ROME NY the copper city

MANAGEMENT'S
DISCUSSION AND
ANALYSIS AND
FINANCIAL STATEMENTS

For the Year Ended
December 31, 2025

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

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Independent Auditor's Report

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rome, New York (City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City of Rome, New York's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rome, New York, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Rome Housing Authority, which is the City's sole component unit as of March 31, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Rome Housing Authority, is based solely on the report of the other auditor.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Rome, New York and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other-Matters

Required Supplementary Information

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

Other Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2026, on our consideration of the City of Rome, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Rome, New York's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Rome, New York's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

July 24, 2026

Rome, New York

Our discussion and analysis of the City of Rome, New York's financial performance provides an overview of the City's financial activities for the year ended December 31, 2025 along with certain comparative data for the year ended December 31, 2024. This section is a summary of the City's financial activities based on currently known facts, decisions, or conditions. It is also based on both government-wide and fund-based financial statements. This document should be read in conjunction with the City's financial statements, which follows this narrative.

FINANCIAL HIGHLIGHTS

Governmental Activities

- The assets and deferred outflows of the City of Rome's Governmental Activities exceeded its liabilities and deferred inflows at December 31, 2025, by $55,753,019, which is illustrated in the financial statements as "Net Position" (Page 16).
- The total Net Position attributable to Governmental Activities increased by $8,749,033 from 2024 (Page 17).
- At December 31, 2025, the City of Rome's governmental funds reported combined ending fund balances of $5,011,553, a decrease of $523,065 from the prior year (Page 21).
- The deficit of $1,885,605 in the General Fund was due to the appropriation of fund balance, including reserves, for $3,730,046 for the 2025 year.
- The City of Rome has been awarded a federal grant through the Coronavirus State and Local Fiscal Recovery Funds - America Rescue Plan Act in the amount of $24,134,423. The full amount of the grant was received during 2021 and 2022. At December 31, 2025, $22,908,156 of the grant has been expended with the remaining recorded as unearned grant revenue in the General Fund.
- The continued various capital projects for the Governmental Capital Fund had a total authorization of $112,043,496. These projects include streets, bridges, culverts, building improvements, recreation, and various equipment. During 2025, the City expended $17,724,364 for these projects. At December 31, 2025, the aggregate project to date amounts spent on these projects was $72,276,072 leaving a remaining authorization of $39,767,423.

Business-Type Activities

- The assets and deferred outflows of the City of Rome's Business-Type Activities exceeded its liabilities and deferred inflows at December 31, 2025, by $104,255,549, which is illustrated in the financial statements as "Net Position" (Page 16).
- The total Net Position attributable to Business-Type Activities increased by $4,668,472 (Page 17).
- The continued various capital projects for the Enterprise Funds had a total authorization of $128,669,333. These projects include plant upgrades, water and sewer improvements, water extensions, and equipment. During 2025, the City expended $9,169,542 for these projects. At December 31, 2025, the aggregate project to date amounts spent on these projects was $102,789,895 leaving a remaining authorization of $25,879,438.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

FUND FINANCIAL STATEMENTS

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

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

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

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

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

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on Pages 29-69 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* regarding budgetary comparisons of the City's General Fund, OPEB, and Pension liabilities. Required supplementary information can be found on Pages 70-73 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Rome, assets and deferred outflows exceeded its liabilities and deferred inflows by $55,753,019 at December 31, 2025.

By far the largest portion of the City's net position, $127,964,519, represents its investment in capital assets (e.g. land, buildings, machinery, equipment, and leased assets), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following is a summary of the City's Statement of Net Position for the years ended December 31, 2025 and 2024:

Table 1 - Net Position (In Thousands)

	Governmental Activities		Business-Type Activities		Primary Government	
	2025	2024	2025	2024 (Restated)	2025	2024 (Restated)
Current and Other Assets	$ 40,199	$ 38,925	$ 36,636	$ 26,337	$ 76,835	$ 65,262
Capital and Leased Assets, (Net)	141,402	129,611	161,354	156,110	302,756	285,721
Total Assets	$ 181,601	$ 168,536	$ 197,990	$ 182,447	$ 379,591	$ 350,983
Deferred Outflows of Resources	$ 35,061	$ 19,134	$ 3,938	$ 1,347	$ 38,999	$ 20,481
Non-Current Liabilities	$ 97,824	$ 85,006	$ 54,546	$ 53,912	$ 152,370	$ 138,918
Other Liabilities	52,485	45,123	42,118	29,357	94,603	74,480
Total Liabilities	$ 150,309	$ 130,129	$ 96,664	$ 83,269	$ 246,973	$ 213,398
Deferred Inflows of Resources	$ 10,600	$ 10,537	$ 1,008	$ 939	$ 11,608	$ 11,476
Net Investment in Capital Assets	$ 127,965	$ 113,483	$ 78,878	$ 86,258	$ 206,843	$ 199,741
Restricted	2,496	2,669	6,160	6,309	8,656	8,978
Unrestricted (Deficit)	(74,708)	(69,148)	19,218	7,019	(55,490)	(62,129)
Total Net Position	$ 55,753	$ 47,004	$ 104,256	$ 99,586	$ 160,009	$ 146,590

A portion of the City's net position ($8.7 million) represents resources that are subject to external restrictions on how they may be used and, thus, are reported as restricted net position. The restrictions are for various reserves allowed by the New York State General Municipal Law. The *unrestricted net position* may be used to meet the government's ongoing obligations to citizens and creditors. At December 31, 2025, the unrestricted net position totaled negative $55.5 million, which is the result of the accrual of $84.0 million for the liability for Other Postemployment Benefits.

The City's proportionate share of Net Pension Liabilities and Deferred Outflows/Inflows of Resources for the New York State Employees' and Police and Fire Retirement Systems had a net effect on the City's net position in the amount of a negative $6.7 million. The details are fully described on Pages 43 to 45 of the financial statements.

Net position may serve over time as one useful indicator of a government's financial condition. The assets of the City of Rome's Governmental Activities exceeded by its liabilities at December 31, 2025, by $55,753,019. Governmental activities increased the City's net position by $8,749,033. This increase was mainly the result of federal and State capital grants of $14,954,595 resulting in a $11,604,682 net increase in capital assets, an increase in the discount rate with the amortization of past changes for the OPEB liability resulting in an overall decrease in net position of $4,467,067.

The surplus in the Business-Type Activities increased the City's net position by $4,668,472. For 2025, the rates for water, sewer, and refuse services did not change from 2024. The 2025 overall increase was primarily due to $4,451,682 from State and federal capital grants in the Water and Sewer Funds.

The following is a summary of the City's Statement of Activities for the years ended December 31, 2025 and 2024:

Table 2 - Changes in Net Position (In Thousands)

	Governmental Activities		Business-Type Activities		Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for Services	$ 4,140	$ 3,680	$ 16,601	$ 15,975	$ 20,741	$ 19,655
Operating Grants and Contributions	806	226	1,276	987	2,082	1,213
Capital Grants and Contributions	14,955	17,429	4,452	200	19,407	17,629
General Revenues						
Real Property Taxes, General Purpose	16,014	15,204			16,014	15,204
Real Property Tax Items	1,391	1,439			1,391	1,439
Nonproperty Tax Items	14,941	14,531			14,941	14,531
Solar Power Credits	592	518	369	182	961	700
General State Aid	10,833	10,446			10,833	10,446
Interest Income	749	1,260	843	1,079	1,592	2,339
Sale of Property and Compensation for Loss	3,843	283	29	19	3,872	302
Interfund Transfers	(261)	(433)	261	433		
Miscellaneous	30	313	147	58	177	371
Total Revenue	68,033	64,896	23,978	18,933	92,011	83,829
Expenses						
General Support	8,620	8,492			8,620	8,492
Public Safety	30,981	30,219			30,981	30,219
Public Health	2	1			2	1
Transportation	13,201	8,291			13,201	8,291
Economic Assistance and Opportunity	3,869	4,140			3,869	4,140
Culture and Recreation	405	2,374			405	2,374
Home and Community Services	988	1,389			988	1,389
Debt Service-Unallocated Interest	1,218	1,169			1,218	1,169
Water			9,132	9,943	9,132	9,943
Sewer			7,413	6,320	7,413	6,320
Refuse District			2,765	2,671	2,765	2,671
Total Expenses	59,284	56,075	19,310	18,934	78,594	75,009
Total Change in Net Position	$ 8,749	$ 8,821	$ 4,668	$ (1)	$ 13,417	$ 8,820

The following are explanations of significant variances noted above:

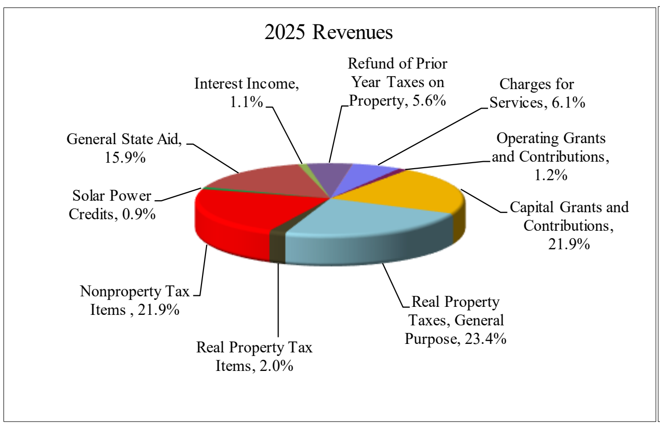
- Real property taxes increased approximately $810,000 due to a budgeted 2.75% increase of the tax rate.
- Compensation for loss increased due to $3.3 million of insurance proceeds for the damage incurred by the 2024 tornado.
- The expenses in the governmental activities increased $3.2 million. The increase is mainly due to increases for salaries and benefits.
- The Business-Type Activity revenues increased $5.0 million. The increase was due to an increase in capital grants for various projects for $4.3 million.

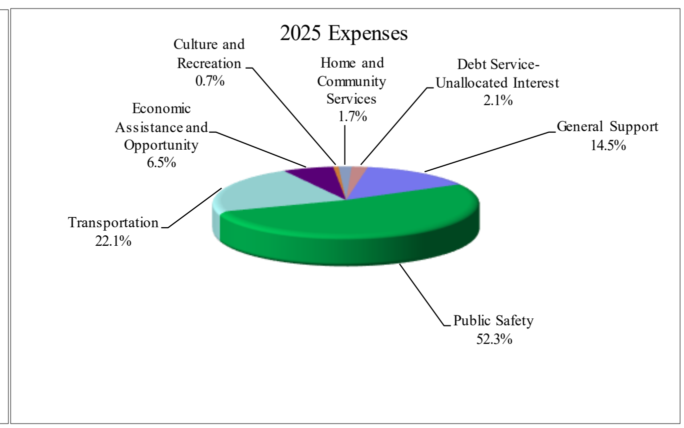
Table 3 presents the cost of each of the City's five largest governmental programs: Public Safety, Public Health, Culture and Recreation, Transportation, Economic Assistance and Opportunity, and Home and Community Services as well as each program's net cost (total cost less revenues generated by the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

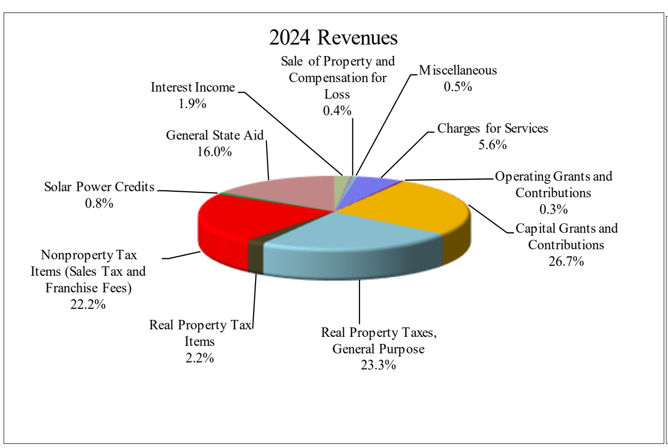
Table 3 - Governmental Activities (In Thousands)

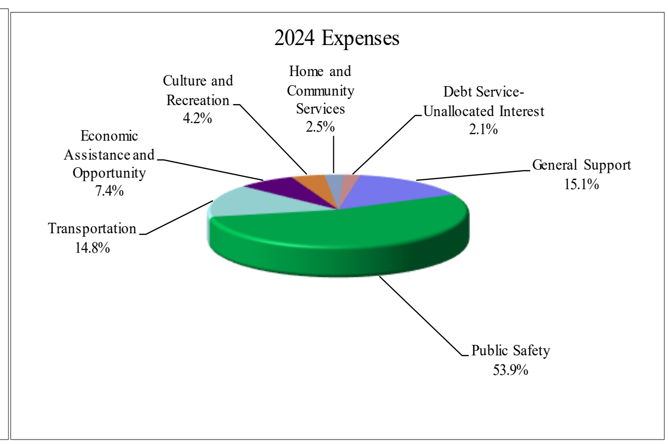
	2025		2024	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Public Safety	$ 30,981	$ 29,497	$ 30,219	$ 22,792
Transportation	13,201	1,162	8,291	2,593
Economic Assistance and Opportunity	3,869	(1,230)	4,140	104
Culture and Recreation	405	96	2,374	2,104
Home and Community Services	988	945	1,389	1,379
Total of Analysis	$ 49,444	$ 30,470	$ 46,413	$ 28,972

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









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

Table 4 - Business Type Activities (In Thousands)

	2025			2024		
	Water	Sewer	Refuse District	Water	Sewer (Restated)	Refuse District
Total Assets and Deferred Outflows of Resources	$ 116,151	$ 82,033	$ 3,660	$ 104,162	$ 75,555	$ 4,013
Net Position	$ 58,981	$ 43,050	$ 2,141	$ 53,181	$ 44,018	$ 2,323
Change in Position	$ 5,800	$ (968)	$ (182)	$ 548	$ (441)	$ (52)

Fund Financial Analysis

As the City completed the year, its governmental funds (as presented in the balance sheet on Pages 18 and 19) reported a *combined* fund balance of $5,011,553, a decrease of $523,065 from the prior year (Page 21). The deficit of $1,885,605 in the General Fund was due to the appropriation of fund balance, including reserves, for $3,730,046 for the 2025 year.

An overview of the General Fund results for 2025 and 2024 are as follows:

Table 5- General Funds (In Thousands)

	2025		2024	
	Amount	% of Total	Amount	% of Total
Revenues				
Real Property Taxes	$ 16,117	29.0%	$ 15,144	25.9%
Other Real Property Tax Items	1,392	2.5%	1,439	2.5%
Nonproperty Tax Items (Sales Tax and Franchise Fees)	14,941	26.8%	14,530	24.8%
Departmental Income	832	1.5%	778	1.3%
Intergovernmental Charges	1,342	2.4%	944	1.6%
Solar Power Credits	592	1.1%	518	0.9%
Use of Money and Property	748	1.3%	1,260	2.2%
Lease Revenue	60	0.1%	60	0.1%
Interfund Revenues	1,994	3.6%	1,910	3.3%
State and Federal Aid	16,583	29.8%	21,602	36.9%
Miscellaneous	1,054	1.8%	375	0.6%
Total Revenue	55,655	100.0%	58,560	100.0%
Expenses				
General Support	6,119	11.8%	5,535	11.5%
Public Safety	17,702	34.2%	16,966	35.3%
Public Health	2	0.0%	1	0.0%
Transportation	5,256	10.2%	4,448	9.3%
Culture and Recreation	1,645	3.2%	1,508	3.1%
Home and Community Services	677	1.3%	587	1.2%
Employee Benefits	14,747	28.5%	14,118	29.4%
Debt Service-Principle	4,215	8.2%	3,668	7.6%
Debt Service-Interest	1,341	2.7%	1,214	2.5%
Total Expenditures	51,704	100.0%	48,045	100.0%
Other Financing Sources (Uses)	(5,837)		(11,558)	
Total Change in Fund Balance	$ (1,886)		$ (1,043)	

GENERAL FUND BUDGET HIGHLIGHTS

The statement on Page 70 shows both original and final amended budget totals compared with actual results for the General Fund in 2025. The significant variances between the adopted and the final budget for 2025 were as follows:

Change from Adopted Budget to Final Budget

Adopted Budget	$ 53,501,493
Add: Prior Year's Encumbrances	799,795
Original Budget	54,301,288
Amendments:	
ARPA Grant	3,819,325
Other Adjustments	14
Total Budget Amendments	3,819,339
Final Budget	$ 58,120,627

CAPITAL ASSET AND DEBT ADMINISTRATION

At December 31, 2025, the City had $207 million (net of related outstanding debt) invested in a broad range of capital assets including equipment, buildings, roads, bridges, water and sewer lines and plant (see Pages 40-41).

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

	2025			2024		
	Governmental Activities	Business-Type Activities	Primary Government Totals	Governmental Activities	Business-Type Activities	Primary Government Totals
Land	$ 6,868	$ 191	$ 7,059	$ 6,868	$ 191	$ 7,059
Construction in Progress	66,163	72,189	138,352	60,567	68,658	129,225
Buildings and Improvements	10,784	17,254	28,038	9,338	18,343	27,681
Machinery and Equipment	4,941	2,211	7,152	5,227	2,335	7,562
Infrastructure	51,192	68,844	120,036	46,345	65,904	112,249
Total Net Capital Assets	$ 139,948	$ 160,689	$ 300,637	$ 128,345	$ 155,431	$ 283,776

Long-Term Debt

At year end, the City had $61.1 million in bonds and leases outstanding (see Pages 52-55 for additional detail). The City also has short-term bond anticipation notes payable in the amount of $55.3 million and $34.5 million at December 31, 2025 and 2024, respectively. The City has utilized 36.8% and 41.8% of its constitutional debt limit at December 31, 2025 and 2024, respectively.

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

	2025		
	Governmental Activities	Business-Type Activities	Primary Government Totals
General Obligation Bonds	$ 15,402	$ 43,752	$ 59,154
Leases	1,293	653	1,946
Total	$ 16,695	$ 44,405	$ 61,100

	2024		
	Governmental Activities	Business-Type Activities	Primary Government Totals
General Obligation Bonds	$ 18,217	$ 46,005	$ 64,222
Leases	1,174	686	1,860
Total	$ 19,391	$ 46,691	$ 66,082

Other Long-Term Debt

At year end, the City had other debt that totaled $91.3 million. The majority of this was due to the provisions of GASB No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions* which requires an accrual for postretirement benefits.

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

	2025		
	Governmental Activities	Business-Type Activities	Primary Government Totals
OPEB Liability	$ 75,547	$ 8,501	$ 84,048
Due to NYS Employees Retirement System			
Workers' Compensation Claims Payable	2,949	1,079	4,028
Compensated Absences	2,633	609	3,242
Total	$ 81,129	$ 10,189	$ 91,318

	2024		
	Governmental Activities	Business-Type Activities	Primary Government Totals
OPEB Liability	$ 60,700	$ 5,590	$ 66,290
Due to NYS Employees Retirement System	35	6	41
Workers' Compensation Claims Payable	2,981	1,072	4,053
Compensated Absences	1,899	553	2,452
Total	$ 65,615	$ 7,221	$ 72,836

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The City of Rome, located in the central part of New York State, has an estimated 2020 U.S. Census population of 32,127, and a land area of 75.7 square miles.

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

The City of Rome's architectural and cultural heritages comprise a large portion of its cultural facilities and programs. Several existing structures are on the National Register of Historic Buildings and in 2025 the Rome Residential Historic District was adopted to the NYS and National Registry of Historic Places and includes over 800 properties. The area has a number of landmarks prominent from the Revolutionary Period, the Erie Canal days, and a variety of museums and community arts programs. The City is home to the National Parks Service site Fort Stanwix National Monument, a reconstructed Revolutionary War fortress which attracts approximately 100,000 visitors annually into downtown Rome. In addition, the area offers many summer and winter recreational opportunities including Delta Lake State Park and Woods Valley Ski Area which are located just minutes north of the City as well as access to Adirondack resorts, including Old Forge and Lake Placid. The SFM Skatepark is officially open and phase 2 of the project is underway. Local residents frequent the park daily. Once the project is fully complete, it is expected to be a regional destination for skateboard enthusiasts from across New York State and beyond.

According to the New York State Department of Labor, for the 12-month period ending May 2026, the nonfarm job count in the Utica-Rome metro decreased 600, to 123,500 or -0.5%. Private sector employment grew +200, or +0.2%, to 93,400. Job gains were posted in private education and health services (+400) at a total of 29,700 and leisure and hospitality (+200) at a total of 9,600. Government employment saw the largest drop (-800), along with manufacturing (-200), and professional and business services (-500). The unemployment rate in the Utica-Rome metro rose from 3.4% in April 2025 to 3.9% in April 2026. The unemployment rate was 4.4% in March 2026. In May 2025, the national seasonally adjusted unemployment rate was 4.2%, while the seasonally adjusted unemployment rate for New York State was lower at 4.0%. The national rate held at 4.2% representing 7.2 million unemployed individuals nationwide, while New York's rate dropped to 4.0% down from 4.2% in April.

The City of Rome issued 709 building permits in 2025; of which 221 were closed out prior to year-end. The taxable assessment also grew by $15,798,167, over 2024.

PRIVATE DEVELOPMENTS

Residential, commercial, and industrial development has proven strong over the past several years within the City. Notable residential developments include a $50 million mixed-use development focusing around the newly constructed Air City Boulevard providing 200 units of housing and ground floor commercial space, a $10 million investment in Delta Luxury Townhomes located on Merrick Road providing 50 single family townhomes, an $82 million investment in Woodhaven Park which will provide 250 single family homes located on Park Drive, and a $25 million investment at Copper City Artist Lofts, an affordable 64 unit housing complex located in downtown Rome. Nascentia Neighborhood is an innovative 72-acre residential community designed for adults ages 55 and older who want to enjoy an active, independent lifestyle while aging in place. Located on the historic former Beeches property on Turin Road in Rome, the thoughtfully planned, mixed-use community is being developed by Nascentia Health and will seamlessly combine modern housing options with integrated health care and wellness services.

The multi-phase development is planned to feature a variety of living choices, including senior apartments, single-family and patio homes, duplexes, town homes, and gated residences. The neighborhood apartments are anticipated to be completed and ready for residents in fall 2027.

Notable commercial developments include O'Reilly Auto Parts, Caliber Collision, and Seven Brews on Erie Blvd, a Starbucks and Chipotle Mexican Grill located on Black River Boulevard, Nascentia Health's rehabilitation of the Beeches Manor banquet facility, Kabari Wellness Institute conversion into a health and wellness facility on Liberty St., Bonacio Construction's 40,000 s/f Sensitive Compartmented Information Facility (SCIF) office complex on Brooks Road, and Hamilton College's construction of a $2 million boathouse facility to service the College's rowing teams on the Erie Barge Canal. The Hamilton College facility opened in 2022 and provides a state-of-the-art boathouse facility for Hamilton's award-winning crew teams with a stunning viewing deck of the rowing events on the barge canal. In addition, a number of small businesses have set roots within downtown Rome through support from New York State and the City including Jerk King, Copper City Cigar Lounge, George Street Market, Air City Lofts, and Café Vinci which is expected to open on July 1, 2026. Together with the recently renovated Capitol Arts Complex which is discussed further below under Transportation & Infrastructure, they have created a local entertainment destination.

Industrial developments include the Cold Point Corporation 50,000 s/f manufacturing facility with an investment of $10 million, and Orgill, Inc., the largest independent hardware distributor in the world, opened their first Northeast Distribution Center (DC) on 64 acres of land at the Griffiss and Business Technology Park in 2021. The $72 million DC is almost 800,000 square feet and employs 300 people. On April 22, 2024, Chobani announced that it will be investing $1.2 billion to construct a 1.8 million s/f manufacturing and distribution facility that will create more than 1,000 jobs. Early estimates indicate that the economic impact of the new facility will be $58.8 million of wages related directly to those 1,000 jobs and over 500 additional indirect jobs, resulting in an additional $28.7 million of wages. Combined sales (direct by Chobani, its employees, and the indirect economic activity) of over $265 million. This is the largest domestic food production investment in history.

BROWNFIELD REVITALIZATION

Former Rome Cable Site: nearly $5 million environmental clean-up and demolition effort on the former Rome Cable site in downtown Rome. Five acres of prime development property featuring environmental indemnification from the State, are now made available for redevelopment as follows:

- 510-14 West Liberty Street: The City of Rome is partnering with MV EDGE to utilize EPA Brownfields Revolving Loan Fund Grants for partial demolition and remediation. Once complete, the City will market this building.
- 701 Lawrence Street: This waterfront site is being actively marketed and should be sold for active use within the next few years.
- 1333 East Dominick Street: A longtime manufacturing site, this 2-acre main street property has been remediated and is being actively marketed and zoned for commercial and residential use.
- 112 Columbus Avenue: The 56,000 3 story 2.8-acre former elementary school complex has been completely razed. The project mitigated public nuisances occurring for decades since its decommissioning in the late 1990s. A reuse strategy is currently being developed.
- 1030 East Dominick: This environmental remediation of this 2-acre site is currently underway. The project includes the demolition of the existing building and removal of any impacted soils. It will be available for redevelopment proposals under a restricted residential use category, which allows all but single-family redevelopment.

TRANSPORTATION & INFRASTRUCTURE

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

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

The City recently completed a $2.5 million construction of the Mohawk River Trail – a fully paved and accessible multiple-use urban trail system – after nearly a decade of intensive visioning, planning, and development. From the very beginning, usage of the trail has surged, making it one of the most popular recreational destinations in the City. This greenway system is well integrated into the NYS Canalway/Empire State Trail system, attracting visitors from all over the world. Once completed, the project will connect downtown to Delta Lake State Park.

The City was the recipient of New York State's Downtown Revitalization Initiative (DRI) $10 million-dollar award in 2017. All priority projects have been substantially completed and the City is looking at its next revitalization implementation plan. The DRI focused on revitalizing Rome's downtown district through selective demolition, new construction, and activation of public spaces through context sensitive design solutions.

One of the DRI projects was the construction of the downtown infill site now known as Copper City Lofts by the Kearney Group from Baldwin, NY. The Lofts, a $16 million investment, feature 68 loft-style apartment units with an emphasis on supporting the arts corridor. Kearney broke ground for the apartment complex in early Fall 2021 and construction was completed in Spring 2024. The City has also completed the demolition of the existing Fort Stanwix Parking garage and has replaced it with a 150-space surface parking lot. Renovations to City Hall are complete and include a new community room for public engagement or events, accompanied with handicap-accessible restrooms for public use. Griffo Green improvements have been completed which now include new tree plantings, seat walls, public swings, and additional temporary and permanent seating. N. Washington St was rehabilitated and widened this year to not only increase downtown parking, but also to create a space for food trucks and other vendors in support of the many public events that occur on the Green. The City also invested $800,000 on the construction of new Centro bus transfer facility in downtown Rome.

As announced by Governor Kathy Hochul on April 8, 2026 the City of Rome became the first and currently only city in New York State to receive a second $10 million DRI award. This award was granted for the City's Waterfront and Brownfield Opportunity Area and will focus on Reconnecting the historic waterfront, improving Bellamy Harbor Park, and enhancing walkability and connectivity to East Dominick Street and the Fort. As part of the DRI process, the City will be releasing an open call for projects this summer to solicit private investment in the defined DRI boundary. The Local Planning Committee (LPC) will meet for approximately 6 months to solicit public input and define the project scope that will be submitted to the Department of State for their selection of the final projects.

Over the last several years, the City of Rome has made significant improvements to its water and sewer infrastructure. Key projects include the $12.7 million Railroad Street interceptor sewer project and the Kessinger and Boyd Dam rehabilitation projects described in more detail below. Those investments have paid off and were a determining factor in the City of Rome being selected by Chobani for their state-of-the-art manufacturing facility. As a result of the Chobani plant being constructed, Oneida County and the City of Rome will be partnering together to increase capacity at the City's Water Pollution Control Facility, securing its national and regional position for dairy-based manufacturing.

GRIFFISS BUSINESS & TECHNOLOGY PARK: AN ECONOMIC ENGINE

Griffiss Business and Technology Park ("Griffiss Park") is a 3,500-acre multi-use business, technology and industrial park on the grounds of the former Griffiss Air Force Base in Rome. More than 6,000 people work for almost 80 employers at Griffiss Park. Major employers include the Air Force Research Laboratory, Defense Finance Accounting Service, Eastern Air Defense Sector, Orgill, Inc., Goodrich Corporation, Alion Science & Technology, Assured Information Security, BAE Systems, Cathedral Corporation, Kris-Tech Wire, Sovena Olive Oil, Harris Corporation, Family Dollar Distribution, Premier Aviation, MGS Manufacturing, Birnie Bus Services, the Rome City School District and now Chobani. Further, MetLife has announced the relocation of its Oriskany office to a newly constructed facility in Rome located at 212 Hangar Rd. Additionally, Indus Hospitality Group has announced plans to develop two new hotels and a 10,000-square-foot commercial building that will include a restaurant. The proposed hotel developments include Home2 Suites by Hilton, a 90-room extended-stay property designed to serve both business and leisure travelers, and WoodSpring Suites, a 100-room extended-stay hotel focused on providing affordable long-term accommodations. Together, these developments will expand lodging capacity and help meet the needs of visitors and residents in the Rome area.

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

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

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

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

REGIONAL ECONOMIC DEVELOPMENT FACTORS

Danfoss Silicon Power, a worldwide supplier of Power Electronics continues its buildout of the Quad-C building at SUNYIT. Packaging operations have been established and Danfoss has been ramping employment to 300 employee threshold. Danfoss and Wolfspeed are both working on the emerging silicon carbide chip technology. Micron Technology is planning a massive semiconductor manufacturing complex, referred to as a "megafab," in Clay, New York, a town near Syracuse. The project, with an estimated $100 billion investment over 20 years, is the largest private investment in New York state history. The megafab is expected to create up to 50,000 jobs in the region, including 9,000 direct jobs at Micron and 40,000 community jobs.

CONCLUSION OF ARPA/SLFRF FUNDS

With all previously allocated funds required to be expended by December 31, 2026, the City remains committed to ensuring that all American Rescue Plan Act (ARPA) funding, also known as State and Local Fiscal Recovery Funds (SLFRF), is utilized in full compliance with applicable federal guidelines and regulations. The City received approximately $24.1 million in ARPA/SLFRF funding, which was invested across 32 projects designed to address a wide range of community needs and priorities. These strategic investments have supported key initiatives in community engagement and financial assistance, public safety, transparency and accountability, sewer and water infrastructure expansion, park improvements and planning studies, nonprofit organization support, and municipal facilities enhancements, among others. Through careful planning and responsible stewardship, these funds have delivered meaningful benefits to both the City and its residents, strengthening community resources, improving public infrastructure, and supporting long-term growth and sustainability.

UPCOMING PROJECTS

The City is actively planning for several major capital improvement projects that will support critical infrastructure needs and future growth. The three most significant/costly initiatives are associated with the City's Enterprise Funds and represent substantial long-term investments in the community's utility infrastructure.

One of the largest projects under consideration is a comprehensive sewer system upgrade designed to accommodate the operational needs of Chobani while also supporting future economic development and population growth. This project is currently in the preliminary planning phase, and cost estimates have not yet been finalized.

In addition, two major projects are planned within the City's Water Fund. The first is a lead service line replacement initiative, a federally mandated program aimed at enhancing water quality and public health. The City is currently conducting the extensive data collection and infrastructure inventory required to support project implementation. Preliminary estimates place the total cost of this initiative at approximately $12 million, with work expected to continue over the next decade.

The second major undertaking involves the rehabilitation of the City's two primary water supply dams, Kessinger Dam and Boyd Dam. These critical assets play an essential role in maintaining a reliable water supply for residents, businesses, and future development. Recognizing the importance of these improvements, the City's Common Council has approved both projects. The Kessinger Dam rehabilitation carries an approved budget of $17.1 million, while the Boyd Dam rehabilitation has an approved budget of $4.6 million.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

CITY OF ROME, NEW YORK

STATEMENT OF NET POSITION

December 31, 2025

(Rome Housing Authority March 31, 2025)

	Governmental Activities	Business-Type Activities	Primary Government Total	Component Unit Rome Housing Authority
Assets				
Cash and Cash Equivalents	$ 19,268,353	$ 21,919,668	$ 41,188,021	$ 4,151,697
Restricted Cash and Cash Equivalents	2,496,257	6,160,155	8,656,412	15,809
Cash and Cash Equivalents with Fiscal Agent		12,573	12,573	
Investments				738,705
Receivables				
Taxes Receivable, Net	2,330,013		2,330,013	
Other Receivables, Net	1,177,560	3,348,417	4,525,977	1,504,798
Loans Receivable, Net				6,649,894
Due From				
Other Governments	13,950,313	3,670,504	17,620,817	
Governmental Funds		1,523,982	1,523,982	
Lease Receivables	843,956		843,956	
Other Assets	132,700		132,700	24,385
Capital Assets (Net of Accumulated Depreciation)	139,948,298	160,688,873	300,637,171	363,572
Right to Use Leased Assets (Net of Accumulated Amortizatio	1,453,910	665,388	2,119,298	
Total Assets	181,601,360	197,989,560	379,590,920	13,448,860
Deferred Outflows of Resources				
Pension	17,271,560	994,208	18,265,768	141,785
OPEB	17,708,109	2,873,772	20,581,881	9,456
Deferred Charge on Refunding of Serial Bonds	81,293	70,070	151,363	
Total Deferred Outflows of Resources	35,060,962	3,938,050	38,999,012	151,241
Total Assets and Deferred Outflows of Resources	$ 216,662,322	$ 201,927,610	$ 418,589,932	$ 13,600,101
Liabilities				
Accounts Payable	$ 1,068,061	$ 2,065,507	$ 3,133,568	$ 379,252
Accrued Liabilities	1,554,736	485,763	2,040,499	38,840
Payroll Withholdings Payable	54,455		54,455	
Due To				
Business-Type Activities	1,523,982		1,523,982	
Fiduciary Funds	237,294		237,294	
Unearned Revenue - Grants	8,608,648		8,608,648	5,658
Bond Anticipation Note Payable	17,148,817	38,149,251	55,298,068	
Overpayments and Collections in Advance		53,400	53,400	
Net Pension Liability - Proportionate Share	22,289,173	1,364,255	23,653,428	274,321
Noncurrent Liabilities				
Due Within One Year	8,765,190	2,879,296	11,644,486	3,248
Due in More Than One Year	89,058,923	51,666,821	140,725,744	1,345,947
Total Liabilities	150,309,279	96,664,293	246,973,572	2,047,266
Deferred Inflows of Resources				
Leases	818,876		818,876	
OPEB	8,597,811	924,681	9,522,492	31,768
Pension	1,183,337	83,087	1,266,424	49,796
Total Deferred Inflows of Resources	10,600,024	1,007,768	11,607,792	81,564
Total Liabilities and Deferred Inflows of Resources	160,909,303	97,672,061	258,581,364	2,128,830
Net Position				
Investment in Capital Assets (Net of Related Debt)	127,964,519	78,877,765	206,842,284	363,572
Restricted				
Reserve for Liability Insurance	319,000	340	319,340	
Capital Reserves	271,733		271,733	
Reserve for Repairs		4,571,300	4,571,300	
Reserve for Debt	532,842	1,573,640	2,106,482	
Reserve for Workers' Compensation	1,372,682	14,875	1,387,557	
Total Restricted	2,496,257	6,160,155	8,656,412	
Unrestricted (Deficit)	(74,707,757)	19,217,629	(55,490,128)	11,107,699
Total Net Position	55,753,019	104,255,549	160,008,568	11,471,271
Total Liabilities, Deferred Inflows, and Net Position	$ 216,662,322	$ 201,927,610	$ 418,589,932	$ 13,600,101

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

CITY OF ROME, NEW YORK

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

(Rome Housing Authority For the Year Ended March 31, 2025)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
			Operating	Capital	Primary Government			Component Unit
		Charges for	Grants and	Grants and	Governmental	Business-Type		Rome Housing
	Expenses	Services	Contributions	Contributions	Activities	Activities	Total	Authority
Primary Government								
Governmental Activities								
General Government Support	$ 8,620,407	$ 864,469	$	$	$ (7,755,938)	$	$ (7,755,938)	$
Public Safety	30,980,524	1,315,274	167,921		(29,497,329)		(29,497,329)	
Public Health	1,720	62,816			61,096		61,096	
Transportation	13,201,442	1,604,893	593,303	9,840,872	(1,162,374)		(1,162,374)	
Economic Assistance and Opportunity	3,869,472			5,099,391	1,229,919		1,229,919	
Culture and Recreation	405,014	293,038	2,000	14,332	(95,644)		(95,644)	
Home and Community Services	987,703		42,513		(945,190)		(945,190)	
Interest on Long-Term Debt	1,218,232				(1,218,232)		(1,218,232)	
Total Governmental Activities	59,284,514	4,140,490	805,737	14,954,595	(39,383,692)		(39,383,692)	
Business-Type Activities								
Water	9,131,673	9,616,179		4,301,088		4,785,594	4,785,594	
Sewer	7,412,623	4,457,967	1,275,734	150,594		(1,528,328)	(1,528,328)	
Refuse District	2,765,198	2,526,789				(238,409)	(238,409)	
Total Business-Type Activities	19,309,494	16,600,935	1,275,734	4,451,682		3,018,857	3,018,857	
Total Primary Government	$ 78,594,008	$ 20,741,425	$ 2,081,471	$ 19,406,277	(39,383,692)	3,018,857	(36,364,835)	
Component Unit								
Rome Housing Authority	$ 4,553,877	$ 344,368	$ 4,564,655	$				355,146
General Revenues								
Real Property Taxes, Levied for General Purposes					16,013,526		16,013,526	
Real Property Tax Items					1,391,491		1,391,491	
Nonproperty Tax Items (Sales Tax and Franchise Fees)					14,941,181		14,941,181	
Solar Power Credits					592,227	369,319	961,546	
General State Aid					10,832,536		10,832,536	
Sale of Property and Compensation for Loss					3,843,106	29,599	3,872,705	
Use of Money and Property					748,948	843,142	1,592,090	129,401
Interfund Transfers					(260,654)	260,654		
Miscellaneous					30,364	146,901	177,265	
Total General Revenues					48,132,725	1,649,615	49,782,340	129,401
Change in Net Position					8,749,033	4,668,472	13,417,505	484,547
Net Position, Beginning of Year					47,003,986	99,412,594	146,416,580	10,413,935
Cumulative Effect of Change in Accounting Principle						174,483	174,483	572,789
Net Position, Beginning of Year (Restated)					47,003,986	99,587,077	146,591,063	10,986,724
Net Position, End of Year					$ 55,753,019	$ 104,255,549	$ 160,008,568	$ 11,471,271

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

CITY OF ROME, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2025

	General	Special Aid	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
Assets					
Cash and Cash Equivalents	$ 8,759,828	$ 823,093	$ 129,362	$ 6,756,920	$ 16,469,203
Cash and Cash Equivalents - Restricted	2,494,923				2,494,923
Taxes Receivable	1,229,759				1,229,759
Tax Sale Certificates	120,075				120,075
Property Acquired for Taxes	1,429,563				1,429,563
Accounts Receivable	906,154	21,406		250,000	1,177,560
Allowance for Receivables	(449,384)				(449,384)
Due from Other Funds	1,226,312	225		4,405,354	5,631,891
Due from Other Governments	5,008,341	1,823,231		7,139,605	13,971,177
Lease Receivables	843,956				843,956
Prepaid Expenditures	1,512,441				1,512,441
Total Assets	$ 23,081,968	$ 2,667,955	$ 129,362	$ 18,551,879	$ 44,431,164
Liabilities					
Accounts Payable	$ 413,290	$ 262,857	$ 6,797	$ 355,401	$ 1,038,345
Accrued Liabilities	1,395,430				1,395,430
Payroll Withholdings Payable	54,455				54,455
Bond Anticipation Notes Payable				17,148,817	17,148,817
Due to Other Funds		1,651,943		5,654,973	7,306,916
Unearned Revenue - Grants	1,226,267				1,226,267
Due to Other Governments	20,864				20,864
Total Liabilities	3,110,306	1,914,800	6,797	23,159,191	28,191,094
Deferred Inflows of Resources					
Leases	818,876				818,876
Unavailable Revenue - Real Property Taxes and Grants	580,832	2,446,428		7,382,381	10,409,641
Deferred Inflows of Resources	1,399,708	2,446,428		7,382,381	11,228,517
Total Liabilities and Deferred Inflows of Resources	4,510,014	4,361,228	6,797	30,541,572	39,419,611

(Continued)

CITY OF ROME, NEW YORK

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2025

(Continued)

	General	Special Aid	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
Fund Balance					
Nonspendable	2,942,918				2,942,918
Restricted	2,494,923				2,494,923
Assigned	4,478,815		122,565		4,601,380
Unassigned (Deficit)	8,655,298	(1,693,273)		(11,989,693)	(5,027,668)
Total Fund Balance (Deficit)	18,571,954	(1,693,273)	122,565	(11,989,693)	5,011,553
Total Liabilities, Deferred Inflow of Resources, and Fund Balance (Deficit)	$ 23,081,968	$ 2,667,955	$ 129,362	$ 18,551,879	$ 44,431,164

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

CITY OF ROME, NEW YORK

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES

December 31, 2025

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

Governmental Fund Balance		$ 5,011,553
Capital and leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. This amount does not include the capital assets of $164,892 in the Internal Service fund included below.		141,237,316
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		3,027,260
Internal Service fund is used by management to allocate costs of vehicle maintenance to the various functions and funds. The assets and liabilities of the Internal Service fund are included in the governmental activities in the Statement of Net Position. The total Internal Service fund net position at December 31, 2025, is $1,357,620. Of this balance, $83,657 is allocated to the Business-Type Activities, and the remaining $1,273,963 is allocated to the Governmental Funds.		1,273,963
Proportionate share of long-term liability associated with participation in the state retirement system are not current financial resources or obligations and are not reported in the funds. This amount excludes the net ($94,473) for the respective amounts for the Internal Service fund reported above.		
Decrease in Prepaid for Pension	(1,379,741)	
Deferred Outflows - Pensions	17,064,279	
Net Pension Liability - Proportionate Share	(22,004,742)	
Deferred Inflows - Pensions	(1,166,014)	(7,486,218)
Long-term liabilities, including bonds payable, are not due and payable in the current-period and, therefore, are not reported in the funds.		
Accrued Interest on Long-term Debt	(103,766)	
Long-term liabilities, Deferred Outflows of Resources - Refundings of debt	81,293	
Serial Bonds Payable	(15,069,399)	
Unamortized Premiums on Bonds	(308,109)	
Lease Payables	(1,266,308)	(16,666,289)
Other Long-term liabilities, OPEB Liability and Compensated Absences, are not due and payable in the current-period and therefore are not reported in the funds. This amount excludes the $1,425,433 for the Compensated Absences, Due to Employees Retirement System, Workers' Compensation Claims Payable, and OPEB Liability and Deferred Outflows/Deferred Inflows for the Internal Service fund reported above. Long-term liabilities consisted of the following at year end:		
Compensated Absences	(2,554,237)	
Accrued Postemployment Benefit Liability	(74,148,363)	
Deferred Outflows - OPEB	17,380,249	
Deferred Inflows - OPEB	(8,438,625)	
Workers' Compensation Claims Payable	(2,883,590)	(70,644,566)
Net Position of Governmental Activities		$ 55,753,019

CITY OF ROME, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2025

	General	Special Aid	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
Revenues					
Real Property Taxes	$ 16,117,158	$	$	$	$ 16,117,158
Other Real Property Tax Items	1,391,491				1,391,491
Nonproperty Tax Items	14,941,181				14,941,181
Departmental Income	831,506				831,506
Intergovernmental Charges	1,342,485		15,000		1,357,485
Solar Power Credits	592,227				592,227
Use of Money and Property	748,739	3	25		748,767
Lease Revenue	59,514				59,514
Licenses and Permits	120,190				120,190
Fines and Forfeitures	46,456				46,456
Sale of Property and Compensation for Loss	576,078			3,300,000	3,876,078
Gifts and Donations		365,635		1,047,721	1,413,356
Miscellaneous	310,687	15,844			326,531
Interfund Revenues	1,994,197				1,994,197
State Aid	12,893,524	250,718		3,506,808	16,651,050
Federal Aid	3,689,325	1,632,490		3,623,216	8,945,031
Total Revenues	55,654,758	2,264,690	15,025	11,477,745	69,412,218
Expenditures					
General Government Support	6,123,785			898,369	7,022,154
Public Safety	17,697,544	173,806	4,001	262,174	18,137,525
Public Health	1,720				1,720
Transportation	5,256,249		21,814	8,267,997	13,546,060
Economic Assistance and Opportunity		1,597,838		1,364,535	2,962,373
Culture and Recreation	1,644,860	87,739		2,022,296	3,754,895
Home and Community Services	676,580	13,417		4,908,993	5,598,990
Employee Benefits	14,746,959				14,746,959
Debt Service - Principal	4,215,273				4,215,273
Debt Service - Interest	1,340,591				1,340,591
Total Expenditures	51,703,561	1,872,800	25,815	17,724,364	71,326,540
Excess (Deficit) Revenues Over Expenditures	3,951,197	391,890	(10,790)	(6,246,619)	(1,914,322)
Other Financing Sources (Uses)					
Interfund Transfers To	(5,876,802)				(5,876,802)
Interfund Transfers From	40,000			5,576,148	5,616,148
BANs Redeemed from Appropriations				930,868	930,868
Proceeds of Long-Term Debt - Installment Purchase Debt				721,043	721,043
Total Other Financing Sources (Uses)	(5,836,802)			7,228,059	1,391,257
Deficit of Revenues Over Expenditures and Other Financing Sources (Uses)	(1,885,605)	391,890	(10,790)	981,440	(523,065)
Fund Balance (Deficit), Beginning of Year	20,457,559	(2,085,163)	133,355	(12,971,133)	5,534,618
Fund Balance (Deficit), End of Year	$ 18,571,954	$ (1,693,273)	$ 122,565	$ (11,989,693)	$ 5,011,553

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

CITY OF ROME, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

Net Changes in Fund Balances - Total Governmental Funds		$ (523,065)
Capital Outlays to purchase or build or lease capital assets are reported in Governmental Funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their useful lives as depreciation and amortization expense in the statement of activities. This is the amount by which capital outlays and leases exceeded depreciation and amortization in the period.		
Acquired Right to Use Leased Assets	933,370	
Amortization of Leased Assets	(748,318)	
Lease Disposal	3,574	
Capital Outlays	16,807,701	
Loss on the Disposition of Assets	(36,546)	
Depreciation	(5,140,956)	11,818,825
Revenue in the Statement of Activities that do not provide current financial resources are not reported in the funds.		(523,545)
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the statement of Net Position.		
Lease Proceeds	(721,043)	
Lease Adjustment	5,559	
Principal Payments on Long Term Debt	2,700,526	
Amortization of Advance Refunding Charge	(47,546)	
Amortization of Bond Premiums	107,619	
Principal Payments on Leases	583,879	
Accrued Interest	62,286	2,691,280
The internal service fund is used by management to allocate the costs of vehicle maintenance to the various functions and funds. Any excess revenue or expense of this fund is eliminated in the respective function and/or fund. The total net deficit for the internal service fund for 2025 was $158,733. Of this amount, $139,252 is allocated to the Government Activities, and $19,481 is allocated to the Business-Type Activities.		139,252
Decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		476,181
Certain expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.		
OPEB Liability and Deferred Inflow and Outflows	(4,627,899)	
Due to Employees Retirement System	34,049	
Workers' Compensation Claims Payable	(7,391)	
Compensated Absences	(728,654)	(5,329,895)
Change in Net Position Governmental Activities		$ 8,749,033

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

CITY OF ROME, NEW YORK

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

December 31, 2025

	Business Type Activities - Enterprise Funds				Governmental Activities -
	Water	Sewer	Refuse District	Total	Internal Service Fund
Assets					
Current Assets					
Cash and Cash Equivalents	$ 11,333,275	$ 8,265,784	$ 2,320,609	$ 21,919,668	$ 2,799,150
Cash and Cash Equivalents - Restricted	5,180,478	979,677		6,160,155	1,334
Cash and Cash Equivalents with Fiscal Agent		12,573		12,573	
Accounts Receivable	1,783,091	1,081,734	287,297	3,152,122	
Assessments Receivable	274,413	9,365		283,778	
Allowance for Receivables	(27,019)	(35,693)	(24,771)	(87,483)	
Due from Other Funds	1,400,328	28,211	11,994	1,440,533	
Due from Other Governments	3,531,010	122,749	16,745	3,670,504	
Total Current Assets	23,475,576	10,464,400	2,611,874	36,551,850	2,800,484
Fixed Assets					
Land	188,561	2,103		190,664	
Buildings and Improvements	1,641,781	27,484,928		29,126,709	
Infrastructure	73,456,999	47,536,128		120,993,127	
Machinery and Equipment	2,495,535	1,769,972	2,372,522	6,638,029	371,690
Construction in Progress	46,654,082	25,407,539	127,650	72,189,271	
Total Fixed Assets	124,436,958	102,200,670	2,500,172	229,137,800	371,690
Accumulated Depreciation	34,132,656	32,625,975	1,690,296	68,448,927	206,798
Net Fixed Assets	90,304,302	69,574,695	809,876	160,688,873	164,892
Intangible Assets					
Subscription-Based IT Arrangement Asset	12,943			12,943	
Right to Use Leased Assets	556,264	331,805	240,220	1,128,289	
Total Leased Assets	569,207	331,805	240,220	1,141,232	
Accumulated Amortization	210,629	214,642	50,573	475,844	
Net Right to Use Leased Assets	358,578	117,163	189,647	665,388	
Total Assets	114,138,456	80,156,258	3,611,397	197,906,111	2,965,376
Deferred Outflows of Resources					
Deferred Charge on Refunding Serial Bonds	6,445	63,625		70,070	
OPEB	1,498,375	1,375,397		2,873,772	327,860
Pensions	508,097	437,479	48,632	994,208	207,281
Total Deferred Outflows of Resources	2,012,917	1,876,501	48,632	3,938,050	535,141
Total Assets and Deferred Outflows of Resources	$ 116,151,373	$ 82,032,759	$ 3,660,029	$ 201,844,161	$ 3,500,517

(Continued)

(Continued)

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Refuse District	Total	
Liabilities and Net Position					
Current Liabilities					
Accounts Payable	$ 952,772	$ 741,610	$ 371,125	$ 2,065,507	$ 29,716
Accrued Liabilities	60,265	30,343	2,630	93,238	55,471
Accrued Interest Payable	255,632	123,750	13,143	392,525	69
Due to Other Funds			208	208	2,594
Bond Anticipation Notes Payable	23,474,933	14,114,669	559,649	38,149,251	
Customer Deposits	50,400	3,000		53,400	
Total Current Liabilities	24,794,002	15,013,372	946,755	40,754,129	87,850
Long-Term Liabilities					
Serial Bonds Payable and Premiums	25,041,026	18,414,267	248,077	43,703,370	24,000
Lease Liabilities	306,631	127,597	218,296	652,524	27,124
Other Postemployment Benefit Liability	4,432,610	4,068,807		8,501,417	1,398,729
Net Pension Liability-Proportionate Share	697,212	600,310	66,733	1,364,255	284,431
Workers' Compensation Claims Payable	1,037,180	42,241		1,079,421	65,151
Compensated Absences	337,197	237,264	34,924	609,385	79,103
Total Long-Term Liabilities	31,851,856	23,490,486	568,030	55,910,372	1,878,538
Total Liabilities	56,645,858	38,503,858	1,514,785	96,664,501	1,966,388
Deferred Inflows of Resources					
OPEB	482,126	442,555		924,681	159,186
Pensions	42,462	36,561	4,064	83,087	17,323
Total Deferred Inflows of Resources	524,588	479,116	4,064	1,007,768	176,509
Net Position					
Investment in Capital Assets (Net of Related Debt)	41,840,290	37,035,325	2,150	78,877,765	140,892
Restricted					
Reserve for Liability Insurance	340			340	
Reserve for Workers Compensation	14,875			14,875	1,334
Reserve for Repairs	4,571,300			4,571,300	
Reserve for Debt	593,963	979,677		1,573,640	
Unassigned	11,960,159	5,034,783	2,139,030	19,133,972	1,215,394
Total Net Position	58,980,927	43,049,785	2,141,180	104,171,892	1,357,620
Total Liabilities, Deferred Inflows, and Net Position	$ 116,151,373	$ 82,032,759	$ 3,660,029	$ 201,844,161	$ 3,500,517
Adjustments to reflect the consolidation of the internal service fund activities related to the enterprise funds.				83,657	
Net Position of Business-Type Activities				$ 104,255,549	

CITY OF ROME, NEW YORK

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS

For the Year Ended December 31, 2025

	Business - Type Activities - Enterprise Funds				Governmental Activities -
	Water	Sewer	Refuse District	Total	Internal Service Fund
Operating Revenues					
Service Revenues	$ 9,616,179	$ 4,457,967	$ 2,526,789	$ 16,600,935	$ 1,316,131
Operating Expenses					
Personnel Services	1,922,231	1,317,590	326,707	3,566,528	471,742
Depreciation and Amortization	2,026,232	2,089,144	148,383	4,263,759	28,753
Contractual	2,626,312	2,440,281	2,202,524	7,269,117	522,469
Taxes on Property	1,017,933			1,017,933	
Employee Benefits	795,233	1,254,001	40,729	2,089,963	232,825
Debt Service - Interest	763,213	311,607	46,855	1,121,675	2,557
Total Operating Expenses	9,151,154	7,412,623	2,765,198	19,328,975	1,258,346
Operating Income	465,025	(2,954,656)	(238,409)	(2,728,040)	57,785
Nonoperating Revenues and Expense					
Special Assessment	25,865	1,413		27,278	
State Aid	2,011,411	149,181		2,160,592	
Use of Money and Property	543,853	245,974	53,315	843,142	100,585
Premium on Debt Issuance	15,198	11,360	3,041	29,599	
Minor Sales	10,300	18,335		28,635	358
Other Government Capital Grant	2,263,812			2,263,812	
Solar Power Credits	137,406	231,913		369,319	
Transfer From (To) Other Funds	260,654			260,654	
Solid Waste Authority		221,007		221,007	
Septic Receiver		1,054,727		1,054,727	
Miscellaneous	66,453	51,813		118,266	5
Total Nonoperating Revenues and Expense	5,334,952	1,985,723	56,356	7,377,031	100,948
Net Income (Loss)	5,799,977	(968,933)	(182,053)	4,648,991	158,733
Net Position, Beginning of Year	53,180,950	43,844,235	2,323,233	99,348,418	1,198,887
Correction of an Error		174,483		174,483	
Net Position, Beginning of Year (Restated)	53,180,950	44,018,718	2,323,233	99,522,901	1,198,887
Net Position, End of Year	$ 58,980,927	$ 43,049,785	$ 2,141,180	$ 104,171,892	$ 1,357,620

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

CITY OF ROME, NEW YORK

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended December 31, 2025

	Business-Type Activities				Governmental Activities -
	Water	Sewer	Refuse District	Total	Internal Service Fund
Cash Flows from (Used by) Operating Activities					
Cash Flows from Providing Services	$ 9,180,985	$ 4,296,380	$ 2,493,232	$ 15,970,597	$
Cash Flows From Providing Interfund Services					1,346,892
Cash Payments for Interfund Services	(114,261)	(47,265)		(161,526)	
Cash Flows Payments for Taxes	(1,017,933)			(1,017,933)	
Cash Payments Contractual Expenses	(3,436,921)	(2,168,823)	(1,977,771)	(7,583,515)	(596,059)
Cash Payments Personal Services and Benefits	(2,652,956)	(2,040,866)	(367,900)	(5,061,722)	(961,913)
Other Operating Revenues	2,414,547	1,292,992		3,707,539	
Net Cash Flows from Operating Activities	4,373,461	1,332,418	147,561	5,853,440	(211,080)
Cash Flows from (Used by) Noncapital Financing Activities					
Transfers to/from Other Funds	(1,197,302)	135,000	(262,554)	(1,324,856)	2,944
Net Cash Flows From (Used by) Noncapital Financing Activities	(1,197,302)	135,000	(262,554)	(1,324,856)	2,944
Cash Flows from (Used by) Capital and Related Financing Activities					
Special Assessments	67,101	3,276		70,377	
Proceeds from Debt	8,037,381	7,368,604		15,405,985	
Premium on Debt	2,790	(30,055)	3,041	(24,224)	
Principal Payments on Debt	(1,751,248)	(948,511)	(130,134)	(2,829,893)	(19,284)
Interest Expense	(775,768)	(268,924)	(50,848)	(1,095,540)	(2,521)
Payments to Contractors	(5,659,525)	(5,578,126)	(110,967)	(11,348,618)	(1,471)
Proceeds from Sale of Equipment	415,728			415,728	358
Capital Grants Received from Other Governments	(1,523,587)		71	(1,523,516)	
Miscellaneous			2	2	
Transfers to/from Other Funds	260,654	149,181		409,835	4
Net Cash Flows (Used by) Capital and Related Financing Activities	(926,474)	695,445	(288,835)	(519,864)	(22,914)
Cash Flows from Investing Activities					
Interest Income	543,852	245,974	53,314	843,140	100,585
Net Increase (Decrease) in Cash and Cash Equivalents	2,793,537	2,408,837	(350,514)	4,851,860	(130,465)
Cash and Cash Equivalents, Beginning of Year	13,720,216	6,849,197	2,671,123	23,240,536	2,930,949
Cash and Cash Equivalents, End of Year	$ 16,513,753	$ 9,258,034	$ 2,320,609	$ 28,092,396	$ 2,800,484

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

	Water	Sewer	Refuse District	Total	Internal Service Fund
Net Income (Loss)	$ 5,799,977	$ (968,933)	$ (182,053)	$ 4,648,991	$ 158,733
Adjustment to Reconcile Operating Income to Net Cash					
Flows from by Operating Activities					
Depreciation	2,026,232	2,089,216	148,383	4,263,831	28,753
Loss (Gain) on the Disposition of Property	(10,300)			(10,300)	
Deferred Outflows of Resources, Pension	165,336	45,332	2,479	213,147	24,775
Deferred Inflows of Resources, Pension	(335,155)	(234,167)	(24,596)	(593,918)	(112,798)
Deferred Outflows of Resources, OPEB	(1,481,938)	(1,362,393)		(2,844,331)	(295,579)
Deferred Inflows of Resources, OPEB	336,150	327,062		663,212	98,400
Amortization of Bond Issuance on Advance Refunding	(3,932)	36,356		32,424	
(Increase) Decrease in Assets Other Than Cash					
Accounts Receivable	(398,682)	(447,382)	(33,557)	(879,621)	30,761
Increase (Decrease) in Liabilities					
Accounts Payable and Accrued Expenses	(953,247)	53,944	(35,338)	(934,641)	(105,945)
Net Pension Liability-Proportionate Share	55,700	140,385	18,045	214,130	63,375
Liability for Workers' Compensation	(15,610)	23,027		7,417	(39,466)
Liability for OPEB	1,311,597	1,599,553		2,911,150	36,347
Other	(45,512)		5,698	(39,814)	
Nonoperating Activities					
Special Assessments	(25,865)	(3,276)		(29,141)	
Debt Interest	779,826	305,208	46,855	1,131,889	2,511
Capital Grants	(2,011,411)	(149,181)		(2,160,592)	
Proceeds from Sale of Capital Assets					(358)
Interest Revenue	(543,852)	(245,974)	(53,314)	(843,140)	(100,585)
Bond Premium	(15,198)	(11,360)	(3,041)	(29,599)	
Interfund Transfers	(260,654)	135,000	258,000	132,346	
Miscellaneous	(1)	1			(4)
Net Cash Flows from Operating Activities	$ 4,373,461	$ 1,332,418	$ 147,561	$ 5,853,440	$ (211,080)

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

CITY OF ROME, NEW YORK

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2025

		Custodial Fund
Assets		
Cash and Cash Equivalents	$	332,367
School District Taxes Receivable		17,249,203
Due From Other Funds		237,294
Total Assets	$	17,818,864
Liabilities		
Taxes Collected for Other Governments	$	165,267
Tax Redemptions		83,723
Surplus from Tax Sales		272,166
Total Liabilities		521,156
Net Position		
Restricted For		
Taxes and Fees for Other Governments		17,249,492
Hospital Scholarship Fund		48,216
Total Net Position		17,297,708
Total Liabilities and Net Position	$	17,818,864

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

CITY OF ROME, NEW YORK

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended December 31, 2025

	Custodial Funds
Additions	
Real Property Tax Collections for Other Governments	$ 43,945,400
Fee Collections for Other Governments	132,830
Interest	161,445
Total Additions	44,239,675
Deductions	
Payments of Real Property Tax to Other Governments	43,492,145
Change in Net Position	747,530
Net Position, Beginning of Year	16,550,178
Net Position, End of Year	$ 17,297,708

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

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

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

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

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

Financial Reporting Entity

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

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

(a) Reporting Entity

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

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

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

(b) City's Component Unit Included in the Reporting Entity

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

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

The above discretely presented financial statements are presented in the financial statements as an Enterprise Fund. The complete financial statements for March 31, 2025 may be obtained at the administrative office as follows:

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

(c) Excluded From the Reporting Entity

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

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

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

Financial Statements - Government-Wide

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

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

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

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

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

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

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

Basic Financial Statements - Fund Financial Statements

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

(a) Major Funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a. Expenditures for prepaid expenses and inventory-type items are recognized at the time of the disbursements.

b. Principal on indebtedness is not recognized as an expenditure until due.

c. Compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as an expenditure when paid.

Differences Between Governmental Fund Statements and Government-Wide Statements

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

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

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

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

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

1. ***Long-Term Revenue Differences -*** Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. ***Capital Related Differences -*** Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

3. ***Long-Term Debt Transaction Differences -*** Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

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

5. ***Pension Differences -*** Pension differences occur as a result of changes in the City's proportion of the collective net position, asset/liability, and differences between the City's contributions and its proportionate share of the total contributions to pension expense.

6. ***OPEB Differences -*** OPEB differences occur as a result of changes in the City's total OPEB liability and differences between the City's contributions and OPEB expense.

Budget Policies - The budget policies are as follows:

a. On or before the fifteenth day of September, the Mayor submits to the Board of Estimate and Contract a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

b. Upon adoption of the operating budget as proposed or amended, the Board of Estimate and Contract submits the final form to the Common Council no later than the first day of October.

c. Public hearings are conducted to obtain taxpayer comments.

d. After such hearings, and within thirty days after such estimate shall have been submitted to it, the Council shall adopt such estimate so submitted or shall diminish or reject any item therein, and adopt said estimate as so amended. The Council shall not have the power to diminish any items which relate to salaries, the indebtedness or estimated revenues, nor shall the Council increase any item for any purpose contained in said estimate.

e. Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is employed in the General and Capital Projects Funds. On a GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balance as neither expenditures nor liabilities exist.

f. The City Treasurer may not disburse money unless appropriated and not in excess of such amounts. With the exception of personal services and debt service, department heads are authorized to transfer budgeted amounts within major objects of expense; however, any revisions that alter the total expenditures of any fund must be approved by the Common Council.

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

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

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

Interfund Activity

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

Deferred outflows/inflows of resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only two types of items for the governmental funds. The first of which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is related to agreements in which the City acts as a lessor and is deferring the lease receivable and any initial payments received over the term of the lease. The other item that qualifies are related to pension liabilities reported in the City's Government-Wide and Enterprise Statements of Net Position. This item represents the effect of the net change in the City's proportion of the collective net pension asset or liability and difference during the measurement period between the City's contributions and its proportion share of the contributions to the pension systems not included in pension expense.

Equity Classifications

(a) Government-Wide Financial Statements

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

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

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

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

(b) Fund Balance – Reserves and Designations

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

Non-spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of the prepaid expenditures, noncurrent loans receivable, property acquired for taxes, and collateral pledged for the purchase of Street Lights (See Note 11).

Restricted Resources

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

- ***Reserve for Liability Insurance***

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

- ***Capital Reserve***

  The Capital Reserve is used to pay the cost of any object or purpose for which bonds may be issued. This reserve was established to offset future capital project expenditures for the General Fund and is accounted for in the General Fund. The reserve amount at December 31, 2025 was $271,733.

- ***Reserve for Debt***

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

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

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

- ***Reserve for Repairs***

  The Repair Reserve (GML§6-d) is used to accumulate funds for the purpose of financing of certain repairs to capital improvements or equipment, including repairs to City dams. The type of repairs must not recur annually or at shorter intervals. A Common Council resolution appropriating moneys from a repair reserve fund is subject to a public hearing and at least five days must elapse between the publication of the notice of hearing and the date specified for the hearing. In an emergency, moneys in a repair reserve fund may be expended without giving notice and without holding a public hearing. To make such an emergency expenditure, the governing board must pass a resolution approved by at least a two-thirds vote. In addition, at least one-half of the expenditure must be repaid in the next fiscal year and the balance repaid by the end of the fiscal year after that. The reserve amount at December 31, 2025 was $4,571,300. The reserve is accounted for in the Water Fund.

Unrestricted Resources

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

- ***Committed* -** Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority, i.e., the Common Council. The City has no committed fund balances as of December 31, 2025.
- ***Assigned*** – Includes amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board or (b) the designated official, such as the City's Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than in the Capital Fund, are classified as Assigned Fund Balance in the applicable fund. The amount appropriated for the subsequent year's budget of the General fund is also classified as Assigned Fund Balance in the General Fund.
- ***Unassigned*** – Includes all other fund net position that do not meet the definition of the above classifications and are deemed to be available for general use by the City. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

Leave, Sick Leave, and Compensated Absences

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

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

Other Benefits

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

In addition to providing pension benefits, the City provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the City's employees may become eligible for these benefits if they reach normal retirement age while working for the City. Currently, 345 retirees meet those eligibility requirements. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The retired employee reimburses the City monthly for the amount needed to make the above percentages equal to 100%. The percentage reimbursed varies on the type of employee and type of coverage.

Statements of Cash Flows – Cash Equivalents

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

Capital Assets/Property, Plant, and Equipment

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

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

Right to Use Leased Assets

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

Deferred Revenues/Grants

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

Insurance

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

Allowance for Uncollectible Accounts Receivable

The City has established allowances for certain uncollectible receivables. At December 31, 2025 an allowance of $449,384 for uncollectible real property taxes has been established in the General Fund based on past experience. All other receivables have been deemed fully collectible.

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

Use of Estimates

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

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

Total Operating Expense (page 25)	$ 19,328,975
Internal Service-Central Maintenance	(19,481)
Total Expense (page 17)	$ 19,309,494

Future Change in Accounting Standards

- GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending December 31, 2026.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending December 31, 2026.
- GASB Statement No. 105, *Subsequent Events*, effective for the year ending December 31, 2027.

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

2. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

Assets

(a) Cash and Cash Equivalents

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

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

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

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

As of December 31, 2025, the City’s bank balances of $41,046,897 were not exposed to custodial credit risk because the deposits were fully covered by FDIC coverage and pledged collateral held in a trust department in an account in the City’s name.

(b) Investment Pool

The City participates in a multi-municipal cooperation investment pool agreement pursuant to New York State General Municipal Law Article 3A and 5-G, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

The following amounts are included as unrestricted cash equivalents:

Fund	Cost	Fair Value
Governmental Activities		
General Fund	$ 1,465,706	$ 1,465,706
Business Type Enterprise		
Water	4,571,300	4,571,300
Refuse	1,603,204	1,603,204
Total	6,174,504	6,174,504
Business Type Internal Service		
Central Maintenance	2,400,481	2,400,481
Total	$ 10,040,691	$ 10,040,691

The above amounts represent the cost of the investment pool share and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. The Investment Pool issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained visiting their website at https://newyorkclass.org/document-center/.

(d) General Fund – Aggregated Accounts

The General Fund's balance sheet includes asset accounts that have been aggregated for financial statement presentation purposes. The following is a detail of the significant aggregations at December 31, 2025:

Description	Amount
Due from Other Governments	
Oneida County	$ 1,431,694
New York State Sales Tax	1,123,516
Solar Power Credits	96,990
NYS Arterial Maintenance	94,772
NYS CHIPs	2,057,477
NYS Grant Storm Damage	200,000
Miscellaneous	3,892
Total Due from Other Governments	$ 5,008,341

(c) Property Taxes and Collection

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

The recognition of revenue from real property taxes is considered available to finance current operations if collected within 60 days after the end of the year. The net receivables collected during the 2025 fiscal year and within the first sixty days of the subsequent fiscal year are recognized as revenues at year end.

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

The assessed valuation of taxable real estate, as established by the City Assessor's Office, upon which the 2025 levy was based, was $858,718,783. The tax levy is limited to 2% of the five-year average of the above valuation by the New York State Constitution.

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

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

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

(d) Sales Tax

The Sales tax in the City is 8.75% at December 31, 2025. The collections are split between the municipalities as follows:

New York State	4.00%
Oneida County	2.75%
City of Rome	2.00%
	8.75%

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

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

The General Fund's nonproperty tax item, recognized as revenue during the year ended December 31, 2025, consists mainly of $14,010,655 in Sales tax. This amount included a receivable of $2,026,240 in Sales tax from the State of New York and the County of Oneida.

(e) Property Tax Abatements

The City is subject to property tax abatement programs entered into by the Oneida County Industrial Development Agency (OCIDA). These programs have the stated purpose of increasing economic development and employment in the region. Economic development agreements are entered into by the OCIDA include property tax abatements for any increased assessment value of incentivized projects from the investment of private capital. The abatement agreements include a stipulated reduction pursuant to the limits set forth is State statute and rules. In the future, these abatements will decrease periodically until the project is taxed at the full assessed value. The City property tax revenue was reduced by $2,846,272 for these abatements in 2025. OCIDA paid the City $1,057,182 during 2025 and had no outstanding balance at December 31, 2025.

In addition, the City negotiates property tax abatement agreements on an individual basis. The City has tax abatement agreements with the following entities as of December 31, 2025:

Entity	Purpose	Amount of Taxes Abated	Received During Year
Liberty Gardens Housing Devopment	To develop affordable housing	$ 170,712	$ 16,316
Park Drive II	To develop affordable housing	$ 150,237	$ 48,204
Colonial I Associates LP	To develop affordable housing	$ 147,430	$ 7,523
Colonial II Associates LP	To develop affordable housing	$ 157,528	$ 6,708
Stanwix Associates	To develop affordable housing	$ 134,421	$ 61,931
DePaul Rome Housing Development	To develop affordable housing	$ 87,852	$ 7,544
Copper City Lofts Housing Development	To develop affordable housing	$ 42,411	$ 19,724

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

(f) Capital Assets

1. Capital asset activity for the Governmental Activities for the year ended December 31, 2025, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 6,868,223	$	$	$ 6,868,223
Construction in Progress	60,567,180	17,373,638	11,778,227	66,162,591
Total	67,435,403	17,373,638	11,778,227	73,030,814
Capital Assets Being Depreciated				
Buildings and Improvements	38,282,792	2,360,052		40,642,844
Machinery and Equipment	17,854,551	905,752	71,520	18,688,783
Infrastructure	125,444,456	7,945,205		133,389,661
Total	181,581,799	11,211,009	71,520	192,721,288
Accumulated Depreciation				
Buildings and Improvements	28,945,343	913,618		29,858,961
Machinery and Equipment	12,627,338	1,155,308	34,974	13,747,672
Infrastructure	79,099,140	3,098,031		82,197,171
Total	120,671,821	5,166,957	34,974	125,803,804
Net Capital Assets Being Depreciated	60,909,978	6,044,052	36,546	66,917,484
Net Capital Assets	$ 128,345,381	$ 23,417,690	$ 11,814,773	$ 139,948,298

2. Capital asset activity of the Business-Type Activities for the year ended December 31, 2025, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	$ 190,664		$	$ 190,664
Construction in Progress	68,483,813	9,350,390	5,644,931	72,189,272
Total	68,674,477	9,350,390	5,644,931	72,379,936
Capital Assets Being Depreciated				
Buildings and Improvements	29,126,709			29,126,709
Machinery and Equipment	6,423,640	293,939	79,550	6,638,029
Infrastructure	115,477,442	5,515,686		120,993,128
Total	151,027,791	5,809,625	79,550	156,757,866
Accumulated Depreciation				
Buildings and Improvements	10,783,324	1,089,633		11,872,957
Machinery and Equipment	4,088,993	421,071	82,985	4,427,079
Infrastructure	49,573,114	2,575,779		52,148,893
Total	64,445,431	4,086,483	82,985	68,448,929
Net Capital Assets Being Depreciated	86,582,360	1,723,142	(3,435)	88,308,937
Net Capital Assets	$ 155,256,837	$ 11,073,532	$ 5,641,496	$ 160,688,873

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

Governmental Activities	
Function/Program	
General Government Support	$ 409,218
Public Safety	580,047
Transportation	3,652,036
Culture and Recreation	499,655
Central Maintenance Internal	26,001
Total Governmental Depreciation	$ 5,166,957
Business-Type Activities	
Function/Program	
Water	$ 1,920,010
Sewer	2,030,733
Refuse	135,740
Total Business-Type Depreciation	$ 4,086,483

4. Right to use leased asset activity for the year ended December 31, 2025, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Leased Assets Being Amortized				
SBITA	$ 91,363	$ 75,530	$	$ 166,893
Leased Vehicles and Equipment	2,736,400	857,840	46,235	3,548,005
Total	2,827,763	933,370	46,235	3,714,898
Accumulated Amortization				
SBITA	36,545	43,211		79,756
Leased Vehicles and Equipment	1,525,934	705,107	49,809	2,181,232
Total	1,562,479	748,318	49,809	2,260,988
Net Capital Assets Being Depreciated	1,265,284	185,052	(3,574)	1,453,910
Net Leased Assets	$ 1,265,284	$ 185,052	$ (3,574)	$ 1,453,910

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Leased Assets Being Amortized				
Land Improvements	$ 240,220	$	$	$ 240,220
SBITA	12,943			12,943
Leased Vehicles and Equipment	824,937	164,387	101,255	888,069
Total	1,078,100	164,387	101,255	1,141,232
Accumulated Amortization				
Land Improvements	37,929	12,643		50,572
SBITA	5,177	2,589		7,766
Leased Vehicles and Equipment	355,966	172,479	110,939	417,506
Total	399,072	187,711	110,939	475,844
Net Leased Assets	$ 679,028	$ (23,324)	$ (9,684)	$ 665,388

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

Governmental Activities	
Function/Program	
General Government Support	$ 241,449
Public Safety	431,220
Transportation	75,649
Total Governmental Amortization	$ 748,318
Business-Type Activities	
Function/Program	
Water	$ 116,657
Sewer	58,411
Refuse	12,643
Total Business-Type Amortization	$ 187,711

Liabilities

(a) Pension Plan

a. ***Plan Descriptions*** - The City participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing multiple-employer retirement systems. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The City also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

b. ***Funding Policy*** - The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3 percent of their salary for their entire length of service. Those who joined on or after April 1, 2012 contribute at a rate ranging from 3% to 6% based on their total annualized salary. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

The City's contributions made to the Systems were equal to 100 percent of the contributions required for each year. The contribution for the March 31, 2026 billings was made in December 2025. The City prepaid 25% of this billing at December 31, 2025.

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

	ERS	PFRS	Total
2024	$ 1,305,275	$ 3,211,387	$ 4,516,662
2025	$ 1,501,888	$ 4,066,605	$ 5,568,493
2026	$ 1,831,814	$ 4,352,833	$ 6,184,647

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

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

At December 31, 2025, the City reported an PFRS liability of $17,769,922 and an ERS liability of $5,883,506 for its proportionate share of the net pension liability. The net pension liability (asset) was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability(asset) was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2025 and 2024, the City's proportion was 0.0343147 and 0.0329852 percent respectively for ERS and 0.292420 and 0.285872 percent respectively for PFRS.

For the year ended December 31, 2025, the City recognized pension expense of $5,414,548 (ERS $1,243,444 and PFRS $4,171,104). At December 31, 2025, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	ERS	PFRS	Total
Differences Between Expected and Actual Experience:	$ 1,460,326	$ 5,918,926	$ 7,379,252
Change of Assumptions	246,743	2,668,357	2,915,100
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments	461,603	683,019	1,144,622
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	287,150	354,997	642,147
Contributions Subsequent to the Measurement Date	1,831,814	4,352,833	6,184,647
Total	$ 4,287,636	$ 13,978,132	$ 18,265,768

Deferred Inflows of Resources	ERS	PFRS	Total
Differences Between Expected and Actual Experience:	$ 68,884	$	$ 68,884
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	289,439	908,101	1,197,540
Total	$ 358,323	$ 908,101	$ 1,266,424

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

Year Ended June 30,	ERS	PFRS	Total
2026	$ 955,611	$ 4,428,630	$ 5,384,241
2027	$ 1,536,865	$ 2,681,203	$ 4,218,068
2028	$ (474,854)	$ 20,133	$ (454,721)
2029	$ 79,877	$ 1,032,193	$ 1,112,070
2030	$	$ 555,039	$ 555,039

d. Actuarial Assumptions

The total pension liability at March 31, 2025 was determined by using an actuarial valuation as of April 1, 2024, with update procedures used to roll forward the total pension liability to March 31, 2025. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2024 valuation were as follows:

	ERS	PFRS
Investment rate of return (net of investment expense, including inflation)	5.90%	5.90%
Salary Increases	4.30%	6.00%
Inflation rate	2.90%	2.90%

Assumptions Based on	April 1, 2015 - March 31, 2020 System's Actual Experience Study
Annuitant Mortality Rates	Society of Actuaries Scale MP-2021

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2025 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	25%	3.54%
International equity	14%	6.57%
Private equity	15%	7.25%
Real estate	12%	4.95%
Opportunistic/Absolute return strategies	3%	5.25%
Credit	4%	5.40%
Real assets	4%	5.55%
Fixed Income	22%	2.00%
Cash	1%	0.25%
	100.00%	

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

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 asset/liability.

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

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Proportionate Share of the Net Pension Liability (Asset)			
ERS	$ 17,027,607	$ 5,883,506	$ (3,421,826)
PFRS	$ 37,468,633	$ 17,769,922	$ 1,511,469

g. Pension Plan Fiduciary Net Position

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

(b) Postretirement Health Care Benefits

(a) Plan Description

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

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

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

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

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

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

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

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

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

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

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

(b) Funding Policy

The obligations of the Plan members and the City are established by action of the City pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. For the year ended December 31, 2025, the City's Plan contributions ranged from 75% to 100% of the cost of coverage. The employer currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the Plan are paid by the City.

(c) Employees covered by benefit terms

	Governmental	Enterprise	Total
Inactive employees currently receiving benefit payments	302	28	330
Active employees	236	28	264
Total	538	56	594

(d) Components of the OPEB liability

	Governmental	Enterprise	Total
Balances, 12/31/24	$ 60,699,688	$ 5,590,267	$ 66,289,955
Changes recongnized for the year:			
Service cost	708,055	104,228	812,283
Interest on Total OPEB Liability	2,416,569	224,472	2,641,041
Changes in assumptions or other inputs	(7,866,919)	(893,452)	(8,760,371)
Actuarial demographic (gain) or loss	23,610,812	3,831,696	27,442,508
Benefit payments	(4,021,113)	(355,794)	(4,376,907)
Net changes	14,847,404	2,911,150	17,758,554
Balances, 12/31/25	$ 75,547,092	$ 8,501,417	$ 84,048,509

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

	1% Decrease (3.83%)	Current Assumption (4.83%)	1% Increase (5.83%)
Total OPEB liability			
Governmental	$ 85,858,065	$ 75,547,092	$ 67,214,127
Enterprise	$ 9,665,595	$ 8,501,417	$ 7,551,974

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

	1% Decrease (7.5% to 3.5%)	Current Assumption (8.50% to 4.5%)	1% Increase (9.50% to 5.5%)
Total OPEB liability			
Governmental	$ 67,162,629	$ 75,547,092	$ 85,916,952
Enterprise	$ 7,548,086	$ 8,501,417	$ 9,663,954

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

	Governmental		Enterprise	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 17,708,109	$	$ 2,873,772	$
Changes of assumptions or other inputs		8,597,811		924,681
Total	$ 17,708,109	$ 8,597,811	$ 2,873,772	$ 924,681

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

Year ended December 31:	Governmental	Enterprise
2026	$ 2,587,163	$ 607,266
2027	2,587,163	607,266
2028	3,935,972	734,559
Total	$ 9,110,298	$ 1,949,091

(i) Actuarial Assumptions

Valuation Date	December 31, 2025
Measurement Date	December 31, 2025
Reporting Date	December 31, 2025
Actuarial Cost Method	Entry Age Normal Cost
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.50%
Healthcare Cost Trend Rates	8.50% to 4.50%
Discount Rate	4.83% based on “The Bond Buyer 20-Bond GO Index” as December 31, 2025 (2024 rate was 4.08%)
Pre-Retirement	U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Employee Male / Female Mortality Projected with Scale MP-2021
Post-Retirement	U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Annuitant Male / Female Mortality Projected with Scale MP-2021
Disability	U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Disabled Retiree Male / Female Mortality Projected with Scale MP-2021

(c) Short-Term Debt

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

The following is a summary of the BAN's outstanding at December 31, 2025:

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
Governmental					
General Fund	6/11/2025	$ 11,250,621	6/11/2026	4.00	$ 17,148,817
Enterprise					
Water	6/11/2025	$ 1,358,636	6/11/2026	4.00	$ 2,001,433
Sewer	6/11/2025	$ 715,020	6/11/2026	4.00	1,414,669
Refuse	6/11/2025	$ 615,732	6/11/2026	4.00	559,649
Total Enterprise Funds					$ 3,975,751

The following is a summary of the BAN interest expense for the year ended December 31, 2025:

		Business-Type Activities			
		Enterprise Funds			
	General	Water	Sewer	Refuse	Total
Total interest for the year was as follows:					
Interest Paid	$ 506,278	$ 61,139	$ 32,175	$ 27,708	$ 121,022
Less: Interest Accrued in the Prior Year	(281,574)	(34,003)	(17,895)	(15,410)	(67,308)
Plus: Interest Accrued in the Current Year	383,382	44,744	31,627	12,512	88,883
Total Interest Expense on Short-Term Debt	$ 608,086	$ 71,880	$ 45,907	$ 24,810	$ 142,597

Changes in the City's short-term outstanding debt, excluding EFC debt noted on page 52, for the year ended December 31, 2025, are as follows:

Description	Outstanding Beginning Balance	Issued	Refinanced	Paid	Outstanding Ending Balance
Governmental Activities					
Mohawk River Trail Phase 2	$ 976,545	$	$	$ 49,827	$ 926,718
Rome City Hall Façade Repairs	16,234			16,234	
Railroad Street Bridge Rehabilitation	223,991			10,380	213,611
2020 Streets	830,526			122,102	708,424
701 Lawrence St. ERP	18,734			2,301	16,433
1333 East Dominick St. ERP	82,429			10,124	72,305
2021 Streets	570,002			70,008	499,994
Traffic Light Controllers	19,902			770	19,132
2022 Streets Project	1,198,251			67,648	1,130,603
City Hall - Record Retention Widow Replacement	45,250			2,555	42,695
City Hall - Elevator Renovations	167,403			17,531	149,872
City Hall - HVAC Upgrades	376,657			39,444	337,213
Public Works Garage - Boiler Replacement	167,403			17,531	149,872
Increase in Cost of Boiler Replacement at Public Works Garage	28,610			1,460	27,150
Franklyn Field Clubhouse Rehab	71,524			3,649	67,875
Empire State Canalway Trail Path Improvement	123,689			6,311	117,378
Bob Cat	59,832			5,426	54,406
2023 City Streets	1,319,477			119,663	1,199,814
Laurel St Fire Station Roof	73,000			2,208	70,792
Demolition of 1030 E. Dominick St (Municipally owned bldg.)	1,222,512			36,972	1,185,540
Snowblower Replacement	160,000			19,651	140,349
2 - 10 Wheelers with Plow Equipment	600,000			73,692	526,308
John Deere Payloader	260,000			31,933	228,067
City Hall HVAC	360,000			28,622	331,378
2024 Streets	2,150,000			170,933	1,979,067
South James St Bridge	128,650			3,891	124,759
Demo of Tornado Damaged Properties		2,000,000			2,000,000
Increase to Frankyn Field Clubhouse Rehab (Original Request Shown Above)		86,878			86,878
Park Drive Complete Streets		850,000			850,000
Tornado Tree Removal & Replacement		493,566			493,566
Guyer Field Court Resurfacing		31,460			31,460
Acquisition of 425 Erie Blvd W		130,000			130,000
Acquisition of 328 Ridge St. (a separate acquisition is shown above)		275,000			275,000
2025 Streets		2,256,158			2,256,158
6 Wheel Dump Truck with Wing, Plow, & Salter		300,000			300,000
Inside District Mower		135,000			135,000
Skid Steer Replacement		75,000			75,000
Police Kardex		66,000			66,000
Repair/Replace Windows at RACC		30,000			30,000
Pedestrian Bridge Deck Repair		100,000			100,000
Total Governmental	11,250,621	6,829,062		930,866	17,148,817

Business-Type Activities

Replace Return Sludge Pumps	30,481			558	29,923
Replace Pumps at Merrick & Tannery Rd's	28,576			523	28,053
Crane Truck	185,963			9,489	176,474
Main Bar Screen	320,000			14,830	305,170
High Level Pump Replacement	150,000			6,951	143,049
Roof at Boyd Dam	32,972			4,050	28,922
Flusher Truck	427,000			6,427	420,573
Kessinger Dam Electronics	150,000			4,536	145,464
Low Lift Pumps	125,000			9,938	115,062
Generator Replacement	125,000			9,938	115,062
Water Supply System Telemetry Upgrade	229,000			6,926	222,074
Power to Low Lift Crane	100,000			3,024	96,976
Water Filtration Parking Lot Improvements	50,000			1,512	48,488
Backhoe	119,664			10,852	108,812
Wells Landfill	190,732			9,732	181,000
Wood Chipper	135,000			10,733	124,267
Garbage Truck Replacement	290,000			35,618	254,382
Replace Pumps Located at Water Pump Station on Railroad St		98,000			98,000
Replace Aeration Blower		360,000			360,000
Replace Two Low Level Pumps at Low Level Pump Station		160,000			160,000
Replace Waste Water Pumps Located on Ellsworth Ave. (Station 21)		60,000			60,000
Replace Panels, Pumps, & Wet Welling Pipng on Craighurst Dr.		54,000			54,000
Repair/Replace Access Roads Into & Around Waste Lagoons		150,000			150,000
Xylem Lift Pump and Adjacent Piping		225,000			225,000
Rehab of Water Pump Station Located at 210 March St.		100,000			100,000
Electronics and Controls in Claritrac Shed		150,000			150,000
Rehab Old Lab and Chlorine Storage Building		75,000			75,000
Total Business-Type Activities	2,689,388	1,432,000		145,637	3,975,751
Total Bond Anticipation Note	$ 13,940,009	$ 8,261,062	$	$ 1,076,503	$ 21,124,568

Environmental Facilities Corporation-Short Term Notes –

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

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
Enterprise					
Sewer					
Railroad St Interceptor Project	6/15/2023	$ 12,700,000	3/14/2026	0.00	$ 12,700,000
Water					
Northwest Rome Rephase 3 Water Project	11/30/2023	$ 7,156,666	11/18/2026	3.96	4,451,666
Northwest Rome Rephase 3 Water Project (SMRF)	11/30/2023	$ 17,578,334	12/18/2026	0.00	17,021,834
Total Water					21,473,500
Total Enterprise Funds					$ 34,173,500

Changes in the City's short-term outstanding NYS EFC debt for the year ended December 31, 2025, are as follows:

Description	Outstanding Beginning Balance	Issued	Paid	Outstanding Ending Balance
Sewer				
Railroad St Interceptor Project	$ 6,073,616	$ 6,626,384	$	$ 12,700,000
Water				
Northwest Rome Rephase 3 Water Project		4,451,666		4,451,666
Northwest Rome Rephase 3 Water Project (SMRF)	14,530,275	2,782,559	291,000	17,021,834
Total Water	14,530,275	7,234,225	291,000	21,473,500
Total Enterprise Funds	$ 20,603,891	$ 13,860,609	$ 291,000	$ 34,173,500

(d) Long-Term Debt

a. Debt Limit – At December 31, 2025, $44,828,173 of the City's $100,458,980 in serial bonds and bond anticipation notes were subject to the constitutional debt limit and represented approximately 36.8% of its statutory debt limit.

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

Description	Outstanding Beginning Balance	Issued	Paid & Amortized	Outstanding Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable	$ 17,801,484	$	$ 2,708,085	$ 15,093,399	$ 2,755,142
Unamortized Premiums on Bonds	415,728		107,619	308,109	104,928
Total Bonds and Unamortized Premiums	18,217,212		2,815,704	15,401,508	2,860,070
Lease Payables	1,173,552	721,043	601,163	1,293,432	506,491
OPEB Liability	60,699,688	26,735,436	11,888,032	75,547,092	4,021,113
Due to NYS ERS	35,471		35,471		
Workers' Compensation Claims Payable	2,980,816	413,512	445,587	2,948,741	833,000
Compensated Absences	1,898,835	734,505		2,633,340	544,516
Total Governmental Activities	$ 85,005,574	$ 28,604,496	$ 15,785,957	$ 97,824,113	$ 8,765,190

Description	Outstanding Beginning Balance	Issued	Paid & Amortized	Outstanding Ending Balance	Due Within One Year
Business-Type Activities					
Bonds Payable	$ 45,834,668	$	$ 2,197,546	$ 43,637,122	$ 2,059,360
Unamortized Premiums on Bonds	169,944		54,748	115,196	51,532
Total Bonds and Unamortized Premiums	46,004,612		2,252,294	43,752,318	2,110,892
Lease Payables	685,909	100,050	133,435	652,524	137,699
OPEB Liability	5,590,267	4,160,396	1,249,246	8,501,417	355,794
Due to NYS ERS	6,363		6,363		
Workers' Compensation Claims Payable	1,072,005	177,621	170,205	1,079,421	121,000
Compensated Absences	553,131	56,254		609,385	153,911
Total Business Type Activities	$ 53,912,287	$ 4,494,321	$ 3,811,543	$ 54,595,065	$ 2,879,296

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

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

	Government Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	$ 2,755,142	$ 461,612	$ 2,059,360	$ 959,945
2027	2,763,832	371,993	2,090,748	925,533
2028	1,293,330	285,990	1,916,250	889,139
2029	1,315,265	250,917	1,949,315	854,868
2030	1,331,700	215,153	1,992,880	817,714
2031-2035	5,124,130	534,328	9,623,770	3,452,276
2036-2040	510,000	11,700	8,507,900	2,426,953
2041-2045			9,022,900	1,319,161
2046-2050			5,547,900	330,735
2051			877,150	10,006
Total	$ 15,093,399	$ 2,131,693	$ 43,588,173	$ 11,986,330

Advance Refunding-Remaining Principal on Bonds Refinanced

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

The following outstanding bonds at December 31, 2025, are considered defeased:

Description	Governmental	Enterprise
2005 EFC	$	$ 1,485,000
2011	1,874,863	1,065,137
Total	$ 1,874,863	$ 2,550,137

Deferred Charge on Advance Refunding

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

	Beginning Balance	Issued	Expensed/ Redeemed	Ending Balance
Governmental Activities	$ 128,839	$	$ 47,546	$ 81,293
Business-Type Activities	$ 110,358	$	$ 40,288	$ 70,070

Special Provisions Affecting Remedies Upon Default

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

e. Lease Payables - The City is obligated under various leases for land, vehicles, and equipment. The lease agreements qualify as other than short-term leases under GASB Section L20, *Leases* and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the implementation of the new standard. The leased assets and related obligations are accounted for in the Governmental Funds and in the Propriety Funds. The terms of the leases are 5 to 15 years and have interest rates that range from 4.03% per annum to 15.18% per annum, respectively. The total principal and interest lease payments in the General Fund and Propriety Funds for the year ended December 31, 2025, were $780,148 and $201,816, respectively.

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

	Government Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	$ 506,491	$ 113,845	$ 137,699	$ 57,903
2027	370,727	66,151	138,840	42,423
2028	231,200	28,499	115,752	27,746
2029	142,840	9,488	55,990	17,795
2030	42,174	977	23,202	13,890
2031-2035			75,313	53,687
2036-2040			105,728	23,272
Total	$ 1,293,432	$ 218,960	$ 652,524	$ 236,716

f. Interest - The City's interest expense for the above obligations for 2025 is as follows:

Governmental-Type Activities		
General Fund		
Amount Paid	$	1,238,931
Prior Year Accrual		(281,653)
Current Year Accrual		383,313
Total General Fund		1,340,591
Government-Wide		
Change in Accrued Interest		(62,286)
Amortization of Premium		(107,619)
Amortization of Deferred Charge		47,546
Total Governmental-Type	$	1,218,232
Governmental-Type Activities		
Serial Bonds	$	548,518
Bond Anticipation Notes		608,086
Capital Lease		182,893
NYS Retirement		1,094
Total General Fund		1,340,591
Government-Wide Serial Bond		(122,359)
Total Governmental-Type	$	1,218,232
Business-Type Activities		
Enterprise Fund		
Amount Paid	$	1,121,316
Prior Year Accrual		(405,880)
Current Year Accrual		392,525
Amortization of Premium		54,748
Amortization of Deferred Charge		(41,034)
Total Business-Type	$	1,121,675
Serial Bonds	$	910,492
Bond Anticipation Notes		142,598
Capital Lease		68,387
NYS Retirement		198
Total Business-Type	$	1,121,675

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

1. Compensated Absences – Compensated absences represent unused vacation and sick time payable in the future estimated to be either used or paid upon retirement or termination. The current portion of the liability is determined from past use or payments.

2. Litigation – The City is self-insured in several areas of liability, in addition to those areas of liabilities for which insurance is not available. At December 31, 2025, the City had several outstanding tax certioraris claims in various legal stages. It is the opinion of the City's Council, the majority of the claims have an aggregate possible liability of $10,000 to $200,000. Since these amounts are not considered probable, no liability has been recognized.

(e) General Fund – Aggregated Accounts

The General Fund's balance sheet includes liability accounts that have been aggregated for financial statement presentation purposes. The following is a detail of the significant aggregations at December 31, 2025:

Description	Amount
Accrued Liabilities	
Health Insurance Claims Lag	$ 734,773
Interest Accrual	383,382
Payroll Accrual	277,275
Total Accrued Liabilities	$ 1,395,430

3. INTERFUND TRANSACTIONS

	Interfund		Interfund	
Fund Type	Receivables	Payables	Revenues	Expenditures
Governmental Funds				
General	$ 1,226,312	$	$ 40,000	$ 5,876,802
Special Aid	225	1,651,943		
Capital Fund	4,405,354	5,654,973	5,576,148	
Proprietary Funds				
Water	1,400,328		260,654	
Sewer	28,211			
Refuse	11,994	208		
Internal Service Fund		2,594		
Custodial Fund	237,294			
Total	$ 7,309,718	$ 7,309,718	$ 5,876,802	$ 5,876,802

All interfund receivables and payables are considered current. The purpose of the above balances are to provide cash flow for various projects and to correct misclassifications. The transfer from the General Fund to the Capital and Proprietary Funds was to fund various street, American Rescues Program Act, and tornado recovery capital projects.

4. CONTINGENCIES

Potential Grantor Liability

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

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

Construction Commitments

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

Governmental	$	14,144,990
Proprietary	$	19,149,005

Self-Insured

The City is self-insured for health insurance and general liability. The City is covered for general liability but is liable for prior claims. For the City's health insurance plan, the City has aggregate and specific excess loss insurance. In aggregate, the City is covered up to $1,000,000 for losses that exceed a calculated amount that cannot be less than $10,121,324. The City also has specific excess loss insurance for each participant in excess from $275,000 for each contract period. The City currently reports its risk management activities in the fund in which the liability is incurred. Claims expenditures/expenses and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

	Beginning of Year Liability	Current Year Claims and Changes on Estimates	Claim Payments	End of Year Liability
2025	$ 1,073,000	$ 5,940,738	$ 6,139,738	$ 874,000
2024	$ 592,000	$ 7,406,501	$ 6,925,501	$ 1,073,000
2023	$ 619,135	$ 5,462,013	$ 5,489,148	$ 592,000

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

The City is also self-insured for workers' compensation claims. The liabilities are record based on an evaluation that the claims are probable and the amount can is reasonably estimated. The estimated accrued claims payable are recorded as follows at December 31, 2025: Enterprise Funds $1,079,421 and Governmental Activities $2,948,741. The changes in the total workers' compensation liability are as follows:

	Beginning of Year Liability	Current Year Claims and Changes on Estimates	Claim Payments	End of Year Liability
2025	$ 4,052,821	$ 591,133	$ 615,792	$ 4,028,162
2024	$ 3,252,292	$ 1,358,834	$ 558,305	$ 4,052,821
2023	$ 2,663,279	$ 1,172,428	$ 583,415	$ 3,252,292

Employees' Collective Bargaining Units

The City currently employs approximately 316 employees. Police and fire department employees and general city employees are each represented by a collective bargaining agent. Those agents which represent them and the dates of expiration of their agreements are as follows:

Number of Members	Labor Organization	Expiration Date
80	Civil Service Employees Association	December 31, 2027
73	AFSCME Council #66 - Local #1088	December 31, 2025[(1)]
69	Patrolmen Benevolent Association ("PBA")	December 31, 2025[(1)]
78	Firefighters	December 31, 2025[(1)]

[(1)] Currently in negotiations.

5. CONSTITUTIONAL TAX LIMIT

The constitution of the State of New York limits the amount of real property taxes which may be levied by the City. Basically, the City may levy an amount of real property tax which is limited to 2% of the 5-year average full valuation of taxable real estate within the City taking into consideration any applicable exclusion. At December 31, 2025, the City utilized 28.7% of its constitutional taxing power.

6. REFUNDABLE GRANT AWARDS

The City awards housing improvement grants from the U.S. Department of Housing and Urban Development's Community Development Block Grant program to qualifying recipients. If the property is transferred within 3 years for liens to another party, the principal of the grant is to be repaid to the City. These commitments to the City are currently secured by liens against the residents' improved property. At December 31, 2025, the total liens payable to the City amounted to $679,500. If the City receives the funds, they are recorded as program income, and the lien is cleared. Program income must generally be used to expand the program.

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

7. UNEARNED GRANT AWARDS – GENERAL FUND

In March 2021, Congress passed and the President signed into law the American Rescue Plan of 2021. The City was awarded $24,134,423 half of which it received in May 2021 and the other half of which was received in 2022. Since $1,226,267 of the grant was not expended as of December 31, 2025, the amount is recorded in the General Fund as unearned grant revenue. All remaining funds were obligated by December 31, 2024.

The stated goals of the Plan are:

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

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

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

8. DEFICIT FUND BALANCES AND NET POSITION

Capital Fund

The Capital Fund had deficit fund balance at December 31, 2025, of $11,989,693. This deficit is due to the issuance of bond anticipation notes totaling $17,148,817. As BAN proceeds are expended, the liability remains until permanent financing is issued or payments are made from General Fund appropriations.

Special Aid Fund

The Special Aid Fund had deficit fund balance at December 31, 2025, of $1,693,273. This deficit is due receivables that are not currently available. The receivables are from expenditures for which reimbursement from grants has not been received. The deficit will be eliminated as funds are received.

9. BUDGET REVISIONS

During 2025, the following budget revisions were authorized for the General Fund:

Change from Adopted Budget to Final Budget

Adopted Budget	$	53,501,493
Add: Prior Year's Encumbrances		799,795
Original Budget		54,301,288
Amendments:		
ARPA Grant		3,819,325
Final Budget	$	58,120,613

10. LEASE RECEIVABLE AND LESSOR AGREEMENTS

The City has entered into agreements with Districts to lease parcels of land. The lease agreements qualify as other than short-term leases under GASB Section L20 and, therefore, have been recorded as a receivable at the present value of the future minimum lease payments as of the date of the inception of the agreements. The agreements were executed for a term of 10-20 years. The City has recorded a lease receivable and a deferred inflow of resources at December 31, 2025. The interest rate used for all leases ranging from 4.86% to 6.0%. For the year ended December 31, 2025, the City recognized $36,325 in lease revenue and $51,107 in lease interest revenue.

Future payments due to the City and deferred inflow recognition under these are agreements are as follows for the year ended December 31, 2025:

Year	Payments To be Received	Deferred Inflow
2026	$ 72,862	$ 53,552
2027	74,255	53,552
2028	75,682	53,552
2029	77,147	53,553
2030	78,648	53,553
2031-2035	402,523	259,800
2036-2040	399,034	224,298
2041-2043	88,497	67,016
Total	1,268,648	818,876
Less Interest	424,692	
Present Value of Lease Receivables	$ 843,956	$ 818,876

11. FUND BALANCE

(a) The following is a summary of the change in General Fund restricted reserve funds during the year ended December 31, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance
Restricted				
General Fund				
Liability Insurance	$ 319,000	$	$	$ 319,000
Capital Reserve	339,871	61,862	130,000	271,733
Debt Service	702,842		170,000	532,842
Workers' Compensation	1,306,329	65,019		1,371,348
Total General Fund Restricted	$ 2,668,042	$ 126,881	$ 300,000	$ 2,494,923

(b) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet at December 31, 2025:

	General	Special Aid	Miscellaneous Special Revene	Capital	Total
Nonspendable	$ 2,942,918	$	$	$	$ 2,942,918
Restricted					
Liability Insurance	319,000				319,000
Capital Reserve	271,733				271,733
Debt Service	532,842				532,842
Workers' Compensation	1,371,348				1,371,348
Total Restricted	2,494,923				2,494,923
Assigned					
Designated for Subsequent Year's Expenditures	3,767,573				3,767,573
Reserve for Encumbrances	711,172				711,172
Other			122,565		122,565
Total Assigned	4,478,745		122,565		4,601,310
Unassigned (Deficit)	8,655,068	(1,693,273)		(11,989,693)	(5,027,898)
Total Fund Equity	$ 18,571,654	$ (1,693,273)	$ 122,565	$ (11,989,693)	$ 5,011,253

12. SOLAR FARM POWER PURCHASE AGREEMENT

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

13. CORRECTION OF AN ERROR

The construction in progress was understated in error at December 31, 2024.

The beginning net position is restated as follows:

	Governmental Activities	Business-Type Activities					Primary Government Total
		Water	Sewer	Refuse District	Internal Service Fund - Central Maintenance	Total	
Net Position - Beginning of Year, As Previously Stated	$ 47,003,986	$ 53,180,950	$ 43,844,235	$ 2,323,233	$ 64,176	$ 99,412,594	$ 146,416,580
Correction of an Error							
Contruction in Progress Understated			174,483			174,483	174,483
Net Position - Beginning of Year, As Restated	$ 47,003,986	$ 53,180,950	$ 44,018,718	$ 2,323,233	$ 64,176	$ 99,587,077	$ 146,591,063

14. SIGNIFICANT EVENTS

2024 Tornado – In July 2024, the City experienced a tornado which brought devastating damage throughout the City including but not limited to several municipal buildings, trees, as well as privately owned parcels. The estimated cost for the cleanup and rebuilding process is $10,745,172. The State has awarded the City grants of $5 million which will be used towards the purchase of property and demolition of buildings. In addition, insurance reimbursed the City $3,300,000 during 2025.

15. ROME HOUSING AUTHORITY

Organization

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

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

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

Blended Component Units of the Rome Housing Authority

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

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

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

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

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

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

Basis of Accounting

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

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

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

- Capital assets are stated at historical cost. Depreciation of exhaustible capital assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the statement of net position. If the initial cost of a piece of equipment and/or other personal property is one thousand dollars ($1,000) or more and the anticipated life or useful value of said equipment or property is more than one (1) year, the purchased property/equipment will be capitalized and recorded as non-expendable equipment and charged as a capital expenditure. Depreciation is calculated on a straight-line basis utilizing the following assets' estimated useful lives:

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

- Deferred Inflows/Outflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources,* represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The deferred outflows of resources are all related to the Pension and OPEB. Also, in addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources,* represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The deferred inflows of resources are all related to the Pension and OPEB.

- Other Post-Employment Benefits (OPEB) - For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of our plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

- Compensated Absences - Employees of the Authority are entitled to paid vacation days depending on job classification, length of service and other factors. Management has estimated the amount of compensation for future absences computed based on yearend conditions. The cost of accrued unpaid vacation pay of all employees at the end of the fiscal year is $82,965, which includes the current portion of $8,296.

- Dwelling Rental - Rents charged to Authority tenants under lease agreements, in accordance with HUD guidelines, are based on percentages of family income levels, and accordingly may not represent fair market rent. Residents may opt to pay a flat rent under HUD guidelines. Leases may be cancelled by the tenant at any time however, the Authority may cancel the lease only for cause.

- Insurance - The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Authority. As of the date of the report, the Authority had necessary insurance coverage in force.

- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The Authority has elected to follow GASB for financial reporting.

Net Position

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

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

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

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

Summary of HUD Programs

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

Annual Contributions Contract NY-034

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

Significant Assets

(a) Deposits

At March 31, 2025, the Authority's deposit amounted to $9,768,980. Of the bank balances held in various financial institutions, $250,000 was covered by Federal Depository Insurance and the remainder was covered by collateral held under the Dedicated Method.

(b) Fixed Assets

A summary of changes in capital assets were as follows:

	4/1/2024 Balance	Additions	Deletions	3/31/2025 Balance
Capital Assets Not Being Depreciated				
Land	$ 71,545	$	$	$ 71,545
Capital Assets Being Depreciated				
Buildings and Improvements	4,694,463			4,694,463
Machinery and Equipment	298,915	43,988		342,903
SBITA	164,354			164,354
Total	5,157,732	43,988		5,201,720
Accumulated Depreciation	4,665,103	80,236		4,745,339
Accumulated Amortization	131,483	32,871		164,354
Total	4,796,586	113,107		4,909,693
Net Capital Assets Being Depreciated	361,146	(69,119)		292,027
Net Capital Assets	$ 432,691	$ (69,119)	$	$ 363,572

Notes Receivable

Notes receivable with Liberty Gardens Associates, L.P., in the principal sum of $1,633,200. Repayment of principal and interest due August 9, 2041. Interest accruing at 3.86% per annum amounted to $56,248 with a cumulative total of $763,112 for the year ended March 31, 2025.	$	1,457,200
Notes receivable with Liberty Garden Associates II, L.P., in the principal sum of $1,111,050. Repayment of principal and interest due October 25, 2042. Interest accruing at 2.36% per annum amounted to $26,221 with a cumulative total of $319,532 for the year ended March 31, 2025.		1,111,050
Notes receivable with Liberty Gardens Area Community Development, L.L.C., in the principal sum of $308,354. Repayment of principal and interest due May 17, 2048. Interest accruing at 1.0% per annum amounted to $3,084 with a cumulative total of $20,438 for the year ended March 31, 2025.		308,354
Notes receivable with Colonial I Associates, L.P., in the principal sum of $628,550. Repayment of principal and interest due May 17, 2048. Interest accruing at 1.0% per annum amounted to $6,286 with a cumulative total of $41,658 for the year ended March 31, 2025.		628,550
Notes receivable with Colonial II Associates, L.P., in the principal sum of $2,000,000. Repayment of principal and interest due March 31, 2072. Interest accruing at 0.0%.		2,000,000
Total Notes Receivable - Principal		5,505,154
Accrued Interest on Notes Receivable		1,144,740
Total Notes Receivable	$	6,649,894

Pension

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

2025	$	94,438
2024	$	91,892
2023	$	82,321

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

At March 31, 2025, the Authority reported the following liability for its proportionate share of the net pension asset/(liability) for the ERS System. The net pension liability was measured as of March 31, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Authority's proportionate share of the net pension liability was based on a projection of the Authority's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in reports provided to the Authority.

Actuarial valuation date	4/1/2024
Net pension liability	$ 274,321
Authority's proportion of the Plan's net pension liability	0.0015999%
Discount Rate	5.9%

For the year ended March 31, 2025, the Authority recognized a pension expense of $94,438. At March 31, 2025 the Authority's reported deferred outflows of resources related to the pension from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 68,088	$ 3,212
Changes in Assumptions	11,504	
Net difference between projected and actual earnings on pension plan investments	21,522	
Changes in proportion and differences between the Authority's contributions and proportionate share of Contributions	40,671	46,584
Total	$ 141,785	$ 49,796

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

2025	$ 51,681
2026	68,062
2027	(28,608)
2028	854
2029	0

Actuarial Assumptions

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

Other Postemployment Benefits

Plan Descriptions:

The Authority's defined benefit other post-employment benefits plan (OPEB) provides benefits for all permanent full-time general and public safety employees of the Authority. The plan is a single-employer defined benefit OPEB plan administered by the Authority. No assets are accumulated in a trust that meets the criteria in paragraph 5 of GASB Section P53. The Plan does not issue financial statements and is not a trust. Eligibility for benefits is based on covered employees who retire from the Authority at age 55 or older and have met vesting requirements.

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

Employees Covered by Benefit Terms:
At March 31, 2025, the total number of participants in the OPEB plan were comprised as follows:

Active employees, eligible to retire	6
Retired employees and surviving spouses	16
Total	22

Total OPEB Liability:

The Authority's total OPEB liability of $1,316,708 was measured as of March 31, 2025 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs:

The total OPEB liability in the March 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

Inflation – 2.50%

Salary increases – 2.00%

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

Discount rate – 4.55% for March 31, 2025 (4.23% for March 31, 2024) The discount rate is based on a 20-year AA/Aa tax-exempt municipal bond yield.

Changes in the Total OPEB Liability -

Balance at March 31, 2024	$ 1,391,986
Charges for the year:	
Service Cost	21,322
Interest	57,746
Differences between expected and actual experience	(15,242)
Changes in Assumptions and other inputs	(42,787)
Benefit payments	(96,317)
Net Changes	(75,278)
Balance at March 31, 2025	$ 1,316,708

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

	1% Decrease (3.55%)	Discount Rate (4.55%)	1% Increase (5.55%)
Total OPEB liability	$ 1,459,044	$ 1,316,708	$ 1,197,397

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

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

	1% Decrease	Trend Rate	1% Increase
Total OPEB liability	$ 1,179,037	$ 1,316,708	$ 1,481,319

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

For the year ended March 31, 2025, the Authority recognized a negative OPEB expense of $103,374. At March 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,456	$ 7,734
Changes of assumptions or other inputs		24,034
Total	$ 9,456	$ 31,768

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

Years ending March 31,	Amount
2026	$ (21,453)
2027	(859)
Thereafter	0

Commitments and Contingencies

Legal: The Authority is party to no pending or threatened legal actions arising from the normal course of its operations. Grants and Contracts: The Authority participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of March 31, 2025.

The Section 8 Housing Choice Voucher Program (the Program) under the implementation of the Consolidated Appropriations Act 2005, Funding Provisions for the Housing Choice Voucher Program, changed the funding methodology, and in addition the Authority, is no longer required to complete a settlement statement. As a result, in accordance with GASB Statement No. 33 and PIH Notice 2009-9, the cumulative amount of unspent Housing Assistance Payment subsidy as of March 31, 2025, is being reflected in restricted net position in the basic financial statements. Capital Fund: The Authority receives capital funding each year for ongoing capital improvements, and repairs and maintenance.

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

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

Accounting Error Correction

An accounting error correction increased net position by $572,789. This error correction was posted related to reconciliation of intercompany payables/receivables due to challenges surrounding the primary government and the blended component units being on separate fiscal year ends.

CITY OF ROME, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES)

BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2025

	Original Budget	Amended Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
Revenues					
Real Property Taxes	$ 16,087,170	$ 16,087,170	$ 16,117,158		$ 29,988
Other Real Property Tax Items	1,372,752	1,372,752	1,391,491		18,739
Nonproperty Tax Items	15,317,387	15,317,387	14,941,181		(376,206)
Departmental Income	776,280	776,280	831,506		55,226
Intergovernmental Charges	1,174,624	1,174,624	1,342,485		167,861
Solar Power Credits	479,743	479,743	592,227		112,484
Use of Money and Property	635,182	635,181	748,739		113,558
Lease Revenue	59,514	59,515	59,514		(1)
Licenses and Permits	127,000	127,000	120,190		(6,810)
Fines and Forfeitures	33,500	33,500	46,456		12,956
Sale of Property and Compensation for Loss	101,000	601,000	576,078		(24,922)
Miscellaneous	161,200	161,200	310,687		149,487
Interfund Revenues	1,994,197	1,994,197	1,994,197		
State Aid	11,415,693	11,415,693	12,893,524		1,477,831
Federal Aid	336,000	4,155,325	3,689,325		(466,000)
Total Revenues	50,071,242	54,390,567	55,654,758		1,264,191
Expenditures					
General Government Support	6,725,717	6,451,556	6,123,785	$ 143,474	184,297
Public Safety	18,583,626	18,139,018	17,697,544	378,855	62,619
Public Health	1,700	1,725	1,720	9,336	(9,331)
Transportation	5,392,394	5,406,528	5,256,249	98,748	51,531
Culture and Recreation	1,947,899	1,720,724	1,644,860	17,434	58,430
Home and Community Services	744,398	768,391	676,580	63,395	28,416
Employee Benefits	13,998,264	14,196,324	14,746,959		(550,635)
Debt Service - Principal	3,705,683	4,215,280	4,215,273		7
Debt Service - Interest	1,095,265	1,344,274	1,340,591		3,683
Total Expenditures	52,194,946	52,243,820	51,703,561	711,242	(170,983)
Excess (Deficit) Revenues Over Expenditures	(2,123,704)	2,146,747	3,951,197	(711,242)	1,093,208
Other Financing Sources (Uses)					
Interfund Transfers From			40,000		40,000
Interfund Transfers To	(2,106,342)	(5,876,793)	(5,876,802)		(9)
Appropriated Reserve	170,000	170,000			(170,000)
Appropriated Fund Balance	4,060,046	3,560,046			(3,560,046)
Total Other Financing Sources (Uses)	2,123,704	(2,146,747)	(5,836,802)		(3,690,055)
Revenues Over Expenditures and Other Financing Sources (Uses)	$ 0	$ 0	$ (1,885,605)	$ (711,242)	$ (2,596,847)

Notes to Required Supplementary Information:

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

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

CITY OF ROME, NEW YORK

SCHEDULES OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

For the Year Ended December 31, 2025

Governmental Activities

	2025	2024	2023	2022	2021	2020	2019	2018*
Service cost	$ 708,055	$ 841,355	$ 707,101	$ 1,114,018	$ 1,483,708	$ 1,222,581	$ 964,638	$ 1,192,853
Interest	2,416,569	2,129,369	2,105,228	1,503,834	2,101,001	2,451,226	3,147,827	2,877,004
Changes in assumptions or other inputs	(7,866,919)	(5,395,244)	4,014,480	(16,002,276)	1,392,218	7,722,967	12,568,746	(9,665,462)
Actuarial demographic (gain) or loss	23,610,812		4,314,700		(26,279,045)		(3,184,707)	(694,227)
Expected benefit payments	(4,021,113)	(2,950,900)	(2,743,306)	(2,579,800)	(2,823,365)	(3,366,690)	(3,253,135)	(3,376,051)
Net change in total OPEB liability	14,847,404	(5,375,420)	8,398,203	(15,964,224)	(24,125,483)	8,030,084	10,243,369	(9,665,883)
Total OPEB liability - beginning	60,699,688	66,075,108	57,676,905	73,641,129	97,766,612	89,736,528	79,493,159	89,159,042
Total OPEB liability - ending	$ 75,547,092	$ 60,699,688	$ 66,075,108	$ 57,676,905	$ 73,641,129	$ 97,766,612	$ 89,736,528	$ 79,493,159
Covered employee payroll	$ 22,371,067	$ 21,719,572	$ 21,086,679	$ 18,755,497	$ 18,209,072	$ 17,031,348	$ 17,776,525	$ 16,838,417
Total OPEB liability as a percentage of covered payroll	337.70%	279.47%	313.35%	307.52%	404.42%	574.04%	504.80%	472.09%

Business-Type Activities

	2025	2024	2023	2022	2021	2020	2019	2018*
Service cost	$ 104,228	$ 117,821	$ 82,389	$ 123,767	$ 164,307	$ 135,596	$ 123,346	$ 151,158
Interest	224,472	196,343	203,719	145,042	203,694	235,694	280,040	253,761
Changes in assumptions or other inputs	(893,452)	(509,184)	361,260	(1,560,285)	135,089	765,696	1,417,022	(906,960)
Actuarial demographic (gain) or loss	3,831,696		88,321		(2,627,325)		(12,614)	(61,039)
Expected benefit payments	(355,794)	(261,100)	(246,194)	(224,900)	(245,135)	(282,407)	(212,464)	(220,492)
Net change in total OPEB liability	2,911,150	(456,120)	489,495	(1,516,376)	(2,369,370)	854,579	1,595,330	(783,572)
Total OPEB liability - beginning	5,590,267	6,046,387	5,556,892	7,073,268	9,442,638	8,588,059	6,992,729	7,776,301
Total OPEB liability - ending	$ 8,501,417	$ 5,590,267	$ 6,046,387	$ 5,556,892	$ 7,073,268	$ 9,442,638	$ 8,588,059	$ 6,992,729
Covered employee payroll	$ 3,061,257	$ 2,972,123	$ 2,885,415	$ 2,498,603	$ 2,425,758	$ 2,319,465	$ 2,284,714	$ 2,125,011
Total OPEB liability as a percentage of covered payroll	277.71%	188.09%	209.55%	222.40%	291.59%	407.10%	375.89%	329.07%

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

Notes to Schedule:

Changes of benefit terms: Not Applicable.

Changes of Assumptions:

1. The single discount rate changed from 4.08% to 4.83% as of December 31, 2025.

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

CITY OF ROME, NEW YORK
SCHEDULE OF CITY'S PENSION CONTRIBUTIONS
For the Year Ended December 31, 2025

ERS Pension Plan
Last 10 Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 1,831,814	$ 1,501,888	$ 1,305,275	$ 1,262,467	$ 1,326,818	$ 1,293,339	$ 1,223,397	$ 1,212,335	$ 1,201,530	$ 1,290,050
Contributions in Relation to the Contractually Required Contribution	1,831,814	1,501,888	1,305,275	1,262,467	1,326,818	1,293,339	1,223,397	1,212,335	1,201,530	1,290,050
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
City's Covered- ERS Employee Payroll	$ 11,622,081	$ 10,788,754	$ 9,919,931	$ 9,275,488	$ 8,556,433	$ 9,375,930	$ 8,851,601	$ 8,527,086	$ 8,247,928	$ 8,387,342
Contributions as a Percentage of Covered-Employee Payroll	15.76%	13.92%	13.16%	13.61%	15.51%	13.79%	13.82%	14.22%	14.57%	15.38%

PFRS Pension Plan
Last 10 Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 4,352,833	$ 4,066,605	$ 3,211,387	$ 3,049,735	$ 2,918,317	$ 2,625,541	$ 2,453,091	$ 2,534,874	$ 2,671,000	$ 2,532,874
Contributions in Relation to the Contractually Required Contribution	4,352,833	4,066,605	3,211,387	3,049,735	2,918,317	2,625,541	2,453,091	2,534,874	2,671,000	2,532,874
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
City's Covered- PFRS Employee Payroll	$ 13,275,241	$ 13,288,027	$ 11,895,983	$ 11,642,980	$ 10,880,972	$ 11,131,056	$ 11,062,517	$ 10,873,273	$ 11,407,658	$ 10,647,389
Contributions as a Percentage of Covered-Employee Payroll	32.79%	30.60%	27.00%	26.19%	26.82%	23.59%	22.17%	23.31%	23.41%	23.79%

See Independent Auditor's Report.

CITY OF ROME, NEW YORK
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Year Ended December 31, 2025

NYS Employees Retirement System Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability (asset)	0.0343147%	0.0329852%	0.0329781%	0.0308069%	0.0343547%	0.0328130%	0.0327028%	0.0320929%	0.0331176%	0.0034559%
City's proportionate share of the net pension liability (asset)	$ 5,883,506	$ 4,856,758	$ 7,071,841	$ (2,518,340)	$ 34,208	$ 8,689,078	$ 2,317,095	$ 1,035,779	$ 3,111,804	$ 5,546,770
City's covered-employee payroll	$ 10,788,754	$ 9,919,931	$ 9,275,488	$ 8,556,433	$ 9,375,930	$ 8,851,601	$ 8,527,086	$ 8,247,928	$ 8,387,342	$ 8,259,173
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	54.53%	48.96%	76.24%	-29.43%	0.36%	98.16%	27.17%	12.56%	37.10%	67.16%
Plan fiduciary net position as a percentage of total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

NYS Police and Fire Retirement System Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability	0.292420%	0.285872%	0.310182%	0.303936%	0.283087%	0.300191%	0.289192%	0.298134%	0.294491%	0.313404%
City's proportionate share of the net pension liability	$ 17,769,922	$ 13,558,387	$ 17,092,510	$ 1,726,493	$ 4,915,177	$ 16,045,031	$ 4,849,933	$ 3,013,409	$ 6,103,782	$ 9,279,219
City's covered-employee payroll	$ 13,288,027	$ 11,895,983	$ 11,642,980	$ 10,880,972	$ 11,131,056	$ 11,062,517	$ 10,873,273	$ 11,407,658	$ 10,647,389	$ 10,396,866
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	133.73%	113.97%	146.81%	15.87%	44.16%	145.04%	44.60%	26.42%	57.33%	89.25%
Plan fiduciary net position as a percentage of total pension liability	87.53%	89.72%	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.50%	90.20%

See Independent Auditor's Report.

CITY OF ROME, NEW YORK

COMBINING BALANCE SHEET

GENERAL FUND

December 31, 2025

	General City	Inside District	Total General
Assets			
Current Assets			
Cash and Cash Equivalents	$ 7,915,233	$ 844,595	$ 8,759,828
Cash and Cash Equivalents - Restricted	2,380,061	114,862	2,494,923
Taxes Receivable	926,085	303,674	1,229,759
Tax Sale Certificates	120,075		120,075
Property Acquired for Taxes	1,429,563		1,429,563
Accounts Receivable	781,082	125,072	906,154
Allowance for Receivables	(330,164)	(119,220)	(449,384)
Due from Other Funds	1,092,244	134,068	1,226,312
Due from Other Governments	4,359,390	648,951	5,008,341
Lease Receivables	843,956		843,956
Prepaid Expenditures	1,035,251	477,190	1,512,441
Total Assets	$ 20,552,776	$ 2,529,192	$ 23,081,968
Liabilities			
Current Liabilities			
Accounts Payable	$ 368,488	$ 44,802	$ 413,290
Accrued Liabilities	992,232	403,198	1,395,430
Payroll Withholdings Payable	54,455		54,455
Unearned Revenue - Grants	1,226,267		1,226,267
Due to Other Governments	20,864		20,864
Total Current Liabilities	2,662,306	448,000	3,110,306
Deferred Inflows of Resources			
Leases	818,876		818,876
Unavailable Revenue - Real Property Taxes	579,188	1,644	580,832
Total Deferred Inflows of Resources	1,398,064	1,644	1,399,708
Fund Balances			
Nonspendable	2,465,729	477,189	2,942,918
Restricted			
Reserve for Liability Insurance	226,000	93,000	319,000
Capital Reserves	249,871	21,862	271,733
Reserve for Debt	532,842		532,842
Reserve for Workers Compensation	1,371,348		1,371,348
Total Restricted	2,380,061	114,862	2,494,923
Assigned			
Designated for Subsequent Year's Expenditures	3,757,232	10,341	3,767,573
Reserve for Encumbrances	601,438	109,804	711,242
Total Assigned	4,358,670	120,145	4,478,815
Unassigned	7,287,946	1,367,352	8,655,298
Total Fund Balances	16,492,406	2,079,548	18,571,954
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	$ 20,552,776	$ 2,529,192	$ 23,081,968

See Independent Auditor's Report.

CITY OF ROME, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GENERAL FUND

For the Year Ended December 31, 2025

	General City	Inside District	Total General
Revenues			
Real Property Taxes	$ 11,610,071	$ 4,507,087	$ 16,117,158
Other Real Property Tax Items	962,943	428,548	1,391,491
Nonproperty Tax Items	10,785,552	4,155,629	14,941,181
Departmental Income	713,263	118,243	831,506
Intergovernmental Charges	608,964	733,521	1,342,485
Solar Power Credits	592,227		592,227
Use of Money and Property	730,349	18,390	748,739
Lease Revenue	59,514		59,514
Licenses and Permits	120,190		120,190
Fines and Forfeitures	31,255	15,201	46,456
Sale of Property and Compensation for Loss	54,174	521,904	576,078
Miscellaneous	209,883	100,804	310,687
Interfund Revenues	1,595,197	399,000	1,994,197
State Aid	9,555,240	3,338,284	12,893,524
Federal Aid	3,689,325		3,689,325
Total Revenues	41,318,147	14,336,611	55,654,758
Expenditures			
General Government Support	5,766,942	356,843	6,123,785
Public Safety	9,681,307	8,016,237	17,697,544
Public Health	1,720		1,720
Transportation	5,256,249		5,256,249
Culture and Recreation	1,644,860		1,644,860
Home and Community Services	676,580		676,580
Employee Benefits	9,299,235	5,447,724	14,746,959
Debt Service - Principal	3,865,302	349,971	4,215,273
Debt Service - Interest	1,254,215	86,376	1,340,591
Total Expenditures	37,446,410	14,257,151	51,703,561
Excess (Deficit) Revenues Over Expenditures	3,871,737	79,460	3,951,197
Other Financing (Uses)			
Interfund Transfers From	40,000		40,000
Interfund Transfers To	(5,876,802)		(5,876,802)
Total Other Financing (Uses)	(5,836,802)		(5,836,802)
Excess (Deficit) Revenues Over Expenditures and Other Financing (Uses)	(1,965,065)	79,460	(1,885,605)
Fund Balance, Beginning of Year	18,457,471	2,000,088	20,457,559
Fund Balances, End of Year	$ 16,492,406	$ 2,079,548	$ 18,571,954

See Independent Auditor's Report.

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Rome, New York, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise City of Rome, New York's basic financial statements, and have issued our report thereon dated July 24, 2026. Our report includes a reference to other auditors who audited the financial statements of the Rome Housing Authority, a discretely presented component unit, as described in our report on the City of Rome, New York's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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

Purpose of this Report

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

D'Arcangelo + Co., LLP

July 24, 2026

Rome, New York

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

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Rome, New York's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Rome, New York's major federal programs for the year ended December 31, 2025. City of Rome, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Rome, New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Other Matters—Federal Expenditures Not Included in the Compliance Audit

City of Rome, New York's basic financial statements include the operations of the Rome Housing Authority, a discretely presented component unit, which expended $3,777,460 in federal awards which is not included in City of Rome, New York's schedule of expenditures of federal awards during the year ended December 31, 2025. Our audit, described in the Opinion on Each Major Federal Program section, did not include the operations of Rome Housing Authority because the Authority engaged other auditors to perform an audit of compliance and issue a separate report.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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 City of Rome, New York's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Rome, New York's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Rome, New York's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

D'Arcangelo + Co., LLP

July 24, 2026

Rome, New York

CITY OF ROME, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal ALN Number	Current Expenditures	Expenditures to Subrecipients
U.S. Department of Housing and Urban Development				
Direct				
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants				
Griffiss-Woodhaven Revitalization	B-22-CP-NY-0655	14.251	$ 1,619,040	$
Park Drive Complete Streets Project	B-23-CP-NY-1162	14.251	21,387	
Total Economic Development Initiative, Community Project Funding, and Miscellaneous Grants			1,640,427	
CDBG - Entitlement Grants Cluster				
COVID-19 –CDBG Entitlement Grant	B-20-MC-36-0106	14.218	42,513	
Community Development Block Grant – Entitlement Grant	B-21-MC-36-0106	14.218	14,090	
Community Development Block Grant – Entitlement Grant	B-22-MC-36-0106	14.218	80,180	9,200
Community Development Block Grant – Entitlement Grant	B-23-MC-36-0106	14.218	206,679	39,500
Community Development Block Grant – Entitlement Grant	B-24-MC-36-0106	14.218	637,030	105,000
Community Development Block Grant – Entitlement Grant	B-25-MC-36-0106	14.218	61,345	
Total CDBG - Entitlement Grants Cluster			1,041,837	153,700
Total U.S. Department of Housing and Urban Development			2,682,264	153,700
U.S. Department of Justice				
Direct				
Bulletproof Vest Partnership Program		16.607	3,031	
Total U.S. Department of Justice			3,031	
U.S. Department of Transportation				
Highway Safety Cluster				
Pass through Governor's Traffic Safety Committee				
State and Community Highway Safety	T007227	20.600	12,294	
Child Passenger Safety Program	SA00003181	20.616	1,115	
Total Highway Safety Cluster			13,409	
Pass through NYS Department of Transportation				
Highway Planning and Construction	D040238	20.205	849,244	
Highway Planning and Construction	D040489	20.205	64,081	
Highway Planning and Construction	D035782	20.205	582,904	
Highway Planning and Construction	D040693	20.205	55,817	
Total Highway Planning and Construction			1,552,046	
Total U.S. Department of Transportation			1,565,455	
U.S. Department of Homeland Security				
Direct				
FEMA – Hazard Mitigation Grant Program	Proj 4625-0007	97.039	34,740	
FEMA – Disaster 4625 Remnants of Tropical Storm Fred	Proj 667046	97.036	456,171	
FEMA – Disaster 4625 Remnants of Tropical Storm Fred	Proj 667082	97.036	44,244	
FEMA – Disaster 4625 Remnants of Tropical Storm Fred	Proj 667069	97.036	16,214	
FEMA – Disaster 4625 Remnants of Tropical Storm Fred	Proj 667049	97.036	22,912	
FEMA – Disaster 4625 Remnants of Tropical Storm Fred	Proj 667065	97.036	50,040	

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

CITY OF ROME, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal ALN Number	Current Expenditures	Expenditures to Subrecipients
FEMA – Disaster 4625 Remnants of Tropical Storm Fred	Proj 667071	97.036	2,007	
FEMA – Disaster 4625 Remnants of Tropical Storm Fred	Proj 667067	97.036	38,656	
FEMA – Disaster 4625 Remnants of Tropical Storm Fred	Proj 667066	97.036	41,627	
FEMA – Disaster 4625 Remnants of Tropical Storm Fred	Proj 667080	97.036	26,647	
Total U.S. Department of Homeland Security			733,258	
U.S. Department of Treasury				
Direct				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ARPA)	OMB#1505-0271	21.019	3,689,326	305,485
Total US Department of Treasury			3,689,326	305,485
Total Federal Financial Assistance			$ 8,673,334	$ 459,185

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

CITY OF ROME, NEW YORK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES

Organization

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Rome, New York, an entity defined in Note I to The City's financial statements under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Rome, New York, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Rome, New York.

Basis of Accounting

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

Cluster Programs

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

U.S. Department of Housing and Urban Development

CDBG – Entitlement Grants Cluster

AL# 14.218 Community Development Block Grant – Entitlement Grant

U.S. Department of Transportation

Highway Safety Cluster

AL# 20.600 State and Community Highway Safety
AL# 20.616 Child Passenger Safety Program

2. SUBRECIPIENTS

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

Community Development Block Grant – Entitlement Grant (AL# 14.218)

The Abraham House	$ 20,000
Catholic Charities	43,500
The Center for Family Life and Recovery	19,200
YMCA – Lucy's House	16,000
Rome Alliance for Education	30,000
Rome Art and Community Center	25,000
Total	$ 153,700

Coronavirus State and Local Fiscal Recovery Funds (ARPA) (AL# 21.019)

Utica Neighborhood Housing Service Inc	$ 305,485

3. DE MINIMIS INDIRECT COST RATE

The City of Rome, New York has not elected to use de minimis indirect cost rate as allowed under the Uniform Guidance. Under this method, a rate of 10 percent of modified total direct costs (MTDC) is applied to federal awards issued prior to October 1, 2024. For federal awards issued on or after October 1, 2024, the City is permitted to apply a de minimis indirect cost rate of 15 percent of MTDC, under updated federal regulations.

CITY OF ROME, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS UNIFORM GUIDANCE
For the Year Ended December 31, 2025

Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Was there any material internal control weakness conditions reported for major Federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies over internal controls reported for major Federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR section 200.516 (a)?	No
(d)(1)(vii)	Major Programs (list):	U.S. Department of Transportation Highway Planning and Construction (AL #20.205) U.S. Department of Treasury COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ARPA) (AL# 21.019)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $ 1,000,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

CITY OF ROME, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2025

(Continued)

I. FINDINGS—FINANCIAL STATEMENT AUDIT

None

II. FINDINGS AND QUESTIONED COSTS—FEDERAL AWARD PROGRAMS AUDITS

None

CITY OF ROME, NEW YORK
STATUS OF PRIOR-YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2025

I. FINDINGS—FINANCIAL STATEMENT AUDIT

None

II. FINDINGS AND QUESTIONED COSTS —FEDERAL AWARD PROGRAMS AUDITS

None