

2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

A component unit of the City of Rochester, NY
Fiscal year ended June 30, 2024

Annual Comprehensive Financial Report

**Rochester City School District
131 West Broad Street
Rochester, New York 14614**

**A Component Unit of the City of
Rochester, New York**

**For the Fiscal
Year Ended June 30, 2024**

Prepared by:

Department of Accounting

**Rochester City School District
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024**

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For the Fiscal Year Ended June 30, 2024**

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INTRODUCTION



December 19, 2024

Ms. Cynthia Elliott, President
Board of Education
Rochester City School District
Rochester, New York 14614

Dear President Elliott, Board Members, and Citizens of the City of Rochester, New York:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Rochester City School District (District) for the year ended June 30, 2024. The ACFR was prepared by the District's Department of Accounting and is management's representation of the District's finances. Management assumes full responsibility for the completeness and reliability of the information presented. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed to protect the District's assets. The District's comprehensive framework has been designed so that the cost of internal controls does not outweigh the benefits of such controls. Therefore, they provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The controls provide the District the ability to prepare the financial statements in conformity with generally accepted accounting principles (GAAP) in the United States of America. We assert that, to the best of our knowledge and belief, this financial report is complete, accurate and reliable in all material respects.

The District's financial statements have been audited by Drescher & Malecki, LLP, an independent, certified public accounting firm. The purpose of an independent audit is to express an opinion as to whether the financial statements are fairly stated in all material respects. The independent auditor's report is presented in the financial section of this report and renders an unmodified opinion on the District's financial statements for the fiscal year ended June 30, 2024. The financial section also includes the Management's Discussion and Analysis (MD&A). The MD&A provides users with an introduction, overview and analysis of the basic financial statements contained in this ACFR.

PROFILE OF THE REPORTING ENTITY

The mission of the District and the Board of Education is to educate each student to the highest level of academic achievement and to foster each student's social and emotional development. The District partners with families, caregivers, and the Rochester community to prepare students to meet or exceed standards, to become lifelong learners and productive members of the workforce, as well as responsible, contributing citizens. We provide a full range of educational services to grade levels pre-kindergarten through 12.

Services include regular and enriched academic education, special education for students with disabilities, Careers in Technical Education (CTE), individualized programs, school-to-work programs, and partnerships with higher education. Programs are supplemented by a wide variety of offerings in the arts, music, and athletics. In addition, services are provided for adults, such as basic education, high school equivalency, continuing education, course offerings for non-English speaking adults, and employment preparation. For the 2023-24 school year, the District reported the following enrollments: 1,710 for District pre-kindergarten (excluding CBOs), 13,160 for elementary (K-8) and 6,767 for secondary (9-12), for a total of 21,637 students.

Students within the geographical boundaries of the District may elect to attend charter schools, a type of public school. New York State Charter School Law passed by the legislature in December 1998 allows for the issuance of a charter to a new school or an existing public school that applies for charter status. The charter is granted for up to five years, with a renewal option thereafter. Charter schools are overseen by public authorities yet operate with a great deal of flexibility as independent, not-for-profit, educational entities.

The statute requires that the District pay a prescribed amount to the charter school for each resident pupil enrolled that is equivalent to the State approved operating expense per pupil of the public school district. The statute also requires that the District pay to the charter school any State or Federal aid that is attributable to students with disabilities who are receiving special education services from the charter school. Charter school tuition payments totaling approximately \$118.0 million for 7,705 students were made from the District's General operating fund during the 2023-24 fiscal year. There were seventeen schools that received payments during the 2023-24 fiscal year. The projected charter school enrollment contained in the 2024-25 adopted budget is 8,909 students.

On February 11, 2015, the New York State Education Department (NYSED) approved a plan and budget for the University of Rochester to serve as the Educational Partnership Organization (EPO) for East High School (Upper and Lower) beginning on July 1, 2015, to June 30, 2020. This plan was extended by the NYSED through June 30, 2025. The University entered this partnership at the request of the Board of Education to meet State requirements for restructuring persistently struggling, low-performing schools. The East High School (Upper and Lower) will be reintegrated into the District's educational system upon termination of the plan.

With the implementation of "Every Student Succeeds Act (ESSA)" in the 2018-19 school year, changes made to the accountability system resulted in multiple changes in accountability for RCSD schools. As of June 30, 2024, the District supports six schools that have been identified by the New York State Department of Education (NYSED) as "Receivership" schools. Receivership schools are classified within two Cohorts. Cohort 1 is comprised of those schools that were in Receivership status during the 2017-18 school year and were re-identified for Receivership in the 2018-19 school year based on the 2017-18 school year results. Cohort 2 is comprised of those schools that were newly identified as Receivership schools in the 2018-19 school year.

At the start of the school year 2023-24, East Lower School and James Monroe Upper High School remained in Receivership under Cohort 1 and John Walton Spencer School No. 16, Henry Hudson School No. 28, John James Audubon School No. 33, and Edison Career and Technology High School remained in Receivership under Cohort 2. In 2023-24, based on data from the 2022-23 school year, the NYSED has since identified two schools (Dr. Charles T. Lunsford School No. 19 and East Upper) that have met the requirements to exit Receivership status. The NYSED has yet to release the Receivership status of those schools remaining in Cohorts 1 and 2, based on the 2023-24 school year results.

The District's financial statements are included in the financial statements of the City of Rochester (the City) as a discretely presented component unit. The District's Board of Education governs the public schools, and members are elected independent of the City Council. The District is dependent upon the City to contract bonded indebtedness and to levy taxes on its behalf. The City's Charter states how the allocation of revenue and debt-incurring power between the City and the District will be conducted. The terms of this section of the Charter are as follows:

1. The City shall provide to the District the sum of one hundred nineteen million one hundred thousand dollars (\$119,100,000) for operational purposes.
2. The limitation of nine percent (9%) for indebtedness, as set forth in § 4 of Article VIII of the Constitution of the State of New York, shall be allocated on the basis of five and one-half percent (5-1/2%) for municipal indebtedness as determined by the City Council and three and one-half percent (3-1/2%) for indebtedness for educational purposes as determined by the Board of Education.
3. The Board of Education shall, upon the date set by law and Charter, submit to the Mayor of the City an itemized budget for the ensuing fiscal year whose expenditures shall not exceed revenues provided by the above distribution, plus revenues estimated to be allocated to the District by the state or federal government.
4. The annual budget of the District submitted by the Board of Education shall contain an amount for cash capital of at least ten million dollars (\$10,000,000).

The District's financial statements include the financial statements of the Rochester Joint School Construction Board (RJSCB) as a blended component unit. The RJSCB is authorized by the State of New York, Chapter 416 of the Laws of 2007 to undertake construction projects associated with school modernization. The RJSCB is dependent on the District to provide funding for these projects. Most of the project costs are reimbursed with State aid; however, any amounts not reimbursed through State aid are funded from the District's budget.

The District's 2023-24 budget allocated funds to schools using the School Centric Budgeting process. This process begins with the construction of the budget based upon comprehensive funding and staffing projections for all school budget cost centers. Funding levels for instructional and operational support services, not directly provided in schools, complete the District's budget. A budget was submitted to the Mayor and City Council for the fiscal year beginning on July 1, 2023, and ending on June 30, 2024.

The budget contains the comprehensive school budget cost centers for all schools in the District and general fund monies utilized to augment capital project budgets. A separate capital fund budget exists for the District's Capital Improvement Program (CIP). The CIP budget document accompanies the District's annual budget and is provided to the City each May.

Legal spending control for District funds is at the fund level, but management control must be exercised at budgetary line-item levels within each fund. The fund level is the total amount budgeted for a fund plus revenues more than the originally adopted budget and the fund's unreserved balance. The Board of Education authorizes management to make transfers between the various budgetary line items in any fund within the fund level, except for the General fund. In accordance with Policy 6150, all General fund transfers more than \$500,000 require prior Board of Education approval.

ECONOMIC CONDITIONS AND OUTLOOK OF THE REPORTING ENTITY

Economic Status and Forecast^{1, 2}

With a population of more than one million, Greater Rochester is the third-largest metropolitan area in New York State. Rochester's economy was historically centered around large manufacturing companies such as Eastman Kodak, Bausch & Lomb, and Xerox, but the number of manufacturing jobs in the region has shrunk considerably since the 1980s. As a result, the Rochester area has seen little growth in both population and employment in recent decades. In place of manufacturing, health care and higher education have become the most significant industries in the area, with the University of Rochester now designated as the region's largest employer. Rochester is well known for its world-class optics, imaging, and photonics cluster, which includes mostly small to medium-sized companies often working in partnership with local higher education institutions. In 2024, Rochester was ranked by analysts at Realtor.com as 3rd in the nation for housing market sales and growth. Despite the shrinking inventory, and increasing sales prices, Rochester still offers affordable housing as compared to other areas of the country, which is attractive for job seekers from outside of the City.

Projected Enrollment

District enrollment projections are derived via the Cohort Survival model which is utilized by the United States Census Bureau and the NYSED. The model accounts for students progressing into the next grade or being retained, students entering or leaving the District, major demographic trends such as population trends and live births, and other factors.

Charter school growth in Rochester and the surrounding area is a significant factor in the sustained decrease of District enrollment that continues to present significant challenges for facilities planning. Enrollment projections presented in the April 2024 CIP, as provided by the District's Office of Accountability and Student Registration, indicate an enrollment projection of 19,481 K-12 students for fiscal year 2024-25. This projection decreases to 17,721 students for fiscal year 2028-29, or an enrollment decline of 9.0% over the 5-year period.

The District's pre-kindergarten enrollment presented in the June 2024 SIRS-333 is 1,710 students, excluding those pre-kindergarten students enrolled in community-based programs. Children that attend District pre-kindergarten programs are twice as likely to enroll in District schools than their community-based counterparts.

The District maintains just under 7.0 million square feet of educational and administrative space in owned and leased facilities and owns forty-seven school buildings with an average age of 77 years old. Twelve schools have some portion of the building that is more than 100 years old. Given the number and overall age of the buildings, there is a constant demand for building repair or upgrading.

District School Building Data (excludes leases and transportables)

<u>Years Constructed</u>	<u>Total Number</u>
1900-1919	10
1920-1939	12
1940-1969	15
1970-Present	10
Total	47

¹ Research & Statistics Group, Federal Reserve Bank of New York, June 3, 2024

² Realtor.com, "Top Housing Markets for 2024", December 4, 2023

The SED mandates that every five years each New York State school district complete a building condition survey (BCS). The latest BCS was completed in 2023 and identified \$508.0 million in priority items that need to be addressed. The District's total estimated replacement value for all owned buildings is approximately \$2.6 billion. Industry standards suggest that 1.5%-3.0% of total replacement value be invested annually into school buildings to maintain proper state of repair, or \$39.0 - \$78.0 million. As the current investment proposed per the District's Capital Improvement Plan (CIP) is just over \$24.0 million, the Facilities Modernization Plan (FMP) is assisting in bridging the funding gap.

The FMP was originally structured to be a three-phase program spanning more than fifteen years, with a projected cost of more than \$1.2 billion. As part of Phase I, twelve school buildings and a district-wide technology project were either substantially reconstructed or partially renovated. Phase II included similar renovations to an additional thirteen buildings and was completed in the Fall of 2021.

A Phase III Bill was approved by the State Legislature on June 1, 2021, and was signed by the Governor on November 15, 2021, authorizing up to twelve projects not to exceed \$475.0 million. The building selection was approved by the Board of Education in December 2022. The program manager contract was awarded to Savin Engineers and approved by the RJSCB in October 2023. The Phase III Master Plan was approved by the New York State Department of Education (NYSED) in August 2024. The New York State Office of the Comptroller has requested that the Financial Plan be revised to rescope work at two schools and is currently under revision.

The District's Capital Improvement Program (CIP) is prepared as a companion document to the Superintendent's proposed budget and is intended to fund capital investments to further the Superintendent's goals and initiatives as outlined in that document. The current CIP approved by the District's Board of Education identifies targeted facility renovations over a five-year period from 2024-25 to 2028-29.

The City of Rochester continues to be in compliance with the New York State legislation associated with the Maintenance of Effort (MOE) that the City must provide in funding support to the District. The City is required to maintain a consistent level of financial support, currently \$119.1 million, in annual funding to the District. According to the MOE legislation, if the local share of net debt service paid by the District for construction improvements increases, the City could be required to increase its funding support to the District by the corresponding amount. To minimize its exposure to increased funding to the District, the City monitors on an annual basis the potential impact of the MOE, prior to committing to new CIP funding for the District.

Major Initiatives

The District believes that education includes nurturing the whole student through classroom instruction, hands-on experiences, and robust extra-curricular activities. Above all, the safety and security of students throughout the school day is a priority, including travel to and from school. The District's mission is to foster students' individual talents and abilities in a nurturing environment of equity.

In July 2023, the District began the process of creating a new five-year strategic plan. To ensure that the plan reflected the needs of the entire community, the District formed a Steering Committee comprised of students, families, staff and community members. The strategic plan focuses on the following five key priorities:

Priority 1 – Instructional Excellence: Preparing Students for Life

Priority 2 – Provide Healthy, Joyful, and Inclusive School Culture & Climate

Priority 3 – Recruit, Grow and Retain

Priority 4 – Strengthen School, Family and Community Engagement

Priority 5 – Operational Efficiency/Excellence

At the November 2023 Board of Education meeting, the Superintendent launched “Invest in Tomorrow”, the District’s vision for the future, as it began the implementation of the comprehensive school reconfiguration plan that was adopted in October 2023 by the Board of Education. This plan includes grade reconfigurations, school closures, and school moves which began in the 2024-25 school year and aligns with the new grade structure: PreK-6, 7-8, and 9-12. The plan was meant to address significant enrollment declines that have been occurring for more than a decade. Over the course of the plan, the District closed five buildings, returning three of these five buildings to the City of Rochester. On July 1, 2024, the District returned school No. 20 and No. 29 to the City. As the District’s footprint changes, adjustments must occur to create better learning and extracurricular spaces in modernized facilities to meet the diverse interests of the students.

Relevant Financial Policies

As a dependent District, the City manages the District’s cash. The District evaluates its cash requirements daily, and any surplus funds are invested by the City, generally in accounts with financial institutions for terms that accommodate the estimated financial needs of the District at the highest interest rates available. The amount of interest earnings reported in the General fund for 2023-24 repurchase agreements, was \$12,985,924.

Legal Requirements

New York State law requires an annual audit of the financial statements, conducted by an independent accounting firm. The District’s financial statements have been audited and the auditor’s opinion is included in this report.

ACKNOWLEDGEMENTS

Our appreciation goes first to the District staff involved in the preparation of this report; this report could not have been accomplished without the efficient and dedicated services of this staff in various departments. Their many hours of hard work in gathering, organizing and analysis of information allow the District to present this high quality ACFR. We also wish to thank our independent auditors Drescher & Malecki, LLP, whose professional competence and leadership have supported us throughout the year. A copy of this report can be found at the District’s website: <http://www.rcsdk12.org>.

Respectfully submitted,



Demario Strickland
Interim Superintendent of Schools



Derrek Blair
Acting Chief Financial Officer

List of Rochester City School District Officials As of June 30, 2024

MEMBERS OF THE BOARD OF EDUCATION

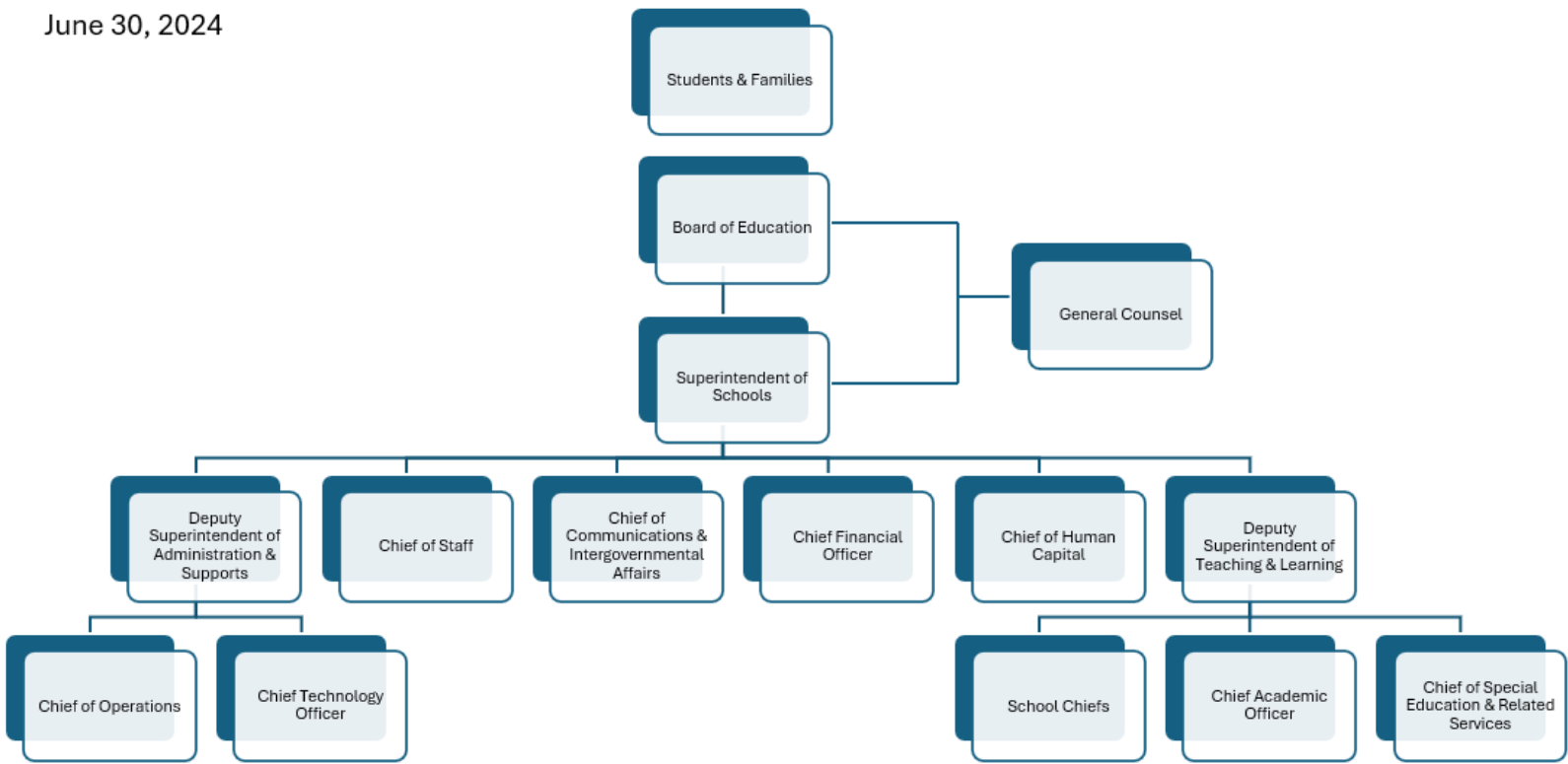
Cynthia Elliott	President
Beatriz LeBron	Vice President
Jacqueline D. Griffin	Commissioner
Amy Maloy	Commissioner
James Patterson	Commissioner
Isaiah Santiago	Commissioner
Camille Simmons	Commissioner

SUPERINTENDENT'S EXECUTIVE LEADERSHIP TEAM

Carmine Peluso	Superintendent of Schools
Lashara Evans	Chief of Staff
Shawn Farr	Chief Financial Officer
Stephen LaMorte	Chief Academic Officer
Marisol Lopez	Chief of Communications & Intergovernmental Affairs
Christopher Miller	Chief of Human Capital
Rhonda Morien	Chief of Innovation and School Reform
Adrian Neil	General Counsel
Jacob Scott	Chief of Operations
Demario Strickland	Deputy Superintendent of Teaching & Learning
Kristin Swann	Chief of Special Education & Related Services
Brenda Torres-Santana	Chief of Schools
Ruth Turner	Deputy Superintendent of Administration & Supports
Glen VanDerwater	Chief Technology Officer
LaJuan White	Chief of Schools



June 30, 2024





FINANCIAL

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INDEPENDENT AUDITORS' REPORT

The President and Members of the
Board of Education of the
Rochester City School District
Rochester, New York:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rochester City School District, New York (the "District"), a component unit of the City of Rochester, New York, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Information Included in the Annual Report

Management is responsible for the other information provided in the District's Annual Comprehensive Financial Report. The other information comprises the Introductory Section and Statistical Section, as listed in the table of contents, but does not include the financial statements and our auditors' report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 3, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Drescher & Malecki LLP

December 3, 2024

**ROCHESTER CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

As management of the Rochester City School District ("the District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in the District's financial statements, which follow this narrative. All amounts, unless otherwise indicated, are expressed in dollars.

Financial Highlights

- ♦ The District's government-wide financial statements reported that the liabilities and deferred inflows of the District exceeded its assets and deferred outflows at June 30, 2024, by \$374.1 million; a deficit reduction of \$78.7 million as compared to the previous year. This consists of \$279.6 million net investment in capital assets, \$59.7 million restricted for specific purposes, excluding unspent capital proceeds, and an unrestricted deficit of \$713.5 million.
- ♦ The District's governmental funds reported combined ending fund balances of \$336.3 million; an increase of \$78.4 million in 2023-24. The fund balance for all governmental funds is comprised of \$19.4 million nonspendable fund balance, \$59.7 million restricted fund balance, including unspent capital proceeds, \$53.0 million committed fund balance, \$73.4 million assigned fund balance, and \$130.7 million unassigned fund balance.
- ♦ The District expended \$10.0 million during 2023-24 on the Oracle software migration which began at the end of the 2021-22 fiscal year. An additional \$22.0 million in funding was transferred during 2023-24 from the General fund to the Capital fund to support future Oracle migration costs. Similarly, \$10.5 million was transferred from the General fund to the Capital fund to support the District's "Invest in Tomorrow" initiative, which includes the implementation of the comprehensive school reconfiguration plan that was adopted in October 2023 by the Board of Education.
- ♦ During the fiscal year 2023-24, the District utilized approximately \$5.6 million in funding associated with the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act which was available through September 2023 and \$134.6 million in funding associated with the American Rescue Plan (ARP) Act which will be available through September 2024.
- ♦ In April 2024, the District approved a loan of \$4.24 million to the Rochester Joint School Construction Board (RJSCB) to fund planning and development costs for Phase III of the Facilities Modernization Plan (FMP). The advance will be reimbursed to the District from the proceeds of a Bond Anticipation Note (BAN) to be issued by the City of Rochester on behalf of the RJSCB in August 2025.
- ♦ Pursuant to Chapter 56 of the NYS Laws of 2020, the Commissioner of Education has appointed a monitor to provide oversight, guidance and technical assistance related to the educational and fiscal policies, practices, programs and decisions of the District, the Board of Education, and the Superintendent. The current monitor is contracted through June 30, 2025.

**ROCHESTER CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

The District's basic financial statements comprise 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 themselves.

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the District's assets plus deferred outflows of resources and liabilities plus deferred inflows 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 District is improving or deteriorating.

The *statement of activities* presents information showing how the District'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 only result in cash flows in future fiscal periods (e.g., claims payable and vacation time earned but unused).

Both of the government-wide financial statements present functions of the District that are principally supported by state and federal aid and intergovernmental revenues (*governmental activities*). The governmental activities of the District include general support, instruction, pupil transportation, community services and interest on debt. The government-wide financial statements can be found on pages 27 and 28 of this report.

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 District, 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 District can be divided into two categories: governmental 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 District'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*.

**ROCHESTER CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

The District maintains six individual 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, Special Aid fund, School Food Service fund, Debt Service fund, Capital Projects fund, and Rochester Joint Schools Construction Board fund, all of which are considered to be major funds.

The District adopts an annual appropriations budget for its General fund, Special Aid fund, and School Food Service fund. Budgetary comparison schedules have been provided for the General fund, Special Aid fund, and School Food Service fund with adopted budgets to demonstrate compliance with the budget. These schedules are presented in the Required Supplementary Information section of this report. The basic governmental fund financial statements can be found on pages 29-35 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District'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 on pages 36 and 37 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-65 of this report.

Government-wide Financial Analysis

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows exceeded assets and deferred outflows by \$374.1 million at the close of the most recent fiscal year.

A positive portion of the District's net position in the amount of \$279.6 million reflects its investment in capital assets (e.g., land, buildings, building improvements, machinery, equipment, and right to use assets), less accumulated depreciation/amortization and any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students and citizens; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The unrestricted net deficit of \$713.5 million reported at June 30, 2024, is not current and represents liabilities that will be funded with future budgets. This occurred because the District is required to accrue in its government-wide statements all of its long-term obligations.

An amount of \$59.7 million is reported on the statement of net position as restricted because its use is limited. Of this amount, \$23.4 million represents amounts restricted for capital expenditures, excluding unspent capital proceeds, \$35.6 million represents certain proceeds from serial bonds that are limited in use by their respective bond covenants, and an approximately \$0.7 million for employee flexible spending withholdings, student scholarships, and student funds for extracurricular clubs.

**ROCHESTER CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Rochester City School District's Net Position – Governmental Activities

	<u>2022-23</u>	<u>2023-24</u>
Current and other assets	\$ 399,316,274	\$ 491,654,677
Capital assets (net of accumulated depreciation/amortization)	<u>876,233,454</u>	<u>869,326,661</u>
Total assets	<u>1,275,549,728</u>	<u>1,360,981,338</u>
Deferred outflows	<u>223,974,045</u>	<u>156,356,596</u>
Total deferred outflows of resources	<u>223,974,045</u>	<u>156,356,596</u>
Current and other liabilities	147,503,274	161,984,234
Long-term liabilities outstanding	<u>1,681,901,543</u>	<u>1,589,242,916</u>
Total liabilities	<u>1,829,404,817</u>	<u>1,751,227,150</u>
Deferred inflows	<u>122,940,264</u>	<u>140,206,648</u>
Total deferred inflows of resources	<u>122,940,264</u>	<u>140,206,648</u>
Net investment in capital assets	243,860,011	279,647,032
Restricted	41,851,620	59,714,621
Unrestricted (Deficit)	<u>(738,532,939)</u>	<u>(713,457,517)</u>
Total net position	<u><u>\$ (452,821,308)</u></u>	<u><u>\$ (374,095,864)</u></u>

The total net position of the District increased by \$78.7 million. Significant changes from 2022-23 to 2023-24 in the Statement of Net Position and reasons for such changes are:

- ♦ Current and other assets increased by approximately \$92.3 million, or 23.1%, during fiscal year 2023-24. The primary reasons for the increase are due an increase of \$99.8 in unrestricted cash due to the influx of ARP reimbursements during the 2023-24 fiscal year and an increase in restricted cash of \$13.0 million due to an increase in amounts restricted for debt payments as compared to the previous year. These increases were offset by decreases in amounts due to other governments of \$18.5 million. Due to the end of the CRRSA grant and the spend-down of the ARP grant during fiscal 2023-34, there were less reimbursements outstanding due the District at the end of fiscal 2023-24, as compared to the previous year.
- ♦ Deferred outflows of resources decreased by \$67.6 million, or 30.2%, primarily due to a decrease of deferred outflows of resources relating to pensions.
- ♦ Current and other liabilities increased by \$14.5 million, or 9.8%. The primarily reason for this increase is an increase in the amount of BANs outstanding at the end of the fiscal year. BANs are used to fund projects in the District's Capital Improvement Plan.
- ♦ Noncurrent liabilities decreased by \$92.7 million, or 5.5%. This decrease was primarily due to decreases in pension and lottery spin-up liabilities totaling \$54.0 million, and scheduled bond principal payments of \$48.1 million. These decreases were partially offset by increases in liabilities for retiree health insurance benefits of \$17.9 million.
- ♦ Deferred inflows of resources increased by \$17.3 million, or 14.0%, due to increases in inflows of resources relating to OPEB and pensions.

**ROCHESTER CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Rochester City School District's Changes in Net Position – Governmental Activities

	<u>2022-23</u>	<u>2023-24</u>
Revenues		
Program revenues:		
Charges for services	\$ 3,191,738	\$ 3,363,705
Operating grants and contributions	243,177,933	260,743,834
General revenues:		
State and Federal aid	610,924,138	692,808,730
Intergovernmental	119,100,000	119,100,000
Lottery aid	86,163,344	37,034,128
Other	21,136,365	41,184,935
Total Revenues	<u><u>1,083,693,518</u></u>	<u><u>1,154,235,332</u></u>
Expenses		
General support:		
Board of Education	829,575	1,399,038
Chief school administrator	1,603,510	3,945,425
Finance	7,626,844	9,635,381
Staff	9,341,633	9,188,190
Central Services	92,650,023	95,873,273
Other	14,032,909	26,167,438
Total General Support	<u><u>126,084,494</u></u>	<u><u>146,208,745</u></u>
Instruction:		
Administration and improvement	89,156,282	96,977,700
Teaching	582,449,303	636,308,123
Instructional media	29,022,313	23,138,733
Pupil services	48,239,864	56,056,634
Total Instruction	<u><u>748,867,762</u></u>	<u><u>812,481,190</u></u>
Pupil transportation	74,969,504	85,474,529
Community services	3,002,739	4,623,386
Interest on long-term debt	27,595,390	26,722,038
Total Expenses	<u><u>980,519,889</u></u>	<u><u>1,075,509,888</u></u>
Change in net position	103,173,629	78,725,444
Net Position - Beginning	(555,994,937)	(452,821,308)
Net Position - Ending	<u><u>\$ (452,821,308)</u></u>	<u><u>\$ (374,095,864)</u></u>

The largest funding sources for the District's governmental activities, as a percentage of total revenues, are state and federal aid (60.0%), operating grants and contributions (22.6%), and intergovernmental (10.3%).

The largest expense categories for the District's governmental activities as a percentage of total expenses are teaching (59.2%), instructional administration and improvement (9.0%), central services (8.9%), transportation (7.9%), and pupil services (5.2%).

**ROCHESTER CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Significant changes from 2022-23 to 2023-24 in the District's government-wide revenues and reasons for such changes are:

- ♦ Operating grants and contributions increased by \$17.6 million, or 7.2%, primarily because of the receipt of ARP and CRSSA pandemic relief funding used for programs and initiatives such as safe schools, mental health services for students, teacher support and retention, learning loss recovery, facilities improvements, and increased community support.
- ♦ State and Federal aid increased by \$81.9 million, or 13.4%, primarily due to increased utilization and related reimbursements associated with ARP funding in 23/24, as compared to the previous year.
- ♦ Lottery aid decreased by \$41.9 million, or 57.0%, due to the waiver of an annual lottery aid advance granted to the district under special legislation which advanced a portion of the subsequent years' lottery aid apportionment to the District in June of the preceding fiscal year to address fiscal stabilization. The effects of this reduction were offset by new aid sources received in 2023-24 such as mobile sports wagering and cannabis revenue.
- ♦ Other revenue sources increased by \$20.0 million, or 94.9% due to factors such as: significant increases in investment earnings due to favorable interest rates and increased levels of cash investments resulting from ARP and CRRSA funding; increased interfund revenues offset by administrative charges to the Special Aid fund for grant administration also resulting from ARP and CRRSA funding; and increased insurance recoveries for high-cost claims.

Significant changes from 2022-23 to 2023-24 in the District's government-wide expenses and reasons for such changes are:

- ♦ Expenses for pupil services increased by \$7.8 million, or 16.2%. The increase was primarily due to increased utilization of ARP funding during the fiscal year to increase mental health services for students under the Student Wellness Initiative which included the hiring of additional counselors and social workers, as well as teletherapy options to meet the mental health needs of students and staff. Additionally, the District embedded Social Emotional Learning (SEL) into the curriculum to provide ongoing support, in recognition of the toll that the pandemic had on social-emotional well-being.
- ♦ Expenses for instructional administration and improvements increased by \$7.8 million, or 8.8%, also due to the utilization of pandemic funds. To maintain a stable workforce, both ARP and CRRSA funds were used for the Teacher Support and Retention Program. This initiative helped the district avoid layoffs and offered professional development opportunities to support hybrid and remote instruction. Teachers were also trained in trauma-informed practices to better support students returning to classrooms after prolonged absences.
- ♦ Expenses for teaching increased by \$53.9 million, or 9.2%. This increase was also primarily due to increased utilization of ARP funding to foster transformative learning through the investment in District educational priorities. For students with disabilities,

**ROCHESTER CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

ARP and CRRSA funds bolstered the Special Education Recovery Services Program. This program provided compensatory services such as speech therapy, behavioral interventions, and extended school year (ESY) programs to help students with Individualized Education Programs (IEPs) catch up on lost instructional time. These services extended into the summer months, ensuring that students with disabilities received continuous support. Expanded Learning Opportunities (ELO) funded through ARP were also designed to accelerate learning for students who were disproportionately impacted by school closures, such as English Language Learners (ELLs). Similarly, the Culturally Responsive Education Program emphasized the need for teaching practices that were inclusive of diverse student backgrounds to address the unique challenges these students faced during the pandemic. In addition to the previously described programmatic increases, increases in long-term liabilities such as pension and post-employment health insurance are another factor contributing to increased expenses in teaching.

- ◆ Expenses for instructional media decreased by \$5.9 million, or 20.3%. Peak spending to provide emergency resources to equip every student with Chromebooks, Wi-Fi hotspots, and technical training to bridge the digital divide to foster success in the remote learning environment occurred earlier in the cycle of pandemic funding availability. Therefore, expenses for instructional media declined as compared to the previous year.
- ◆ Expenses for pupil transportation increased by \$10.5 million, or 14.0%, as a result of Consumer Price Index (CPI) increases for gasoline, contract transport services and other operating costs, as well as the costs associated with the demand for increased out-of-District routes resulting from significant increases in McKinney Vento students as compared to the previous year.
- ◆ Expenses for other general support increased by \$12.1 million, or 86.5%, primarily as a result of increased indirect costs charged to the Special Aid fund for overhead associated with ARP funding.

Financial Analysis of Governmental Funds

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

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District'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.

At June 30, 2024, the District's governmental funds reported combined ending fund balances of \$336.3 million, an increase of \$78.4 million from the prior year. Approximately 38.9% of this amount, \$130.7 million, constitutes *unassigned fund balance*, which is available for spending at the District's discretion. The remainder of fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to signify that it is: (1) not in spendable form, \$19.4 million, (2) restricted for particular purposes, \$59.7 million, (3) committed to particular purposes, \$53.0 million, or (4) assigned for particular purposes, \$73.4 million.

**ROCHESTER CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Nonspendable fund balance totaling \$19.4 million consists of \$0.5 million for food service inventory and \$18.9 million for prepaid items.

Restricted fund balance in the amount of \$59.7 million are amounts constrained to specific purposes and consist of \$0.2 million for scholarships, \$0.5 million for flexible spending withholdings, \$35.6 million for future debt payments, and \$23.4 million for capital expenditures.

Commitments of \$53.0 million are amounts that are subject to a purpose constraint imposed by a formal action of the District's highest level of decision-making authority and consist of \$1.0 million for insurance, \$10.0 million for workers' compensation, \$27.0 million for OPEB, \$5.0 million for safety and security, and \$10.0 million for health insurance.

Assigned fund balance of \$73.4 million consists of \$3.1 million to liquidate contracts and purchase orders, \$38.3 million for capital outlay, \$8.0 for appropriations for subsequent years' expenditures, \$5.0 million for contract and pay equity, \$3.0 million for food service, \$10.0 million for judgments and claims, \$4.0 million for pension stabilization, and \$2.0 million for unemployment stabilization. These assignments indicate the Board's intention to utilize these funds for the stated purposes.

General Fund. The General fund is the chief operating fund of the District. During the current fiscal year, total fund balance increased to \$285.7 million, an increase of \$61.3 million from the prior year ended June 30, 2023, due primarily to the usage of ARP and CRRSA funding to offset certain operating expenditures as approved by the New York State Department of Education (NYSED). As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General fund expenditures and transfers out. Unassigned fund balance represents approximately 16.2% of total General fund expenditures and transfers out, while total fund balance represents approximately 35.4% of that same amount.

As previously mentioned, the General fund balance increased by approximately \$61.3 million during the fiscal year, as revenues increased by 6.5% and outpaced the increase in operating expenditures of 3.6%. The majority of the revenue increase is attributable to increases in State aid (specifically basic formula aid payable under New York State Education Law (NYSEL) 3609), investment earnings, and interfund revenues generated by overhead charges to the Special Aid fund. Significant general operating cost absorption into the Special Aid fund occurred during the year as part of the utilization of pandemic funds approved for this purpose. Despite this, General fund expenditures continued to increase as compared to the prior years. The most significant increases were for debt expenditures and pupil transportation.

Special Aid Fund. The District's Special Aid fund is used to account for contributions and awards from other governments or private organizations to be used or expended for a specified purpose. The Special Aid fund maintains a "zero" fund balance from year to year as expenditures incurred are offset by grant revenues of an equivalent amount. The Special Aid fund reported a significant increase of 7.6% in revenues and expenditures in the current year as compared to the previous year. This significant financial increase is due to peak utilization of ARP funds during the 2023-24 fiscal year.

**ROCHESTER CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

School Food Service Fund. The School Food Service fund is a special revenue fund used to account for and report transactions of the District's breakfast and lunch programs. During the current fiscal year, total fund balance decreased by \$1.1 million as compared to the previous year to \$3.5 million primarily due to rising food costs.

Debt Service Fund. The City, at the request of the District, issues debt for the District that is the District's responsibility to repay. This debt, in the form of Bond Anticipation Notes (BANs) and General Obligation Bonds (Serial Bonds), is primarily issued to provide funds for purchase of equipment, land, buildings, construction of new structures, and renovation work to existing structures. The Debt Service fund has a total fund balance of \$23.6 million, which is restricted solely for the purpose of payment of future debt service. The increase in fund balance during the current year is due to funds set aside for a bond sinking fund.

Capital Projects Fund. The Capital Projects fund accounts for the District's construction and improvement projects. At the end of the current fiscal year, the Capital Projects fund balance was \$21.7 million, all of which is restricted for future projects. The increase in fund balance of \$12.0 million is primarily due to transfers in from the General fund.

Rochester Joint Schools Construction Board (RJSCB) Fund. Under the provisions of GASB, the RJSCB is presented as a blended component unit of the District. The RJSCB fund accounts for the Facilities Modernization Program construction projects. At the end of the current fiscal year, the RJSCB fund balance was \$1.7 million, a decrease of \$2.8 million. Because Phase II of the Program is complete, and Phase III is in the planning stage, capital outlays for project expenditures have decreased substantially.

General Fund Budgetary Highlights – Non-GAAP Basis

	Budgeted Amounts			Variance with
<u>Revenues</u>	Original	Final	Actual	Final Budget
Local sources	\$ 140,845,278	\$ 140,845,278	\$ 162,220,320	\$ 21,375,042
State sources	722,823,324	722,823,324	702,606,807	(20,216,517)
Federal sources	4,480,477	4,480,477	4,255,662	(224,815)
Other financing sources - transfers in	-	-	1,092	1,092
	<u>\$ 868,149,079</u>	<u>\$ 868,149,079</u>	<u>\$ 869,083,881</u>	<u>\$ 934,802</u>
<u>Expenditures</u>				
General support	\$ 69,496,982	\$ 72,971,392	\$ 50,008,378	\$ 22,963,014
Instructional	463,745,302	463,827,894	408,777,102	55,050,792
Pupil transportation	77,605,528	78,018,919	76,052,023	1,966,896
Community services	414,030	630,800	576,104	54,696
Employee benefits	164,635,589	162,798,426	146,170,491	16,627,935
Debt service	1,831,200	1,831,200	641,200	1,190,000
Other financing uses - transfers out	95,420,448	125,595,448	125,513,894	81,554
	<u>\$ 873,149,079</u>	<u>\$ 905,674,079</u>	<u>\$ 807,739,192</u>	<u>\$ 97,934,887</u>
Excess (deficiency) of revenues and other financings sources over expenditures and other financing uses	<u>\$ (5,000,000)</u>	<u>\$ (37,525,000)</u>	<u>\$ 61,344,689</u>	<u>\$ 98,869,689</u>

**ROCHESTER CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Adopted Budget Compared to Final Budget

The final 2023-24 budget increased by \$32.5 million, as compared to the 2023-24 original budget. This increase was attributable to a \$22.0 million increase in the Oracle software migration project and a \$10.5 million increase to support school reconfiguration costs associated with the District's "Invest in Tomorrow" initiative. An appropriation of fund balance was used to fund the final budget increases.

Final Budget Compared to Actual Results

The net variance of actual operating revenue as compared to the final budget for the fiscal year was a \$0.9 million favorable variance for all revenue sources. Actual revenue received from local sources exceeded the final budget by \$21.4 million primarily due to higher than anticipated investment earnings, prescription rebates, stop-loss reimbursements for health insurance, and interfund revenues. These favorable revenue variances were offset by shortfalls in State revenue of \$20.2 million as well as a slight shortfall in federal revenue received as compared to the final budget.

Actual District expenditures for the fiscal year were less than the final budget amount by \$97.9 million. This material, favorable performance is due to the recodification of general fund operating expenditures to the ARP and CRRSA grants that are reported in the Special Aid fund.

Capital Asset and Debt Administration

Capital assets. The District's capital assets, net of depreciation/amortization, for its governmental activities as of June 30, 2024, amounted to \$869.3 million. This investment in capital assets includes land, buildings, building improvements, machinery, equipment, right to use assets, and construction in progress. There was a decrease in the District's net investment in capital assets for the current fiscal year of \$6.9 million. Major capital asset events that occurred during the current year included the following:

- ♦ The District added \$54.9 million in capital assets during the fiscal year consisting of long-term facility improvements and code compliance projects at facilities throughout the District. These address issues such as roof replacements, masonry repair, window and door replacements, HVAC, plumbing and electrical upgrades, lead and asbestos abatement, energy conservation projects and handicapped accessibility.
- ♦ The Rochester Joint Schools Construction Board (RJSCB) did not add any assets during the fiscal year, as Phase II of the Rochester School Modernization Program has been completed, and Phase III construction is pending.

**ROCHESTER CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Capital Assets (Net of Depreciation) - Governmental Activities.

	<u>2022-23</u>	<u>2023-24</u>
Land	\$ 19,351,419	\$ 19,666,640
Buildings & Improvements	804,797,018	778,834,421
Equipment & Other	17,262,443	21,799,010
Construction in Progress	33,519,517	48,803,941
Right to Use Assets	1,303,057	222,649
Total	<u><u>\$ 876,233,454</u></u>	<u><u>\$ 869,326,661</u></u>

For additional information on the District's capital assets, refer to Note IV.C. of this report.

Long-term Debt - Governmental Activities. At the end of the current fiscal year, the District had total bonded debt outstanding as follows:

	<u>2022-23</u>	<u>2023-24</u>
RCSD Bonds	\$ 109,309,630	\$ 92,745,169
RJSCB Bonds	433,485,000	401,920,000
Total	<u><u>\$ 542,794,630</u></u>	<u><u>\$ 494,665,169</u></u>

The City of Rochester, which issues debt on behalf of the District, has a rating of AA- from both Standard & Poor's and Fitch, and an A1 rating from Moody's Investors Service on bonded debt. The RJSCB Program has a rating of AA from both Standard & Poor's and Fitch, and an Aa2 rating from Moody's Investors Service on bonded debt, these ratings are the same as in the previous year.

The legal debt margin of the District is established by the City of Rochester Charter. The limit is 3½% of 9% of the most recent five-year average of full valuation of taxable real estate for capital purposes. The debt limit at June 30, 2024, was \$289,282,879, leaving a debt-contracting margin of \$162,097,710. The debt limit associated with the RJSCB is not subject to the City debt limit cap. For additional information on the District's long-term obligations, refer to Note IV. G. of this report.

Economic Factors and Next Year's Budgets and Rates

The District is located within the City of Rochester. The Rochester's economy has experienced significant transformation and losses in manufacturing that have been offset by gains in other sectors, particularly in education, health care, and small and mid-sized business sectors. The District's largest single revenue source is New York State aid. During the 2024-25 budget planning process, the District's General operating fund budget increased by approximately \$44.6 million as compared to the prior year's original budget. This was primarily a result of the State aid reimbursements for transportation contracts, which were disallowed in 2022-23 and carried over into 2023-24. Those contracts are expected to be aidable again in 2024-25. Additional general fund aid was used to fund significant items such as: charter school tuition, special education, and other operating costs that were subsidized by stimulus funds in the special aid fund in the prior year that will shift back to the general fund.

**ROCHESTER CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

General Fund

The 2024-25 original budget of \$917,700,900 represents an increase of approximately 1.3% from the 2023-24 amended budget of \$905,674,079. This increase reflects the receipt of additional basic formula aid of approximately \$9.0 million in 2024-25, as well as an increase in State transportation aid of \$24.7 million primarily due to the impacts of disallowed transportation contracts that adversely affected transportation aid in the previous year. Additionally, increases in local revenue sources such as insurance recoveries of \$8.7 million and interest earnings of \$10.6 million also occurred. These increases were offset by a decrease in the usage of appropriated fund balance of \$29.5 million. The 2023-24 amended budget included a more substantial use of appropriated fund balance to fund initiatives such as the Invest in Tomorrow reconfiguration plan and the Oracle software migration.

Requests for Information

This financial report is designed to provide a general overview of the District'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 the Department of Finance, Rochester City School District, 131 West Broad Street, Rochester, New York 14614.

BASIC FINANCIAL STATEMENTS

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ROCHESTER CITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 325,037,034
Restricted Cash and Cash Equivalents	45,887,901
Accounts Receivable	2,536,947
Due from Other Governments	98,789,046
Prepayments	18,909,826
Inventories	493,923
Capital Assets (net of accumulated depreciation/amortization):	
Land	19,666,640
Buildings and Improvements	778,834,421
Equipment and Other	21,799,010
Construction In Progress	48,803,941
Right to Use Assets	222,649
Total Assets	1,360,981,338
Deferred Outflows of Resources	
Deferred Charge on Refunding, Net of Amortization	760,436
Deferred Outflows, Pensions	124,700,854
Deferred Outflows, Subsequent Benefit Payments, Pension and OPEB	30,895,306
Total Deferred Outflows of Resources	156,356,596
Liabilities	
Accounts Payable	32,326,248
Accrued Liabilities	52,519,284
Due To Other Governments	5,752,344
Due To Retirement Systems	34,693,304
Unearned Revenue	2,253,054
Notes Payable, BANs	34,440,000
Noncurrent Liabilities:	
Due Within One Year	63,838,960
Due in More Than One Year	1,525,403,956
Total Liabilities	1,751,227,150
Deferred Inflows of Resources	
Deferred Inflows, OPEB	34,160,106
Deferred Inflows, Pension	106,046,542
Total Deferred Inflows of Resources	140,206,648
Net Position	
Net Investment in Capital Assets	279,647,032
Restricted for Capital Expenses	23,368,698
Restricted for Debt Service	35,577,099
Restricted for Scholarships	202,823
Restricted for Student Funds	3
Restricted for Flexible Spending	565,998
Unrestricted (Deficit)	(713,457,517)
Total Net Position	\$ (374,095,864)

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

ROCHESTER CITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Function/Program	Expense	Program Revenues		Net (Expense) Revenue and Changes in Net Position Government Activities
		Charges for Services	Operating Grants and Contributions	
General Support:				
Board of Education	\$ 1,399,038	\$ -	\$ -	\$ (1,399,038)
Chief School Administrator	3,945,425	-	-	(3,945,425)
Finance	9,635,381	-	-	(9,635,381)
Staff	9,188,190	-	-	(9,188,190)
Central Services	95,873,273	92,950	20,967,103	(74,813,220)
Other	26,167,438	-	24,173,390	(1,994,048)
Total General Support	146,208,745	92,950	45,140,493	(100,975,302)
Instruction:				
Administration and Improvement	96,977,700	-	30,776,216	(66,201,484)
Teaching	636,308,123	3,270,755	142,643,416	(490,393,952)
Instructional Media	23,138,733	-	14,205,780	(8,932,953)
Pupil Services	56,056,634	-	20,698,435	(35,358,199)
Total Instruction	812,481,190	3,270,755	208,323,847	(600,886,588)
Pupil Transportation	85,474,529	-	3,656,100	(81,818,429)
Community Services	4,623,386	-	3,623,394	(999,992)
Interest on Long-Term Debt	26,722,038	-	-	(26,722,038)
Total Governmental Activities	\$ 1,075,509,888	\$ 3,363,705	\$ 260,743,834	(811,402,349)
General Revenues:				
Intergovernmental				119,100,000
Use of Money and Property				14,274,247
State and Federal Aid				692,808,730
Lottery Aid				37,034,128
Miscellaneous				26,910,688
Subtotal, General Revenues				890,127,793
Change in Net Position				78,725,444
Net Position - Beginning				(452,821,308)
Net Position - Ending				\$ (374,095,864)

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

**ROCHESTER CITY SCHOOL DISTRICT
BALANCE SHEET, GOVERNMENTAL FUNDS
AS OF JUNE 30, 2024**

(continued next page)

	General	Special Aid	School Food Service
Assets			
Cash and cash equivalents	\$ 324,998,894	\$ -	\$ 38,140
Restricted cash and cash equivalents	13,615,346	-	-
Receivables:			
Accounts	2,257,930	72,610	16,551
Due from other funds	48,076,500	-	665,678
Due from other governments	26,776,708	68,241,622	3,770,716
Prepayments	18,641,379	255,165	-
Inventories at cost	-	-	493,923
Total assets	<u>\$ 434,366,757</u>	<u>\$ 68,569,397</u>	<u>\$ 4,985,008</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 18,487,347	\$ 11,463,797	\$ 667,072
Accrued liabilities	42,906,492	1,693,331	303,324
Due to other funds	55,962,745	44,333,881	183,297
Due to other governments	5,537,632	214,567	145
Due to retirement systems	25,732,113	8,610,767	317,264
Unearned revenues	-	2,253,054	-
Notes payable - BANS	-	-	-
Total liabilities	<u>148,626,329</u>	<u>68,569,397</u>	<u>1,471,102</u>
Fund balances (deficit):			
Nonspendable			
Inventory	-	-	493,923
Prepayments	18,641,379	255,165	-
Restricted For			
Debt service	11,946,522	-	-
Scholarships	202,823	-	-
Student funds	3	-	-
Flexible spending	565,998	-	-
Capital expenditures	-	-	-
Committed For			
Insurance claims	1,000,000	-	-
Workers' comp	10,000,000	-	-
OPEB	27,000,000	-	-
Safety & Security	5,000,000	-	-
Health Insurance	10,000,000	-	-
Assigned For			
Encumbrances	3,065,890	-	-
Capital local share	38,350,000	-	-
Contract settlement and pay equity	5,000,000	-	-
Appropriation for subsequent year expenditures	8,000,000	-	-
Pension stabilization	4,000,000	-	-
NYS unemployment insurance stabilization	2,000,000	-	-
Judgements and claims	10,000,000	-	-
Food service	-	-	3,019,983
Unassigned	130,967,813	(255,165)	-
Total fund balance (deficit)	<u>285,740,428</u>	<u>-</u>	<u>3,513,906</u>
Total liabilities and fund balances (deficits)	<u>\$ 434,366,757</u>	<u>\$ 68,569,397</u>	<u>\$ 4,985,008</u>

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

Debt Service	Capital Projects	RJSCB	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 325,037,034
21,569,909	4,449,772	6,252,874	45,887,901
89,856	100,000	-	2,536,947
1,970,812	53,991,933	-	104,704,923
-	-	-	98,789,046
-	3,909	9,373	18,909,826
-	-	-	493,923
<u>\$ 23,630,577</u>	<u>\$ 58,545,614</u>	<u>\$ 6,262,247</u>	<u>\$ 596,359,600</u>
\$ -	\$ 1,354,550	\$ 353,482	\$ 32,326,248
-	1,019,689	-	45,922,836
-	-	4,225,000	104,704,923
-	-	-	5,752,344
-	33,160	-	34,693,304
-	-	-	2,253,054
-	34,440,000	-	34,440,000
-	36,847,399	4,578,482	260,092,709
-	-	-	493,923
-	3,909	9,373	18,909,826
23,630,577	-	-	35,577,099
-	-	-	202,823
-	-	-	3
-	-	-	565,998
-	21,694,306	1,674,392	23,368,698
-	-	-	1,000,000
-	-	-	10,000,000
-	-	-	27,000,000
-	-	-	5,000,000
-	-	-	10,000,000
-	-	-	3,065,890
-	-	-	38,350,000
-	-	-	5,000,000
-	-	-	8,000,000
-	-	-	4,000,000
-	-	-	2,000,000
-	-	-	10,000,000
-	-	-	3,019,983
-	-	-	130,712,648
<u>23,630,577</u>	<u>21,698,215</u>	<u>1,683,765</u>	<u>336,266,891</u>
<u>\$ 23,630,577</u>	<u>\$ 58,545,614</u>	<u>\$ 6,262,247</u>	<u>\$ 596,359,600</u>

ROCHESTER CITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2024

Amounts reported in governmental activities in the statement of net position (page 27) are different because:

Total fund balances (page 30)	\$ 336,266,891
Capital assets, including right to use leases, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	820,522,720
Construction in progress for governmental activities is not a financial resource and, therefore, is not reported in the funds.	48,803,941
Pension liabilities used in governmental activities are not financial resources and, therefore, are not reported in the funds [(\$17,594,208) TRS, (\$34,129,681) ERS].	(51,723,889)
Deferred charges on refunding net of amortization are not available resources and, therefore, are not reported in the funds.	760,436
Long-term liabilities, including bonds and leases payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(1,471,957,007)
Net deferred outflows and inflows related to pension plans are not due and payable in the current period and, therefore, are not reported in the funds [\$12,084,760 ERS, \$109,351,294 TRS].	121,436,054
Net deferred outflows and inflows related to OPEB, including subsequent payments, are not financial resources and, therefore, are not reported in the funds.	(106,046,542)
Premiums associated with the issuance of bonds are a liability in the governmental funds in the year the bonds are issued and will be amortized over the life of the bond.	(65,562,020)
Net accrued interest expense for bonds and notes is not reported in the funds.	(6,596,448)
Net position of governmental activities	<u>\$ (374,095,864)</u>

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

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ROCHESTER CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024 (continued next page)

	General	Special Aid
Revenues		
Local sources:		
Use of money and property (interest and rent)	\$ 13,038,877	\$ -
Charges for services	3,270,755	-
Sale of property and compensation for loss	9,361,969	-
Intergovernmental	119,100,000	-
Other	17,448,719	6,219,099
State sources	702,606,807	52,342,156
Federal sources	4,255,662	202,182,579
Surplus food	-	-
Total revenues	<u>869,082,789</u>	<u>260,743,834</u>
Expenditures		
Current:		
General Support:		
Staff	8,935,693	-
Central services	44,911,748	20,967,103
Other	13,442,621	24,173,390
Instructional:		
Teaching - regular school	269,873,047	73,396,328
Special apportionment programs	161,792,795	29,057,239
Other	102,900,715	110,351,440
Pupil transportation	78,861,784	3,656,100
Community services	865,695	3,623,394
Cost of sales	-	-
Debt service:		
Principal	-	-
Interest	641,200	-
Capital outlay	-	-
Total expenditures	<u>682,225,298</u>	<u>265,224,994</u>
Excess (deficiency) of revenues over (under) expenditures	<u>186,857,491</u>	<u>(4,481,160)</u>
Other Financing Sources (Uses)		
Transfers in	1,092	4,481,160
Transfers out	(125,513,894)	-
Total other financing sources (uses)	<u>(125,512,802)</u>	<u>4,481,160</u>
Net change in fund balances	61,344,689	-
Fund balances - beginning	224,395,739	-
Fund balances - ending	<u>\$ 285,740,428</u>	<u>\$ -</u>

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

<u>School Food Service</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>RJSCB</u>	<u>Total</u>
\$ -	\$ 1,160,256	\$ -	\$ 75,114	\$ 14,274,247
-	-	-	-	3,270,755
-	-	100,000	-	9,461,969
-	-	-	-	119,100,000
92,950	-	-	-	23,760,768
419,423	-	-	-	755,368,386
21,135,395	-	-	-	227,573,636
1,425,574	-	-	-	1,425,574
<u>23,073,342</u>	<u>1,160,256</u>	<u>100,000</u>	<u>75,114</u>	<u>1,154,235,335</u>
-	-	-	-	8,935,693
-	-	-	-	65,878,851
12,862,111	-	-	-	50,478,122
-	-	-	-	343,269,375
-	-	-	-	190,850,034
-	-	-	-	213,252,155
-	-	-	-	82,517,884
-	-	-	-	4,489,089
11,307,368	-	-	-	11,307,368
-	48,129,461	-	-	48,129,461
-	25,495,987	-	-	26,137,187
-	-	27,653,506	2,894,317	30,547,823
<u>24,169,479</u>	<u>73,625,448</u>	<u>27,653,506</u>	<u>2,894,317</u>	<u>1,075,793,042</u>
<u>(1,096,137)</u>	<u>(72,465,192)</u>	<u>(27,553,506)</u>	<u>(2,819,203)</u>	<u>78,442,293</u>
-	81,467,734	39,565,000	-	125,514,986
-	-	-	(1,092)	(125,514,986)
-	81,467,734	39,565,000	(1,092)	-
(1,096,137)	9,002,542	12,011,494	(2,820,295)	78,442,293
4,610,043	14,628,035	9,686,721	4,504,060	257,824,598
<u>\$ 3,513,906</u>	<u>\$ 23,630,577</u>	<u>\$ 21,698,215</u>	<u>\$ 1,683,765</u>	<u>\$ 336,266,891</u>

**ROCHESTER CITY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Amounts reported for governmental activities in the statement of activities (page 28) are different because:

Net change in fund balances -- total governmental funds (page 34)	\$ 78,442,293
Deferred charges recorded in the statement of activities that do not use current financial resources are not reported as an expenditure in the funds.	(241,442)
Debt service principal is recorded as an expenditure for governmental funds but is not recorded in the statement of activities. Debt service principal payments are reductions in liabilities.	48,129,461
Payments of lottery advances are not recorded in the governmental funds but are recorded in the statement of activities. Lottery advance payments are reductions in liabilities.	31,500,000
The net increase in long-term debt for governmental funds is not recorded as an expenditure in the governmental funds. Such expenditures for changes in the liabilities for other postemployment benefits, pensions, claims payable and compensated absences are recorded in the statement of net position.	(17,251,199)
Capital projects expenditures for construction in progress are recorded in the funds as expenditures; such expenditures are not recorded in the statement of activities because they are considered capital assets.	15,753,723
Capital projects expenditures for capital assets and certain equipment and building improvements are recorded in the funds as expenditures. Such expenditures are not recorded in the statement of activities because they are considered capital assets.	38,468,359
Depreciation and amortization are recorded in the statement of activities but not in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	(55,454,246)
Depreciation associated with disposed assets is recorded in the statement of activities but not in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	6,352,154
Decrease in right to use assets is recorded in the statement of activities but not in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	(3,256,428)
Asset disposals are recorded in the statement of activities but not in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	(8,770,354)
Change in proportionate share of net pension liability reported in the statement of net position does not provide for or require the use of current financial resources and, therefore, is not reported as revenues or expenditures in the governmental funds [ERS \$12,759,329, TRS \$9,736,240].	22,495,569
Net change in proportionate share of net deferred inflow and outflow reported in the statement of net position for the difference during the measurement period between the District's contributions and its proportionate share of the total contributions to the pension systems subsequent to the measurement date does not provide for or require the use of current financial resources and, therefore, is not reported as revenues or expenditures in the governmental funds [ERS (\$18,124,375) TRS (\$32,825,812)].	(50,950,187)
Net change in deferred inflow and outflow for post employment benefits (OPEB) reported in the statement of net position does not provide for or require the use of current financial resources and, therefore, are is reported as revenues or expenditures in the governmental funds.	(33,692,204)
Decrease in net interest and premiums on bonds and notes is accrued in the statement of activities but not in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	7,199,946
Changes in net position of governmental activities	<u>\$ 78,725,444</u>

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

ROCHESTER CITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
AS OF JUNE 30, 2024

	<u>Custodial Funds</u>
Assets	
Cash and Cash Equivalents - Restricted	\$ 130,955
Total Assets	<u>\$ 130,955</u>
Net Position	
Restricted for Secondary Extraclassroom Activities	\$ 130,955
Total Net Position	<u>\$ 130,955</u>

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

ROCHESTER CITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Custodial Funds
Beginning Balance - Net Position	\$ 121,144
Additions:	
Secondary Extraclassroom Activities	<u>247,436</u>
Total additions	<u>247,436</u>
Deductions:	
Secondary Extraclassroom Activities	<u>237,625</u>
Total deductions	<u>237,625</u>
Net change in fiduciary net position	<u>9,811</u>
Ending Balance - Net Position	<u><u>\$ 130,955</u></u>

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

**ROCHESTER CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Rochester City School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

A. Reporting Entity

The Board of Education of the District operates the public schools in the City of Rochester, New York (the City). The members of the District's Board of Education are elected by popular vote. The District has no independent power to contract bonded indebtedness or to levy taxes. Although a separately elected Board of Education governs the operations of the District, the City of Rochester Charter states that the budget of the District must be presented to the City Council. The City Charter outlines how the allocation of revenues and debt-incurring power between the City and the District will be conducted. As a result of the City Charter provisions, the District is fiscally dependent upon the City. The City is financially accountable for the District. These financial statements are the result of the District's financial operations for fiscal year July 1, 2023, to June 30, 2024. Of these financial statements, the Statement of Net Position and Statement of Activities are included in the City's financial report, the reporting entity, as a discretely presented component unit.

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

The accompanying financial statements present the activities of the District. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District's reporting entity.

The Secondary Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Secondary Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. The cash balances are reported in the Custodial Fund of the District. Elementary Extraclassroom Activity Funds are dependent of the District staff with respect to its financial transactions, and therefore, the cash balances are reported in the District's General fund. Separate financial statements (cash basis) of the Extraclassroom Activity Funds can be obtained from the District's Finance Department, located at 131 West Broad Street, Rochester, NY 14614, or on the District's website.

The Rochester Joint Schools Construction Board (RJSCB) is included in these financial statements as a blended component unit, a governmental fund type. The RJSCB was created through the City of Rochester and the Board of Education of the City School District under the City of Rochester School Facilities Modernization Program Act (the "Act") as authorized by the State of New York through Chapter 416 of the Laws of 2007 of the State of New York and created through an agreement (the "Memorandum of Understanding") dated January 2010 between the City and the District. Pursuant to the Act, the RJSCB undertakes projects consisting of the design, reconstruction, or

**ROCHESTER CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

rehabilitation of existing school buildings for their continued use as schools by the District. Statements of RJSCB can be obtained from the RJSCB's Board Office, located at 70 Carlson Road, Suite 200, Rochester, New York 14610.

B. Government-Wide Financial Statements

The government-wide financial statements (Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the District. The revenue and expenses from interfund activity has been netted in the process of consolidation.

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

The District reports all direct expenses by function in the Statement of Activities. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation/amortization expense is specifically identified by function and is included as a direct expense for each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

C. Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds. The District considers all of its governmental funds as major funds and therefore these funds are reported as separate columns in the fund financial statements.

Major Governmental Funds:

General Fund – This fund is the District's general operating fund. This fund is used to account for all financial resources except those required to be accounted for in other funds.

Special Aid Fund – This fund is used to account for special projects and programs supported chiefly with Federal, State and local funds. The proceeds are legally restricted to expenditures for specified purposes.

School Food Service Fund – This fund is used to record the transactions of the District's breakfast, lunch, and milk programs. The proceeds are used for expenditures for specified purposes.

Debt Service Fund – This 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 Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and the purchase of equipment.

Rochester Joint Schools Construction Board (RJSCB) Fund – This fund is used to record the transactions associated with the design, construction, reconstruction, and financing of public educational facilities in the City. The RJSCB is authorized to act as an agent to enter into contracts on behalf of the Board of Education in accordance with applicable state and local laws.

**ROCHESTER CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Other Fund Types: Fiduciary funds are used to account for certain trust funds and other custodial funds. These activities are not included in the government-wide financial statements because their resources do not belong to the District and are not available for use.

Custodial Funds – Used for amounts held on behalf of others that are custodial in nature, neither of which are held in trust.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financials statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included in the governmental activities column.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues 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 all governmental funds, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, other postemployment benefits and compensated absences are recorded only when payment is due.

The District, in general, is normally expected to liquidate liabilities with expendable available financial resources to the extent that the liabilities mature (come due for payment) each period.

The primary sources of revenues that are recognized in the period in which they become available and measurable are: reimbursements from State and Federal governments for expenditures, state aid, charges for tuition services and Medicaid reimbursement.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Deposits and Investments

New York State General Municipal Law (Article 2 Section 11) governs the City's investment policies on behalf of the District. The City is authorized to deposit or invest funds in banks or trust companies located and authorized to do business in New York State on the District's behalf. City Council ordinance authorizes the specific banks or trust companies that may be

**ROCHESTER CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation. Securities that may be pledged as collateral are limited to obligations of the United States or any obligation fully insured as to interest and principal by the United States acting through an agency, obligations of New York State or obligations of any municipal corporation, school district, or district corporation of the State of New York.

All highly liquid investments, both restricted and unrestricted, with an original maturity of approximately three months or less are considered to be cash equivalents.

In addition, income from investments associated with one fund may be assigned to other funds because of legal or contractual provisions. As such, investment income of \$1,160,256 for fiscal year 2023-24, associated with the Capital Projects Fund, was assigned to the Debt Service Fund.

2. Restricted Assets

Certain assets are classified as restricted because their use is limited. The proceeds of bond sales can only be used for the stated purpose of the borrowing. Flexible spending withholdings and donations for scholarships in the General fund, as well as funds supporting extraclassroom activities in the Custodial and General funds are restricted specifically for those purposes. Amounts to support fund balance restrictions are also reported as restricted. For more information on restricted assets, refer to Note IV. A. of this report.

3. Accounts Receivable

Accounts receivable may be shown at net of an allowance for uncollectible accounts. No allowance for uncollectible accounts has been established since management has determined that all accounts receivable are considered collectible.

4. Interfund Transactions

The receivables and payables between the funds of the District occur due to operating accounts being maintained by a single fund for deposits and disbursements. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

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

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts as a net balance based upon the right of legal offset. For more information on interfund transactions, refer to Note IV. D. of this report.

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5. Inventories

Inventories of food and supplies in the School Food Service fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventory items in the School Food Service fund are accounted for using the purchases method, which records expenditures at the time of purchase. The School Food Service fund recorded \$493,923 in inventory at June 30, 2024. This inventory is classified as nonspendable to signify that portion of fund balance that is not in a spendable form.

6. Capital Assets

Capital assets, which include property, buildings, building improvements, equipment, and right to use assets are reported in the government-wide financial statements. The District defines capital assets as items with an initial individual cost of more than \$4,999 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or fair value if donated. Any donated capital assets, donated works of art and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Only equipment, new construction, renovations or major additions to buildings are capitalized. All costs of maintenance and repairs are considered as not adding to the value of the asset or materially extending asset lives and are therefore not capitalized. Property, plant, and equipment of the District is depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	25
Improvements (Other Than Buildings)	20
Equipment	3-10

7. Prepaid Items

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 \$18,641,379 for charter schools, travel and health insurance. Additionally, prepayments were recorded in the amounts of \$255,165 in the Special Aid fund and \$3,909 in the Capital Projects fund for software, and \$9,373 was recorded in the RJSCB fund for prepaid insurance. These prepayments will be recorded as expenditures during the fiscal year 2024-25. Prepayments are classified as nonspendable to signify that portion of fund balance that is not in a spendable form.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has three items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions, and the third item is related to OPEB. Both are reported in the government-wide Statement of Net Position. Refer to Note

**ROCHESTER CITY SCHOOL DISTRICT
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V.B. for additional details on deferred pension outflows and Note V.C. for additional details on deferred OPEB outflows.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and therefore, will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions, and the second item is related to OPEB. Both are reported in the government-wide Statement of Net Position. Refer to Note V.B. for additional details on deferred pension inflows and Note V.C. for additional details on deferred OPEB inflows.

9. Unearned Revenue

The District also received cash in advance of expenditures in the amount of \$2,253,054 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.

10. Vested Employee Benefits

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Sick leave use is based on a last-in, first-out (LIFO) basis. Upon retirement, resignation or death, employees do not receive a payment for any unused, accumulated sick leave as part of their final payroll.

District employees are granted vacation and personal days in varying amounts, based primarily on length of service, service position, and/or bargaining unit. These benefits may be forfeited if not taken within required time periods.

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on contractually negotiated rates in effect at year-end.

In the fund statements only, the amount of matured vacation time is accrued within the General fund based on expendable and available resources. Sick time is expensed on a pay-as-you-go basis.

It is the District's policy to permit employees to accumulate earned, but unused vacation pay. All vacation pay is accrued, and it is based on past employee service and current pay rates in effect at the end of the fiscal year. All vacation pay is accrued when incurred in the fund basis and government-wide financial statements. A liability of \$1,830,050 is recorded on the fund basis balance sheet in accrued liabilities for compensated absences incurred during fiscal 2023-24, but expected to be paid within 60 days of the end of the fiscal year, and a non-current liability of \$4,962,335 has been recorded on the Statement of Net Position for estimated vacation expense incurred during 2023-24, expected to be paid after 60 days, but within one year of the end of the fiscal year.

11. Postemployment and Pension Benefits

The District is mandated by New York State law to participate in the New York State Teachers' Retirement System (TRS) and the New York State Local Employees' Retirement System (ERS). For purposes of measuring the net pension liability, deferred outflows of resources and

**ROCHESTER CITY SCHOOL DISTRICT
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deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined pension benefit plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined pension benefit plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. For additional information about pensions, refer to Note V.B.

In addition to providing pension benefits, the District provides postemployment health insurance coverage to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. The obligation of the District and its retirees to contribute to the cost of providing these benefits has been established pursuant to Board resolution and various collective bargaining agreements. Payments are budgeted annually without accrual and are based on the pay-as-you go method. For additional information on postemployment health coverage, refer to Note V.C.

12. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums, if any, would be recorded in the Debt Service and/or Capital Projects funds and deposited in the General fund and/or Rochester Joint Schools Construction Board (RJSCB) fund to be used to retire the respective debt or to fund capital improvement projects. The bond issuance costs are recorded by the City, the reporting entity that issues debt for the District. Issuance costs associated with the Facilities Modernization Program are recorded by the RJSCB.

In the fund financial statements, governmental fund types recognize bond principal and interest during the current period. The face amount of the debt issued, as well as any premiums or discounts, are reported as other financing sources.

13. Fund Equity

Government-wide Statements: In the government-wide statements there are three classes of net position:

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation/amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

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

Unrestricted net position - reports all other net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Sometimes the District 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 fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy that the District’s Board of Education will assess the current financial condition of the District and then determine the order of application of expenditures to which restricted and unrestricted net position will be applied.

**ROCHESTER CITY SCHOOL DISTRICT
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Fund Statements: In the fund statements there are five classes of fund balance:

Nonspendable fund balance – consists of amounts that are inherently non-spendable in form or are legally or contractually required to remain intact, such as prepayments and inventory.

Restricted – consists of amounts that are subject to externally enforceable legal constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, the Board of Education (BOE). Formal action via adopted Board Resolution initiated by the BOE is required to establish, expend, modify or rescind fund commitments.

Assigned – consists of amounts that reflect the District's intended use of resources, imposed on itself by the highest level of decision-making authority, or the BOE's designated body or official (in the event such a designation is made) under the District's Fund Balance Policy No. 6500, adopted on August 25, 2011, with amendments on March 2, 2021 and May 25, 2023. Assignments reported at June 30, 2024 were recommended to the Board of Education by the District's Chief Financial Officer.

Unassigned – consists of any net, residual amounts in excess of what can properly be classified in any of the other categories of fund balance or any deficit fund balance in funds other than the General fund.

As per Board of Education policy, the District shall maintain a minimum unassigned General fund balance between 5% and 15% of the General fund annual operating expenditures. Expenditures are to be spent from restricted fund balance first and then from unrestricted fund balance. Expenditures incurred in the unrestricted fund balances shall be reduced first from the committed fund balance, then from the assigned fund balance, and lastly from the unassigned fund balance.

14. Encumbrances

The District maintains existing arrangements to enter into future transactions or events, such as long-term contractual obligations for goods and services expected to be honored upon performance or delivery by the vendor in the next year. As of June 30, 2024, the District has \$3,065,890 in General fund encumbrances.

F. Use of Estimates

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

G. Accounting Pronouncements

Adoption of New Accounting Pronouncements—During the year ended June 30, 2024, the District implemented the remainder of GASB Statement No. 99, *Omnibus 2022*; and No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. The remaining portion of GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53. GASB Statement No. 100 improves financial reporting by enhancing

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accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statements No. 99 and 100 did not have a material impact on the District's financial position or results from operations.

Future Impacts of Accounting Pronouncements—The District has not completed the process of evaluating the impact that will result from adopting GASB Statement No. 101, *Compensated Absences*; and GASB Statement No. 102, *Certain Risk Disclosures*, effective for the fiscal year ending June 30, 2025, and GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for the fiscal year ending June 30, 2026. The District is, therefore, unable to disclose the impact that adopting GASB Statements No. 101, 102, and 103 will have on its financial position and results of operations when such statements are adopted.

II. RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The Governmental Fund Balance Sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the Government-wide Statement of Net Position. One element of that reconciliation explains that “long-term liabilities, including bonds and leases payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this (\$1,471,957,007) difference are as follows:

Compensated absences	\$ (4,962,335)
Claims payable	(41,531,000)
Other post-employment benefits	(930,575,854)
Bonds payable	(494,665,169)
Leases payable	(222,649)
	<u>\$ (1,471,957,007)</u>

B. Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation states that, “Net increases in long-term debt for governmental funds is not recorded as an expenditure in governmental funds.” Details of this (\$17,251,199), difference are as follows:

Claims payable	\$ (343,500)
Other post-employment benefits	(17,873,898)
Compensated absences	(114,209)
Leases payable	1,080,408
	<u>\$ (17,251,199)</u>

**ROCHESTER CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgeting Policy

The budget of the District allocates resources to meet the District's commitment to educational excellence for all students. The budget period for fiscal year 2023-24 began on July 1, 2023, and ended on June 30, 2024. By City Charter, the Board of Education must submit a balanced budget to the Mayor and City Council for approval. The budget, which includes the General, Special Aid, and School Food Service funds, is prepared on a modified accrual, non-GAAP budget basis and is the only legally adopted annual budget of the District. The reason the budget is prepared on a non-GAAP budget basis is the inclusion of encumbrances as expenditures. Reconciliation of non-GAAP basis budget and actual financial figures is presented in the individual Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – for General, Special Aid, and School Food Service Fund Types, non-GAAP Budget Basis.

The "basis of accounting" determines when a transaction or event is recognized in a fund's operating statement. The accounts used to record transactions associated with budget utilization are maintained on the modified accrual basis of accounting.

The District's budget process allocates resources based on assessment, planning, and program initiatives that place emphasis on the needs of students and efforts to foster student academic performance. The Superintendent presents their budget recommendations for the Board of Education's consideration in April. The Board reviews the Superintendent's Proposed Budget, modifies or directs changes to be made, conducts a public hearing, and adopts the Budget for submission to the Mayor.

Legal spending control for District monies is at the fund level, but management control is exercised at budgetary line-item levels within each fund. The fund level is the total amount budgeted for a fund plus revenues in excess of the originally adopted budget and the fund's unappropriated fund balance. The Board of Education (BOE) authorizes management to make transfers between the various budgetary line items in any fund within the fund level, with the exception of the General fund. In accordance with Policy 6150, all General fund transfers in excess of \$500,000 require prior BOE approval.

Amendments to the originally adopted budget, which exceed the legal spending control, would require approval from the Board of Education. Amendments to the originally adopted budget, not exceeding the legal spending control, may also be approved by the Board of Education. The budgetary data presented in the financial statements reflects all approved budget transfers and budget amendments. The approved budget amendments totaled \$32,525,000 for the General fund and \$42,905,975 for the Special Aid fund.

A system which recognizes an encumbrance of the budget or approval of a purchase order is used for accounting purposes during the fiscal year. In accordance with State requirements, only current year and prior year encumbrances are recorded as part of the fund balance at the end of the fiscal year.

**ROCHESTER CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

IV. DETAIL NOTES ON ALL FUNDS

A. Cash and Cash Equivalents

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 School District. Thus, the following risk assessments apply to cash, cash equivalents, and investments of both the City and the District.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$130,955 reported in the Custodial fund restricted for secondary extra classroom activities, \$21,569,909 reported in the Debt Service fund for cash held by the District's agent for a bond sinking fund, \$6,252,874 reported in the RJSCB fund primarily comprised of a loan from the District, \$4,449,772 in the Capital Projects fund comprised of unexpended BAN proceeds, and \$13,615,346 reported in the General fund for funds held in trust for future debt payments, elementary extra classroom funds, flexible spending withholdings, workers' compensation escrow and student scholarships.

Cash – At year-end, the District's cash balance, both restricted and nonrestricted, was \$45,476,326. These deposits, which are above the level insured by FDIC, were collateralized at 102% with U.S. Government securities held by a third party.

Cash Equivalents – At year-end, the District had cash equivalents in the form of money markets at fair value of \$325,579,564. Cash equivalents were collateralized at 102% with U.S. Government securities held by a third party.

Investment and Deposit Policy – The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the City on behalf of the District.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from increasing interest rates, it is the City's policy to generally 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, District investments are limited to obligations of 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 – Custodial credit risk occurs in the event of a failure of the counterparty in which the City will not be able to recover the value of it's or the District's investments or collateral securities that are in possession of an outside party. In compliance with New York State law, City and District deposits (above FDIC limits) and investments are protected with custodial agreements which require government securities to be equal to or greater than 102% of the daily investment and held by a third party in the City's name.

**ROCHESTER CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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Concentration of Credit Risk – To promote competition in rates and service cost, and to limit the risk of institutional failure, District 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 limited to those affiliated with the New York Federal Reserve Bank as primary dealers.

Investment Pool NYCLASS – The District participates 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 Cutwater Asset Management, a wholly owned subsidiary of Municipal Bond Insurance Association (“MBIA”), Inc. as its registered investment advisor. MBIA, Inc. 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 AAm 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.

B. Receivables

As of the year ended June 30, 2024, management believes the following accounts receivable to be fully collectible within the subsequent fiscal year:

<u>Fund</u>	<u>Receivable</u>
General	\$ 2,257,930
Special Aid	72,610
School Food Service	16,551
Debt Service	89,856
Capital Projects	100,000
	<u>\$ 2,536,947</u>

The General fund receivable primarily represents funds due to the District for prescription rebates associated with the District’s health plan; the Special Aid fund receivable represents accrued revenues for locally funded grants; the School Food Service fund receivable represents amounts due to the District for food sales and rebates; the Debt Service fund receivable was for accrued interest; and the Capital Projects fund receivable was for an insurance settlement.

ROCHESTER CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C. Capital Assets

1. Significant Construction Commitments

The District capitalized \$38.8 million of additional assets during fiscal year 2023-24. These disbursements were for equipment, leases, and improvements to various facilities. It is estimated that \$157.0 million will be disbursed by the District in association with its CIP, and \$471.0 million will be disbursed by the RJSCB in association with Phase III of the FMP, on capital asset items during the next five fiscal years.

2. Changes in Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 19,351,419	\$ 315,221	\$ -	\$ 19,666,640
Construction in Progress	33,519,517	15,753,723	469,299	48,803,941
Total capital assets not being depreciated	52,870,936	16,068,944	469,299	68,470,581
Capital assets being depreciated:				
Buildings & Improvements	1,318,432,176	21,023,677	1,203,001	1,338,252,852
Equipment & Other	68,860,232	17,598,761	7,567,353	78,891,640
Total capital assets being depreciated	1,387,292,408	38,622,438	8,770,354	1,417,144,492
Less accumulated depreciation for:				
Buildings & Improvements	(513,635,158)	(46,276,346)	493,073	(559,418,431)
Equipment & Other	(51,597,789)	(7,912,205)	2,417,364	(57,092,630)
Total accumulated depreciation	(565,232,947)	(54,188,551)	2,910,437	(616,511,061)
Total capital assets being depreciated, net	822,059,461	(15,566,113)	5,859,917	800,633,431
Right to use assets:				
Land	334,169	185,288	185,288	334,169
Buildings	1,489,299	-	1,489,299	-
Equipment	1,767,129	-	1,767,129	-
Total right to use assets being amortized	3,590,597	185,288	3,441,716	334,169
Less accumulated amortization:				
Land	(244,675)	(52,133)	185,288	(111,520)
Buildings	(639,447)	(849,852)	1,489,299	-
Equipment	(1,403,418)	(363,711)	1,767,129	-
Total accumulated amortization	(2,287,540)	(1,265,696)	3,441,716	(111,520)
Total right to use assets being amortized, net	1,303,057	(1,080,408)	-	222,649
District capital assets, net	\$ 876,233,454	\$ (577,577)	\$ 6,329,216	\$ 869,326,661

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

Instructional teaching regular school	\$ 48,540,837
General support central services	5,759,779
Pupil transportation	1,090,242
Community services	63,389
	<u>\$ 55,454,247</u>

**ROCHESTER CITY SCHOOL DISTRICT
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3. Accounting and Financial Reporting for Intangible Assets

Internally generated software could be either software that is created in-house or licensed software that requires more than minimal incremental effort to be made operational. All costs are reviewed and, with the assistance of the IT department, segregated into one of three stages: Preliminary Project Stage, Application Development Stage, or Post-Implementation/Operation Stage. Only the licenses and costs associated with the Application Development Stage are capitalized. As a general rule, the RCSD employs outside consultants to provide functional assistance in software implementation.

4. Asset Impairments and Insurance Recoveries

During the fiscal year 2023-24, the District had no material asset impairments or insurance recoveries.

D. Interfund Receivables, Payables, and Transfers

1. Interfund Receivables and Payables

The interfund receivables and payables result primarily from using a consolidated cash account and processing reimbursements. These interfund receivables and payables are short-term and are typically repaid in less than one year. The following schedule summarizes interfund receivables and payables at June 30, 2024:

Fund	Interfund Receivable	Interfund Payable
General	\$ 48,076,500	\$ 55,962,745
Special Aid	-	44,333,881
School Food Service	665,678	183,297
Debt Service	1,970,812	-
Capital Projects	53,991,933	-
RJSCB	-	4,225,000
Total	\$ 104,704,923	\$ 104,704,923

2. Interfund Transfers

Transfers are a routine annual event for both the budget and accounting process. Such transfers facilitate annual contributions from operating budgets for debt service, special aid, capital projects, and RJSCB. The following schedule summarizes interfund transfers at June 30, 2024:

Fund	Transfers In	Transfers Out
General	\$ 1,092	\$ (125,513,894)
Special Aid	4,481,160	-
Debt Service	81,467,734	-
Capital Projects	39,565,000	-
RJSCB	-	(1,092)
Total	\$ 125,514,986	\$ (125,514,986)

**ROCHESTER CITY SCHOOL DISTRICT
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E. Due from Other Governments

As of the year ended June 30, 2024, management believes the following intergovernmental receivables are expected to be collectible within the subsequent year:

Fund	Local	State	Federal	Total
General	\$ 5,144,423	\$ 18,599,718	\$ 3,032,567	\$ 26,776,708
Special Aid	3,353,182	17,238,133	47,650,307	68,241,622
School Food Service	-	73,094	3,697,622	3,770,716
Total	\$ 8,497,605	\$ 35,910,945	\$ 54,380,496	\$ 98,789,046

F. Short-Term Debt

Bond Anticipation Notes (BANs)

It has been the District's practice to fund capital construction and improvement projects for up to five years with BANs. BANs are converted to bonds when the final project costs are known and when long-term rates are most favorable, a strategy which minimizes the District's interest costs. State law requires that bond anticipation notes issued for capital purposes be converted to long-term obligations within five years after the original issue date, if not completely repaid. The amounts issued during fiscal 2023-24 are accounted for in the Capital fund.

BANs outstanding were issued on July 31, 2024 at a 4.5% interest rate and will mature on July 31, 2025. The schedule below details the changes in short-term debt for the year ended June 30, 2024:

BANs	Balance July 1, 2023	Issued	Redeemed	Balance June 30, 2024
District	\$ 16,030,000	\$ 19,600,000	\$ 1,190,000	\$ 34,440,000

G. Long-Term Debt

The District's General fund is used to liquidate all long-term liabilities, as well as debt related liabilities. The following is a summary of changes in the District's long-term liabilities for the year ended June 30, 2024:

Governmental Activities:	Balance July 1, 2023	New Issues/ Additions	Maturities/ Reductions	Balance June 30, 2024	Due Within One Year
Compensated Absences	\$ 4,848,126	\$ 6,136,756	\$ 6,022,547	\$ 4,962,335	\$ 4,962,335
Claims Payable -					
Workers' Compensation	29,912,000	6,070,717	5,351,717	30,631,000	5,708,673
TRS Incentive (Local)	1,750,000	-	1,750,000	-	-
Legal Contingencies	9,525,500	1,374,500	-	10,900,000	-
Other Post Employment Benefits ⁽¹⁾	912,701,956	17,873,898	-	930,575,854	-
Due to Other Governments -					
NYS Lottery Advances	31,500,000	-	31,500,000	-	-
ERS Pension Liability	46,889,010	-	12,759,329	34,129,681	-
TRS Pension Liability	27,330,448	-	9,736,240	17,594,208	-
General Obligation Bonds -					
District Serial Bonds	109,309,630	-	16,564,461	92,745,169	12,427,683
Premium	12,024,473	-	1,461,808	10,562,665	1,205,677
School Facilities Revenue Bonds-					
FMP Revenue Bonds	433,485,000	-	31,565,000	401,920,000	33,160,000
Premium	61,322,343	-	6,322,988	54,999,355	6,322,988
Leases	1,303,057	-	1,080,408	222,649	51,604
Total Long Term Liabilities	\$ 1,681,901,543	\$ 31,455,871	\$ 124,114,498	\$ 1,589,242,916	\$ 63,838,960

⁽¹⁾ Additions are presented net of any reductions

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Compensated absences paid in fiscal year 2023-24 totaled approximately \$5.6 million, excluding payroll taxes. This amount is reflected in 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. The current portion of this liability is recorded in the General fund.

The following schedule presents the changes in estimated workers' compensation, which are included in claims payable:

	Workers' Compensation
Estimated claims - June 30, 2022	\$ 27,734,175
Additions 2022-23	7,400,705
Payments 2022-23	<u>5,222,880</u>
Estimated claims - June 30, 2023	<u>\$ 29,912,000</u>
Additions 2023-24	6,070,717
Payments 2023-24	<u>5,351,717</u>
Estimated claims - June 30, 2024	<u>\$ 30,631,000</u>

Also included in claims payable are amounts due to 175 teachers who retired on or before June 30, 2020, under the District's early retirement incentive agreement. These teachers (or their beneficiaries, if deceased) received the final payment of five installments of \$10,000 during the fiscal year 2023-24. For additional information on the District's early retirement incentive, refer to Note V.B.

Finally, related to claims payable, the District has estimated legal claims for losses during the normal course of operation and for litigation which are considered probable. These estimated losses total approximately \$10.9 million and have been included within the District's long-term liabilities and are expected to be settled beyond one year of the fiscal year ended June 30, 2024. An additional amount of \$6.6 million has been recorded as an accrued liability in the District's fund basis financials for claims expected to be settled and paid within one year of the fiscal year ended June 30, 2024. For additional information on legal contingencies, refer to Note V.E. of this report.

Due to Other Governments includes lottery aid advances from the New York State Education Department (SED). The District satisfied its obligation in full for its second and final lottery advance during the fiscal year 2023-24 using the assigned fund balance which was approved by the Board of Education for this purpose.

On September 12, 2012, the City of Rochester issued \$15,295,000 in general obligation bonds on behalf of the District, with an average interest rate of 2.79% to refund \$15,751,000 of outstanding Series 2002C bonds, with an average interest rate of 5.13%. The net proceeds of \$16,016,465 (after payment of \$198,252 in underwriting fees, insurance, and other issue costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the District's financial statements. The District's economic gain on the transaction (the difference between the present values of the debt service payments on the old and new debt) was \$2,639,230. As of June 30, 2024, the amount outstanding is \$300,000.

On August 4, 2016, the City of Rochester issued \$20,200,000 in general obligation bonds of which \$17,271,400 were issued on behalf of the District, with an average interest rate of 1.07% to refund \$18,620,000 of outstanding Series 2006A and 2006B bonds as follows: Series 2006A was an

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advance refunding of \$15,665,000, with an average interest rate of 3.93% and Series 2006B was a current refunding of \$2,955,000, with an average interest rate of 3.72%. The net proceeds of \$19,182,667 (after payment of \$137,785 in underwriting fees, insurance, and other issue costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds are removed from the District's financial statements. The District's total economic gain on these transactions was \$1,836,346. As of June 30, 2024, the amount outstanding is \$640,000.

On May 27, 2020, the City of Rochester issued \$40,370,000 in general obligation bonds of which \$27,920,777 were issued on behalf of the District, with an average interest rate of 1.27% to refund \$25,585,000 of outstanding bonds as follows: Series 2008B was a current refunding of \$3,655,000, with an average interest rate of 3.60%; Series 2009C1 was a current refunding of \$11,915,000, with an average interest rate of 3.54%; Series 2012I was a current refunding of \$10,015,000, with an average interest rate of 1.68%. The net proceeds of \$25,970,000 (after the payment of \$46,000 in underwriting fees, insurance, and other issuance costs), were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be as defeased and the liability for those bonds has been removed from the financial statements. The District's total economic gain on these transactions was \$1,084,000. As of June 30, 2024, the amount outstanding is \$5,080,169.

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 the period equivalent to one-half of the period of probable usefulness for each improvement as defined by New York State Local Finance Law. Interest rates range from 1.27% to 5.00%. School facility revenue bonds are bonds issued at 5% interest for the School Modernization Program (FMP) for which the District's State Aid is pledged. The original amounts of these bonds outstanding as of June 30, 2024, are as follows:

		Maturity	2023-24			Maturity	2023-24
Series	Issue Amount	Date	Rate (%)	Series	Issue Amount	Date	Rate (%)
RCSD General Obligation Bonds				JSCB School Facility Revenue Bonds			
2012 III	\$ 9,640,000	02/15/25	2.25	2012B	\$ 57,910,000	05/01/28	4.18
2013 II	27,015,000	02/01/29	2.50	2013	103,055,000	05/01/30	5.00
2015 I	18,880,000	08/01/30	5.00	2015	44,225,000	05/01/31	5.00
2016 I	17,271,400	10/15/24	4.00	2017	123,670,000	05/01/33	5.00
2018 II	45,012,000	08/01/33	4.00	2018	197,295,000	05/01/35	5.00
2020	25,920,777	08/01/27	1.27	2020	44,685,000	05/01/35	5.00
2022 II	50,355,000	08/01/35	5.00				

Pursuant to the City of Rochester Charter, the District's debt limit is 3.5% or 9% of the five-year valuation, or a debt limit of \$289,282,879 as of June 30, 2024. The District had \$29,935,000 of authorized but unissued debt as of June 30, 2024. The debt-contracting margin of the District as of June 30, 2024, was \$162,097,710. The District held no unused lines of credit during the 2023-24 fiscal year, nor does it have any debt agreements subject to terms relating to events of default or termination with finance-related consequences, or subjective acceleration clauses.

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The District paid no arbitrage to the Federal Government during 2023-24. Arbitrage rebates pertain to tax-exempt bonds and certain profits earned by investing the proceeds of such tax-exempt bonds. Long-term indebtedness will be funded by the General fund.

The following long-term debt service requirements schedule is recorded at gross amounts (000's omitted) for District and RJSCB Serial Bond payments outstanding as of June 30, 2024:

Fiscal Year Ending June 30	District Principal	District Interest	JSCB Principal*	JSCB Interest	Total
2025	\$ 12,428	\$ 3,747	\$ 33,160	\$ 19,619	\$ 68,954
2026	12,100	3,260	34,830	17,961	68,151
2027	11,427	2,763	36,590	16,219	66,999
2028	9,855	2,316	96,340	14,390	122,901
2029	9,960	1,902	41,505	10,050	63,417
2030-34	33,245	4,212	151,055	23,710	212,222
2035-39	3,730	148	8,440	422	12,740
	<u>\$ 92,745</u>	<u>\$ 18,348</u>	<u>\$ 401,920</u>	<u>\$ 102,371</u>	<u>\$ 615,384</u>

* Excludes annual budget amounts for Series 2012A sinking fund payments

The District entered into lease agreements as lessee for financing the use of land, buildings and equipment. The land has an indefinite useful life, the buildings and equipment have an average, estimated useful life of about 5 years. The District is required to make annual principal and interest payments on land in the amount of \$13,521, monthly principal and interest payments on buildings in the amount of \$6,500. These leases have interest rates ranging from 1.5-3.0%. The total of the District's leased assets is recorded at a cost of \$334,169, less accumulated amortization of \$111,520, additionally a lease liability has been recorded in the amount of \$222,649 as of June 30, 2024.

Future principal and interest payments as of June 30, 2024, were as follows:

Fiscal Year Ending June 30	District Principal	District Interest	Total
2025	\$ 53,782	\$ 56,739	\$ 110,521
2026	112,568	103,403	215,971
2027	56,299	32,620	88,919
	<u>\$ 222,649</u>	<u>\$ 192,762</u>	<u>\$ 415,411</u>

V. OTHER INFORMATION

A. Risk Financing

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

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There has been no significant reduction in coverage from the previous year and there have been no settlements in excess of coverage in any of the prior three fiscal years.

The District provides to its employees hospitalization, medical, dental, and life insurance through various insurance programs. Effective January 1, 2013, the District transitioned from an experience-rated to a self-funded health insurance plan. These programs are administered by the Department of Employee Benefits. A current liability of \$6,446,816 has been recorded in the District's general fund for estimated health insurance claims expense incurred but not paid during 2023-24.

Effective fiscal 2014-15, the District's student accident program is no longer self-insured. The District currently maintains a student accident insurance policy with a third-party insurance company.

The District uses the General fund to account for its current risk financing activities. The District has not had any material insurance settlements that were not covered by the District's insurance coverages over the past three years. Immaterial insurance losses that may not be covered by the District's insurance coverage would be covered through the District's operating budget.

The following schedule presents the calculation of the District's estimated claims at June 30, 2024, for its self-insured programs that are due within one year. The estimated claims for workers' compensation represent claims which have occurred and are open, waiting for an actual or future final determination of benefit payout as prescribed by the New York State Workers' Compensation Board and the estimated claims for health insurance represent claims incurred during 2023-24 that are expected to be paid within the subsequent fiscal year.

	Workers'	
	Compensation	Health Insurance
Estimated claims - July 1, 2022	\$ 4,320,736	\$ 4,866,221
Claims incurred during 2022-23	6,473,395	108,999,707
Payments and reductions during 2022-23	5,222,880	107,923,955
Estimated claims - June 30, 2023	<u>\$ 5,571,251</u>	<u>\$ 5,941,973</u>
 Estimated claims - July 1, 2023	 \$ 5,571,251	 \$ 5,941,973
Claims incurred during 2023-24	5,489,139	112,801,268
Payments and reductions during 2023-24	5,351,717	112,296,425
Estimated claims - June 30, 2024	<u>\$ 5,708,673</u>	<u>\$ 6,446,816</u>

A current liability of \$5,708,673 and a non-current liability of \$24,922,327 for estimated future claims for the self-insured workers' compensation program have been recorded on the Statement of Net Position.

The District has been self-insured since 1978 for workers' compensation. This program is managed by a third-party administrator. The District does not purchase stop loss insurance for this, so it is at full risk for all claim payments.

As mentioned previously, the District became self-insured for health insurance coverage effective January 1, 2013. The District's health insurance is administered by a third-party administrator. The District purchases stop loss insurance to reimburse the District for individual claims in excess of \$500,000.

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B. Pension Obligations

New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS) (the Systems).

1. Provisions and Administration

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS), a cost sharing, multiple employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring the NYSTRS Annual Comprehensive Financial report which can be found on the System's website at www.nystrs.org.

Employees' Retirement System (ERS)

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

2. Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contributed 3.0 percent of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010, contribute 3.0 to 3.5 percent of their salary and employees who joined on or after April 1, 2012, 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 a

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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. 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.

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

At June 30, 2024, the District reported the following 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 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 liability was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined.

	ERS	TRS
Measurement date	03/31/2024	6/30/2023
Net pension liability	\$ 34,129,681	\$ 17,594,208
District's portion of the Plan's total net pension liability	0.2317955%	1.538513%
Change in proportionate share since prior measurement date	0.013138	0.114230

For the year ended June 30, 2024, the District recognized pension expenses of \$50,637,374, for TRS and \$15,720,088 for ERS. 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:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 10,993,143	\$ 42,661,273	\$ 930,627	\$ 105,433
Changes of assumptions	12,903,666	37,879,807	-	8,255,696
Net difference between projected and actual earnings on pension plan investments	-	8,993,810	16,672,168	-
Changes in proportion	3,960,089	7,309,066	1,506,523	6,689,659
District's contributions subsequent to the measurement date	3,337,180	27,558,126	-	-
Total	<u>\$ 31,194,078</u>	<u>\$ 124,402,082</u>	<u>\$ 19,109,318</u>	<u>\$ 15,050,788</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending 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 Ending	ERS	Year Ending	TRS
6/30/2025	\$ (5,703,447)	6/30/2024	\$ 7,414,079
6/30/2026	7,053,141	6/30/2025	(8,203,932)
6/30/2027	10,683,223	6/30/2026	71,918,735
6/30/2028	(3,285,337)	6/30/2027	5,302,820
6/30/2029	-	6/30/2028	3,386,187
Thereafter	-	Thereafter	1,975,279

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4. Actuarial Assumptions

The 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. Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	03/31/24	06/30/23
Actuarial valuation date	04/01/23	06/30/22
Interest rate	5.9%	6.95%
Salary scale	4.4%	1.95% - 5.18%
Inflation rate	2.9%	2.4%
Cost of living adjustments	1.5%	1.3%

For TRS, the actuarial assumptions and the salary scale are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020. For ERS, 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 – April 1, 2020.

For TRS, annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021 for June 30, 2023, applied on a generational basis. For ERS, annuitant and active mortality rates are adjusted to incorporate mortality improvements based on the Society of Actuaries' Scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return. Expected future real rates of return are weighted by each of the target asset allocation percentages, and then expected inflation is added. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

	Target Allocation		Long-Term Expected Real Rate of Return	
	ERS 3/31/2024	TRS 6/30/2023	ERS 3/31/2024	TRS 6/30/2023
Measurement Date				
Asset Class:				
Domestic equity	32.0%	33.0%	4.00%	6.8%
International equity	15.0	15.0	6.65	7.6
Global equity	-	4.0	-	7.2
Real estate equity	9.0	11.0	4.60	6.3
Private equity	10.0	9.0	7.25	10.1
Domestic fixed income	23.0	16.0	1.50	2.2
Global bonds	-	2.0	-	1.6
Private debt	-	2.0	-	6.0
Real estate debt	-	6.0	-	3.2
High-yield bonds	-	1.0	-	4.4
Cash equivalents	1.0	1.0	0.25	0.3
Opportunistic portfolio	3.0	-	5.25	-
Credit	4.0	-	5.40	-
Real assets	3.0	-	5.79	-
Total	<u>100.0%</u>	<u>100.0%</u>		

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5. Discount Rate

The discount rate used to calculate the total pension (asset)/liability was 5.90% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Systems' 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.

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

The following tables present the District's proportionate share of the net pension (asset)/liability calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the 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 (4.90% for ERS and 5.95% for TRS) or one percentage point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease (4.90%)	Current Discount Rate (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension (asset)/liability	\$ 107,307,204	\$ 34,129,681	\$ (26,988,732)
TRS	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension (asset)/liability	\$ 267,968,708	\$ 17,594,208	\$ (192,981,575)

7. Pension Plan Fiduciary Net Position

The components of the current-year collective net pension liability of the employers as of the respective measurement dates, were as follows (amounts in thousands):

	ERS	TRS
Measurement date	03/31/24	06/30/23
Employers' total pension liability	\$ 240,696,851	\$ 138,365,122
Plan fiduciary net position	225,972,801	137,221,537
Employers' net pension liability	<u>\$ 14,724,050</u>	<u>\$ 1,143,585</u>
Ratio of plan net position to the employers' total pension liability	93.88%	99.20%

8. Payables to the Pension Plan

For ERS, 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 paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued employer retirement contributions were approximately \$3,337,180 for employee contributions, and employee accrued retirement contributions were \$233,584 as of June 30, 2024.

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For 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 paid 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 were \$27,558,126 and employee accrued retirement contributions were \$3,330,522 as of June 30, 2024.

9. Teacher's Retirement Incentive

On March 15, 2019, the District entered into an agreement with the Rochester Teachers' Association whereby eligible members will receive \$50,000 payable at the rate of \$10,000 annually for five consecutive years beginning no later than January 1, 2020, and ending no later than January 31, 2024. As of June 30, 2024, a final payment of \$1,750,000 was made and no liability remains.

C. Postemployment Health Care Benefits

1. Plan Description

The Rochester City School District administers the Rochester City School District 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.

2. Funding Policy

The obligations of the plan members, employers and other entities are established by action of the District pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement.

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 District.

3. Employees Covered by Benefit Terms

As of the May 2024 census, the following employees were covered by benefit terms:

Retirees	4,027
Active employees	<u>5,493</u>
Total	<u>9,520</u>

The District's total OPEB liability of \$930,575,854 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

**ROCHESTER CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

4. Actuarial Assumptions and Other Inputs

The 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 Increases	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 two 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 July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2023, to June 30, 2024.

5. Changes in the Total OPEB Liability

Balance at July 1, 2023	\$ 912,701,956
Changes for the year:	
Service Cost	20,334,682
Interest	36,627,817
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(4,775,967)
Benefit payments	(34,312,634)
Net changes	<u>17,873,898</u>
Balance at June 30, 2024	<u>\$ 930,575,854</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.00 percent in fiscal year 2022-23 to 4.09 percent in fiscal year 2023-24.

6. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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.

	1% Decrease 3.09%	Current Discount Rate 4.09%	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 District.

**ROCHESTER CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

The following present 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:

	Healthcare Cost Trend Rates		
	Trend Rate Less 1% -	Current Trend Rate -	Trend Rate Plus 1% -
	6.0%	7.0%	8.0%
Total OPEB Liability	\$ 779,325,351	\$ 930,575,854	\$ 1,131,107,097

8. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

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

	Deferred Outflows
Year Ended	/ (Inflows)
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 represents subsequent benefit payments that will be recognized as a reduction of the total OPEB liability in the year ended 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:

Fiscal Year	Beginning of Year	Recognition of	End of Year
End Date	Unamortized	OPEB	Unamortized
	Balance	Amortization	Balance
		Expense	
6/30/2024			\$ (106,046,542)
6/30/2025	\$ (106,046,542)	\$ (3,399,382)	\$ (102,647,160)
6/30/2026	\$ (102,647,160)	\$ (9,949,534)	\$ (92,697,626)
6/30/2027	\$ (92,697,626)	\$ (32,668,442)	\$ (60,029,184)
6/30/2028	\$ (60,029,184)	\$ (41,873,808)	\$ (18,155,376)
6/30/2029	\$ (18,155,376)	\$ (15,866,221)	\$ (2,289,155)
6/30/2030	\$ (2,289,155)	\$ (2,080,373)	\$ (208,782)
6/30/2031	\$ (208,782)	\$ (208,782)	-

9. Medical Reimbursement Account

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.

**ROCHESTER CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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. The Rochester Joint Schools Construction Board

The Rochester Schools Act Special Legislation created the Joint Schools Construction Board (the RJSCB) which serves as agent for both the City of Rochester, and the Rochester City School District. The City of Rochester, New York (the "City") and the City School District of Rochester, New York (the "District") entered into a cooperative agreement in January 2010 with the Rochester Joint Schools Construction Board (the "RJSCB"). The RJSCB oversees the Facilities Modernization Program (FMP). The FMP will be executed in three or more phases. Phase I is complete and totaled \$325.2 million in school renovation expenditures (including EXCEL Grants, QSCB funding, and energy rebates), in seventeen bonded projects across twelve schools. Authorizing legislation for Phase II was approved in December 2014 for a total bonded cost not to exceed \$435.0 million in four sub-phases (Phase IIA to Phase IID) for the renovation of thirteen school buildings and a district-wide technology project implemented in two parts. Phase II planning and design began in 2016, with construction beginning in June 2017. Final completion of all Phase II projects was during the fiscal year 2021-22. Legislation authorizing Phase III was signed into law by the Governor in November 2021. It authorizes up to twelve building projects at a cost of up to \$475.0 million. Bonds totaling \$475.0 million are anticipated to be issued in association with Phase III over the next five years.

E. Contingent Liabilities

The District is subject to claims and lawsuits that arise in the ordinary course of business. Claims probable of resulting in an unfavorable outcome to the District have been reasonably estimated and are included in accrued liabilities in the government-wide and fund financial statements. For claims not accrued, the ultimate outcome of the suits cannot presently be determined and no provisions for loss, if any, has been made in the accompanying financial statements. In the opinion of management, those claims will not have a material adverse effect upon the financial position of the District.

Separate from claims and lawsuits that arise during the ordinary course of business, legislation was put into place regarding historical claims that were previously time-barred. In 2019, the Governor of New York State passed the Child Victims Act (CVA). Under the CVA, anyone who was a minor at the time they suffered any alleged sexual abuse could file a lawsuit through August 14, 2021. Additionally, the Act extended the look-back window to file claims under the CVA regardless of when or how long ago the alleged abuse occurred. This has resulted in the filing of thousands of lawsuits state-wide. Lawsuits have been initiated against the District by former students who allege that sexual abuse occurred by former District employees dating as far back as almost 60 years ago. As a result, the District has accrued an appropriate amount on the government-wide and fund financial statements as of June 30, 2024, based on best estimates as determined with counsel when considering the existence or non-existence of insurance at the time of each instance in order to determine the District's exposure.

In the normal course of building renovation, a site containing asbestos or lead paint may be disturbed. The District maintains contracts with professional asbestos abatement and remediation specialists to handle these occurrences. As of the June 30, 2024, the District has reserved and encumbered

**ROCHESTER CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

approximately \$53,093 in asbestos abatement and air monitoring related contracts for active renovation projects. The District has evaluated and determined that there are no other specific related obligations as of June 30, 2024. As a precaution, as of June 30, 2024, the District has set aside an additional \$105,000 in funds which could be used for other pollution remediation obligations should the need arise. The District has also recorded a total of \$22.4 million in construction commitments for projects not yet completed.

The District participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

F. Related Party Transactions

The District receives certain services from vendors in which a board member(s) is a vested employee. These services amounted to approximately \$0.3 million for the year ended June 30, 2024, for the Community Place of Greater Rochester. At June 30, 2024, the District had \$62,000 in outstanding accounts payable with this Board affiliated organization.

G. Calculation of Net Investment in Capital Assets

Capital assets			\$ 1,485,949,242
Add:	Deferred charges on refunding bonds	\$ 760,436	
Less:	Depreciation of capital assets	(616,511,059)	
	Amortization of right to use assets	(111,520)	
	Related outstanding debt ⁽¹⁾	<u>(590,440,067)</u>	
			<u>(1,206,302,210)</u>
Net investment in capital assets			<u>\$ 279,647,032</u>

⁽¹⁾ The related outstanding debt comprises the following:

Bonds payable	\$ 494,665,169
BANs payable	34,440,000
Leases	222,649
Unamortized premiums	<u>65,562,020</u>
	594,889,838
Less: Unspent proceeds	<u>(4,449,771)</u>
	<u>\$ 590,440,067</u>

VI. Subsequent Events

As part of the District's ongoing capital improvement program, the City issued \$44,625,000 in BANs on behalf of the District on July 31, 2024, at a net interest rate of 3.2310%. The proceeds from this debt will be used to pay for construction improvements in association with the District's annual capital improvement program (CIP).

With the exception of the matter noted above, these financial statements have not been updated for subsequent events occurring after December 3, 2024, which is the date these financial statements were made available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**ROCHESTER CITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
NEW YORK STATE EMPLOYEES' AND TEACHERS' RETIREMENT SYSTEM PENSION PLANS
LAST TEN DISTRICT FISCAL YEARS**

ERS

Fiscal Year	Contractually Required Contribution (CRC)	Contributions in Relation to the CRC	Contribution Deficiency	District's Covered Payroll	Contributions as a Percentage of Employee Payroll
2014-15	\$ 12,000,409	\$ 10,215,980	\$ -	\$ 67,349,479	15.2%
2015-16	11,038,633	11,038,633	-	71,202,250	15.5
2016-17	10,509,790	10,509,790	-	71,275,520	14.7
2017-18	10,164,926	10,164,926	-	74,549,710	13.6
2018-19	10,440,218	10,440,218	-	78,218,777	13.3
2019-20	10,528,887	10,528,887	-	76,603,972	13.7
2020-21	10,511,817	10,511,817	-	66,084,053	15.9
2021-22	10,283,683	10,283,683	-	76,329,923	13.5
2022-23	9,660,585	9,660,585	-	86,473,034	11.2
2023-24	10,284,495	10,284,495	-	87,040,492	11.8

TRS

Fiscal Year	Contractually Required Contribution (CRC)	Contributions in Relation to the CRC	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Employee Payroll
2014-15	\$ 43,807,308	\$ 35,310,739	\$ (2,217,579)	\$ 253,838,859	13.9%
2015-16	33,798,963	36,016,542	-	259,214,370	13.9
2016-17	30,022,528	30,022,528	-	258,258,210	11.6
2017-18	27,173,940	27,173,940	-	278,944,724	9.7
2018-19	30,530,120	30,530,120	-	289,068,585	10.6
2019-20	23,761,757	23,761,757	-	270,575,967	8.8
2020-21	23,326,670	23,326,670	-	247,343,709	9.4
2021-22	24,726,806	24,726,806	-	253,818,074	9.7
2022-23	29,240,307	29,240,307	-	291,568,182	10.0
2023-24	27,558,126	27,558,126	-	289,243,686	9.5

The note to the Required Supplementary Information is an integral part of this schedule.

ROCHESTER CITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF RETIREMENT SYSTEM PENSION PLANS
LAST TEN STATE PENSION PLAN FISCAL YEARS

	ERS				
	2014-15	2015-16	2016-17	2017-18	2018-19
District's proportion of the net pension (asset) liability	0.237995%	0.233961%	0.227483%	0.2346815%	0.225176%
District's proportionate share of the net pension (asset) liability	\$ 8,040,052	\$ 37,551,307	\$ 21,374,772	\$ 7,574,216	\$ 15,954,426
District's covered payroll	\$ 67,496,597	\$ 68,559,466	\$ 73,490,258	\$ 73,552,764	\$ 77,313,327
District's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	11.91%	54.77%	29.09%	10.30%	20.64%
Plan fiduciary net position as a percentage of the total pension (asset) liability	97.90%	90.70%	94.70%	98.20%	96.27%
	2019-20	2020-21	2021-22	2022-23	2023-24
District's proportion of the net pension (asset) liability	0.232791%	0.219941%	0.188001%	0.2186576%	0.2317955%
District's proportionate share of the net pension (asset) liability	\$ 61,644,392	\$ 219,004	\$ (15,368,289)	\$ 46,889,010	\$ 34,129,681
District's covered payroll	\$ 77,742,850	\$ 66,905,454	\$ 72,552,216	\$ 82,257,110	\$ 84,780,400
District's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	79.29%	0.33%	-21.18%	57.00%	40.26%
Plan fiduciary net position as a percentage of the total pension (asset) liability	86.40%	99.95%	103.65%	90.78%	93.88%
	TRS				
	2014-15	2015-16	2016-17	2017-18	2018-19
District's proportion of the net pension (asset) liability	1.729107%	1.663625%	1.651834%	1.616517%	1.702297%
District's proportionate share of the net pension (asset) liability	\$ (192,611,736)	\$ (172,797,638)	\$ 17,691,830	\$ (12,287,138)	\$ (30,782,021)
District's covered payroll	\$ 248,109,334	\$ 253,838,859	\$ 259,214,370	\$ 258,258,210	\$ 278,944,724
District's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	-77.63%	-68.07%	6.83%	-4.76%	-11.04%
Plan fiduciary net position as a percentage of the total pension (asset) liability	111.50%	110.50%	99.01%	100.66%	101.53%
	2019-20	2020-21	2021-22	2022-23	2023-24
District's proportion of the net pension (asset) liability	1.722286%	1.580090%	1.444652%	1.424283%	1.538513%
District's proportionate share of the net pension (asset) liability	\$ (44,745,114)	\$ 43,662,168	\$ (250,344,437)	\$ 27,330,448	\$ 17,594,208
District's covered payroll	\$ 289,068,585	\$ 270,575,967	\$ 247,343,709	\$ 253,818,074	\$ 291,568,182
District's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	-15.48%	16.14%	-101.21%	10.77%	6.03%
Plan fiduciary net position as a percentage of the total pension (asset) liability	102.20%	97.80%	113.25%	98.60%	99.20%

The note to the Required Supplementary Information is an integral part of this schedule.

ROCHESTER CITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB RELATED LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Measurement date	06/30/18	06/30/19	06/30/20	06/30/21	06/30/22	06/30/23	06/30/24
Service cost	\$ 11,370,042	\$ 11,711,143	\$ 26,084,486	\$ 29,974,745	\$ 20,004,692	\$ 19,265,288	\$ 20,334,682
Interest	28,584,477	29,030,620	20,558,676	21,695,253	43,074,238	36,413,613	36,627,817
Changes of assumptions or other inputs	-	-	176,854,069	82,848,304	(262,965,613)	(37,125,839)	(4,775,967)
Benefit payments	(27,444,204)	(26,970,932)	(28,267,777)	(27,763,286)	(32,268,645)	(32,382,840)	(34,312,634)
Net change in total OPEB liability	12,510,315	13,770,831	195,229,454	106,755,016	(232,155,328)	(13,829,778)	17,873,898
Total OPEB liability - beginning	830,421,446	842,931,761	856,702,592	1,051,932,046	1,158,687,062	926,531,734	912,701,956
Total OPEB liability - ending	<u>\$ 842,931,761</u>	<u>\$ 856,702,592</u>	<u>\$ 1,051,932,046</u>	<u>\$ 1,158,687,062</u>	<u>\$ 926,531,734</u>	<u>\$ 912,701,956</u>	<u>\$ 930,575,854</u>
Covered employee payroll	\$ 328,621,551	\$ 322,848,701	\$ 303,386,734	\$ 303,386,734	\$ 321,008,380	\$ 321,008,380	\$ 356,396,831
Total OPEB liability as a percentage of covered employee payroll	256.51%	265.36%	346.73%	381.92%	288.63%	284.32%	261.11%

Note: This schedule is intended to show information for 10 years; additional years' information will be displayed as it becomes available.

¹ Covered payroll for 23/24 obtained from actuarial report; information is updated bi-annually.

The note to the Required Supplementary Information is an integral part of this schedule.

ROCHESTER CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS) – GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

General Fund				
	Budgeted Amounts			
	Original	Final		Variance With
REVENUES	Budget	Budget	Actual	Final Budget
Local Sources:				
Use of Money and Property	\$ 2,240,000	\$ 2,240,000	\$ 13,038,877	\$ 10,798,877
Charges for Services	2,976,682	2,976,682	3,270,755	294,073
Sale of Property & Compensation for Loss	1,980,000	1,980,000	9,361,969	7,381,969
Intergovernmental	119,100,000	119,100,000	119,100,000	-
Other	14,548,596	14,548,596	17,448,719	2,900,123
State Sources	722,823,324	722,823,324	702,606,807	(20,216,517)
Federal Sources	4,480,477	4,480,477	4,255,662	(224,815)
Total Revenues	868,149,079	868,149,079	869,082,789	933,710
EXPENDITURES				
Current:				
General Support:				
Staff	6,621,715	6,893,513	6,683,643	209,870
Central Services	50,028,424	53,744,217	37,259,502	16,484,715
Other	12,846,843	12,833,662	9,807,193	3,026,469
Instructional				
Teaching -- Regular School	249,149,284	243,005,916	216,267,436	26,738,480
Special Apportionment Programs	130,810,505	132,864,048	119,566,978	13,297,070
Other	83,785,513	86,457,930	72,138,095	14,319,835
Pupil Transportation	77,605,528	78,018,919	76,052,023	1,966,896
Community Services	414,030	630,800	576,104	54,696
Employee Benefits				
Retirement	35,000,000	35,000,000	26,490,612	8,509,388
Social Security	23,000,000	20,760,000	20,557,844	202,156
Health Insurance	93,147,972	96,160,687	90,048,269	6,112,418
Workers' Compensation	5,306,105	4,300,390	4,019,544	280,846
Other	8,181,512	7,577,349	5,054,222	2,523,127
Debt Service	1,831,200	1,831,200	641,200	1,190,000
Total Expenditures	777,728,631	780,078,631	685,162,665	94,915,966
Excess of Revenues Over Expenditures	90,420,448	88,070,448	183,920,124	95,849,676
OTHER FINANCING USES				
Transfers In	-	-	1,092	1,092
Transfers Out	(95,420,448)	(125,595,448)	(125,513,894)	81,554
Total Other Financing Sources (Uses)	(95,420,448)	(125,595,448)	(125,512,802)	82,646
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses - Budget Basis	\$ (5,000,000)	\$ (37,525,000)	58,407,322	\$ 95,932,322
Encumbrances Included in Actual			3,065,890	
Excess of Revenues and Other Sources Over Expenditures and Other Uses			61,473,212	
Expenditure of Prior Years' Encumbrances			(128,523)	
Excess of Revenues and Other Sources Over Expenditures and Other Uses			61,344,689	
Fund Balance -- Beginning of Year			224,395,739	
Fund Balance -- End of Year			\$ 285,740,428	

ROCHESTER CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS) – SPECIAL AID FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Special Aid Fund			
	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Local Sources	\$ 7,856,023	\$ 8,420,310	\$ 6,219,099	\$ (2,201,211)
State Sources	57,342,180	61,784,872	52,342,156	(9,442,716)
Federal Sources	169,001,877	206,900,873	202,182,579	(4,718,294)
Total Revenues	234,200,080	277,106,055	260,743,834	(16,362,221)
EXPENDITURES				
General Support				
Central Services	2,567,547	19,078,168	19,064,923	13,245
Other	36,252,545	24,513,134	22,845,207	1,667,927
Instructional				
Teaching -- Regular School	80,171,184	89,743,026	84,250,126	5,492,900
Special Apportionment Programs	22,710,274	29,354,967	29,199,906	155,061
Other	49,131,784	65,118,972	61,647,303	3,471,669
Pupil Transportation	3,022,497	3,730,632	3,656,101	74,531
Community Services	2,742,785	3,173,737	2,815,805	357,932
Employee Benefits				
Retirement	5,998,700	11,099,231	10,728,900	370,331
Social Security	8,408,996	8,527,614	8,512,278	15,336
Health Insurance	20,682,803	20,104,668	19,915,404	189,264
Workers' Compensation	1,700,505	1,800,297	1,753,819	46,478
Other	810,460	861,609	835,222	26,387
Total Expenditures	234,200,080	277,106,055	265,224,994	11,881,061
Excess (Deficiency) of Revenues Over Expenditures	-	-	(4,481,160)	(4,481,160)
OTHER FINANCING SOURCES				
Other Financing Sources	-	-	4,481,160	4,481,160
Total Other Financing Sources	-	-	4,481,160	4,481,160
Excess of Revenues and Other				
Sources Over Expenditures -- Budget Basis	\$ -	\$ -	-	\$ -

-
\$ -

ROCHESTER CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS) – SCHOOL FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	School Food Service Fund			
	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Local Sources				
Other	\$ 23,495	\$ 23,495	\$ 92,950	\$ 69,455
State Sources	417,815	417,815	419,423	1,608
Federal Sources	22,560,379	22,560,379	22,560,969	590
Total Revenues	23,001,689	23,001,689	23,073,342	71,653
EXPENDITURES				
General Support				
Other	22,828,362	22,828,362	20,855,852	1,972,510
Employee Benefits				
Retirement	1,000,000	1,000,000	991,812	8,188
Social Security	980,400	980,400	630,472	349,928
Health Insurance	1,495,927	1,495,927	1,495,680	247
Workers' Compensation	131,000	131,000	130,979	21
Other	66,000	66,000	64,684	1,316
Total Expenditures	26,501,689	26,501,689	24,169,479	2,332,210
Excess of Revenues Under Expenditures	(3,500,000)	(3,500,000)	(1,096,137)	2,403,863
OTHER FINANCING SOURCES				
Transfers In	1,500,000	1,500,000	-	(1,500,000)
Appropriation of Fund Balance	2,000,000	2,000,000	-	(2,000,000)
Total Other Financing Sources	3,500,000	3,500,000	-	(1,500,000)
Excess (Deficiency) of Revenues and Other Sources Under Expenditures -- Budget Basis				
	\$ -	\$ -	(1,096,137)	\$ 903,863
Fund Balance -- Beginning of Year			4,610,043	
Fund Balance -- End of Year			\$ 3,513,906	

ROCHESTER CITY SCHOOL DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Factors Affecting Trends in Postemployment Benefits and Pensions

The District has no assets accumulated in a trust that meets the criteria in paragraph 4 under GASB Statement No. 75, to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go-basis.

The District's OPEB liability increased by \$17.9 million in 2023-24. This was primarily due to an increase in headcount. Factors in effect at each measurement date are as follows:

	Discount Rate	Salary Scale	Healthcare Cost Trend Rate
Year ended June 30:			
2017-18	3.50%	3.00%	8.00%
2018-19	3.50%	3.00%	8.00%
2019-20	2.44%	3.00%	7.00%
2020-21	2.09%	3.00%	7.00%
2021-22	3.77%	3.00%	7.00%
2022-23	4.00%	3.00%	4.50%
2023-24	4.09%	3.00%	7.00%

The District'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 systems invest in. The discount rate in effect at each measurement date is as follows:

	TRS	ERS
Year ended June 30:		
2014-15	8.00%	7.50%
2015-16	8.00%	7.50%
2016-17	7.50%	7.00%
2017-18	7.25%	7.00%
2018-19	7.25%	7.00%
2019-20	7.10%	6.80%
2020-21	7.10%	5.90%
2021-22	6.95%	5.90%
2022-23	6.95%	5.90%
2023-24	6.95%	5.90%

INTERNAL CONTROL AND COMPLIANCE

DRESCHER & MALECKI LLP

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Elma, New York 14059
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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 President and Members of the
Board of Education of the
Rochester City School District
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 ("Government Auditing Standards"), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rochester City School District, New York (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting ("internal control") as a basis for designing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

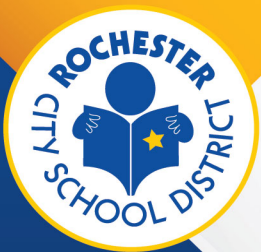
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

Drescher & Malecki LLP

December 3, 2024



STATISTICAL

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STATISTICAL SECTION

The Statistical Section of the District'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.

- ◆ Financial Trends (Page 80-86) – These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.
- ◆ Revenue Capacity (Page 87-90) – These schedules contain information to help the reader assess the District's most significant local revenue sources.
- ◆ Debt Capacity (Page 91-94) – These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.
- ◆ Demographic and Economic Information (Page 95-96) – These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.
- ◆ Operating Information (Page 97-102) – These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

ROCHESTER CITY SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017 ¹</u>	<u>2018</u>	<u>2019</u>
Governmental activities					
Net investment in capital assets	\$ 220,389,578	\$ 218,698,255	\$ 223,450,428	\$ 265,896,655	\$ 195,268,096
Restricted for capital expenses	60,270,989	13,069,585	-	-	92,231,024
Restricted for debt service	320,406	8,162,364	5,573,029	8,416,554	15,699,855
Restricted for revolving loan program	-	-	100,024	100,000	100,000
Unrestricted (deficit)	<u>(192,505,073)</u>	<u>(134,530,235)</u>	<u>(150,528,156)</u>	<u>(770,515,499)</u>	<u>(887,024,790)</u>
Total governmental activities net position	<u>\$ 88,475,900</u>	<u>\$ 105,399,969</u>	<u>\$ 78,595,325</u>	<u>\$ (496,102,290)</u>	<u>\$ (583,725,815)</u>
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities					
Net investment in capital assets	\$ 187,608,632	\$ 197,705,336	\$ 219,282,692	\$ 243,860,011	\$ 279,647,032
Restricted for capital expenses	49,682,764	11,750,322	6,055,735	14,038,264	23,368,698
Restricted for debt service	11,916,263	13,714,795	18,921,492	27,019,682	35,577,099
Restricted for revolving loan program	100,000	100,000	100,000	-	-
Restricted for scholarships	198,828 ²	198,887	198,967	200,632	202,823
Restricted for student funds	28,050 ²	26,650	19,780	12,341	3
Restricted for flexible spending	627,216 ²	517,385	587,098	580,701	565,998
Unrestricted (Deficit)	<u>(873,771,549)</u>	<u>(862,298,485)</u>	<u>(801,160,701)</u>	<u>(738,532,939)</u>	<u>(713,457,517)</u>
Total governmental activities net position	<u>\$ (623,609,796)</u>	<u>\$ (638,285,110)</u>	<u>\$ (555,994,937)</u>	<u>\$ (452,821,308)</u>	<u>\$ (374,095,864)</u>

¹ 2017 Restated for GASB 75 implementation, change in accounting principle.

² 2020 Restated for GASB 84, change in accounting principle.

ROCHESTER CITY SCHOOL DISTRICT
CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS
(accrual basis of accounting)

(continued next page)

	2015	2016	2017	2018
Expenses				
General Support:				
Board of Education	\$ 811,972	\$ 1,184,391	\$ 826,611	\$ 774,805
Chief School Administrator	947,164	2,509,063	1,254,537	998,319
Finance	6,165,866	7,418,291	7,166,275	6,916,873
Staff	5,948,881	7,755,959	8,664,357	8,850,997
Central Services	77,142,220	82,909,676	84,582,223	78,707,382
Other	4,951,793	4,814,857	5,578,543	8,450,919
Total General Support	95,967,896	106,592,237	108,072,546	104,699,295
Instruction:				
Administration and Improvement	74,179,100	67,388,814	74,173,631	74,114,750
Teaching	462,945,545	477,002,393	534,213,686	554,886,851
Instructional Media	9,922,632	9,349,425	10,075,991	9,907,240
Pupil Services	40,050,199	40,769,018	46,122,793	46,822,107
Total Instruction	587,097,476	594,509,650	664,586,101	685,730,948
Pupil Transportation	70,433,794	77,363,591	80,517,980	80,333,612
Community Services	3,419,962	3,124,667	2,496,464	2,856,383
Interest on Long-Term Debt	17,931,983	18,814,372	18,286,259	22,575,674
Total Expenses	774,851,111	800,404,517	873,959,350	896,195,912
Program Revenues				
Charges for Services:				
Central Services	135,478	276,366	302,180	365,684
Teaching	1,593,999	1,962,993	2,237,536	2,265,157
Operating Grants and Contributions	109,228,469	113,987,817	118,232,454	122,652,688
Total Program Revenues	110,957,946	116,227,176	120,772,170	125,283,529
Net (Expense)/Revenue	(663,893,165)	(684,177,341)	(753,187,180)	(770,912,383)
General Revenues and Other Changes in Net Position				
Intergovernmental (Unrestricted)	119,100,000	119,100,000	119,100,000	119,100,000
Use of Money & Property	682,214	753,878	969,347	1,893,078
State & Federal Aid	462,719,362	497,713,112	527,620,451	571,846,027
Lottery Aid	69,627,693	68,357,659	70,014,974	70,618,330
Miscellaneous	10,725,335	15,176,761	8,677,764	6,899,669
Total General Revenues and Other Changes in Net Position	662,854,604	701,101,410	726,382,536	770,357,104
Change in Net Position	\$ (1,038,561)	\$ 16,924,069	\$ (26,804,644)	\$ (555,279)

2020	2021	2022	2023	2024
\$ 871,620	\$ 659,122	\$ 588,737	\$ 829,575	\$ 1,399,038
1,569,372	719,321	626,898	1,603,510	3,945,425
8,199,775	6,082,006	5,568,591	7,626,844	9,635,381
9,355,374	6,230,451	6,621,387	9,341,633	9,188,190
84,615,112	63,500,975	75,514,690	92,650,023	95,873,273
8,347,142	9,161,960	15,411,206	14,032,909	26,167,438
112,958,395	86,353,835	104,331,509	126,084,494	146,208,745
78,967,576	70,501,446	70,714,879	89,156,282	96,977,700
612,343,345	590,433,415	539,820,599	582,449,303	636,308,123
11,687,902	10,782,973	19,447,964	29,022,313	23,138,733
46,826,962	42,641,354	40,965,366	48,239,864	56,056,634
749,825,785	714,359,188	670,948,808	748,867,762	812,481,190
62,337,608	29,878,687	69,576,075	74,969,504	85,474,529
3,438,494	1,594,206	1,963,152	3,002,739	4,623,386
32,243,842	32,061,185	27,823,023	27,595,390	26,722,038
960,804,124	864,247,101	874,642,567	980,519,889	1,075,509,888
39,744	254,861	5,080	24,239	92,950
2,025,022	2,694,389	2,659,682	3,167,499	3,270,755
116,401,761	98,289,978	140,212,912	243,177,933	260,743,834
118,466,527	101,239,228	142,877,674	246,369,671	264,107,539
(842,337,597)	(763,007,873)	(731,764,893)	(734,150,218)	(811,402,349)
119,100,000	119,100,000	119,100,000	119,100,000	119,100,000
1,696,770	1,096,001	1,479,971	5,894,251	14,274,247
591,703,124	543,312,659	615,110,529	610,924,138	692,808,730
80,330,360	75,637,667	70,950,671	86,163,344	37,034,128
9,355,976	9,186,232	7,413,895	15,242,114	26,910,688
802,186,230	748,332,559	814,055,066	837,323,847	890,127,793
\$ (40,151,367)	\$ (14,675,314)	\$ 82,290,173	\$ 103,173,629	\$ 78,725,444

ROCHESTER CITY SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

(continued next page)

	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 9,658,416	\$ 360,810	\$ 1,139,063	\$ 396,992
Restricted	320,406	8,162,364	5,573,029	8,416,554
Committed	26,452,769	27,694,297	26,889,758	7,500,000
Assigned	19,760,663	25,677,162	23,594,548	26,956,931
Unassigned	10,406,729	8,935,385	8,621,907	6,365,889
Total General Fund	<u>\$ 66,598,983</u>	<u>\$ 70,830,018</u>	<u>\$ 65,818,305</u>	<u>\$ 49,636,366</u>
All Other Governmental Funds				
Nonspendable	\$ 424,100	\$ 612,612	\$ 698,236	\$ 614,113
Restricted	60,270,989	13,069,585	100,024	100,000
Committed	2,194,903	547,112	829,246	149,453
Assigned	-	-	150,000	789,084
Unassigned, Reported In:				
Special Aid Fund	-	-	-	-
Capital Projects Fund	(5,664,911)	(1,938,251)	(19,204,786)	(30,253,254)
RJSCB Fund	37,848	-	(27,896,351)	(10,304,861)
Miscellaneous Special Revenue	-	-	-	-
Total All Other Governmental Funds	<u>\$ 57,262,929</u>	<u>\$ 12,291,058</u>	<u>\$ (45,323,631)</u>	<u>\$ (38,905,465)</u>
Total All Governmental Funds	<u>\$ 123,861,912</u>	<u>\$ 83,121,076</u>	<u>\$ 20,494,674</u>	<u>\$ 10,730,901</u>

2019	2020	2021	2022	2023	2024
\$ 403,410	\$ 397,019	\$ 15,600,668	\$ 17,426,301	\$ 18,041,634	\$ 18,641,379
15,699,855	11,916,263	14,457,717	14,057,146	13,185,321	12,715,346
-	16,000,000	27,625,000	37,625,000	53,000,000	53,000,000
-	48,170,130	52,755,337	47,760,650	74,245,287	70,415,890
(8,916,640)	5,764,518	25,399,545	52,241,801	65,923,497	130,967,813
<u>\$ 7,186,625</u>	<u>\$ 82,247,930</u>	<u>\$ 135,838,267</u>	<u>\$ 169,110,898</u>	<u>\$ 224,395,739</u>	<u>\$ 285,740,428</u>
\$ 718,084	\$ 1,144,948	\$ 630,155	\$ 605,655	\$ 2,241,514	\$ 762,370
92,331,024	49,782,764	11,850,322	11,825,926	28,765,481	46,999,275
148,808	148,893	148,891	148,828	-	-
1,093,235	646,158	1,168,008	3,397,055	4,101,059	3,019,983
-	-	(2,339)	-	(1,679,195)	(255,165)
(4,275,024)	(25,886,146)	(40,916,598)	(44,587,471)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 90,016,127</u>	<u>\$ 25,836,617</u>	<u>\$ (27,121,561)</u>	<u>\$ (28,610,007)</u>	<u>\$ 33,428,859</u>	<u>\$ 50,526,463</u>
<u>\$ 97,202,752</u>	<u>\$ 108,084,547</u>	<u>\$ 108,716,706</u>	<u>\$ 140,500,891</u>	<u>\$ 257,824,598</u>	<u>\$ 336,266,891</u>

ROCHESTER CITY SCHOOL DISTRICT
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

(continued next page)

	2015	2016	2017	2018
Revenues				
Local Sources:				
Use of Money and Property (Interest and Rent)	\$ 682,214	\$ 3,001,530	\$ 969,347	\$ 1,893,078
Intergovernmental	119,101,443	119,142,222	119,957,026	119,127,776
Other	13,360,146	15,710,271	12,987,995	12,886,954
State Sources	550,167,576	592,465,795	636,475,355	681,545,444
Federal Sources	86,754,441	82,818,077	74,434,777	78,298,546
Surplus Food	1,128,449	1,415,119	1,536,902	1,095,171
Sales	83,509	132,022	126,639	126,997
Total Revenues	<u>771,277,778</u>	<u>814,685,036</u>	<u>846,488,041</u>	<u>894,973,966</u>
Expenditures				
General Support:				
Staff	6,074,754	7,472,227	8,066,322	9,137,095
Central Services	49,268,550	50,836,398	49,530,175	51,067,583
Other	24,917,805	26,080,581	26,837,116	28,764,006
Instructional:				
Teaching - Regular School	260,566,367	273,448,551	286,448,066	308,072,512
Special Apportionment Programs	146,005,189	150,269,672	156,256,759	160,070,812
Other	162,786,514	159,549,959	168,260,414	172,478,037
Pupil Transportation	68,165,552	73,763,974	76,580,595	81,216,295
Community Services	3,293,117	3,015,541	2,388,263	2,762,393
Cost of Sales	8,521,647	11,651,513	10,122,887	10,016,753
Debt Service:				
Principal	30,410,967	33,662,091	40,565,877	37,650,976
Interest	17,630,531	18,905,423	18,437,402	21,473,074
Bond Issuance Costs	-	-	109,618	2,073,684
Capital Outlay	59,866,645	66,769,942	69,871,162	170,925,182
Total Expenditures	<u>837,507,638</u>	<u>875,425,872</u>	<u>913,474,656</u>	<u>1,055,708,402</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(66,229,860)	(60,740,836)	(66,986,615)	(160,734,436)
Other Financing Sources (Uses)				
Bonds Issued	53,407,562	20,000,000	435,000	123,670,000
Refunding Bonds Issued	-	-	17,271,400	-
Premium - Refunding Bonds	-	-	2,049,053	-
Premium - Debt Issuance	-	-	269,760	24,375,663
Payment to Escrow Agent	-	-	(15,665,000)	-
Transfers In	59,105,658	59,889,534	63,298,269	75,871,517
Transfers Out	(59,105,658)	(59,889,534)	(63,298,269)	(72,946,517)
Total Other Financing Sources (Uses)	<u>53,407,562</u>	<u>20,000,000</u>	<u>4,360,213</u>	<u>150,970,663</u>
Net Change in Fund Balances	<u>\$ (12,822,298)</u>	<u>\$ (40,740,836)</u>	<u>\$ (62,626,402)</u>	<u>\$ (9,763,773)</u>
Debt Service as a Percentage of Noncapital Expenditures	6.18%	6.50%	6.99%	6.68%

2019	2020	2021	2022	2023	2024
\$ 7,447,701	\$ 1,696,770	\$ 1,096,001	\$ 1,479,971	\$ 5,894,251	\$ 14,274,247
119,100,000	119,100,000	119,100,000	119,100,000	119,100,000	119,100,000
19,785,919	16,289,086	13,278,015	13,680,617	22,525,712	36,493,492
688,376,654	739,793,890	643,473,795	686,698,009	726,408,611	755,368,386
73,905,397	77,111,443	68,357,734	134,810,822	208,346,867	227,573,636
1,408,898	987,004	618,531	1,163,321	1,418,077	1,425,574
117,866	7,897	-	-	-	-
910,142,435	954,986,090	845,924,076	956,932,740	1,083,693,518	1,154,235,335
9,320,672	7,655,378	6,213,610	7,548,174	8,492,900	8,935,693
52,927,205	48,063,032	47,117,408	54,122,184	62,041,609	65,878,851
28,326,791	27,843,165	23,084,680	34,738,316	41,476,443	50,478,122
326,787,670	303,486,976	297,275,956	308,143,214	338,678,414	343,269,375
180,867,460	170,812,907	164,572,467	167,177,643	178,002,778	190,850,034
172,067,316	161,915,560	136,277,435	172,768,440	210,293,318	213,252,155
81,698,163	57,192,516	27,803,183	67,597,373	74,780,944	82,517,884
2,775,157	3,309,737	1,515,445	1,932,357	2,922,430	4,489,089
9,964,024	7,387,502	3,847,670	9,082,939	10,130,349	11,307,368
39,587,735	77,012,706	52,808,422	47,348,856	43,348,869	48,129,461
29,983,779	32,141,362	32,461,370	28,134,845	27,445,023	26,137,187
2,850,428	1,069,965	-	-	-	-
161,923,063	127,381,850	54,396,035	26,554,214	25,231,734	30,547,823
1,099,079,463	1,025,272,656	847,373,681	925,148,555	1,022,844,811	1,075,793,042
(188,937,028)	(70,286,566)	(1,449,605)	31,784,185	60,848,707	78,442,293
242,307,000	70,605,777	-	-	50,355,000	-
-	10,562,584	-	-	-	-
-	-	-	-	-	-
33,101,879	-	1,814,378	-	6,120,000	-
-	-	-	-	-	-
95,316,599	88,417,771	90,207,008	99,989,965	101,781,913	125,514,986
(95,316,599)	(88,417,771)	(90,207,008)	(99,989,965)	(101,781,913)	(125,514,986)
275,408,879	81,168,361	1,814,378	-	56,475,000	-
\$ 86,471,851	\$ 10,881,795	\$ 364,773	\$ 31,784,185	\$ 117,323,707	\$ 78,442,293
7.42%	12.16%	10.75%	8.40%	7.10%	7.11%

ROCHESTER CITY SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE REAL PROPERTY
LAST TEN FISCAL YEARS
(in thousands of dollars)

Fiscal Year	Assessed Value	Real Property - Total Direct Tax Rate per \$1,000 ¹		Estimated Actual Value	Assessed Value as a Percentage of Actual Value ²	Total Direct Rate Applied to Base
		Homestead	Non-Homestead			
2015	\$ 5,973,945	\$20.05	\$42.86	\$ 6,250,507	95.58%	2.90%
2016	5,992,862	20.15	41.92	6,207,003	96.55%	2.88%
2017	6,494,050	19.21	37.76	6,680,286	97.21%	2.69%
2018	6,460,535	18.33	39.45	6,661,032	96.99%	2.70%
2019	6,396,895	18.86	41.15	6,571,027	97.35%	2.79%
2020	6,459,674	19.43	39.46	6,796,795	95.04%	2.77%
2021	7,550,825	17.57	35.83	8,448,948	89.37%	2.49%
2022	7,550,441	17.17	36.50	7,975,537	94.67%	2.49%
2023	7,620,748	17.05	36.07	8,123,598	93.81%	2.46%
2024	7,659,391	17.84	34.33	8,986,731	85.23%	2.45%

Source: City Assessors' Office

¹ The City partitions the assessment roll, and taxes properties based on Homestead and Non-Homestead classification. In accordance with Article 19 of New York State Real Property Tax Law, the tax levy is apportioned between the Homestead and Non-Homestead classes based on the relative taxable value of the two classes.

² Special Equalization Ratios established by New York State Office of Real Property Services.

**ROCHESTER CITY SCHOOL DISTRICT
PROPERTY TAX RATE PER THOUSAND
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Class ¹	City of Rochester ²			Monroe County ³		Total Direct & Overlapping Rate
		School Purposes	General Municipal Purposes	Total Direct Rate	Overlapping Rate		
2015	Homestead	\$ 13.83	\$ 6.22	\$ 20.05	\$ 9.22	\$	29.27
	Non-Homestead	29.69	13.17	42.86	9.22		52.08
2016	Homestead	13.94	6.21	20.15	9.22		29.37
	Non-Homestead	29.03	12.88	41.91	9.22		51.13
2017	Homestead	13.10	6.11	19.21	9.17		28.38
	Non-Homestead	25.78	11.98	37.76	9.17		46.93
2018	Homestead	12.50	5.83	18.33	9.17		27.50
	Non-Homestead	26.93	12.52	39.45	9.17		48.62
2019	Homestead	12.58	6.29	18.87	9.21		28.08
	Non-Homestead	27.43	13.71	41.15	9.21		50.36
2020	Homestead	12.95	6.48	19.43	9.64		29.07
	Non-Homestead	26.31	13.15	39.46	9.64		49.10
2021	Homestead	11.15	6.42	17.57	8.76		26.33
	Non-Homestead	22.74	13.09	35.83	8.76		44.59
2022	Homestead	10.89	6.27	17.17	9.79		26.95
	Non-Homestead	23.17	13.33	36.50	9.79		46.29
2023	Homestead	10.82	6.23	17.05	9.54		26.59
	Non-Homestead	22.90	13.18	36.08	9.54		45.62
2024	Homestead	11.32	6.52	17.84	9.36		27.20
	Non-Homestead	21.79	12.54	34.33	9.36		43.69

¹ "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".

² Information provided by the City Assessor.

³ Information provided by the Monroe County Treasury.

**ROCHESTER CITY SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR
(in thousands of dollars)**

	2024			2015		
	Taxable Value¹	Rank	Percentage of Total Taxable Assessed Value¹	Taxable Value²	Rank	Percentage of Total Taxable Assessed Value²
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%
	<u>\$ 1,439,604</u>		<u>18.82%</u>	<u>\$ 994,702</u>		<u>16.64%</u>

Source: Assessment Roll of the City of Rochester, City Assessor's Office

¹ The total taxable assessed value of \$7,657,992,517 was used for fiscal year 2023-24 taxes.

² The total taxable assessed value of \$5,980,614,540 was used for fiscal year 2014-15 taxes.

Source: Assessment Roll of the City of Rochester and Tax Billing Control Numbers

**ROCHESTER CITY SCHOOL DISTRICT
CITY OF ROCHESTER PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(in thousands of dollars)**

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	
		Amount	Percentage of Levy		Amount (2)	Percentage of Levy
2015	\$ 213,694	\$ 198,289	92.79%	\$ 11,938	\$ 210,227	98.38%
2016	213,823	198,982	93.06%	11,395	210,377	98.39%
2017	217,466	203,176	93.43%	12,090	215,266	98.99%
2018	219,298	205,190	93.57%	12,274	217,464	99.16%
2019	224,642	209,139	93.10%	12,741	221,880	98.77%
2020	224,736	209,033	93.01%	13,396	222,429	98.97%
2021	233,630	219,473	93.94%	12,548	232,021	99.31%
2022	234,136	220,524	94.19%	11,250	231,774	98.99%
2023	235,517	221,459	94.03%	8,760	230,219	97.75%
2024	236,249	221,845	93.90%	N/A	221,845	93.90%

Source: City of Rochester, Department of Finance.

Notes:

- (1) Tax exempt properties with an assessed value of \$883,788,850 made payments in lieu of taxes amounting to \$15,890,081 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.

Beginning in fiscal year 1994-95, the District began receiving a revenue allocation in lieu of property taxes from the City of Rochester. The amount of the revenue allocation is based upon what the City and District agree to prior to the applicable fiscal year. Even though the District does not receive property taxes, the City calculates a tax levy for the District.

**ROCHESTER CITY SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	School Facility Revenue Bonds	Bond Premiums	Installment Purchase Contracts	Leases	Total	Percentage of Personal Income ¹	Per Capita ¹
2014-15	\$ 137,920,000	\$ 257,970,000	\$ 38,181,490	\$ 6,855,376	\$ -	\$ 440,926,866	0.89%	\$ 405
2015-16	139,270,000	245,880,000	37,480,065	4,010,017	-	426,640,082	0.85	392
2016-17	118,020,401	231,585,000	36,323,910	1,157,695	-	387,087,006	0.73	356
2017-18	99,036,602	340,230,000	55,970,885	366,839	-	495,604,326	0.92	454
2018-19	126,212,706	516,140,000	86,007,734	-	-	728,360,440	1.29	668
2019-20	106,350,777	529,595,000	89,653,740	-	-	725,599,517	1.19	666
2020-21	87,112,355	496,025,000	82,057,767	-	-	665,195,122	1.05	613
2021-22	72,253,499	463,535,000	74,461,794	-	1,064,540	611,314,833	0.98	565
2022-23	109,309,630	433,485,000	73,346,816	-	1,303,057	617,444,503	0.99	571
2023-24	92,745,169	401,920,000	65,562,020	-	222,649	560,449,838	0.90	518

¹ U.S. Bureau of Economic Analysis, "CAINC1 County and MSA personal income summary: personal income, population, per capita personal income";
2022 data used for 2021-2022, 2022-23 and 2023-24.

**ROCHESTER CITY SCHOOL DISTRICT
RATIOS OF GENERAL DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Total General Obligation Debt - District	Total General Obligation Debt - FMP	Premiums	Less: Amounts Available for Debt	Total - Net Bonded Debt	Percentage of Assessed Value of Property	Per Capita¹
2014-15	\$ 137,920,000	\$ 257,970,000	\$ 38,181,490	\$ 320,406	\$ 433,751,084	7.26%	\$ 398
2015-16	139,270,000	245,880,000	37,480,065	2,247,652	420,382,413	7.02	386
2016-17	118,020,401	231,585,000	36,323,910	5,573,029	380,356,282	5.86	349
2017-18	99,036,602	340,230,000	55,970,885	8,416,554	486,820,933	7.54	446
2018-19	126,212,706	516,140,000	86,007,734	15,699,855	712,660,585	11.14	653
2019-20	106,350,777	529,595,000	89,653,740	11,916,263	713,683,254	11.05	655
2020-21	87,112,355	496,025,000	82,057,767	13,714,794	651,480,328	8.63	600
2021-22	72,253,499	463,535,000	74,461,794	17,771,914	592,478,379	7.85	548
2022-23	109,309,630	433,485,000	73,346,816	27,019,682	589,121,764	7.73	545
2023-24	92,745,169	401,920,000	65,562,020	35,577,099	524,650,090	6.88	485

¹ U.S. Bureau of Economic Analysis, "CAINC1 County and MSA personal income summary: personal income, population, per capita personal income"
2022 data used for 2021-22, 2022-23, and 2023-24.

**ROCHESTER CITY SCHOOL DISTRICT
DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2024**

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to City	Amount Applicable to City
Direct Debt:			
Rochester City School District	\$ 494,665,169	100.00%	\$ 494,665,169
Sub Total - Direct Debt	<u>494,665,169</u>		<u>494,665,169</u>
Overlapping Debt:			
City of Rochester	66,141,597	100.00%	66,141,597
County of Monroe	<u>448,958,040</u>	14.25%	<u>63,976,521</u>
Sub Total - Overlapping Debt	<u>515,099,637</u>		<u>130,118,118</u>
Total Direct and Overlapping Debt:	<u>\$ 1,009,764,806</u>		<u>\$ 624,783,287</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. Source of data is City of Rochester Finance Department. The overlap percentage (14.25%) was set by the Monroe County Department of Finance and is based on the ratio of the City of Rochester's full valuation of real property to the total Monroe County full valuation of real property.

**ROCHESTER CITY SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Legal Debt Margin as a Percentage of the Debt Limit
2014-15	\$ 211,103,324	\$ 157,920,000	\$ 53,183,324	25.19%
2015-16	211,601,950	157,270,000	54,331,950	25.68
2016-17	209,627,173	149,586,401	60,040,772	28.64
2017-18	222,170,000	146,794,602	75,375,398	33.93
2018-19	225,082,223	145,212,706	79,869,517	35.48
2019-20	249,093,682	144,200,777	104,892,905	42.11
2020-21	249,099,403	138,390,355	110,709,048	44.44
2021-22	258,759,534	132,118,499	126,641,035	48.94
2022-23	289,282,879	125,339,630	163,943,249	56.67
2023-24	289,282,879	127,185,169	162,097,710	56.03

Legal Debt Margin Calculation for Fiscal Year 2023-24

Five-year average full valuation	\$ 8,265,225,104
9% of five-year average full valuation	743,870,259

Indebtedness	
Borrowings -- RCSD Bonds	\$ 92,745,169
Borrowings -- RCSD BANs	34,440,000
	127,185,169

Net Indebtedness	
Debt Limit (3.5%/9% of five-year average full valuation) ¹	289,282,879

Debt Contracting Margin ²	\$ 162,097,710
--------------------------------------	----------------

¹ 3.5% of 9% limitation is pursuant to the City of Rochester Charter which states how the allocation of revenue and debt-incurring power between the City and City School District will be conducted.

² Debt Contracting Margin Excludes All Debt Associated with the RJSCB/Facilities Modernization Program in accordance with State and Local Constitutional Law.

ROCHESTER CITY SCHOOL DISTRICT
DEMOGRAPHIC ECONOMIC STATISTICS – ROCHESTER METROPOLITAN AREA
LAST TEN FISCAL YEARS

Fiscal Year	Population¹	Personal Income¹ (000s)	Per Capita Personal Income¹	Unemployment Rate²
2014-15	1,088,882	\$ 49,799,304	\$ 45,734	5.2%
2015-16	1,088,253	50,458,476	46,366	4.6
2016-17	1,088,691	52,883,484	48,575	4.8
2017-18	1,091,227	54,126,130	49,601	4.1
2018-19	1,090,696	56,427,418	51,735	3.7
2019-20	1,088,776	60,747,303	55,794	11.2
2020-21	1,084,973	63,471,203	58,500	5.3
2021-22	1,081,152	62,600,574	57,902	3.5
2022-23	N/A	N/A	N/A	4.6
2023-24	N/A	N/A	N/A	3.7

¹ <https://www.bea.gov> - Rochester, NY metropolitan statistical area - new statistics for 2022, 2023 and 2024 statistics not available.

² dol.ny.gov - rate as of June each year for the Rochester, NY metropolitan statistical area.

**ROCHESTER CITY SCHOOL DISTRICT
PRINCIPAL TEN EMPLOYERS IN THE ROCHESTER AREA
CURRENT YEAR AND NINE YEARS PRIOR**

Employer	2024			2015		
	Employees ¹	Rank	Employment ²	Employees ¹	Rank	Employment ²
University of Rochester/Strong	32,100	1	5.95%	25,773	1	4.88%
Rochester Regional Health System ³	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 Corp.	-	-	-	6,722	4	1.27%
Sutherland Global Services Inc.	-	-	-	3,009	8	0.57%
YMCA of Greater Rochester	-	-	-	2,841	9	0.54%

¹ Rochester Business Journal The Lists - 2024 Edition.

² Employment Source: www.labor.state.ny.us employment data as of 06/30/2024, includes Monroe, Genesee, Livingston, Ontario, Orleans, Wayne and Wyoming Counties

ROCHESTER CITY SCHOOL DISTRICT
BUDGETED FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2014-15	2015-16	2016-17	2017-18	2018-19
General Support:					
Board of Education	13	12	11	11	11
Chief School Administrator	4	4	6	5	4
Finance	55	62	59	59	58
Staff	47	48	49	49	50
Central Services	707	701	708	708	734
Total General Support	826	827	833	832	857
Instruction:					
Administration and Improvement	585	598	601	634	626
Teaching	3,615	3,718	3,963	4,185	4,436
Instructional Media	72	83	87	86	80
Pupil Services	351	346	372	412	387
Pupil Transportation	113	133	134	135	135
Community Services	47	22	19	17	17
Unclassified	9	13	13	14	14
Total Instruction	4,792	4,913	5,189	5,483	5,695
Total	5,618	5,740	6,022	6,315	6,552

	2019-20	2020-21	2021-22	2022-23	2023-24
General Support:					
Board of Education	11	10	10	10	10
Chief School Administrator	4	4	3	2	4
Finance	53	50	48	49	52
Staff	49	49	44	47	46
Central Services	710	663	682	667	676
Total General Support	827	776	787	775	788
Instruction:					
Administration and Improvement	577	558	564	643	603
Teaching	3,998	3,662	3,699	4,007	4,037
Instructional Media	72	67	46	50	78
Pupil Services	356	309	341	371	368
Pupil Transportation	135	136	138	128	114
Community Services	32	14	9	6	19
Unclassified	14	-	-	-	-
Total Instruction	5,184	4,746	4,797	5,205	5,219
Total	6,011	5,522	5,584	5,980	6,007

Source: RCSD Budget Department

**ROCHESTER CITY SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	K - 12 Enrollment ¹	Government- Wide Expenses	Cost Per Pupil	Percentage Change from Prior Year	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free Meal Recipients ²
2014-15	28,316	\$ 774,851,111	\$ 27,283	0.0%	3,615	7.9	100.0%
2015-16	27,552	800,404,517	29,051	6.5	3,718	7.4	100.0
2016-17	26,687	873,959,350	32,749	12.7	3,963	6.7	100.0
2017-18	26,057	896,195,912	34,394	5.0	4,185	6.2	100.0
2018-19	25,669	998,432,626	38,896	13.1	4,436	5.8	100.0
2019-20	25,017	960,804,124	38,406	-1.3	3,998	6.3	100.0
2020-21	23,359	864,247,101	36,998	-3.7	3,662	6.4	100.0
2021-22	22,238	874,642,567	39,331	6.3	3,699	6.0	100.0
2022-23	20,718	980,519,889	47,327	20.3	4,007	5.2	100.0
2023-24	19,927	1,075,509,888	53,972	14.0	4,037	4.9	100.0

¹BEDs data: <https://data.nysed.gov>

²The Federal Community Based Option program was implemented in 2012-13, all students are now eligible for free meals.

ROCHESTER CITY SCHOOL DISTRICT
OPERATING STATISTICS-CONTINUING DISCLOSURE COMPLIANCE
LAST TEN FISCAL YEARS

Fiscal Year	K-12 Enrollment¹	School Buildings²	Teaching Staff	Administrative Personnel³	Instructional Support⁴	State Aid Received (Millions)⁵
2014-15	28,316	52	3,615	826	1,177	550
2015-16	27,552	50	3,718	827	1,195	592
2016-17	26,687	49	3,963	833	1,226	636
2017-18	26,057	48	4,185	832	1,298	682
2018-19	25,669	48	4,436	857	1,259	688
2019-20	25,017	48	3,998	827	1,186	734
2020-21	23,359	47	3,662	776	1,084	643
2021-22	22,238	47	3,699	787	1,098	687
2022-23	20,718	47	4,007	775	1,199	726
2023-24	19,927	47	4,037	788	1,182	755

¹ BEDs data: <https://data.nysed.gov>

² Includes active schools, swing schools (with temporary enrollment), schools under reconstruction and multi-use buildings, excludes any leased buildings.

³ Includes Board of Education, chief school administration, finance, central services, and other unclassified administrative staff.

⁴ Includes instructional administration, instructional media, pupil services, pupil transportation, and community services staff.

⁵ Includes state aid recorded in the general, special aid and school food service funds (excludes capital and JSCB funds).

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**ROCHESTER CITY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

(continued next page)

Fiscal Year	2014-15	2015-16	2016-17	2017-18	2018-19
<u>Schools</u>					
<u>Elementary</u>					
Buildings ¹	38	37	30	36	36
Square Feet ²	3,220,760	3,098,432	2,889,690	2,889,690	2,970,244
Capacity ³	21,215	20,249	19,851	21,082	21,386
Enrollment K-8 ⁴	20,168	19,489	18,877	18,303	17,919
Enrollment PreK ⁵	974	945	1,211	1,373	1,187
<u>Secondary</u>					
Buildings ¹	14	14	13	15	15
Square Feet ²	3,439,576	3,439,576	3,439,576	3,461,704	3,480,012
Capacity ³	16,660	16,660	16,660	14,377	14,492
Enrollment 9-12 ⁴	8,148	8,063	7,810	7,754	7,750
<u>Other</u>⁶					
Buildings	1	1	1	1	1
Square Feet	129,389	129,389	129,389	186,917	206,045
<u>Administrative</u>⁷					
Buildings	3	3	3	4	4
Square Feet	261,598	261,598	261,598	285,598	285,598
<u>Transportation</u>					
District-Owned & Leased Buses	90	91	91	91	92
<u>Athletics</u>⁸					
Football Fields	7	7	7	7	7
Soccer Fields	9	9	9	9	9
Running Tracks	8	8	8	8	8
Baseball/Softball	22	22	22	22	22
Swimming Pools	13	12	12	12	12
Playgrounds	36	36	36	36	40

Source: RCSD Facilities & Transportation Department Records; CIP document April 18,2024.

Note: All footnotes apply to the data provided for 2023-24.

¹ The District facility portfolio includes buildings with differing grade configurations (PreK-6, PreK-8, K-12, 6-12, 7-12 or 9-12). Buildings containing both elementary and secondary students are classified based on primary purpose. No changes as of June 30, 2024 reporting date as compared to prior year. Includes leased facilities.

² No changes from the prior year as of June 30, 2024 reporting date as compared to prior year.

³ No changes from the prior year as of June 30, 2024 reporting date as compared to prior year.

^{4,5} K-12 Enrollment data: BEDs data: <https://data.nysed.gov>; PreK enrollment for students educated in District facilities only (no CBOs); June 2024 SIRS-333

⁶ Facility is leased portions of 30 Hart Street and is used for multiple purposes.

⁷ Facilities are Central Office, Service Center, Special Education Center, School #44, and Marshall.

⁸ No changes from the prior year as of June 30, 2024 reporting date as compared to prior year.

2019-20	2020-21	2021-22	2022-23	2023-24
36	36	32	30	30
2,970,244	2,970,244	2,809,347	2,788,204	2,788,204
21,386	21,386	19,866	18,714	18,714
17,477	16,083	15,044	13,863	13,160
1,266	2,243	1,319	1,527	1,710
15	15	12	14	14
3,480,012	3,480,012	3,084,490	3,303,022	3,303,022
14,492	14,492	14,373	15,786	15,786
7,540	7,276	7,194	6,855	6,767
1	1	1	1	1
180,917	180,917	180,917	180,917	180,917
4	3	6	5	5
285,598	374,207	684,102	609,453	609,453
80	80	80	81	69
7	7	7	7	7
9	9	9	9	9
8	8	8	8	8
22	22	22	22	22
12	12	12	12	12
40	40	40	40	40

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2024 ACFR

Rochester City School District
131 West Broad Street, Rochester, NY 14614