

THE CITY OF ROCHESTER, NEW YORK
Annual Comprehensive Financial Report
Year Ended June 30, 2024

Prepared by:
Department of Finance

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Year Ended June 30, 2024
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INTRODUCTORY SECTION



City of Rochester

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Rochester, New York 14614-1290
www.cityofrochester.gov

Malik D. Evans
Mayor

December 23, 2024

The Honorable Members of the City Council
The City of Rochester, New York

Ladies and Gentlemen:

In accordance with provisions of the City Charter, I hereby transmit the annual financial report of the City of Rochester as of and for the year ended June 30, 2024. The accounting firm selected by City Council, EFPR Group, CPAs, PLLC has audited the financial statements. The auditors' unmodified "clean" opinion is included in this report.

In each of the past forty years, the City has been awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). Certificates are awarded to those governments whose annual financial reports are judged to conform to generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. It is my belief that the fiscal year 2024 financial report continues to meet the requirements of the Certificate of Achievement Program.

The preparation of this annual financial report could not have been accomplished without the dedicated effort of the Director of Finance and her entire staff. Their continued efforts to upgrade the accounting and financial reporting systems of the City of Rochester has led to the improved quality of the information being reported to the City Council and the citizens of the City of Rochester.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Malik D. Evans".

Malik D. Evans
Mayor





City of Rochester

Department of Finance
City Hall Room 109A, 30 Church Street
Rochester, New York 14614
www.cityofrochester.gov

Kim D. Jones
Director of Finance

December 23, 2024

The Honorable Mayor, The Honorable Members of the City Council, and Citizens of the City of Rochester, New York

I am pleased to submit the Annual Comprehensive Financial Report of the City of Rochester for the fiscal year ended June 30, 2024. Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

EFPR Group, CPAs, PLLC have issued an unmodified ("clean") opinion on the City of Rochester's financial statements for the year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report. The Management Discussion and Analysis section (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City, located in Monroe County on Lake Ontario, approximately midway between Buffalo and Syracuse, encompasses approximately 37 square miles. After decades of holding the title as the third-largest city in the state of New York, Rochester is now ranked as the fourth largest city in New York State according to the 2020 census report. The updated estimated population is currently 211,328. The City of Rochester lost its place by 241 people according to the 2020 Census results. Rochester is divided into 64,904 real estate parcels and serviced by 532 miles of public ways. Rochester is served by three bus lines; the New York Thruway; and seven major airlines at the Frederick Douglass Greater Rochester International Airport, with 19 non-stop destinations and major hubs with connections world-wide. This airport also offers support facilities for private aircraft. Rail passenger service is provided by Amtrak, and railway freight service is provided by CSX and Genesee & Wyoming, Inc., a regional railroad. Water transportation service is provided by the Erie Canal and through the Port of Rochester.

Incorporated as a village in 1817 and as a city in 1834, Rochester is governed by a mayor, who is directly elected by popular vote to a four-year term of office. As the chief executive officer and the administrative head of government, the mayor is responsible for the administration of all City affairs, including the appointment of all department heads. The nine-member City Council is responsible for the legislative affairs of City government. Each Council member is elected to a four-year term; four by districts representing approximately one-quarter of the City's area, and five by a city-wide vote. The members of City Council elect a President, who presides at Council meetings and ceremonial occasions, and who provides the Council with leadership in the drafting and passing of legislation.

The City provides a full range of municipal services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; community and economic development programs; recreational and cultural activities; water production and distribution; and refuse collection. The City of Rochester is also financially accountable for a legally separate school district and a legally separate land bank corporation, which is reported separately within the City's financial statements. Additional information on these legally separate entities can be found in the notes to the financial statements (See Note I.A).

City Council is required to adopt a final budget no later than the close of the fiscal year, (i.e., June 30th). This annual budget, which is prepared on a departmental basis, serves as the foundation for the City of Rochester's financial planning and control. Though the Mayor may transfer appropriations within a department, City Council must approve transfers between departments.

LOCAL ECONOMY

Rochester's Industrial History

Rochester is located in western New York State where the Genesee River meets the south shore of Lake Ontario. The river drops in elevation as it flows through Rochester, creating rapids and waterfalls that were used to power grist mills and sawmills as early as the late 18th century. The combination of agriculture and waterpower established the city's early history as a grain-processing center.

Rochester benefited substantially as construction of the Erie Canal (1817 to 1825) provided farmers and grain processors in Western New York with low-cost access to markets in New York City and the newly settled states to the west. Grain processing expanded (and local grain cultivation declined) as western grain began to flow into Lake Erie and Lake Ontario ports on its way to eastern markets. Buffalo and Rochester became profitable places to mill the grain into flour before it was shipped on by canal or later, by rail. Rochester grew rapidly, increasing its population by 75% between 1830 and 1850.

As local grain cultivation declined, Rochester area farmers shifted to a profitable niche market, growing fresh flowers for New York City and Boston, and selling flower and vegetable seeds across the country. The legacy of Rochester's "Flower City" years lives on in the annual Lilac Festival held at Highland Park, Rochester's First Park. In May, the Lilac Festival draws international crowds numbering in the thousands during the week-long Festival.

The Civil War spurred the industrial growth of New York State, including Rochester. While an explosion of rail construction during the 1850s and 1860s diminished the economic value of the Erie Canal, Rochester became a major stop on the new transportation corridors. George Eastman's inventions of the late 19th century resulted in the formation of the Eastman Kodak Company in Rochester. By the early 20th century, Kodak had become a key engine of growth in Rochester with peak employment of over 60,000 in 1982. Entrepreneurs of the same era founded other companies with continued name recognition – Bausch & Lomb, the Gannett Company and Hickey-Freeman, as examples.

Another Rochester success story was the Haloid Corporation. Chester Carlson's invention of xerography put the renamed Xerox Corporation at the forefront of innovation. Xerox, starting with the introduction of the world's first automatic plain copier in 1959, grew to become a leading provider of business document management products, as well as commercial printing equipment and business process outsourcing services.

Throughout the 1900s, the presence of high-technology firms led to the City being known as a center for manufacturing in specialized industries such as photographic equipment, graphic innovation, optics, machine tooling, automotive products, and medical instrumentation. During this time, community leaders such as George Eastman sowed the seeds of education with the founding of the University of Rochester; of healthcare with Strong Memorial Hospital and UR's School of Medicine, Dentistry, and Nursing; and of arts with the Eastman School of Music.

Rochester's Transformation to a 21st Century Economy

The dominant feature of Rochester's economy during the previous 30 plus years has been the decline of traditional sources of income and the birth of new firms and industries. Through much of the last century, Rochester was dominated by major manufacturers - particularly Kodak - employing highly skilled production workers, key scientists and technicians in research and development positions, and many headquarters' staff. As these companies restructured, the workers who left these employers have fueled the growth of numerous small and medium sized firms

in a range of industries. In 1980, just over half (57%) of employment was located in small and medium-sized firms with 1,000 employees or less. Most of these firms had direct or indirect links to major Rochester firms like Kodak, Xerox, or General Motors. By 2008, the share of employment in small and medium-sized firms had risen to about 80% (Center for Governmental Research "CGR" estimates from County Business Patterns data). Demonstrating the shift to a service-based workforce, the University of Rochester has grown to be the largest upstate-based employer with 31,940 employees.

Eastman Kodak: Kodak's steady employment growth from the early part of the century through 1982 and the relative stability of Kodak product sales insulated the Rochester economy from the worst of national business cycle fluctuations, including the Great Depression. At its 1982 peak, the Eastman Kodak Company directly employed over 60,000, almost 14% of workers in the Rochester Metropolitan Statistical Area (RMSA). Due to Kodak's relatively high salaries, the company was responsible for 22% of the Rochester MSA payroll. Another fifth of total MSA payroll could be attributed to suppliers of Kodak and companies supported by the purchases of Kodak workers. In all, Kodak was likely responsible for nearly half of the metropolitan economy (CGR estimates).

Kodak's market position has changed dramatically in the intervening years. Until the 1980s, the company faced few competitors, particularly in the lucrative U.S. market. The quality of its products and the respect afforded by its brand enabled the company to earn substantial profits. By the mid-1980s, Japanese competitor Fuji began to challenge Kodak's market position in the U.S. and across the world. Other companies such as 3M, Agfa and Konica also gained share at the expense of the market leaders. The rise of digital imaging broadened the threat to Kodak's film business in the 1990s, and then decimated the firm's principal markets beginning in 2000 as digital imaging nearly replaced film.

Profits continued to decline through the 2000s even as Kodak conducted massive layoffs and sale of facilities and business components. Eastman Kodak filed for Chapter 11 Bankruptcy in January 2012. Kodak emerged in September 2013, reduced in size, and refocused on corporate customers and the commercial printing and packaging businesses. Key to Kodak's restructuring was the sale of R&D patents for more than \$500 million to a technology consortium and sale of Eastman Business Park power plant facility to Illinois based Recycled Energy Development Inc. Kodak celebrated its return to the New York Stock Exchange in November 2013, listed as KODK. Today, Kodak's key business units include print systems, enterprise inkjet systems, flexographic printing, software and solutions, consumer and film, and advanced materials and 3D printing technology.

The City of Rochester and its economic development partners continue to work with Kodak and the tenants of Eastman Business Park to assist in every way possible. Attraction efforts continue to bring new businesses to Eastman Business Park and its existing vacant parcels.

Kodak's Heirs: Kodak's legacy is also visible in the number of successful firms in the community that are remnants or spin offs of the photo firm. These firms include Exelis, Inc. (formerly ITT Space System Division), which purchased Kodak's Remote Sensing Systems unit and renamed the unit ITT's Space System Division (Exelis was acquired by Harris Corporation (now known as Harris L3 Technologies) in 2015; Carestream Health Inc., a subsidiary of Onex Corporation's Onex Healthcare Holdings, Inc., which purchased various units of Kodak's healthcare business; Optimization Technology, which acquired Kodak's capital engineering, capitalized maintenance and construction units; Ultralife Corporation, which spun out of Kodak in 1991; and many others.

Economic Development

The City's Business Development Division provides expanding and relocating businesses with technical and financial assistance through several business loan and grant programs. The division assists manufacturing, commercial retail, professional and high-tech businesses, both established and start-up organizations. In the fiscal year ending June 30, 2021, due to the COVID crisis, a new program was implemented to assist in the retention of existing businesses and their employees during challenging economic times. Approximately 500 businesses were assisted with nearly \$2.5 million dollars in funding (following program completion), which was provided during a challenging economic period.

During the fiscal year ending June 30, 2024, the City of Rochester's Department of Neighborhood and Business Development assisted numerous businesses resulting in approximately 445 jobs retained and 197.5 new jobs expected to be created.

The unemployment rate for the Rochester area as of June 2024 was 3.7%, compared to the national rate of 4.1%, while NY State was 4.2%.

Significant Announcements

The ROC the Riverway initiative is a bold and progressive plan to revitalize Rochester's underutilized Genesee Riverfront. It consolidates more than two dozen transformational projects along the Genesee River into a unified strategy that will enable Rochester to better leverage the value of its riverfront. In February 2018, New York State made an initial commitment of \$50 million to implement the first phase of this vision, and the first projects awarded funding were announced in August 2018. Since then, the City has completed many successful ROC the Riverway projects, including construction of ROC City Skate Park (Phase I), Blue Cross Arena Exchange Street Addition, Rundel Memorial Library North Terrace, West River Wall Reconstruction at the North Star Commons, Main Street Resurgence (Phase 2), the Brewery Line Trail at High Falls Terrace Park, and Genesee Gateway Park (Erie Harbor Phase II). As of 2024, construction was substantially completed on Riverway Main to Andrews West (Austin Steward Plaza / Sister Cities Bridge) and Aqueduct District Street Improvements. Rehabilitation of the Pont de Rennes pedestrian bridge and Browns Race will be completed in late 2024. Construction has begun on the Rochester Riverside Convention Center Main Street Addition and Building Envelope Repairs. Numerous other projects are under design, including but not limited to Aqueduct Reimagined and Riverfront Promenades, Riverway Main to Andrews East (Genesee Crossroads Park), ROC City Skate Park (Phases II and III), and West River Wall Reconstruction Segment 2.

Aqueduct Reimagined, the centerpiece of the ROC the Riverway vision, will reveal the historic Erie Canal Aqueduct and transform the Broad Street Bridge into a dynamic public space that uniquely celebrates the rich history and culture of Rochester. The project will remove vehicular traffic from the Broad Street Bridge and create an iconic location that is inviting to individuals of all socioeconomic statuses and physical abilities. In addition, the project will construct new adjoining riverfront promenades that will bridge critical gaps in the existing Genesee Riverway Trail transportation network. Preliminary engineering and design continued in 2024, along with stakeholder engagement and coordination with state and federal officials, to determine the features of this dynamic new space. In Fall 2024, an updated design concept was released to the public, and Governor Kathy Hochul announced an additional \$4 million state investment to complete the project design, which is anticipated in 2027. Construction was substantially completed on improvements to streets in the adjacent Aqueduct District to create a more pedestrian-friendly area while still accommodating needs for vehicular access.

The City is also advancing the Inner Loop North (ILN) Transformation Project, which will redesign and reconstruct the remaining 1.5-mile segment of the grade-separated Inner Loop Expressway on the north side of downtown Rochester. Like the Inner Loop East, which the City removed in 2017, the ILN poses a formidable barrier between Downtown and adjacent neighborhoods, stifling redevelopment, depressing property values, and discouraging multi-modal connectivity. The City completed the ILN Transformation Planning Study in September 2022, identifying a preferred concept for transforming the ILN into a network of urban streets that better meet the needs of all users; reconnect neighborhoods to Rochester's downtown; and create opportunities for an estimated 22 acres of equitable redevelopment and green space. Also in 2022, New York State's Governor committed \$100 million to fund the ILN project; New York State and the City are jointly pursuing federal funds to fully fund the project. As of 2024, the City had completed a Project Scoping Report and is moving ahead with detailed engineering and design of the build alternative, including further community engagement. A parallel Mobility and Development Strategy is under way to create more detailed land use plans for the corridor along with development-related transportation recommendations.

The City is undertaking a major neighborhood revitalization effort in an area locally known as Bull's Head. Bull's Head includes the convergence of five neighborhood arterials and is the western gateway to downtown Rochester. The City's Bull's Head community planning process resulted in a neighborhood revitalization plan completed in fall 2019. As a

catalyst for area-wide revitalization, the City has targeted to reposition of over 12 acres of existing vacant and/or underutilized property. In 2022, the City was awarded an approximately \$7.5 million street construction grant through the federal Transportation Improvement Program (TIP). The total street project cost is anticipated to be approximately \$15 million. Preliminary street design work has been completed with final design underway, which is anticipated to be completed in 2025. Street construction is anticipated to begin in 2026. An approximate five-year phased approach to mixed-use redevelopment at Bull's Head is anticipated to begin in 2025.

In 2024, the City secured a \$23.7 million federal Safe Streets and Roads for All (SS4A) grant to make significant traffic safety improvements to four major corridors with high rates of traffic crashes and injuries – North Clinton Avenue, East Main Street, Chili Avenue, and Lexington Avenue. The project will apply evidence-based safety countermeasures to each corridor to slow vehicle speeds and reduce severe traffic crashes, with a focus on pedestrians and cyclists, many of whom are low-income and/or people of color. This project will advance the City's plans for a high-comfort Bicycle Spine Network and will comprehensively upgrade signals, signs, and street lighting on all four corridors. Separately, the City secured additional SS4A funds to support further planning and design of improvements to City bicycle and pedestrian facilities. Overall, these funds will substantially advance the City's newly announced ROC Vision Zero initiative, which seeks to eliminate severe traffic-related injuries and deaths in the City of Rochester.

Using a combination of local, state, and federal funds, the City is working to remove and replace all lead water service lines in Rochester by 2030. Since 2021, The City has removed more than 5,200 lead-lined and galvanized water pipes serving City homes, more than half of which were in disadvantaged neighborhoods. By the end of 2024, the City plans to remove 2,900 more lead pipes.

In June 2024, Constellation Brands, Inc., a leading beverage alcohol company completed the relocation of its global headquarters from Victor, N.Y., to the Aqueduct Building campus located at 50 East Broad Street, downtown Rochester, N.Y. The 170,000 square foot Aqueduct Building campus will house approximately 300 employees.

In May 2024, Genesee Brewery, founded in 1878, and New York State's oldest brewery, announced a \$50 million modernization project to create a world-class packaging facility. Also, the investment will allow the brewery to increase its capacity, create 50 new jobs, and retain about 500 existing jobs.

Quality of Life

According to U.S. News, Rochester is ranked #3 for best places to live in NY State in 2023-2024. U.S. News analyzed 150 metro areas in the United States to find the best places to live based on indexes including quality of life, housing affordability, desirability, and the job market in each metro area.

Rochester features a unique blend of history and innovation. Many of the homes and commercial buildings in downtown Rochester are original, dating back a century or more, while others are undergoing renovations to become modern lofts and workspaces. Former home to pioneers and independent thinkers like Susan B. Anthony and Frederick Douglass, Rochester has worked hard to preserve and honor its landmarks.

Per the Greater Rochester Enterprise, Rochesterians enjoy an exceptional quality of life measured by a variety of factors: easy access to cultural amenities and recreational activities, affordable health care and cost of living, excellent schools, and a welcoming environment in which to raise a healthy and educated family. The Rochester community balances the arts, culture, sports, and nightlife of a big city with the ease, quiet, and comfort of a small town.

Technology: According to the Rochester Beacon, panelists who spoke at the "How Rochester Can Become a Hub for Entrepreneurs" online event said the region's relatively low profile, despite being home to a well-developed high-tech ecosystem, is a hidden strength. The panelists agreed that the Rochester area offers plenty of tech-savvy talent to draw on for new hires whether it be Kodak or Xerox veterans or recent Rochester Institute of Technology or University

of Rochester graduates. Rochester has the right infrastructure according to one of the panelists, noting that the region is home to some 150 optics firms, as well as top-flight research institutions.

Education: Rochester Institute of Technology (RIT) ranked as one of the top schools in the world to study game design and launch games, according to international rankings from The Princeton Review. In 2023, RIT's game design and development program ranked third at the undergraduate level and fourth at the graduate level.

Health: Rochester's health care system represents more than 10% of the regional economy. Rochester's health systems are regional centers of excellence. There are at least 67,000 workers employed in health care, generating \$3.65 billion in annual income.

Educational Resources

Metropolitan Rochester is an educational and cultural center. Located within Monroe County are several universities and colleges including the University of Rochester (including its Medical Center, affiliated healthcare facilities and its Eastman School of Music), Roberts Wesleyan University, the State University of New York at Brockport, Nazareth University, St. John Fisher University, Rochester Institute of Technology, and Monroe Community College.

University of Rochester (UR) has more than 26,000 employees, with the University of Rochester Medical Center (URMC) being the largest component of the UR. It is the largest private sector employer based in Upstate New York and the sixth-largest employer in the state.

Beginning in 1996, the University's Medical Center executed a series of strategic plans that have dramatically expanded the physical footprint and economic impact of the institution. The college's 2008 master plan called for new technology, additional facilities, more jobs, new research equipment and marketing of the medical center. A key building component of the plan included the \$60 million, 200,000-square-foot Saunders Research Building that was completed in 2011. The expanded research effort is expected to lift the University of Rochester to a place among the nation's top 15 medical schools in federally funded medical research. In May 2015, URMC officially opened a new \$145 million eight-story, 245,000 square foot addition to its hospital, called The Golisano Children's Hospital.

Arts and Culture

Artistic activities and cultural institutions thrive within the Rochester metro area. The Rochester arts community open their doors for visitors once a month to experience open houses and behind the scenes looks at galleries and studios all over the city. The artists, historians, dancers, actors, writers, and musicians who call Rochester home help create an atmosphere that stimulates creativity and celebrates diversity. Museums, galleries, theatres, and attractions offer special events and experiences that delight visitors from all over the world. This is the unique cultural experience visitors find in Rochester.

Established in 1921 by industrialist George Eastman, the world-renowned Eastman School of Music is consistently ranked among the best comprehensive music schools in the United States. Eastman offers over 900 concerts annually by faculty, students, and guest artists at Kodak Hall at Eastman Theater, at Kilbourn Hall, and at Hatch Recital Hall. Numerous faculty and students of Eastman have received, or been nominated for, Grammy awards in the fields of classical and jazz music.

The Rochester Philharmonic Orchestra (RPO), also established by George Eastman in 1922, is a nationally award-winning orchestra that provides over 150 performances annually with nearly 170,000 in attendance. The RPO performs at the Kodak Hall at Eastman Theater, the Hochstein Performance Hall, and other locations. The RPO is known for its educational programs providing free concerts for school children and the community. The Rochester Museum and Science Center (RMSC) holds over 1.2 million items of local history and 200 interactive exhibits. RMSC also operates the Strasenburgh Planetarium, located next to the RMSC, and the Cummings Nature Center, a 900-acre nature

preserve near Naples, New York. Other Rochester museums include the Memorial Art Gallery of the University of Rochester, with 50 centuries of world art; the George Eastman House International, the George Eastman Museum of Photography and Film; and The Margaret Woodbury Strong Museum - a museum dedicated to the history of play with the world's largest collection of historical items associated with play. The combined institutions experience in excess of 1.0 million visitors each year.

Live theater in Rochester includes touring Broadway shows provided by the Rochester Broadway Theater League at the Auditorium Theater; performances at GEVA Theatre Center, a regional theater in downtown Rochester that is one of the nation's leading non-profit professional theaters; live theater and dance at Nazareth College Arts Center, including dance performances by world renowned, Rochester-based, Garth Fagan Dance; and performances at the Kodak Center for the Performing Arts, Downstairs Cabaret Theatre, and the Blackfriars Theater of Rochester.

Sports

The City has been home to numerous professional sports teams over the years: Baseball - Rochester Red Wings; Soccer – Rochester Rhinos; Lacrosse – Rochester Knighthawks; Ice Hockey – Rochester Americans (Amerks); and Basketball – Rochester RazorSharks. The Buffalo Bills are the closest National Football League team. The Bills' Training Camp is held each summer at St. John Fisher College in Rochester.

The Blue Cross Arena at the War Memorial. With seating capacity for sports events of 11,215, the Blue Cross Arena is home to the Rochester Americans Ice Hockey Team, the Rochester Nighthawks Lacrosse Team, and the Rochester Razorsharks Basketball Team. With a total capacity of 13,000, the arena is also a venue for many concerts and events.

Innovative Field. Home of the Rochester Red Wings, Innovative Field is a 12,500 seat, multi-use stadium located in downtown Rochester that opened its doors to the public in July 1996. The stadium is expandable to 18,000 seats with 4,000 box seats, 4,000 general admission, and 500 premium seats in the form of 36 luxury sky boxes.

Golf. The Greater Rochester area offers over 80 golf courses, among them the nationally ranked Oak Hill Country Club. Arguably, one of the most prestigious golf courses in the country, Oak Hill has earned the top spot in Golf World magazine's course rankings, followed by Augusta National. Oak Hill has hosted numerous major tournaments including two US Amateurs, three US Opens, four PGAs, two Senior PGA Championships, the US Senior Open and the Ryder Cup. Until 2013, Locust Hill Country Club hosted an annual LPGA tournament, which in recent years had been known as the Wegmans LPGA Championship. Oak Hill hosted the 2023 PGA Championship. The Greater Rochester Enterprise estimates the economic impact of the 2023 PGA Championship to be \$190 million, drawing in 225,000 spectators.

Annual Festivals: Spring marks the beginning of Rochester's unique festival season. Almost every weekend from May to October featured major events that drew people to the City's most beloved neighborhoods and parks to enjoy the arts, sounds, and bustling activity of Rochester's festivals, concerts, parades, athletic events, and block parties. The Lilac Festival in May, the Xerox Rochester International Jazz Fest in June, the Corn Hill Arts Festival in July, the Park Avenue Festival in August, and the Fringe Festival in September are just a few of over 400 popular events that attract more than 1.5 million people from not only Rochester and New York State, but from all over the United States and beyond.

Exports

International trade by area exporters continued to be a significant component of the economic activity of the Rochester area. Exports from the Rochester Metropolitan Statistical Area (MSA) were over \$4.4 billion for calendar year 2023. New York State ranks fourth among top exporting states, behind Texas, California, and Louisiana.

Waterfront Development

Port of Rochester: The Port of Rochester terminal building was renamed in honor of former Mayor Johnson. The terminal building was rededicated, and the new name is now William A. Johnson, Jr. Terminal Building at the Port of Rochester. The Port location provides a unique private investment opportunity based on its proximity to the major waterways of Lake Ontario and the Genesee River. The City's Local Waterfront Revitalization Plan (LWRP) for the Port area was amended to incorporate the elements of its most recent master planning process and the completed marina feasibility study. The Port has an 84-slip public marina facility near the confluence of Lake Ontario and the Genesee River. A nationally renowned marina operator was contracted to promote and operate the marina on behalf of the City.

Redevelopment of the ferry link building into a boater services facility and a new welcome center has brought several amenities to the Marina. The following are a few of the amenities that the community enjoy:

- State-of-the-art dock system
- Showers, restrooms, laundry
- Lounge
- Wi-Fi
- Gangway for secure access
- Pump-out station
- Four-lane public launch ramp
- Ships store
- Large party space available for rental

The Port of Rochester Marina is professionally managed and has staff on-site to provide superior customer service. Surrounding the marina is a public promenade connecting the Genesee Riverway Trail to the Charlotte Pier. The marina development enhances the recreational nature of the Port and supports new mixed-use development opportunities to complement the existing commercial, retail and restaurant uses. Together with the City's Port Terminal Docking facilities, restaurant and retail development of the Port Terminal Building, visits by Great Lakes cruise ships, and the Port's existing attractions and events, the marina development project will strengthen the Port of Rochester's reputation as a Great Lakes destination.

With nearly \$30 million in recent public investment at and around the Port of Rochester, the City of Rochester is seeking a developer to purchase and undertake the redevelopment of the City-owned property at 4752 Lake Avenue (Marina Overlook Site). The 2.8-acre vacant property is located at the heart of the Port of Rochester and is adjacent to the 84-slip Port of Rochester Marina. The City issued a developer Request for Proposals in October 2023 and is currently negotiating with a firm selected for redevelopment of the site.

Center City: Rochester's Center City is continuing its growth and development as the hub of business, government, cultural, sports, entertainment, and educational activities for the entire region. There is also an increasing number of people who now call Center City home.

The Rochester Downtown Development Corporation (RDDC), established in 1977, is a 501(c)(3) non-profit organization dedicated to driving economic vitality in downtown Rochester by promoting downtown's assets to attract businesses and investments while fostering innovative ideas to create a more vibrant and inclusive community. In 2020, RDDC founded The Commissary, the region's first food business incubator and shared kitchen in a new facility designed to incubate food businesses (food trucks, startup restaurants, caterers, bakers, and food production startups). In 2023, RDDC launched Downtown Definitely Events, a promotional partner program showcasing over 20 small and local businesses at each event, promoting downtown's local offerings.

2023 saw the completion of some transformational projects within the downtown core including The Strong National Museum of Play expansion and the Hampton Inn & Suites hotel in the Neighborhood of Play. Residential conversions

at The Rockford and Glenny Building opened in 2023, and the State Street Infrastructure Project was completed, updating and improving an important downtown thoroughfare. Constellation Brands relocated to Center City from the suburbs in 2024.

A number of Center City projects recently completed include:

Constellation Brands: Spring 2024 saw the successful relocation of Constellation Brands' global headquarters to the historic Aqueduct Building campus located along the Genesee River on Broad Street, in the heart of Rochester's Center City. Constellation Brands (NYSE: STZ) acquired and fully renovated the 170,000 sq. ft. historic waterfront Aqueduct Campus to relocate its headquarters from Victor, New York to downtown Rochester, bringing in approximately 300 jobs.

The Glenny Building at 190 E. Main Street: Renovation of a historic vacant former commercial building into mixed use with 25 rental units and approximately 5,200 square feet of commercial space.

The Rockford at 30 W. Broad Street: Home of City Hall for a century until 1974, this is a building listed on the National Register of Historic Places. This five-story building was renovated and converted into modern offices, retail space, a bar restaurant, and 30 residential units.

Austin Steward Plaza: The City reopened the former Charles Carroll Plaza, renamed for business owner and abolitionist Austin Steward, following a \$24 million project to improve the park, the underlying parking garage, and the Sister Cities Bridge. The project was funded from the Upstate Revitalization Initiative through ROC the Riverway and administered by the Department of State and reinvigorated this public space by improving access, safety, and connectivity. Improvements to the plaza include improved lighting, greenspace, and views of the river, as well as the creation of ADA-accessible connections between Main, Andrews, State and St. Paul Streets and on the Sister Cities Bridge. Numerous walls that had blocked views of the river were also removed.

Main Street Resurgence (Phase 2): This is a recently completed public project, which enhanced the streetscape along Main Street in the downtown core of the city. The project included a mill and overlay of pavement, new sidewalks, benches, bicycle parking, new trash receptacles, recessed on-street parking, new street trees planted in enlarged and curbed tree pits, and improvements to the Main Street bridge across the Genesee River.

A number of Center City projects currently underway include:

Gannett Building at 55 Exchange Blvd: Renovation and conversion of the former offices and newspaper printing facilities for the Gannett Newspapers chain into 94 market rate rental apartments, storage units, and ground floor retail spaces. Completion is anticipated by spring 2025.

Ellwanger & Barry Building at 39 State Street: Renovation and conversion of the historic former Ellwanger & Barry office building into 64 market rate rental apartments with ground floor retail.

Most of the five grant-awarded Downtown Revitalization Initiative (DRI) projects are being planned or are currently underway including the redevelopment of four buildings on the corner of Main Street and Clinton Avenue, the redevelopment of the Edwards Building into mixed use with residential, and the conversion of the Kresge Building into a boutique hotel. The Alta Vista at St. Joseph's Park project is an affordable housing project, which celebrated its groundbreaking in April 2024. A non-DRI project also currently underway is the Center City Courtyard project, an affordable housing development on W. Main Street, which is slated to open in late 2025.

The City continues to apply for, and successfully secure, New York State rehabilitation and construction grants that provide gap funding for impactful projects in Center City, continuing the conversion of under-utilized office buildings into mixed use with residential units. This is growing the residential population of Center City and creating opportunities for a new mix of commercial and retail businesses.

Investment in Residential Areas

In addition to investments in business development, the City is devoting a major share of its Community Development Block Grant (CDBG) program to the improvement of residential neighborhoods. The City has allocated millions of the total federal allocations and program dollars to the City's residential areas since the inception of the CDBG program in 1975.

Rochester's Consolidated Community Development Program, which began in 1975, is a major source of funds for the City's revitalization efforts. The original Community Development Program was established as a result of the Federal Housing and Community Development Act of Consolidated Community Development Program. The amount of the annual grant is determined by a statutory formula that uses several objective measures of community need.

The grant is based upon a citizen participation process that identified needs and priorities and the City's Housing Policy. The Housing Policy guides the allocation of federal and other resources available to the City to address priority housing needs and specific objectives. The goals and policy priorities adopted by the administration also guided the program's development.

The expected outcomes of the program focus on the provision of decent housing, a suitable living environment and expanded economic opportunities for all citizens.

In support of these goals, the objectives and dollar allocations are:

- promote economic stability, job creation and development by encouraging private investment in neighborhood commercial, service, manufacturing and wholesale activities and improve the accessibility of City residents to existing and newly created economic opportunities,
- improve the housing stock and general property conditions through rehabilitation, redevelopment and new construction of housing, homeowner assistance, rental market support, housing choice and neighborhood and asset-based planning; and
- respond to general community needs by providing and leveraging resources to improve the efficiency, quality, and access to existing services with a particular focus on public services and infrastructure improvement, and others which include staff costs, program management, and services to the homeless and those with AIDS.

LONG-TERM FINANCIAL PLANNING

The City has historically been able to maintain a stable, unassigned fund balance in the general fund at approximately one percent of total general fund revenues. The balance as of June 30, 2024, was \$117,030,773. The City adopted a fund balance policy on October 17, 2017, specifying unrestricted fund balance in the general fund to be maintained at no less than 12.5% of annual projected general fund expenditures in the same fiscal year. The policy also specifies that should fund balance in the general fund fall below this level then restoration will be no later than within three years.

As a planning tool for long-term financing, and the annual budget process, the City prepares a five-year capital improvement program. This document, which is updated annually, prioritizes capital projects by their funding source and timing. Bonded indebtedness is managed in coordination with debt repayment schedules to stay within legal debt limits and to maintain a stable level of debt service. Also, the City Charter allocates the 9% New York State constitution debt limit between the City and the District; 5.5% for municipal purposes and 3.5% for educational purposes.

RELEVANT FINANCIAL POLICIES

In recognition of the level of state and federal education aid and of the City of Rochester's record of providing a higher level of per capita education support than other major New York cities, the City Charter fixes the coterminous Rochester City School District's share of local tax revenue at \$119.1 million per year.

City Council annually adopts a resolution establishing a debt limit. The debt limit for tax-supported borrowing is equal to the amount of principal on outstanding debt to be redeemed during the fiscal year for which the limit is established. Exceptions to this policy are to be approved only for projects and purposes, which could not reasonably be foreseen and, if not approved, would result in an obvious public danger or economic loss; and projects and purposes for which the debt issued therefore would be self-supporting.

REPORTING ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rochester for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the fortieth consecutive year that the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that this report, the 2024 Annual Comprehensive Financial Report, continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Bureau of Accounting, under the leadership of Kathleen Havens. I would like to express my appreciation to all members of the department who assisted and contributed to its preparation. Finally, I would like to thank the Mayor and the members of the City Council for their continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Kim D. Jones
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Rochester
New York**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF ROCHESTER, NEW YORK
MAYOR AND CITY COUNCIL OFFICIALS

June 30, 2024

Malik D. Evans, Mayor

Miguel A. Meléndez, Jr., (At-Large), President

LaShay D. Harris (South District), Vice President

Mitchell D. Gruber (At-Large)

Willie J. Lightfoot (At-Large)

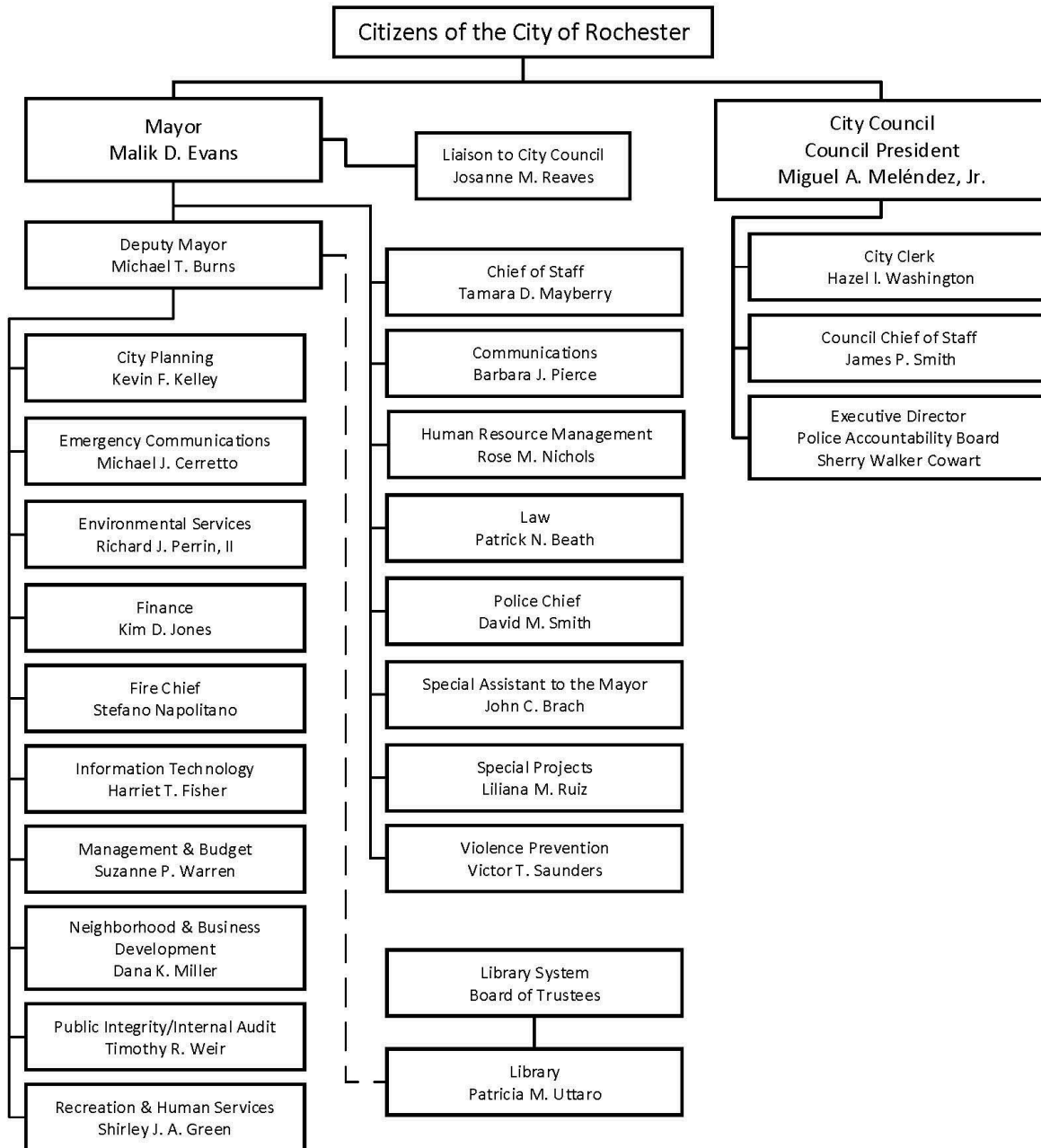
Stanley Martin (At-Large)

Kim Smith (At-Large)

Mary Lupien I (East District)

Bridget A. Monroe (Northwest District)

Michael A. Patterson (Northeast District)



**CITY OF ROCHESTER, NEW YORK
ORGANIZATIONAL UNITS AND OFFICIALS**

Mayor

	Malik D. Evans
Deputy Mayor	Michael Burns
Chief of Staff	Tamara D. Mayberry
City Clerk	Hazel I. Washington
City Council Chief of Staff	James Smith
Management & Budget	Suzann P. Warren
Communications & Special Events	Barbara J. Pierce
Human Resource Management	Rose M. Nichols
Public Integrity/Internal Audit	Timothy R. Weir
Special Projects and Educational Initiative	Liliana M. Ruiz
Emergency Communications	Mike Cerretto
Environmental Services	Richard J. Perrin, II
Finance	Kim D. Jones
Fire	Stefano Napolitano
Information Technology	Harriet T. Fisher
Law	Patrick Beath
Library	Patricia M. Uttaro
Neighborhood & Business Development	Dana K. Miller
Police	David M. Smith
Recreation & Human Services	Shirley J.A. Green
Violence Prevention	Victor T. Saunders

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of
City Council
City of Rochester, New York:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rochester, New York (the City), as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Rochester City School District (the District), discretely presented component unit, which is reported on the statement of net position at (\$374,096,000). Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for the District is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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'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.

Auditors' 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 auditors' 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 GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the additional information on pages 104 through 111 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 GASB 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining balance sheet - nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balances - nonmajor governmental funds, the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the schedule of state transportation assistance expended, as required by Part 43 of the New York State Codification of Rules and Regulations are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining individual and fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 23, 2024 on our consideration of the City'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'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's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Rochester, New York
December 23, 2024

As management of the City of Rochester, we offer readers of the City of Rochester's financial statements this narrative overview and analysis of the financial activities of the City of Rochester for the fiscal year ended June 30, 2024. In this section, all amounts are expressed in thousands of dollars, unless otherwise indicated.

For the management discussion and analysis for the Rochester City School District please see the separately issued Annual Comprehensive Financial Report of the District for the year ended June 30, 2024.

Financial Highlights

- The liabilities and deferred inflows of the City exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$498,579 (net position).
- The City's total net position increased by \$39,630.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$203,523, an increase of \$28,527 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,653, or approximately 1.5% of total general fund expenditures.

The City's total outstanding debt decreased by \$1,385 from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Rochester's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements, such as budgetary comparison.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Rochester's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Rochester's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Rochester is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Rochester that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Rochester include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities of the City of Rochester include a water utility, parking garage and lot operations, an arena at the War Memorial, residential and commercial refuse collection services, two cemeteries, and the public market.

The government-wide financial statements include not only the City of Rochester itself (known as the *primary government*), but also two legally separate component units, the Rochester City School District and the Land Bank. Financial information for the *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages immediately following this section as the first two pages of the Basic Financial Statements.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Rochester, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Rochester can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Rochester maintains fifteen governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, general capital projects fund, transportation capital projects fund, and the community development special revenue fund, all of which are considered to be major funds. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The financial statements for governmental funds can be found in the Basic Financial Statements, which is the following section.

Compliance with the City's annual operating budget for the year ended June 30, 2024, which includes the General Fund as well as certain special revenue and enterprise funds, is reported in the *Combining Schedule of Revenues, Expenses and Changes in Fund Balance/Net Position - Budget and Actual - General, Certain Special Revenue and Proprietary Funds - Non-GAAP Budget Basis* which is provided as Required Supplemental Information following the Notes to the Financial Statements.

Proprietary funds. The City of Rochester maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Rochester uses enterprise funds to account for its Water, Parking, War Memorial, Refuse, Cemetery, and Public Market. The *internal service fund* is used to account for general liability risk management. Because general liability risk management predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Parking, War Memorial, Refuse, Cemeteries and Public Market operations, which are considered to be major funds of the City of Rochester. In addition, the internal service fund is presented in the proprietary fund financial statements.

The proprietary fund financial statements can be found in the Basic Financial Statements section of this report.

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 statements because the resources of those funds are *not* available to support the City of Rochester's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found in the Basic Financial Statements section 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 following the Basic Financial Statements section of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds can be found in the section following the Basic Financial Statements.

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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$498,579 at the close of the most recent fiscal year.

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

City of Rochester's Net Position

(000's omitted)

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 555,899	\$ 606,297	\$ 101,390	\$ 98,793	\$ 657,289	\$ 705,090
Capital assets	728,373	730,066	222,727	239,436	951,100	969,502
Total assets	1,284,272	1,336,363	324,117	338,229	1,608,389	1,674,592
Deferred pension outflow	141,426	146,748	3,073	2,967	144,499	149,715
Deferred OPEB outflow	63,583	88,349	8,377	7,967	71,960	96,316
Total deferred outflows of resources	205,009	235,097	11,450	10,934	216,459	246,031
Long-term liabilities outstanding	1,286,950	1,347,143	123,377	144,050	1,410,327	1,491,193
Other liabilities	316,531	384,344	45,426	48,677	361,957	433,021
Total liabilities	1,603,481	1,731,487	168,803	192,727	1,772,284	1,924,214
Deferred Inflow - PPP	—	—	3,688	4,097	3,688	4,097
Deferred Inflow - OPEB	415,805	469,592	55,360	42,342	471,165	511,934
Deferred inflow - leases	3,829	4,925	5,498	5,622	9,327	10,547
Deferred inflow - pension	64,795	7,818	2,168	222	66,963	8,040
Total deferred inflows of resources	484,429	482,335	66,714	52,283	551,143	534,618
Net investment in capital assets	611,165	602,955	162,729	177,832	773,894	780,787
Restricted	28,713	12,653	7,125	5,818	35,838	18,471
Unrestricted (deficit)	(1,238,507)	(1,257,970)	(69,804)	(79,497)	(1,308,311)	(1,337,467)
Total Net Position	\$ (598,629)	\$ (642,362)	\$ 100,050	\$ 104,153	\$ (498,579)	\$ (538,209)

Current and other assets for the City decreased in governmental activities by \$50,398. The largest portion of this was cash and cash equivalents decreasing by \$68,501. This was a direct result of projects covered by the American Rescue Plan Act (ARPA) funds. The City had received the funds and invested the balance, within General Fund as unearned revenue. Last year saw allocation and significant increased spending in projects, both Governmental and Business-type, using ARPA funds such as \$11,770 towards lead service water line replacements, \$2,862 in neighborhood improvements through Roofing and \$3,321 in Buy the Block programs, as well as \$1.8 million towards Guaranteed Basic Income, and \$2,695 for Workforce Development programs. ARPA funds allowed for the City to enact these programs without taking on new long-term debt.

Over the past fiscal year the City's total liabilities in governmental activities decreased by \$128,006. Following the \$81,217 decrease in unearned revenue in fiscal year 2023, the increased spending of American Rescue Plan Act (ARPA) funds resulted in another decrease in unearned revenue of \$56,161. Based on actuarial projections, the city also saw significant decreases in long-term liabilities such as a \$44,638 decrease in OPEB liability and a \$47,354 decrease in net Pension Liability.

The decrease in aggregate net pension liability caused an increase in the City's deferred inflow of resources. The deferred pension inflow increased by \$58,923 across all funds. Governmental funds increased by \$56,977, with a smaller increase in business type funds of \$1,946. Some of this was offset by a decrease in the City's deferred inflow of resources from OPEB which decreased by \$40,769. This impacted governmental funds by decreasing the deferred inflow by \$53,787, which was partially offset by a \$13,018 increase in business type funds.

City of Rochester Net Position
 June 30, 2023 and 2024



The City's total net position increased by \$39,630. As a result there is an increase of \$43,733 in the net position of governmental activities offset by a decrease of \$4,103 in the net position of business-type activities. While the net investment in capital assets declined, it was only a 0.42% or \$6,893 decrease.

A portion of the City's net position represents resources subject to external restrictions on how they may be used. The City's restricted fund balance grew 94.02%, an increase of \$17,367. This was a direct result of an increase in governmental funds restricted for capital assets. With the increased allocation and encumbrance of American Rescue Plan Act (ARPA) funds the fund balance for Governmental Capital projects has a \$16,000 surplus. ARPA projects also increased the restricted fund balance for business type assets by \$1,307, a 22.46% increase over the previous year.

Both the government as a whole, as well as its separate governmental and business-type activities saw improvement in their unrestricted net deficit. The City's governmental activities improved by 1.55% and business type activities decreased by 13.89%. This results in a \$29,156 decrease citywide.

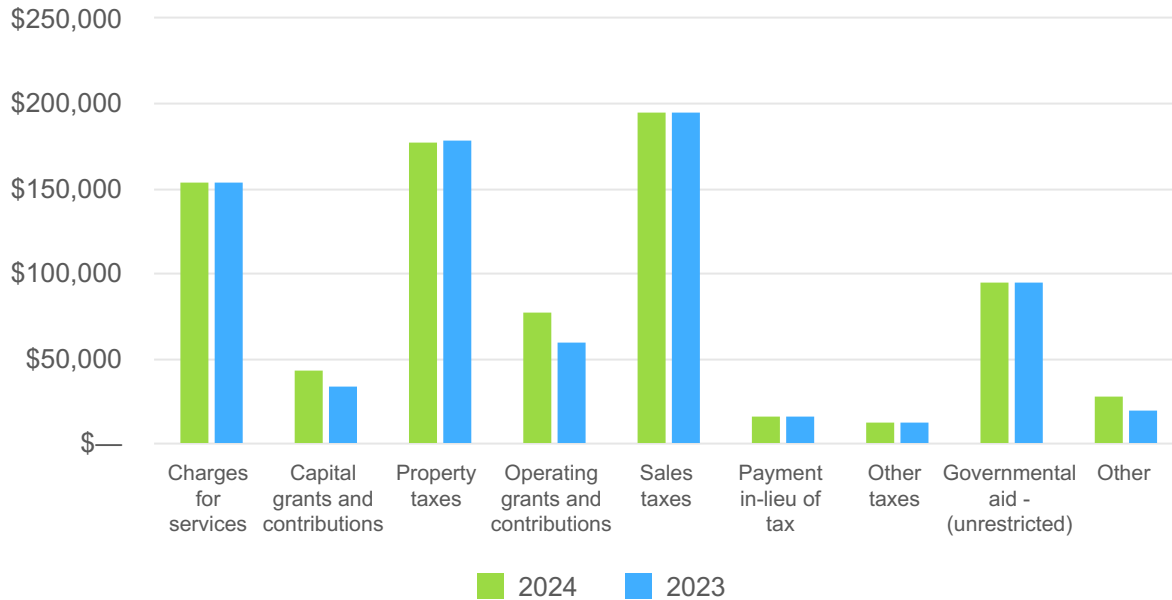
Governmental activities. As noted previously, Governmental activities net position increased by \$43,733. Key components of this change are summarized as follows:

City of Rochester's Changes in Net Position
 (000's Omitted)

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 154,361	\$ 154,119	\$ 82,271	\$ 84,279	\$ 236,632	\$ 238,398
Operating grants and contributions	77,418	60,285	—	—	77,418	60,285
Capital grants and contributions	43,131	33,695	243	15,354	43,374	49,049
General revenues:						
Property taxes	177,890	179,025	3,298	3,838	181,188	182,863
Sales and other taxes	224,659	225,241	905	905	225,564	226,146
Governmental aid	95,292	95,662	14,544	3,411	109,836	99,073
Other	28,149	20,235	7,455	2,556	35,604	22,791
Total revenues	800,900	768,262	108,716	110,343	909,616	878,605
Expenses:						
General Government	223,272	208,773	—	—	223,272	208,773
Neighborhood business development	45,646	36,975	—	—	45,646	36,975
Environmental services	36,296	49,939	—	—	36,296	49,939
Transportation	58,761	37,584	—	—	58,761	37,584
Emergency communications	20,580	21,154	—	—	20,580	21,154
Police department	137,227	148,115	—	—	137,227	148,115
Fire department	82,666	81,517	—	—	82,666	81,517
Library	2,088	14,396	—	—	2,088	14,396
Recreation and human services	31,378	17,790	—	—	31,378	17,790
Education	119,100	119,100	—	—	119,100	119,100
Interest on long term debt	6,104	4,279	—	—	6,104	4,279
Water	—	—	53,504	52,453	53,504	52,453
Parking	—	—	16,399	13,300	16,399	13,300
War memorial	—	—	3,110	2,492	3,110	2,492
Refuse	—	—	28,031	29,675	28,031	29,675
Cemetery	—	—	3,848	3,801	3,848	3,801
Public market	—	—	1,976	2,051	1,976	2,051
Total expenses	763,118	739,622	106,868	103,772	869,986	843,394
Excess (deficiencies) of revenues over expenses	37,782	28,640	1,848	6,571	39,630	35,211
Transfers	5,951	5,451	(5,951)	(5,451)	—	—
Change in net position	43,733	34,091	(4,103)	1,120	39,630	35,211
Net position (deficit) - beginning	(642,362)	(676,453)	104,153	103,033	(538,209)	(573,420)
Net position (deficit) - ending	\$ (598,629)	\$ (642,362)	\$ 100,050	\$ 104,153	\$ (498,579)	\$ (538,209)

Governmental activities revenue highlights

**Governmental activities revenues
 for fiscal years ending June 30, 2023 & 2024**



The governmental activities saw an overall revenue increase of \$32,638; with total increases of functions of \$34,724, offset by decreases totaling \$2,087.

Operating grants and contributions increased by \$17,133, primarily due to increase in spending of ARPA funds. There was an increase of \$5,206 in Neighborhood Business Development as the department had their a wide range of program revenues boosted with \$15,274 in ARPA funds, including affordable housing (Buy the Block initiative), housing and roof rehab grants for owner-occupants, lead service replacement homeowner grants, Land Bank funding, demolition funding and other initiatives. Police saw an increase of \$1,453 as a direct result of a \$1,896 increase in New York State impact grants. Projects such as the ARPA funded \$2,492 for Guaranteed Basic Income, \$6,814 in New York State Grants towards the renovation of Charles Carroll Plaza, and \$3,223 in Federal Aid towards East and Culver Street maintenance project led to an increase of \$9,032 in General Government revenue. As a result of a \$3,110 increase in program revenues from ARPA, Recreation & Human Services also saw an overall increase of \$2,965 in revenue. Fire also saw an increase of \$148. Other areas saw a decrease in revenues, including a decrease of \$266 in Environmental Services; a decrease of \$409 in Transportation; and a decrease of \$996 in library as the Rundel library improvements reached completion;

Capital grants and contributions increased by \$9,436 primarily due to \$7,414 in ARPA funds. On the fund level the City saw an increase of \$4,659 in General Government, with \$4,687 from ARPA covering projects that renovated fire stations, assessment of the War Memorial at the Blue Cross Arena ice plant, and improvements to the network infrastructure. ARPA funding of \$2,727 also contributed to the increase of \$2,360 in Recreation & Human Services. These funds were allocated for workforce development, youth programs and renovations of the Convention Center. Transportation's increase of \$4,414 can be attributed to \$4,336 in revenue accrual for New York State and a \$2,844 accrual for Federal grants. Other increases include \$437 in Environmental Services; an increase of \$4 in Neighborhood & Business Development; and an increase of \$73 in Police. These increases were offset by a decrease of \$593 in Fire as the New York State Healthcare work bonus decreases by \$1,349; and a decrease of \$1,918 in Library tied to the completion of Roc the Riverway projects.

The City's charges for services increased by \$242. This represents a 0.16% overall increase in charges primarily due to an increase of \$1,311 in Police, which saw a \$1,025 increase in Police Special events fee reimbursements. The remaining increases are comprised of \$35 in Library; \$63 in Neighborhood Business Development; \$133 in Transportation; \$205 in Fire; and \$71 in Emergency Communications. These increases were offset by a decrease of

\$263 in Environmental Service; a decrease of \$880 in General Government; and a decrease of \$433 in Recreation & Human Services.

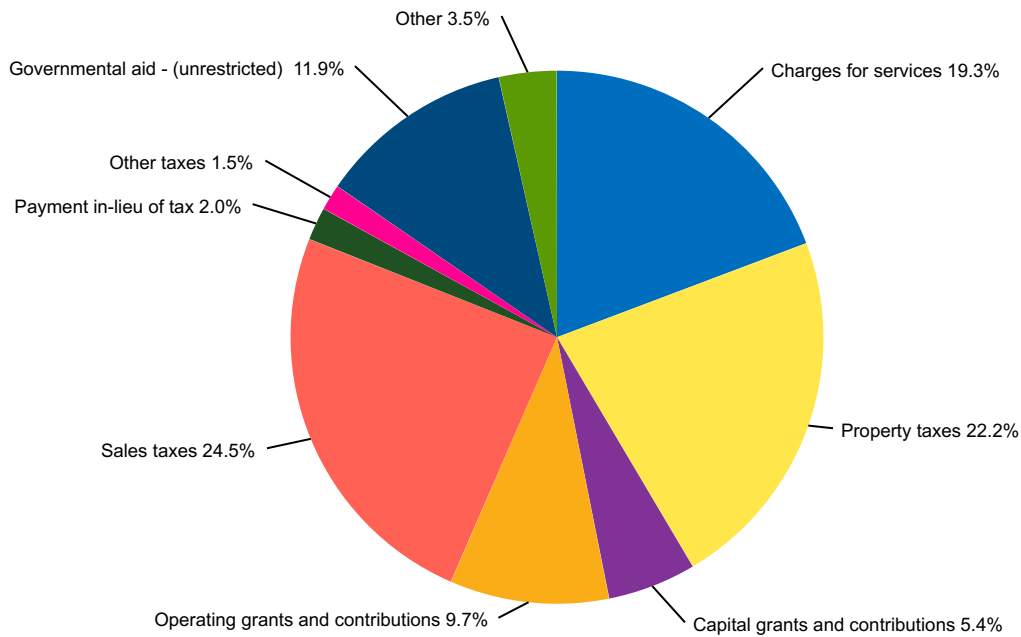
Other activities increased by \$7,914 as interest revenues increased by \$8,753 from favorable interest rates and was offset by a decrease of \$839 in miscellaneous revenues.

The City saw decreases in tax and government aid revenue during the fiscal year. Property tax revenue decreased by \$1,135 primarily due to a decrease of \$1,525 in the year-end accrual of the property tax receivable and a decrease of \$398 in Real Property Tax Levy. The decreases were offset by increases of \$639 in library support; \$80 in Animal Control support; and \$69 in Delinquent Collections.

Sales and other taxes decreased by \$582 primarily due to a decrease of \$972 in Other Taxes, which included a \$686 decrease in mortgage tax and a \$366 decrease in utility tax. These decreases were offset by an increase of \$78 in Payment in-lieu of tax, and an increase of \$312 in Sales Tax received.

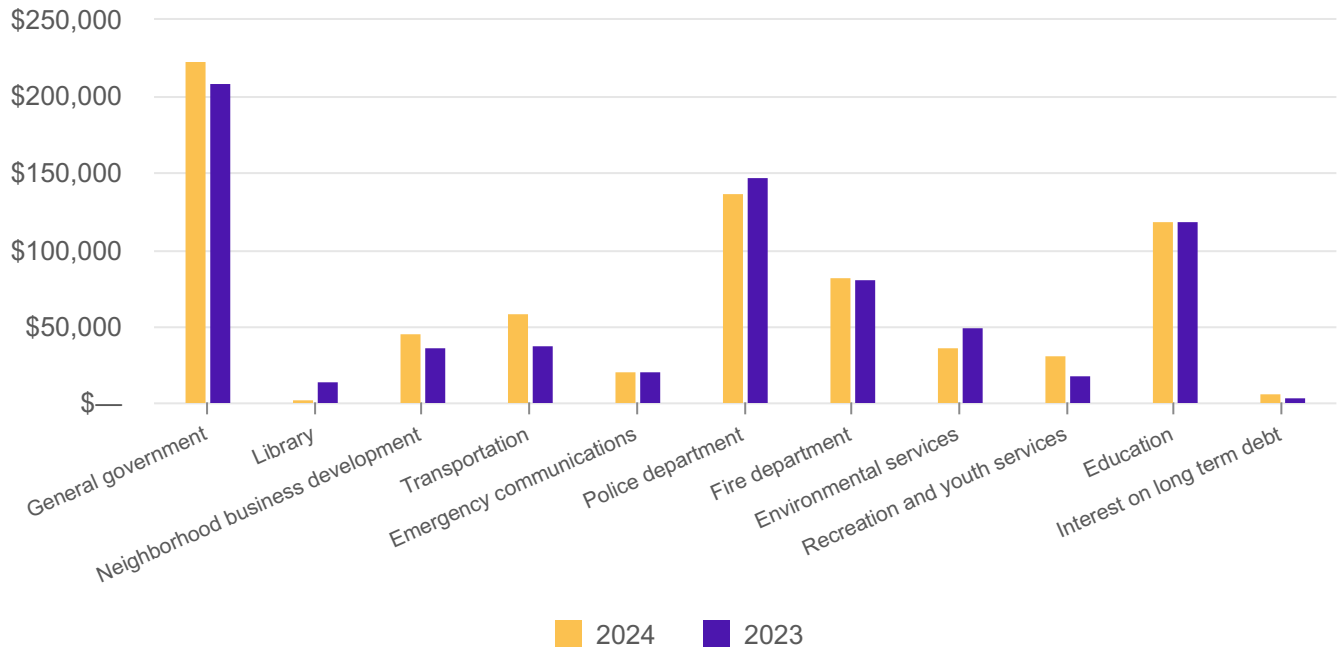
Governmental aid decreased by \$370 primarily due to a decrease of \$886 in the New York State Star Program and a decrease of \$6 in federal interest subsidy. This was offset by an increase of \$491 from Medicare Part D subsidy and an increase of \$31 in accruals for federal aid for emergency services

Revenues by Source - Governmental Activities



Governmental activities expense highlights

**Governmental activities expenses
 for fiscal year ending June 30, 2023 & 2024**



Governmental activities expenses saw an increase of \$23,496. With total increases of functions totals \$60,909 were offset by \$37,413 of decreases.

Recreation and Human Services expenses increased by \$13,588 primarily due to an increase of \$1,339 in General Capital with ARPA funds covering \$1,362. These funds were used towards improvements to parks at Maplewood, Durand, and Humboldt Street waterpark. An increase of \$2,439 in General Fund was spurred by ARPA funded workforce development programs increasing by \$1,531 as well as increased staffing levels to support programs. Adjusting entries created an increase of \$9,875, including \$18,581 increase in OPEB expenses and a \$6,787 decrease in capital assets. There was also an increase of \$1 in other funding and an increase of \$111 in Animal Control, which were offset by a decrease of \$89 in Cultural/Recreation; and a decrease of \$88 in Federal Projects;

Transportation expenses increased by \$21,177. These increases included an increase of \$717 in General Capital, and an increase of \$12,728 in Transportation, which saw \$7,747 spent towards Pont De Rennes bridge and additional increase spending on a variety of street maintenance and repair projects. A \$9,404 changes in capital assets led to an increase of \$8,645 in Adjusting Entries. Offsetting these increases were decreases of \$838 in General Fund, \$40 in Local Works, and \$35 in Other.

Neighborhood and business development expenses increased by \$8,671. An increase of \$1,356 in General Capital; \$295 from RURA; and \$550 in Economic Assistance, combined with an increase of \$6,747 in General fund. The General fund featured ARPA related expenses of \$5,265 in lead removal, \$2,862 in roofing projects, \$464 in emergency home program, and \$2,352 in housing rehab services. A decrease of \$1 in Community Development; a decrease of \$39 in State Projects; a decrease of \$25 in Federal Projects; and a decrease of \$212 in adjusting entries offset the previous increases.

General government expenses increased by \$14,499 largely due to an increase of \$12,874 in General Capital which covered a variety of projects such as \$2,987 in forestry and horticultural, \$1,029 in software for mainframe replacement, \$1,306 for improvements at the convention center, and \$8,698 on renovation of the Charles Carroll Plaza, now renamed Austin Steward Plaza. General Fund also increased by \$14,948 in General Fund, resulting from a \$2,209 increase in the ARPA sponsored Buy the Block Program, \$1,775 expended towards the Guaranteed Basic

Income program, an increase of \$1,344 in health and medical related expenses and \$1,834 change in retirement costs. There was also an increase of \$100 in State Projects; an increase of \$74 in Animal Control; offset by a decrease of \$16 in Other; a decrease of \$174 in Local Works; a decrease of \$7 in Library; and a decrease of \$16 in Other. Additionally there was a decrease of \$2,313 in Economic Assistance, due to decreased spending on the Erie Harbor project; and a decrease of \$10,971 in Adjusting Entries including a \$12,063 decrease in pension liability;

Fire expenses increased by \$1,149 primarily due to an increase of \$692 in General Fund primarily from increased labor costs; and an increase of \$937 in General Capital with ARPA related projects increasing spending on fire house renovations by \$1,140; offset by a decrease of \$439 in adjusting entries; and an increase of \$41 in State Projects;

Interest on long term debt expenses increased by \$1,825. Some factors in this were an increase of \$34 in Library; an increase of \$289 in adjusting entries; an increase of \$42 in Local Works; and an increase of \$1,460 in General Fund, including an increase of \$1,597 from interest on notes payable.

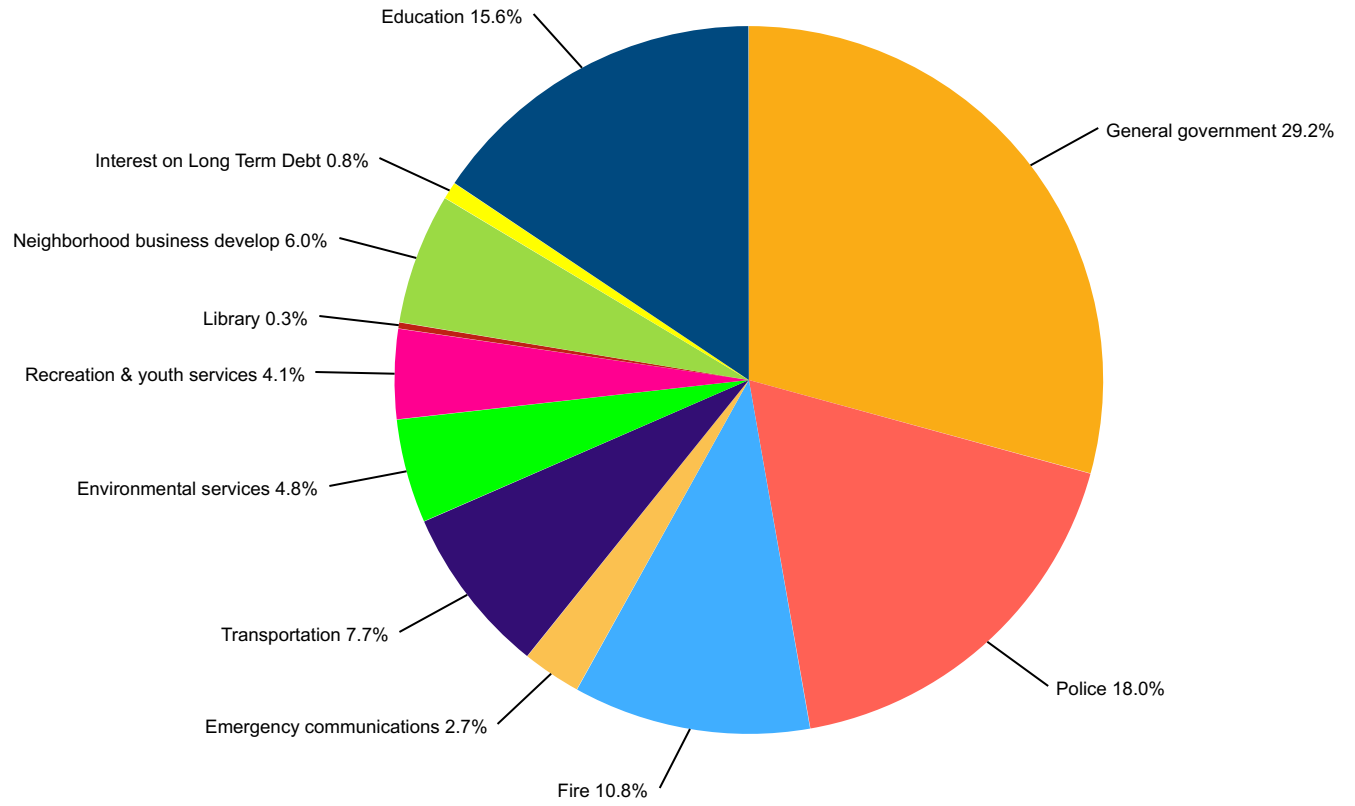
Library expenses decreased by \$12,308 primarily due to a decrease of \$12,665 in adjusting entries with a decrease of \$7,049 in OPEB liability and a \$3,112 decrease in capital assets. There was an additional decrease of \$7 in Cultural/Recreation which was offset by an increase of \$59 in General Capital and an increase of \$305 in Library.

Environmental services expenses decreased by \$13,643 primarily due to a decrease of \$17,710 in adjusting entries from a \$5,060 decrease in capital assets, a \$7,482 decrease in OPEB liability, and a \$5,054 decrease in OPEB deferred liability. Additionally there were decreases of \$198 in Transportation; and \$215 in Federal Projects. Partially offsetting these were an increase of \$1,042 in General Capital, which included an increase of \$475 spent on security and safety measures in City facilities, as well as an increase of \$1,530 in Local Work, which saw a \$1,021 increase in snowing and salting equipment. The City also had an increase of \$1,908 in the General Fund, with increases of \$252 in architecture services, \$276 in construction, \$260 in building operations, \$320 in fleet repair services, and a \$783 in security services.

Police expenses decreased by \$10,888, primarily due to a decrease of \$4,748 in adjusting entries with a decrease of \$5,230 in OPEB liability. General Fund saw a decrease of \$3,012, with \$2,189 from a decrease in salary. A decrease of \$15 in State Projects and a decrease of \$3,287 in General Capital resulting from a decrease in previous year's ending for a \$2,020 body cam project and a decrease in \$1,181 in a vehicle program. There was also an increase of \$174 in Federal Projects.

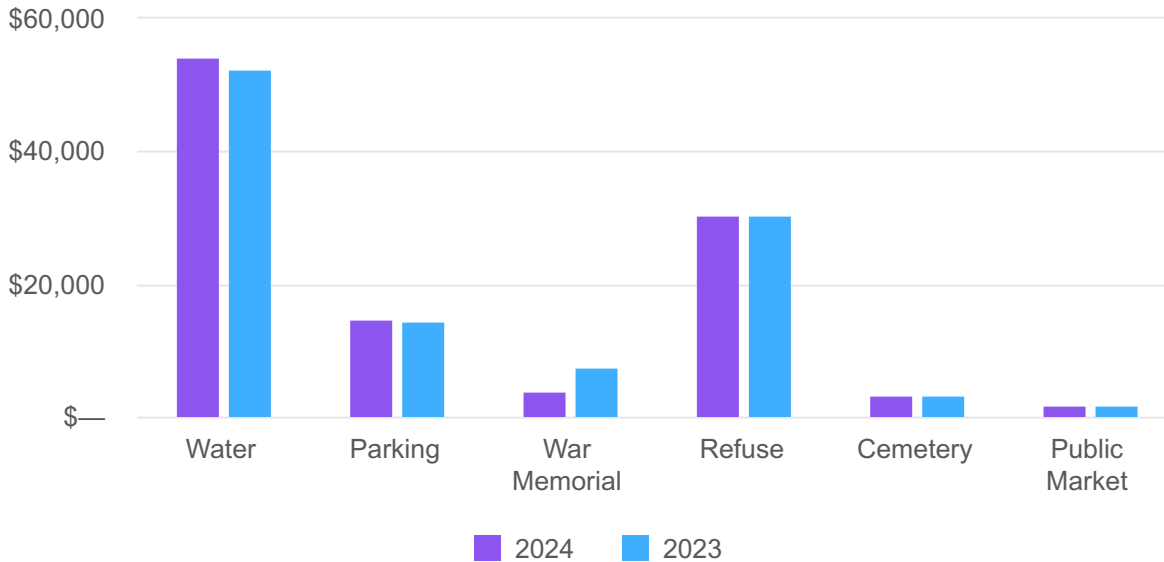
Emergency communications expenses decreased by \$574 due to a decrease of \$23 in General Capital; and a decrease of \$563 in adjustments, resulting from with a \$503 net decrease in OPEB deferrals and liabilities. An increase of \$12 in General Fund partially offset these.

Expenses by Source - Governmental Activities



Business-type activities revenue highlights

Business Type activities revenues
 for fiscal years ending June 30, 2023 & 2024



Revenues for business-type activities showed an overall decrease of \$1,627, with decreasing activities totaling \$17,659 and \$16,031 of increasing functions.

Property taxes decreased by \$540 primarily due to a change in tax support with a decrease of \$522 in War Memorial and a decrease of \$76 in Cemetery offset by an increase of \$58 in Public Market.

Charges for services saw a decrease of \$2,008. Water saw a decrease of \$1,391, much of which was from a \$1,229 decrease in metered sales. A \$317 decrease in Refuse features a \$249 decrease in Worker's Compensation recovery. Parking saw a decrease of \$381, with a \$446 decrease in charges for service, some of which followed the sale of East End garage. There was also a decrease of \$157 in Cemetery; offset by an increase of \$11 in Public Market and an increase of \$227 in War Memorial.

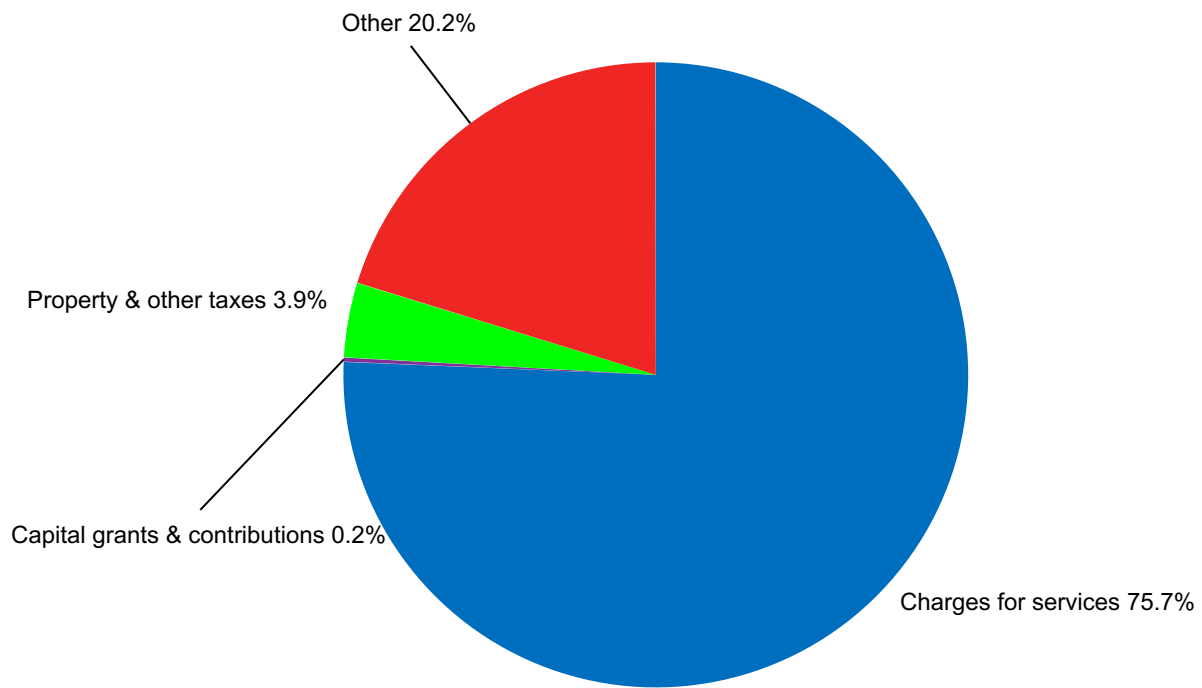
Capital grants and contributions decreased by \$15,111. As some of the ARPA and Roc the Riverway projects reached completion. Some of these major decreases were primarily due to a decrease of \$2,000 in Parking, with completion of \$2,000 in ARPA funded renovations; a decrease of \$9,611 in water with a \$3,463 decrease of ARPA funding and a \$1,956 New York state grant for lead lining and water main replacement; and a decrease of \$3,500 in War Memorial, from previous New York State grants for arena renovations,

Governmental aid increased by \$11,133 primarily due to an increase in \$12,583 in Water with \$11,770 from ARPA funding and \$495 in New York State grants for lead service line replacement. Offsetting this was a decrease of \$1,415 in parking from \$1,415 less in ARPA revenue recovery; and a decrease of \$35 in cemetery.

Other miscellaneous increased by \$3,905; primarily due to an increase of \$3,870 in Parking, from the sale of East End Garage. There was also an increase of \$29 in Water; and an increase of \$16 in Refuse; offset by a decrease of \$8 in Public Market; and a decrease of \$2 in War Memorial.

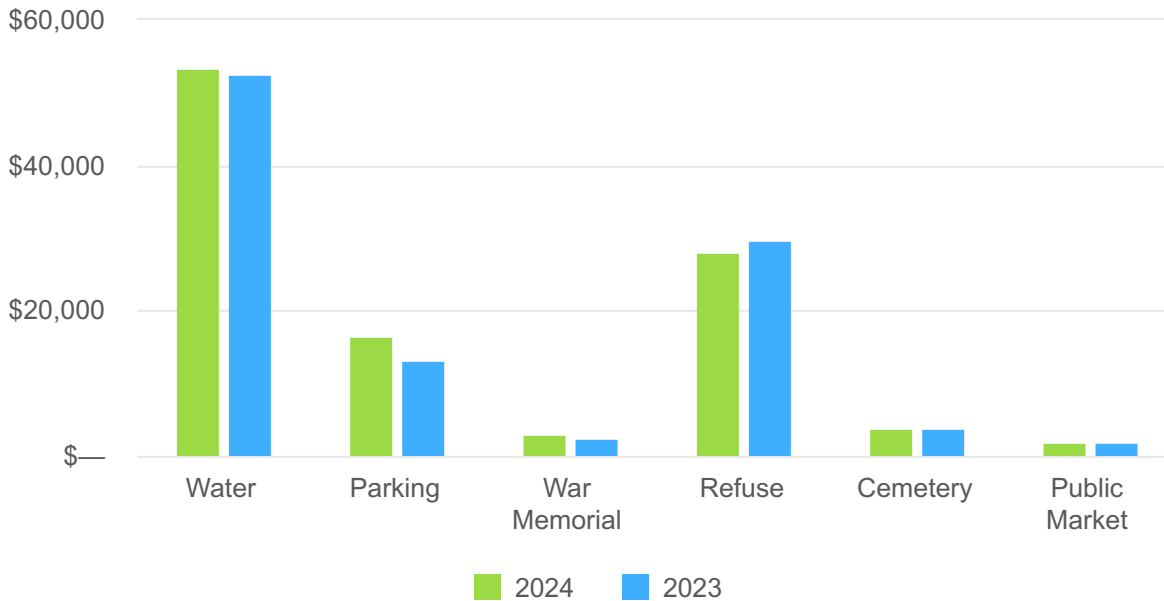
Favorable investment rates led to earnings increasing by \$994 across all proprietary funds. Investments led to an increase of \$315 in Water, \$113 in Parking, \$124 in Cemetery, \$78 in war memorial; \$360 in refuse, and \$4 in public market.

Revenues by Source - Business-Type Activities



Business-type activities expense highlights.

Business Type activities expenses
 for fiscal years ending June 30, 2023 & 2024



Expenses for business-type activities saw \$4,815 in total decreases offset by \$1,719 in increases netting to a total increase of \$3,096.

Water fund expenses increased by \$1,051 including an increase of \$1,459 in interest expense, as the previous year had a \$1,641 premium that had been used to resize a bond issuance, and this year there was only \$445 in excess premium used in resizing. There was also a \$1,112 increase in supplies and materials, with an increase of \$815 in the water conduit modernization project. Additionally, there was a \$146 increase in personal services. These were partially offset by a decrease of \$158 in depreciation expense; and a decrease of \$1,508 in employee benefits, which included a \$1,250 decrease in OPEB expense being the leading factor.

Cemetery fund expenses increased by \$47, just a 1.24% increase from the prior year. This was primarily due to an increase of \$69 in personal services; and an increase of \$7 in supplies and materials; offset by a decrease of \$29 in depreciation expense.

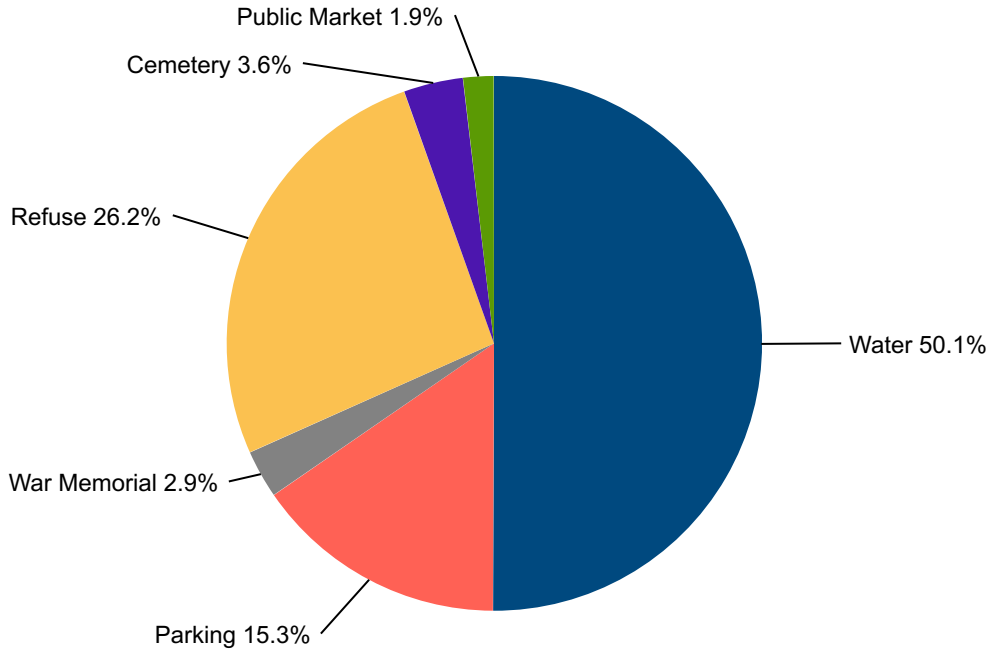
War Memorial expenses increased by \$618 primarily due to increases of \$3 in employee benefits; \$35 in depreciation expense, \$46 in interest expense, and \$534 in supplies and materials, which included \$418 towards the installation of a new building management system.

Parking fund expenses increased by \$3,099 primarily due to an increase of \$4,791 of loss on the sale of East End parking garage. Other expense saw decreases, including \$331 in depreciation expense, \$29 in personal services, and \$187 in interest expense. There was a decrease of \$597 in supplies and materials, as a \$2,000 ARPA funded parking renovation project had been completed in the previous year offset by a \$1,214 bond funded renovation project from this year. As well as a decrease of \$548 in employee benefits with a \$405 decrease in OPEB expense;.

Refuse expenses decreased by \$1,644 primarily due to a decrease of \$3,869 in employee benefits, including a \$1,091 decrease in amortized OPEB expense, a \$1,282 decrease in fringe, and a \$1,346 decrease in Worker's Compensation liability. An additional decrease of \$481 in depreciation expense was partially offset by an increase of \$95 in interest expense and an increase of \$250 in personal services. There was also an increase of \$2,361 in supplies and materials, after making a \$2,000 investment in new trucks.

Public market fund expenses decreased by \$75 primarily due to a decrease of \$57 in amortized OPEB expense leading to an overall decrease of \$68 in employee benefits. Other decreases of \$33 in interest expense and \$34 in supplies and materials were offset by an increase of \$57 in personal services, from salary and staffing increases, and an increase of \$3 on loss of disposal of an asset.

Expenses by Source - Business-Type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$203,523, an increase of \$28,527 in comparison with the prior year. The restricted portion of fund balance includes resources subject to externally enforceable legal restrictions and amounts to \$24,019. The committed portion of fund balance is reported in the amount of \$128,769 and can only be used for specific purposes determined by a formal action of the government's highest level of decision-making authority. The City reports an assigned fund balance of \$80,442 for all governmental funds. This balance consists of amounts constrained by the City's intended use of resources that are neither restricted nor committed. Residual amounts of the governmental fund amount to \$(29,707) and are classified as unassigned.

Analysis of Individual Governmental Funds

General fund. The general fund is the chief operating fund of the City. At the end of the current fiscal year, assigned fund balance of the general fund was \$51,659, unassigned fund balance was \$8,653, and total fund balance decreased by \$2,077, reaching a total of \$117,031. Assigned and unassigned fund balances total to a combined amount of \$60,312. The fund balance of the City's general fund decreased by \$469 in assigned fund balance and decreased by \$397 in unassigned fund balance. The City also elected to decrease committed fund balance by \$1,211, including totals of \$32,788 committed for retirement costs, \$20,063 committed for tax relief, and \$3,812 committed for council priorities.

The General fund saw a significant decrease in cash and cash equivalents of \$58,731, directly connected to a similar decrease of \$56,192 in unearned revenue. Upon receipt, ARPA funds were recorded in unearned revenue while the allocation and execution of ARPA projects were constructed. Among the largest of these distributions were \$15,274 to Neighborhood business and Development, for programs such as affordable housing, housing and roof rehab grants, and lead service replacement homeowner grants. \$11,769 went to the Water fund as part of the lead service line replacement, \$5,500 to the City as lost revenue replacement, \$4,666 to Recreation and Human Services for workforce development and R-Center social and emotional wellness programs, and \$2,425 to the Mayor's Office to fund the guaranteed basic income program.

Overall revenue for the General Fund grew by 2.83%, an increase of \$16,276. This was caused by two specific sources of higher interest rates increasing the City's use of money and property which grew \$5,332. There was also an increase in federal aid of \$14,089, as a result of the ARPA revenues listed above.

Increases in the funding of programs also affected the City's expenditures. In the year ending June 30, 2024, expenditures grew by \$24,358 from \$543,002 to \$567,360. The increases in Neighborhood Business Development 51.53%, General government 8.79%, and Recreation and Human Services 18.58% are directly result of this increased funding

General capital projects. The general capital projects fund accounts for the construction and reconstruction of general public improvements, excluding transportation capital projects and projects related to business-type activities, which are accounted for elsewhere. At the end of the fiscal year, the fund balance was \$52,012, of which \$51,931 was committed and \$81 was assigned. The fund balance of the City's general capital projects fund increased by \$25,965. This increase is comprised of a \$25,956 increase in committed capital projects and an increase of \$9 in assigned capital projects.

Within the General Capital projects, \$19,245 was obtained through new bond issuance. Much of this was from the conversion of Bond Anticipation Notes (BAN) to the Bonds issued. By using the high interest rates and remeasurement of premiums, governmental funds converted \$31,099 in BAN to \$29,145 in new bond issue. Besides general capital, Transportation capital projects obtained \$7,835 from the bonds issued and non-major capital projects received a combined \$2,839. Due to receipt of ARPA funds, the City needed to issue fewer bonds to complete various general capital projects. Notes Payable decreased by \$22,108, from \$29,257 to \$7,149 this past year.

Along with the \$5,872 increase in federal aid from ARPA funds, the City also saw increased New York state aid of \$6,750 much of which was used for improvement at the convention center, Rundel library, and Charles Carroll Plaza as part of the continuing Roc the Riverway efforts. The increase in general capital fund balance this past year was large enough to take the overall restricted governmental capital fund from a deficit to a \$16,039 surplus at end of the past year.

General capital projects continue to be very active with a focus on revitalizing downtown through Roc the Riverway and other major projects. These projects are designed to transform the downtown district. Major changes were completed at the Blue Cross Arena, the Rundel Library, ROC City Skate Park, and along the river walk. Currently the next phase of the project is commencing along Main Street., Clinton Avenue, and St. Paul Street creating a new vision of downtown and highlighting the upper falls district.

Transportation capital projects. The transportation capital projects fund is used to account for road and bridge construction and reconstruction. There was a decrease of \$1,917 in transportation capital projects fund balance due to an increase in expenditures for projects. This past year the City has received \$24,249 in aid for while spending \$36,175 on these projects in efforts to maintain and improve the City's infrastructure.

The City received \$14,507 from New York state for transportation capital projects. This included \$7,781 as part of a New York state CHIPS grant, \$3,424 in state grants for renovations of the Pont de Rennes bridge, and grants from the New York State Department of Transportation to help repair and maintain our roadways. Monroe County contributed \$1,995 towards renovations on South and Elmwood Avenues. There were also federal aid contributions of \$3,223 and \$2,973 for projects on East, Culver, and University Avenue, as well as State Street.

While this aid it offsets part of the cost, the City also used debt to finance other portions. Transportation capital projects obtained \$7,835 from the issuance of bonds. The BAN payable for transportation capital also increased by \$2,985 from \$47,554 to \$50,539. With these additional funds, the City completed an additional \$12,530 in projects over last year while only decreasing fund balance by \$1,917.

Community development special revenue fund. The Community Development Block Grant fund is a special revenue fund used to account for the programs and projects primarily funded by the U. S. Department of Housing and Urban Development. At the end of the fiscal year ending June 30, 2024, the fund balance was \$21,083, a decrease of \$1,056. The major factors contributing to the decrease were a \$318 increase in restricted community development funds and a decrease of \$1,374 in committed community development funds.

The decrease in fund balance is related to a decrease in federal and other sources of aid. Federal aid dropped by \$2,647 including decreases in Housing Opportunities for People With Aids (HOPWA) \$542, Emergency Solutions Grant (ESG) \$1,461, and the Community Development Block Grant (CDBG) of \$1,511. Local and other sources of aid decreased by \$1,022 with Urban Development Action Grants (UDAG) revenue decreasing by \$952.

Despite the decreases in aid, expenditures for community development showed no significant decrease. The main focus of these funds has remained with the CDBG supporting a variety of programs related to neighborhood and business development, including grants for businesses and other commercial enterprises, paying for rehab and demolitions, LEAD inspections and removal, and several Department of Recreation and Human Services programs. ESG provides funds for programs that provide emergency shelter, help prevent homelessness, or perform street outreach. The HOME assists with major housing construction projects and individual homebuyer assistance. HOPWA helps agencies provide rental and financial assistance and UDAG provides support for a variety of programs including homebuyer assistance and home rehabilitation projects

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the proprietary funds at the end of the current fiscal year totaled \$100,050. The change in net position between 2023 and 2024, which totaled a decrease of \$4,103 consisted of the following: a decrease of \$1,710 in the Parking fund; the Public Market fund decreasing by \$145, a decrease of \$4,554 in the Water fund, and a decrease of \$543 in the Cemetery fund. This was offset by an increase of \$842 in the War Memorial fund and an increase of \$2,007 in the Refuse fund,

Unrestricted net position of the proprietary funds, which totaled \$(69,804) at year end, breaks down as follows: Water \$(33,842), Parking \$(4,003), War Memorial \$2,207, Refuse \$(30,482), Cemetery \$(2,698), and Public Market \$(986).

Analysis of Individual Proprietary Funds

Water. The water fund continued upon the project to clean and maintain our water infrastructure. This year water received a significant increase in Federal aid of \$11,770. Much of this was from the ARPA projects described above. This was further supported by debt issuance as the water fund converted \$7,246 in BAN to \$6,801 in new bond issues, using excess premium to resize the offering. Water also issued \$9,466 in new BAN this year. These actions helped lessen a \$12,309 net loss into \$4,554 or 7.11% reduction in fund balance.

Parking During this fiscal year parking's non-operating revenues and expenses had an impact on the overall fund. The City completed the sale of the East End garage. This is the first of six potential garage sales over the next few years. The sale led to a loss on disposal of the garage of \$4,791 and non-operating revenue of \$3,885. ARPA projects provided \$1,961 this year which was \$1,415 lower than the previous year. Parking issued \$1,688 in new BAN issues, but overall, still managed to lower their combined BAN and bonds by \$1,998, or 23.25%.

War Memorial Located directly on the Genesee River, the war memorial as it has been significantly impacted by the Roc the Riverway project. The volume of ongoing projects has decreased. The war memorial received \$3,500 less in capital contributions this year. To finance the remaining improvements, \$415 in BAN were converted to \$390 in new bonds, and \$981 in new BAN were issued. This contributed to the war memorial net position increase of \$842 this year.

Refuse Refuse saw a \$2,007 increase in fund balance. Adjustments in actuarial assumptions helped lead to a \$3,868 decrease in expenses for employee benefits and overall increase in net operating income of \$1,422. While the refuse fund has no outstanding bond obligations, they did finance capital investments through the issue of \$3,200 in new BAN this year.

Cemetery The cemetery fund maintained a \$0 balance on outstanding BAN, while also lowering their outstanding bond obligation from \$218 to \$107.

Public Market This year the public market converted the remaining \$565 in BAN to \$540 in new bond issuance.

Internal service fund. The internal service fund is used to account for entity-wide general liability. It is the City's reserve for self-insurance. The total net position at the end of the fiscal year was \$43,143, a decrease of \$3,631 from the prior year. The fund decreased operating expense by \$5,241, still, for the third consecutive year the internal service fund operated at excess of \$5,240 in expenses over revenue. This was partially offset by a transfer in of \$1,609.

Debt service fund. The debt service fund has a total fund balance of \$10,635, of which \$3,886 is restricted and \$6,749 is assigned for the payment of debt service. The fund balance increased by \$2,547 during the current fiscal year. The fund balance rose this year as we received \$1,336 in new premiums on our debt issues. This number is after, a portion of premium was used to resize and lower overall debt issuance. Increases in interest rates have led to an increased fund balance, as the use of existing money and property rose by \$2,169 as well.

Budgetary Highlights

The City's annual budget, which is prepared on an operating basis, includes estimated revenues and annual appropriations for the proprietary funds as well as the general fund. The animal control, library, and local works funds, which are Special Revenue funds, are also included in the annual operating budget. The Community Development special revenue fund, however, is excluded from the annual operating budget, with the exception of administration related expense. The multiyear projects of the Community Development Block Grant program are funded by the U.S. Department of Housing and Urban Development, which has a separate budget and management process. Funds received from the American Rescue Plan Act are included in the operating budget as they are allocated and disbursed.

During the year, City Council passed budget amendments that increased total appropriations for operating budgets. Since the legal budget is established on a department basis, rather than on a GAAP basis (i.e., fund-basis), budget-to-actual statements are presented as required supplementary information to the financial statements.

The City takes great pride in community involvement in the budget process. The City has implemented Opengov.com to increase transparency throughout the yearly budget and ARPA process. The City's website will provide you with a complete picture of this process, https://stories.opengov.com/rochesterny/published/8_c3AUDGy.

Capital Assets and Debt Administration

Capital Assets. In accordance with GASB Statement No. 34, the City recorded depreciation expense associated with all of its capital assets, including infrastructure. The City's investment in capital assets for its governmental and business type activities as of June 30, 2024, amounted to \$951,100 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress. Also the Net Pension Asset present last year was removed as an offset to help control pension costs.

City of Rochester's Capital Assets
Net of Depreciation & Amortization (000's Omitted)

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 27,186	\$ 27,186	\$ 9,519	\$ 10,539	\$ 36,705	\$ 37,725
Buildings	109,224	107,867	79,809	88,401	189,033	196,268
Machinery, equipment, and vehicles	32,766	35,057	11,336	12,558	44,102	47,615
Improvements other than buildings	64,665	55,407	119,677	125,875	184,342	181,282
Infrastructure	461,287	473,971	—	—	461,287	473,971
Construction in progress	24,649	20,404	1,547	1,164	26,196	21,568
Lease assets - real estate	7,217	7,593	839	899	8,056	8,492
Lease assets - equipment	174	254	—	—	174	254
Right to use assets -SBITA	1,205	2,327	—	—	1,205	2,327
Total	\$ 728,373	\$ 730,066	\$ 222,727	\$ 239,436	\$ 951,100	\$ 969,502

Long-term debt. On June 30, 2024, the City's outstanding debt was \$202,354. This was a decrease of \$1,399 from the prior year. An increase of \$162 in the governmental activities funds and a decrease of \$1,561 in the business-type activities funds.

City of Rochester's Outstanding Debt
(000's Omitted)

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 66,506	\$ 47,830	\$ 47,058	\$ 49,095	\$ 113,564	\$ 96,925
Bond anticipation notes	61,547	83,607	27,243	23,207	88,790	106,814
Total	\$ 128,053	\$ 131,437	\$ 74,301	\$ 72,302	\$ 202,354	\$ 203,739

The City maintains a conservative debt borrowing policy with an accelerated debt repayment schedule and funds a significant level of capital expenditures from current funds. Major capital projects have not been deferred. The City has a rating of AA- from Standard & Poor's, an A1 rating from Moody's Investors Service, and a rating of AA- from Fitch Ratings.

The New York State Constitution restricts the annual real property tax levy for operating expenses to 2 percent of the average full value of taxable City property over the last five years. This limitation does not apply to taxes for debt service. The Constitution also imposes a debt limit of 9 percent of the most recent five-year average of full valuation of taxable real estate.

More detailed information on the City's capital assets and long-term debt activity is provided in the Notes to the Financial Statements under I.G.3 and 7 and III.C, D and E.

Economic Factors

The dominant feature of Rochester's economy during the previous 30 years has been the decline of traditional sources of income and the birth of new firms and industries. Through much of the last century, Rochester was dominated by major manufacturers - particularly Kodak - employing highly skilled production workers, thousands of key scientists and technicians in research and development positions and many headquarters' staff. As these companies restructured, the workers who left their employers fueled the growth of numerous small and medium sized firms in a range of industries. In 1980, just over half (57%) of employment was in small and medium-sized firms with 1,000 employees or less. Most of these firms had direct or indirect linkages to major Rochester firms like Kodak, Xerox, or General Motors. By 2008, the share of employment in small and medium-sized firms had risen to about 80% (Center for Governmental Research "CGR" estimates from County Business Patterns data).

Eastman Kodak filed for Chapter 11 Bankruptcy in January 2012. Kodak emerged from bankruptcy on September 3, 2013, slimmed down and refocused on corporate customers and the commercial printing and packaging businesses. Key to Kodak's restructuring was the sale of R&D patents for more than \$500 million to a technology consortium and sale of Eastman Business

Park power plant facility to Illinois based Recycled Energy Development Inc. Kodak celebrated its return to the New York Stock Exchange in November 2013, listed as KODK.

Attraction efforts continue to bring new businesses to Eastman Business Park and its existing vacant parcels. Today, about 6,000 people work at Eastman Business Park; with this park housing Kodak and over 100 other companies.

Kodak's legacy is also visible in the number of successful firms in the community that are remnants or spin offs of the photo firm. These firms include Harris Corporation, which bought Exelis, Inc., which had purchased Kodak's Remote Sensing Systems unit, Champion Photochemistry Inc., a subsidiary of Champion Chemtech Ltd. which purchased Kodak's photochemicals business; Carestream Health Inc., a subsidiary of Onex Corporation's Onex Healthcare Holdings, Inc., which purchased various units of Kodak's healthcare business; Optimization Technology, which acquired Kodak's capital engineering, capitalized maintenance and construction units; Ultralife Corporation, which spun out of Kodak in 1991; and many others.

Demonstrating the shift to a service-based workforce, the University of Rochester has grown to be the largest local employer with 31,940 jobs. A significant share of the University's growth has occurred at the University of Rochester Medical Center as Strong Health extends clinical service penetration beyond the metropolitan area and URMC expands its research facilities and total employment. Educational and health services employment is now 24.1% of total nonagricultural employment in the Rochester metropolitan area. The University of Rochester attracted more than \$3 billion in research funding over the past five years, supporting thousands of highly skilled workers.

In June 2011, New York State passed a property tax cap. The law requires the local governments and school districts to raise taxes no more than 2 percent or the rate of inflation, whichever is less. Communities may raise or lower property taxes according to the needs of the community. In such cases, the locality can override the cap with a 60 percent vote for schools and by a 60 percent vote of the governing body for local governments.

Requests for Information

This financial report is designed to provide a general overview of the City of Rochester's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Director of Finance, City Hall - Room 109A, 30 Church Street, Rochester, NY 14614.

BASIC FINANCIAL STATEMENTS

THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF NET POSITION
JUNE 30, 2024 (000's Omitted)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	District	RLBC
ASSETS					
Cash and cash equivalents	\$ 293,601	\$ 49,283	\$ 342,884	\$ 325,037	\$ 2,194
Investments	98,706	—	98,706	—	—
Receivables (net of allowance for uncollectibles)					
Accounts	15,737	26,189	41,926	2,537	—
Taxes	37,200	—	37,200	—	—
Due from other governments	79,897	—	79,897	98,789	30
Due from component units	126	—	126	—	—
Inventory	—	—	—	494	—
Prepaid items	—	—	—	18,910	—
Cash and cash equivalents - restricted	23,306	16,770	40,076	45,888	—
Due from other governments - restricted	1,241	6	1,247	—	—
Interfund balances	—	—	—	—	—
PPP receivable	—	3,407	3,407	—	—
Lease receivable	3,924	5,571	9,495	—	—
Other Assets	2,161	164	2,325	—	—
Capital assets (net of accumulated depreciation/ amortization)					
Land	27,186	9,519	36,705	19,667	—
Buildings	109,224	79,809	189,033	778,835	—
Machinery, equipment, and vehicles	32,766	11,336	44,102	21,799	—
Improvements other than buildings	64,665	119,677	184,342	—	—
Infrastructure	461,287	—	461,287	—	—
Construction in progress	24,649	1,547	26,196	48,804	—
Lease assets - real estate	7,217	839	8,056	223	—
Lease assets - equipment	174	—	174	—	—
SBITA assets	1,205	—	1,205	—	—
Total assets	<u>1,284,272</u>	<u>324,117</u>	<u>1,608,389</u>	<u>1,360,983</u>	<u>2,224</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow pension	141,426	3,073	144,499	124,701	—
Deferred outflow - OPEB	63,583	8,377	71,960	30,895	—
Deferred charge on refunding, net of amortization	—	—	—	760	—
Total deferred outflows of resources	<u>205,009</u>	<u>11,450</u>	<u>216,459</u>	<u>156,356</u>	<u>—</u>
LIABILITIES					
Accounts payable and other accrued liabilities	87,130	9,417	96,547	84,846	4
Retainage payable	2,980	1,547	4,527	—	—
Accrued interest payable	3,248	1,622	4,870	—	—
Bond anticipation notes payable	61,547	27,243	88,790	34,440	—
Due to other governments	15,035	606	15,641	40,446	—
Due to component units	204	—	204	—	30
Interfund balances	6,186	(6,186)	—	—	—
Unearned revenue	117,415	330	117,745	2,253	800
Noncurrent liabilities:					
Due within one year	22,786	10,847	33,633	63,839	—
Due in more than one year	1,286,950	123,377	1,410,327	1,525,404	—
Total liabilities	<u>1,603,481</u>	<u>168,803</u>	<u>1,772,284</u>	<u>1,751,228</u>	<u>834</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflow - PPP	—	3,688	3,688	—	—
Deferred Inflow - OPEB	415,805	55,360	471,165	34,160	—
Deferred inflow - leases	3,829	5,498	9,327	—	—
Deferred inflow - pension	64,795	2,168	66,963	106,047	—
Total deferred inflows of resources	<u>484,429</u>	<u>66,714</u>	<u>551,143</u>	<u>140,207</u>	<u>—</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	611,165	162,729	773,894	279,647	—
Restricted for:					
Capital projects	16,000	3,563	19,563	23,369	—
Debt service	3,886	3,562	7,448	35,577	—
Community development	8,827	—	8,827	—	—
RCSD	—	—	—	769	—
Unrestricted (deficit)	(1,238,507)	(69,804)	(1,308,311)	(713,458)	1,390
Total net position (deficit)	<u>\$ (598,629)</u>	<u>\$ 100,050</u>	<u>\$ (498,579)</u>	<u>\$ (374,096)</u>	<u>\$ 1,390</u>

The notes to financial statements are an integral part of this statement.

CITY OF ROCHESTER, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024 (000's Omitted)

Functions/Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	District	RLBC
					Governmental Activities	Business-Type Activities			
Primary government:									
Governmental activities:									
General government	\$ 223,272	\$ 94,536	\$ 22,681	\$ 9,823	\$ (96,232)	\$ —	\$ (96,232)	\$ —	\$ —
Neighborhood business development	45,646	5,913	31,145	1,572	(7,016)	—	(7,016)	—	—
Environmental services	36,296	21,065	365	651	(14,215)	—	(14,215)	—	—
Transportation	58,761	1,519	2,570	25,291	(29,381)	—	(29,381)	—	—
Emergency communications	20,580	19,809	—	—	(771)	—	(771)	—	—
Police department	137,227	6,644	4,182	73	(126,328)	—	(126,328)	—	—
Fire department	82,666	1,151	956	1,032	(79,527)	—	(79,527)	—	—
Library	2,088	2,490	8,455	1,820	10,677	—	10,677	—	—
Recreation and human services	31,378	1,234	7,064	2,869	(20,211)	—	(20,211)	—	—
Education	119,100	—	—	—	(119,100)	—	(119,100)	—	—
Interest on long term debt	6,104	—	—	—	(6,104)	—	(6,104)	—	—
Total governmental activities	<u>763,118</u>	<u>154,361</u>	<u>77,418</u>	<u>43,131</u>	<u>(488,208)</u>	<u>—</u>	<u>(488,208)</u>	<u>—</u>	<u>—</u>
Business-type activities:									
Water	53,504	39,714	—	243	—	(13,547)	(13,547)	—	—
Parking	16,399	8,128	—	—	—	(8,271)	(8,271)	—	—
War Memorial	3,110	1,972	—	—	—	(1,138)	(1,138)	—	—
Refuse	28,031	29,784	—	—	—	1,753	1,753	—	—
Cemetery	3,848	1,723	—	—	—	(2,125)	(2,125)	—	—
Public Market	1,976	950	—	—	—	(1,026)	(1,026)	—	—
Total business-type activities	<u>106,868</u>	<u>82,271</u>	<u>—</u>	<u>243</u>	<u>—</u>	<u>(24,354)</u>	<u>(24,354)</u>	<u>—</u>	<u>—</u>
Total primary government	<u>\$ 869,986</u>	<u>\$ 236,632</u>	<u>\$ 77,418</u>	<u>\$ 43,374</u>	<u>(488,208)</u>	<u>(24,354)</u>	<u>(512,562)</u>	<u>—</u>	<u>—</u>
Component units:									
District	\$1,075,510	\$ 3,364	\$ 260,744	\$ —				(811,402)	—
RLBC	437	—	363	—				—	(74)
Total component units	<u>\$1,075,947</u>	<u>\$ 3,364</u>	<u>\$ 261,107</u>	<u>\$ —</u>				<u>(811,402)</u>	<u>(74)</u>
General revenues:									
Property taxes					177,890	3,298	181,188	—	—
Sales taxes					196,017	—	196,017	—	—
Payment in-lieu of tax					16,088	—	16,088	—	—
Other taxes					12,554	905	13,459	—	—
Governmental aid - (unrestricted)					95,292	14,544	109,836	729,842	—
Investment earnings					22,234	2,073	24,307	14,274	34
Allocation to the district - (unrestricted)					—	—	—	119,100	—
Miscellaneous					5,915	5,382	11,297	26,911	289
Transfers					5,951	(5,951)	—	—	—
Total general revenues and transfers					<u>531,941</u>	<u>20,251</u>	<u>552,192</u>	<u>890,127</u>	<u>323</u>
Change in net position					43,733	(4,103)	39,630	78,725	249
Net position (deficit) - beginning					<u>(642,362)</u>	<u>104,153</u>	<u>(538,209)</u>	<u>(452,821)</u>	<u>1,141</u>
Net position (deficit) - ending					<u>\$ (598,629)</u>	<u>\$ 100,050</u>	<u>\$(498,579)</u>	<u>\$(374,096)</u>	<u>\$ 1,390</u>

The notes to financial statements are an integral part of this statement.

THE CITY OF ROCHESTER, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024 (000's Omitted)

	General	Capital Projects		Special Revenue	Total Nonmajor Funds	Total Governmental Funds
		General	Transportation	Community Development		
ASSETS						
Cash and cash equivalents	\$157,944	\$ 81	\$ —	\$ 21,693	\$ 50,781	\$ 230,499
Investments	98,706	—	—	—	—	98,706
Receivables (net of allowance for uncollectibles)						
Accounts	3,543	13	—	54	777	4,387
Taxes	14,722	—	—	—	266	14,988
Due from other funds	18,185	63,861	7,453	34	4,143	93,676
Due from other governments	60,486	9,176	3,768	2,632	5,076	81,138
Due from component units	126	—	—	—	—	126
Cash and cash equivalents - restricted	—	3,549	9,314	—	10,443	23,306
Total assets	<u>\$353,712</u>	<u>\$ 76,680</u>	<u>\$ 20,535</u>	<u>\$ 24,413</u>	<u>\$ 71,486</u>	<u>\$ 546,826</u>
LIABILITIES						
Accounts payable and other accrued liabilities	\$ 28,126	\$ 10,150	\$ 5,019	\$ 1,506	\$ 1,932	\$ 46,733
Bond anticipation notes payable	—	7,149	50,539	—	3,859	61,547
Due to other funds	76,716	7,369	3,337	656	13,197	101,275
Due to other governments	14,558	—	—	1,094	477	16,129
Due to component units	—	—	—	—	204	204
Unearned revenue	117,281	—	—	74	60	117,415
Total liabilities	<u>236,681</u>	<u>24,668</u>	<u>58,895</u>	<u>3,330</u>	<u>19,729</u>	<u>343,303</u>
FUND BALANCES (DEFICIT)						
Restricted	56	—	—	8,827	15,136	24,019
Committed	56,663	51,931	—	12,256	7,919	128,769
Assigned	51,659	81	—	—	28,702	80,442
Unassigned (deficit)	8,653	—	(38,360)	—	—	(29,707)
Total fund balances (deficit)	<u>117,031</u>	<u>52,012</u>	<u>(38,360)</u>	<u>21,083</u>	<u>51,757</u>	<u>203,523</u>
Total liabilities and fund balances (deficit)	<u>\$353,712</u>	<u>\$ 76,680</u>	<u>\$ 20,535</u>	<u>\$ 24,413</u>	<u>\$ 71,486</u>	<u>\$ 546,826</u>

The notes to financial statements are an integral part of this statement.

THE CITY OF ROCHESTER, NEW YORK
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2024 (000's Omitted)

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances of governmental funds	\$ 203,523
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	728,373
Accrual of property and sales taxes to qualify as financial resources	22,212
Internal service funds are used by management to charge the cost of risk management and health insurance to individual funds.	43,143
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Accrual of interest on bonds and notes payable	(3,248)
Accrual of Medicare Part D revenue	452
Long-term assets/(liabilities), are not due in the current period and, therefore the receivables/(payables), are not reported in the funds:	
Retainage liability	(2,980)
Bonds payable	(62,564)
Premium liability	(3,942)
Compensated absences	(19,025)
Workers' compensation	(17,842)
OPEB liability	(1,004,710)
Pollution remediation liability	(19,873)
Net pension liability	(179,334)
Lease payable long term liabilities	(8,047)
Lease receivable	3,924
Deferred lease inflow	(3,829)
Net deferred pension inflows/outflows	76,632
Net deferred OPEB inflows/outflows	(352,222)
Reserve account with NYS Retirement System	2,161
SBITA payable	(1,433)
Net position of governmental activities	<u>\$ (598,629)</u>

The notes to financial statements are an integral part of this statement.

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024 (000's Omitted)**

	Capital Projects			Special Revenue	Total Nonmajor Funds	Total Governmental Funds
	General	General	Transportation	Community Development		
REVENUES						
Real property tax	\$ 166,484	\$ —	\$ —	\$ —	\$ 10,249	\$ 176,733
Sales tax	195,974	—	—	—	—	195,974
Other taxes	28,642	—	—	—	—	28,642
Departmental	24,258	—	—	—	23,585	47,843
Use of money and property	14,221	—	—	834	4,894	19,949
Licenses and permits	4,621	—	—	—	—	4,621
Federal aid	32,621	10,657	7,734	14,890	1,532	67,434
State aid	97,774	16,501	14,507	—	4,771	133,553
Local sources and other	26,517	2,027	2,008	912	8,971	40,435
Total revenues	<u>591,112</u>	<u>29,185</u>	<u>24,249</u>	<u>16,636</u>	<u>54,002</u>	<u>715,184</u>
EXPENDITURES						
Current:						
General government	186,250	—	—	—	9,167	195,417
Neighborhood business development	19,841	—	—	17,692	453	37,986
Environmental services	26,815	—	—	—	12,676	39,491
Transportation	3,878	—	—	—	163	4,041
Emergency communications	15,333	—	—	—	—	15,333
Police department	105,993	—	—	—	635	106,628
Fire department	60,068	—	—	—	553	60,621
Library	—	—	—	—	12,602	12,602
Recreation and human services	15,567	—	—	—	2,126	17,693
Education	119,100	—	—	—	—	119,100
Debt service:						
Principal retirement	9,764	—	—	—	790	10,554
Interest	4,751	—	—	—	402	5,153
Administrative charges	—	—	—	—	—	—
Capital outlay:						
General government	—	43,060	—	—	1,319	44,379
Neighborhood business development	—	2,346	—	—	662	3,008
Environmental services	—	1,999	—	—	—	1,999
Transportation	—	6,102	36,175	—	—	42,277
Police department	—	338	—	—	—	338
Fire department	—	1,739	—	—	—	1,739
Library	—	1,479	—	—	1,305	2,784
Recreation and human services	—	1,794	—	—	236	2,030
Total expenditures	<u>567,360</u>	<u>58,857</u>	<u>36,175</u>	<u>17,692</u>	<u>43,089</u>	<u>723,173</u>
Excess (deficiency) of revenues over expenditures	<u>23,752</u>	<u>(29,672)</u>	<u>(11,926)</u>	<u>(1,056)</u>	<u>10,913</u>	<u>(7,989)</u>
OTHER FINANCING SOURCES (USES)						
Premium on bond issued	—	—	—	—	1,366	1,366
Issuance of bonds	—	19,245	7,835	—	2,839	29,919
Lease inception	—	889	—	—	—	889
Transfers in	17,571	35,710	11,478	—	3,120	67,879
Transfers out	(43,400)	(207)	(9,304)	—	(10,626)	(63,537)
Total other financing sources (uses)	<u>(25,829)</u>	<u>55,637</u>	<u>10,009</u>	<u>—</u>	<u>(3,301)</u>	<u>36,516</u>
Net change in fund balances	(2,077)	25,965	(1,917)	(1,056)	7,612	28,527
Fund balances (deficit) - beginning	119,108	26,047	(36,443)	22,139	44,145	174,996
Fund balances (deficit) - ending	<u>\$ 117,031</u>	<u>\$ 52,012</u>	<u>\$ (38,360)</u>	<u>\$ 21,083</u>	<u>\$ 51,757</u>	<u>\$ 203,523</u>

The notes to financial statements are an integral part of this statement.

**THE CITY OF ROCHESTER, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024 (000's Omitted)**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 28,527
Change in net position of internal service fund reported in governmental activities	(3,631)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Governmental funds report capital outlays of \$31,647, as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense of \$33,341. This is the amount by which depreciation in the current period exceeded capital outlays net of disposals.	(1,693)
Change in accrual of interest payable on notes and bonds payable	(331)
Change in accrual of unrestricted governmental aid	366
Change in accrual of property tax	1,158
Change in accrual of sales tax	43
Change in pollution remediation liability	889
Change in lease receivable (net of deferred outflow of resources)	(53)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Debt proceeds and principal payment	(19,365)
Premium liability	559

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Workers' compensation	(482)
Compensated absences	(396)
Retirement amortization	—
Net pension expense and net deferred inflow/outflow of resources	(16,229)
Net Deferred inflow/outflow OPEB	29,021
OPEB expense	25,043
Retainage	(909)
Leases	203
SBITA	944
Other Asset - NYS retirement reserve	69

Change in net position of governmental activities	<u>\$ 43,733</u>
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The notes to financial statements are an integral part of this statement.

THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024 (000's Omitted)

	Business-type Activities						Governmental	
	Water	Parking	War Memorial	Refuse	Cemetery	Public Market	Total Enterprise Funds	Internal Service Funds
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 16,204	\$ 4,707	\$ 2,970	\$ 21,273	\$ 3,471	\$ 658	\$ 49,283	\$ 63,102
Receivables (net of allowance for uncollectibles)	18,702	3,530	423	2,704	830	—	26,189	—
Due from other funds	771	5,654	161	2,967	197	103	9,853	1,413
Due from other governments	—	—	—	—	—	—	—	—
Cash and equivalents - restricted	12,551	1,384	1,058	1,459	74	244	16,770	—
Due from other governments - restricted	6	—	—	—	—	—	6	—
Lease receivable	—	267	—	—	—	—	267	—
PPP receivable	—	854	2,553	—	—	—	3,407	—
Total current assets	48,234	16,396	7,165	28,403	4,572	1,005	105,775	64,515
Noncurrent assets:								
Other asset	70	14	—	67	10	3	164	—
Capital assets:								
Land	572	7,896	165	30	139	717	9,519	—
Buildings	46,441	108,187	56,989	508	7,878	11,544	231,547	—
Machinery, equipment, and vehicles	9,889	1,636	6,471	21,776	2,640	137	42,549	—
Improvements other than buildings	297,666	2,055	68	671	4,134	3,186	307,780	—
Construction in progress	1,049	84	354	—	60	—	1,547	—
Less accumulated depreciation	(218,996)	(85,825)	(33,967)	(16,749)	(8,129)	(7,388)	(371,054)	—
Lease assets - real estate	—	1,019	—	—	—	—	1,019	—
Less accumulated amortization	—	(180)	—	—	—	—	(180)	—
Lease receivable	—	5,304	—	—	—	—	5,304	—
Total noncurrent assets	136,691	40,190	30,080	6,303	6,732	8,199	228,195	—
Total assets	184,925	56,586	37,245	34,706	11,304	9,204	333,970	64,515

Continued

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024 (000's Omitted)**

	Business-type Activities						Governmental	
	Water	Parking	War Memorial	Refuse	Cemetery	Public Market	Enterprise Funds	Internal Service Funds
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflow of resources - OPEB	3,756	1,004	—	3,098	398	121	8,377	—
Deferred outflows of resources - pension	1,318	260	—	1,244	194	57	3,073	—
Total deferred outflows of resources	5,074	1,264	—	4,342	592	178	11,450	—
Total assets and deferred outflows of resources	<u>\$ 189,999</u>	<u>\$ 57,850</u>	<u>\$ 37,245</u>	<u>\$ 39,048</u>	<u>\$ 11,896</u>	<u>\$ 9,382</u>	<u>\$ 345,420</u>	<u>\$ 64,515</u>
LIABILITIES								
Current liabilities:								
Accounts payable and other accrued liabilities	\$ 5,409	\$ 913	\$ 533	\$ 2,080	\$ 379	\$ 103	\$ 9,417	\$ 21,372
Retainage payable	1,049	84	354	—	60	—	1,547	—
Accrued interest payable	1,242	129	83	132	1	35	1,622	—
Workers' compensation, current portion	344	165	—	1,195	48	7	1,758	—
Bond anticipation notes payable	18,609	4,400	1,034	3,200	—	—	27,243	—
Bonds payable	6,465	1,083	964	—	107	431	9,050	—
Due to other funds	1,153	1,717	15	725	38	19	3,667	—
Due to other governments	292	58	—	213	30	13	606	—
Unearned revenue	—	72	—	—	258	—	330	—
Lease payable - current	—	39	—	—	—	—	39	—
Total current liabilities	34,563	8,659	2,983	7,545	921	608	55,279	21,372
Noncurrent liabilities:								
Workers' compensation	1,376	660	—	4,778	189	27	7,030	—
Bonds payable	32,109	1,111	2,878	—	—	1,910	38,008	—
Due to other governments	—	—	—	—	—	—	—	—
OPEB liability	35,318	7,527	—	27,312	3,294	728	74,179	—
Net pension liability	1,409	274	—	1,330	205	61	3,279	—
Lease payable - noncurrent	—	881	—	—	—	—	881	—
Total noncurrent liabilities	70,212	10,453	2,878	33,420	3,688	2,726	123,377	—
Total liabilities	104,775	19,112	5,861	40,965	4,609	3,334	178,656	21,372
DEFERRED INFLOWS OF RESOURCES								
Deferred inflow - PPP	—	846	2,842	—	—	—	3,688	—
Deferred inflow - OPEB	24,801	6,653	—	20,473	2,632	801	55,360	—
Deferred inflow - leases	—	5,498	—	—	—	—	5,498	—
Deferred inflow - pension	929	185	—	877	137	40	2,168	—
Total deferred inflows of resources	25,730	13,182	2,842	21,350	2,769	841	66,714	—
Total liabilities and deferred inflows of resources	<u>\$ 130,505</u>	<u>\$ 32,294</u>	<u>\$ 8,703</u>	<u>\$ 62,315</u>	<u>\$ 7,378</u>	<u>\$ 4,175</u>	<u>\$ 245,370</u>	<u>\$ 21,372</u>

Continued

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024 (000's Omitted)**

	Business-type Activities						Governmental Activities	
	Water	Parking	War Memorial	Refuse	Cemetery	Public Market	Total Enterprise Funds	Internal Service Funds
NET POSITION (DEFICIT)								
Net investment in capital assets	90,940	28,658	25,908	4,495	6,629	6,099	162,729	—
Restricted for:								
Capital projects	—	—	385	2,622	556	—	3,563	—
Debt service	2,396	901	42	98	31	94	3,562	—
Health insurance	—	—	—	—	—	—	—	28,814
Dental insurance	—	—	—	—	—	—	—	—
Unrestricted (deficit)	(33,842)	(4,003)	2,207	(30,482)	(2,698)	(986)	(69,804)	14,329
Total net position (deficit)	59,494	25,556	28,542	(23,267)	4,518	5,207	100,050	43,143
Total liabilities, deferred inflows of resources and net position (deficit)	<u>\$ 189,999</u>	<u>\$ 57,850</u>	<u>\$ 37,245</u>	<u>\$ 39,048</u>	<u>\$ 11,896</u>	<u>\$ 9,382</u>	<u>\$ 345,420</u>	<u>\$ 64,515</u>

The notes to financial statements are an integral part of this statement.

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024 (000's Omitted)**

	Business-type Activities						Governmental Activities	
	Water	Parking	War Memorial	Refuse	Cemetery	Public Market	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES								
Charges for services	\$ 39,714	\$ 8,128	\$ 1,972	\$ 29,784	\$ 1,723	\$ 950	\$ 82,271	\$ 81,886
Total operating revenues	39,714	8,128	1,972	29,784	1,723	950	82,271	81,886
OPERATING EXPENSES								
Personnel services	8,433	1,720	—	7,986	1,367	404	19,910	—
Supplies and materials	33,690	6,706	1,561	16,433	1,697	823	60,910	—
Employee benefits	2,290	405	36	2,166	325	126	5,348	—
Claims settlement	—	—	—	—	—	—	—	88,446
Depreciation	7,610	2,602	1,307	1,311	459	572	13,861	—
Lease amortization	—	60	—	—	—	—	60	—
Total operating expenses	52,023	11,493	2,904	27,896	3,848	1,925	100,089	88,446
Operating (loss)	(12,309)	(3,365)	(932)	1,888	(2,125)	(975)	(17,818)	(6,560)
NONOPERATING REVENUES (EXPENSES)								
Real property tax	—	299	934	—	1,203	862	3,298	—
Other taxes	—	—	905	—	—	—	905	—
Interest and penalties	978	163	24	—	3	—	1,168	—
Interest on investments	656	198	104	720	376	19	2,073	1,320
Federal aid	11,770	1,961	—	—	—	—	13,731	—
Local sources and other	227	3,940	13	34	—	—	4,214	—
State grants	813	—	—	—	—	—	813	—
Interest expense	(1,481)	(115)	(206)	(135)	—	(48)	(1,985)	—
Loss on disposal of asset	—	—	—	—	—	(3)	(3)	—
Loss on sale of parking garage	—	(4,791)	—	—	—	—	(4,791)	—
Total nonoperating revenues (expenses)	12,963	1,655	1,774	619	1,582	830	19,423	1,320
Income (loss) before contributions and transfers	654	(1,710)	842	2,507	(543)	(145)	1,605	(5,240)
Capital contributions	243	—	—	—	—	—	243	—
Transfers in	—	—	—	—	—	—	—	1,609
Transfers out	(5,451)	—	—	(500)	—	—	(5,951)	—
Change in net position	(4,554)	(1,710)	842	2,007	(543)	(145)	(4,103)	(3,631)
Net position (deficit) - beginning	64,048	27,266	27,700	(25,274)	5,061	5,352	104,153	46,774
Net position (deficit) - ending	\$ 59,494	\$ 25,556	\$ 28,542	\$ (23,267)	\$ 4,518	\$ 5,207	\$ 100,050	\$ 43,143

The notes to financial statements are an integral part of this statement.

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024 (000's Omitted)**

	Business-type Activities						Governmental Activities	
	Water	Parking	War Memorial	Refuse	Cemetery	Public Market	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers	\$ 39,979	\$ 8,209	\$ 1,782	\$ 29,814	\$ 1,726	\$ 950	\$ 82,460	\$ 81,886
Payments to suppliers	(31,316)	(7,160)	(734)	(16,592)	(1,833)	(800)	(58,435)	(96,501)
Payments to employees	(14,425)	(2,855)	(36)	(13,492)	(1,870)	(591)	(33,269)	—
Net cash provided by (used for) operating activities	(5,762)	(1,806)	1,012	(270)	(1,977)	(441)	(9,244)	(14,615)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Real property taxes and other taxes	—	299	1,839	—	1,203	862	4,203	—
Transfers from other funds	—	—	—	—	—	—	—	1,609
Transfers to other funds	(5,451)	—	—	(500)	—	—	(5,951)	—
Interfund loans	2,508	(251)	(81)	(418)	(107)	(35)	1,616	352
Operating grants	11,770	1,961	—	—	—	—	13,731	—
Net cash provided by (used for) noncapital financing activities	8,827	2,009	1,758	(918)	1,096	827	13,599	1,961
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Proceeds from sales of bonds and notes	9,466	1,688	981	3,200	—	—	15,335	—
Capital contributions	486	—	—	—	—	—	486	—
Principal paid on bonds and notes	(6,800)	(3,465)	(1,015)	(1,000)	(100)	(435)	486	—
Interest expense paid on bonds and notes	(1,350)	(320)	(187)	(7)	(12)	(75)	(1,951)	—
Acquisition and construction of capital assets	(815)	4,378	(355)	(395)	(48)	(19)	2,746	—
Proceeds from sale of capital assets	18	(906)	—	—	—	—	(888)	—
Deferred inflow of lease payments	—	(123)	—	—	—	—	(123)	—
Proceeds from lease receivable	—	101	—	—	—	—	101	—
Proceeds from PPP receivable	—	90	37	—	—	—	127	—
Deferred inflow of PPP payments	—	(94)	(316)	—	—	—	(410)	—
Capital grants	813	—	—	—	—	—	813	—
Net cash provided by (used for) capital and related financing activities	1,818	1,349	(855)	1,798	(160)	(529)	3,421	—
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest received from investments and customers	1,634	360	128	720	380	19	3,241	1,320
Net cash provided by investing activities	1,634	360	128	720	380	19	3,241	1,320
Net increase (decrease) in cash and cash equivalents	6,517	1,912	2,043	1,330	(661)	(124)	11,017	(11,334)
Cash and cash equivalents at beginning of year	22,238	4,179	1,985	21,402	4,206	1,026	55,036	74,436
Cash and cash equivalents at end of year	\$ 28,755	\$ 6,091	\$ 4,028	\$ 22,732	\$ 3,545	\$ 902	\$ 66,053	\$ 63,102
Cash and cash equivalents - unrestricted	\$ 16,204	\$ 4,707	\$ 2,970	\$ 21,273	\$ 3,471	\$ 658	\$ 49,283	\$ 63,102
Cash and cash equivalents -restricted	\$ 12,551	\$ 1,384	\$ 1,058	\$ 1,459	\$ 74	\$ 244	\$ 16,770	\$ —
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:								
Operating income (loss)	\$ (12,309)	\$ (3,365)	\$ (932)	\$ 1,888	\$ (2,125)	\$ (975)	\$ (17,818)	\$ (6,560)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation and lease amortization expense	7,610	2,662	1,307	1,311	459	572	13,921	—
(Increase) decrease in customer receivables	264	81	(190)	30	(28)	—	157	—
Increase (decrease) in accounts payable - supplier	2,374	(454)	827	(159)	(104)	23	2,507	(8,055)
Increase (decrease) in compensated absences	19	(11)	—	(230)	10	(14)	(226)	—
Decrease in salaries & benefits payable	(3,720)	(719)	—	(3,110)	(189)	(47)	(7,785)	—
Total adjustments	6,547	1,559	1,944	(2,158)	148	534	8,574	(8,055)
Net cash provided by (used for) operating activities	\$ (5,762)	\$ (1,806)	\$ 1,012	\$ (270)	\$ (1,977)	\$ (441)	\$ (9,244)	\$ (14,615)

The notes to financial statements are an integral part of this statement.

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024 (000's Omitted)**

	Private-Purpose Trust Fund	Custodial Fund
ASSETS		
Cash and cash equivalents	\$ 705	\$ 17,011
Investments	3,166	—
Receivables (net of allowance for uncollectibles)	—	385
Total assets	3,871	17,396
LIABILITIES		
Accounts payable and other accrued liabilities	17	1,328
Total liabilities	17	1,328
NET POSITION		
Restricted for:		
Employees	—	3,984
Foreclosure	—	3,110
Community programs	—	2,523
Seizure funds	—	3,588
Escrow	—	2,863
Trust and other purposes	3,854	—
Total net position	\$ 3,854	\$ 16,068

The notes to financial statements are an integral part of this statement.

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Private-Purpose Trust Fund</u>	<u>Custodial Fund</u>
ADDITIONS		
Contributions:		
Employees	\$ —	\$ 10,269
Gifts and bequests	366	—
Interest on investments	224	—
Foreclosure	—	3,793
Community programs	—	700
Seizure funds	—	379
Escrow	—	150
Total contributions	<u>590</u>	<u>15,291</u>
DEDUCTIONS		
Community services	285	—
Payments on behalf of employees	—	11,977
Foreclosure	—	4,881
Community programs	—	1,029
Seizure funds		432
Escrow		69
Total deductions	<u>285</u>	<u>18,388</u>
Change in net position	305	(3,097)
Net position - beginning	<u>3,549</u>	<u>19,165</u>
Net position - ending	<u>\$ 3,854</u>	<u>\$ 16,068</u>

The notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Rochester, New York, (the City) was incorporated in 1834 and operates as a Council-Mayor form of government. City Council is the chief policy-making body and is made up of nine elected members, five Council members at large and four District Council members. The Mayor is elected for a four-year term and is the head of the executive and administrative branch of City government. Basic City services are provided by the following operating departments: Neighborhood and Business Development, Environmental Services, Finance, Information Technology, Law, Library, Recreation and Human Services, Police, Fire, and Emergency Communications. The City owns and operates six enterprise activities: a water system, parking, War Memorial, refuse, cemeteries, and public market.

The Rochester City School District (the District) is included in these financial statements as a discretely presented component unit, a governmental fund type. A separately elected Board of Education governs the operations of the public schools in the City of Rochester which make up the District. However, the District is financially dependent on the City and has no independent power to contract bonded indebtedness or to levy taxes. The City of Rochester Charter determines how the allocation of revenues and debt-incurring power between the City and the District will be conducted. Complete financial statements for the District may be obtained from the Chief Financial Officer, Rochester City School District, 131 West Broad Street, Rochester, New York 14614.

The Rochester Joint Schools Construction Board (RJSCB) was formed to provide alternative financing for the modernization of school facilities. It is an inter-municipal board formed by the City and the District under the authorization of the New York State Rochester School Facilities Construction Board Act. The seven voting member board consists of three members appointed by the City, three members appointed by the District, and one member jointly appointed. The RJSCB is included in the financial statements of the District as a blended component unit. Separate financial statements of the RJSCB may be obtained from the RJSCB's Executive Director located at 70 Carlson Rd, Suite 200, Rochester, New York 14610.

The Rochester Land Bank Corporation (RLBC) is a public authority and not-for-profit corporation formed under Article 16 of the Not-for-Profit Corporation Law (the "Land Bank Act"). The RLBC's Certificate of Incorporation was filed by the City on August 9, 2013. The RLBC was formed for the acquisition of abandoned, vacant and tax delinquent properties and facilitating their return to productive use. There is a seven member voting board consisting of five *ex officio* members and two appointed members - one member appointed by the Mayor and one member appointed by City Council. The RLBC is included in these statements as a discretely presented component unit, a governmental fund type. Separate financial statements may be obtained from the RLBC's Executive Director at 30 Church Street, Room 125B, Rochester, New York 14614.

Based on the financial accountability factors the RLBC was determined to be a discretely presented component unit. It is primarily funded by a New York State grant for the purchase and redevelopment of tax foreclosed properties and city taxes for operations. The component unit provides services directly to the public and not for the primary government and therefore it is discretely presented.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from Business-type activities which rely significantly on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The **General Fund** is the City's general operating fund. It accounts for all financial resources except those required to be accounted for in other funds.

The **General Capital Projects Fund** is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the Transportation Capital Projects Fund, Proprietary Funds and Special Revenue Funds.

The **Transportation Capital Projects Fund** is used to account for infrastructure improvements, some of which are reimbursed by New York State, and the Federal government.

The **Community Development Fund** is a Special Revenue Fund used to account for the Community Development Block Grant and other federal sources.

The City reports the following major proprietary funds:

The **Water Fund** is used to account for the water utility that produces and distributes water to City residents.

The **Parking Fund** is used to account for public parking facilities operated by the City.

The **War Memorial Fund** is used to account for the operation of the Blue Cross/Blue Shield Arena at the Rochester War Memorial.

The **Refuse Fund** is used to account for the collection and disposal of residential and commercial refuse in the City.

The **Cemetery Fund** is used to account for the City's Mt. Hope and Riverside Cemeteries.

The **Public Market Fund** is used to account for the revenues and expenses of the farmers' market complex on Union St.

Additionally, the City reports the following fund types:

The **Internal Service Fund** is used to account for entity-wide general liabilities including health and dental insurance premiums.

The **Private Purpose Trust Fund** is used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. This includes gifts and bequests restricted for specific library, police, and fire programs.

The **Custodial Fund** is used to account for fiduciary activities. This includes, security deposits, real estate deposits, and parking violations escrow.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is the chargeback of services, such as utilities, vehicle maintenance, and central costs. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues are those which cannot be associated directly with program activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 for the proprietary funds are as follows: sale of water for the Water Fund, refuse collection charges for the Refuse Fund, parking fees for the Parking Fund, sale of event tickets for the War Memorial Fund, sale of graves for the Cemetery Fund and vendor charges for the Public Market Fund. Operating expenses for the enterprise funds and the Internal Service Fund include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. NEW ACCOUNTING PRONOUNCEMENTS

During the fiscal year ended June 30, 2024 the City has evaluated the provisions of Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, and determined that it will have no significant impact on the City's financial statements.

The following are GASB Statements that have been issued recently and are currently being evaluated, by the City, for their potential impact in future years:

- Statement No. 101, Compensated Absences, which will be effective for the year ending June 30, 2025.
- Statement No. 102, Certain Risk Disclosures, which will be effective for the year ending June 30, 2025.
- Statement No 103, Financial Reporting Model improvements, which will be effective for the year ending June 30, 2026.
- Statement No. 104, Disclosure of Certain Capital Assets, which will be effective for the year ending June 30, 2026.

E. USE OF ESTIMATES

The preparation of financial statements in accordance 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, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

F. REAL PROPERTY TAX

Property taxes are levied as of July 1st, on which date they become liens on real property, and are payable in quarterly installments due on July 31st, September 30th, January 31st and March 31st. All non *ad valorem* tax amounts are due with the first quarterly installment.

The City is permitted by the Constitution of New York State to levy taxes up to 2% of the five-year average full-assessed valuation for general governmental services other than the payment of debt service and capital expenditures. The City utilizes a full value system, assessing all properties at 100% of full market value. For the year ended June 30, 2024, the City had a legal margin of \$83,713,000.

G. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

1. Cash and Cash Equivalents, Deposits and Investments

The City's cash and cash equivalents consists of cash on hand, demand deposits, money market investments with original maturities of three months or less from the date of acquisition, and NYCLASS investments.

The City's investment policies are governed by State statutes. City funds must be deposited in FDIC insured commercial banks or trust companies located within the State. Permissible investments include demand accounts and certificates of deposit, 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 demand deposits, time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations may be pledged as collateral are in accordance with the City's Investment policy and New York State General Municipal Law Section 10 (3).

New York State General Municipal Law (Article 2 Section 11) governs the City's investment policies. The City is authorized to deposit or invest funds in banks or trust companies located and authorized to do business in New York State. City Council ordinance authorizes the specific banks or trust companies that may be used as depositories. Funds generally can be invested in time deposits, certificates of deposit, obligations of the U.S. Government and its agencies and New York State and its municipalities.

Deposits include demand deposits and certificates of deposit. Deposits are collateralized with eligible securities with an aggregate fair value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). Securities that may be pledged as collateral are limited to obligations in accordance with the City's investment policy and New York State General Municipal Law Section 10 (3).

Cash equivalents include bank deposits, money market accounts and NYCLASS investments. All highly liquid investments, both restricted and unrestricted, with an original maturity of approximately three months or less are considered to be cash equivalents. Interest earnings are recorded at maturity and generally allocated to the appropriate fund by outstanding balance.

The City reports Library investments in the private purpose trust fund, in accordance with Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* and Statement No. 79, *Certain External Investment Pools and Pool Participants*, at fair value in the balance sheet. In addition, income from investments associated with one fund is assigned to other funds because of legal or contractual provisions.

2. Restricted Assets

Certain assets are classified as restricted because their use is limited. The proceeds of bond and note sales can only be used for the stated purpose of the borrowing. Property taxes collected for debt service payments are legally restricted for that purpose.

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable Governmental or Business-type activities columns in the government-wide financial statements. Infrastructure acquired or constructed prior to fiscal

year 1980 is not reported, as permitted by GASB Statement No. 34. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Land and construction in progress are not depreciated. Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the estimated useful lives in this table:

Class	Life in Years
Buildings	30-60
Improvements Other than Buildings	10-20
Infrastructure	5-60
Water System	40-65
Equipment	6-15
ROU assets	>1 yr. Life determined by contract

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City and the District had items that qualify for reporting in this category; the deferred outflows related to pensions and OPEB reported in the government-wide Statement of Net Position, and in the Proprietary Funds Statement of Net Position. The District also had an item that qualified as deferred outflow of resources related to the deferred charges on a refunding.

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 assets that applies to a future period(s) and therefore, will *not* be recognized as an inflow of resources (revenue) until that time. The City and the District have three items that qualifies for reporting in this category; the deferred inflow related to pensions, OPEB, and leases reported in the government-wide Statement of Net Position, and in the Proprietary Funds Statement of Net Position.

5. Unearned Revenue

Unearned revenue is a liability for resources obtained prior to revenue recognition. The unearned revenue of \$117,281,000 in the City's General Fund relates primarily to American Rescue Plan Act of 2021 (ARPA) funds, and property taxes that will not be collected within sixty days, \$74,000 in the City's Special Revenue Community Development Fund relates to loan repayments for programs, \$60,000 in the State Projects Fund for DCJS program for body worn camera funding, \$258,000 in the City's Cemetery Fund relates primarily to charges for future care of grave sites, and \$72,000 in the City's Parking Fund relates primarily to prepaid monthly parking fees.

The District also received cash in advance of expenditures in the amount of \$2,253,000 for Special Aid fund projects during fiscal year 2023-24. These funds represent receipts for various grants that were not fully spent as of June 30, 2024. As the funds are spent during fiscal year 2024-25, revenue will be recorded.

6. Compensated Absences

It is the City's policy to pay employees for unused vacation and compensatory time when there is a separation from service. Employees have a vacation bank cap based on their start of service date with the City. Therefore, it is estimated that the prior fiscal year compensated absences balance is fully liquidated by the end of the next fiscal year. For Governmental activities, the current portion of this liability is accrued in the appropriate fund and

for Business-type activities, the full liability is recognized at both the fund and entity-wide level. As of June 30, 2024, the liability for Governmental Activities was \$19,793,000 and \$1,107,000 for Business-type Activities, and \$4,962,000 for the District.

7. Long-term Obligations

In the government-wide financial statements, and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Governmental activities, Business-type activities, or proprietary fund type statement of net position. Bond premiums, if any, are deposited in the debt service fund and used to retire debt in the respective funds. In the government-wide financial statements bond premiums and discounts are amortized over the life of the debt issued. Bond issuance costs, if any, are charged as a general fund operating expense on the fund basis statements.

In the fund level financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs are reported as Department of Finance expenditures in the general fund.

8. Net Position Flow Assumption

There are times when the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

9. Fund Balances — Flow Assumptions and Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Under the City Charter, the Director of Finance has the authority to assign fund balance for specific purposes. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. 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 City Council has provided otherwise in its commitment actions.

The City has adopted a formal fund balance policy in which it shall strive to attain and maintain an adequate fund balance in its general fund in order to maintain a desirable credit rating and retain the ability to borrow at a reasonable interest rate. The City's policy establishes that the City will maintain a level of fund balance that is not restricted in the general fund that is no less than twelve and one-half percent of the annual projected general fund expenditures in the same fiscal year. In the event that the portion of fund balance that is not restricted falls below the minimum amount required by this policy, the City shall develop and implement a plan

that increases the fund balance back to the required minimum level as soon as practicable, and no later than within three years.

10. Encumbrances & Commitments

Encumbrances are recorded at the time a purchase order, construction contract or service agreement is finalized. In governmental funds, commitments are encumbered and reported as either assigned or committed fund balances since they do not constitute expenditures or liabilities. Total encumbrances in the General fund were \$27,882,000 at year end. These were substantially for environmental services purposes including \$1,637,000 for utilities, maintenance, fuel and security systems and general government purposes were \$19,551,000 which included recreation programs, medical services, and employee training.

11. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

The District utilizes the consumption method to record prepaid expenditures. As of June 30, 2024, the General Fund recorded prepaid expenditures in the amount of \$18,641,000 for charter schools, travel and health insurance. Additionally, prepayments of \$255,000 and \$4,000 were recorded in the Special Aid and Capital funds, respectively, for software and \$9,000 was recorded in the RJSCB fund for insurance. These prepayments will be recorded as expenditures during fiscal year 2024-25. Prepayments are classified as nonspendable to signify that portion of fund balance that is not in a spendable form.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The City Council appropriates a total expenditure budget based on projected revenues. The budget allocations among the various organizational units, as amended by City Council, are included in the Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual, General, Certain Special Revenue and Proprietary Funds, Non-GAAP - Budget Basis. The City's annual operating budget includes estimated revenues and appropriations for the general fund, enterprise funds and certain special revenue funds (Animal Control, Library, and Local Works). In accordance with City Charter provisions, budget compliance is on a departmental basis rather than at the fund level.

Since the adopted budget is on a departmental basis, rather than a fund basis, legal compliance cannot be reported as part of the Basic Financial Statements. Therefore, in compliance with GASB Statement No. 41 (*Budgetary Comparison Schedules – Perspective Differences*), a non-GAAP budget-to-actual schedule is presented as Required Supplemental Information after the Basic Financial Statements.

Appropriations for all budgets lapse at fiscal year-end. The combined General, Special Revenue, and Enterprise fund budget is adopted on a departmental basis in which expenditures may not legally exceed appropriations on a departmental level. Current year encumbrances are included with expenditures; however, the expenditure of prior years' encumbrances are not included.

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of the fiscal year, the Mayor and the Board of Education submit, to the City Council, proposed operating budgets for the fiscal year commencing July 1. The operating budgets include proposed expenditures and the means of financing them.
2. Public hearings are conducted to review the budgets with City Council.
3. Prior to July 1, the budgets are legally enacted through passage of ordinances.
4. The Mayor has the authority to transfer budgeted amounts between accounts within any department; however, any increases to department totals must be approved by City Council.

During the year, City Council passed budget amendments which increased total appropriations for operating budgets by \$12,796,000. Estimated revenues increased by \$13,412,000 transfers to other funds increased by \$1,597,000 and transfers from other funds increased by \$81,000. Appropriation of fund balance increased by \$900,000.

B. DEFICIT FUND EQUITY

It has been the City's practice to fund capital projects for up to five years with bond anticipation notes, then convert to bonds when the final project costs are known and when long-term rates are most favorable, minimizing interest costs for the City. Thus, deficit fund balances reported in the Capital Project Funds are temporary and will be eliminated once the bond anticipation notes are converted to bonds. The deficit balance in the Refuse fund resulted from the implementation of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* in previous years.

III. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

As established by charter, the City Treasurer is delegated the authority to establish and control uniform cash management policies that apply to the City and the District. Thus, the following risk assessments apply to cash, cash equivalents, and investments of the primary government and the component unit.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, it is the City's policy generally to limit investments to 60 days or less. Consequently, repurchase agreements, money market accounts, and certificates of deposit are classified as cash equivalents.

Credit Risk. In compliance with New York State law, the City's investments are limited to obligations of the United States of America, obligations guaranteed by the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State of New York, special time deposit accounts, and certificates of deposit. Obligations of other New York jurisdictions may be included with the approval of the State Comptroller.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In compliance with New York State law, City deposits (above FDIC limits) and investments are protected with custodial agreements which require that government securities, equal to or greater than 102% of the daily investment, are held by a third party in the City's name. Irrevocable Letters of Credit issued by a Federal Home Loan Bank are collateralized at 100% as per NYS Municipal Law.

Concentration of Credit Risk. To promote competition in rates and service costs, and to limit the risk of institutional failure, City deposits and investments are placed with multiple institutions. Therefore, City Council designates certain banks and trust companies as depositories and establishes maximum deposit levels for each. Investments with other institutions are restricted to those affiliated with the New York Federal Reserve Bank as primary dealers.

Investment Pool– NYCLASS – The City and the District participate in the Cooperative Liquid Assets Securities System ("CLASS") a cooperative investment pool established pursuant to General Municipal Law that meets the definition of a 2a7-like pool. In accordance with the provisions of General Municipal Law, Article 3A, CLASS has designated Public Trust Advisors, LLC as its fund administrator. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC"), and is subject to all rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS. The pool is authorized to invest in various securities issued by the United States and its agencies. The amounts represent the amortized cost of the cooperative shares and are considered to approximate fair value. The District's position in the pools is equal to the value of the pool shares. Additional information concerning the CLASS is presented in the annual report which may be obtained from MBIA Municipal Investors Service Corporation, 113 King Street, Armonk, NY 10504. CLASS is rated AAAM by Standard and Poor's Rating Service. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The pool invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

1. Deposits

At year-end, the total carrying amount of the City's deposits net of outstanding checks, including cash equivalents, such as certificates of deposit and NYCLASS investments; was \$373,676,000 with bank balances of \$377,779,000. These deposits, which are above the level insured by FDIC, were collateralized at 102% with U.S. Government securities held by a third-party.

At year-end, the District's cash balance, both restricted and non-restricted, was \$45,476,000. These deposits, which are above the level insured by FDIC, were collateralized at 102% with U.S. Government securities held by a third-party.

2. Cash Equivalents

At year-end, the City had cash equivalents of \$166,295,000 with \$29,000,000 held in money markets, and \$137,295,000 held in NYCLASS investments. These cash equivalents were collateralized at 102% with U.S. Government securities held by a third-party.

At year-end, the District had cash equivalents in the form of money markets at fair value of \$325,580,000. These cash equivalents were collateralized at 102% with U.S. Government securities held by a third-party.

3. Investments

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application, fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. It gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2:

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means;
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques use should maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for investments measured at fair value:

Cash and Cash Equivalents - The fair value of cash and cash equivalents, consisting primarily of cash, NYCLASS investments, and money market funds, is classified as Level 1. Cash is valued at cost.

Exchanged Traded Products, Common Stocks, Government Bonds, Asset Backed Securities, and Corporate Bonds - Valued at the closing price reported on the active market on which the individual securities are listed.

Mutual Funds - Valued at the net asset value (NAV) of shares held at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

At year end, the City had \$3,166,000 of Library trust funds invested. The Library's investments were measured at fair value on a recurring basis at June 30, 2024 and were all considered Level 1:

Library Investments (000's omitted)

Cash and cash equivalent	\$	30
Exchange Traded Products		
Equity ETPs		1,956
Fixed income ETPs		525
Total Exchange Traded Products		<u>2,481</u>
Mutual funds:		
Stocks		177
Bonds		471
Total mutual funds		<u>648</u>
Asset backed securities		
Financial/Investment		7
Total Asset backed securities		<u>7</u>
Total	\$	<u>3,166</u>

In addition to the above named investments, the City was also invested in United States Treasury Bills. The City was not exposed to any interest rate risk or credit risk for these investments at June 30, 2024, as these are obligations of the U.S. Government, and are guaranteed by the U.S. Government. These investments were short term, maturing in less than a year, and are reported at amortized cost, as allowed by GASB Statement No. 31.

	<u>Principal</u>	<u>Rate</u>	<u>Maturity</u>
United States Treasury Bill	\$ 9,876,996	5.15 %	07/11/2024
United States Treasury Bill	29,609,458	5.15 %	08/06/2024
United States Treasury Bill	19,739,184	5.16 %	08/29/2024
United States Treasury Bill	19,740,144	5.14 %	09/12/2024
United States Treasury Bill	19,740,144	5.14 %	09/19/2024
Totals	<u>\$ 98,705,926</u>		

At year-end, the District had no investments.

B. RECEIVABLES AND PAYABLES

The Primary Government had \$41,926,000 in accounts receivable at year-end. Governmental funds had a balance of \$15,737,000, with \$11,990,000 due from economic development projects. Significant business-type receivables were \$18,702,000 in the Water Fund, \$3,530,000 in the Parking Fund, \$423,000 in the War Memorial Fund, \$2,704,000 in the Refuse Fund, and \$830,000 in the Cemetery Fund.

Receivables are reported net of allowance for uncollectibles, which were established based on current collection experience. Allowances for uncollectibles for major revenue sources are as follows: General Fund taxes

(\$18,436,000), Water Fund (\$2,395,000), Community Development Fund (\$51,594,000), and Refuse Fund (\$3,649,000).

The amount due from other governments to the City, as presented in the governmental fund level statements as of June 30, 2024, was \$81,138,000. This was comprised of the following items: \$12,537,000 from New York State, \$60,254,000 from Monroe County, \$4,604,000 from the Federal Government, and \$3,743,000 from others.

The amount due from other governments and component units, including the primary government to the District as of June 30, 2024 was \$98,789,000. This was comprised of the following items: \$35,911,000 from New York State, \$54,380,000 from the Federal Government and \$8,498,000 from local sources. As of year ended June 30, 2024, District management believes the following accounts receivable to be fully collectible within the subsequent fiscal year:

The Primary Government had \$96,547,000 in accounts payable and accrued liabilities at year-end. This amount also includes compensated absences (See Note I.G.6), as well as invoices expensed but not yet disbursed and payroll liability not yet disbursed, both due to the normal lag in processing such transactions.

The District had \$84,846,000 in accounts payable and accrued liabilities at year-end. This was principally made up of vouchers expensed but not yet disbursed and payroll liability not yet disbursed, both due to the normal lag in processing such transactions.

C. CAPITAL ASSETS

Changes in Governmental Activities Capital Assets (000's Omitted):

Class	Balance			Balance
	July 1, 2023	Increases	Decreases	
Capital assets, not being depreciated:				
Land	\$ 27,186	\$ —	\$ —	\$ 27,186
Construction in progress	20,404	16,160	11,915	24,649
Total capital assets, not being depreciated	47,590	16,160	11,915	51,835
Capital assets, being depreciated:				
Buildings	270,666	8,902	—	279,568
Improvements other than buildings	103,849	13,051	47	116,853
Machinery, equipment, and vehicles	134,473	4,934	7,145	132,262
Infrastructure	729,367	—	—	729,367
Total capital assets being depreciated	1,238,355	26,887	7,192	1,258,050
Less accumulated depreciation for:				
Buildings	162,799	7,545	—	170,344
Improvements other than buildings	48,442	3,792	46	52,188
Machinery, equipment, and vehicles	99,416	6,852	6,772	99,496
Infrastructure	255,396	12,684	—	268,080
Total accumulated depreciation	566,053	30,873	6,818	590,108
Total capital assets, being depreciated, net	672,302	(3,986)	374	667,942
Lease assets, being amortized:				
Real Estate	9,694	890	982	9,602
Equipment	395	—	—	395
Total Lease Assets being amortized	10,089	890	982	9,997
Less: accumulated amortization for:				
Real Estate	2,101	1,266	982	2,385
Equipment	141	80	—	221
Total Accumulated amortization	2,242	1,346	982	2,606
Total lease assets being amortized, net	7,847	(456)	—	7,391
SBITA assets, being amortized:				
SBITA	3,338	—	23	3,315
Less: accumulated amortization for SBITA:	1,011	1,122	23	2,110
Total SBITA assets being amortized, net:	2,327	(1,122)	—	1,205
Governmental activities capital assets, net	\$ 730,066	\$ 10,596	\$ 12,289	\$ 728,373

Changes in Business-type Activities Capital Assets (000's Omitted):

Class	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 10,539	\$ —	\$ 1,020	\$ 9,519
Construction in progress	1,164	1,547	1,164	1,547
Total capital assets, not being depreciated	<u>11,703</u>	<u>1,547</u>	<u>2,184</u>	<u>11,066</u>
Capital assets, being depreciated:				
Buildings	239,372	651	8,476	231,547
Improvements other than buildings	307,780	—	—	307,780
Machinery, equipment, and vehicles	44,474	1,007	2,932	42,549
Total capital assets being depreciated	<u>591,626</u>	<u>1,658</u>	<u>11,408</u>	<u>581,876</u>
Less accumulated depreciation for:				
Buildings	150,972	5,471	4,705	151,738
Improvements other than buildings	181,905	6,198	—	188,103
Machinery, equipment, and vehicles	31,915	2,192	2,894	31,213
Total accumulated depreciation	<u>364,792</u>	<u>13,861</u>	<u>7,599</u>	<u>371,054</u>
Total capital assets, being depreciated, net	<u>226,834</u>	<u>(12,203)</u>	<u>3,809</u>	<u>210,822</u>
Lease assets being amortized:				
Real Estate	1,019	—	—	1,019
Less accumulated amortization for:				
Real Estate	120	60	—	180
Total lease assets being amortized, net	<u>899</u>	<u>(60)</u>	<u>—</u>	<u>839</u>
Business-type activities capital assets, net	<u>\$ 239,436</u>	<u>\$ (10,716)</u>	<u>\$ 5,993</u>	<u>\$ 222,727</u>

Depreciation expense was charged to City functions and programs as follows (000's omitted):

Governmental activities:	
General Government	\$ 2,700
Police	2,060
Fire	2,575
Emergency Communications	232
Transportation	12,744
Environmental Services	6,289
Recreation & Human Services	2,601
Library	1,064
Neighborhood & Business Development (NBD)	608
Total depreciation expense - governmental	<u>30,873</u>
Business-type activities:	
Water	7,610
Parking	2,602
War Memorial	1,307
Refuse	1,311
Cemetery	459
Public Market	572
Total depreciation expense - business-type	<u>13,861</u>
Total depreciation - Primary Government	<u><u>\$ 44,734</u></u>

Amortization expense was charged to City functions and programs as follows (000's omitted):

Governmental activities:	
General government	\$ 1,400
Police	529
Library	105
Neighborhood & Business Development	434
Total amortization expense - governmental	<u>2,468</u>
Business-type activities:	
Parking	<u>60</u>
Total amortization expense - business type	<u>60</u>
Total amortization - Primary Government	<u><u>\$ 2,528</u></u>

**Discretely Presented Component Unit
Changes in the District's Capital Assets (000's Omitted):**

Class	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 19,352	\$ 315	\$ —	\$ 19,667
Construction in progress	33,519	15,754	469	48,804
Total capital assets, not being depreciated	<u>52,871</u>	<u>16,069</u>	<u>469</u>	<u>68,471</u>
Capital assets, being depreciated:				
Buildings and improvements	1,318,432	21,024	1,203	1,338,253
Equipment and other	68,860	17,599	7,567	78,892
Total capital assets being depreciated	<u>1,387,292</u>	<u>38,623</u>	<u>8,770</u>	<u>1,417,145</u>
Less accumulated depreciation for:				
Buildings and improvements	513,635	46,276	493	559,418
Equipment and other	51,598	7,912	2,417	57,093
Total accumulated depreciation	<u>565,233</u>	<u>54,188</u>	<u>2,910</u>	<u>616,511</u>
Total capital assets, being depreciated, net:	<u>822,059</u>	<u>(15,565)</u>	<u>5,860</u>	<u>800,634</u>
Lease assets:				
Land improvements	334	185	185	334
Buildings	1,490	—	1,490	—
Equipment	1,768	—	1,768	—
Total lease assets being amortized	<u>3,592</u>	<u>185</u>	<u>3,443</u>	<u>334</u>
Less accumulated amortization:				
Land improvements	245	51	185	111
Buildings	640	850	1,490	—
Equipment	1,403	364	1,767	—
Total accumulated amortization	<u>2,288</u>	<u>1,265</u>	<u>3,443</u>	<u>111</u>
Total right to use assets being amortized, net	<u>1,304</u>	<u>(1,081)</u>	<u>—</u>	<u>223</u>
District capital assets, net	<u>\$ 876,234</u>	<u>\$ (578)</u>	<u>\$ 6,329</u>	<u>\$ 869,327</u>

Depreciation expense and amortization was charged to functions of the District in the statement of activities as follows:

Instructional teaching regular school	\$ 48,541
General support central services	5,760
Pupil transportation	1,090
Community services	<u>63</u>
	<u>\$ 55,454</u>

D. CURRENT DEBT RELATED LIABILITIES

The following tables summarize changes in the City’s current debt related liabilities for the year ended June 30, 2024:

Changes in Current Debt Related Liabilities - Governmental Activities (000's Omitted):

	<u>Balance</u> <u>July 1, 2023</u>	<u>New</u> <u>Issues/</u> <u>Additions</u>	<u>Notes</u> <u>Converted</u> <u>to Bonds</u>	<u>Maturities/</u> <u>Reductions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>
Bond Anticipation Notes						
Public improvement	\$ 79,234	\$ 18,781	\$ 30,300	\$ (12,108)	\$ 55,607	\$ 55,607
Library	1,561	463	799	(162)	1,063	1,063
Local Works	2,812	2,905	—	(840)	4,877	4,877
Total Bond Anticipation Notes	<u>\$ 83,607</u>	<u>\$ 22,149</u>	<u>\$ 31,099</u>	<u>\$ (13,110)</u>	<u>\$ 61,547</u>	<u>\$ 61,547</u>

Changes in Current Debt Related Liabilities - Business-type Activities (000's Omitted):

	<u>Balance</u> <u>July 1, 2023</u>	<u>New</u> <u>Issues/</u> <u>Additions</u>	<u>Notes</u> <u>Converted</u> <u>to Bonds</u>	<u>Maturities/</u> <u>Reductions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>
Bond Anticipation Notes						
Water	\$ 16,842	\$ 9,466	\$ 7,246	\$ (453)	\$ 18,609	\$ 18,609
Parking	4,177	1,688	—	(1,465)	4,400	4,400
War Memorial	533	981	415	(65)	1,034	1,034
Public Market	655	—	565	(90)	—	—
Refuse	1,000	3,200	—	(1,000)	3,200	3,200
Total Bond Anticipation Notes	<u>\$ 23,207</u>	<u>\$ 15,335</u>	<u>\$ 8,226</u>	<u>\$ (3,073)</u>	<u>\$ 27,243</u>	<u>\$ 27,243</u>

As of June 30, 2024, the City had two Bond Anticipation Notes, one for \$105,250,000 at 4.5% maturing August 1, 2024 and one for \$17,980,000 at 4.5% maturing February 27, 2025. These BANS were the combined short term financing for capital projects in governmental activities, business-type activities and for the District.

The following table summarizes changes in the District's current debt related liabilities for the year ended June 30, 2024:

Changes in Current Related Liabilities - District (000's Omitted):

	<u>Balance</u> <u>July 1, 2023</u>	<u>New Issues/ Additions</u>	<u>Notes Converted to Bonds</u>	<u>Maturities/ Reductions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within One Year</u>
Bond Anticipation Notes						
Rochester City School District	\$ 16,030	\$ 19,600	\$ —	\$ (1,190)	\$ 34,440	\$ 34,440
Total Bond Anticipation Notes	\$ 16,030	\$ 19,600	\$ —	\$ (1,190)	\$ 34,440	\$ 34,440

E. LONG-TERM LIABILITIES

The following tables summarize changes in the City's long-term liabilities for the year ended June 30, 2024:

Changes in Long-term Liabilities - Governmental Activities (000's Omitted):

	Balance	New Issues/	Notes	Maturities/	Balance	
	July 1, 2023	Additions	Converted to Bond	Reductions	June 30, 2024	Due Within One Year
General Obligation Bonds						
Public improvement	\$ 38,259	\$ —	\$ 29,145	\$ (9,764)	\$ 57,640	\$ 14,815
Library	4,345	—	774	(495)	4,624	579
Local Works	595	—	—	(295)	300	300
Premium*	4,631	1,366	—	(2,055)	3,942	825
Total General Obligation Bonds	47,830	1,366	29,919	(12,609)	66,506	16,519
Other Noncurrent Liabilities						
Promissory Note Payable****	390	—	—	(390)	—	—
Workers' Compensation	17,360	3,632	—	(3,150)	17,842	3,568
Pollution Remediation	20,762	925	—	(1,814)	19,873	—
OPEB Liability	1,029,753	28,022	—	(53,065)	1,004,710	—
Net Pension Liability**	225,403	—	—	(46,069)	179,334	—
Lease Liability	8,250	889	—	(1,091)	8,048	762
Due to Other Governments - HUD 108 Loan***	13,063	—	—	(1,073)	11,990	1,094
SBITA	2,377	—	—	(944)	1,433	843
Total Other Noncurrent Liabilities	1,317,358	33,468	—	(107,596)	1,243,230	6,267
TOTAL NONCURRENT LIABILITIES	\$ 1,365,188	\$ 34,834	\$ 29,919	\$ (120,205)	\$ 1,309,736	\$ 22,786

*The beginning balance has been adjusted to properly include \$130 in premium which was not included in the ending balance of last year's chart.

** Additions and reductions to net pension liability are presented net of reductions.

*** The due within one year portion is displayed in due to other government in the community development fund financial statements.

****The City purchased the Maguire Building, a property at 448 Smith St., from Rochester Economic Development Corporation (REDCO) and issued a promissory note payable for the purchase price in the amount of \$515,000. The interest rate is 2%, and shall be payable by way of Lease credits. The City entered a 10-year operating lease with REDCO for a portion of the office space in the property at 55-57 St. Paul St, for use as administration space for REDCO. The initial lease term is for 10 years, starting April 1, 2021. On May 15, 2024, REDCO and the City agreed to terminate the lease agreement at 55-57 St. Paul St. The note balance of \$358,837.34 was remitted to REDCO, closing the note for 448 Smith St.

Changes in Long-term Liabilities - Business-type Activities (000's Omitted):

	Balance July 1, 2023	New Issues/ Additions	Notes Converted to Bond	Maturities/ Reductions	Balance June 30, 2024	Due Within One Year
General Obligation Bonds						
Water	\$ 35,700	\$ —	\$ 6,801	\$ (5,901)	\$ 36,600	\$ 6,113
Parking	3,770	—	—	(2,000)	1,770	995
War Memorial	4,350	—	390	(925)	3,815	960
Cemeteries	200	—	—	(100)	100	100
Public Market	1,970	—	540	(320)	2,190	410
Premium	3,105	85	—	(607)	2,583	472
Total General Obligation Bonds	<u>49,095</u>	<u>85</u>	<u>7,731</u>	<u>(9,853)</u>	<u>47,058</u>	<u>9,050</u>
Other Noncurrent Liabilities						
Workers' Compensation	10,278	377	—	(1,867)	8,788	1,758
OPEB Liability	93,774	12,608	—	(32,203)	74,179	—
Net Pension Liability**	4,564	—	—	(1,285)	3,279	—
Due to Other Governments - Pension Amortization*	—	—	—	—	—	—
Lease Liability	955	—	—	(35)	920	39
Total Other Noncurrent Liabilities	<u>109,571</u>	<u>12,985</u>	<u>—</u>	<u>(35,390)</u>	<u>87,166</u>	<u>1,797</u>
TOTAL NONCURRENT LIABILITIES	<u>\$ 158,666</u>	<u>\$ 13,070</u>	<u>\$ 7,731</u>	<u>\$ (45,243)</u>	<u>\$ 134,224</u>	<u>\$ 10,847</u>

*This amount is only the noncurrent portion of the NYS Pension Liability Amortization.

** Additions and reductions to net pension liability are presented net of reductions.

The City's other noncurrent liabilities are liquidated in the fund where the liability was incurred. Thus, the General Fund satisfies most liabilities for Governmental activities. In regard to Business-type activities, other noncurrent liabilities are allocated to the appropriate proprietary fund.

The following table summarizes changes in the District's noncurrent and debt-related liabilities for the year ended June 30, 2024 :

Changes in Noncurrent and Debt Related Liabilities - District (000's Omitted):

	<u>Balance July 1, 2023</u>	<u>New Issues/ Additions</u>	<u>Maturities/ Reductions</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
General Obligation and Revenue Bonds					
District Serial Bonds	\$ 109,310	—	\$ (16,565)	92,745	\$ 12,428
Premium	12,025	—	(1,462)	10,563	1,206
School Facilities Revenue Bonds					
FMP Revenue Bonds	433,485	—	(31,565)	401,920	33,160
Premium	61,322	—	(6,323)	54,999	6,323
TOTAL GENERAL OBLIGATION AND REVENUE BONDS	<u>616,142</u>	<u>—</u>	<u>(55,915)</u>	<u>560,227</u>	<u>53,117</u>
Other Noncurrent Liabilities					
Compensated Absences	4,848	6,136	(6,022)	4,962	4,962
Claims Payable:					
Worker's Compensation	29,912	6,071	(5,352)	30,631	5,709
TRS Incentive	1,750	—	(1,750)	—	—
Legal Contingencies	9,526	1,375	—	10,901	—
Other Post Employment Benefits ¹	912,702	17,874	—	930,576	—
Due to Other Governments:					
NYS Lottery Advance	31,500	—	(31,500)	—	—
ERS Pension Liability	46,889	—	(12,759)	34,130	—
TRS Pension Liability	27,330	—	(9,736)	17,594	—
Leases	1,303	—	(1,081)	222	52
Total Other Noncurrent Liabilities	<u>1,065,760</u>	<u>31,456</u>	<u>(68,200)</u>	<u>1,029,016</u>	<u>10,723</u>
TOTAL NONCURRENT and DEBT RELATED LIABILITIES	<u>\$ 1,681,902</u>	<u>\$ 31,456</u>	<u>\$ (124,115)</u>	<u>\$ 1,589,243</u>	<u>\$ 63,840</u>

¹ Reductions are presented net of any additions

Compensated absences paid in fiscal year 2023-24 totaled approximately \$5.6 million, excluding payroll taxes. This amount is reflected in the maturities/reductions along with any balance remaining from fiscal year 2022-23. The new issues/additions reflect the new long-term liability at June 30, 2024.

Debt Service Requirements

A schedule of City and District debt service requirements for general obligation bonds which are payable during future years ended after June 30, 2024 as follows (000's Omitted):

Fiscal year Ending June 30	General Obligation Debt						Total
	Governmental Activities		Business-Type Activities		District		
	Principal	Interest	Principal	Interest	Principal	Interest	
2025	\$ 15,694	\$ 2,406	\$ 8,578	\$ 1,744	\$ 12,428	\$ 3,747	\$ 44,597
2026	10,990	1,870	6,824	1,437	12,100	3,260	36,481
2027	8,890	1,437	6,273	1,164	11,427	2,763	31,954
2028	7,135	1,075	4,575	927	9,855	2,316	25,883
2029	5,310	790	4,270	739	9,960	1,902	22,971
2030-2034	13,220	1,498	11,050	1,839	33,245	4,212	65,064
2035-2038	1,325	102	2,905	219	3,730	148	8,429
Total	<u>\$62,564</u>	<u>\$ 9,178</u>	<u>\$44,475</u>	<u>\$ 8,069</u>	<u>\$92,745</u>	<u>\$18,348</u>	<u>\$ 235,379</u>

A schedule of outstanding bond issues for the City and the District follows:

Outstanding Bond Issues - June 30, 2024

Issue	Rate(%)	Principal Balance	Final Maturity	Original Balance	Capital Project Fund Categories
General Obligation-1996, Series B (Taxable)	6.750	320,000	9/15/2024	9,380,000	Parking only
General Obligation Serial Bonds-1997	5.000	460,000	10/1/2025	55,960,000	G,L,P,S,W,Sch
General Obligation Serial Bonds-1999	5.250	2,185,000	10/1/2026	69,575,000	G,W,S,L,WM,Sch
General Obligation Serial Bonds-2001, Series A	4.500	180,000	10/15/2027	29,275,000	G,L,S,W,Sch
General Obligation Serial Bonds-2001, Series B	5.000	490,000	2/15/2028	35,350,000	G,S,PM,WM,W,Sch
School Refunding Bonds-2012, Series III	2.500	300,000	2/15/2025	9,640,000	School only
Refunding Bonds-2012, Series IV	3.750	2,690,000	10/15/2031	14,655,000	G,S,W,Sch
Refunding Bonds-2012, Series V	2.625	1,410,000	2/15/2031	19,390,000	G,S,W,P,Sch
General Obligation Serial Bonds-2013, Series I	2.500	2,925,000	2/1/2025	29,150,000	G,LW,P,C
General Obligation Serial Bonds-2013, Series II	2.500	8,830,000	2/1/2029	67,470,000	G,W,P,Sch
General Obligation Serial Bonds-2015, Series I	5.000	18,245,000	8/1/2030	59,620,000	G,L,W,WM,P,Sch
General Obligation Refunding (Serial) Bonds-2016, Series I	4.000	640,000	10/15/2024	20,200,000	G,S,W,Sch
General Obligation Serial Bonds-2018, Series I	4.000	7,425,000	2/15/2032	35,140,000	G,L,LW,W,WM,P,PM
General Obligation Serial Bonds-2018, Series II	4.000	35,510,000	8/1/2033	70,914,000	G,L,LW,W,P,PM,Sch
General Obligation Refunding Serial Bonds-2020, Series I	1.270	8,050,000	8/1/2027	40,370,000	G,S,L,W,P,Sch
General Obligation Serial Bonds-2022, Series II	5.000	72,475,000	8/1/2036	80,465,000	G,L,W,WM,Sch
General Obligation Serial Bonds-2024, Series I	4.000	<u>37,650,000</u>	2/15/2038	37,650,000	G,L,W,WM,PM
		<u><u>\$199,785,000</u></u>			

Capital Project Fund Categories: C=Cemeteries, G=Public Improvements, L=Library, LW=Local Works, P=Parking, PM=Public Market, R=Refuse, S=Sewer, Sch=School District, W=Water, WM=War Memorial

General obligation bonds are direct obligations for which the full faith and credit of the City are pledged. Bonds are generally issued as serial bonds for a period equivalent to one-half of the period of probable usefulness for each improvement as defined by the New York State Local Finance Law. The interest rates on long-term debt range from 1.27% to 6.75% with maturity dates through fiscal year 2038. Bonds authorized but unissued as of June 30, 2024 amounted to \$79,465,000. The debt-contracting margin of the City as of June 30, 2024, was \$477,385,119.

The City is in compliance with Internal Revenue Service regulations regarding arbitrage restrictions on tax-exempt bonds. No arbitrage rebate payments were due or made for the year ended 2024

F. POLLUTION REMEDIATION

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* provides guidance for state and local governments in estimating and reporting the potential costs of pollution remediation. While GASB Statement No. 49 does not require the City to search for pollution, it does require the City to reasonably estimate and report a remediation liability when any of the following obligating events has occurred:

- Pollution poses an imminent danger to the public and the City is compelled to take action;
- The City is in violation of a pollution related permit or license;
- The City is named or has evidence that it will be named as responsible party by a regulator;
- The City is named or has evidence that it will be named in a lawsuit to enforce a cleanup; or
- The City commences or legally obligates itself to conduct remediation activities.

Site investigation, planning and design, cleanup and site monitoring are typical remediation activities underway across the City. The City's Department of Environmental Services has primary responsibility for managing remediation related issues. The City has the knowledge and expertise to estimate the remediation obligations presented herein based upon prior experience in identifying and funding similar remediation activities. The standard requires the City to calculate pollution remediation liabilities using the expected cash flow technique.

The remediation obligation estimates that appear in this report are subject to change over time. Cost may vary due to price fluctuations, changes in technology, changes in potential responsible parties, results of environmental studies, changes to statutes or regulations and other factors that could result in revisions to these estimates. Prospective recoveries from responsible parties may reduce the City's obligation. Capital assets may be created when pollution remediation outlays are made under specific circumstances.

During the fiscal year, the City recognized estimated additional liabilities of \$925,000 and spent \$1,769,000 in pollution remediation obligation related activities. At June 30, 2024, the City had an outstanding pollution remediation liability of \$19,873,000.

G. LEASES

City as Lessee

The City is a lessee for non-cancelable leases of equipment (i.e., copiers) and real estate (i.e., office). The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual annual value of \$5,000 or more for equipment leases, and \$20,000 for property, plant and infrastructure leases.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease. Key estimates and judgements related to leases include how the City determines 1) the discount rate it uses to discount the expected lease payments to present value, 2) lease term, and 3) lease payments.

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City calculates an Implicit Borrowing Rate (IBR) using information from the lease terms and the property's assessed value. If a suitable IBR cannot be calculated, the City's loan rate for real estate transactions (1%) is used, or business loan rate (3%) for equipment transactions.

The lease term includes the non-cancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option priced that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the leased asset and liability if certain changes occur that are expected to significantly affect the

amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The total of the City's lease assets is recorded at a cost of \$11,016,000, less accumulated amortization of \$2,786,000.

The future lease payments under lease agreements are as follows (in thousands):

<u>Maturity Analysis - Leases</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 801	\$ 466	\$ 1,267
2026	793	441	1,234
2027	740	414	1,154
2028	780	384	1,164
2029	846	347	1,193
07/01/2029 - 06/30/2034	2,457	1,343	3,800
07/01/2034 - 06/30/2039	1,602	758	2,360
07/01/2039 - 06/30/2044	690	234	924
07/01/2044 - 06/30/2049	121	104	225
07/01/2049 - 06/30/2054	138	25	163
Total	\$ 8,968	\$ 4,516	\$ 13,484

City as Lessor

The City is a lessor for non-cancelable leases on real estate (i.e., office, retail, recreation, and parking lots). The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the City determines 1) the discount rate it uses to discount the expected lease receipts to present value, 2) lease term, and 3) lease receipts.

The City does not have a set Incremental Rate of Return (IRR) for its real estate leases. In lieu of an IRR, the City calculates an implicit borrowing rate (IBR) using information from the lease terms and the property's assessed value. If a suitable IBR cannot be calculated, the City's loan rate for real estate transactions (1%) is used, or business loan rate (3%) for equipment transactions.

The lease term includes the non-cancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the least receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The total amount of inflows of resources, including lease revenue, interest revenue, and other lease related inflows, recognized during the fiscal year was \$193,761.

The future lease receipts under lease agreements are as follows (in thousands):

<u>Maturity Analysis - Leases</u>	<u>Revenue</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 462	\$ 89	\$ 551
2026	432	84	516
2027	403	78	481
2028	412	73	485
2029	410	67	477
2029-2034	1,378	285	1,663
2034-2039	813	236	1,049
2039-2044	668	200	868
2044-2049	647	166	813
2049-2054	436	140	576
2054-2059	364	123	487
2059-2064	347	110	457
2064-2069	361	97	458
2069-2074	375	83	458
2074-2079	389	68	457
2079-2084	404	53	457
2084-2089	420	37	457
2089-2094	436	21	457
2094-2099	338	5	343
	<u>\$ 9,495</u>	<u>\$ 2,015</u>	<u>\$ 11,510</u>

H. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS - (SBITAs)

The City has entered into subscription-based information technology arrangements (SBITAs) involving:

- Budget development and management system
- Code development software
- Records management software
- Land management system
- Performance measurement/benchmarking software
- Web-based job board software
- Evidence management system
- Cloud based training system
- Web content management system software
- Lease/subscription tracking system
- Case management system

The total of the City’s subscription assets are recorded at a cost of \$3,315,000, less accumulated amortization of \$2,110,000.

The future subscription payments under SBITA agreements are as follows (in thousands):

<u>Maturity Analysis</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 843	\$ 22	\$ 866
2026	517	4	521
2027	70	—	70
2028	3	—	3
Total	<u><u>\$ 1,433</u></u>	<u><u>\$ 26</u></u>	<u><u>\$ 1,460</u></u>

I. PUBLIC-PRIVATE PARTNERSHIP

War Memorial/Blue Cross Arena

In 2019, the City entered into a licensing agreement with Rochester Arena, LLC, under which Rochester Arena, LLC would operate the Blue Cross Arena Complex located at One War Memorial Square commencing October 14, 2019 and ending June 30, 2033. Per the agreement, Rochester Arena, LLC has the exclusive right to contract for, collect, receive and retain all income and revenues realized by, from or in connection with the Arena Complex.

Beginning in 2019, the City required Rochester Arena, LLC to make an annual facilities rental payment of \$60,000 and an annual parking rights fee payment of \$100,000. The City also required Rochester Arena, LLC to complete capital improvements valuing \$1,000,000 in years 4, 8 and 12 of the agreement. Additionally, Rochester Arena, LLC is required to remit to the City a \$2.75 ticket user fee for each event ticket with a face value greater than \$10.00. In FY24, the City realized variable income of \$643,413 from ticket user fees.

The total inflows of resources, including rent and fee revenues of \$249,72, interest revenues of \$33,192, and variable income of \$643,413, recognized during the fiscal year was \$928,326.

At the start of fiscal year 2025, Rochester Arena, LLC opted out of its licensing agreement. The City has waived capital improvements totaling \$143,000 from the first 4-year period. An RFP process was completed and Venuworks, Inc. has been selected as the new operator for the Blue Cross Arena Complex.

Future licensing receipts under this agreement are as follows (in thousands):

<u>Maturity Analysis</u>	<u>Revenue</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 160	\$ 32	\$ 128
2026	160	31	129
2027	1,160	28	1,132
2028	160	18	142
2029	160	17	143
2029-2034	1,640	51	1,589
	<u>\$ 3,440</u>	<u>\$ 177</u>	<u>\$ 3,263</u>

*Total receivable on 6/30/24 is \$3,407 as it includes \$144 from prior years.

J. FUND BALANCES - GOVERNMENTAL FUNDS

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

- **NonSpendable** - amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted** - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.
- **Committed** - amounts that can be used only for specific purposes determined by a formal action of City Council. City Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances approved by City Council.
- **Assigned** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City Charter, the Director of Finance has the authority to assign amounts for specific purposes.

The Assigned category includes funds encumbered for contract services and purchase orders that were open as of June 30, 2024.

- **Unassigned** - amounts include the General Fund and all other governmental funds with a residual deficit balance.

As of June 30, 2024, governmental fund balances were classified as follows (000's omitted):

	Capital Projects			Special Revenue	Nonmajor Governmental	Total Governmental Funds
	General	General	Transportation	Community Development		
Restricted:						
Debt service	\$ —	\$ —	\$ —	\$ —	\$ 3,886	\$ 3,886
Community development	—	—	—	8,827	—	8,827
Federal projects	—	—	—	—	4,608	4,608
RURA	—	—	—	—	903	903
State projects	—	—	—	—	5,739	5,739
Housing trust fund	56	—	—	—	—	56
Committed:						
Retirement costs	32,788	—	—	—	—	32,788
Property tax relief	20,063	—	—	—	—	20,063
Capital projects	—	51,931	—	—	—	51,931
Federal block grant	—	—	—	12,256	—	12,256
Cultural & Recreation - Capital	—	—	—	—	1,228	1,228
Cemetery perpetual care	—	—	—	—	5,532	5,532
Economic Development	—	—	—	—	1,159	1,159
Council priorities	3,812	—	—	—	—	3,812
Assigned:						
Open purchase orders and contracts:						
General government	19,551	—	—	—	—	19,551
Police	549	—	—	—	—	549
Fire	619	—	—	—	—	619
Emergency communications	240	—	—	—	—	240
Environmental services	1,637	—	—	—	—	1,637
Recreation & human services	2,287	—	—	—	—	2,287
Neighborhood & business development	2,999	—	—	—	—	2,999
Subsequent year's expenditures	9,000	—	—	—	—	9,000
Retirement costs	2,400	—	—	—	—	2,400
Property tax relief	2,400	—	—	—	—	2,400
Postemployment benefits	4,977	—	—	—	—	4,977
Debt service	—	—	—	—	6,749	6,749
Capital projects	5,000	81	—	—	—	5,081
Animal control	—	—	—	—	550	550
Library	—	—	—	—	1,786	1,786
Local works	—	—	—	—	17,461	17,461
Downtown programs	—	—	—	—	2,156	2,156
Unassigned (deficit)						
Capital projects fund - Transportation	—	—	(38,360)	—	—	(38,360)
Capital projects fund - Cultural and Recreation	—	—	—	—	—	—
General fund	8,653	—	—	—	—	8,653
Totals	\$117,031	\$ 52,012	\$ (38,360)	\$ 21,083	\$ 51,757	\$ 203,523

IV. OTHER INFORMATION

A. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been fully self-insured for all workers' compensation and general liability risks for over thirty years. Settled claims have not exceeded established reserves. Workers' compensation claims are funded from the General Fund, Special Revenue, and Enterprise Funds. General liability and property liability claims are funded from contributions made to a Claims Settlement Internal Service Fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

At June 30, 2024, the amount of these liabilities was \$42,513,000. Liability estimates are based on the valuations of the insurance companies administering the programs. Changes in the reported liability since June 30, 2022 resulted from the following (000's Omitted):

	Workers' Compensation	General Liability	Total
Estimated claims June 30, 2022	\$ 26,039	\$ 24,845	\$ 50,884
Claims incurred 2022-23	7,319	10,811	18,130
Payments 2022-23	(5,720)	(12,046)	(17,766)
Estimated claims June 30, 2023	\$ 27,638	\$ 23,610	\$ 51,248
Claims incurred 2023-24	4,009	(3,062)	947
Payments 2023-24	(5,017)	(4,666)	(9,683)
Estimated claims June 30, 2024	\$ 26,630	\$ 15,882	\$ 42,512

Third party insurance is maintained by the District on vehicles, boilers and machines, and stop loss for major medical benefits. In addition, the District carries a general liability policy with a self-insured retention of \$500,000 and the following limits:

Aggregate Limit	\$10,000,000
Each Occurrence	\$10,000,000

The schedule below presents the calculation of the District's change in estimated workers' compensation, which are included in claims payable.

	Workers' Compensation
Estimated claims June 30, 2022	\$ 27,734,175
Claims incurred 2022-23	7,400,705
Payments 2022-23	(5,222,880)
Estimated claims June 30, 2023	\$ 29,912,000
Claims incurred 2023-24	6,070,717
Payments 2023-24	(5,351,717)
Estimated claims June 30, 2024	\$ 30,631,000

B. CONTINGENT LIABILITIES

Amounts received or receivables from grant 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 that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these suits is not presently determinable, in the opinion of the City's Corporation Counsel, the resolution of these matters will not have a material adverse effect on the financial condition or results of operation.

C. POST EMPLOYMENT BENEFITS (OBLIGATIONS FOR HEALTH INSURANCE & FIREFIGHTER DISABILITY)

Plan Description. The City provides continuation of medical insurance coverage to employees that retire under the New York Retirement Systems at the same time they end their service to the City. Based on collective bargaining agreements, the retiree, and his or her dependents, receives this coverage for the life of the retiree. Healthcare benefits for non-union employees are similar to those of union employees. The retiree's share of premium costs range from 0% to 25%, depending on the employee group and length of service. Eligible dependents of retirees who retired on or after 1/1/2020 continue to receive health benefits for life at the same contribution level of the retiree. Coverage ceases if the surviving spouse remarries. Coverage for dependents ceases when they reach age 26. Also, under requirements of state and local law, the City compensates firefighters that retire due to disability until the mandatory retirement age of 70. This compensation is equal to the differential between the retiree's pension and the salary that they would be paid if still in active service. There are currently 41 firefighters receiving such compensation. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The District administers the District's Retiree Medical, Prescription, and Dental Plan (the Plan) as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB). the Plan provides for continuation of medical, prescription and dental benefits for certain retirees and their spouses and can be amended by action of the District subject to applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Funding Policy. The City and the District currently pay for postemployment health care benefits on a pay-as-you-go basis. Although both entities are studying the establishment of trusts that would be used to accumulate and invest assets necessary to pay for the accumulated liability, these financial statements assume that pay-as-you-go funding will continue.

City and District Employees covered by benefit terms

At June 30, 2023, the following employees were covered by the benefit terms.

	City	District
Inactive employees or beneficiaries currently receiving benefit payments	3,673	4,027
Active employees	3,053	5,493
Total	6,726	9,520

Total OPEB Liability

The City's total OPEB liability of \$1,078,889,000 was measured as of June 30, 2024 and was determined based on an actuarial valuation as of July 1, 2023.

The District's total OPEB liability of \$930,576,000 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023

Actuarial Assumptions and Other Inputs

The City's total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Retiree share of benefit-related cost:	Range of 0%-25% of premium cost
Salary increase:	3.0% average salary increase used for Entry Age Normal (EAN)
Discount rate:	4.09%
Healthcare Cost Trend rates:	Year 1 trend January 1, 2025 7% both Pre 65, and Post 65 Ultimate trend January 1, 2035 and later 4.5% both Pre 65 and Post 65 Grading per year .25% both Pre 65 and Post 65.

The discount rate was based on the prescribed discount interest rate methodology under GASB 75 based on an average of two 20-year bond indices (e.g., S&P Municipal Bond 20 Year High Grade Rate Index - 4.21%, and Fidelity GAA 20 Years - 3.97%) as of June 30, 2024.

The mortality tables used for this valuation is based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables using Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

The actuarial assumptions used in the City's July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2023 to June 30, 2024.

The District's total OPEB liability measured as of the year ended June 30, 2024 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increase:	3.0% average, including inflation
Discount rate:	4.09%
Healthcare Cost Trend rates:	7.0% for 2025 with an ultimate trend of 4.5% in 2035 and years thereafter, graded at .25% per year

The discount rate was based on the prescribed discount interest rate methodology under GASB 75 based on an average of three 20-year bond indices as of June 30, 2024.

The mortality tables used for this valuation is based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables using Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

The actuarial assumptions used in the District's July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2023 to June 30, 2024.

Changes Total OPEB Liability	<u>City</u>	<u>District</u>
Balance as of 6/30/2023	\$ 1,123,527,192	\$ 912,701,956
Changes for the year		
Service cost	16,844,062	20,334,682
Interest	45,096,492	36,627,817
Changes in assumptions or other inputs	(64,731,428)	(4,775,967)
Benefits payments	<u>(41,846,933)</u>	<u>(34,312,634)</u>
Net changes	<u>(44,637,807)</u>	<u>17,873,898</u>
Balance as of 6/30/2024	<u>\$ 1,078,889,385</u>	<u>\$ 930,575,854</u>

Sensitivity of the total OPEB liability to changes in the discount rate.

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.09 percent) or 1-percentage point higher (5.09 percent) than the current discount rate.

	Discount Rate 1% Decrease (3.09%)	Discount Rate (4.09%)	Discount Rate 1% Increase (5.09%)
Total OPEB Liability	\$ 1,285,354,344	\$ 1,078,889,385	\$ 922,591,858

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.09%) or one percentage point higher (5.09%) than the current discount rate.

	Discount Rate 1% Decrease (3.09%)	Discount Rate (4.09%)	Discount Rate 1% Increase (5.09%)
Total OPEB Liability	\$ 1,109,522,634	\$ 930,575,854	\$ 793,928,706

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 and the District respectively.

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

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

	Discount Rate 1% Decrease	Healthcare Cost Trend Rate	Discount Rate 1% Increase
Total OPEB Liability	\$ 911,444,959	\$ 1,078,889,385	\$ 1,302,579,254

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current healthcare cost trend rate.

	Discount Rate 1% Decrease (6.0%)	Healthcare Cost Trend Rate (7.0%)	Discount Rate 1% Increase (8.0%)
Total OPEB Liability	\$ 779,325,351	\$ 930,575,854	\$ 1,131,107,097

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

For the year ended June 30, 2024, the City recognized a decrease in OPEB expense of \$19,204,171. At June 30, 2024 the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 71,959,798	\$ 471,165,619
Total	<u>\$ 71,959,798</u>	<u>\$ 471,165,619</u>

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

Year ended June 30:	
2025	\$ (81,144,725)
2026	(81,144,725)
2027	(85,926,067)
2028	(101,824,181)
2029	(36,133,076)
2030	(10,372,852)
2031	(2,660,195)

For the year ended June 30, 2024, the District recognized OPEB expense of \$53,563,117. A summary of deferred inflows and outflows for the 2024 plan year valuation is as follows:

<u>Year Ended</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
6/29/2020	\$ 45,851,054
6/30/2021	33,753,012
6/30/2022	(154,600,663)
6/30/2023	(26,926,433)
6/30/2024	(4,123,512)
Total	<u>\$ (106,046,542)</u>

Of the total deferred outflows/(inflows), \$34,470,016 represent subsequent benefit payments that will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2025	\$ (3,399,382)
2026	(9,949,534)
2027	(32,668,442)
2028	(41,873,808)
2029	(15,866,221)
2030	(2,080,373)
2031	(208,782)

Medical Reimbursements.

The City's Medicare Part D prescription drug subsidy, which reduces the cost of retiree healthcare premiums, is accrued as revenue only in the current year. Subsidies which were \$452,000 for the City in fiscal year 2023, cannot be projected as a reduction to the actuarial accrued liability.

The District's Medicare Part D prescription drug subsidy, which reduces the cost of retiree healthcare premiums, is accrued as revenue only in the current year. Subsidies for future years cannot be recognized as a reduction to the actuarial accrued liability.

Effective January 1, 2002, the District established a Medical Reimbursement Account (MRA) for qualified retirees per the collective bargaining agreement between the District and Association of Supervisors and Administrators of Rochester for an attendance incentive. During fiscal year 2023-24, MRA claims totaling \$6,082 were paid by the District and at June 30, 2024, there were twenty-seven active participants.

D. PENSION OBLIGATIONS

New York State and Local Employees' Retirement System (ERS) and the New York State Police and Fire Retirement System (PFRS), (the Systems).

Plan description. 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). The District also participates in the New York State and Local Employees' Retirement System and in the New York State Teachers' Retirement System (TRS). These are cost sharing multiple public employer retirement systems (Systems). The New York State Retirement and Social Security Laws govern obligations of employers and employees. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. Benefits generally vest after five or ten years of credited service depending upon Tier membership.

Funding policy. All participating employers in each System are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees except certain part-time, temporary and provisional employees, participate in the Systems. The Systems are contributory except for Tier I and II employees who joined the Employees' Retirement System or the Teachers' Retirement System before July 27, 1976. The contribution rate for ERS Tier III, IV, and V employees is 3% of salary. Tier III and Tier IV employees contribute only during the first 10 years of service. The contribution rate for ERS and PFRS Tier VI employees which started April 1, 2012, is between 3% and 6%, dependent upon their salary for their entire working career. For ERS 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.

As of July 1, 2013, new employees making a minimum salary of \$75,000 and are unrepresented (not associated with a union), and not already vested in the NYS Retirement System have the option of joining the Voluntary Defined Contribution Plan (VDC) maintained through TIAA-CREF. Employees contributions are based on the following, \$75,000 = 4.5%, \$75,000.01 to \$100,000 = 5.75% and greater than \$100,000 = 6%. All amounts are subject to the 415 limit set by law each year. The City's contribution is 8% of the employees annual wages. Employee contributions are deducted by employers from employees' paychecks and are sent to TIAA CREFF to be distributed to the approved investment providers as based on the participant's elections.

ERS and PFRS, effective with Chapter 57, Laws of 2010, initiated an employer contribution stabilization program, referred to as the Original Contribution Stabilization Program, which provides for the option of amortizing a portion of the pension cost over 10 years with repayment based on an interest rate established by the NYS Comptroller using current market rates.

TRS system is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, employees who joined on or after January 1, 2010 who contribute 3.0 to 3.5 percent of their salary and employees who joined on or after April 1, 2012 who contribute 3.0 to 6.0 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

Summary of significant accounting policies. The annual report containing financial statements and required supplemental information for the Employees' and the Police and Fire Retirement Systems are prepared on the accrual basis of accounting and may be obtained from the New York State and Local Retirement Systems, 100 State Street, Governor Smith State Building, Albany, NY 12244. The annual report for the New York State Teachers' Retirement System may be obtained by writing to 10 Corporate Woods Drive, Albany, NY 12211-2935.

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

At June 30, 2024, the City reported the following asset/(liability) for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of March 31, 2024 for ERS and PFRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation.

Measurement Date	ERS	PFRS
	March 31, 2024	March 31, 2024
Net Pension Asset (Liability)	\$ (46,498,312)	\$ (136,113,263)
City's portion of the plan's total net pension asset/ liability	0.3157984 %	2.8698776%
Change in proportionate share since prior measurement date	0.0082275	(0.1064793)

At June 30, 2024, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2024 for ERS and June 30, 2023 for TRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined.

Measurement Date	ERS	TRS
	March 31, 2024	June 30, 2023
Net Pension Asset (Liability)	\$ (34,129,681)	\$ (17,594,208)
District's portion of the Plan's total net pension liability	0.231796%	1.538513%
Change in proportionate share since prior measurement date	0.0131380	(0.114230)

At year end June 30, 2024, the City recognized ERS pension expenses of \$20,096,000. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 14,977,070	\$ 1,267,887
Changes of Assumptions	17,579,967	—
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	—	22,714,178
Changes in Proportion and differences between Employer Contributions and Proportionate Share of Contributions	961,523	479,754
Total	\$ 33,518,560	\$ 24,461,819

The City's contributions subsequent to the measurement date for ERS amounted to \$3,745,000.

At year end June 30, 2024, the City recognized PFRS pension expenses of \$47,028,000. Total Pension Expense for both ERS and PFRS was 67,124,000.

The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 41,934,673	\$ —
Changes of Assumptions	51,342,039	—
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	—	36,948,180
Changes in Proportion and differences between Employer Contributions and Proportionate Share of Contributions	2,540,318	5,552,850
Total	\$ 95,817,030	\$ 42,501,030

The City's contributions subsequent to the measurement date for PFRS amounted to \$11,419,000.

At year end June 30, 2024, the District's ERS recognized pension expenses of \$15,720,088 and for TRS \$50,637,374. At June 30, 2024, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions arose from the following sources:

	District	
	ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 10,993,143	\$ 930,627
Changes of Assumptions	12,903,666	—
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	—	16,672,168
Changes in Proportion and differences between Employer Contributions and Proportionate Share of Contributions	3,960,089	1,506,523
Total	\$ 27,856,898	\$ 19,109,318

At year end June 30, 2024, the District recognized \$3,337,180 in contributions to ERS subsequent to the measurement date.

	District	
	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 42,661,273	\$ 105,443
Changes of Assumptions	37,879,807	8,255,696
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	8,993,810	—
Changes in Proportion and differences between Employer Contributions and Proportionate Share of Contributions	7,309,066	6,689,659
Total	\$ 96,843,956	\$ 15,050,798

At year end June 30, 2024, the District recognized \$27,558,126 in contributions to TRS subsequent to the measurement date.

The City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The City's net amount of the employer's balances of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Fiscal year ending June 30,	ERS	PFRS
2025	\$ (8,548,040)	\$ (10,532,882)
2026	8,908,104	39,585,200
2027	13,588,459	22,163,104
2028	(4,891,782)	(3,879,907)
2029	—	5,980,486
Thereafter	—	—

The District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	ERS	TRS
2025	\$ (5,703,477)	2024 \$ 7,414,079
2026	7,053,141	2025 (8,203,932)
2027	10,683,223	2026 71,918,735
2028	(3,285,337)	2027 5,302,820
2029	—	2028 3,386,187
Thereafter	—	Thereafter 1,975,279

Actuarial Assumptions

The City's and the District's total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS	PFRS	TRS
Measurement Date	March 31, 2024	March 31, 2024	June 30, 2023
Actuarial Valuation Date	April 1, 2023	April 1, 2023	June 30, 2022
Interest Rate	5.9%	5.9%	6.95%
Salary Scale	4.4%	6.2%	1.95% - 5.18%
Decrement Tables	04/01/15-03/31/20 System's Experience	04/01/15-03/31/20 System's Experience	07/01/15-06/30/20 System's Experience
Inflation Rate	2.9%	2.9%	2.4%
Cost of Living Adjustments	1.5%	1.5%	1.3%

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

For ERS and PFRS, the actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries Scale MP-2021.

For TRS, the actuarial assumptions used in the June 30, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

The City and District's 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.

The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

CITY AND DISTRICT	Target Allocation		Long-Term Expected Real Rate of Return	
	ERS and PFRS	TRS	ERS and PFRS	TRS
Measurement Date	March 31, 2024	June 30, 2023	March 31, 2024	June 30, 2023
Asset Class:				
Domestic equities	32.00%	33.00%	4.00%	6.80%
International equities	15.00	15.00	6.65	7.60
Global equities	—	4.00	—	7.20
Real estate	9.00	11.00	4.60	6.30
Private equity	10.00	9.00	7.25	10.10
Private debt	—	2.00	—	6.00
Real estate debt	—	6.00	—	3.20
Fixed income securities	23.00	16.00	—	2.20
Global bonds	—	2.00	—	1.60
High yield bonds	—	1.00	—	4.40
Opportunistic/ARS portfolio	3.00	—	5.25	—
Credit	4.00	—	5.40	—
Real assets	3.00	—	5.79	—
Bond and mortgages	—	—	—	—
Cash equivalents	1.00	1.00	—	0.30
Cash	—	—	0.25	—
Fixed Income	—	—	1.50	—
Total	100.0%	100.0%		

Discount Rate

The Discount rate used to calculate the total pension liability was 5.9% for ERS and PFRS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that the contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following tables present the City and District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and PFRS and 6.95% for TRS, as well as what the City and District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is one percentage point lower (4.9% for ERS and PFRS and 5.95% for TRS) or one percent point higher (6.9% for ERS and PFRS and 7.95% for TRS) than the current rate:

		1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
CITY - ERS	Employer's proportionate share of the Net Pension asset/(liability)	\$ (146,195,444)	\$ (46,498,312)	\$ 36,769,476
CITY - PFRS	Employer's proportionate share of the Net Pension asset/(liability)	\$ (318,128,621)	\$ (136,113,263)	\$ 14,258,029
DISTRICT-ERS	Employer's proportionate share of the Net Pension asset/(liability)	\$ (107,307,204)	\$ (34,129,681)	\$ 26,988,732
		1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
DISTRICT-TRS	Employer's proportionate share of the Net Pension asset/(liability)	\$ (267,968,708)	\$ (17,594,208)	\$ 192,981,575

Pension Plan Fiduciary Net Position

The City and District's net pension asset/(liability) of the employers participating in the System as of the respective measurement dates, were as follows:

	ERS	PFRS	TRS
	(Dollars in Thousands)		
Measurement Date	3/31/2024	3/31/2023	6/30/2023
Employers' total pension liability	\$ 240,696,851	\$ 46,137,717	\$ 138,365,122
Fiduciary net position	225,972,801	41,394,895	137,221,537
Employers' net pension asset/(liability)	<u>\$ (14,724,050)</u>	<u>\$ (4,742,822)</u>	<u>\$ (1,143,585)</u>
Ratio of fiduciary net position to the employers' total pension asset/(liability)	93.88%	89.72%	99.17%

Payables to the Pension Plan

For the City's ERS and PFRS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on 25% of the City's ERS and PFRS estimated bill. The City's accrued retirement contributions as of June 30, 2024 for ERS amounted to \$3,745,000 and PFRS amounted to \$11,419,000.

For the District, ERS employer contributions are paid annually based on the System's fiscal year which ends March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on ERS wages multiplied by the contribution rate by tier. Accrued employer retirement contributions were approximately \$3,337,180 for employee contributions, and employer accrued retirement contributions were \$233,584 as of June 30, 2024.

For the District's TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a State Aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on TRS wages multiplied by the employer's contribution rate, and employee contributions for the fiscal year as reported to the TRS System. Employer accrued retirement contributions as of June 30, 2024 were \$27,558,126 and employee accrued retirement contributions were \$3,330,522.

E. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

To improve cash management, all City disbursements are made from a consolidated account in the general fund. Also, the cash balances of certain capital funds are consolidated to maximize investment return. Both these cash management practices, as well as normal delays in processing interfund transfers and reimbursements, including those that occur at year end such as allocation of fringe benefits and workers compensation expenses as well as the allocation of tax collections, are the primary reasons why interfund receivables and payables exist. These receivables and payables are short term in nature and are typically repaid in less than one year. The following schedule summarizes individual fund interfund receivables and payables at June 30, 2024 (000's Omitted):

Due to:	Due From:								Total
	General	General Capital	Transportation Capital	Community Development	Nonmajor Governmental Special Revenue	Nonmajor Governmental Capital Projects	Internal Service	Proprietary	
General	\$ —	\$ 63,546	\$ 1,393	\$ 34	\$ 1,469	\$ 60	\$ 913	\$ 9,301	\$ 76,716
General Capital	7,369	—	—	—	—	—	—	—	7,369
Transportation Capital	3,302	—	—	—	—	—	—	35	3,337
Community Development	656	—	—	—	—	—	—	—	656
Nonmajor Capital Projects	605	—	—	—	—	—	—	—	605
Nonmajor Special Revenue	3,095	315	6,060	—	—	2,605	—	517	12,592
Proprietary	3,158	—	—	—	9	—	500	—	3,667
Total	\$ 18,185	\$ 63,861	\$ 7,453	\$ 34	\$ 1,478	\$ 2,665	\$ 1,413	\$ 9,853	\$ 104,942

Transfers among funds are provided for as part of the annual budget process. They facilitate annual contributions from the operating budget to capital project funds. They also facilitate the contribution of enterprise earnings to the general fund and maintain our general liability fund balance. Interfund transfers for the fiscal year ending June 30, 2024, which were routine in nature, were as follows (000's Omitted):

Transfer Out:	Transfer In:								Total
	General	Nonmajor Debt Service	General Capital	Transportation Capital	Nonmajor Governmental Special Revenue	Nonmajor Governmental Capital Projects	Internal Service	Proprietary	
General	\$ —	\$ —	\$ 34,430	\$ 7,111	\$ —	\$ 750	\$ 1,109	\$ —	\$ 43,400
Nonmajor Debt Service	2,500	—	1,180	—	200	—	—	—	3,880
General Capital	200	7	—	—	—	—	—	—	207
Transportation Capital	8,057	1,247	—	—	—	—	—	—	9,304
Nonmajor Special Revenue	1,363	—	100	4,367	—	916	—	—	6,746
Proprietary	5,451	—	—	—	—	—	500	—	5,951
Total	\$ 17,571	\$ 1,254	\$ 35,710	\$ 11,478	\$ 200	\$ 1,666	\$ 1,609	\$ —	\$ 69,488

F. TAX ABATEMENTS

The City of Rochester provides tax abatements under eight programs: COMIDA (County of Monroe Industrial Development Agency), CUE (Conversion Urban Exemption), Capital Improvement, Business Investment, Empire Zone, Municipal Housing Authority, Housing Development Fund Companies, and Redevelopment Company Housing Projects. All tax abatements except COMIDA are obtained through filing an application with the City of Rochester Assessment Bureau. The COMIDA application must be filed with Monroe County.

Program	NYS Real Property Tax Law	Purpose of Program		Real Property Taxes being abated
COMIDA - CHOICE*	RPTL 412-a & General Municipal Law 874	Promote new residential owner occupied units in the Center City District		\$ 234,033
Criteria to be eligible to receive abatement	Owner occupied housing	Center City District		
*Core Housing Owner Incentive Exemption		(Homestead Tax Rate)		
COMIDA	RPTL 412-a & General Municipal Law 874	Job Growth		\$ 18,448,712
		(Non-Homestead Tax Rate)		
CUE	RPTL 485-a	Converted to mixed-use from under utilized commercial buildings		\$ 2,292,542
Conversion Urban Exemption		(Residential & Commercial Non-Homestead Tax Rate)		
421-f Capital Improvements to Residential Buildings	Real Property Tax Law 421-f	Capital Improvements to residential properties		\$ 42,843
Criteria to be eligible to receive abatement	Owner occupied housing	Center City District		
		(Homestead Tax Rate)		
485-b Business Improvement Exemption	RPTL 485-b	Improvements to Commercial & Industrial properties		\$ 225,697
		(Non-Homestead Tax Rate)		
Rochester Housing Authority	Public Housing Law Section 52(3) 52(5) 52(6)	Municipal Housing Authority	(H Homestead)	\$ 338,665
			(NH Non-Homestead)	\$ 1,093,625
Sub Totals				\$ 1,432,290
Housing Development Fund Companies	Private Housing Finance Law Section 577 (3)	Low Income Housing	(NH Non-Homestead)	\$ 4,845,149
			(H Homestead)	\$ 515,235
Sub Totals				\$ 5,360,384
Redevelopment Company Housing Projects	Private Housing Finance Law Sections 125, 127	Low Income Housing	(NH Non-Homestead)	\$ 148,289
			(H Homestead)	\$ 5,138
Sub Totals				\$ 153,427
Total Housing				\$ 6,946,101
Total All Programs				\$ 28,189,928

G. SUBSEQUENT EVENTS

On July 31, 2024, the City of Rochester issued Bond Anticipation Notes, 2024 Series III in the amount of \$134,061,000. A portion of the proceeds of the bonds in the amount of \$92,934,000 were used to redeem bond anticipation notes maturing on August 1, 2024, and the remaining \$41,127,000 provided original financing. The City received a net interest rate of 3.2310%.

Management has evaluated subsequent events through December 23, 2024 which is the date the financial statements are available for issuance, and have determined except as disclosed above, there are no subsequent events that require disclosure under generally accepted accounting principles.

The City of Rochester, New York

Required Supplemental Information

COMBINING SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN FUND BALANCE/NET POSITION

BUDGET AND ACTUAL- GENERAL, CERTAIN SPECIAL REVENUE AND PROPRIETARY FUNDS

NON-GAAP BUDGET BASIS

FOR THE YEAR ENDED JUNE 30, 2024 (000's Omitted)

(continued)

	General Fund		Special Revenue Funds		Proprietary Funds		Total			
	Final	Actual	Final	Actual	Final	Actual	Original	Final	Actual	Variance
REVENUES										
Real property tax	\$ 167,153	\$ 166,743	\$ 11,712	\$ 11,636	\$ 29,720	\$ 29,636	\$ 208,585	\$ 208,585	\$ 208,015	\$ (570)
Sales taxes	197,500	195,987	—	—	—	—	197,500	197,500	195,987	(1,513)
Other taxes	28,590	28,370	—	—	905	905	29,495	29,495	29,275	(220)
Charges for services	27,326	24,224	22,557	22,108	59,486	55,522	106,801	109,369	101,854	(7,515)
Use of money and property	3,750	14,221	29	850	259	1,956	4,038	4,038	17,027	12,989
Interest and penalties	2,620	3,427	—	—	905	981	3,525	3,525	4,408	883
Licenses and permits	3,639	4,503	31	36	—	—	3,669	3,670	4,539	869
Federal aid	53,844	37,297	—	—	3,500	1,500	48,289	57,344	38,797	(18,547)
State aid	106,272	105,707	1,070	1,041	—	—	105,605	107,342	106,748	(594)
Local sources and other	25,595	23,242	7,487	7,592	243	497	33,273	33,325	31,331	(1,994)
Total revenues	<u>616,289</u>	<u>603,721</u>	<u>42,886</u>	<u>43,263</u>	<u>95,018</u>	<u>90,997</u>	<u>740,780</u>	<u>754,193</u>	<u>737,981</u>	<u>(16,212)</u>
EXPENDITURES										
Council and clerk	7,359	5,203	—	—	—	—	7,359	7,359	5,203	2,156
Administration	28,275	24,605	—	—	—	—	23,741	28,275	24,605	3,670
Information technology	9,306	9,242	—	—	—	—	9,306	9,306	9,242	64
Finance	6,189	5,924	—	—	6,739	5,895	12,928	12,928	11,819	1,109
Neighborhood development	35,037	30,851	—	—	—	—	29,269	35,037	30,851	4,186
Environmental services	31,605	32,027	16,942	13,354	51,290	49,569	99,836	99,837	94,950	4,887
Library	—	—	13,451	12,773	—	—	13,451	13,451	12,773	678
Police	110,645	106,790	—	—	—	—	109,534	110,645	106,790	3,855
Fire	61,397	60,733	—	—	—	—	61,335	61,397	60,733	664
Emergency communications	17,131	15,385	—	—	—	—	17,131	17,131	15,385	1,746
Recreation and human services	23,076	21,429	1,862	1,743	1,170	1,156	25,486	26,108	24,328	1,780
Undistributed	148,416	141,436	9,460	9,058	13,889	12,225	171,065	171,765	162,719	9,046
Contingency	100	—	—	—	—	—	100	100	—	100
Debt services	26,617	26,617	2,194	2,194	14,592	14,836	43,403	43,403	43,647	(244)
Total expenditures	<u>505,153</u>	<u>480,242</u>	<u>43,909</u>	<u>39,122</u>	<u>87,680</u>	<u>83,681</u>	<u>623,944</u>	<u>636,742</u>	<u>603,045</u>	<u>33,697</u>
Excess of revenues over expenditures	<u>111,136</u>	<u>123,479</u>	<u>(1,023)</u>	<u>4,141</u>	<u>7,338</u>	<u>7,316</u>	<u>116,836</u>	<u>117,451</u>	<u>134,936</u>	<u>(49,909)</u>

The City of Rochester, New York

Required Supplemental Information

COMBINING SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN FUND BALANCE/NET POSITION

BUDGET AND ACTUAL- GENERAL, CERTAIN SPECIAL REVENUE AND PROPRIETARY FUNDS

NON-GAAP BUDGET BASIS

FOR THE YEAR ENDED JUNE 30, 2024 (000's Omitted)

	General Fund		Special Revenue Funds		Proprietary Funds		Total			
	Final	Actual	Final	Actual	Final	Actual	Original	Final	Actual	Variance
OTHER FINANCING SOURCES (USES)										
Transfers from other funds	\$ 10,086	\$ 9,700	\$ 200	\$ 200	\$ 1,053	\$ —	\$ 12,839	\$ 11,339	\$ 9,900	\$ (1,439)
Transfers (to) other funds	(30,182)	(30,182)	(4,381)	(4,381)	(17,775)	(17,775)	35,943	(52,338)	(52,338)	—
Transfers (to) component unit	(119,100)	(119,100)	—	—	—	—	(119,100)	(119,100)	(119,100)	—
Total other financing uses	<u>(139,196)</u>	<u>(139,582)</u>	<u>(4,181)</u>	<u>(4,181)</u>	<u>(16,722)</u>	<u>(17,775)</u>	<u>(70,318)</u>	<u>(160,099)</u>	<u>(161,538)</u>	<u>(1,849)</u>
Appropriation of prior year fund balance	28,060	—	5,204	—	9,384	—	25,706	42,648	—	(35,795)
Excess (deficiency) of revenues and other sources over expenditures and other uses- Budget Basis	<u>\$ —</u>	<u>(16,103)</u>	<u>\$ —</u>	<u>(40)</u>	<u>\$ —</u>	<u>(10,459)</u>	<u>\$ 72,224</u>	<u>\$ —</u>	<u>(26,602)</u>	<u>\$ (26,602)</u>
Encumbrances included in actual		<u>27,882</u>		<u>1,438</u>		<u>1,561</u>			<u>30,881</u>	
Excess (deficiency) of revenues and other sources over expenditures, encumbrances and other uses		11,779		1,398		(8,898)			4,279	
Expenditures of prior years' encumbrances		<u>(13,856)</u>		<u>(579)</u>		<u>(513)</u>			<u>(14,948)</u>	
Excess(deficiency) of revenues and other sources over expenditures and other uses		(2,077)		819		(9,411)			(10,669)	
Net proprietary capital expense		—		—		(32,333)			(32,333)	
Depreciation expense		—		—		(13,861)			(13,861)	
Debt service cash basis		—		—		12,320			12,320	
Contribution to reserve for capital projects		—		—		17,775			17,775	
Other post employment benefits		—		—		6,986			6,986	
Capital and debt reimbursement		—		—		1,367			1,367	
Capital contribution		—		—		13,356			13,356	
Aggregate net pension expense		—		—		(555)			(555)	
Aggregate change from leases' amortization and interest		—		—		253			253	
Fund Balance/Net Position - beginning as restated		<u>119,108</u>		<u>18,978</u>		<u>104,153</u>			<u>242,239</u>	
Fund Balance/Net Position - ending		<u>\$ 117,031</u>		<u>\$ 19,797</u>		<u>\$ 100,050</u>			<u>\$ 236,878</u>	

The City of Rochester, New York

Required Supplemental Information

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

LAST TEN FISCAL YEARS* (000's Omitted)

	Year Ended June 30						
	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service cost	\$ 13,985	\$ 14,405	\$ 29,129	\$ 33,769	\$ 17,510	\$ 16,772	\$ 16,844
Interest cost	50,478	51,477	36,615	32,881	65,405	45,130	45,096
Changes in assumptions or other inputs	—	—	43,032	132,325	(651,328)	(47,326)	(64,731)
Benefit payments	(35,414)	(36,524)	(35,532)	(36,817)	(37,833)	(38,597)	(41,847)
Net changes in total OPEB liability	29,049	29,358	73,244	162,158	(606,246)	(24,021)	(44,638)
Total OPEB Liability - beginning	\$ 1,459,985	\$ 1,489,034	\$ 1,518,392	\$ 1,591,636	\$ 1,753,794	\$ 1,147,548	\$ 1,123,527
Total OPEB liability - ending	\$ 1,489,034	\$ 1,518,392	\$ 1,591,636	\$ 1,753,794	\$ 1,147,548	\$ 1,123,527	\$ 1,078,889
Covered employee payroll	\$ 226,033	\$ 241,678	\$ 236,695	\$ 236,207	\$ 246,751	\$ 279,480	\$ 279,141
Total OPEB liability as a percentage of covered employee payroll	658.77 %	628.27 %	672.44 %	742.48 %	465.06 %	402.01 %	386.50 %

*OPEB Schedules in the Required Supplemental Information are intended to show information for ten years, additional years' information will be displayed as it becomes available.

The City of Rochester, New York

Required Supplemental Information

SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS

NYSERS AND NYSPFRS PENSION PLAN

LAST TEN FISCAL YEARS (000's Omitted)

	Year Ended June 30									
	EMPLOYEES' RETIREMENT SYSTEM									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 17,665	\$ 15,473	\$ 14,271	\$ 14,185	\$ 13,650	\$ 13,570	\$ 13,733	\$ 14,721	\$ 13,583	\$ 12,895
Contributions in relation to the contractually required contribution	17,665	15,473	14,271	14,185	13,650	13,570	13,733	14,721	13,583	12,895
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
City's covered payroll	\$ 88,861	\$ 90,559	\$ 89,172	\$ 91,092	\$ 95,339	\$ 99,649	\$ 92,510	\$ 97,124	\$ 103,720	\$ 112,630
Contributions as a percentage of covered payroll	20%	17%	16%	16%	14%	14%	15%	15%	13%	11%

	Year Ended June 30									
	POLICE AND FIRE RETIREMENT SYSTEM									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 27,261	\$ 25,610	\$ 28,374	\$ 27,647	\$ 27,171	\$ 29,519	\$ 30,745	\$ 35,538	\$ 34,159	\$ 35,682
Contributions in relation to the contractually required contribution	27,261	25,610	28,374	27,647	27,171	29,519	30,745	35,538	34,159	35,682
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
City's covered payroll	\$ 111,485	\$ 111,504	\$ 115,196	\$ 116,417	\$ 130,412	\$ 125,631	\$ 126,299	\$ 131,596	\$ 148,407	\$ 150,903
Contributions as a percentage of covered payroll	24%	23%	25%	24%	21%	23%	24%	27%	23%	24%

The City of Rochester, New York

Required Supplemental Information

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

NYSERS AND NYSPFRS PENSION PLAN

LAST TEN FISCAL YEARS* (000's Omitted)

Measurement Date March 31	Year Ended June 30									
	EMPLOYEES' RETIREMENT SYSTEM									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension asset (liability)	0.3300000%	0.3307422%	0.3258387%	0.3300000%	0.3240283%	0.3148499%	0.3108603%	0.3053154%	0.3075709 %	0.3157984 %
City's proportionate share of the net pension asset (liability)	\$ (11,280)	\$ (53,085)	\$ (30,617)	\$ (10,618)	\$ (22,958)	\$ (83,374)	\$ (310)	\$ 24,958	\$ 65,956	\$ (46,498)
City's covered payroll	\$ 88,861	\$ 90,559	\$ 89,172	\$ 90,728	\$ 91,504	\$ 92,627	\$ 90,292	\$ 93,549	\$ 93,549	\$ 98,912
City's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	12.69%	58.62%	34.33%	11.66%	25.09%	90.36%	0.34%	26.68%	70.50 %	47.01 %
Plan fiduciary net position as a percentage of the total pension	97.90%	90.70%	94.70%	98.24%	96.27%	86.39%	99.95%	103.65%	90.78 %	93.88 %

The City of Rochester, New York

Required Supplemental Information

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

NYSERS AND NYSPFRS PENSION PLAN

LAST TEN FISCAL YEARS* (000's Omitted)

Continued

Measurement Date March 31	Year Ended June 30									
	POLICE AND FIRE RETIREMENT SYSTEM									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension asset (liability)	0.3290000 %	3.2675555 %	3.2880163 %	3.1900000 %	3.1894350 %	3.3239807 %	3.1872234 %	3.1857887 %	2.9763569 %	2.8698776 %
City's proportionate share of the net pension asset (liability) \$	(9,055)	\$ (96,745)	\$ (68,149)	\$ (32,194)	\$ (53,489)	\$ (177,665)	\$ (55,339)	\$ (18,097)	\$ (164,011)	\$ (136,113)
City's covered payroll \$	111,485	\$ 111,505	\$ 115,196	\$ 116,517	\$ 126,453	\$ 124,079	\$ 125,590	\$ 125,233	\$ 125,233	\$ 126,804
City's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	8.12 %	86.76 %	59.16 %	27.63 %	42.30 %	143.19 %	44.06 %	14.45 %	130.96 %	107.34 %
Plan fiduciary net position as a percentage of the total pension	99.0 %	90.2 %	93.5 %	96.9 %	95.1 %	84.9 %	95.79 %	98.66 %	87.43 %	89.72 %

I. BUDGETARY INFORMATION

The City Council appropriates a total expenditure budget based on projected revenues. The budget allocations among the various organizational units, as amended by City Council, are included in the Combining Schedule of Revenues, Expenditures/Expenses and Changes in Fund Balance/Net Position - Budget and Actual - General, Certain Special Revenue and Proprietary Funds, Non-GAAP Budget Basis. The City's annual operating budget includes estimated revenues and appropriations for the general fund, enterprise funds and certain special revenue funds (Animal Control, Library, and Local Works). In accordance with City Charter provisions, budget compliance is on a departmental basis rather than at the fund level.

Since the adopted budget is on a departmental basis, rather than a fund basis, legal compliance cannot be reported as part of the Basic Financial Statements. Therefore, in compliance with GASB Statement No. 41 (*Budgetary Comparison Schedules - Perspective Differences*), a non-GAAP budget-to-actual schedule is presented as Required Supplemental Information after the Basic Financial Statements.

Appropriations for all budgets lapse at fiscal year-end. The combined General, Special Revenue, and Enterprise fund budget is adopted on a departmental basis in which expenditures may not legally exceed appropriations on a departmental level. Current year encumbrances are included with expenditures; however, the expenditure of prior years' encumbrances are not included.

II. OTHER POST EMPLOYMENT BENEFITS

The City has not established an OPEB Trust. There are no accumulated assets held in a Trust.

The City Retiree Health Plan's most significant factors and assumptions affecting the total OPEB liability are due to changes in the mortality table and mortality improvement scale as well as factors shown in the below table:

Year Ended June 30	Salary Scale	Discount Rate	Ultimate Healthcare Cost Trend Rate
2024	3.0%	4.09%	4.5%
2023	3.0%	4.00%	4.5%
2022	3.0%	3.77%	4.5%
2021	3.0%	2.09%	4.5%
2020	3.0%	2.4%	4.5%
2019	3.0%	3.5%	5.0%
2018	3.0%	3.5%	5.0%

III. RETIREMENT SYSTEM

The City's proportionate share of the net pension liability of the pension systems is significantly dependent on the performance of the stock market and the funds that the retirement system invests in. Additionally the discount factor has varied over the past ten years as shown in the table below:

Year ended June 30	ERS & PFRS
2024	5.9%
2023	5.9%
2022	5.9%
2021	5.9%
2020	6.8%
2019	7.0%
2018	7.0%
2017	7.0%
2016	7.5%
2015	7.5%

Nonmajor Governmental Funds

Debt Funds

Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Economic Assistance Fund - This fund accounts for capital investments targeted to promote the City's economic development.

Cultural/Recreation Fund - This fund accounts for capital investments in the City's cultural and recreation facilities, which include the libraries, and parks and recreation facilities.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for a particular purpose.

Animal Control - This fund accounts for the revenues and expenditures of the City's Animal Control Center.

Library Fund - This fund accounts for the revenues and expenditures of the City's central library and ten branch libraries.

Local Works Fund - This fund accounts for snow plowing, street cleaning and grass cutting, financed primarily by special assessments.

Federal Projects Fund - This fund accounts for a number of federal grants that provide for City programs.

State Projects Fund - This fund accounts for a number of state grants that provide for City programs.

RURA Fund - This fund is for the revenues and expenditures of the Rochester Urban Renewal Agency.

Other Funds - This fund accounts for funds restricted by City Council for special projects.

Cemetery Fund - This fund is a perpetual care fund consisting of deposits intended to provide for the maintenance of the City's cemeteries. Interest earnings are transferred to the Cemetery Enterprise Fund to partially offset a portion of maintenance costs.

**THE CITY OF ROCHESTER, NEW YORK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024 (000's Omitted)**

	Capital Projects					Special Revenue						Total Nonmajor Governmental Funds
	Debt Service	Economic Assistance	Cultural and Recreation	Animal Control	Library	Local Works	Federal Projects	State Projects	Cemetery Perpetual Care	Other	RURA	
ASSETS												
Cash and cash equivalents	\$ 7,780	\$ —	\$ —	\$ 923	\$ 1,236	\$ 24,552	\$ 4,995	\$ 1,830	\$ 5,532	\$ 3,030	\$ 903	\$ 50,781
Receivables (net of allowance for uncollectibles)												
Accounts	—	—	—	34	743	—	—	—	—	—	—	777
Taxes	—	—	—	—	—	266	—	—	—	—	—	266
Due from other funds	—	32	2,633	64	266	1,061	36	—	—	51	—	4,143
Due from other governments	—	288	—	—	3,579	—	199	1,010	—	—	—	5,076
Cash and cash equivalents - restricted	3,059	2,441	1,701	—	—	—	—	3,242	—	—	—	10,443
Total assets	\$ 10,839	\$ 2,761	\$ 4,334	\$ 1,021	\$ 5,824	\$ 25,879	\$ 5,230	\$ 6,082	\$ 5,532	\$ 3,081	\$ 903	\$ 71,486
LIABILITIES												
Accounts payable and other accrued liabilities	\$ —	\$ 42	\$ 202	\$ 109	\$ 1,079	\$ 234	\$ 159	\$ 50	\$ —	\$ 57	\$ —	\$ 1,932
Bond anticipation notes payable	—	1,075	2,784	—	—	—	—	—	—	—	—	3,859
Due to other funds	—	485	120	320	2,680	8,028	463	233	—	868	—	13,197
Due to other governments	—	—	—	42	279	156	—	—	—	—	—	477
Due to component units	204	—	—	—	—	—	—	—	—	—	—	204
Unearned revenue	—	—	—	—	—	—	—	60	—	—	—	60
Total liabilities	204	1,602	3,106	471	4,038	8,418	622	343	—	925	—	19,729
FUND BALANCES (DEFICIT)												
Restricted	3,886	—	—	—	—	—	4,608	5,739	—	—	903	15,136
Committed	—	1,159	1,228	—	—	—	—	—	5,532	—	—	7,919
Assigned	6,749	—	—	550	1,786	17,461	—	—	—	2,156	—	28,702
Unassigned (deficit)	—	—	—	—	—	—	—	—	—	—	—	—
Total fund balances (deficit)	10,635	1,159	1,228	550	1,786	17,461	4,608	5,739	5,532	2,156	903	51,757
Total liabilities and fund balances (deficit)	\$ 10,839	\$ 2,761	\$ 4,334	\$ 1,021	\$ 5,824	\$ 25,879	\$ 5,230	\$ 6,082	\$ 5,532	\$ 3,081	\$ 903	\$ 71,486

THE CITY OF ROCHESTER, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024 (000's Omitted)

	Capital Projects				Special Revenue						Total Nonmajor Governmental Funds	
	Debt Service	Economic Assistance	Cultural and Recreation	Animal Control	Library	Local Works	Federal Projects	State Projects	Cemetery Perpetual Care	Other		RURA
REVENUES												
Real property tax	\$ —	\$ —	\$ —	\$ 2,190	\$ 8,059	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 10,249
Departmental	—	—	—	212	2,490	20,850	33	—	—	—	—	23,585
Use of money and property	3,807	—	—	27	—	786	142	89	—	—	43	4,894
Federal aid	—	—	264	—	—	—	787	481	—	—	—	1,532
State aid	—	1,611	—	—	884	157	8	2,111	—	—	—	4,771
Local sources and other	—	220	—	—	7,571	—	26	3	95	1,056	—	8,971
Total revenues	<u>3,807</u>	<u>1,831</u>	<u>264</u>	<u>2,429</u>	<u>19,004</u>	<u>21,793</u>	<u>996</u>	<u>2,684</u>	<u>95</u>	<u>1,056</u>	<u>43</u>	<u>54,002</u>
EXPENDITURES												
Current:												
General government	—	—	—	707	4,310	4,042	—	100	—	8	—	9,167
Neighborhood business development	—	—	—	—	—	—	147	11	—	—	295	453
Environmental services	—	—	—	—	—	12,575	101	—	—	—	—	12,676
Transportation	—	—	—	—	—	—	—	—	—	163	—	163
Police department	—	—	—	—	—	—	174	461	—	—	—	635
Fire department	—	—	—	—	—	—	—	553	—	—	—	553
Library	—	—	—	—	12,602	—	—	—	—	—	—	12,602
Recreation and human services	—	—	—	1,797	—	—	327	—	—	2	—	2,126
Debt service:												
Principal retirement	—	—	—	—	495	295	—	—	—	—	—	790
Interest	—	—	—	—	274	128	—	—	—	—	—	402
Capital outlay:												
General government	—	1,319	—	—	—	—	—	—	—	—	—	1,319
Neighborhood business development	—	662	—	—	—	—	—	—	—	—	—	662
Library	—	—	1,305	—	—	—	—	—	—	—	—	1,305
Recreation and human services	—	—	236	—	—	—	—	—	—	—	—	236
Total expenditures	<u>—</u>	<u>1,981</u>	<u>1,541</u>	<u>2,504</u>	<u>17,681</u>	<u>17,040</u>	<u>749</u>	<u>1,125</u>	<u>—</u>	<u>173</u>	<u>295</u>	<u>43,089</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,807</u>	<u>(150)</u>	<u>(1,277)</u>	<u>(75)</u>	<u>1,323</u>	<u>4,753</u>	<u>247</u>	<u>1,559</u>	<u>95</u>	<u>883</u>	<u>(252)</u>	<u>10,913</u>
OTHER FINANCING SOURCES (USES)												
Premium on bonds issued	1,366	—	—	—	—	—	—	—	—	—	—	1,366
Issuance of refunding bonds	—	1,345	1,494	—	—	—	—	—	—	—	—	2,839
Transfers in	1,254	110	1,556	—	118	82	—	—	—	—	—	3,120
Transfers out	(3,880)	—	—	(100)	(916)	(4,367)	(282)	(210)	—	(871)	—	(10,626)
Total other financing source (uses)	<u>(1,260)</u>	<u>1,455</u>	<u>3,050</u>	<u>(100)</u>	<u>(798)</u>	<u>(4,285)</u>	<u>(282)</u>	<u>(210)</u>	<u>—</u>	<u>(871)</u>	<u>—</u>	<u>(3,301)</u>
Net change in fund balances	2,547	1,305	1,773	(175)	525	468	(35)	1,349	95	12	(252)	7,612
Fund balances (deficit) - beginning	8,088	(146)	(545)	725	1,261	16,993	4,643	4,390	5,437	2,144	1,155	44,145
Fund balances (deficit) - ending	<u>\$10,635</u>	<u>\$ 1,159</u>	<u>\$ 1,228</u>	<u>\$ 550</u>	<u>\$ 1,786</u>	<u>\$ 17,461</u>	<u>\$ 4,608</u>	<u>\$ 5,739</u>	<u>\$ 5,532</u>	<u>\$ 2,156</u>	<u>\$ 903</u>	<u>\$ 51,757</u>

STATISTICAL SECTION

This part of the City of Rochester's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	116
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	123
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	127
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	132
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	134

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

THE CITY OF ROCHESTER, NEW YORK
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(000's Omitted)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 602,559	\$ 626,977	\$ 642,707	\$ 648,630	\$ 644,067	\$ 639,146	\$ 627,321	\$ 612,195	\$ 602,955	\$ 611,165
Restricted	83,436	66,658	40,619	58,170	55,167	27,248	21,450	27,439	12,653	28,713
Unrestricted	<u>(240,753)</u>	<u>(315,517)</u>	<u>(371,720)</u>	<u>(1,282,903)</u>	<u>(1,299,337)</u>	<u>(1,380,299)</u>	<u>(1,398,424)</u>	<u>(1,322,811)</u>	<u>(1,257,970)</u>	<u>(1,238,507)</u>
Total governmental activities net position	<u>\$ 445,242</u>	<u>\$ 378,118</u>	<u>\$ 311,606</u>	<u>\$ (576,103)</u>	<u>\$ (600,103)</u>	<u>\$ (713,905)</u>	<u>\$ (749,653)</u>	<u>\$ (683,177)</u>	<u>\$ (642,362)</u>	<u>\$ (598,629)</u>
Business-type activities										
Net investment in capital assets	\$ 207,285	\$ 205,542	\$ 199,698	\$ 194,635	\$ 193,621	\$ 197,327	\$ 195,736	\$ 183,358	\$ 177,832	\$ 162,729
Restricted	16,417	17,126	9,442	13,122	8,649	5,955	5,365	6,392	5,818	7,125
Unrestricted	<u>1,640</u>	<u>(1,184)</u>	<u>2,084</u>	<u>(64,109)</u>	<u>(67,423)</u>	<u>(71,376)</u>	<u>(77,473)</u>	<u>(86,717)</u>	<u>(79,497)</u>	<u>(69,804)</u>
Total business-type activities net position	<u>\$ 225,342</u>	<u>\$ 221,484</u>	<u>\$ 211,224</u>	<u>\$ 143,648</u>	<u>\$ 134,847</u>	<u>\$ 131,906</u>	<u>\$ 123,628</u>	<u>\$ 103,033</u>	<u>\$ 104,153</u>	<u>\$ 100,050</u>
Primary government										
Net investment in capital assets	\$ 809,844	\$ 832,519	\$ 842,405	\$ 843,265	\$ 837,688	\$ 836,473	\$ 823,057	\$ 795,553	\$ 780,787	\$ 773,894
Restricted	99,853	83,784	50,061	71,292	63,816	33,203	26,815	33,831	18,471	35,838
Unrestricted	<u>(239,113)</u>	<u>(316,701)</u>	<u>(369,635)</u>	<u>(1,347,012)</u>	<u>(1,366,760)</u>	<u>(1,451,675)</u>	<u>(1,475,897)</u>	<u>(1,409,528)</u>	<u>(1,337,467)</u>	<u>(1,308,311)</u>
Total primary government net position	<u>\$ 670,584</u>	<u>\$ 599,602</u>	<u>\$ 522,831</u>	<u>\$ (432,455)</u>	<u>\$ (465,256)</u>	<u>\$ (581,999)</u>	<u>\$ (626,025)</u>	<u>\$ (580,144)</u>	<u>\$ (538,209)</u>	<u>\$ (498,579)</u>

Note: Prior years' information not available on accrual basis

THE CITY OF ROCHESTER, NEW YORK
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(000's Omitted)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 136,679	\$ 166,709	\$ 177,758	\$ 145,574	\$ 176,535	\$ 174,924	\$ 182,621	\$ 145,868	\$ 208,773	\$ 223,272
Neighborhood business development	38,195	25,883	31,641	33,522	67,776	36,384	39,377	29,278	36,975	45,646
Environmental services	45,209	42,010	50,473	44,742	4,350	43,238	53,498	45,570	49,939	36,296
Transportation	22,674	24,987	24,743	36,007	29,659	41,553	43,685	53,641	37,584	58,761
Emergency communications	23,141	24,369	25,752	22,993	20,867	36,003	26,496	16,195	21,154	20,580
Police department	147,566	157,406	163,702	155,441	155,314	147,567	168,899	148,749	148,115	137,227
Fire department	79,577	85,311	87,741	82,995	82,340	108,534	92,644	79,369	81,517	82,666
Library	14,003	15,739	15,705	14,017	13,626	18,391	18,042	23,697	14,396	2,088
Recreation and human services	18,954	20,361	19,039	17,935	17,835	19,365	15,997	13,256	17,790	31,378
Education	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100
Interest on long-term debt	4,483	4,535	4,295	4,032	4,125	3,904	2,447	2,530	4,279	6,104
Total governmental activities expenses	<u>649,581</u>	<u>686,410</u>	<u>719,949</u>	<u>676,358</u>	<u>691,527</u>	<u>748,963</u>	<u>762,806</u>	<u>677,253</u>	<u>739,622</u>	<u>763,118</u>
Business-type activities:										
Water	36,081	33,076	34,549	35,973	37,721	35,413	43,538	57,691	52,453	53,504
Parking	15,466	15,595	29,238	15,115	15,099	14,426	13,425	12,429	13,300	16,399
War Memorial	2,443	2,068	2,449	2,632	2,543	1,756	5,616	2,265	2,492	3,110
Refuse	29,703	28,978	29,986	30,777	31,388	27,869	26,536	31,963	29,675	28,031
Cemetery	3,025	3,565	3,522	3,264	3,617	4,018	3,664	4,443	3,801	3,848
Public Market	1,065	1,101	2,012	1,842	1,909	2,035	2,064	2,030	2,051	1,976
Total business-type activities expenses	<u>87,783</u>	<u>84,383</u>	<u>101,756</u>	<u>89,603</u>	<u>92,277</u>	<u>85,517</u>	<u>94,843</u>	<u>110,821</u>	<u>103,772</u>	<u>106,868</u>
Total primary government expenses	<u>\$ 737,364</u>	<u>\$ 770,793</u>	<u>\$ 821,705</u>	<u>\$ 765,961</u>	<u>\$ 783,804</u>	<u>\$ 834,480</u>	<u>\$ 857,649</u>	<u>\$ 788,074</u>	<u>\$ 843,394</u>	<u>\$ 869,986</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 71,570	\$ 74,205	\$ 80,035	\$ 83,268	\$ 90,683	\$ 88,470	\$ 95,143	\$ 90,125	\$ 95,416	\$ 94,536
Neighborhood business development	7,080	6,497	5,990	5,653	5,762	6,391	4,960	4,329	5,850	5,913
Environmental services	20,351	20,291	20,687	21,059	20,773	20,636	20,680	21,159	21,328	21,065
Transportation	946	1,106	1,392	1,045	1,102	1,010	1,179	1,225	1,386	1,519
Emergency communications	17,337	17,528	17,269	18,060	18,228	18,923	18,572	19,550	19,738	19,809
Police department	7,059	8,412	6,426	5,018	4,564	3,805	3,537	4,878	5,333	6,644
Fire department	2,066	1,960	2,799	2,646	2,830	2,463	2,507	1,913	946	1,151
Library	2,730	2,658	2,529	2,585	2,606	2,583	2,598	2,445	2,455	2,490
Recreation and human services	1,717	1,044	1,163	1,508	1,509	1,612	1,730	2,035	1,667	1,234
Operating grants and contributions	43,486	33,289	38,226	36,161	35,446	30,320	47,265	50,265	60,285	77,418
Capital grants and contributions	16,065	18,166	37,791	35,019	18,083	21,712	31,532	35,171	33,695	43,131
Total governmental activities program revenues	<u>190,407</u>	<u>185,156</u>	<u>214,307</u>	<u>212,022</u>	<u>201,586</u>	<u>197,925</u>	<u>229,703</u>	<u>233,095</u>	<u>248,099</u>	<u>274,910</u>

Continued

**THE CITY OF ROCHESTER, NEW YORK
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

(accrual basis of accounting)

(000's Omitted)

	Continued									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type activities:										
Charges for services:										
Water	\$ 36,925	\$ 37,298	\$ 39,022	\$ 39,156	\$ 36,962	\$ 37,485	\$ 40,722	\$ 40,949	\$ 41,105	\$ 39,714
Parking	12,704	11,553	17,033	11,578	11,854	8,895	7,667	8,557	8,509	8,128
War Memorial	913	994	932	128	1,036	1,126	639	1,128	1,745	1,972
Refuse	26,196	27,317	27,843	28,572	27,919	28,380	28,092	28,835	30,101	29,784
Cemetery	1,532	1,467	1,531	1,395	1,512	1,478	2,161	2,245	1,880	1,723
Public Market	789	819	724	935	954	694	865	892	939	950
Operating grants and contributions	—	—	—	—	—	2	51	—	—	—
Capital grants and contributions	1,374	1,433	4,160	278	1,325	628	6,700	717	15,354	243
Total business-type activities program revenues	<u>80,433</u>	<u>80,881</u>	<u>91,245</u>	<u>82,042</u>	<u>81,562</u>	<u>78,688</u>	<u>86,897</u>	<u>83,323</u>	<u>99,633</u>	<u>82,514</u>
Total primary government program revenues	<u>\$ 270,840</u>	<u>\$ 266,037</u>	<u>\$ 305,552</u>	<u>\$ 294,064</u>	<u>\$ 283,148</u>	<u>\$ 276,613</u>	<u>\$ 316,600</u>	<u>\$ 316,418</u>	<u>\$ 347,732</u>	<u>\$ 357,424</u>
Net (expense)/revenue										
Governmental activities	\$ (459,174)	\$ (501,252)	\$ (505,642)	\$ (464,336)	\$ (489,941)	\$ (551,038)	\$ (533,103)	\$ (444,158)	\$ (491,523)	\$ (488,208)
Business-type activities	(7,350)	(3,502)	(10,511)	(7,561)	(10,715)	(6,829)	(7,946)	(27,498)	(4,139)	(24,354)
Total primary government net expense	<u>\$ (466,524)</u>	<u>\$ (504,754)</u>	<u>\$ (516,153)</u>	<u>\$ (471,897)</u>	<u>\$ (500,656)</u>	<u>\$ (557,867)</u>	<u>\$ (541,049)</u>	<u>\$ (471,656)</u>	<u>\$ (495,662)</u>	<u>\$ (512,562)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 152,593	\$ 152,921	\$ 154,506	\$ 159,165	\$ 168,603	\$ 159,415	\$ 172,414	\$ 176,328	\$ 179,025	\$ 177,890
Sales taxes	139,782	144,945	148,263	153,971	159,719	159,903	174,006	194,164	195,705	196,017
Payment in-lieu of tax	10,928	11,238	12,367	13,600	14,589	14,307	14,384	15,780	16,010	16,088
Other taxes	8,410	7,619	8,354	8,937	9,868	8,358	10,526	13,934	13,526	12,554
Governmental aid - (unrestricted)	108,673	103,420	101,269	99,677	99,011	81,264	114,189	96,377	95,662	95,292
Investment earnings	1,476	1,576	1,819	1,831	2,762	3,853	991	2,124	13,481	22,234
Miscellaneous	5,923	7,035	7,178	5,202	6,101	5,590	5,343	6,666	6,754	5,915
Transfers	5,374	5,374	5,374	5,217	5,288	4,546	5,451	5,261	5,451	5,951
Total governmental activities	<u>433,159</u>	<u>434,128</u>	<u>439,130</u>	<u>447,600</u>	<u>465,941</u>	<u>437,236</u>	<u>497,304</u>	<u>510,634</u>	<u>525,614</u>	<u>531,941</u>
Business-type activities:										
Taxes										
Property taxes	2,635	2,641	3,366	2,890	4,585	3,177	2,647	2,799	3,838	3,298
Other taxes	906	905	905	905	905	905	905	905	905	905
Governmental aid	5	5	60	77	15	2,454	41	6,768	3,411	14,544
Investment earnings	389	238	325	398	668	807	16	55	1,079	2,073
Miscellaneous	975	1,229	969	1,233	1,029	—	1,510	1,637	1,477	5,382
Transfers	(5,374)	(5,374)	(5,374)	(5,217)	(5,288)	(4,546)	(5,451)	(5,261)	(5,451)	(5,951)
Total business-type activities	<u>(464)</u>	<u>(356)</u>	<u>251</u>	<u>286</u>	<u>1,914</u>	<u>2,797</u>	<u>(332)</u>	<u>6,903</u>	<u>5,259</u>	<u>20,251</u>
Total primary government	<u>\$ 432,695</u>	<u>\$ 433,772</u>	<u>\$ 439,381</u>	<u>\$ 447,886</u>	<u>\$ 467,855</u>	<u>\$ 440,033</u>	<u>\$ 496,972</u>	<u>\$ 517,537</u>	<u>\$ 530,873</u>	<u>\$ 552,192</u>
Change in Net Position										
Governmental activities	\$ (26,015)	\$ (67,124)	\$ (66,512)	\$ (16,736)	\$ (24,000)	\$ (113,802)	\$ (35,799)	\$ 66,476	\$ 34,091	43,733
Business-type activities	(7,814)	(3,858)	(10,260)	(7,275)	(8,801)	(4,032)	(8,278)	(20,595)	1,120	(4,103)
Total primary government	<u>\$ (33,829)</u>	<u>\$ (70,982)</u>	<u>\$ (76,772)</u>	<u>\$ (24,011)</u>	<u>\$ (32,801)</u>	<u>\$ (117,834)</u>	<u>\$ (44,077)</u>	<u>\$ 45,881</u>	<u>\$ 35,211</u>	<u>\$ 39,630</u>

Note: Prior years' information not available on accrual basis

THE CITY OF ROCHESTER, NEW YORK
GOVERNMENTAL ACTIVITIES
TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(000's Omitted)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Property tax	\$155,228	\$155,562	\$154,506	\$159,165	\$168,603	\$159,415	\$172,414	\$176,328	\$179,025	\$177,890,
Sales tax	139,782	144,945	148,263	153,971	159,719	159,903	174,006	194,164	195,705	196,017
Payment in-lieu of tax	10,928	11,238	12,367	13,600	14,589	14,307	14,384	15,780	16,010	16,088
Other taxes	<u>9,316</u>	<u>8,524</u>	<u>8,354</u>	<u>8,937</u>	<u>9,868</u>	<u>8,358</u>	<u>10,526</u>	<u>13,934</u>	<u>13,526</u>	<u>12,554</u>
Total taxes	<u>\$315,254</u>	<u>\$320,269</u>	<u>\$323,490</u>	<u>\$335,673</u>	<u>\$352,779</u>	<u>\$341,983</u>	<u>\$371,330</u>	<u>\$400,206</u>	<u>\$404,266</u>	<u>\$402,549</u>

Note: Prior years' information not available on accrual basis

THE CITY OF ROCHESTER, NEW YORK
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(000's Omitted)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Nonspendable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 23.00	\$ 11	\$ 570	\$ —	\$ —
Restricted	—	—	—	—	—	—	—	—	56	56
Committed	50,155	41,636	47,835	47,874	50,204	48,904	39,950	54,703	57,874	56,663
Assigned	30,753	39,939	37,029	37,731	32,035	21,753	53,664	47,924	52,128	51,659
Unassigned	5,030	5,672	5,670	5,700	5,803	1	5,943	8,828	9,050	8,653
Total general fund	<u>85,938</u>	<u>87,247</u>	<u>90,534</u>	<u>91,305</u>	<u>88,042</u>	<u>70,681</u>	<u>99,568</u>	<u>112,025</u>	<u>119,108</u>	<u>117,031</u>
Restricted, reported in:										
Debt service funds	5,070	8,274	4,606	5,063	5,198	3,060	2,819	2,767	4,144	3,886
Special revenue/Community development funds	4,667	3,901	3,241	3,477	3,866	2,232	4,792	5,822	8,509	8,827
Other governmental funds	4,989	5,394	6,641	6,711	7,920	8,004	7,126	7,683	10,188	11,250
Committed, reported in:										
Capital projects funds	69,865	42,605	28,139	34,780	33,367	26,941	12,189	11,302	25,975	51,931
Special revenue/Community development funds	411	872	3,905	4,314	6,335	8,577	9,138	14,728	13,630	12,256
Other governmental funds	8,495	8,771	8,064	8,459	8,562	5,220	5,390	5,324	5,437	7,919
Assigned, reported in:										
Debt service funds	15,780	15,979	16,262	12,515	11,994	9,637	7,167	5,756	3,944	6,749
Capital projects funds	606	563	39	29	36	45	54	63	72	81
Other governmental funds	11,006	13,110	14,632	13,897	13,846	15,071	18,218	17,983	21,123	21,953
Unassigned, reported in:										
Capital projects funds	(16,181)	(8,967)	(17,726)	(4,843)	(7,881)	(22,022)	(28,639)	(38,164)	(36,443)	(38,360)
Other governmental funds	—	—	(548)	(920)	(416)	(1,116)	(5,255)	(6,428)	(691)	—
Total all other governmental funds	<u>104,708</u>	<u>90,502</u>	<u>67,255</u>	<u>83,482</u>	<u>82,827</u>	<u>55,649</u>	<u>32,999</u>	<u>26,836</u>	<u>55,888</u>	<u>86,492</u>
Total all governmental funds	<u>\$190,646</u>	<u>\$177,749</u>	<u>\$157,789</u>	<u>\$174,787</u>	<u>\$170,869</u>	<u>\$126,330</u>	<u>\$132,567</u>	<u>\$138,861</u>	<u>\$174,996</u>	<u>\$203,523</u>

Note: The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. Changes to the fund balance information presented in a statistical section may be made prospectively, although retroactive application is encouraged.

THE CITY OF ROCHESTER, NEW YORK
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(000's Omitted)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Real property tax	\$153,969	\$155,756	\$158,343	\$161,231	\$162,331	\$163,762	\$174,546	\$177,046	\$176,342	176,733
Sales tax	139,816	144,550	147,978	153,510	159,242	159,852	172,917	192,530	195,460	195,974
Other taxes	19,338	18,857	20,721	22,537	24,457	22,665	24,910	29,714	29,537	28,642
Departmental	49,225	47,801	48,155	47,156	47,791	49,507	44,803	44,786	50,177	47,843
Use of money and property	821	3,409	1,001	901	1,646	2,071	986	2,010	11,017	19,949
Licenses and permits	3,175	3,894	3,420	3,496	3,783	3,405	3,309	3,350	3,438	4,621
Federal aid	35,610	23,265	37,205	42,201	24,966	18,918	47,451	39,412	48,815	67,434
State aid	120,854	119,449	123,733	115,515	116,339	101,631	139,585	122,781	127,520	133,553
Local sources and other	36,186	38,114	40,807	37,502	36,859	37,809	37,279	46,836	40,888	40,435
Total revenues	<u>558,994</u>	<u>555,095</u>	<u>581,363</u>	<u>584,049</u>	<u>577,414</u>	<u>559,620</u>	<u>645,786</u>	<u>658,465</u>	<u>683,194</u>	<u>715,184</u>
Expenditures										
General government	144,892	160,000	169,152	151,510	155,259	153,451	158,463	170,689	180,388	195,417
Neighborhood business development	39,104	25,280	22,107	24,347	24,840	23,068	28,598	27,405	31,009	37,986
Environmental services	30,708	29,345	34,003	33,666	33,460	33,133	33,145	36,410	36,270	39,491
Transportation	8,858	22,286	31,140	4,374	4,405	3,907	3,916	4,028	4,915	4,041
Emergency communications	12,810	11,621	13,443	13,520	13,754	14,351	14,273	14,515	15,321	15,333
Police	87,908	89,431	93,955	95,115	97,341	99,007	99,646	99,626	109,481	106,628
Fire	46,363	47,298	49,861	50,775	51,677	52,075	53,251	57,053	59,970	60,621
Library	11,122	12,929	12,761	11,629	11,718	11,072	11,147	11,944	12,708	12,602
Recreation & human services	11,412	11,303	11,031	10,843	10,486	9,559	9,717	12,733	15,229	17,693
Education (Allocation to the District)	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100
Debt service:										
Principal retirement	17,875	14,765	15,893	14,426	17,476	16,623	14,769	12,381	10,284	10,554
Interest	4,522	4,548	4,400	4,009	4,198	3,964	3,606	2,943	3,617	5,153
Administrative charges	11	7	14	4	2	10	1	1	—	—
Capital outlay	58,567	39,477	29,861	65,577	53,135	69,220	80,963	77,367	72,002	98,554
Total expenditures	<u>593,252</u>	<u>587,390</u>	<u>606,721</u>	<u>598,895</u>	<u>596,851</u>	<u>608,540</u>	<u>630,595</u>	<u>646,195</u>	<u>670,294</u>	<u>723,173</u>
Excess of revenues over (under) expenditures	(34,258)	(32,295)	(25,358)	(14,846)	(19,437)	(48,920)	15,191	12,270	12,900	(7,989)
Other financing sources (uses)										
Payment to refunded bond escrow agent	—	—	—	—	—	(4,915)	—	—	—	—
Premium on bond issued	—	—	170	1,876	977	—	—	—	1,855	1,366
Issuance of debt	—	20,622	1,424	25,833	11,414	5,033	—	—	15,467	29,919
Lease inception	—	—	—	—	—	—	—	—	—	889
Transfers in	60,110	41,428	45,110	45,370	53,601	48,205	36,514	50,800	62,393	67,879
Transfers out	(57,014)	(42,652)	(39,815)	(41,235)	(50,473)	(44,050)	(45,519)	(56,776)	(63,204)	(63,537)
Capital Contributions	—	—	(1,490)	—	—	—	—	—	—	—
Total other financing sources (uses)	<u>3,096</u>	<u>19,398</u>	<u>5,399</u>	<u>31,844</u>	<u>15,519</u>	<u>4,273</u>	<u>(9,005)</u>	<u>(5,976)</u>	<u>16,511</u>	<u>36,516</u>
Net change in fund balances	<u><u>\$(31,162)</u></u>	<u><u>\$(12,897)</u></u>	<u><u>\$(19,959)</u></u>	<u><u>\$ 16,998</u></u>	<u><u>\$(3,918)</u></u>	<u><u>\$(44,647)</u></u>	<u><u>\$ 6,186</u></u>	<u><u>\$ 6,294</u></u>	<u><u>\$ 29,411</u></u>	<u><u>\$ 28,527</u></u>
Debt service as a percentage of noncapital expenditures	4.19%	3.52%	3.53%	3.46%	3.99%	3.82%	3.34%	2.69%	2.32%	2.27%

Note: Prior years' information not available on accrual basis

THE CITY OF ROCHESTER, NEW YORK
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(000's Omitted)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Property tax	\$153,969	\$155,756	\$158,343	\$161,231	\$162,331	\$163,763	\$174,546	\$177,046	\$ 176,342	\$176,733
Sales tax	139,816	144,550	147,978	153,510	159,242	159,852	172,917	192,530	195,460	195,974
Other taxes	<u>19,338</u>	<u>18,857</u>	<u>20,721</u>	<u>22,537</u>	<u>24,457</u>	<u>22,665</u>	<u>24,910</u>	<u>29,714</u>	<u>29,537</u>	<u>28,642</u>
Total taxes	<u>\$313,123</u>	<u>\$319,163</u>	<u>\$327,042</u>	<u>\$337,278</u>	<u>\$346,030</u>	<u>\$346,280</u>	<u>\$372,373</u>	<u>\$399,290</u>	<u>\$ 401,339</u>	<u>\$401,349</u>

THE CITY OF ROCHESTER, NEW YORK
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE REAL PROPERTY
LAST TEN FISCAL YEARS
(000's Omitted)

Fiscal Year	Assessed Value Municipal Purposes	Veterans Exemption (1)	Assessed Value School Purposes	Estimated Actual Value Municipal Purposes	Estimated Actual Value School Purposes	Assessed Value as a Percentage of Actual Value (2)	Total Direct Rate Applied to Base	Total Direct Homestead Rate Per Thousand	Total Direct Nonhomestead Rate Per Thousand
2015	5,927,413	46,532	5,973,945	6,207,365	6,250,507	95.58 %	2.90 %	20.05	42.86
2016	5,980,615	12,247	5,992,862	6,194,319	6,207,003	96.55 %	2.88 %	20.15	41.92
2017	6,482,549	11,501	6,494,050	6,673,408	6,680,286	97.21 %	2.69 %	19.21	37.76
2018	6,450,304	10,231	6,460,535	6,650,484	6,661,032	96.99 %	2.70 %	18.33	39.45
2019	6,395,261	1,634	6,396,895	6,569,349	6,571,027	97.35 %	2.79 %	18.86	41.15
2020	6,457,508	2,166	6,459,674	6,794,516	6,796,795	95.04 %	2.77 %	19.43	39.46
2021	7,548,863	1,962	7,550,825	8,446,753	8,448,948	89.37 %	2.49 %	17.57	35.83
2022	7,548,687	1,754	7,550,441	7,973,684	7,975,537	94.67 %	2.49 %	17.17	36.50
2023	7,619,654	1,094	7,620,748	8,122,433	8,123,598	93.81 %	2.46 %	17.05	36.07
2024	7,657,993	1,398	7,659,391	8,985,091	8,986,731	85.23 %	2.45 %	17.84	34.33

Notes:

- 1) Subject to the School District Purposes but not General Municipal Purposes.
- 2) Special Equalization Ratios established by New York State Office of Real Property Services.

**THE CITY OF ROCHESTER, NEW YORK
PROPERTY TAX RATES PER THOUSAND
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	City of Rochester			Overlapping Rate	Total Direct & Overlapping Rate	
	General Municipal Purposes	District Purposes	Total Direct Rate	Monroe County (1)		
2015	Homestead	6.22	13.83	20.05	9.22	29.27
	Nonhomestead	13.17	29.69	42.86	9.22	52.08
2016	Homestead	6.21	13.94	20.15	9.22	29.37
	Nonhomestead	12.88	29.03	41.91	9.22	51.13
2017	Homestead	6.11	13.10	19.21	9.17	28.38
	Nonhomestead	11.98	25.78	37.76	9.17	46.93
2018	Homestead	5.83	12.50	18.33	9.17	27.50
	Nonhomestead	12.52	26.93	39.45	9.17	48.62
2019	Homestead	6.29	12.58	18.86	9.21	28.08
	Nonhomestead	13.71	27.43	41.15	9.21	50.36
2020	Homestead	6.48	12.95	19.43	9.64	29.07
	Nonhomestead	13.15	26.31	39.46	9.64	49.10
2021	Homestead	6.42	11.15	17.57	8.76	26.33
	Nonhomestead	13.09	22.74	35.83	8.76	44.59
2022	Homestead	6.27	10.89	17.17	9.79	26.95
	Nonhomestead	13.33	23.17	36.50	9.79	46.29
2023	Homestead	6.23	10.82	17.05	9.54	26.59
	Nonhomestead	13.18	22.90	36.07	9.54	45.62
2024	Homestead	6.52	11.32	17.84	9.36	27.20
	Nonhomestead	12.54	21.79	34.33	9.36	43.70

1) Source: Monroe County Treasury

Note: Homestead designates a classification of property owners authorized for property taxation under the New York State law applicable to Rochester. This class includes all one, two, and three family residential real property, including dwellings used in part for non-residential purposes but used primarily for residential purposes. All other real property is classified as **non-homestead**.

THE CITY OF ROCHESTER, NEW YORK
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(000's Omitted)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Cancellations and/or Adjustments to Tax Levy (3)	Outstanding Delinquent Taxes (Cumulative)	Percentage of Outstanding Delinquent Taxes to Total Tax Levy
		Amount	Percentage of Levy		Amount (2)	Percentage of Levy			
2015	213,694	198,289	92.79 %	11,938	210,227	98.38 %	1,568	24,043	11.25 %
2016	213,823	198,982	93.06 %	11,395	210,377	98.39 %	1,860	25,849	12.09 %
2017	217,466	203,176	93.43 %	12,090	215,266	98.99 %	3,211	23,558	10.83 %
2018	219,298	205,190	93.57 %	12,274	217,464	99.16 %	427	23,471	10.70 %
2019	224,642	209,139	93.10 %	12,741	221,880	98.77 %	2,154	23,597	10.50 %
2020	224,736	209,033	93.01 %	13,396	222,429	98.97 %	1,378	28,807	12.82 %
2021	233,630	219,473	93.94 %	12,548	232,021	99.31 %	2,451	30,917	13.23 %
2022	234,136	220,524	94.19 %	11,250	231,774	98.99 %	174	29,313	12.52 %
2023	235,517	221,459	94.03 %	8,760	230,219	97.75 %	-2,619	26,100	11.08 %
2024	236,249	221,845	93.90 %	N/A	221,845	93.90 %	-1,498	25,972	10.99 %

Notes:

- 1) Tax exempt properties with an assessed value of \$883,788,850 made payments in lieu of taxes amounting to \$15,890,181 for the fiscal year ending June 30, 2024. If these properties had been fully taxable, total revenues would have increased by \$13,469,270. The properties, upon expiration of their agreements will become fully taxable.
- 2) The City begins foreclosure action on properties after taxes are past due for one year. The City provides tax installment agreements of up to five years to taxpayers demonstrating financial hardship if the property is in compliance with City codes.
- 3) Cancellations are chiefly the result of foreclosure by the City and adjustments made for erroneous assessments.

**THE CITY OF ROCHESTER, NEW YORK
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR
June 30, 2024
(000's Omitted)**

	2024			2015		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Rochester Gas and Electric	\$1,112,361	1	14.53%	\$679,939	1	11.37%
Buckingham Properties	81,649	2	1.07%	63,290	3	1.06%
Frontier Telephone Corp.	58,791	3	0.77%	72,484	2	1.21%
Eastman Kodak Co.	48,951	4	0.64%	62,078	4	1.04%
CSX (Conrail)	42,643	5	0.56%	26,173	5	0.44%
Clinton Asset Holding	25,000	6	0.33%	25,000	6	0.42%
Maguire Family Properties	21,159	7	0.28%	20,715	7	0.35%
Maison Properties	17,621	8	0.23%	—	—	—%
Downing Rochester	16,130	9	0.21%	—	—	—%
Gallina Development	15,299	10	0.20%	—	—	—%
NK-TCC Property LLC	—	—	—	16,296	8	0.27%
AP/AIM Rochester Hotel, LLC	—	—	—	14,800	9	0.25%
Anthony DiMarzo	—	—	—	13,927	10	0.23%
Totals	<u>\$1,439,604</u>		<u>18.82%</u>	<u>\$994,702</u>		<u>16.64%</u>

Note:

- 1) The total taxable assessed value of \$7,619,654,371 was used for fiscal year 2022-23 taxes.
- 2) The total taxable assessed value of \$5,882,907,153 was used for fiscal year 2013-14 taxes.

Source: Assessment Roll of the City of Rochester

THE CITY OF ROCHESTER, NEW YORK
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(000's Omitted, except per capita amount)

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation				General Obligation				
	Bonds	Leases	Notes	SBITA (3)	Bonds	Leases			
2015	94,107	—	—	—	68,605	—	162,712	1.62%	776
2016	101,754	—	—	—	82,096	—	183,850	1.83%	880
2017	85,018	—	—	—	72,073	—	157,091	1.48%	755
2018	97,307	—	—	—	72,566	—	169,873	1.56%	823
2019	91,039	—	—	—	77,511	—	168,550	1.49%	819
2020	72,508	—	—	—	64,811	—	137,319	1.11%	650
2021	56,778	—	451	—	52,745	—	109,974	0.87%	522
2022	43,441	9,725	422	—	43,060	988	97,636	0.79%	466
2023	47,700	8,250	390	2,377	49,095	955	108,767	0.83%	525
2024	62,564	8,048	—	1,433	44,475	920	117,440	N/A	N/A

Note:

- 1) Population figures from US Census Bureau (www.quickfacts.census.gov). Figure for 2024 not available yet.
- 2) Per Capita Personal Income figures for Monroe County from US Dept. of Commerce Bureau of Economic Analysis (www.bea.gov).
- 3) Subscription Based Information Technology Arrangements

THE CITY OF ROCHESTER, NEW YORK
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(000's Omitted, except per capita amount)

Fiscal Year	Total Primary Government General Obligation Bonds	Less: Amounts Available for Debt	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita (1)
2015	162,712	24,644	138,068	2.33%	658
2016	169,384	28,048	141,336	2.36%	677
2017	157,091	24,188	132,903	2.05%	639
2018	169,873	20,782	149,091	2.31%	723
2019	168,550	20,394	148,156	2.32%	720
2020	137,319	15,946	121,373	1.88%	574
2021	109,523	13,388	96,135	1.27%	456
2022	86,501	11,932	74,569	0.99%	356
2023	96,795	7,231	89,564	1.18%	428
2024	107,039	7,448	99,844	1.30%	481

Notes:

1) Population figures for 2015 - 2023 are from US Census Bureau www.quickfacts.census.gov, current year data unavailable. 2023 population used for 2024.

THE CITY OF ROCHESTER, NEW YORK
DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2024
(000's Omitted)

Jurisdiction	Debt Outstanding	Percentage Applicable to City of Rochester	Amount Applicable to City of Rochester
City of Rochester	75,987	100.00%	75,987
County of Monroe (1)	448,958	14.25%	63,977
Total	\$524,945		\$139,964

1) Source: County of Monroe Finance Department

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of the County of Monroe that is borne by the property taxpayers of the City of Rochester. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

THE CITY OF ROCHESTER, NEW YORK
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(000's Omitted)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$542,837	\$544,119	\$551,650	\$571,293	\$578,783	\$594,865	\$640,541	\$665,382	\$688,060	\$743,870
Total net debt applicable to limit	<u>312,336</u>	<u>313,593</u>	<u>301,104</u>	<u>288,152</u>	<u>287,721</u>	<u>285,591</u>	<u>277,699</u>	<u>278,426</u>	<u>267,481</u>	<u>266,485</u>
Legal debt margin	<u>\$230,501</u>	<u>\$230,526</u>	<u>\$250,546</u>	<u>\$283,141</u>	<u>\$291,062</u>	<u>\$309,274</u>	<u>\$362,842</u>	<u>\$386,956</u>	<u>\$420,579</u>	<u>\$477,385</u>
Total net debt applicable to the limit as a percentage of debt limit	57.54%	57.63%	54.58%	50.44%	49.71%	48.01%	43.35%	41.84%	38.87%	35.82%

Legal Debt Margin Calculation for Fiscal Year 2022

Indebtedness		
Borrowings (Bonds and Notes)	\$ 323,015	(1)
Contract liabilities	—	(2) \$ 323,015
Deductions and Exclusions		
Water Bonds and Notes	55,209	(3)
Sanitary Sewer Bonds and Notes	—	(3)
Appropriation	—	(4)
Cash and cash equivalents	1,321	(5) <u>(56,530)</u>
Net indebtedness		266,485
Debt limit (9% of five-year average full valuation)		<u>743,870</u>
Debt Contracting Margin		<u>\$477,385</u>

Continued

**THE CITY OF ROCHESTER, NEW YORK
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(000's Omitted)**

Continued

Notes:

- 1) Represents all bond and note debt of the City. Includes water and sewer debt -- listed above under "Deductions and Exclusions".
- 2) Represents amounts due pursuant to contracts for capital improvements or the acquisition of equipment guaranteed by the City and listed under "Deductions and Exclusions".
- 3) Amounts excluded pursuant to Article VIII, Section 5 of State Constitution and Section 136.00 of Local Finance Law.
- 4) Represents outstanding indebtedness not otherwise excluded to the extent current budgetary appropriation, not yet realized as cash, may be applied to pay such indebtedness. Excluded pursuant to Section 136.00 of the Local Finance Law.
- 5) Represents cash on hand to pay principal of outstanding indebtedness not otherwise excluded, and investment of such cash at fair value. The source of funds represents: (a) federal grants for projects already bonded; (b) proceeds of bonds and notes to pay outstanding contract liabilities; and (c) proceeds of notes available to pay principal of notes to the extent contracts to be financed with such proceeds were not consummated. The debt is excluded pursuant to Section 136.00 of Local Finance Law.

**THE CITY OF ROCHESTER, NEW YORK
DEMOGRAPHIC ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Population (1)	209,802	208,880	208,046	206,284	205,695	211,328	210,606	209,352	207,274	207,274
Total Personal Income Monroe County (2)	35,847,022	36,057,927	38,050,420	39,314,982	40,822,554	43,193,802	45,344,632	44,635,928	44,635,928	N/A
Per Capital Personal Income Monroe County (2)	47,857	48,223	50,894	52,951	55,034	58,299	60,046	59,354	59,354	N/A
District Enrollment (3)	28,401	27,611	26,984	26,611	25,690	25,109	23,360	21,408	20,730	20,500
Unemployment Rate (4)	6.9 %	6.5 %	6.9 %	6.8 %	5.5 %	8.7 %	11.4 %	6.1 %	4.8 %	5.7 %
Employed (4)	85,400	85,200	83,600	84,600	84,900	82,200	81,200	84,300	85,500	85,300

Source:

- (1) 2015 - 2023 figures from US Census Bureau (www.factfinder.census.org). Current year data unavailable, 2023 population used for 2024.
- (2) US Dept. of Commerce Bureau of Economic Analysis (www.bea.gov). Total personal income in thousands of dollars 2022 and 2023 data unavailable, 2021 personal income used for 2022.
- (3) Rochester City School District (www.rcsdk12.org).
- (4) www.labor.state.ny.us (Average rates computed through June 2024) for City of Rochester.

**THE CITY OF ROCHESTER, NEW YORK
PRINCIPAL PRIVATE-SECTOR EMPLOYERS IN THE ROCHESTER AREA
CURRENT YEAR AND NINE YEARS PRIOR**

	2024			2015		
	Employees (1)	Rank	Percentage of Total Employment (2)	Employees (1)	Rank	Percentage of Total Employment (2)
University of Rochester/Strong Memorial Hospital	32,100	1	5.95 %	25,773	1	4.88 %
Rochester Regional Health System	17,592	2	3.26 %	13,986	2	2.65 %
Wegmans Food Markets Inc.	12,946	3	2.40 %	13,582	3	2.57 %
Paychex Inc.	4,579	4	0.85 %	3,933	5	0.74 %
Rochester Institute of Technology	4,155	5	0.77 %	3,781	6	0.72 %
L3Harris Technologies Inc.	3,724	6	0.69 %	—	—	— %
Heritage Christian Services Inc.	2,456	7	0.46 %	—	—	— %
Finger Lakes Health	2,308	8	0.43 %	—	—	— %
Lifetime Healthcare Cos. Inc.	2,298	9	0.43 %	3,611	7	0.68 %
Tops Markets LLC	2,038	10	0.38 %	2,620	10	0.50 %
Xerox Corporation	—	—	— %	6,722	4	1.27 %
Sutherland Global Services Inc.	—	—	— %	3,009	8	0.57 %
YMCA of Greater Rochester	—	—	— %	2,841	9	0.54 %

(1) Source: Rochester Business Journal The Lists - 2024 Edition.

(2) Employment source: www.labor.state.ny.us employment data as of 6/30/24

Includes Monroe, Genesee, Livingston, Ontario, Orleans, Wayne and Wyoming counties

THE CITY OF ROCHESTER, NEW YORK
BUDGETED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City Council and Clerk	23.1	23.8	23.3	23.2	23.1	26.4	28.2	29.0	79.5	54.5
Administration	97.4	107.1	110.1	107.9	110.6	124.5	123.7	120.4	144.3	157.43
Information Technology	54.8	54.8	55.2	54.8	55.4	41.4	38.0	44.2	44.4	46
Finance	110.9	110.5	109.8	103.7	113.1	111.6	103.1	103.7	106.7	108.14
Neighborhood & Business Development	138.7	136.0	136.9	137.4	137.6	141.6	139.0	140.3	152.8	162.2
Environmental Services	721.1	728.3	731.6	731.6	730.7	741.2	751.3	761.9	773.7	765.81
Emergency Communications	233.9	233.1	230.4	228.1	226.7	231.1	231.1	224.2	224.2	219.51
Police	905.4	903.6	939.1	939.9	941.7	938.2	914.7	869.4	873.9	921.4
Fire	523.5	525.3	532.6	520.8	521.5	518.8	515.7	519.2	511.7	514.1
Library	140.4	138.8	139.5	133.4	132.8	134.3	131.2	132.5	135.8	202.19
Recreation & Human Services	202.2	201.5	211.3	209.8	193.3	194.6	182.7	225.6	233.3	283.1
Total	<u>3,151.4</u>	<u>3,162.8</u>	<u>3,219.8</u>	<u>3,190.6</u>	<u>3,186.5</u>	<u>3,203.7</u>	<u>3,158.7</u>	<u>3,170.4</u>	<u>3,280.3</u>	<u>3,434.4</u>

Full-time Employees
Last Ten Fiscal Years

City	2,723	2,734	2,747	2,736	2,745	2,763	2,742	2,756	2,882	2,913
District	5,618	5,740	6,022	6,315	6,552	6,011	5,522	5,584	5,980	6,007
Total	<u>8,341</u>	<u>8,474</u>	<u>8,769</u>	<u>9,051</u>	<u>9,297</u>	<u>8,774</u>	<u>8,264</u>	<u>8,340</u>	<u>8,862</u>	<u>8,920</u>

(1) Due to a change in methodology related to the shift to an online budget book system, FY 2023-24 calculations for other than full time positions are not directly comparable to prior years for all departments. Future budget years will include multi-year comparisons.

**THE CITY OF ROCHESTER, NEW YORK
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Estimated										
Emergency Communications										
Calls received	1,150,976	1,178,101	1,204,047	1,092,679	1,026,433	1,031,446	1,137,312	1,151,234	1,170,468	165,000
Police										
Calls for service	358,239	351,012	339,630	333,918	318,859	316,824	269,959	309,461	228,758	235,722
Reported crimes	22,398	22,907	22,204	21,310	20,384	19,797	19,396	20,421	21,124	18,846
Fire										
Unit responses	44,977	46,283	44,162	44,150	46,042	44,190	46,875	45,850	46,934	47,225
Refuse										
Residential accounts	51,519	51,773	51,351	51,444	51,430	51,429	51,681	51,804	51,820	51,891
Commercial accounts	2,464	2,552	2,614	2,689	2,703	2,720	2,740	2,701	2,679	2,715
Total tonnage	99,302	99,748	99,773	99,597	99,917	101,490	107,965	107,941	103,891	106,883
Water										
Millions of gallons per day:										
Filtration plant production	37.5	36.3	36.66	37.9	36.2	35.3	34.87	36.2	35.6	26
City water demand	29.8	28.5	27.01	26.8	27.3	26.1	26.15	26.4	26.8	26
Library										
Total circulation	1,312,304	1,238,353	1,184,341	1,439,832	1,410,567	1,110,679	633,380	826,934	856,602	856,602
Door Count/Visits	1,697,882	1,517,576	1,465,962	1,354,314	1,310,650	888,604	246,350	644,528	781,459	781,459
Computer Use Sessions	340,972	297,738	279,942	247,569	230,137	108,974	16,631	57,420	75,450	75,450
Wireless Sessions	—	—	—	135,755	127,878	96,974	47,692	84,366	100,080	100,080
Parking(1)										
Total parking spaces	12,260	12,260	12,260	10,572	10,572	10,572	8,074	8,074	8,074	8,074
Annual car counts	2,571,644	2,574,170	2,569,640	2,310,223	2,553,605	2,035,896	648,431	1,181,549	1,334,631	1,149,227
Parks and Recreation(2)										
Convention Center attendance	250,000	251,305	207,941	209,925	190,452	141,047	63,500	60,730	284,803	127,694
War Memorial/Blue Cross Arena(3)										
Total attendance	380,000	386,682	441,428	383,110	360,319	183,265	—	193,593	295,820	340,358

Source: City of Rochester Budget & Departments

(1) 2021-2022 figures are for parking garages only - no data available for parking lots and meters.

(2) 99% of the 2021 figure was for people getting COVID vaccinations.

(3) The Blue Cross Arena was closed 2021 due to the COVID pandemic.

**THE CITY OF ROCHESTER, NEW YORK
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Miles of streets	532	533	533	533	533	533	533	533	533	533
Parking garages	9	9	8	8	8	8	8	8	8	7
Libraries	11	11	11	11	11	11	11	11	11	11
Fire houses	16	16	16	16	16	16	16	16	16	15
City-owned street lights	28,110	28,191	28,185	28,340	28,345	28,436	28,382	28,440	28,500	28,600
Fire hydrants	7,655	7,654	7,662	7,642	7,691	7,647	7,672	7,659	7,662	7,657

Source: City of Rochester Budget & Departments

FEDERAL AWARDS



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INDEPENDENT AUDITORS' 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

The Honorable Mayor and Members of
City Council
City of Rochester, 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, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rochester, New York (the City), as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 23, 2024. Our report includes a reference to other auditors who audited the financial statements of the Rochester City School District as described in our report on the City'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 the City'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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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 the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of This Report

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

EFPR Group, CPAs, PLLC

Rochester, New York
December 23, 2024



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND REPORT
ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Honorable Mayor and Members of
City Council
City of Rochester, New York:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Rochester, New York's (the City) 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 the City's major federal program for the year ended June 30, 2024. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City 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 the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Other Matters - Federal Expenditures Not Included in the Compliance Audit

City of Rochester, New York's basic financial statements include the operations of the Rochester City School District, which is not included in City of Rochester, New York's schedule of expenditures of federal awards during the year ended June 30, 2024. Our audit, described in the Opinion on Each Major Federal Program section, did not include the operations of the City of Rochester School District because other auditors have been engaged to perform their financial statement audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on the major federal program is not modified with respect to this matter.

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

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 the City's federal programs.

Auditors' 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 the City'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 GAAS, 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 the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, 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 the City'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 the City'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 the City'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 Auditors' 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.

EFPR Group, CPAs, PLLC

Rochester, New York
December 23, 2024

THE CITY OF ROCHESTER, NEW YORK
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Passed through NYS Bureau of School Management Program				
Child Nutrition Cluster Summer Food Service Program for Children	10.559	36-079500	\$ —	\$ 133,464
Total Child Nutrition Cluster			—	133,464
IRA Urban and Community Forestry	10.727	24-DG-11094200-067		203,544
Total U.S. Department of Agriculture			—	337,008
U.S. Department of Housing and Urban Development				
Direct Program				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/ Entitlement Grants	14.218	N/A	608,779	9,003,136
CARES Act - Community Development Block Grants/Entitlement Grants	14.218	N/A	100,312	139,222
Total CDBG - Entitlement Grants Cluster			709,091	9,142,358
Emergency Solutions Grants Program	14.231	N/A	520,188	574,075
CARES Act - Emergency Solutions Grants Program	14.231	N/A	373,405	424,096
Total Emergency Solutions Grant			893,593	998,171
Home Investment Partnerships Program	14.239	N/A	—	2,478,929
Home Investment Partnerships Program - ARP	14.239	N/A	—	23,104
Total HOME Program			—	2,502,033
Housing Opportunities for Persons with Aids (HOPWA)	14.241	N/A	883,464	1,057,001
Lead Hazard Reduction Demonstration	14.905	N/A	—	1,216,645
Total U.S. Department of Housing and Urban Development			2,486,148	14,916,208
U.S. Department of Justice				
Direct Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0214; 15PBJA-22-GG-02153-JAGX; 15PBJA-23-GG-03671	—	124,139
Body Worn Camera	16.835	15PBJA-22-GG-03328-BWCX	—	7,313
Equitable Sharing Program	16.922	N/A	—	219,062
Passed through NYS Office of Victims Services				
Crime Victims Assistance	16.575	C11356GG	—	355,083
Passed through Division of Criminal Justice Services				
Violence Against Women Formula Grants	16.588	C00270GG	—	50,444
Passed Through Monroe County				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	JOVW-23-GG-02596-ICJR	—	3,263
Total U.S. Department of Justice			—	759,304
U.S. Department of Transportation				
Passed through NYS Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction (DOT- Pass Through)	20.205	D35408; D35651; D35768; D036027; D036225; D036398; D40322; D40346; D40373; D040806	—	8,412,335
Total Highway Planning and Construction Cluster			—	8,412,335

Continued

THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED JUNE 30, 2024

	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
Passed Through NYS GTSC				
Pedestrian Safety Program	20.616	C002658; C002694	—	52,828
Total U.S. Department of Transportation			—	8,465,163
U.S. Department of the Treasury				
Direct Program				
Equitable Sharing Program	21.016	N/A	—	62,811
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	5,106,981	54,221,108
Total U.S. Department of the Treasury			5,106,981	54,283,919
U.S. Environmental Protection Agency				
Direct Program				
Brownfields Job Training Cooperative Agreements	66.815	N/A	—	76,521
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	—	98,127
Total U.S. Environmental Protection Agency			—	174,648
U.S. Department of Health & Human Services				
Passed through NYS Governor's Department of Health				
Medicaid Cluster				
Medical Assistance Program (Community Adolescent Pregnancy Prevention)	93.778	DOH01-C38832GG	—	295,996
Total Medicaid Cluster			—	295,996
Maternal and Child Health Services Block Grant to the States	93.994	DOH01-C38832GG	—	62,129
Title V State Sexual Risk Avoidance Education Program	93.235	DOH01-C34619GG	—	238,771
Total U.S. Department of Health & Human Services			—	596,896
Corporation for National and Community Service				
Passed through NYS Commission on National & Community Service				
AmeriCorps	94.006	C029230	—	401,037
AmeriCorps - ARP	94.006	C029595	—	532,011
Total Corporation for National and Community Service			—	933,048
U.S. Department of Homeland Security				
Passed through New York State Division of Homeland Security and Management Services:				
Homeland Security Grant Program (Bomb Squad)	97.067	WM20160086	—	109,858
Homeland Security Grant Program (K9)	97.067	WM20160064	—	14,999
Homeland Security Grant Program (Tactical)	97.067	WM20160037; WM21160301	—	55,217
Homeland Security Grant Program (SLETPP)	97.067	WM22190142; WM23190280	—	223,788
Homeland Security Grant Program (SHSP)	97.067	WM19153790; WM20163300; WM21163310	—	154,605
Total U.S. Department of Homeland Security			—	558,467
Total Federal Expenditures			\$ 7,593,129	\$ 81,024,661

THE CITY OF ROCHESTER, NEW YORK

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of federal awards (the Schedule) includes the federal grant activity of the City of Rochester, New York (the City) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

NOTE 2 - BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The amounts reported as federal expenditures were obtained from the City's financial reporting system, which is the source of the City's basic financial statements. Grant numbers are presented where available.

NOTE 3 - INDIRECT COST RATE

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

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

CITY OF ROCHESTER, NEW YORK
Schedule of Findings and Questioned Costs
Year ended June 30, 2024

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the basic financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? Yes No

2. Significant deficiency(ies) identified? Yes None reported

3. Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal control over major programs:

4. Material weakness(es) identified? Yes No

5. Significant deficiency(ies) identified? Yes None reported

Type of auditors' report issued on compliance for major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)? Yes No

7. The City's major programs audited were:

<u>Name of Federal Program</u>	Assistance Listing <u>Number</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027
Community Development Block Grants/Entitlement Grants	14.218

8. Dollar threshold used to distinguish between Type A and Type B programs. \$ 2,430,740

9. Auditee qualified as low-risk auditee? Yes No

Part II - FINANCIAL STATEMENT FINDINGS SECTION

No reportable findings.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

See page 147.

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

CITY OF ROCHESTER, NEW YORK
Schedule of Findings and Questioned Costs, Continued

Part III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Federal Agency - United States Department of the Treasury

Federal Program - Coronavirus State and Local Fiscal Recovery Funds (21.027)

Federal Award Year - 2021

State Agency - None

Reference: 2024-001

Criteria - Code of Federal Regulations §200.332 lists the requirements that must be clearly identified to subrecipients.

Condition - The subrecipients may not have a full understanding of the Federal program. Key information, including identifying the assistance listing number, was not identified on the award letters given to the subrecipients.

Cause - The award letters to the subrecipients did not include all required information.

Effect of Condition - Subrecipients do not have all the relevant information and, therefore, may not comply with Federal program requirements.

Questioned Costs - None.

Perspective - Noted that award letters given to the tested subrecipients were missing key information, including identifying the assistance listing number.

Recommendation - We recommend that the City revise its grant award letters to be in compliance with Code of Federal Regulations §200.332.

Statistical Sampling - The sample was not intended to be, and was not, a statistically valid sample.

Management's Response - The City recognizes that the requirement of providing the identifying assistance listing number was not provided on certain ARPA contracts awarded through the Department of Recreation and Human Services. It is the City's practice to include this information in all contracts where federal funds are awarded. In November of 2024 when it was identified that there were a number of subrecipients that had not been notified of this required information, the Department of Recreation and Humans Services emailed all subrecipients who had not previously been provided this information. In order to prevent this requirement from being overlooked in the future, the Law Department has also been informed of this requirement. The Law Department is in the approval process for all contracts and will not provide their approval until this requirement is met.

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF PRIOR YEARS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

CITY OF ROCHESTER, NEW YORK

Status of Prior Year Audit Findings

Year ended June 30, 2024

Reference 2023-001 Accrual of Grant Based Receivable - Material Weakness

Criteria - Internal control over financial reporting should be in place to ensure financial information is fairly presented in accordance with accounting principles generally accepted in the United States of America. An adjusting journal entry was required in order to correct grant revenue and account receivable balances of the City. This entry included prior period restatements of \$(846,000) in the General Capital Projects Fund, \$6,760,000 in the Transportation Capital Projects Fund, \$810,000 to the Community Development Fund and an impact of \$6,724,000 to governmental activities. Additionally, this adjustment resulted in increases to current period revenue and due from other governments of \$2,982,000 in the General Capital Projects Fund, \$2,141,000 in the Transportation Capital Projects Fund, \$996,000 in the Community Development Fund and \$6,119,000 to Governmental activities.

Status - The City has taken steps to improve their procedures in matching the timing of grant related revenue and expenditures. These steps have helped to ensure that year-end balances are complete, accurate and properly recorded. This finding is considered resolved.

STATE TRANSPORTATION AWARDS



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL
CONTROL OVER STATE TRANSPORTATION ASSISTANCE EXPENDED
REQUIRED BY PART 43 OF THE NEW YORK STATE
CODIFICATION OF RULES AND REGULATIONS (NYCRR)

The Honorable Mayor and Members of
City Council
City of Rochester, New York:

Report on Compliance for Each Major State Transportation Assistance Program

Opinion on Each Major State Transportation Assistance Program

We have audited the City of Rochester, New York's (the City) compliance with the types of compliance requirements identified as subject to audit in Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that could have a direct and material effect on the City's major state transportation assistance programs for the year ended June 30, 2024. The City's major state transportation assistance programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City 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 state transportation assistance programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Transportation Assistance Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 Part 43 of the NYCRR. Our responsibilities under those standards and Part 43 of the NYCRR are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City 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 state transportation assistance program. Our audit does not provide a legal determination of the City'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 the City's state transportation assistance programs.

Auditors' 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 the City'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 GAAS, Government Auditing Standards, and Part 43 of the NYCRR 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 the City's compliance with the requirements of each major state transportation assistance program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and Part 43 of the NYCRR, 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 the City'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 the City'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 Part 43 of the NYCRR, but not for the purpose of expressing an opinion on the effectiveness of the City'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 state transportation assistance 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 state transportation assistance 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 state transportation assistance 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 Auditors' 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 Part 43 of the NYCRR. Accordingly, this report is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Rochester, New York
December 23, 2024

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
YEAR ENDED JUNE 30, 2024**

	Grant Number	NYS DOT Expenditures
STATE OF NEW YORK:		
DEPARTMENT OF TRANSPORTATION:		
Snow & Ice Control	D005375	\$ 157,370
Asphalt Maint and Repair (Beach/Dewey/Lake)	D035408	782
East Main Street Reconstruction	D035651	614
State Street	D036027	558,766
Asph M&R 2021 TIP PM NW Group 12 Emerson/Jay/Driving park	D036398	2,241
ROC Riverway- Pont de Rennes Bridge	D036457	3,424,000
Aqueduct Reimagined Phase I	D036460	879,168
M&R 2023 TIP PM 1 East-Culver-South-University	D040322	747,259
Genesee Street Reconstruction	D040346	169,480
Asphalt Maint and Repair (State/Exchange/Ford)	D040373	190,815
Inner Loop North Transformation	D040758	1,037,442
PM Culver/University	D040806	36,708
M&R East/Culver/South Touring Route		142,943
M&R W. Main/S. Plymouth Touring Route		958,666
Genesee Street Reconstruction Touring Route		23,220
M&R TIP State/Exchange/Ford Touring Route		40,346
N. Goodman Reconstruction Touring Route		150,000
State Street Reconstruction Touring Route		200,000
M&R Park Ave/St Paul Touring Route		18,757
Consolidated Street & Highway Improvements		6,349,743
Extreme Winter Recovery (EWR)		683,687
POP		823,891
PAVE-NY		625,812
Total NYS DOT expenditures		<u>\$ 17,221,710</u>

The notes to the schedule of state transportation assistance expended are an integral part of this statement.

**THE CITY OF ROCHESTER, NEW YORK
NOTES TO THE SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of State Transportation Assistance Expended by the City of Rochester, New York, (the City), an entity as defined in Note 1 to the City's basic financial statements, presents the activity of all financial assistance programs provided by the New York State Department of Transportation.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of State Transportation Assistance Expended is presented using the modified accrual basis of accounting.

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR
STATE TRANSPORTATION ASSISTANCE EXPENDED
FOR THE YEAR ENDED JUNE 30, 2024**

CITY OF ROCHESTER, NEW YORK
New York State
Department of Transportation
Single Audit Report
Schedule of Findings and Questioned Costs
Year ended June 30, 2024

Summary of Auditors' Results:

Internal control over state transportation assistance expended:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for programs tested:	Unmodified
Summary of Audit Findings	No findings noted
Identification of State Transportation Assistance Programs Tested:	
• Consolidated Local Street and Highway Improvement Program	
• Pave our Potholes	
• Aqueduct Reimagined Phase I	
Compliance Findings and Questioned Costs	No matters were reported