in substantial increases in District expenditures, thus placing strain on the District's financial condition. These factors may have an effect on the market price of the Notes.

The District's credit rating could be affected by circumstances beyond the District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. Accordingly, a decline in the District's credit rating could adversely affect the market value of the Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District could have an impact upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

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 District'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. Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or the tax status of interest on the Notes. See "TAX MATTERS" herein.

Cybersecurity

The District, 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 District 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.

TAX MATTERS

In the opinion of Trespasz Law Offices, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, 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"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – D" hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The District has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is excluded from adjusted gross income for federal income taxes imposed by the State of New York and the City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinions of Trespasz Law Offices, LLP, Bond Counsel. Bond Counsel's opinions will be in substantially the forms attached hereto as "APPENDIX – D".

Trespasz Law Offices, LLP, Syracuse, New York, Bond Counsel to the School District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the School District for use in connection with the offer and sale of the Notes, including, but not limited to, the financial information in this Official Statement.

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District 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 District.

The District is the subject of a claim brought under the New York Child Victim's Act. The claim is in the early stages of discovery. It is not anticipated the claim will have a material impact upon the District's financial status.

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 District, threatened against or affecting the District 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 District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

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 District will enter into an Undertaking to Provide Notice of Material Events Certificate, the form, substantially of which, is attached hereto as "APPENDIX – C".

Historical Continuing Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings pursuant to Securities Exchange Commission Rule 15c2-12; however,

- The District failed to provide its Annual Financial and Operating Data ("AFIOD") for the fiscal year ended June 30, 2022 in a timely manner. The AFIOD was required to be filed to the Electronic Municipal Market Access ("EMMA") website no later than December 27, 2023 (180 days after the fiscal year end) but was not filed to EMMA until January 2, 2024. Notice of its failure to file was filed to EMMA on January 10, 2023.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District 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 District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District 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 District to Fiscal Advisors are partially 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 District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATINGS

The Notes are NOT rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale upon approval by the District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings.

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned their underlying rating of "A/Stable" to the District's outstanding general obligation bonds. This rating reflects only the view of S&P and an explanation of the significance of such rating may be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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 of the District may have an adverse effect on the market price of the Notes.

MISCELLANEOUS

So far as 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 holders of the Notes.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District'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 District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases 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.

Trespasz Law Offices, LLP, Syracuse, New York, Bond Counsel to the School District, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the District 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 District 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 limitation as to information in the Official Statement obtained from sources other than the District, as to which no representation can be made.

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

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 District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses or hacking in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: Dr. Georgia Gonzalez, Director of Business & Finance, Rome City School District, District Offices, 409 Bell Road, Rome, New York 13440, Phone: (315) 338-6542, Fax: (315) 334-7403, Email: ggonzalez@romecsd.org.

This Official Statement has been duly executed and delivered by the President of the Board of Education of the City School District of the City of Rome.

CITY SCHOOL DISTRICT OF THE CITY OF ROME

Dated: June 19, 2025

CASSIE KNUTTI
PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
ASSETS					
Unrestricted Cash	$ 21,621,890	$ 19,408,867	$ 15,247,401	$ 17,032,077	$ 27,599,579
Restricted Cash	2,616,470	8,868,274	20,886,195	20,602,250	18,150,141
Taxes Receivable	3,360,455	3,131,233	2,183,456	2,192,887	2,273,519
Accounts Receivable	195,284	-	-	-	-
Due from State and Federal Aid	-	-	5,099,043	6,596,654	9,536,115
Due from Other Governments	4,745,503	5,900,963	395,659	417,412	175,398
Due from Other Funds	6,338,200	4,807,483	5,591,464	4,702,146	6,817,083
Other Receivables	-	-	78,610	56,544	8,980
Other Assets	-	609,148	-	-	-
TOTAL ASSETS	$ 38,877,802	$ 42,725,968	$ 49,481,828	$ 51,599,970	$ 64,560,815
LIABILITES AND FUND EQUITY					
Accounts Payable	$ 262,007	$ 815,110	$ 111,429	$ 2,910,574	$ 1,638,756
Accrued Liabilities	5,875,096	6,219,355	2,803,647	3,061,392	2,178,495
Agency Liabilities	-	-	908,503	773,540	152,513
Due to Other Funds	1,047,358	4,374,294	6,232,870	4,847,494	13,186,897
Due to Other Governments	2,117	2,117	564,186	-	-
Due to Teachers' Retirement System	3,627,042	3,928,929	4,401,387	4,976,982	4,881,658
Due to Employees' Retirement System	318,587	355,870	291,905	332,912	422,727
Agency Liabilities	-	956,403	-	-	
Deferred Revenues (Taxes Receivable)	2,668,326	2,378,913	1,483,299	1,518,456	1,608,509
Deferred Revenues	820,050	216,686	-	-	
Unearned Revenues	-	-	797,889	3,229	3,229
Short-Term Notes Payable	8,000,000	-	-	-	-
TOTAL LIABILITIES	22,620,583	19,247,677	17,595,115	18,424,579	24,072,784
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	
Restricted	2,616,470	8,828,274	20,846,056	20,562,250	18,110,141
Assigned	10,709,436	9,730,779	5,829,255	6,778,415	10,090,954
Unassigned (Deficit)	2,931,313	4,919,238	5,211,402	5,834,726	12,286,936
TOTAL FUND EQUITY	16,257,219	23,478,291	31,886,713	33,175,391	40,488,031
TOTAL LIABILITES and FUND EQUITY	$ 38,877,802	$ 42,725,968	$ 49,481,828	$ 51,599,970	$ 64,560,815

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
REVENUES					
Real Property Taxes	$ 28,315,780	$ 29,923,312	$ 31,339,736	$ 31,552,475	$ 32,869,276
Other Tax Items	7,811,730	7,293,398	7,333,290	7,230,601	7,086,934
Charges for Services	284,476	200,253	249,602	124,774	170,158
Use of Money & Property	85,403	26,082	10,017	465,098	1,810,519
Sale of Property and Compensation for Loss	4,139	26,056	657,826	965,199	30,761
Miscellaneous	2,583,339	4,705,240	3,860,382	3,406,287	2,504,290
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	73,816,209	70,413,647	75,279,167	87,028,889	100,018,927
Revenues from Federal Sources	351,865	2,406,168	332,167	697,584	323,722
Total Revenues	$ 113,252,941	$ 114,994,156	$ 119,062,187	$ 131,470,907	$ 144,814,587
Other Sources:					
Premium on Obligations	$ -	$ 32,774	$ -	$ -	$ -
Interfund Transfers	-	-	6,292,190	-	1,439,776
Total Revenues and Other Sources	113,252,941	115,026,930	125,354,377	131,470,907	146,254,363
EXPENDITURES					
General Support	$ 15,619,217	$ 11,570,296	$ 11,507,347	$ 12,803,568	$ 14,920,317
Instruction	53,167,291	53,315,609	58,448,371	64,475,989	66,355,994
Pupil Transportation	4,639,649	4,062,542	7,224,733	7,875,593	8,341,281
Employee Benefits	28,376,999	30,036,416	31,089,722	32,241,397	33,182,574
Debt Service	7,554,180	7,345,913	7,604,148	8,027,735	7,809,277
Total Expenditures	$ 109,357,336	$ 106,330,776	$ 115,874,321	$ 125,424,282	$ 130,609,443
Other Uses:					
Interfund Transfers	855,818	523,444	1,071,634	4,315,605	8,332,280
Total Expenditures and Other Uses	110,213,154	106,854,220	116,945,955	129,739,887	138,941,723
Excess (Deficit) Revenues Over Expenditures	3,039,787	8,172,710	8,408,422	1,731,020	7,312,640
FUND BALANCE					
Fund Balance - Beginning of Year	13,217,432	16,257,219	23,478,291	31,886,713	33,175,391
Prior Period Adjustments (net)	-	(951,638)		(442,342)	-
Fund Balance - End of Year	$ 16,257,219	$ 23,478,291	$ 31,886,713	$ 33,175,391	$ 40,488,031

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2024 Original Budget	2024 Final Budget	2024 Audited Actual	2025 Adopted Budget	2026 Adopted Budget
REVENUES					
Real Property Taxes	$ 32,393,306	$ 32,393,306	$ 32,869,276	$ 34,363,548	$ 35,162,111
Other Tax Items	7,344,887	7,344,887	7,086,934	6,587,811	7,544,485
Charges for Services	20,000	20,000	170,158	20,000	20,000
Use of Money & Property	100,000	100,000	1,810,519	396,608	1,700,000
Sale of Property and Compensation for Loss	-	-	30,761	-	-
Miscellaneous	1,100,000	1,100,000	2,504,290	1,220,626	1,620,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	95,761,277	95,761,277	100,018,927	99,404,681	101,660,415
Revenues from Federal Sources	300,000	300,000	323,722	300,000	300,000
Total Revenues	$ 137,019,470	$ 137,019,470	$ 144,814,587	$ 142,293,274	$ 148,007,011
Other Sources:					
Premium on Obligations	$ -	$ -	$ -	$ -	$ -
Interfund Transfers	1,312,738	1,312,738	1,439,776	200,000	200,000
Use of Reserves	2,325,823	8,325,823	-	-	-
Appropriated Fund Balance	6,778,415	8,422,415	-	14,892,470	12,326,447
Total Revenues and Other Sources	147,436,446	155,080,446	146,254,363	157,385,744	160,533,458
EXPENDITURES					
General Support	$ 15,828,277	$ 18,287,235	$ 14,920,317	$ 17,042,299	$ 15,538,537
Instruction	74,601,693	73,629,839	66,355,994	80,307,850	82,722,849
Pupil Transportation	10,195,657	9,500,024	8,341,281	11,020,360	11,770,200
Employee Benefits	37,931,661	36,579,016	33,182,574	39,798,418	42,919,922
Debt Service	7,284,158	7,845,332	7,809,277	8,031,817	6,296,950
Total Expenditures	$ 145,841,446	$ 145,841,446	$ 130,609,443	$ 156,200,744	$ 159,248,458
Other Uses:					
Interfund Transfers	1,595,000	9,239,000	8,332,280	1,185,000	1,285,000
Total Expenditures and Other Uses	147,436,446	155,080,446	138,941,723	157,385,744	160,533,458
Excess (Deficit) Revenues Over Expenditures	-	-	7,312,640	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	33,175,391	-	-
Prior Period Adjustments (net)	-	-		-	-
Fund Balance - End of Year	$ -	$ -	$ 40,488,031	$ -	$ -

Source: Audited financial report and adopted budgets of the District. This Appendix is not itself audited.

BONDED DEBT SERVICE
(As of June 18, 2025)

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	$ -	$ -	$ -
2026	4,595,000	1,726,075	6,321,075
2027	4,525,000	1,513,625	6,038,625
2028	3,750,000	1,303,050	5,053,050
2029	3,935,000	1,115,550	5,050,550
2030	3,615,000	918,800	4,533,800
2031	3,795,000	738,050	4,533,050
2032	3,945,000	587,600	4,532,600
2033	3,330,000	430,750	3,760,750
2034	1,305,000	264,250	1,569,250
2035	1,370,000	199,000	1,569,000
2036	1,125,000	130,500	1,255,500
2037	905,000	74,250	979,250
2038	260,000	29,000	289,000
2039	275,000	16,000	291,000
2040	20,000	2,250	22,250
2041	25,000	1,250	26,250
TOTALS	$ 36,775,000	$ 9,050,000	$ 45,825,000

CURRENT BONDS OUTSTANDING
(As of June 18, 2025)

Fiscal Year Ending June 30th	2015 DASNY - Capital Project			2015 Reconstruction of Various District Buildings		
	Principal	Interest	Total	Principal	Interest	Total
2025	$ -	$ -	$ -	$ -	$ -	$ -
2026	645,000	114,000	759,000	480,000	27,900	507,900
2027	680,000	81,750	761,750	490,000	14,700	504,700
2028	465,000	47,750	512,750	-	-	-
2029	490,000	24,500	514,500	-	-	-
TOTALS	$ 2,280,000	$ 268,000	$ 2,548,000	$ 970,000	$ 42,600	$ 1,012,600

Fiscal Year Ending June 30th	2017G DASNY Refunding of 2010A and 2011A			2017 Reconstruction of Various District Buildings		
	Principal	Interest	Total	Principal	Interest	Total
2025	$ -	$ -	$ -	$ -	$ -	$ -
2026	495,000	24,125	519,125	550,000	224,750	774,750
2027	235,000	5,875	240,875	580,000	197,250	777,250
2028	-	-	-	610,000	168,250	778,250
2029	-	-	-	640,000	137,750	777,750
2030	-	-	-	670,000	105,750	775,750
2031	-	-	-	705,000	72,250	777,250
2032	-	-	-	740,000	37,000	777,000
TOTALS	$ 730,000	$ 30,000	$ 760,000	$ 4,495,000	$ 943,000	$ 5,438,000

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2019 DASNY Principal	2019 DASNY Interest	2019 DASNY Total	2020 DASNY Principal	2020 DASNY Interest	2020 DASNY Total
2025	$ -	$ -	$ -	$ -	$ -	$ -
2026	1,540,000	649,300	2,189,300	190,000	119,250	309,250
2027	1,615,000	572,300	2,187,300	200,000	109,750	309,750
2028	1,700,000	491,550	2,191,550	210,000	99,750	309,750
2029	1,785,000	406,550	2,191,550	220,000	89,250	309,250
2030	1,870,000	317,300	2,187,300	230,000	78,250	308,250
2031	1,965,000	223,800	2,188,800	240,000	66,750	306,750
2032	2,020,000	164,850	2,184,850	255,000	54,750	309,750
2033	2,085,000	104,250	2,189,250	265,000	42,000	307,000
2034	-	-	-	280,000	28,750	308,750
2035	-	-	-	295,000	14,750	309,750
TOTALS	$ 14,580,000	$ 2,929,900	$ 17,509,900	$ 2,385,000	$ 703,250	$ 3,088,250

Fiscal Year Ending June 30th	2024 DASNY Principal	2024 DASNY Interest	2024 DASNY Total
2025	$ -	$ -	$ -
2026	695,000	566,750	1,261,750
2027	725,000	532,000	1,257,000
2028	765,000	495,750	1,260,750
2029	800,000	457,500	1,257,500
2030	845,000	417,500	1,262,500
2031	885,000	375,250	1,260,250
2032	930,000	331,000	1,261,000
2033	980,000	284,500	1,264,500
2034	1,025,000	235,500	1,260,500
2035	1,075,000	184,250	1,259,250
2036	1,125,000	130,500	1,255,500
2037	905,000	74,250	979,250
2038	260,000	29,000	289,000
2039	275,000	16,000	291,000
2040	20,000	2,250	22,250
2041	25,000	1,250	26,250
TOTALS	$ 11,335,000	$ 4,133,250	$ 15,468,250

APPENDIX - C

MATERIAL EVENT NOTICES

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 “SEC”) pursuant to the Securities Exchange Act of 1934, the School District 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 SEC 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) in the case of credit enhancement, if any, provided in connection with the issuance of the securities, 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 securities, or other material events affecting the tax status of the Notes

(g) modifications to rights of security holders, if material;

(h) note calls, if material and tender offers;

(i) defeasances;

(j) release, substitution, or sale of property securing repayment of the securities;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the School District;

(m) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, 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” (as defined by the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, 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 District, 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 School District 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 School District 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 School District, 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 School District.

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

The School District has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the aforedescribed material event notices, if any, on or before the date specified.

The School District reserves the right to terminate its obligation to provide the aforedescribed notices of material events, as set forth above, if and when the School District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The School District 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 School District’s obligations under its material event notices undertaking and any failure by the School District 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 School District 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 School District; provided that the School District agrees that any such modification will be done in a manner consistent with the Rule.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser at closing.

FORM OF OPINION OF BOND COUNSEL

July 16, 2025

City School District of the City of Rome
409 Bell Road
Rome, New York 13440

Re: City School District of the City of Rome, Oneida County, New York
$17,198,018 Bond Anticipation Notes, 2025

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $17,198,018 Bond Anticipation Notes, 2025 (the "Notes"), of the City School District of the City of Rome, County of Oneida, State of New York (the "District"). The Notes are dated July 16, 2025 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a resolution of the District adopted on January 27, 2022 and a Certificate of Determination dated on or before July 16, 2025 of the President of the Board of Education relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon without limitation of rate or amount. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

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 excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. Interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Notes has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage and Use of Proceeds Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Notes to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Notes and the Arbitrage and Use of Proceeds Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against New York municipal corporations such as the School District. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of or interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement for factual information, which, in the judgment of the School District would materially affect the ability of the School District to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the School District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in light of the circumstances under which they were made, not misleading.

We have examined the first executed Note of each said issue and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

TRESPASZ LAW OFFICES, LLP

CITY SCHOOL DISTRICT OF THE CITY OF ROME

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2024

Such Financial Report and opinions 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.

The District's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The District's independent auditor also has not performed any procedures relating to this Official Statement.

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS

AND

BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

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

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

Independent Auditor's Report

Board of Education
Rome City School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rome City School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Rome City School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Rome City School District, as of June 30, 2024, and the respective changes in financial position, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financials audits contained in *Government Auditing Standards* issued by the Comptroller 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 Rome City School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Rome City School District'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 and *Government 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 and *Government 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 Rome City School District'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 Rome City School District'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.

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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rome City School District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements. The accompanying 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 financial statements.

The Schedule of Expenditures of Federal Awards and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is 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 October 28, 2024, on our consideration of the Rome City School District'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 Rome City School District'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 Rome City School District's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

October 28, 2024

Rome, New York

The City School District of the City of Rome, New York's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2024 and 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024 are as follows:

- The District's total net position, as reflected in the District-wide financial statements, increased by $1,626,821 to a deficit balance of $220,178,827. The deficit is primarily the result of the accrual of other postemployment benefits liability of $344,947,349 at June 30, 2024. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

- The District's expenses for the year, as reflected in the District-wide financial statements, totaled $162,180,180. This amount was partially offset by $259,164 from program charges for services and $18,544,970 from operating grants. General revenues of $145,002,867 covered the remaining program expenses leaving a net surplus for the year.

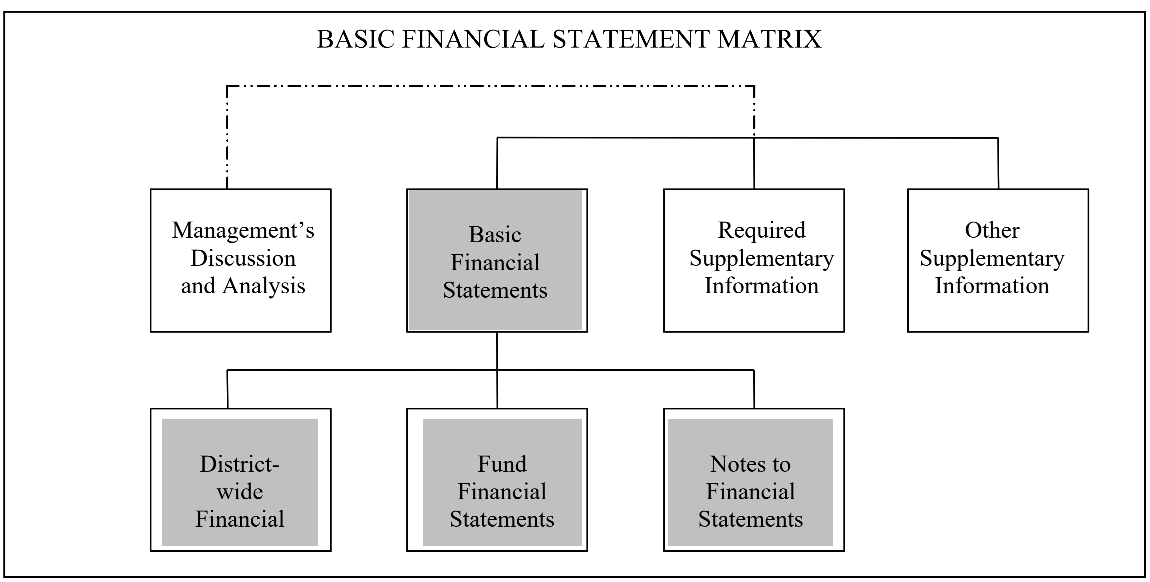
- Non-grant State and federal aid increased by $12,616,176 to $100,342,649 in 2024 from $87,726,473 in 2023. This was primarily due to increases in Foundation Aid in the amount of $10.1 million and BOCES Aid in the amount of $2.9 million.

- The General Fund's total fund balance, as reflected in the fund financial statements on pages 15 and 17, increased by $7,312,640 to $40,488,031. This was due to an excess of revenues over expenditures based on the modified accrual basis of accounting.

- The voters of the District approved a new $34,187,872 capital improvement project approved by the voters in May 2024. The project authorizes the reconstruction, renovation and improvement of all District buildings, facilities and grounds including, for all, construction, site improvements, original furnishings, fixtures and equipment required for such purposes, architectural fees, and all other necessary costs incidental to such work. The District will utilize $6 million of its capital reserve funds towards the project.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management's Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of District-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



A. District-wide Financial Statements

The District-wide financial statements are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two District-wide financial statements: The Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources, and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the District-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of District-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the District-wide financial statements. By doing so, you may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds: General Fund, School Lunch Fund, Special Aid Fund, Miscellaneous Special Revenue Fund, Debt Service Fund, and Capital Projects Fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in its capacity as agent or trustee. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the District's District-wide financial statements because the District cannot use these assets to finance its operations.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The Districts total net position increased $1,626,821 between fiscal year 2023 and 2024. A summary of the District's Statement of Net Position for June 30, 2024 and 2023, is as follows:

	2024	2023	Increase (Decrease)	Percentage Change
Assets				
Current and Other Assets	$ 66,019,614	$ 56,555,338	$ 9,464,276	16.7%
Capital and Leased Assets, Net	120,622,262	120,903,913	(281,651)	(0.2%)
Total Assets	$ 186,641,876	$ 177,459,251	$ 9,182,625	5.2%
Deferred Outflows of Resources	$ 47,071,411	$ 65,933,430	$ (18,862,019)	(28.6%)
Liabilities				
Current and Other Liabilities	$ 10,077,557	$ 26,783,076	$ (16,705,519)	(62.4%)
Net Pension Liability - Proportionate Share	7,814,236	11,894,351	(4,080,115)	(34.3%)
Other Non-Current Liabilities	396,094,094	399,356,628	(3,262,534)	(0.8%)
Total Liabilities	$ 413,985,887	$ 438,034,055	$ (24,048,168)	(5.5%)
Deferred Inflows of Resources	$ 39,906,227	$ 27,164,274	$ 12,741,953	46.9%
Net Position				
Net Investment in Capital Assets	$ 72,585,533	$ 71,912,889	$ 672,644	0.9%
Restricted	19,621,984	25,222,518	(5,600,534)	(22.2%)
Unrestricted (Deficit)	(312,386,344)	(318,941,055)	6,554,711	2.1%
Total Net Position (Deficit)	$ (220,178,827)	$ (221,805,648)	$ 1,626,821	0.7%

Current and other assets increased by $9,464,276 as compared to the prior year. The primary reason for the increase is an increase in cash in the General Fund in the amount of $8,115,393.

Capital and leased assets, net of accumulated depreciation and amortization, respectively, decreased by $281,651 as compared to the prior year. This decrease is primarily due to amounts expended for depreciation and amortization exceeding capital and lease additions in the current year.

Current and other liabilities decreased by $16,705,519 as compared to the prior year. This decrease is primarily attributed to conversion of the Bond Anticipation Note (BAN) to long-term financing by issuance of a Dormitory Authority of the State of NY (DASNY) bond in the current year.

The net pension liability - proportionate share represents the District's share of the ERS and TRS Systems net pension liability in the current year in which both Systems experienced a decrease in the current year.

Other non-current liabilities decreased by $3,262,534 as compared to the prior year. This is primarily the result of a net decrease in other postemployment benefits total liability of $10,753,340 and repayments on bonds payable in the amount of $4,865,000 offset by the issuance of the DASNY bonds in the amount of $11,910,000.

The deferred outflows and inflows change resulted in a net decrease in net position of $31,603,972. These financial statement elements mainly consist of actuarial determined adjustments to the District's proportionate share of the net pension asset or liability and the OPEB liability for items such as changes in assumptions and differences between actual and projected experience.

The net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation and amortization. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase or lease vehicles, equipment and furniture to support District operations.

Restricted net position at June 30, 2024, in the amount of $20,521,984, represents the amount of the District's reserves in the General Fund and other restricted amounts in the Debt Service and Misc. Special Revenue Funds.

Unrestricted net position at June 30, 2024, is a deficit of $313,286,344, which represents the amount by which the District's liabilities and deferred inflows of resources, excluding debt related to capital construction, exceeded the District's assets and deferred outflows of resources other than capital assets and restricted assets. This deficit is primarily due to the accrual of other postemployment benefits total liability in the amount of $344,947,349.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements, school tax relief (STAR) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2024 and 2023 is as follows.

Revenues	2024	2023	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	$ 259,164	$ 195,785	$ 63,379	32.4%
Operating Grants	18,544,970	16,200,076	2,344,894	14.5%
Capital Grants		1,979,140	(1,979,140)	(100.0%)
General Revenues				
Property Taxes and STAR	40,046,263	38,818,233	1,228,030	3.2%
State and Federal Sources	100,342,649	87,726,473	12,616,176	14.4%
Other	4,613,955	5,404,368	(790,413)	(14.6%)
Total Revenues	163,807,001	150,324,075	13,482,926	9.0%
Expenses				
General Support	19,407,749	17,280,354	2,127,395	12.3%
Instruction	127,432,192	122,741,686	4,690,506	3.8%
Pupil Transportation	9,446,561	9,063,022	383,539	4.2%
Debt Service-Unallocated Interest	1,665,019	1,714,109	(49,090)	(2.9%)
Food Service Program	4,228,659	3,828,356	400,303	10.5%
Total Expenses	162,180,180	154,627,527	7,552,653	4.9%
Total Change in Net Position	$ 1,626,821	$ (4,303,452)	$ 5,930,273	137.8%

The District's revenues increased by 9.0% or $13,482,926 in 2024. The major factors that contributed to the increase were:

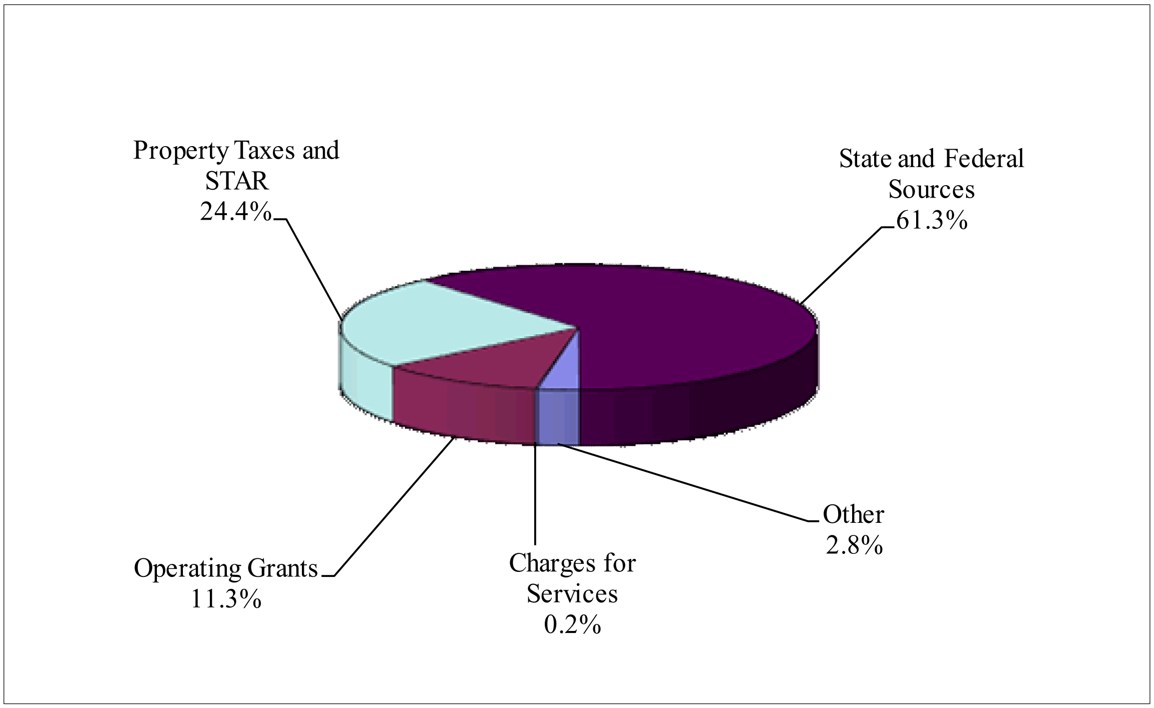
- The District received an increase in non-grant state and federal source aid in the General Fund in the amount of $12,616,176, primarily due to increases in Foundation Aid for $10.1 million and BOCES Aid for $2.9 million.
- The District also received an increase in operating grants in the amount of $2,344,894.
- The above increases were offset by a decrease in capital grants in the amount of $1,979,140.

The District's expenses increased by 4.9% or $7,552,653 in 2024, primarily in the instructional and general support categories. The major factors that contributed to this increase were:

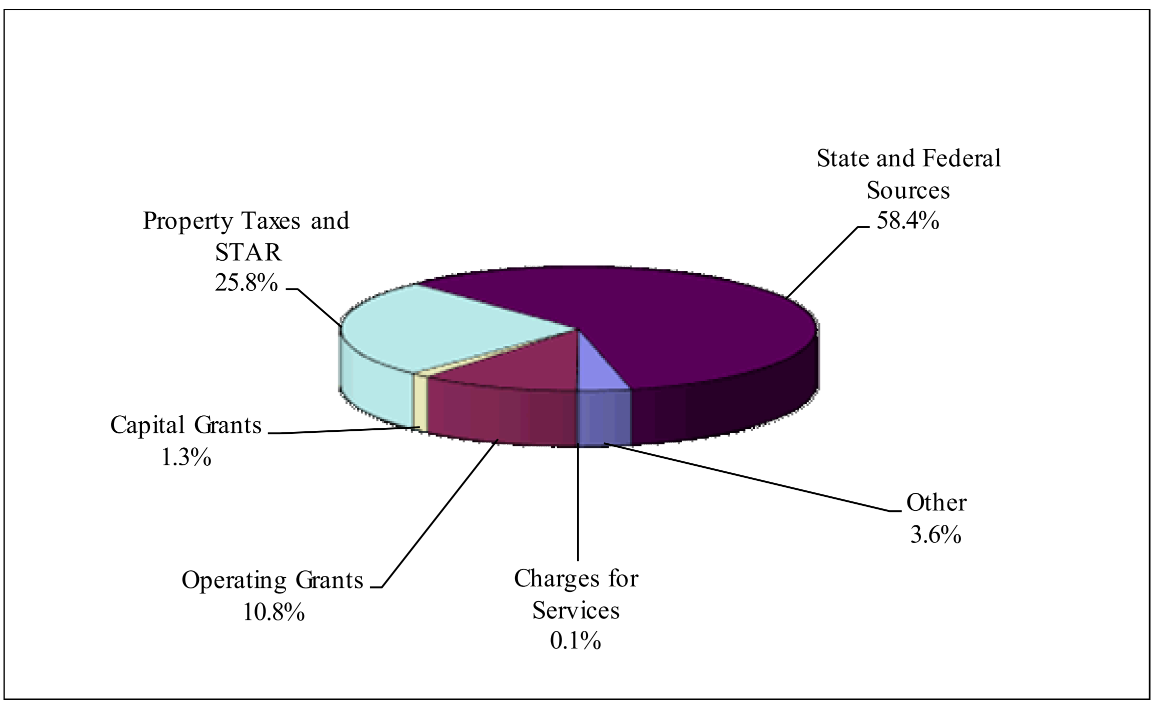
- Increases in instructional salaries of $2 million and non-instructional salaries of $1.2 million, recorded in the General and Special Aid Funds.
- BOCES instructional and support expenditures increased $1.2 million.
- There was a $2.2 million increase in TRS pension expense under GASB 68. This expense is primarily allocated to the instructional and general support expense categories based on salaries in the district-wide financial statements.
- The above was offset by a $1.2 million decrease in OPEB expense under GASB75. This expense is also primarily allocated to the instructional expense category based on salaries in the district-wide financial statements.

A graphic display of the distribution of revenues for the two years follows:

For the Year Ended June 30, 2024

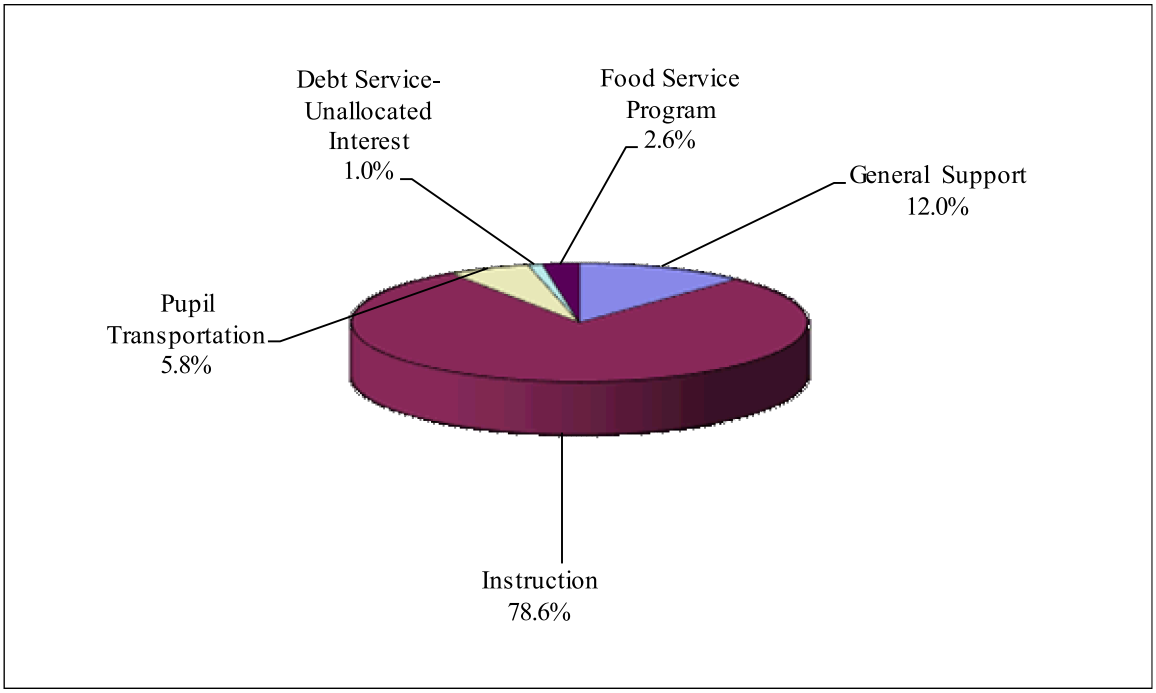


For the Year Ended June 30, 2023

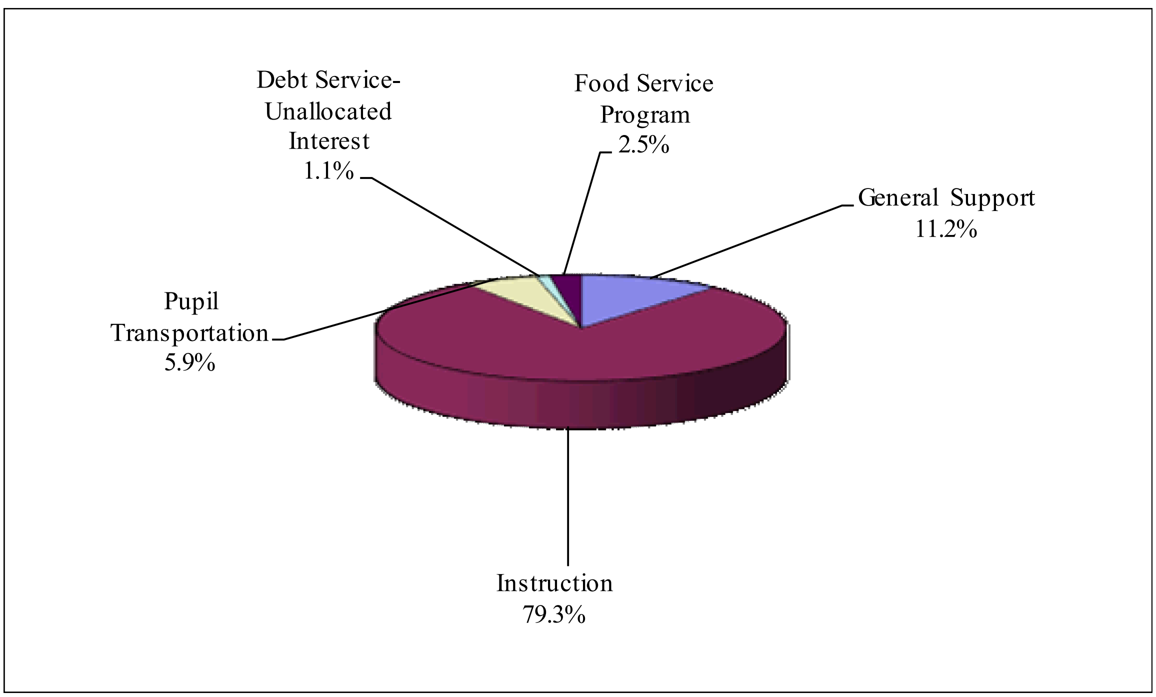


A graphic display of the distribution of expenses for the two years follows:

For the Year Ended June 30, 2024



For the Year Ended June 30, 2023



4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

At June 30, 2024, the District's governmental funds reported a combined fund balance of $51,021,940, which is an increase of $26,291,871 over the prior year. This increase is due to an excess of revenues over expenditures on a modified accrual basis. A summary of the change in fund balance by fund is as follows:

	2024	2023	Increase (Decrease)
General Fund			
Resticted			
Workers' Compensation	$ 1,273,208	$ 1,203,038	$ 70,170
Unemployment Insurance	861,629	814,143	47,486
ERS Retirement Contribution	4,811,376	4,546,259	265,117
TRS Retirement Contribution	2,482,728	1,495,501	987,227
Liability	1,438,936	1,359,633	79,303
Insurance	4,359,676	4,119,404	240,272
Tax Certiorari	382,685	361,595	21,090
Employee Benefit Accrued Liability	1,849,522	1,747,591	101,931
Capital	650,381	4,915,086	(4,264,705)
Total Restricted	18,110,141	20,562,250	(2,452,109)
Assigned			
Appropriated for Subsequent Year's Budget	7,000,000	5,211,401	1,788,599
General Support	1,322,901	1,121,604	201,297
Instruction	837,847	233,146	604,701
Pupil Transportation	930,206	203,000	727,206
Employee Benefits		9,264	(9,264)
Total Assigned	10,090,954	6,778,415	3,312,539
Unassigned	12,286,936	5,834,726	6,452,210
Total General Fund	40,488,031	33,175,391	7,312,640
School Lunch Fund			
Nonspendable	83,823	111,954	(28,131)
Assigned	1,454,400	1,375,804	78,596
Total School Lunch Fund	1,538,223	1,487,758	50,465
Special Aid Fund			
Unassigned (Deficit)	(2,800,000)	(1,100,000)	(1,700,000)
Miscellaneous Special Revenue Fund			
Restricted	194,835	189,150	5,685
Assigned	189,150	176,280	12,870
Total Miscellaneous Special Revenue Fund	383,985	365,430	18,555
Debt Service Fund			
Restricted	2,217,008	2,022,075	194,933
Capital Projects Fund			
Committed	9,971,585	2,441,527	7,530,058
Unassigned (Deficit)	(776,892)	(13,662,112)	12,885,220
Total Capital Projects Fund (Deficit)	9,194,693	(11,220,585)	20,415,278
Total Fund Balances	$ 51,021,940	$ 24,730,069	$ 26,291,871

During the current fiscal year, the total fund balance of the General Fund increased by $7,312,640 due to an excess of revenues over expenditures. The District's restricted reserves in the General Fund were decreased by $2,452,109 for Board approved transfers, net of earnings for the year. The School District increased the amount appropriated for the subsequent year's budget by $1,788,599.

The unassigned deficit of $2,800,000 in the Special Aid Fund represents expenditures incurred for the federal and state grants for which revenues are considered unavailable at June 30, 2024.

The unassigned deficit of $776,892 in the Capital Project Fund represents expenditures incurred for the Smart Schools Bond Act and other capital projects for which revenues are considered unavailable at June 30, 2024, or for which permanent financing has not been provided, respectively. The large decrease to the deficit was due to converting a short-term BAN to long-term financing with DASNY.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2023-2024 Budget

The District's General Fund adopted budget for the year ended June 30, 2024, was $145,869,432. This is an increase of $15,584,406 over the prior years adopted budget.

The majority of the District's funding sources were $39,738,193 in estimated property taxes and STAR and $95,761,277 in state aid.

B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)

The General Fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and designations to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, Unassigned Fund Balance	$ 5,834,726
Revenues and Other Financing Sources Over Budget	(403,668)
Expenditures, Encumbrances and Other Financing Uses Under Budget	13,047,769
Net Decrease to Restricted Funds	2,452,109
Increase to Appropriated Fund Balance for 2023-2024	(1,644,000)
Appropriated Fund Balance for 2024-2025 Budget	(7,000,000)
Closing, Unassigned Fund Balance	$ 12,286,936

Opening, Unassigned Fund Balance

The $5,834,726 shown in the table is the portion of the District's June 30, 2023 fund balance that was retained as unassigned, after restatement. This was 4.0% of the District's 2023-2024 approved operating budget after the restatement.

Revenues and Other Financing Sources Under Budget

The 2023-2024 budget for revenues and other financing sources was $146,658,031. The actual revenues and other financing sources received for the year were $146,254,363. The actual revenue and transfers from other funds under estimated or budgeted revenue was $403,668. This variance contributes directly to the change to the unassigned portion of the General Fund's fund balance from June 30, 2023 to June 30, 2024.

Expenditures, Encumbrances, and Other Financing Uses Under Budget

The 2023-2024 final budget for expenditures, encumbrances and other financing uses was $155,080,446. The actual expenditures, encumbrances, and other financing uses were $142,032,677. The final budget was under expended by $13,047,769. This under expenditure contributes to the change to the unassigned portion of the General Fund's fund balance from June 30, 2023 to June 30, 2024.

Appropriated Fund Balance for 2023-2024

The District amended the budget for 2023-2024 to transfer $1,644,000 to the Capital Project Fund from appropriated fund balance for insurance proceeds on the Staley Flood Project.

Appropriated Fund Balance for 2024-2025

The School District chose to use $7,000,000 of its available June 30, 2024 fund balance to partially fund its 2024-2025 approved operating budget, an increase of $1,788,599 from the amount appropriated for the 2023-2024 budget.

Net Decrease to Restricted Funds

The $2,452,109 net decrease to General Fund restricted fund balances during the year ended June 30, 2024, includes $1,699,451 funding of the 2022 Capital Reserve and $6 million in transfers from the 2019 ($1.6 million) and 2022 ($4.4 million) Capital Reserves, which were applied to the 2024 voter approved $34,187,872 capital project. Note 14 and Note 15 provide additional details. This was offset by interest earnings as noted above.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2024-2025 fiscal year with an unassigned fund balance of $12,286,936. This is 7.81% of the District's 2024-2025 approved operating budget and is an increase of $6,452,210 from the unassigned fund balance from the prior year as of June 30, 2023.

6. CAPITAL AND LEASED ASSETS AND DEBT ADMINISTRATION

A. Capital and Leased Assets

At June 30, 2024, the District had invested in a broad range of capital and leased assets, including land and land improvements, buildings and building improvements, furniture, equipment, vehicles and intangibles. The net decrease in capital and leased assets is due to depreciation and amortization exceeding capital and lease additions for the year ended June 30, 2024. A summary of the District's capital and leased assets, net of accumulated depreciation and amortization at June 30, 2024 and 2023, is as follows:

	2024	2023	Increase (Decrease)
Land	$ 1,379,922	$ 1,379,922	$
Construction in Progress	47,662,986	46,137,056	1,525,930
Assets Held for Sale	2,604,503	2,604,503	
Land Improvements	153,317	251,867	(98,550)
Buildings and Improvements	63,224,477	64,540,487	(1,316,010)
Leased Equipment	2,672,998	2,908,837	(235,839)
Furniture, Equipment, and Vehicles	2,924,059	3,081,241	(157,182)
Capital and Leased Assets, Net	$ 120,622,262	$ 120,903,913	$ (281,651)

B. Debt Administration

At June 30, 2024, the District had total bonds payable, including an energy performance contract, of $42,625,000. At June 30, 2024, the District utilized 54.74% of its New York State Constitutional Debt Limit. A summary of the outstanding debt at June 30, 2024 and 2023, is as follows:

Description	Date of Issue	Date of Maturity	Interest Rate	2024	2023	Increase (Decrease)
Reconstruction and Additions	6/10/2015	6/15/2028	3.00-5.00%	$ 2,895,000	$ 3,480,000	$ (585,000)
Reconstruction	8/05/2015	6/15/2027	2.38-3.00%	1,435,000	1,890,000	(455,000)
Reconstruction	6/08/2017	6/15/2032	3.00-5.00%	5,020,000	5,520,000	(500,000)
Refunding Bonds	11/9/2017	6/15/2025	2.00-5.00%	1,555,000	3,035,000	(1,480,000)
Refunding Bonds	11/9/2017	8/1/2026	2.00-5.00%	1,200,000	1,650,000	(450,000)
Reconstruction - Strough Junior High	6/17/2019	6/15/2033	3.00-5.00%	16,045,000	17,440,000	(1,395,000)
Energy Performance Contract	6/17/2020	6/15/2035	5.00%	2,565,000	2,735,000	(170,000)
Reconstruction	6/28/2024	6/15/2041	5.00%	11,910,000		11,910,000
Total Bonds Payable and Energy Performance Contracts				$ 42,625,000	$ 35,750,000	$ 6,875,000

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The voters approved the budget in the amount of $157,385,744 for the 2024-25 school year. This budget preserves the values of the District while maintaining sensible class sizes, ensuring sufficient workforce and ongoing professional development training to meet student needs and rigorous mandates.

- The proposed budget includes a Board approved tax levy increase of 2.9% from the 2023-24 school year. The 2024-25 tax levy increase of 2.9% was within the District's Tax Cap.

- Expense increases from current and projected market conditions along with increasing costs for health insurance and other employee benefits continue to be concerns for the District going forward.

- On July 16, 2024, the district experienced a tornado which directly hit the district office, damaging the building significantly. The district office was moved to a temporary location for approximately 4 weeks while a more long-term solution could be identified. The district office, moved for the third time in six months to temporary offices at Madison-Oneida BOCEs. During this time various documents and backup have been lost due to the storm and multiple moved.

- The district experienced significant turnover at administrative levels starting in July 2024. The Superintendent of Schools, Director of Human Resources, and Director of Business & Finance are all new.

8. CONTACTING THE DISTRICT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, at:

Rome City School District
409 Bell Road
Rome, New York 13440

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
STATEMENT OF NET POSITION
June 30, 2024

Assets	
Cash and Cash Equivalents	$ 28,722,674
Restricted Cash and Cash Equivalents	20,075,748
Receivables	
Tax Receivables	2,273,519
State and Federal Aid	14,299,363
Due from Other Governments	539,910
Other Receivables	24,577
Inventory	83,823
Right to Use Leased Assets (Net of Amortization)	2,672,998
Capital Assets (Not Being Depreciated)	51,647,411
Capital Assets (Net of Depreciation)	66,301,853
Total Assets	186,641,876
Deferred Outflows of Resources	
Deferred Loss from Refunding of Debt (Net of Amortization)	118,037
Pensions	23,096,791
Other Postemployment Benefits	23,856,583
Total Deferred Outflows of Resources	47,071,411
Liabilities	
Accounts Payable	1,981,360
Agency Liabilities	152,513
Accrued Liabilities	2,349,412
Due To	
Other Governments	4,051
Teachers' Retirement System	4,881,658
Employees' Retirement System	422,727
Fiduciary Fund	21,339
Unearned Credits	
Unearned Revenues	264,497
Noncurrent Liabilities	
Due Within One Year	6,605,188
Due in More Than One Year	397,303,142
Total Liabilities	413,985,887
Deferred Inflows of Resources	
Pensions	4,638,288
Other Postemployment Benefits	35,267,939
Total Deferred Inflows of Resources	39,906,227
Net Position	
Net Investment in Capital Assets	72,585,533
Restricted	20,521,984
Unrestricted (Deficit)	(313,286,344)
Total Net Position (Deficit)	$ (220,178,827)

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

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

		Program Revenues		Net (Expense)
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
General Support	$ 19,407,749	$	$	$ (19,407,749)
Instruction	127,432,192	170,158	14,781,446	(112,480,588)
Pupil Transportation	9,446,561			(9,446,561)
Debt Service - Unallocated Interest	1,665,019			(1,665,019)
Food Service Program	4,228,659	89,006	3,763,524	(376,129)
Total Functions/Programs	$ 162,180,180	$ 259,164	$ 18,544,970	(143,376,046)
General Revenues				
Real Property Taxes and STAR				32,959,329
Other Real Property Tax Items				7,086,934
Use of Money and Property				2,005,874
Sale of Property and Compensation for Loss				30,761
State and Federal Sources				100,342,649
Miscellaneous				2,577,320
Total General Revenues				145,002,867
Change in Net Position				1,626,821
Net Position (Deficit), Beginning of Year				(221,805,648)
Net Position (Deficit), End of Year				$ (220,178,827)

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	General	School Lunch	Special Aid	Misc. Special Revenue	Debt Service	Capital Projects	Total
Assets							
Cash and Cash Equivalents	$ 27,599,579	$ 156,779	$ 833,720	$	$	$ 132,596	$ 28,722,674
Restricted Cash and Cash Equivalents	18,150,141			4,840	1,920,767		20,075,748
Receivables							
Tax Receivables	2,273,519						2,273,519
Due From							
State and Federal Aid	9,536,115	244,344	3,944,249			574,655	14,299,363
Other Governments	175,398		364,512				539,910
Other Funds	6,817,083	1,274,754	228,185	379,145	2,319,391	10,168,138	21,186,696
Other Receivables	8,980	15,597					24,577
Inventory		83,823					83,823
Total Assets	$ 64,560,815	$ 1,775,297	$ 5,370,666	$ 383,985	$ 4,240,158	$ 10,875,389	$ 87,206,310
Liabilities							
Payables							
Accounts Payable	$ 1,638,756	$ 108,854	$ 135,836	$	$	$ 97,914	$ 1,981,360
Agency Liabilities	152,513						152,513
Accrued Liabilities	2,178,495	63,560	44,310				2,286,365
Due To							
Other Governments		4,051					4,051
Other Funds	13,186,897	29,321	4,962,014		2,023,150	1,006,653	21,208,035
Teachers' Retirement System	4,881,658						4,881,658
Employees' Retirement System	422,727						422,727
Unearned Revenues	3,229	31,288	228,506			1,474	264,497
Total Liabilities	22,464,275	237,074	5,370,666		2,023,150	1,106,041	31,201,206
Deferred Inflows of Resources							
Unavailable Revenue-Property Taxes	1,608,509						1,608,509
Unavailable Revenue-Grants			2,800,000			574,655	3,374,655
Total Deferred Inflows of Resources	1,608,509		2,800,000			574,655	4,983,164
Fund Balances (Deficit)							
Nonspendable		83,823					83,823
Restricted	18,110,141			194,835	2,217,008		20,521,984
Committed						9,971,585	9,971,585
Assigned	10,090,954	1,454,400		189,150			11,734,504
Unassigned (Deficit)	12,286,936		(2,800,000)			(776,892)	8,710,044
Total Fund Balances (Deficit)	40,488,031	1,538,223	(2,800,000)	383,985	2,217,008	9,194,693	51,021,940
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 64,560,815	$ 1,775,297	$ 5,370,666	$ 383,985	$ 4,240,158	$ 10,875,389	$ 87,206,310

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
June 30, 2024

Total Governmental Fund Balances		$ 51,021,940
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Revenues that do not provide current financial resources are recognized in the Statement of Net Position but not in the fund financial statements.		
Real Property Taxes		1,608,509
Grant Revenue		3,374,655
		4,983,164
A deferred loss from refunding of debt is recorded as a deferred outflow of resources in the Statement of Net Position but recorded as an expenditure in the governmental funds. The defeasance loss is net of accumulated amortization.		118,037
The cost of building, acquiring, and leasing capital and right to use leased assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital and right to use leased assets among the assets of the School District as a whole, and their original costs are expensed annually over their useful lives.		
Original Cost of Right to Use Leased Assets		6,621,621
Accumulated Amortization		(3,948,623)
Original Cost of Capital Assets		206,376,862
Accumulated Depreciation		(88,427,598)
		120,622,262
The proportionate share of long-term liabilities or assets associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the funds.		
Deferred Outflows - Pensions		23,096,791
Net Pension Liability - Proportionate Share		(7,814,236)
Deferred Inflows - Pensions		(4,638,288)
		10,644,267
Deferred inflows and outflows of resources associated with differences between expected and actual experience or change in assumptions for Other Postemployment Benefits apply to a future period and are not reported in the funds.		
Deferred Outflows - OPEB		23,856,583
Deferred Inflows - OPEB		(35,267,939)
		(11,411,356)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds Payable and Energy Performance Contract		(42,625,000)
Accrued Interest on Bonds Payable		(63,047)
Unamortized Premium on Bonds Payable		(5,529,766)
Other Postemployment Benefits		(344,947,349)
Compensated Absences Payable		(1,788,941)
Workers Compensation Claims Payable		(1,203,038)
		(396,157,141)
Total Net Position (Deficit)		$ (220,178,827)

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	General	School Lunch	Special Aid	Misc. Special Revenue	Debt Service	Capital Projects	Total
Revenues							
Real Property Taxes	$ 32,869,276	$	$	$	$	$	$ 32,869,276
Other Real Property Tax Items	7,086,934						7,086,934
Charges for Services	170,158						170,158
Use of Money and Property	1,810,519	190		232	91,251		1,902,192
Sale of Property and Compensation for Loss	30,761						30,761
Miscellaneous	2,504,290		233,378	39,652			2,777,320
State Aid	100,018,927	420,753	2,498,112			1,958,455	104,896,247
Federal Aid	323,722	3,342,771	10,383,334				14,049,827
School Lunch Sales		89,006					89,006
Total Revenues	144,814,587	3,852,720	13,114,824	39,884	91,251	1,958,455	163,871,721
Expenditures							
General Support	14,920,317				219,469	768,640	15,908,426
Instruction	66,355,994		12,028,155	28,845		960,484	79,373,478
Pupil Transportation	8,341,281						8,341,281
Food Service Program		3,222,396					3,222,396
Employee Benefits	33,182,574	579,859	2,984,281				36,746,714
Debt Service - Principal	5,535,000						5,535,000
Debt Service - Interest	2,274,277						2,274,277
Total Expenditures	130,609,443	3,802,255	15,012,436	28,845	219,469	1,729,124	151,401,572
Excess (Deficit) Revenues Over Expenditures	14,205,144	50,465	(1,897,612)	11,039	(128,218)	229,331	12,470,149
Other Financing Sources (Uses)							
Premiums on Notes					1,404,206		1,404,206
Proceeds of Debt						11,910,000	11,910,000
BANs Redeemed from Appropriations						500,000	500,000
Transfers from Other Funds	1,439,776		688,280			8,725,055	10,853,111
Transfers to Other Funds	(8,332,280)		(490,668)		(1,081,055)	(949,108)	(10,853,111)
Total Other Financing Sources (Uses)	(6,892,504)		197,612		323,151	20,185,947	13,814,206
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	7,312,640	50,465	(1,700,000)	11,039	194,933	20,415,278	26,284,355
Fund Balances (Deficits), Beginning of Year	33,175,391	1,487,758	(1,100,000)	372,946	2,022,075	(11,220,585)	24,737,585
Fund Balances (Deficits), End of Year	$ 40,488,031	$ 1,538,223	$ (2,800,000)	$ 383,985	$ 2,217,008	$ 9,194,693	$ 51,021,940

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES AND EXPENDITURES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Net Changes in Fund Balance - Total Governmental Funds		$ 26,284,355
Capital Outlays to purchase, lease 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 or amortization expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.		
Amortization Expense	(890,046)	
Depreciation Expense	(3,693,871)	
Intangible Lease Additions	654,207	
Capital Outlays	3,648,059	(281,651)
Bond and Energy Performance Contract 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 and repayments on the Energy Perforamnce Contract are an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Energy Performance Contract Proceeds	(11,910,000)	
Current Year Bond Premiums Deferred	(1,300,524)	
Amortized Bond Premium	755,188	
Repayments of Bond Principal	4,865,000	
Repayments on Energy Performance Contract	170,000	(7,420,336)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Change in Unavailable Revenues		(168,402)
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.		
Amortized Interest Expense on Refundings of Debt	(157,084)	
Change in Accrued Interest on Serial Bonds	11,154	
Change in Retainage Payable	42,688	
Change in Compensated Absences	(70,470)	
Change in Other Postemployment Benefits	(12,427,109)	(12,600,821)
(Increases) decreases in the 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.		
Teachers' Retirement System	(3,370,835)	
Employees' Retirement System	(815,489)	(4,186,324)
Change in Net Position Governmental Activities		$ 1,626,821

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

	Custodial Funds
Assets	
Cash and Cash Equivalents	$ 157,668
Due from Other Funds	25,839
Total Assets	$ 183,507
Liabilities	
Accounts Payable	$ 2,064
Due to Other Funds	4,500
Total Liabilities	6,564
Net Position	
Restricted For Extraclassroom Activities	176,943
Total Net Position	
Total Liabilities and Net Position	$ 183,507

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

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2024

	Custodial Funds
Additions	
Property Tax Collections for Other Governments	$ 817,000
Use of Money and Property	1,875
Gifts and Contributions	220,683
Total Additions	1,039,558
Deductions	
Payments of Property Tax to Other Governments	817,000
Extraclassroom Activities	232,572
Total Deductions	1,049,572
Change in Net Position	(10,014)
Net Position, Beginning of Year	186,957
Net Position, End of Year	$ 176,943

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City School District of the City of Rome, New York (the School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Certain significant accounting principles and policies utilized by the School District are described below:

Reporting Entity

The School District is governed by the laws of New York State. The School District is an independent entity governed by an elected Board of Education (the Board) consisting of nine members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the School District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the School District is based upon criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the School District. The School District is not a component unit of another reporting entity. The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the School District's reporting entity:

Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. The School District accounts for assets held as an agent for various student organizations in the Custodial Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the School District's business office.

Joint Venture

The School District is one of nine participating school districts in the Madison-Oneida Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs, which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §1950 of the New York State Education Law. A BOCES' Board is considered a corporate body. Members of a BOCES' Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES' property is held by the BOCES' Board as a corporation [§1950(6)]. In addition, BOCES' Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

Financial statements for the BOCES' are available from the Madison-Oneida BOCES' administrative office.

Basis of Presentation

(a) District-wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the School District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Net Position presents the financial position of the School District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits and depreciation, are allocated to functional areas in proportion to payroll or total expenditures expended for those areas, respectively. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

(b) Fund Financial Statements

The fund statements provide information about the School District'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. All funds of the School District are displayed as major funds. The School District reports the following major governmental funds:

General Fund – This is the School District's primary operating fund and is used to account for and report all financial transactions except those required to be accounted for in another fund.

Special Revenue Funds:

Special Aid Fund – This fund accounts for and reports the proceeds of specific revenue sources, such as federal and state grants that are legally restricted for specific educational programs.

School Lunch Fund – This fund is used to account for and report transactions of the School District's food service operations.

Miscellaneous Special Revenue Fund – This fund is used to account for and report transactions of the School District's scholarship and student programs funded by local grants and donations. The District has both custody and administrative control over the various programs.

Debt Service Fund – This Fund accounts for and reports the accumulation of financial resources that are restricted to expenditures for principal and interest. Debt service funds should be used to report resources if legally mandated.

Capital Projects Fund – This fund is used to account for and report the financial resources that are restricted or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

(c) Fiduciary Funds

Fiduciary funds are used to account for and report fiduciary activities. Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the School District, and are not available to be used. There is only one class of fiduciary funds:

Custodial Funds – These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the School District as an agent for various extraclassroom activity funds. In addition, the fund is used to account for real property taxes collected and paid to Jervis Public Library.

Measurement Focus and Basis of Accounting

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, state aid, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from state aid is recognized in the fiscal year it is appropriated by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, other postemployment benefits, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows or resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, pension liabilities, workers compensation, other postemployment benefits (OPEB), potential contingent liabilities, and useful lives of long-lived assets.

Property Taxes

Real property taxes are levied annually by the Board and become a lien no later than September 1. Taxes are collected in two equal installments due October 1 and April 1. Uncollected real property taxes are enforced by the City of Rome, New York, and the County of Oneida. An amount representing uncollected real property taxes must be transmitted by the City and the County within two years from the return of unpaid taxes to the City with the exception of real property taxes due on State and County lands. Real property taxes receivable expected to be collected within 90 days subsequent to June 30 are considered to be available and recognized as revenues. Otherwise, a deferred inflow of resources offsets real property taxes receivable.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these notes.

Interfund Transactions

The operations of the School District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The School District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

In the District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

A detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity is provided subsequently in these Notes to the Financial Statements.

Cash and Cash Equivalents

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

Receivables

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Inventories

The inventories of food and supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market.

Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Restricted Assets

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the District-wide financial statements and their use is limited by applicable bond covenants.

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2003. For assets acquired prior to 2003, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

Land and construction in progress are not depreciated. The School District uses capitalization thresholds of $5,000, (the dollar value above which asset acquisitions are added to the capital asset accounts for grouped like assets or individual assets). Depreciation methods and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Lives	Depreciation Method
Land Improvements	20 Years	Straight Line
Buildings and Improvements	20-40 Years	Straight Line
Furniture and Equipment	5-20 Years	Straight Line
Licensed Vehicles	8-10 Years	Straight Line

Right to Use Leased Assets

The School District has recorded right to use leased assets as a result of implementing GASB No. 87, *Leases*. The intangible assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right to use leased assets are amortized on a straight-line basis over the life of the related lease, which range from 3-5 years.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net 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 School District has three items that qualify for reporting in this category. The first item is a deferred loss on refunding of debt reported in the District-wide Statement of Net Position. A deferred loss 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 District-wide Statement of Net Position. This represents the effect of the net change in the School District's proportion of the collective net pension asset or liability and the difference during the measurement period between the School District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. This also includes the School District contributions to the pension systems (TRS and ERS) subsequent to the measurement date. The third item relates to other postemployment benefits (OPEB) reporting in the District-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience and of a change in actuarial assumptions and other inputs.

In addition to liabilities in the Statement of Net Position, the School District 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has two items that qualify for reporting in this category in the Statement of Net Position. The first item is related to pensions and it represents the effect of the net change in the School District's proportion of the collective net pension asset or liability and the difference during the measurement periods between the School District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item relates to other postemployment benefits (OPEB) reporting in the District-wide Statement of Net Position. This represents the effect of a change in actuarial assumptions.

In addition to liabilities in the governmental funds balance sheet, the School District will also sometimes report a separate section for deferred inflows of resources. The School District has two types of items, which both arise only under the modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, these items, unavailable revenues for property taxes and grants, are reported only in the governmental funds balance sheet.

Short-Term Debt

The School District may also issue bond anticipation notes (BAN), 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 BAN's issued for capital purposes be converted to long-term financing within five years after the original issue date.

Compensated Absences

Compensated absences consist of unpaid accumulated sick leave and vacation time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

The School District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB, the sick leave liability has been calculated using the vesting method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the fund statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources.

Other Benefits

Eligible School District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

In addition to providing pension benefits, the School District provides postemployment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if School District employees are eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the School District and the retired employee. The School District recognizes the costs of providing health insurance by recording its share of insurance premiums as an expenditure. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting (see Note 13).

Insurance

The School District insures against liability for most risks including, but not limited to, property damage and personal injury liability. 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.

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other postemployment benefits payable, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the School District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

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

Equity Classifications

(a) District-wide Statements

In the District-wide statements, there are three classes of net position:

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

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

Unrestricted net position – reports the balance of the net position that does not meet the definition of the above classifications and are deemed to be available for general use by the School District.

(b) Fund Statements

In the fund financial statements, there are five classifications of fund balance:

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 inventory recorded in the School Lunch Fund.

Restricted

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.

The School District has established the following restricted fund balances:

- ***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 may be 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 Fund.

- ***Reserve for Unemployment Insurance***

  Unemployment Insurance Reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be 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. If the School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

- ***Retirement Contribution Reserve***

  The Retirement Contribution Reserve Fund (GML §6-r) (Chapter 260 of the NYS Laws of 2004) is used to reserve funds for the payment of retirement contributions to the New York State and Local Employees' Retirement System. This reserve was established by a Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. A detailed report of the operation and condition of the fund must be provided to the Board. The reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

- ***Liability Reserve***

  Property Loss Reserve and Liability Reserve [Education Law §1709(8-c)] are used to accumulate funds to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget, or $15,000, whichever is greater. These reserves are accounted for in the General Fund.

- ***Reserve for Insurance***

  The Reserve for Insurance (GML §6-n) is used to pay liability, casualty, and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value, and mortgage guarantee. This reserve may be established by board action and funded by budgetary appropriations. There is no limit on the amount that may be accumulated; however, the total annual contribution may not exceed 5% of the budget. The reserve is accounted for in the General Fund.

- ***Reserve for Tax Certiorari***

  The Tax Certiorari Reserve [Education Law §3651(1-a)] is used to accumulate funds to pay judgments and claims resulting from tax certiorari proceedings. Voter approval is not required provided that the monies held do not exceed the anticipated needs of the School District. If no voter approval is obtained, then any excess monies must be returned to the General Fund on or before the first day of the fourth fiscal year after the deposit of the monies. This reserve is accounted for in the General Fund.

- ***Reserve for Employee Benefit Accrued Liability***

  The Reserve for Employee Benefit Accrued Liability (GML §6-p) is used for the payment of any accrued employee benefit due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

- ***Capital Reserve***

  According to General Municipal Law §6-c, §6-g, this reserve must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of reserve, the ultimate amount, its probable term, and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The reserve is accounted for in the General Fund.

  On December 18, 2019, voters authorized a capital reserve with a maximum amount of $5,000,000 (inclusive of accrued interest and investment earnings thereon) and a maximum term of 10 years. The School District has fully funded this reserve during the 2021-2022 fiscal year. During the 2023-2024 fiscal year, the School District transferred $1,600,000 from the reserve to the Capital Projects Fund to provide local funding for the 2024 capital improvement project.

  On May 18, 2022, voters authorized an additional capital reserve with a maximum amount of $5,000,000 (inclusive of accrued interest and investment earnings thereon) and a maximum term of 10 years. During the 2023-2024 fiscal year, the School District provided $1,699,451 towards this reserve for a total funding balance of $4,949,840. During the 2023-2024 fiscal year, the School District also transferred $4,400,000 from this reserve to the Capital Projects Fund to provide additional local funding for the 2024 capital improvement project.

- ***Debt Service Fund***

  This fund is used to account for and report the financial resources that are restricted to pay debt service. The funds include unused debt proceeds and interest and earnings on the temporary investment of debt proceeds.

- ***Capital Projects Fund***

  This fund is used to account for and report the financial resources that are restricted by a voter approved proposition for acquisition, construction or major repair of capital facilities.

- ***Miscellaneous Special Revenue Fund***

  This fund balance is used to account for and report various endowment and scholarship awards.

Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, i.e., the Board of Education. The School District has $9,971,585 committed fund balance in the Capital Projects Fund as of June 30, 2024.

Assigned – Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official, such as the School District's Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than 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 resources that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District. 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.

(c) Order of Use of Fund Balance

The School District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

Future Changes in Accounting Standards

- GASB Statement No. 101, *Compensated Absences*, effective for the year ending June 30, 2025.
- GASB Statement No. 102, *Certain Risk Disclosures*, effective for the year ending June 30, 2025.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026.

The School District will evaluate the impact these pronouncements may have on its financial statements and will implement them as applicable and when material.

2. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT -WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the District-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 Position of Governmental Activities

Total fund balances of the School District's governmental funds differ from "net position" 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.

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:

(a) Long-Term Revenue/Expenditure 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.

(b) 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 or lease of capital items in the governmental fund statements and depreciation and amortization expense on those items as recorded in the Statement of Activities.

(c) 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.

(d) Pension Differences

Pension differences occur as a result of changes in the School District's proportion of the collective net pension asset/liability and differences between the School District's contributions and its proportionate share of the total contributions to the pension systems.

(e) Other Postemployment Benefit Differences

Other postemployment benefit (OPEB) differences occur as a result of changes in the School District's total OPEB liability and differences between the School District's contributions and OPEB expense.

(f) Employee Benefit Allocation

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Balances based on the requirements of New York State. These costs have been allocated in the Statement of Activities based on total salary for each function.

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Procedures and Budgetary Accounting

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund with a legally adopted budget.

The voters of the School District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. In addition, the Superintendent is authorized to transfer certain budgeted amounts within departments. Supplemental appropriations were made during the year as noted in the supplemental schedule on page 54.

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

Budgets are established and used for individual Capital Projects Fund expenditures as approved by a special referendum of the School District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as assigned fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

General Fund – Statutory Unassigned Fund Balance Limit

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the school district's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

At June 30, 2024, the School District's unassigned fund balance was 8.38% of the 2024-2025 budget.

Statutory Debt Limit

At June 30, 2024, the School District was in compliance with the statutory debt limit.

Chapter 97 of the Laws of 2011 established a property tax levy limit (generally referred to as the tax cap) that restricts the amount of property taxes local governments (including school districts) can levy. The School District was in compliance with the tax cap for the year ended June 30, 2024.

4. CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

A. Uncollateralized,
B. Collateralized by securities held by the pledging financial institution, or
C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the School District's name.

As of June 30, 2024, the School District's total bank balances of $46,898,630 were entirely collateralized or insured by the Federal Deposit Insurance Corporation (FDIC). Of this amount, $921,164 of the deposits were covered by FDIC and $45,977,466 of the deposits were collateralized with securities held by an agent of the pledging financial institution in the School District's name.

Investment and Deposit Policy

The School District follows an investment and deposit policy, the overall objective of which is to provide the School District with the best rate of return available without exposing the principal to an unreasonable risk of loss; to comply with the requirements of all applicable federal and state laws, including the Education Law, General Municipal Law, and Local Finance Law; and to provide sufficient liquidity of invested funds in order to meet obligations as they become due.

Restricted Cash and Cash Equivalents

- Restricted cash and cash equivalents of $17,250,141 in the General Fund represents the restricted reserves described in Note 14 and an additional amount of $40,000 held by a fiscal agent.

- Restricted cash and cash equivalents of $4,840 in the Misc. Special Revenue Fund represents funds gifted to the School District for scholarships to students. There is also $184,310 due from other funds that is restricted for this purpose.

- Restricted cash and cash equivalents of $1,920,767 in the Debt Service Fund represents the funds required to be used to repay the corresponding liability. There is also $296,241 due from other funds (net) that is restricted for this purpose.

Investment Pool

The School District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, as amended, and Article 3-A of the General Municipal Law (Chapter 623 of the Laws of 1998), whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

The School District has $6,495,656 included as unrestricted cash equivalents. This amount represents the cost of the investment pool share and is considered to approximate market value.

The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of NYLAF available by writing to NYLAF Administration, 2135 CityGate Lane, 7th Floor, Naperville, IL 60563.

5. PARTICIPATION IN BOCES

During the year, the School District was billed $20,032,651 for BOCES' administrative and program costs.

The School District's share of BOCES' aid amounted to $10,251,616.

During the year ended June 30, 2024, the School District issued no debt on behalf of BOCES.

6. RECEIVABLES

The amount due from other governments at June 30, 2024, consisted of:

General Fund	
Due from State and Federal	
General Aid - September	$ 349,387
Excess Cost Aid – August	1,922,560
Excess Cost Aid – September	981,833
BOCES Aid – September	5,877,014
Federal 941 Refund	404,852
Other Items	469
	$ 9,536,115
Due from Other Governments	
Various School Districts	$ 160,556
BOCES Supplemental Credits	14,842
	$ 175,398
School Lunch Fund	
Due from State and Federal	
Federal – June Claims	$ 213,442
New York State – June Claims	30,902
	$ 244,344
Special Aid Fund	
Due from State and Federal	
Federal Grants	$ 3,242,881
New York State Grants	701,368
	$ 3,944,249
Capital Projects Fund	
Due from State and Federal	
New York State – Smart Schools Bond Act	$ 574,655

7. CAPITAL AND RIGHT TO USE LEASED ASSETS

Capital asset activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 1,379,922	$	$	$ 1,379,922
Construction in Progress	46,137,056	1,588,522	62,592	47,662,986
Assets Held for Sale	2,604,503			2,604,503
Total	50,121,481	1,588,522	62,592	51,647,411
Capital Assets Being Depreciated				
Land Improvements	5,930,154			5,930,154
Buildings and Improvements	125,962,246	1,693,714		127,655,960
Furniture, Equipment and Vehicles	22,316,178	428,415	1,601,256	21,143,337
Total	154,208,578	2,122,129	1,601,256	154,729,451
Accumulated Depreciation				
Land Improvements	5,678,287	98,550		5,776,837
Buildings and Improvements	61,421,759	3,009,724		64,431,483
Furniture, Equipment and Vehicles	19,234,937	585,597	1,601,256	18,219,278
Total	86,334,983	3,693,871	1,601,256	88,427,598
Net Capital Assets Being Depreciated	67,873,595	(1,571,742)		66,301,853
Net Capital Assets	$ 117,995,076	$ 16,780	$ 62,592	$ 117,949,264

Assets Held for Sale consists of the book value of the former Staley Elementary School and the former Fort Stanwix Elementary School buildings and related assets.

Depreciation expense of $3,693,871 was allocated based on estimated usage by function as follows:

Function/Program	
General Support	$ 543,862
Instruction	2,749,406
Pupil Transportation	288,969
Food Service Program	111,634
Total Depreciation	$ 3,693,871

Right to Use leased asset activity for the year ended June 30, 2024, is as follows:

	Beginnning Balance	Additions	Ending Balance
Right to Use Leased Assets			
Leased Equipment	$ 5,967,414	$ 654,207	$ 6,621,621
Accumulated Amortization			
Leased Equipment	3,058,577	890,046	3,948,623
Net Right to Use Leased Assets	$ 2,908,837	$ (235,839)	$ 2,672,998

Amortization expense of $890,046 is charged solely to instruction.

8. SHORT-TERM NOTES PAYABLE

The School District does not have any outstanding short-term notes payable at June 30, 2024.

Changes in the School District's short-term notes payable for the year ended June 30, 2024, are as follows:

Description	Balance 07/01/23	Refinanced	Issued	Paid	Balance 06/30/24
2022 BAN for 2019 Capital Project	$ 13,491,055	$ 12,991,055	$	$ 500,000	$

Interest expense on short-term debt for the year was computed as follows:

Interest Paid	$ 1,087,693
Plus: Interest Accrued in the Current Year	0
Less: Interest Accrued in the Prior Year	(465,441)
Total Interest Expense on Short-Term Debt	$ 622,252

9. NONCURRENT LIABILITIES

Noncurrent liability balances and activity are as follows:

Description	Beginning Balance	Issued	Paid	Ending Balance	Due Within One Year
Long Term Debt					
Bonds Payable	$ 33,015,000	$ 11,910,000	$ 4,865,000	$ 40,060,000	$ 5,670,000
Unamortized Bond Premiums	4,984,430	1,300,524	755,188	5,529,766	755,188
Energy Performance Contract	2,735,000		170,000	2,565,000	180,000
Total Long Term Debt	40,734,430	13,210,524	5,790,188	48,154,766	6,605,188
Other Liabilities					
Other Postemployment Benefits	355,700,689		10,753,340	344,947,349	
Net Pension Liability -Proportionate Share	11,894,351		4,080,115	7,814,236	
Compensated Absences	1,718,471	70,470		1,788,941	
Workers Compensation	1,203,038			1,203,038	
Total Other Liabilities	370,516,549	70,470	14,833,455	355,753,564	
Total Noncurrent Liabilities	$ 411,250,979	$ 13,280,994	$ 20,623,643	$ 403,908,330	$ 6,605,188

Serial Bonds

The School District 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 for governmental funds are maintained separately and represent a reconciling item between the fund and District-wide statements.

Details relating to general obligation (serial) bonds and the energy performance contract of the School District outstanding at June 30, 2024, are summarized as follows:

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
General Fund					
Reconstruction and Additions	06/15	$ 6,870,000	06/28	3.00-5.00%	$ 2,895,000
Reconstruction	08/15	$ 4,876,281	06/27	2.38-3.00%	1,435,000
Reconstruction	06/17	$ 7,740,000	06/32	3.00-5.00%	5,020,000
Refunding Bonds	11/17	$ 7,145,000	06/25	2.00-5.00%	1,555,000
Refunding Bonds	11/17	$ 2,100,000	08/26	2.00-5.00%	1,200,000
Reconstruction - Strough	06/19	$ 21,245,000	06/33	3.00-5.00%	16,045,000
Reconstruction	06/24	$ 11,910,000	06/41	5.00%	11,910,000
Total					$ 40,060,000

Principal and interest payments due on the serial bonds are as follows:

Fiscal Year Ending June 30,	Serial Bonds Principal	Interest	Total
2025	$ 5,670,000	$ 2,049,629	7,719,629
2026	4,405,000	1,606,825	6,011,825
2027	4,325,000	1,403,875	5,728,875
2028	3,540,000	1,203,300	4,743,300
2029	3,715,000	1,026,300	4,741,300
2030-2034	14,720,000	2,668,950	17,388,950
2035-2039	3,640,000	434,000	4,074,000
2040-2041	45,000	3,500	48,500
Total	$ 40,060,000	$ 10,396,379	$ 50,456,379

Special Provisions Affecting Remedies Upon Default

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

Unamortized Premium

The original issue premiums on bonds have been deferred and recorded as an addition to long-term liabilities on the District-wide financial statements. The premiums are being amortized using the straight-line method over 6 to 18 years, the remaining time to maturity of the respective bond issue. The current year amortization is $755,188 and is included as a reduction to interest expense on the statement of activities. The remaining balance of the unamortized premiums is calculated as follows:

Deferred Premiums from Debt	$ 6,284,954
Less: Amount Recognized	755,188
Unamortized Premiums	$ 5,529,766

Other Debt – Energy Performance Contracts

The School District entered into an energy performance contract during the year ended June 30, 2020. The contract is defined in a Section 9-102(4) of the New York State Energy Law as: "an agreement for the provision of energy services, including but not limited to electricity, heating, ventilation, cooling, steam, or hot water, in which a person agrees to install, maintain, or mange energy systems or equipment to improve the energy efficiency of, or produce energy in connection with a building or facility in exchange for a portion of the energy savings or revenues." The contract is accounted for similar to a capital lease with interest at 5%.

Principal and interest payments due on the energy performance contract are as follows:

Fiscal Year Ending June 30,	Energy Performance Contract Principal	Interest	Total
2025	$ 180,000	$ 128,250	$ 308,250
2026	190,000	119,250	309,250
2027	200,000	109,750	309,750
2028	210,000	99,750	309,750
2029	220,000	89,250	309,250
2030-2034	1,270,000	270,500	1,540,500
2035	295,000	14,750	309,750
Total	$ 2,565,000	$ 831,500	$ 3,396,500

Interest expense on the District-wide financial statements is calculated as follows:

Interest Paid on Long-Term Debt	$ 1,652,025
Interest on BAN	622,252
Amortized Deferred Loss on Refunding	157,084
Amortized Serial Bond Premiums	(755,188)
Plus: Interest Accrued in the Current Year	63,047
Less: Interest Accrued in the Prior Year	(74,201)
Total Interest Expense	$ 1,665,019

10. ADVANCE REFUNDING – PRIOR YEARS

The School District at various times entered into advance refunding transactions related to certain issues of its bonded debt. A portion of the proceeds of the refunding bond issues were placed in an irrevocable trust and used to purchase securities to provide for all future debt service payments on the refunded debt. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements.

At June 30, 2024, the principal balance on refunded bond issues is as follows:

Bond Issue	Principal Balance
2006 Serial Bonds	$ 1,640,000
2011 Serial Bonds	1,260,000
Total	$ 2,900,000

11. DEFERRED OUTFLOWS OF RESOURCES

Past advance refunding transactions have resulted in $2,480,369 in deferred losses due to the reacquisition prices exceeding the carrying value of the refunded bonds. This amount is classified as a deferred outflow of resources on the District-wide financial statements in accordance with Governmental Accounting Standards (GASB Statement) No. 63 and GASB Statement No. 65. The deferred losses are being amortized as interest expense over the life of the refunding bond. The remaining unamortized balance of these costs at June 30, 2024 is $118,037. The amortization charged to interest expense for the year ended June 30, 2024, was $157,084.

12. PENSION PLANS

New York State and Local Employees' Retirement System (ERS)

(a) Plan Description

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. The System is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010, but prior to April 1, 2012, are required to contribute 3% of their annual salary for their entire working career. Employees who joined on or after April 1, 2012 must contribute at a specific percentage of earnings (between 3 and 6%) for their entire career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2024, were paid.

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

	Amount
2022	$ 1,391,372
2023	$ 1,111,218
2024	$ 1,331,646

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

At June 30, 2024, the School District reported a liability of $5,064,577 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2023. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in a report provided to the School District.

At June 30, 2024 and 2023, the School District's proportion was .0343966 percent and .0344652 percent, respectively.

For the year ended June 30, 2024, the School District recognized pension expense of $2,232,339. At June 30, 2024, the School District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,631,296	$ 138,098
Change of assumptions	1,914,803	
Net difference between projected and actual earnings on Pensions plan investments		2,474,019
Changes in proportion and differences between contributions and proportionate share of contributions	141,083	65,693
Contributions subsequent to the measurement date	422,727	
Total	$ 4,109,909	$ 2,677,810

At June 30, 2024, $422,727 was reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension asset/liability in the year ended June 30, 2025.

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:	Amount
2025	$ (900,892)
2026	$ 974,092
2027	$ 1,487,033
2028	$ (550,861)

(d) Actuarial Assumptions

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

Investment rate of return (net of investment expense, including inflation)	5.9%
Cost of Living Adjustments	1.5%
Salary scale	4.4%
Inflation rate	2.9%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 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, 2024 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	32%	4.00%
International equity	15%	6.65%
Private equity	10%	7.25%
Real estate	9%	4.60%
Opportunistic/ARS portfolio	3%	5.25%
Credit	4%	5.40%
Real assets	3%	5.79%
Fixed Income	23%	1.50%
Cash	1%	0.25%
	100%	

* Real rates of return are net of the long-term inflation assumption of 2.90%.

(e) 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 liability.

(f) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9 percent, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9 percent) or 1-percentage-point higher (6.9 percent) than the current rate:

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Proportionate share of the net pension liability (asset)	$ 15,923,548	$ 5,064,577	$ (4,004,916)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued ERS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to ERS in the amount of $422,727 at June 30, 2024. This amount represents the three months of the School District’s fiscal year that will be covered in the ERS 2024-2025 billing cycle and has been accrued as an expenditure in the current year.

B. New York State Teachers’ Retirement System (TRS)

(a) Plan Description

The School District participates in the New York Teachers’ Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten-member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor’s approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). The System’s financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. TRS issues a publicly available financial report that contains basic financial statements and required supplementary information for the System. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at www.nystrs.org or obtained by writing to the New York State Teachers’ Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

(b) Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

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

	Amount
2022	$ 4,074,595
2023	$ 4,568,326
2024	$ 4,462,376

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

At June 30, 2024, the School District reported a liability of $2,749,659 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS System in reports provided to the School District.

At June 30, 2024 and 2023, the School District's proportion was .240442 percent and .234699 percent, respectively.

For the year ended June 30, 2024, the School District recognized pension expense of $7,833,007. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,667,191	$ 16,477
Changes of assumptions	5,919,934	1,290,217
Net difference between projected and actual earnings on Pensions plan investments	1,405,571	
Changes in proportion and differences between contributions and proportionate share of contributions	531,810	653,784
Contributions subsequent to the measurement date	4,462,376	
Total	$ 18,986,882	$ 1,960,478

At June 30, 2024, $4,462,376 was reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension asset/liability in the year ended June 30, 2025.

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:	Amount
2024	$ 1,147,782
2025	$ (1,364,846)
2026	$ 11,098,162
2027	$ 734,994
2028	$ 569,880
Thereafter	$ 378,056

(d) Actuarial Assumptions

The total pension liability at June 30, 2023 measurement date was determined by using an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023.
The actuarial valuation used the following significant actuarial assumptions:

Investment Rate
of Return — 6.95% compounded annually, net of pension plan investment expense, including inflation.

Salary scale — Rates of increase differ based on service.
They have been calculated based upon recent NYSTRS member experience.

Service	**Rate**
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs — 1.3% compounded annually.

Inflation rate — 2.4%

Annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on the Society of Actuaries Scale MP2021, applied on a generational basis.

The actuarial assumptions and the salary scale were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations.* ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	33.0%	6.8%
International equity	15.0%	7.6%
Global equity	4.0%	7.2%
Real estate equity	11.0%	6.3%
Private equity	9.0%	10.1%
Domestic fixed income	16.0%	2.2%
Global bonds	2.0%	1.6%
Private debt	2.0%	6.0%
Real estate debt	6.0%	3.2%
High-yield bonds	1.0%	4.4%
Cash equivalents	1.0%	0.3%
	100.0%	

** Real rates of return are net of the long-term inflation assumption of 2.4%.*

(e) Discount Rate

The discount rate used to calculate the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those 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 liability.

(f) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Proportionate share of the net pension liability (asset)	$ 41,878,698	$ 2,749,659	$ (30,159,555)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued TRS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to TRS in the amount of $4,462,376, excluding the employoees' share, in the General Fund at June 30, 2024. This amount represents the contribution for the 2023-2024 fiscal year that will be made in 2024-2025 and the employer share has been accrued as an expenditure in the current year.

13. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

(a) Plan Description

The School District provides defined benefit other postemployment benefits for all retired employees and their eligible dependents. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School District Board. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

(b) Benefits Provided

The School District provides medical, Medicare Part B, dental, vision, and life insurance benefits to retirees and their eligible dependents in accordance with the provisions of various employment contracts. Health insurance is provided on a self-insured basis through Madison-Oneida-Herkimer Health Insurance Consortium. The plan is self-insured and administered by a Board of Directors consisting of representation from individual school districts. The benefit levels, employee contributions and employer contributions are governed by the School District's contractual agreements. The Plans can be amended by action of the School District through agreements with the bargaining units. The specifics of each contract are on file at the School District offices and are available upon request.

(c) Employees Covered by Benefit Terms

	Total
Active employees	870
Inactive employees entitled to but not yet receiving benefit payments	0
Inactive employees currently receiving benefit payments*	1167
Total	2,037

* Inactive employees currently receiving benefit payments includes spouses of retirees and beneficiaries.

(d) Total OPEB Liability

The School District's total OPEB liability of $344,947,349 as of June 30, 2024, the measurement date, was determined by an actuarial valuation as of July 1, 2023, and projected forward to the measurement date.

(e) Changes in the Total OPEB Liability

Changes in the School District's total OPEB liability were as follows:

	Total OPEB Liability
Balance at June 30, 2023	$ 355,700,689
Changes recognized for the year:	
Service cost	10,039,862
Interest on Total OPEB Liability	13,145,625
Effect of Demographic Gains or Losses	(7,675,401)
Changes of Assumptions or Other Inputs	(14,989,525)
Benefit payments	(11,273,901)
Net changes	(10,753,340)
Balance at June 30, 2024	$ 344,947,349

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93 percent) or 1 percentage point higher (4.93 percent) than the current discount rate:

	1% Decrease 2.93	Current Assumption 3.93%	1% Increase 4.93
Total OPEB liability as of June 30, 2024	$ 403,166,185	$ 344,947,349	$ 298,376,008

(g) Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Assumption	1% Increase
Total OPEB liability as of June 30, 2024	$ 292,338,350	$ 344,947,349	$ 412,827,075

(h) OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2024, the School District recognized OPEB expense of $23,185,487.

At June 30, 2024, the School District reported deferred outflows of resources of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 14,445,879	$ 6,437,433
Changes of assumptions or other inputs	9,410,704	28,830,506
Total	$ 23,856,583	$ 35,267,939

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

Year ended June 30:	Amount
2025	$ 3,013,510
2026	$ (1,109,868)
2027	$ (5,727,645)
2028	$ (3,200,592)
2029	$ (3,655,633)
Thereafter	$ (731,128)

(i) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, rolled forward to June 30, 2024, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Inflation rate	2.4%
Healthcare Cost Trend Rates	
(Pre-65)	6.8 percent scaling down to 3.8 percent over 51 year.
(Post-65)	6.4 percent scaling down to 3.8 percent over 51 year.
Salary Changes	2.4%, average, including inflation
Discount Rate	3.93%

The Discount rate for the June 30, 2024 measurement date was 3.93% and salary changes were 2.4%.

The School District pays 90-100% of retiree's health insurance premiums and 70-80% of qualified dependents premiums.

The selected discount rate of 3.93% is based on the prescribed discount interest rate methodology under GASB 75 based on a yield or index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The actual rate used is based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates for the June 30, 2024 measurement were based on the pub-2010 Mortality Table (from RP-2014 Adjusted to 2006 Total Dataset Mortality Table) with generational projection of future improvements per the MP-2021 Ultimate Scale.

The actuarial assumptions used are not based on a formal experience study performed.

14. FUND BALANCES

(a) The following is a summary of the change in General Fund restricted reserve funds during the year ended June 30, 2024:

Restricted Reserve	Beginning Balance	Increases	Decreases	Ending Balance
Workers Compensation	$ 1,203,038	$ 70,170		$ 1,273,208
Unemployment Insurance	814,143	47,486		861,629
Retirement Contribution Reserve - ERS	4,546,259	265,117		4,811,376
Retirement Contribution Reserve - TRS	1,495,501	987,227		2,482,728
Liability	1,359,633	79,303		1,438,936
Insurance	4,119,404	240,272		4,359,676
Tax Certiorari	361,595	21,090		382,685
Employee Benefit Accrued Liability	1,747,591	101,931		1,849,522
Capital Reserve	4,915,086	1,735,295	6,000,000	650,381
Total General Fund Restricted	$ 20,562,250	$ 3,547,891	$ 6,000,000	$ 18,110,141

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

	General	School Lunch	Special Aid	Misc. Special Revenue	Debt Service	Capital	Total
Nonspendable							
School Lunch Inventory	$	$ 83,823	$	$	$	$	$ 83,823
Restricted							
Workers' Compensation Reserve	1,273,208						1,273,208
Unemployment Insurance Reserve	861,629						861,629
Retirement Contribution Reserve - ERS	4,811,376						4,811,376
Retirement Contribution Reserve - TRS	2,482,728						2,482,728
Liability Reserve	1,438,936						1,438,936
Insurance Reserve	4,359,676						4,359,676
Tax Certiorari Reserve	382,685						382,685
Employee Benefit Accrued Liability	1,849,522						1,849,522
Capital Reserve	650,381						650,381
Debt Service Fund					2,217,008		2,217,008
Capital Fund						9,971,585	9,971,585
Restricted for Scholarships				194,835			194,835
Total Restricted	18,110,141			194,835	2,217,008	9,971,585	30,493,569
Assigned							
Encumbrances	3,090,954	322,929					3,413,883
Appropriated for Subsequent Year's Budget	7,000,000						7,000,000
Food Service Program		1,131,471					1,131,471
Misc. Special Revenue				189,150			189,150
Total Assigned	10,090,954	1,454,400		189,150			11,734,504
Unassigned (Deficit)	12,286,936		(2,800,000)			(776,892)	8,710,044
Total Fund Equity (Deficit)	$ 40,488,031	$ 1,538,223	$ (2,800,000)	$ 383,985	$ 2,217,008	$ 9,194,693	$ 51,021,940

15. INTERFUND TRANSACTIONS

Fund	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General	$ 6,817,083	$ 13,186,897	$ 1,439,776	$ 8,332,280
School Lunch	1,274,754	29,321		
Special Aid	228,185	4,962,014	688,280	490,668
Misc. Special Revenue	379,145			
Debt Service	2,319,391	2,023,150		1,081,055
Capital Projects	10,168,138	1,006,653	8,725,055	949,108
Custodial Fund	25,839	4,500		
Total	$ 21,212,535	$ 21,212,535	$ 10,853,111	$ 10,853,111

- The School District's interfund receivables and payables are temporary and will be repaid within the year.
- The School District typically transfers from the General Fund to the Special Aid Fund, as a required local match for state and local grants.
- The School District transferred $7,644,000 from the General Fund to the Capital Projects Fund to provide funding of the local share of the 2024 Capital Improvement Project ($6 million) and the Staley Flood Project (insurance proceeds of $1,644,000).
- The School District transferred $949,108 from the Capital Projects Fund to the General Fund to close out the $25.4 million Strough capital project.
- The School District transferred $1,081,055 from the Debt Service Fund to the Capital Projects Fund to provide additional funding for the local share of the 2019 Rome Free Academy Capital Project.

- The School District transferred $490,668 from the Special Aid Fund to the General Fund to cover prior year covered expenses to be paid by grants under the American Rescue Plan programs.

16. RISK MANAGEMENT

Shared-Risk Pool Health Insurance

The School District participates, with 22 other governmental entities, in the Madison-Oneida-Herkimer Health Insurance Consortium for their health insurance coverage. Entities joining the plan must remain members for a minimum of one year; a member may withdraw from the plans after that time by submitting a notice of withdrawal 30 days prior to the plan's year end. Plan members are subject to a supplemental assessment in the event of deficiencies. If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. The plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount.

Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The Consortium is a shared-risk public entity risk pool whereby each entity pays monthly premiums based on the type of coverage selected. The Health Consortium is a minimum premium insured plan through an insurance carrier. Premiums paid to the Health Consortium totaled $24,006,087 for the year ended June 30, 2024. Paid claims are accounted for in the aggregate with individual entity activity not being tracked separately.

Self-Insured Workers' Compensation Insurance

The School District has established a self-insured plan for risks associated with workers' compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The following is a summary of incurred and paid claims over the last three years:

	Incurred Claims	Paid Claims
2023-2024	$ 461,535	$ 461,535
2022-2023	$ 303,671	$ 303,671
2021-2022	$ 216,956	$ 216,956

17. COMMITMENTS AND CONTINGENCIES

Construction Commitments

The School District had various open capital projects during the year ended June 30, 2024, with a total authorization of $76,142,405.

At June 30, 2024, the School District has expended $20,089,178 of the authorizations, which are contingent on performance of contractors. If any contract should exceed the original contract, then the excess will be financed from the remaining bond proceeds or current appropriations as approved by the voters. The outstanding construction commitments at June 30, 2024 totaled $9,180,751.

Potential Grantor Liability

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. 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 Contingencies

The School District is a defendant in various legal matters with an aggregate range of loss from $6000,000 to $3,000,000. The School District has estimated and accrued a liability in the General Fund for this liability in the amount of $974,999.
The following is a description of these legal matters:

- ***Child Victims Act***

  The School District has been named as a defendant in a lawsuit under the Child Victims Act, including claims for compensatory and punitive damages. The School District is party to one lawsuit dating from 1960 to 1986. The School District has determined its general liability insurance program or its reserves are insufficient to resolve the claim. The range of liability to the School District is estimated to be between $600,000 to $3,000,000. The School District has recorded an accrued liability of $750,000 for this matter.

- ***Potential Tax Certiorari Liabilities***

  The School District has potential liabilities for an estimated maximum amount of approximately $245,857 for various real property tax liabilities due to various tax certiorari proceedings. The matters are expected to be settled for less than the above amount. The School District has a tax certiorari reserve to cover this amount.

18. FUND DEFICITS

Special Aid Fund

The School District deferred recognition of $2,800,000 in revenues during 2024 since the funds did not meet the availability criteria. The deferral is the reason for a fund deficit of $2,800,000 in the Special Aid Fund at the end of the year. The deficit will be eliminated when the revenues become available.

Capital Projects Fund

The Capital Projects Fund has an unassigned deficit of $776,892 at June 30, 2024. The School District has incurred expenses on an energy performance contract project for which total funding is a deficit of $202,238. The deficit on this project will be eliminated once permanent financing is received or available funds are transferred from the General Fund. The School District also deferred recognition of $574,654 in revenues for the Smart School Bond Act capital project since the funds did not meet the availability criteria, resulting in an unassigned deficit for this amount. This deficit will be eliminated once the grant revenues become available.

19. NET POSITION DEFICIT – DISTRICT-WIDE

The District-wide Net Position had an unrestricted deficit at June 30, 2024 of $312,380,659 and a total net position deficit of $220,178,827. The deficit is primarily the result of the recognition of an unfunded liability for OPEB of $344,947,349 at June 30, 2024. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

20. TAX ABATEMENTS

During the year ended June 30, 2024 the School District was subject to tax abatements due to payment in lieu of tax agreements that are granted by the Oneida County Industrial Development Agency (OCIDA) and the City of Rome.

The agreements entered through the City of Rome are to assist in the construction and renovation of low-income housing projects under Section 125 and 577 of the Private Housing Finance Law. A recipient will pay reduced taxes by receiving a lower assessed value on their property which will result in lower the tax levy for the property.

The School District is currently affected by three tax abatement programs under the OCIDA, one of which is to encourage the development of rental property that will house multiple tenants. The second is to promote the construction and improvement of industrial and non-industrial manufacturing projects and commercial projects. The third and newest project involves community solar projects. Article 18-A of the New York State Municipal Law, "New York State Industrial Development Agency Act" was enacted to provide for the creation of Industrial Development Agencies (IDA's) to facilitate economic development in specific localities, and delineate their powers and status as public benefit corporations. The legislation establishes the power of New York IDA's, including the authority to grant tax abatements and enter into agreements to require payments in lieu of taxes. Each IDA must adopt and follow a tax exemption policy with input from the effected taxing jurisdictions, however once created the IDA can independently grant abatements in conformity with their policy.

Property abatements may be partially offset by an agreement that requires payments in lieu of taxes. These agreements specify the annual amount to be remitted by the property owner and are allocated to the effected jurisdiction based on the proportion of taxes abated. The School District has chosen to disclose information about its tax abatement by purpose. It established a quantitative threshold of 10 percent of the total dollar amount of taxes abated during the year.

Abatement agreements of OCIDA and the City of Rome resulted in a revenue impact to the School District for the year ended June 30, 2024 as follows:

Purpose	Gross Tax Reduction	Payments in Lieu of Taxes	Net Revenue Reduction
Development of Rental Property	$ 124,005	$ 33,433	$ 90,572
Economic Growth and Development	6,744,508	1,838,352	4,906,156
Low Income Housing Projects	1,181,901	156,065	1,025,836
Community Solar Projects	160,465	34,708	125,757
Total	$ 8,210,879	$ 2,062,558	$ 6,148,321

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Final Budget Variance With Actual
Revenues				
Local Sources				
Real Property Taxes	$ 32,393,306	$ 32,393,306	$ 32,869,276	$ 475,970
Other Real Property Tax Items	7,344,887	7,344,887	7,086,934	(257,953)
Charges for Services	20,000	20,000	170,158	150,158
Use of Money and Property	100,000	100,000	1,810,519	1,710,519
Sale of Property and Compensation for Loss			30,761	30,761
Miscellaneous	1,100,000	1,100,000	2,504,290	1,404,290
State Aid	95,761,277	95,761,277	100,018,927	4,257,650
Federal Aid	300,000	300,000	323,722	23,722
Total Revenues	137,019,470	137,019,470	144,814,587	7,795,117
Other Financing Sources				
Transfers from Other Funds	1,312,738	1,312,738	1,439,776	127,038
Appropriated Reserve	2,325,823	8,325,823		(8,325,823)
Appropriated Fund Balance	6,778,415	8,422,415		(8,422,415)
Total Revenues and Other Financing Sources	$ 147,436,446	$ 155,080,446	146,254,363	$ (8,826,083)

	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual and Encumbrances
Expenditures					
General Support					
Board of Education	$ 133,378	$ 119,178	43,328	$	$ 75,850
Central Administration	321,812	595,866	560,170	4,364	31,332
Finance	1,232,974	1,262,099	1,079,062	26,732	156,305
Staff	783,398	833,987	686,727	185	147,075
Central Services	11,386,214	13,488,301	10,841,917	1,285,655	1,360,729
Special Items	1,970,501	1,987,804	1,709,113	5,965	272,726
Total General Support	15,828,277	18,287,235	14,920,317	1,322,901	2,044,017
Instruction					
Instruction, Administration, and Improvement	4,743,646	4,872,381	4,231,970	23,761	616,650
Teaching - Regular School	31,716,747	30,458,939	26,933,900	290,593	3,234,446
Programs for Children With Special Needs	21,568,367	21,644,233	20,256,917	200,558	1,186,758
Occupational Education	4,272,683	4,287,635	4,106,982	73,874	106,779
Teaching - Special School	1,978,558	2,023,933	2,027,418	4,524	(8,009)
Instructional Media	4,063,908	3,856,563	2,887,150	231,007	738,406
Pupil Services	6,257,784	6,486,155	5,911,657	13,530	560,968
Total Instruction	74,601,693	73,629,839	66,355,994	837,847	6,435,998
Pupil Transportation	10,195,657	9,500,024	8,341,281	930,206	228,537
Employee Benefits	37,931,661	36,579,016	33,182,574		3,396,442
Debt Service - Principal	5,571,055	5,571,055	5,535,000		36,055
Debt Service - Interest	1,713,103	2,274,277	2,274,277		
Total Expenditures	145,841,446	145,841,446	130,609,443	3,090,954	12,141,049
Other Financing Uses					
Transfers to Other Funds	1,595,000	9,239,000	8,332,280		906,720
Total Expenditures and Other Financing Uses	$ 147,436,446	$ 155,080,446	138,941,723	$ 3,090,954	$ 13,047,769
Net Change in Fund Balance			7,312,640		
Fund Balance - Beginning of Year			33,175,391		
Fund Balance - End of Year			$ 40,488,031		

Notes to Required Supplementary Information:

The School District administration prepares a proposed budget for approval for the Board of Education 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 SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2024

	2024*	2023*	2022*	2021*	2020*	2019*	2019*
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability							
Service cost	$ 10,039,862	$ 9,626,343	$ 11,261,438	$ 11,167,117	$ 9,265,154	$ 9,000,109	$ 8,737,970
Interest	13,145,625	12,099,357	7,691,284	7,611,501	9,744,454	8,774,983	8,459,502
Change in Plan Terms					967,672		
Demographic Gains or Losses	(7,675,401)		11,274,190		37,770,948		2,715,099
Changes in assumptions or other inputs	(14,989,525)	7,417,115	(31,992,821)	2,966,370	15,832,994	(23,224,478)	
Expected benefit payments	(11,273,901)	(11,114,360)	(10,699,598)	(9,651,158)	(9,290,388)	(8,530,670)	(10,770,143)
Net change in total OPEB liability	(10,753,340)	18,028,455	(12,465,507)	12,093,830	64,290,834	(13,980,056)	9,142,428
Total OPEB liability - beginning of year	355,700,689	337,672,234	350,137,741	338,043,911	273,753,077	287,733,133	278,590,705
Total OPEB liability - ending of year	$ 344,947,349	$ 355,700,689	$ 337,672,234	$ 350,137,741	$ 338,043,911	$ 273,753,077	$ 287,733,133
Covered employee payroll	$ 52,236,498	$ 45,834,861	$ 45,834,861	$ 45,307,426	$ 45,307,426	$ 43,227,951	$ 43,227,951
Total OPEB liability as a percentage of covered payroll	660.36%	776.05%	736.71%	772.80%	746.11%	633.28%	665.62%

* 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: None

Changes of Assumptions: The discount rate changed from 3.65% to 3.93%.
Salary increases including inflation remained consistent at 2.4%.

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 SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS
For the Year Ended June 30, 2024

ERS Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 1,331,646	$ 1,111,218	$ 1,391,372	$ 1,243,009	$ 1,228,906	$ 1,275,184	$ 1,284,825	$ 1,288,893	$ 1,272,983	$ 1,533,747
Contributions in Relation to the Contractually Required Contribution	1,331,646	1,111,218	1,391,372	1,243,009	1,228,906	1,275,184	1,284,825	1,288,893	1,272,983	1,533,747
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-ERS Employee Payroll	$ 10,905,804	$ 10,213,043	$ 9,037,408	$ 9,106,326	$ 8,854,464	$ 8,878,179	$ 8,703,578	$ 8,576,353	$ 7,832,608	$ 8,181,849
Contributions as a Percentage of Covered-Employee Payroll	12.21%	10.88%	15.40%	13.65%	13.88%	14.36%	14.76%	15.03%	16.25%	18.75%

TRS Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 4,462,376	$ 4,568,326	$ 4,074,595	$ 3,679,759	$ 3,408,293	$ 4,340,735	$ 3,946,012	$ 4,494,262	$ 4,887,420	$ 6,177,740
Contributions in Relation to the Contractually Required Contribution	4,462,376	4,568,326	4,074,595	3,679,759	3,408,293	4,340,735	3,946,012	4,494,262	4,887,420	6,177,740
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-TRS Employee Payroll	$ 45,721,066	$ 44,395,782	$ 41,577,500	$ 38,612,371	$ 38,468,318	$ 40,873,211	$ 40,265,429	$ 38,346,945	$ 36,858,371	$ 35,240,958
Contributions as a Percentage of Covered-Employee Payroll	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

See Independent Auditor's Report.

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET / LIABILITY
For the Year Ended June 30, 2024

ERS Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset or liability	0.0343966%	0.0344652%	0.0310572%	0.0315315%	0.0301402%	0.0300255%	0.0295022%	0.0294842%	0.0292212%	0.0305776%
District's proportionate share of the net pension asset (liability)	$ (5,064,577)	$ (7,390,739)	$ 2,538,800	$ (31,397)	$ (7,981,296)	$ (2,127,397)	$ (952,167)	$ (2,770,404)	$ (4,690,090)	$ (1,032,986)
District's covered-employee payroll	$ 10,905,804	$ 10,213,043	$ 9,037,408	$ 9,106,326	$ 8,854,464	$ 8,878,179	$ 8,703,578	$ 8,576,353	$ 7,832,608	$ 8,181,849
District's proportionate share of the net pension asset or liability as a percentage of its covered-employee payroll	46.44%	72.37%	28.09%	0.34%	90.14%	23.96%	10.94%	32.30%	59.88%	12.63%
Plan fiduciary net position as a percentage of total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

TRS Pension Plan

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the net pension asset or liability	0.240442%	0.234699%	0.227490%	0.226723%	0.244820%	0.247221%	0.241997%	0.238859%	0.234606%	0.249891%
District's proportionate share of the net pension asset (liability)	$ (2,749,659)	$ (4,503,612)	$ 39,421,867	$ (6,264,973)	$ 6,360,442	$ 4,470,403	$ 1,839,419	$ (2,558,281)	$ 24,368,056	$ 27,836,274
District's covered-employee payroll	$ 44,395,782	$ 41,577,500	$ 38,612,371	$ 38,468,318	$ 40,873,211	$ 40,265,429	$ 38,346,945	$ 36,858,371	$ 35,240,958	$ 36,912,758
District's proportionate share of the net pension asset or liability as a percentage of its covered-employee payroll	6.19%	10.83%	102.10%	16.29%	15.56%	11.10%	4.80%	6.94%	69.15%	75.41%
Plan fiduciary net position as a percentage of total pension liability	99.20%	98.60%	113.20%	97.80%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT
For the Year Ended June 30, 2024

Change from Adopted Budget to Revised Budget

Adopted Budget	$ 145,869,432
Add: Prior Year's Encumbrances	1,567,014
Original Budget	$ 147,436,446
Add: Voter Approved Capital Project Reserve Transfer	6,000,000
Board Approved Capital Project Transfer	1,644,000
Final Budget	$ 155,080,446

Section 1318 of Real Property Tax Law Limit Calculation

2024-25 voter-approved expenditure budget		$ 157,385,744
Maximum allowed (4% of 2024-25 budget)		$ 6,295,430
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :		
Unrestricted fund balance:		
Assigned fund balance	10,090,954	
Unassigned fund balance	12,286,936	
Total unrestricted fund balance	22,377,890	
Less:		
Appropriated fund balance	7,000,000	
Encumbrances included in committed and assigned fund balance	3,090,954	
Total adjustments	10,090,954	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 12,286,936
Actual Percentage		7.81%

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL FUND
For the Year Ended June 30, 2024

			Expenditures				Methods of Financing			
PROJECT TITLE	Original Authorization	Revised Authorization	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	Federal and State Aid	Local Sources	Total
2011 Capital Projects ($25.4 Million Authorization)										
Strough	$ 25,400,000	$ 25,400,000	$ 24,752,301	$ 2,530	$ 24,754,831	$ 645,169	$ 21,245,000	$	$ 3,509,831	$ 24,754,831
Energy Performance Contract	4,900,000	3,610,958	3,929,702		3,929,702	(318,744)	3,090,000		637,464	3,727,464
Smart Schools Bond Act										
Network Upgrade	6,016,740	6,016,740	4,333,258		4,333,258	1,683,482		3,758,604		3,758,604
2019 Capital Outlay	2,668	2,668	2,668		2,668				2,668	2,668
Energy Performance Contract II	3,585,000	3,585,000	3,512,252	75,000	3,587,252	(2,252)	3,587,252			3,587,252
2019 Capital Projects										
RFA	10,646,055	10,646,055	9,106,151	806,334	9,912,485	733,570	8,322,748		2,321,055	10,643,803
2020 Emergency Project										
Clough	72,762	72,762	62,592		62,592	10,170			100,000	100,000
2022 Capital Improvement Project	21,608,018	21,608,018	1,005,881	845,260	1,851,141	19,756,877			3,410,000	3,410,000
2024 Capital Improvement Project	34,187,872	34,187,872				34,187,872			6,000,000	6,000,000
Staley Flood Project									1,644,000	1,644,000
Totals	$ 106,419,115	$ 105,130,073	$ 46,704,805	$ 1,729,124	$ 48,433,929	$ 56,696,144	$ 36,245,000	$ 3,758,604	$ 17,625,018	$ 57,628,622

See Independent Auditor's Report.

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
NET INVESTMENT IN CAPITAL ASSETS
June 30, 2024

Capital Assets, Net	$ 117,949,264
Right to Use Leased Assets, Net	2,672,998
	120,622,262
Add:	
Unamortized Loss from Refunding of Debt	118,037
Deduct:	
Serial Bonds Payable and Energy Performance Contract	42,625,000
Serial Bond Premiums	5,529,766
Total Deductions	48,154,766
Net Investment in Capital Assets	$ 72,585,533

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

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

Board of Education
Rome City School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rome City School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Rome City School District's basic financial statements, and have issued our report thereon dated October 28, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rome City School District'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 Rome City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Rome City School District'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 school district's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 through 2024-006 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rome City School District'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 school district'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 school district's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

D'Arcangelo + Co., LLP

October 28, 2024

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

Board of Education
Rome City School District, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rome City School District'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 Rome City School District's major federal programs for the year ended June 30, 2024. Rome City School District'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, Rome City School District 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 June 30, 2024.

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 Rome City School District 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 Rome City School District'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 Rome City School District'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 Rome City School District'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 Rome City School District's compliance with the requirements of each major federal program as a whole.

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

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 Rome City School District'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 Rome City School District'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 Rome City School District'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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-003 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

D'Arcangelo + Co., LLP

October 28, 2024

Rome, New York

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Agency or Pass-through Number	Federal Expenditures	Subrecipient
United States Department of Agriculture				
Passed Through New York State Department of Education:				
Child Nutrition Cluster				
Non-Cash Assistance (food distribution)				
National School Lunch Program	10.555	N/A	$ 193,864	
Cash Assistance				
School Breakfast Program	10.553	N/A	679,566	
National School Lunch Program	10.555	N/A	2,342,339	
Summer Food Service Program for Children	10.559	N/A	127,002	
Total Child Nutrition Cluster			3,342,771	
Total Department of Agriculture			3,342,771	
United States Department of Education				
Passed Through New York State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	0021242040	2,163,204	
Title I Grants to Local Educational Agencies	84.010	0021232040	7,409	
School Improvement Grants	84.010	0011242126	284,509	
School Improvement Grants	84.010	0011232172	337,118	
School Improvement Grants- Coaching for Excellence	84.010	0011244140	176,200	
School Improvement Grants- Resource Allocation	84.010	0011243126	6,118	
School Improvement Grants- Planning	84.010	0011248126	4,085	
School Improvement Grants- Planning	84.010	0011238084	92,734	
Total			3,071,377	
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	0032240625	1,531,563	
COVID-19 Special Education - Grants to States	84.027X	5532220625	58,822	
Special Education - Preschool Grants	84.173	0033240625	64,930	
Total Special Education Cluster (IDEA)			1,655,315	
Education for Homeless Children and Youth	84.196	0212243109	118,273	
Education for Homeless Children and Youth	84.196	0212233109	65,826	
Total			184,099	
English Language Acquisition Grant	84.365	0293242040	718	
Supporting Effective Instruction State Grants	84.367	0147242040	115,247	
Supporting Effective Instruction State Grants	84.367	0147232040	13,329	
Total			128,576	
Student Support and Academic Enrichment Program	84.424	0204242040	69,425	
Student Support and Academic Enrichment Program	84.424	0204232040	66,222	
Total			135,647	
COVID-19 Education Stabilization Fund				
American Rescue Plan -Elementary and Secondary School Emergency				
Relief (ARP ESSER 3)	84.425U	5880212040	5,411,086	
ARP Summer Enrichment	84.425U	5882212040	163,584	
ARP SLR Learning Loss	84.425U	5884212040	817,897	
ARP SLR Comp After School	84.425U	5883212040	163,584	
American Rescue Plan – Elementary and Secondary School Emergency				
Relief –Homeless Children and Youth	84.425W	5218212040	51,334	
Homeless Children and Youth	84.425W	5219212040	117	
Total Education Stabilization Fund			6,607,602	
Total Department of Education			11,783,334	
Total Federal Awards Expended			$ 15,126,105	$

See Notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report.

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City School District of the City of Rome, New York under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

De Minimis Indirect Cost Rate

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the food commodities received. At June 30, 2024, the School District had food commodities totaling $25,873 in inventory.

Personal Protective Equipment (PPE)

The District did not receive any donated PPE from a federal agency.

Cluster Programs

The following programs are identified by "OMB Compliance Supplement" to be part of a cluster of programs:

U.S. Department of Agriculture
Nutrition Cluster

AL #10.553	School Breakfast Program
AL #10.555	National School Lunch Program
AL #10.559	Summer Food Service Program for Children

U.S. Department of Education
Special Education Cluster

AL #84.027	Special Education Grants to States (IDEA, Part B)
AL #84.173	Special Education Preschool Grants (IDEA Preschool)
AL #84.027X	COVID-19 Special Education – Grants to States (IDEA, Part B)

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2024

Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies reported for major Federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR Section 200.516 (a)?	Yes
(d)(1)(vii)	Major Programs (list):	U.S. Department of Education AL#84.010 Title I Grants to Local Educational Agencies AL#84.010 School Improvement Grants COVID-19 Education Stabilization Fund AL #84.425U American Rescue Plan – Elementary and Secondary School Emergency (ARP ESSER 3) AL #84.425U ARP Summer Enrichment, Learning Loss, and Comp After School AL #84.425W ARP Elementary and Secondary Emergency Relief -Homeless Children and Youth
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

Findings – Financial Statement Audit

2024-001 Closing the Books of Account

Condition: There were several significant journal entries that were discovered by the audit process that needed to be posted to correct the District's ledgers. In addition, a considerable number of journal entries were provided to us after audit fieldwork. The following matters were also noted:

- We noted several grants in the Special Aid Fund that were not closed prior to the start of year-end field work.
- We noted significant interfund transfers and interfund reconciliations that were not reconciled in the final trial balance.
- Accounting tasks such as reconciliations, cross-checks, and reviews of account balances play a key role in proving the accuracy of accounting data and financial information that comprise year-end financial statements. Account balances that are not reconciled could lead to misstatements of the financial statements.

Criteria: Proper policies and procures ensure the integrity of the accounting records. Proper segregation of duties, reconciliation, and management review is essential to this process.

Cause: Condition is mainly due to significant staff turnover and issues related to the tornado damage sustained by the Business Office.

Effect or potential effect: the lack of proper procedure leads to inaccurate reporting that the Board and management relies on to make decisions.

Recommendation: We strongly recommend that detail reconciliations of all material accounts are preformed and then perform a review of the final trial balance to ensure that all significant journal entries are posted prior to the onset of the audit. The condition of the general ledger as provided by management at the start of the audit, if consistent throughout the year, would indicate that the interim financial statements are likely materially misstated as well.

Managements Response: The district acknowledges the finding related to the timely closing of accounts. The departure of the former business official on July 3, along with the interim appointments in July and August, contributed to delays in year-end closing procedures. To address this, the business office has established a structured process in collaboration with the district treasurer and the new Director of Business & Finance. We are committed to ensuring that all significant journal entries are posted monthly and that year-end entries will be finalized in July prior to the commencement of audit fieldwork in August. We will also ensure timely closure of grants within the special aid fund and implement monthly reconciliations for interfund transfers to enhance accuracy. Comprehensive reconciliations of all material accounts will be conducted monthly, with a final review of the trial balance occurring in July before the audit.

Findings – Financial Statement Audit

2024-002 Documentation and Safeguarding of Records

Condition: The District's Business Office was heavily damaged by tornado in July 2024. In addition, the District has sustained turnover in the Business and Finance Department and had moved the Business Office two times prior to the year-end portion of the audit. As a result, this has led to lost and misplaced documentation, conflicting procedures and priorities, a growing backlog of current transaction processing. The following documentation issues were noted:

- Missing three termination letters out of ten selections
- Two out of ten terminations could not be traced to board approvals.
- Six out of forty selections for payroll testing could not locate a payroll deposit form on file.
- One selection out of five new enrollees for ERS could not locate an enrollment form on file.
- One selection out of five new enrollees for TRS could not locate an enrollment form on file.
- Could not locate the 2023-24 payroll contract for 1 (former) employee.
- Could not locate I-9s for any of our forty selections on GASB 75 census data testing.
- Five out of eight selections for compensated absences could not locate a salary notice.

Criteria: Record retention procedures should include the ability to recover records timely in the event of a natural diaster.

Cause: Condition is mainly due to significant staff turnover and issues related to the tornado damage sustained by the Business Office.

Effect or potential effect: This disorganization in the accounting function weakens the internal controls and the ability to produce accurate financial statements on a monthly and annual basis.

Recommendation: We strongly recommend, as soon as possible, that you implement a process to improve the documentation, safeguarding, disaster recovery, and retention efforts. These procedures may include the electronic storage of information off site.

Managements Response: The district encountered numerous environmental challenges during the audit year, notably a tornado that struck the district office on July 16, 2024, amid year-end closing activities. Additionally, we experienced significant turnover in the business office, with interim and new leadership transitions. The move to a new office location in April, which was subsequently damaged by the tornado, further complicated record-keeping efforts. To mitigate potential loss, the district engaged a company to digitize important documents, though delays in this process have hindered timely access. We are actively working to improve our documentation practices to safeguard records against future emergencies.

2024-004 Journal Entries

Condition: Seven of the ten selections for journal entries testing were either not being approved timely (4) or not approved at the time of testing (3).

Criteria: Proper internal control procedures should include segregation of duties and proper supervision for the recording of journal entries.

Cause: Unknown

Effect or potential effect: Without complete separation of duties, particularly between the approval and recording of adjusting journal entries, transactions may be inaccurately recorded in the general ledger through a journal entry and not be detected. The potential result would be that the financial statements may be materially misstated.

Recommendation: We recommend all journal entries be approved on a timely basis. We recommend that management adhere to the organization's past practice that all adjusting journal entries be reviewed and approved by the appropriate individual other than the individual responsible for recording journal entries in the general ledger.

Managements Response: We concur with the findings regarding journal entries. The combination of leadership transitions and the tornado event in July impeded the timely review of these entries. To rectify this, the business office has implemented a structured process where all journal entries prepared by the treasurer are reviewed and posted weekly, specifically on Friday afternoons or the next business day in the event of a holiday.

2024-005 Budget Reporting

Condition: Although the budget agreed in total, we noted the opening budgeted revenues for 2023-2024 had classification differences when posted to the accounting software from the Board approved version and the prior year audited financial statements. Appropriated fund balance was lower than the approved amount by $1,209,155, budgeted property taxes were overstated by $180,219 and other revenues were overstated by the difference. The budget reports remained with these errors for the entire fiscal year.

Criteria: Proper budgeting procedures and controls should ensure that the budget for revenues and expenditures correctly reconcile to the Board approved documents.

Cause: Unknown

Effect or potential effect: The incorrect budgeted revenues and appropriated fund balance reported to management and the Board could adversely affect budgeting decisions for the current and subsequent years budget,

Recommendation: We recommend that procedures and controls be implements to ensure that the budget is properly presented and reconciled to the approved budget and any subsequent amendments timely and monthly.

Managements Response: The current Director of Business & Finance will ensure that the final budget version reconciles with the opening revenue entries for the upcoming fiscal year. Adjustments to the 2024-2025 revenue budget will be made to align with the audited financial statements prior to the preliminary audit in the spring of 2025.

2024-006 Payroll Internal Controls

Condition: In addition to the documentation issues above, we noted the following internal control issues when examining payroll in the current year:

- ERS and TRS reports are not being reviewed or approved before being submitted to the retirement systems.
- Direct Deposit information is not entered by someone who is independent of processing payroll. There is also no review of direct deposit information.

Criteria: Proper procedures and controls should include segregation of duties and documentation of supervision and review over payroll processing and reporting.

Cause: Unknown

Effect or potential effect: The combination of the above issues significantly increases the chance of an error or irregularity going undetected.

Recommendation: We recommend that management institute procedures and controls to ensure the above approvals and independent reviews are a standard practice.

Managements Response: None

Findings and Questioned Costs – Major Federal Award Program Audit

2024-003 Single Audit Compliance – Title I Documentation

U.S. Department of Education

AL# 84.010 Title I Grants to Local Education Agencies

Condition: Although no non-compliance was found, the above documentation issues were also noted in our testing of compliance over federal funds. The following items were not timely provided for the audit:

- Copy of the 2023-24 Consolidated Application.
- Copy of completed Consultation and Collaboration forms.
- Copy of Written Affirmation of LEA Consultation with Private School Officials forms.
- Copy of Title I Parent and Family Engagement Policy.
- Documentation of Private School acceptance or denial of services.
- Copy of Funded Administrators Position form (if applicable).
- School Improvement Grant Applications.
- Copies of any SIG performance reports filed during 2023-24.

In addition, an internal control questionnaire was provided to be completed and was not returned despite multiple requests.

Criteria: Federal award documentation should be organized and well managed to ensure compliance is monitored in a timely manner.

Cause: Unknown

Effect or potential effect: When documentation is not readily available, there is a risk of non-compliance.

Recommendation: We recommend that management institute policies and procedures for the orderly filing of federal award documents to ensure proper record retention and the ability to timely retrieve record as needed.

Managements Response: The District has engaged a grant writer to assist with Title I documentation and questionnaires. We successfully provided the necessary documentation to the auditors on October 25, 2024.

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2024

Findings – Financial Statement Audit

None noted.

Findings and Questioned Costs – Major Federal Award Program Audit

None noted.