

**THE CITY OF ROCHESTER, NEW YORK**  
**Annual Comprehensive Financial Report**  
**Year Ended June 30, 2021**

**Prepared by:**  
**Department of Finance**

**Rosiland R. Brooks-Harris**  
Director of Finance

**Kathleen Havens**  
Deputy Director of Finance-Accounting



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**Year Ended June 30, 2021**  
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# **INTRODUCTORY SECTION**



## City of Rochester

City Hall Room 308A, 30 Church Street  
Rochester, New York 14614-1290  
www.cityofrochester.gov

James P. Smith  
Mayor

December 22, 2021

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

Ladies and Gentlemen:

In accordance with provisions of the City Charter, I hereby transmit the annual financial report of the City of Rochester as of and for the year ended June 30, 2021. The accounting firm selected by City Council, Freed Maxick CPAs PC, has audited the financial statements. The auditors' unmodified "clean" opinion is included in this report.

In each of the past thirty-seven years the City has been awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). Certificates are awarded to those governments whose annual financial reports are judged to conform to generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. It is my belief that the fiscal year 2021 financial report continues to meet the requirements of the Certificate of Achievement Program.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "James P. Smith".

James P. Smith  
Mayor





## City of Rochester

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

Rosiland Brooks-Harris  
Director of Finance

December 22, 2021

### **The Mayor The City of Rochester, New York**

I am pleased to submit the Annual Comprehensive Financial Report of the City of Rochester for the fiscal year ended June 30, 2021. Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Freed Maxick CPAs PC, have issued an unmodified ("clean") opinion on the City of Rochester's financial statements for the year ended June 30, 2021. The independent auditor's report is located at the front of the financial section of this report. The Management Discussion and Analysis section (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **PROFILE OF THE GOVERNMENT**

The City, located in Monroe County on Lake Ontario, approximately midway between Buffalo and Syracuse, encompasses approximately 37 square miles. Rochester was recorded as the third largest city in New York State by the 2019 census with an estimated population of 205,695. After decades of holding the title as the third-largest city in the state of New York, Rochester is now ranked as the fourth largest city in New York State according to the 2020 census report. The updated estimated population is currently 211,328. The City of Rochester lost its place by 241 people according to the 2020 Census results. Rochester is divided into 65,051 real estate parcels, and serviced by 532 miles of public ways. Rochester is served by three bus lines; the New York Thruway; and seven major airlines at the Greater Rochester International Airport, with 19 non-stop destinations and major hubs with connections worldwide. Destinations and frequency may now vary due to Covid-19. This airport also offers support facilities for private aircraft. Rail passenger service is provided by Amtrak, and railway freight service is provided by CSX and Genesee & Wyoming, Inc., a regional railroad. Water transportation service is provided by the Erie Canal and through the Port of Rochester.

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

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

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

## LOCAL ECONOMY

### Rochester's Industrial History

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

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

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

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

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

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

### Rochester's Transformation to a 21st Century Economy

The dominant feature of Rochester's economy during the previous 30 plus years has been the decline of traditional sources of income and the birth of new firms and industries. Through much of the last century, Rochester was dominated by major manufacturers - particularly Kodak - employing highly skilled production workers, key scientists and technicians in research and development positions, and many headquarters staff. As these companies restructured, the workers who left these employers have fueled the growth of numerous small and medium sized firms in a range of industries. In 1980, just over half (57%) of employment was located in small and medium-sized

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

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

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

Profits continued to decline through the 2000s even as Kodak conducted massive layoffs and sale of facilities and business components. Eastman Kodak filed for Chapter 11 Bankruptcy in January 2012. Kodak emerged in September 2013, reduced in size and refocused on corporate customers and the commercial printing and packaging businesses. Key to Kodak's restructuring was the sale of R&D patents for more than \$500 million to a technology consortium and sale of Eastman Business Park power plant facility to Illinois based Recycled Energy Development Inc. Kodak celebrated its return to the New York Stock Exchange in November 2013, listed as KODK. Today, Kodak's key business units include print systems, enterprise inkjet systems, flexo graphic printing, software and solutions, consumer and film, and advanced materials and 3D printing technology. In 2016, Kodak reported a profit from continuing operations for the full year.

The City of Rochester, New York State, and their economic development partners continue to work with Kodak and the tenants of Eastman Business Park to assist in every way possible. Attraction efforts continue to bring new businesses to Eastman Business Park and its existing vacant parcels. (SEE "Significant Announcements-Eastman Business Park" herein).

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

#### **Economic Development**

The City's business development division provides expanding and relocating businesses with technical and financial assistance through several business loan and grant programs. This past year, due to the COVID crisis, a new program was implemented and continued to assist in the retention of existing businesses and their employees during challenging economic times. The City of Rochester assisted many businesses, providing economic development stability and growth within our community.

During the fiscal year ending June 30, 2021, the City of Rochester's Department of Neighborhood and Business Development assisted numerous businesses resulting in nearly 1,600 jobs retained and 45 new jobs created.

The unemployment rate for the Rochester area as of June 2021 was 5.3%, compared to the national rate of 5.9%, while NY State was 7.7%.

### Significant Announcements

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. The City of Rochester follows the New York State Executive Orders of the New York State Governor.

On April 16, 2020, New York State Executive Order No. 202.18 extended all "NYS on Pause" restrictions and closures until May 15<sup>th</sup> among other provisions. On May 14, 2020 Executive Order No. 202.31 extended the previous Executive Orders directing "NYS on Pause" until May 28<sup>th</sup> and authorizes the reopening of several regions upstate by providing an exception from the "NYS on Pause" rules for those businesses or entities in the Finger Lakes, Central New York, Mohawk Valley, Southern Tier, and the North Country regions allowing them to enter Phase One effective 12:01 am on May 15, 2020, among other provisions.

March 10, 2021 represents the one-year anniversary since the pandemic was declared. Shortly after the pandemic was declared, a national emergency was also declared. Once the national emergency was announced, states began to issue stay-at-home orders, mask mandates, and capacity limits at businesses like restaurants and bars. Since the announcement of the pandemic, there has been much research on vaccines. There are now three vaccines approved by the FDA, Pfizer, Moderna and Johnson & Johnson.

Due to the pandemic, the City of Rochester saw a decline in revenues and an increase in expenditures. Additionally, there was a reduction in New York State aid to municipalities. Since that time the City has received its full New York State Aid and has brought back all employees that were laid off and furloughed back to work full time. In addition to receiving New York State Aid, the City of Rochester also received funds from the American Rescue Plan Act (ARPA). The City will receive a total of \$202 million, creating a historic opportunity to shape Rochester's recovery and bring true equity to the City. Rochester's allocation will be disbursed over two years, and the first \$101 million payment arrived May, 2021.

### Quality of Life

According to U.S. News, Rochester is ranked #4 for best places to live in NY State in 2021-2022. U.S. News analyzed 150 metro areas in the United States to find the best places to live based on quality of life and the job market in each metro area, as well as the value of living there and people's desire to live there.

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

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

**Technology:** According to the Rochester Beacon, panelists who spoke at the "How Rochester Can Become a Hub for Entrepreneurs" online event said the region's relatively low profile, despite being home to a well-developed high tech ecosystem, is a hidden strength. The panelists agreed that the Rochester area offers plenty of tech-savvy talent

to draw on for new hires whether it be Kodak or Xerox veterans or recent Rochester Institute of Technology or University of Rochester. Rochester has the right infrastructure according to one of the panelist, noting that the region is home to some 150 optics firms, as well as top-flight research institutions.

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

Monroe Community College is noted by the Aspen Institute's 2019 "Workforce Playbook" as one of 6 schools in the U.S. leading the way in innovative workforce development.

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

### **Educational Resources**

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

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

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

### **Arts and Culture**

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

Established in 1921 by industrialist George Eastman, the world renowned Eastman School of Music is consistently ranked among the best comprehensive music schools in the United States. Eastman offers over 700 concerts annually by faculty, students, and guest artists at Kodak Hall at Eastman Theater, at Kilbourn Hall, and at Hatch Recital Hall. Numerous faculty and students of Eastman have received, or been nominated for, Grammy awards in the fields of classical and jazz music.

The Rochester Philharmonic Orchestra (RPO), also established by George Eastman in 1922, is a nationally award winning orchestra that provides over 120 performances annually with nearly 170,000 in attendance. The RPO performs at the Kodak Hall at Eastman Theater, the Hochstein Performance Hall and other locations. The RPO is known for its educational programs providing free concerts for school children and the community.

The Rochester Museum and Science Center (RMSC) holds over 1.2 million items of local history and 200 interactive exhibits. RMSC is also home to the Strasenburgh Planetarium. Other Rochester museums include the Memorial Art Gallery of the University of Rochester, with 50 centuries of world art, and the George Eastman House International.

The George Eastman Museum of Photography and Film; and The Margaret Woodbury Strong Museum - a museum dedicated to the history of play with the world's largest collection of historical items associated with play. Over 1.2 million people attended these museums combined in 2015.

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

### **Sports**

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

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

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

Golf. The Greater Rochester area offers over 80 golf courses, among them the nationally ranked Oak Hill Country Club. Arguably one of the most prestigious golf courses in the country, Oak Hill has earned the top spot in Golf World magazine's course rankings, followed by Augusta National. Oak Hill has hosted numerous major tournaments including two US Amateurs, three US Opens, two PGAs, the Senior PGA and the Ryder Cup. Until 2013, Locust Hill Country Club hosted an annual LPGA tournament, which in recent years had been known as the Wegmans LPGA Championship. It has recently been announced that Oak Hill will host the 2023 PGA Championship.

### **Annual Festivals**

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

### **Exports**

Due to the pandemic, the most recent data available regarding exports from Rochester is from 2019. International trade by area exporters continued to be a significant component of the economic activity of the Rochester area before the pandemic. Exports from the Rochester Metropolitan Statistical Area (MSA) were over \$4.3 billion for calendar 2019. New York State moved up in rank from fourth to third among top exporting states, behind only Texas and

California. The Greater Rochester, NY region accounted for 5.8% of all New York State exports, making it the second largest exporting region in the state after New York City.

### **Waterfront Development**

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

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

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

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

### **Center City:**

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

To foster investment and revitalization of the Center City, the City continues to offer several programs to attract business and residents. The Main Street Assistance Program allows the City to provide financial assistance in the Center City through an array of flexible terms including low interest loans, grants, interest rate subsidies and job growth credits. To spur investment in downtown market-rate residential development, the City adopted property tax exemption programs for both rental and owner-occupied units.

The Rochester Downtown Development Corporation (RDDC) launched Eat Up Rochester, a downtown marketing initiative which was a huge success. RDDC is in the fundraising phase for The Commissary, a major new facility designed to incubate food businesses (food trucks, startup restaurants, caterers, bakers, food production startups). Space design is complete, workshops have been underway for a year, and 150 food entrepreneurs have expressed interest in membership.

Downtown Innovation Zone (DIZ) – RDDC has tracked 173 innovation and creative class enterprises. They are also working with leaders in the video gaming industry to launch a gaming focused incubator driven by the creative and technical talents of Rochester area college and university graduates.

Advocacy: RDDC continues to aggressively engage in issues ranging from the parking system, infrastructure improvements, major public project design, public safety, activating street life, and the growth of the Downtown Innovation Zone.

A number of Center City projects have been completed:

Charlotte Square Rental Apartments: The project involved the new construction of 72 rental apartments and an investment of over \$15 million. This project is complete and fully leased up.

300 Alexander St.: Renovation of a former historic vacant apartment building for 58 units with over \$6 million in investments.

Temple Building: The \$2.6 million project included renovations to convert an additional 4 floors in the historic building for 30 loft apartments.

Mills at High Falls III: Conversion of a historic building adjacent to Mills I and II sites for an additional 14 units of affordable housing. The project is complete.

ROC City Skate Park: This project involved a proposed new downtown skate park that had tremendous grassroots support. This project became a reality on November 5, 2020 through a collaborative effort of City officials, community members and several generous donors. The Roc City Skate Park was created as a location that would bring a new vitality and sense of energy to Downtown Rochester. The Skate Park is a welcoming space where skateboarders, rollerbladers, BMXers and other progression-oriented sports enthusiasts come to embody the sport, sharpen their skills and enjoy endless hours of outdoor recreation. The Skate Park is located along the Genesee Riverway Trail under the Frederick Douglass-Susan B. Anthony Bridge and utilizes land that would have otherwise been unbuildable. This \$3.1 million project boasts mini-ramps and ledges, stairs and handrails, competition bowls and a main skate promenade, along with open space that provides opportunities for public art installations and performances.

#### **Investment in Residential Areas**

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

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

The 2018-19 grant is based upon a citizen participation process that identified needs and priorities and the City's Housing Policy. The Housing Policy guides the allocation of federal and other resources available to the City to address priority housing needs and specific objectives. The goals and policy priorities adopted by the administration also guided the development of the program.

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

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

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

#### LONG-TERM FINANCIAL PLANNING

The City has historically been able to maintain a stable, unassigned fund balance in the general fund at approximately one percent of total general fund revenues. The balance as of June 30, 2021 was \$99,570,538. The City adopted a fund balance policy on October 17, 2017 specifying unrestricted fund balance in the general fund to be maintained at no less than 12.5% of annual projected general fund expenditures in the same fiscal year. The policy also specifies that should fund balance in the general fund fall below this level then restoration will be no later than within three years.

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

#### RELEVANT FINANCIAL POLICIES

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

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

#### REPORTING ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rochester for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the thirty-seventh consecutive year that the City has achieved this prestigious award.

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

A Certificate of Achievement is valid for a period of one year only. We believe that this report, the 2021 Annual Comprehensive Financial Report, continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The Mayor  
Rochester, NY

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#### ACKNOWLEDGMENTS

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

Respectfully submitted,



Rosiland B. Harris  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Rochester**  
**New York**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

**CITY OF ROCHESTER, NEW YORK**  
**MAYOR AND CITY COUNCIL OFFICIALS**

**June 30, 2021**

Lovely A. Warren, Mayor

Loretta C. Scott (At-Large), President

Willie J. Lightfoot (At-Large), Vice President

Malik D. Evans (At-Large)

Mitchell D. Gruber (At-Large)

Jacklyn Ortiz (At-Large)

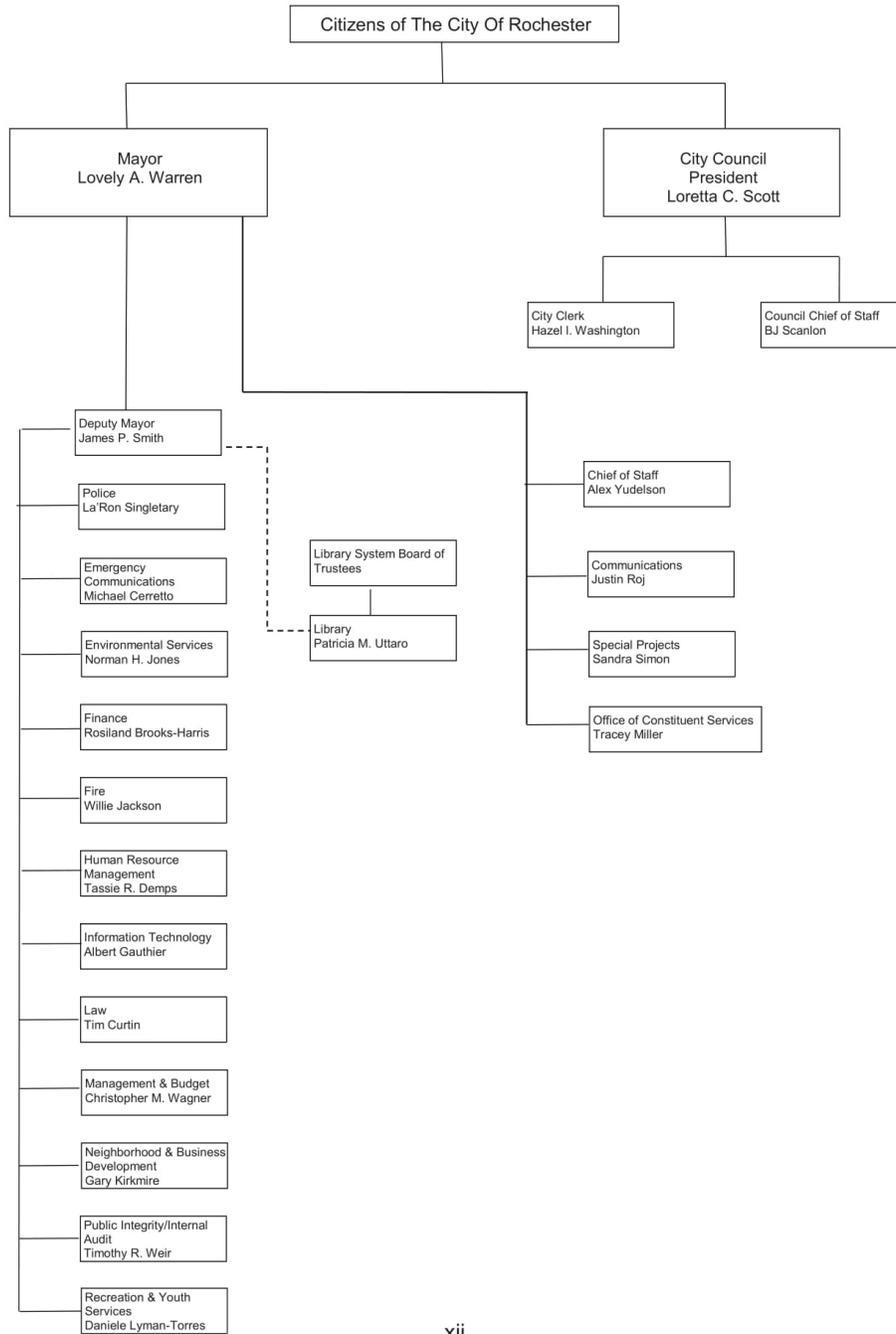
Jose Peo (Northwest District)

LaShay D. Harris (South District)

Michael A. Patterson (Northeast District)

Mary Lupien I (East District)

# ORGANIZATIONAL CHART



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

<b>Mayor</b>	Lovely A. Warren
Deputy Mayor	James P. Smith
Chief of Staff	Brittaney Wells
City Clerk	Hazel I. Washington
City Council Chief of Staff	BJ Scanlon
Management & Budget	Christopher M. Wagner
Communications & Special Events	Justin C. Roj
Human Resource Management	Tassie R. Demps
Public Integrity/Internal Audit	Timothy R. Weir
Special Projects and Educational Initiative	Sandra Simon
Constituent Services	Tracey Miller
Emergency Communications	Mike Cerretto
Environmental Services	Norman H. Jones
Finance	Rosiland Brooks-Harris
Fire	Felipe Hernandez
Information Technology, Interim	Bill Boudreau
Law	Patrick Beath
Library	Patricia M. Uttaro
Neighborhood & Business Development	Gary Kirkmire
Police	Cynthia Herriott-Sullivan
Recreation & Human Services	Daniele Lyman-Torres

# **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rochester, New York (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Emphasis of Matter**

As stated in Note 1, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinions will not be modified with respect to this matter.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rochester, New York, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements; the schedule of state transportation assistance expended, as required by Draft Part 43 of NYCRR, and the other information, such as the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements; and the schedule of state transportation assistance expended, as required by Draft Part 43 of NYCRR are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements; and the schedule of state transportation assistance expended, as required by Draft Part 43 of NYCRR are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Freed Maxick CPAs, P.C.*  
Rochester, New York  
December 22, 2021

As management of the City of Rochester, we offer readers of the City of Rochester's financial statements this narrative overview and analysis of the financial activities of the City of Rochester for the fiscal year ended June 30, 2021. In this section, all amounts are expressed in thousands of dollars, unless otherwise indicated.

For the management discussion and analysis for the Rochester City School District please see the separately issued Annual Comprehensive Financial Report of the District for the year ended June 30, 2021.

#### Financial Highlights

- The liabilities and deferred inflows of the City exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$626,025 (net position).
- The City's total net position decreased by \$44,077.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$132,567, an increase of \$6,186 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,943.

The City's total outstanding debt decreased by \$5,125 from the prior year.

#### Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Compliance with the City's annual operating budget for the year ended June 30, 2021, which includes the General Fund as well as certain special revenue and enterprise funds, is reported in the *Combining Schedule of Revenues, Expenses and Changes in Fund Balance/Net Position - Budget and Actual - General, Certain Special Revenue and Proprietary Funds - Non-GAAP Budget Basis* which is provided as Required Supplemental Information following the Notes to the Financial Statements.

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

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

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

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Rochester's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the Basic Financial Statements section of this report.

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

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$626,025 at the close of the most recent fiscal year.

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

### City of Rochester's Net Position

(000's omitted)

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 548,638	\$ 403,978	\$ 73,703	\$ 81,237	\$ 622,341	\$ 485,215
Capital assets	735,689	743,444	264,718	272,345	1,000,407	1,015,789
<b>Total assets</b>	<b>1,284,327</b>	<b>1,147,422</b>	<b>338,421</b>	<b>353,582</b>	<b>1,622,748</b>	<b>1,501,004</b>
Deferred pension outflow	218,306	165,518	4,897	4,066	223,203	169,584
Deferred OPEB outflow	134,577	34,395	10,449	2,661	145,026	37,056
<b>Total deferred outflows of resources</b>	<b>352,883</b>	<b>199,913</b>	<b>15,346</b>	<b>6,727</b>	<b>368,229</b>	<b>206,640</b>
Long-term liabilities outstanding	1,773,655	1,807,939	177,266	182,184	1,950,921	1,990,123
Other liabilities	362,581	247,028	46,027	46,010	408,608	293,038
<b>Total liabilities</b>	<b>2,136,236</b>	<b>2,054,967</b>	<b>223,293</b>	<b>228,194</b>	<b>2,359,529</b>	<b>2,283,161</b>
Deferred pension inflow	250,627	6,273	6,846	209	257,473	6,482
<b>Total deferred inflows of resources</b>	<b>250,627</b>	<b>6,273</b>	<b>6,846</b>	<b>209</b>	<b>257,473</b>	<b>6,482</b>
Net investment in capital assets	627,321	639,146	195,736	197,327	823,057	836,473
Restricted	21,450	27,248	5,365	5,955	26,815	33,203
Unrestricted (deficit)	(1,398,424)	(1,380,299)	(77,473)	(71,376)	(1,475,897)	(1,451,675)
<b>Total Net Position</b>	<b>\$ (749,653)</b>	<b>\$ (713,905)</b>	<b>\$ 123,628</b>	<b>\$ 131,906</b>	<b>\$ (626,025)</b>	<b>\$ (581,999)</b>
<b>Adjustment of Net Position (see note I.G.12)</b>		<b>\$ 50</b>				<b>\$ 50</b>
<b>Total Net Position</b>	<b>\$ (749,653)</b>	<b>\$ (713,855)</b>	<b>\$ 123,628</b>	<b>\$ 131,906</b>	<b>\$ (626,025)</b>	<b>\$ (581,949)</b>

The City's total net position decreased by \$44,026. As a result there is a decrease of \$35,748 in the net position of governmental activities and a decrease of \$8,278 in the net position of business-type activities. A portion of the City's net position represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the City is able to report positive balances in the categories of Net investment in Capital Assets and Restricted. This was true for both the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**Governmental activities.** As noted above, Governmental activities net position decreased by \$35,748. Key components of this change are summarized as follows:

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

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 150,906	\$ 145,893	\$ 80,146	\$ 78,058	\$ 231,052	\$ 223,951
Operating grants and contributions	47,265	30,320	51	2	47,316	30,322
Capital grants and contributions	31,532	21,712	6,700	628	38,232	22,340
<b>General revenues:</b>						
Property taxes	172,414	159,415	2,647	3,177	175,061	162,592
Sales and other taxes	198,916	182,568	905	905	199,821	183,473
Governmental aid	114,189	81,264	41	2,454	114,230	83,718
Other	6,334	9,443	1,526	1,898	7,860	11,341
<b>Total revenues</b>	<b>721,556</b>	<b>630,615</b>	<b>92,016</b>	<b>87,122</b>	<b>813,572</b>	<b>717,737</b>
<b>Expenses:</b>						
General Government	182,621	174,924	—	—	182,621	174,924
Neighborhood business development	39,377	36,384	—	—	39,377	36,384
Environmental services	53,498	43,238	—	—	53,498	43,238
Transportation	43,685	41,553	—	—	43,685	41,553
Emergency communications	26,496	36,003	—	—	26,496	36,003
Police department	168,899	147,567	—	—	168,899	147,567
Fire department	92,644	108,534	—	—	92,644	108,534
Library	18,042	18,391	—	—	18,042	18,391
Recreation and human services	15,997	19,365	—	—	15,997	19,365
Education	119,100	119,100	—	—	119,100	119,100
Interest on long term debt	2,447	3,904	—	—	2,447	3,904
Water	—	—	43,538	35,413	43,538	35,413
Parking	—	—	13,425	14,426	13,425	14,426
War memorial	—	—	5,616	1,756	5,616	1,756
Refuse	—	—	26,536	27,869	26,536	27,869
Cemetery	—	—	3,664	4,018	3,664	4,018
Public market	—	—	2,064	2,035	2,064	2,035
<b>Total expenses</b>	<b>762,806</b>	<b>748,963</b>	<b>94,843</b>	<b>85,517</b>	<b>857,649</b>	<b>834,480</b>
Excess (deficiencies) of revenues over expenses	(41,250)	(118,348)	(2,827)	1,605	(44,077)	(116,743)
Transfers	5,451	4,546	(5,451)	(4,546)	—	—
<b>Change in net position</b>	<b>(35,799)</b>	<b>(113,802)</b>	<b>(8,278)</b>	<b>(2,941)</b>	<b>(44,077)</b>	<b>(116,743)</b>
Net position (deficit) - beginning, as restated	(713,854)	(600,103)	131,906	134,847	(581,948)	(465,256)
<b>Net position (deficit) - ending</b>	<b>(749,653)</b>	<b>(713,905)</b>	<b>\$ 123,628</b>	<b>131,906</b>	<b>\$ (626,025)</b>	<b>(581,999)</b>

### Governmental activities revenue highlights

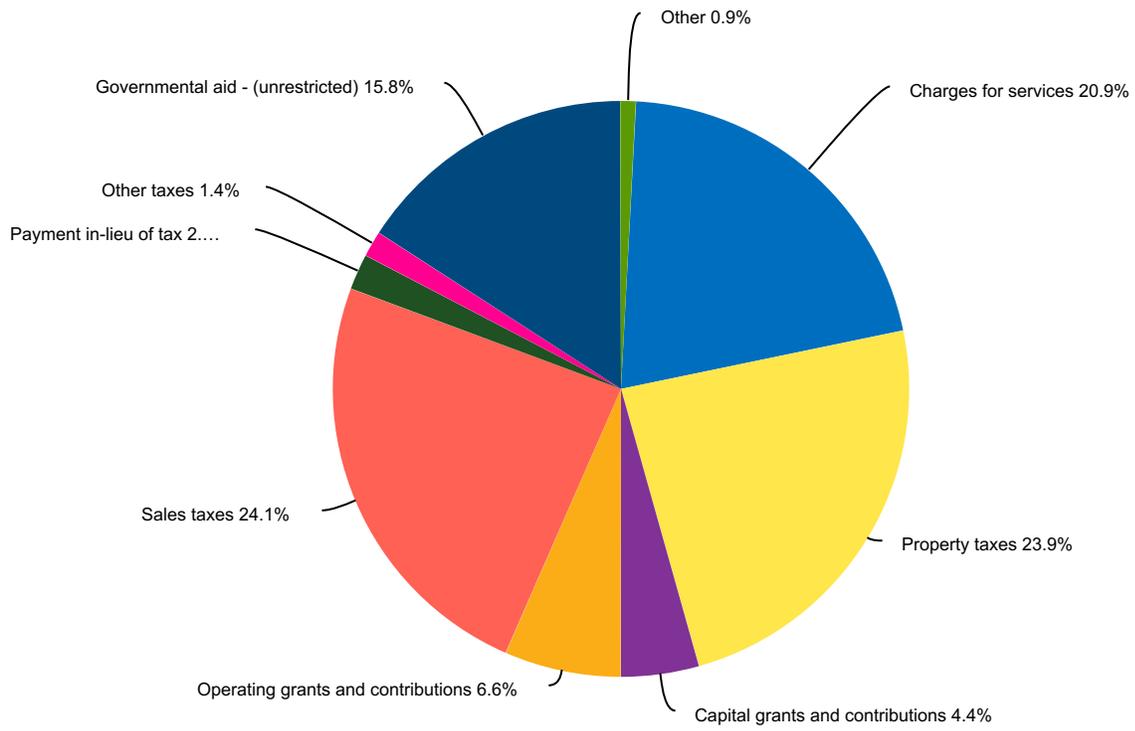
The major factors contributing to the overall revenue increase of \$90,941 were:

- Charges for services had an increase of \$5,013, primarily due to an increase of \$6,673 in General Government, as a result of reopening offices and activities that were shut down in fiscal year 2020 due to covid; an increase of \$15 in Library; an increase of \$44 in Fire; an increase of \$169 in Transportation; an increase of \$118 in Recreation & Human Services; and an increase of \$44 in Environmental Service; offset by a decrease of \$351 in Emergency Communications; a decrease of \$1,431 in Neighborhood Business Development; and a decrease of \$268 in Police;
- Property tax revenue increased by \$12,999 primarily due to an increase of \$2,215 in adjusting entries for the year end accrual of the property tax receivable; and an increase of \$352 in library support; an increase of \$9,971 in Real Property Tax Levy; an increase of \$205 in Delinquent Collections; and an increase of \$262 in Animal Control support; offset by a decrease of \$6 in Lien Sale Delinquent Collections;
- Sales and other taxes had an increase of \$16,348 primarily due to an increase of \$77 in Payment in-lieu of tax, and an increase of \$2,168 in Other Taxes; and an increase of \$14,103 in Sales Tax received due to consumer spending increasing;
- Operating grants and contributions increased by \$16,945 primarily due to an increase of \$166 in Police; an increase of \$300 in library; an increase of \$1,900 in General Government, from contributions such as \$3,237 for Cares Act from Monroe County ; an increase of \$3,820 in Transportation; an increase of \$89 in Fire; and an increase of \$10,907 in Neighborhood Business Development, including \$5,454 for Community Development Block Grant and \$5,800 of Covid relief grants offset by a decrease of \$50 in Recreation & Human Services; and a decrease of \$187 in Environmental Services;
- Capital grants and contributions had an increase of \$9,820, primarily due to an increase of \$2,387 in transportation, for projects such as the Roc the Riverway program and Main Street Revitalization; an increase of \$2,857 in Neighborhood Business Development, for Cares Act programs such as Emergency Rental Assistance; an increase of \$357 in Recreation & Human Service; an increase of \$39 in Environmental Services; an increase of \$3 in Fire; an increase of \$4,235 in General Government; and an increase of \$5 in library; offset by a decrease of \$63 in Police;
- Governmental aid increased by \$32,925 primarily due to an increase in several Federal and NYS Grants.

The above increases of \$94,050 were offset by the following decreases which total \$3,109

- Other activities decreased by \$3,109 as interest revenues decreased by \$2,862 and miscellaneous revenues decreased by \$257

### Revenues by Source - Governmental Activities



### Governmental activities expense highlights

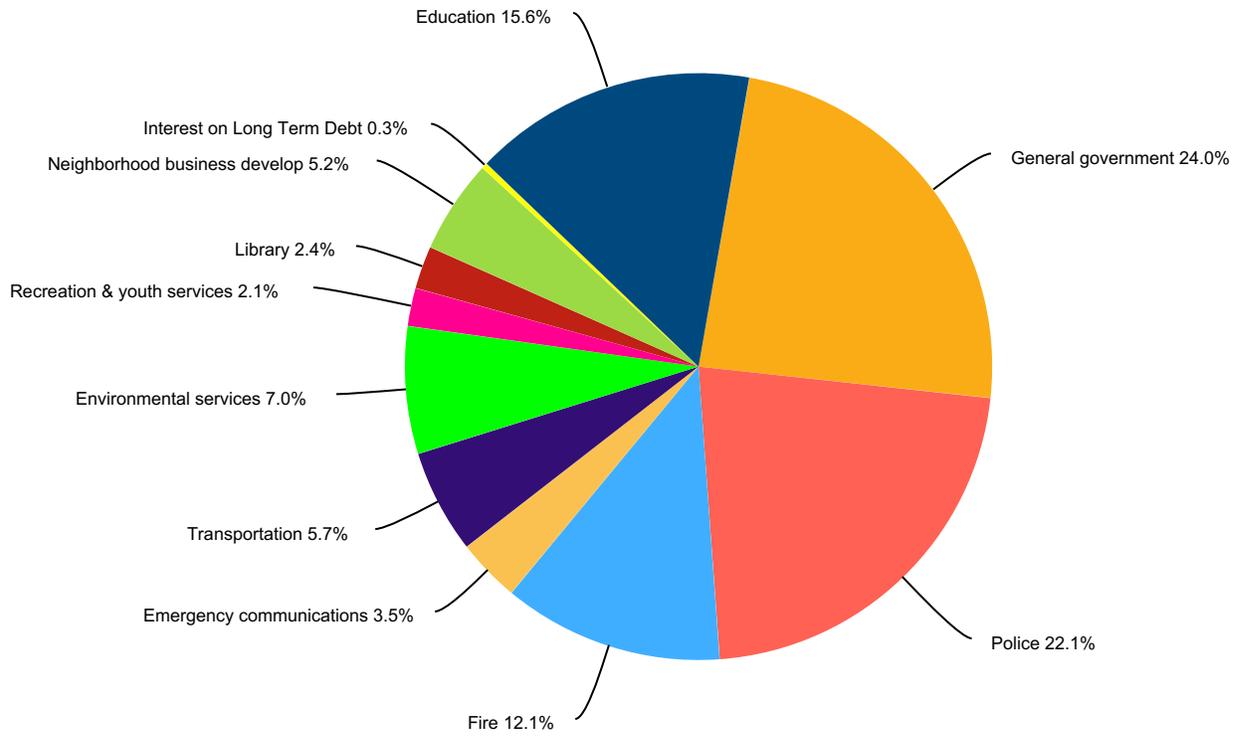
The major factors contributing to an overall increase in governmental activities expenses of \$13,843 were as follows:

- Transportation expenses increased \$2,132 primarily due to an increase of \$2,737 in Transportation; an increase of \$41 General Fund; and an increase of \$1,395 in adjusting entries, the majority of which was a \$1,599 change in capital related spending; offset by a decrease of \$32 in Other; a decrease of \$75 in local works; and a decrease of \$1,934 in General;
- Environmental services expenses increased by \$10,260 primarily due to an increase of \$2,215 in General; an increase of \$239 in Local Works; an increase of \$2 in Transportation; and an increase of \$8,030 in adjusting entries, resulting from an increase of \$5,673 in OPEB related liabilities, and an \$5,168 increase in reclassification of fringe expense, less the change in capital related spending ; offset by decrease of \$197 in General; a decrease of \$11 in Federal Projects; and a decrease of \$18 in State Projects;
- Neighborhood and business development expenses increased by \$2,993 due to an increase of \$5,615 in Community Development; an increase of \$585 in Federal Projects; an increase of \$1,422 in General; and an increase of \$113 in State Projects; offset by a decrease of \$783 in General fund and a \$3,959 decrease in adjusting entries, much of which is from a \$4,887 adjustment to OPEB related liabilities;
- Police expenses increased by \$21,332 primarily due to an increase of \$597 in General Fund; an increase of \$20,692 in adjusting entries, of which \$23,283 results from increased OPEB related liability; and an increase of \$78 in Animal Control; offset by a decrease of \$35 in State Projects;
- General government expenses increased by \$7,697 due to an increase of \$9,339 in General; an increase of \$29 in Animal Control; an increase of \$3,512 In General Fund, an Increase of \$3 in Transportation; and an increase of \$219 in adjusting entries; offset by a decrease of \$2 in Other; a decrease of \$13 in Local Works; a decrease of \$180 in Library; an decrease of \$5,033 in Debt Service; and a decrease of \$178 in Economic Assistance;

The above increases which total \$44,414 were offset by the below decreases of \$30,571 as follows:

- Interest on long term debt expenses decreased by \$1,457 primarily due to a decrease of \$228 in General; a decrease of \$24 in Local Works; and decrease of \$1,209 in Adjusting Entries, \$961 of which was the amortization of premiums, offset by an increase of \$2 in Library;
- Fire expenses decreased \$15,890 primarily due to a decrease of \$3,494 in General, and a decrease of \$13,572 in adjusting entries, which includes a \$11,934 change in OPEB related liabilities; offset by an increase of \$987 in General fund; and an increase of \$189 in State Projects;
- Emergency communications expenses decreased \$9,507 due to a decrease of \$78 in General Fund; and a decrease of \$9,604 in adjustments, of which \$9,097 is an OPEB related adjustment; offset by an increase of \$175 in General;
- Library expenses decreased by \$349 primarily due to a decrease of \$1,475 in General and a decrease of \$2,162 in adjusting entries, \$2,112 of which was a decreased in OPEB related liabilities; offset by an increase of \$71 in Library; and an increase of \$3,217 in Cultural/Recreation;
- Recreation and Human Services expenses decreased \$3,368 primarily due to a decrease of \$1,179 in General; a decrease of \$335 in Federal Projects; and an decrease of \$33 in Other; and a decrease of \$3,239 in Adjusting Entries, included in this is \$2,599 change in OPEB liability; offset by a primarily due to an increase of \$518 in General Fund; an increase of \$892 in Cultural/Recreation; and an increase of \$8 in Animal Control;

### Expenses by Source - Governmental Activities



### Business-type activities revenue highlights

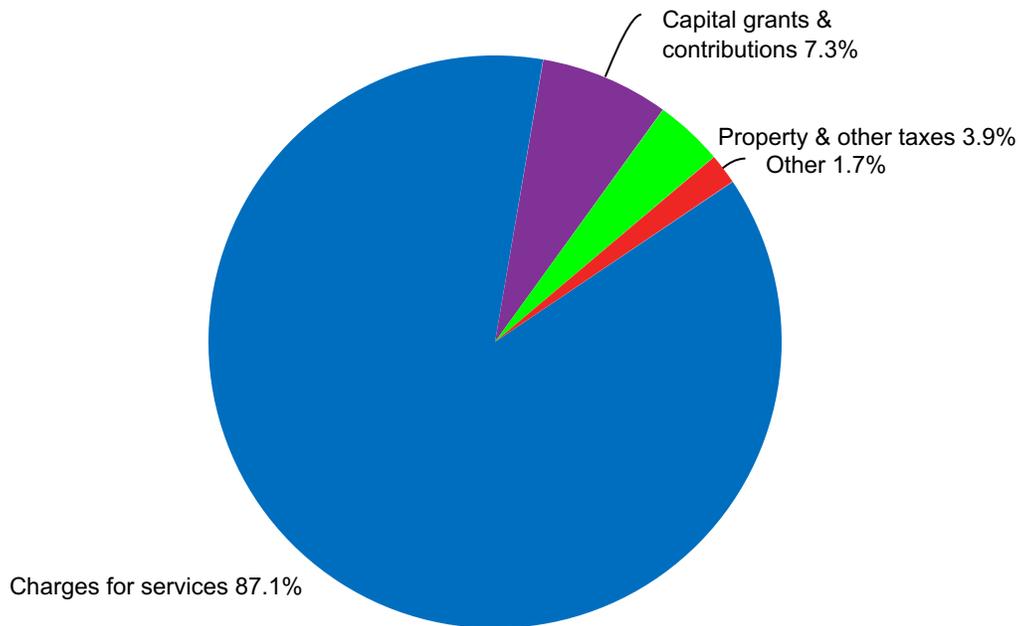
Revenues for business-type activities showed an overall increase of \$4,894.

- Capital grants and contributions increased by \$6,072 primarily due to an increase of \$295 in Parking; and an increase of \$5,777 in war memorial as part of a DASNY grant for upgrades to the Blue Cross Arena;
- Charges for services increased by \$2,088 primarily due to an increase of \$171 in Public Market; an increase of \$683 in Cemetery; and an increase of \$3,237 in Water; offset by a decrease of \$288 in Refuse; a decrease of \$1,228 in Parking; and a decrease of \$487 in War Memorial;
- Other miscellaneous increased by \$419; primarily due to an increase of \$100 in Water, offset by an decrease of \$39 in Parking; and a decrease of \$1 in Refuse;

The above revenue decreases of \$8,579 were offset by the below increases of \$3,685 as follows:

- Property taxes decreased by \$530 primarily due to a decrease of \$154 in War Memorial and a decrease of \$536 in Cemetery; offset by an increase of \$161 in Public Market;
- Governmental aid decreased by \$2,364 primarily due to a decrease in \$480 in Water; and a decrease in \$1,925 in refuse; offset by an increase in \$41 in public market;
- Investment earnings decreased by \$791 primarily due to a decrease of \$102 in Water; a decrease of \$65 in Parking; a decrease of \$89 in Cemetery; a decrease of \$8 in public market; and a decrease of \$173 in refuse; offset by an increase of \$9 in war memorial;

### Revenues by Source - Business-Type Activities



**Business-type activities expense highlights.**

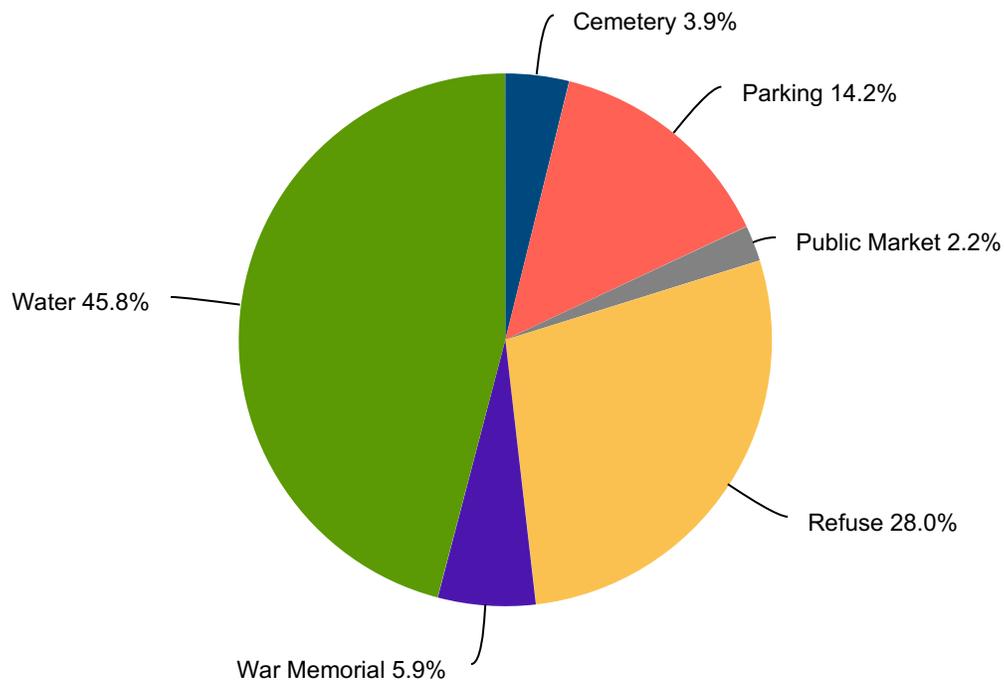
The net increase in business-type activities expenses were \$9,326:

- Water fund expenses increased by \$8,125 primarily due to an increase of \$1 in personal services; an increase of \$8,587 in supplies and materials; an increase of \$1,622 in employee benefits; and an increase of \$28 in interest expense; offset by a decrease of \$16 in bond issuance costs; and a decrease of \$97 in depreciation expense;
- Public market fund expenses increased by \$29 primarily due to an increase of \$100 in supplies and materials; and an increase of \$1 in employee benefits; offset by a decrease of \$44 in personal services; a decrease of \$21 in interest expense; and a decrease of \$6 in depreciation expense;
- War memorial expenses increased by \$3,860 primarily due to an increase of \$3,613 in supplies and materials; an increase of \$136 in employee benefits; and an increase of \$147 in depreciation expense; offset by a decrease of \$36 in interest expense;

The above increases which total \$12,015 were partially offset by decreases of \$2,688 as follows:

- Cemetery fund expenses decreased by \$354 primarily due to a decrease of \$463 in employee benefits; a decrease of \$4 in interest expense; and a decrease of \$21 in depreciation expense; offset by an increase of \$85 in personal services; and an increase of \$50 in supplies and materials;
- Parking fund expenses decreased by \$1,001 primarily due to a decrease of \$978 in employee benefits; a decrease of \$113 in interest expense; a decrease of \$69 in personal services; and a decrease of \$311 in supplies and materials offset by an increase of \$470 in depreciation expense;
- Refuse expenses decreased by \$1,333 primarily due to a decrease of \$2,043 in employee benefits; and a decrease of \$47 in interest expense; offset by an increase of \$122 in depreciation expense; an increase of \$128 in personal services; and an increase of \$506 in supplies and materials;

**Expenses by Source - Business-Type Activities**



## Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$132,567, an increase of \$6,236 in comparison with the prior year. The restricted portion of fund balance includes resources subject to externally enforceable legal restrictions and amounts to \$14,737. The committed portion of fund balance is reported in the amount of \$66,667 and can only be used for specific purposes determined by a formal action of the government's highest level of decision-making authority. The City reports an assigned fund balance of \$79,103

for all governmental funds. This balance consists of amounts constrained by the City's intended use of resources that are neither restricted nor committed. Residual amounts of the governmental fund amount to \$(27,951) and are classified as unassigned.

**General fund.** The general fund is the chief operating fund of the City. At the end of the current fiscal year, assigned fund balance of the general fund was \$53,664, unassigned fund balance was \$5,943, and total fund balance reached was \$99,568. Assigned and unassigned fund balance total to a combined amount of \$59,607. The fund balance of the City's general fund increased \$31,911 in assigned fund balance and an increase of \$5,943

in unassigned fund balance. With the start of the pandemic in the spring of 2020, the City drastically cut the spending on non-essential expenses, in anticipation of a drop in tax collections, as well as cuts in governmental aid. As these revenues start to return with increases of \$2,975 in federal and \$34,555 in state aid, the City has instituted additional fund balance assignments. \$18,858 was assigned for retirement costs as well as \$16,716 for property tax relief.

**General capital projects.** The general capital projects fund accounts for the construction and reconstruction of general public improvements, excluding transportation capital projects as well as projects related to business-type activities, which are accounted for elsewhere. At the end of the current fiscal year, the fund balance was \$12,243, of this \$12,189 was committed and \$54 was assigned. The fund balance of the City's general capital projects fund decreased by \$14,742. The major factors contributing to this were a decrease of \$14,752 in committed capital projects and offset by an increase of \$9 in assigned capital projects. General capital projects saw a delayed decrease in fiscal year 2021, as with the pandemic there was a decrease in funding of \$10,087 in cash capital designation, since there was a delay with starting new projects. This trend should reverse over the next year as projects such as Roc the Riverway begin, and other major projects start. This trend began to change later in fiscal year 2021 as Federal Reimbursements did increase by \$5,519 over the previous year

**Transportation capital projects.** The transportation capital projects fund is used to account for road and bridge construction and reconstruction. There was a decrease of \$6,617 in transportation capital projects fund balance due to an increase in expenditures for projects, as shown by a \$9,699 increase of federal reimbursement, offset by borrowings for city portions that have not yet occurred, as shown by there being no new issuance of General Obligation bonds.

**Community development special revenue fund.** The Community Development Block Grant fund is a special revenue fund used to account for the programs and projects primarily funded by the U. S. Department of Housing and Urban Development. At the end of the current fiscal year, the fund balance was \$11,465. The fund balance increased by \$3,122. The major factors contributing to the increase were a \$2,560 increase in restricted community development and an increase of \$562 in committed community development. Much of the increase in these balances is directly related to federal funding for covid and recovery related programs, with a \$10,863 increase in federal reimbursement and an increased distribution of \$5,615 economic development funds.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the proprietary funds at the end of the current fiscal year totaled \$123,628. The change in net position between 2020 and 2021, which totaled a decrease of \$8,278 consisted of the following: the Public Market fund decreased by \$186, along with decreases of \$4,967 in the Parking fund, \$6,740 in Water fund and \$305 in the Cemetery fund; offset by the War Memorial fund which increased by \$2,312, and the Refuse fund which increased by \$1,608. Revenues for the parking and war memorial funds during the

pandemic decreased. The City waived parking fees in city garages and meters for months during the peak of the pandemic, along with a slower returning to work rate in downtown resulted in a second straight year of decreasing revenues with an additional decline of \$1,227. A lack of events at the War Memorial, from the pandemic as well as renovation resulted in a decrease of \$487 in revenue as well.

Unrestricted net position of the proprietary funds, which totaled (\$77,473) at year end, breakdown as follows: Water (\$27,537), Parking (\$11,746), War Memorial (\$3,149), Refuse (\$31,389), Cemetery (\$2,952), and Public Market (\$700).

**Internal service fund.** The internal service fund is used to account for entity-wide general liability. It is the City's reserve for self-insurance. The total net position at the end of the fiscal year was \$59,283, an increase of \$6,573 from the prior year. With the increased revenue and aid received this year the City replenished the self-insurance account an additional \$12,567 in funding for potential expenses.

**Debt service fund.** The debt service fund has a total fund balance of \$9,986, of which \$2,819 is restricted and \$7,167 is assigned for the payment of debt service. The fund balance decreased by \$2,712 during the current fiscal year. The major factors contributing to the decrease was a decrease of \$348 in assigned fund balance and a decrease of \$2,471 in restricted fund balance. This decreased fund balance is a result of continued payment of existing debt without the issuance of new long term debt.

### Budgetary Highlights

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

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

### Capital Assets and Debt Administration

**Capital Assets.** In accordance with GASB Statement No. 34, the City has recorded depreciation expense associated with all of its capital assets, including infrastructure. The City's investment in capital assets for its governmental and business type activities as of June 30, 2021, amounted to \$1,000,407 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress.

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

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 27,186	\$ 26,534	\$ 10,539	\$ 10,539	\$ 37,725	\$ 37,073
Buildings	122,758	119,502	96,387	95,332	219,145	214,834
Machinery, equipment, and vehicles	34,612	35,487	15,960	18,604	50,572	54,091
Improvements other than buildings	51,153	53,055	138,494	145,001	189,647	198,056
Infrastructure	488,549	495,418	—	—	488,549	495,418
Construction in progress	11,431	13,448	3,338	2,869	14,769	16,317
Total	\$ 735,689	\$ 743,444	\$ 264,718	\$ 272,345	\$ 1,000,407	\$ 1,015,789

**Long-term debt.** On June 30, 2021 the City's outstanding debt was \$198,370. This was a decrease of \$5,125 from the prior year. An increase of \$1,911 in the governmental activities funds and a decrease of \$7,036 in the business-type activities funds.

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

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 56,778	\$ 72,509	\$ 52,745	\$ 64,811	\$ 109,523	\$ 137,320
Bond anticipation notes	64,135	46,493	24,712	19,682	88,847	66,175
Total	\$ 120,913	\$ 119,002	\$ 77,457	\$ 84,493	\$ 198,370	\$ 203,495

The City maintains a conservative debt borrowing policy with an accelerated debt repayment schedule, and funds a significant level of capital expenditures from current funds. Major capital projects have not been deferred. The City has a rating of AA- from Standard & Poor's, an A2 rating from Moody's Investors Service, and a rating of AA from Fitch Ratings.

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

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

### Economic Factors

The dominant feature of Rochester's economy during the previous 30 years has been the decline of traditional sources of income and the birth of new firms and industries. Through much of the last century, Rochester was dominated by major manufacturers-particularly Kodak-employing highly skilled production workers, thousands of key scientists and technicians in research and development positions and many headquarters staff. As these companies restructured, the workers who left their employers fueled the growth of numerous small and medium sized firms in a range of industries. In 1980, just over half (57%) of employment was located in small and medium-sized firms of 1000 employees or less. Most of these firms had direct or indirect linkages to major Rochester firms like Kodak, Xerox or General Motors. By 2008, the share of employment in small and medium-sized firms had risen to about 80% (Center for Governmental Research "CGR" estimates from County Business Patterns data).

Eastman Kodak filed for Chapter 11 Bankruptcy in January 2012. Kodak emerged from bankruptcy on September 3, 2013, slimmed down and refocused on corporate customers and the commercial printing and packaging businesses. Key to Kodak's restructuring was the sale of R&D patents for more than \$500 million to a technology consortium and sale of Eastman Business Park power plant facility to Illinois based Recycled Energy Development Inc. Kodak celebrated its return to the New York Stock Exchange in November 2013, listed as KODK.

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

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

Demonstrating the shift to a services based workforce, the University of Rochester has grown to be the largest local employer with 31,637 jobs. A significant share of the University's growth has occurred at the University of Rochester Medical Center as Strong Health extends clinical service penetration beyond the metropolitan area and URM

expands its research facilities and total employment. Educational and health services employment is now 24.1% of total nonagricultural employment in the Rochester metropolitan area. The University of Rochester attracted more than \$3 billion in research funding over the past five years, supporting thousands of highly skilled workers.

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

**Requests for Information**

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

# **BASIC FINANCIAL STATEMENTS**

THE CITY OF ROCHESTER, NEW YORK  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021 (000's Omitted)**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	District	RLBC
<b>ASSETS</b>					
Cash and cash equivalents	\$ 350,351	\$ 47,209	\$ 397,560	\$ 90,493	\$ 1,314
Receivables (net of allowance for uncollectibles)					
Accounts	73,793	21,899	95,692	2,243	—
Taxes	34,494	—	34,494	—	—
Due from other governments	70,926	—	70,926	127,360	—
Due from component units	320	—	320	140	6
Inventory	—	—	—	616	—
Prepaid items	11	—	11	15,615	—
Cash and cash equivalents - restricted	14,171	9,071	23,242	31,681	—
Due from other governments - restricted	90	6	96	—	—
Interfund balances	4,482	(4,482)	—	—	—
Capital assets (net of accumulated depreciation)					
Land	27,186	10,539	37,725	18,562	—
Buildings	122,758	96,387	219,145	686,666	—
Machinery, equipment, and vehicles	34,612	15,960	50,572	13,706	—
Improvements other than buildings	51,153	138,494	189,647	—	—
Infrastructure	488,549	—	488,549	—	—
Construction in progress	11,431	3,338	14,769	186,113	—
Total assets	<u>1,284,327</u>	<u>338,421</u>	<u>1,622,748</u>	<u>1,173,195</u>	<u>1,320</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred pension outflow	218,306	4,897	223,203	203,465	—
Deferred OPEB outflow	134,577	10,449	145,026	195,027	—
Deferred charge on refunding, net of amortization	—	—	—	1,720	—
Total deferred outflows of resources	<u>352,883</u>	<u>15,346</u>	<u>368,229</u>	<u>400,212</u>	<u>—</u>
<b>LIABILITIES</b>					
Accounts payable and other accrued liabilities	92,415	7,032	99,447	79,809	42
Retainage payable	1,627	593	2,220	1,655	—
Accrued interest payable	1,493	1,062	2,555	—	—
Bond anticipation notes payable	64,135	24,712	88,847	51,278	—
Due to other governments	13,215	721	13,936	32,642	—
Due to component units	146	—	146	114	206
Unearned revenue	171,856	157	172,013	1,762	—
Noncurrent liabilities:					
Due within one year	17,694	11,750	29,444	77,011	—
Due in more than one year	1,773,655	177,266	1,950,921	1,875,728	—
Total liabilities	<u>2,136,236</u>	<u>223,293</u>	<u>2,359,529</u>	<u>2,119,999</u>	<u>248</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred pension inflow	250,627	6,846	257,473	91,693	—
Total deferred inflows of resources	<u>250,627</u>	<u>6,846</u>	<u>257,473</u>	<u>91,693</u>	<u>—</u>
<b>NET POSITION (DEFICIT)</b>					
Net investment in capital assets	627,321	195,736	823,057	197,705	—
Restricted for:					
Capital projects	—	1,962	1,962	11,750	—
Debt service	9,985	3,403	13,388	13,715	—
Community development	11,465	—	11,465	—	—
Scholarships	—	—	—	199	—
Student funds	—	—	—	27	—
Flexible spending	—	—	—	517	—
Revolving loan program	—	—	—	100	—
Unrestricted (deficit)	(1,398,424)	(77,473)	(1,475,897)	(862,298)	1,074
Total net position (deficit)	<u>\$ (749,653)</u>	<u>\$ 123,628</u>	<u>\$ (626,025)</u>	<u>\$ (638,285)</u>	<u>\$ 1,074</u>

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

CITY OF ROCHESTER, NEW YORK  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021 (000's Omitted)

Functions/Programs:	Net (Expense) Revenue and Changes in Net Position								
	Program Revenues				Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	District	RLBC
<b>Primary government:</b>									
Governmental activities:									
General government	\$ 182,621	\$ 95,143	\$ 3,600	\$ 7,011	\$ (76,867)	\$ —	\$ (76,867)	\$ —	\$ —
Neighborhood business development	39,377	4,960	24,653	2,994	(6,770)	—	(6,770)	—	—
Environmental services	53,498	20,680	415	2,254	(30,149)	—	(30,149)	—	—
Transportation	43,685	1,179	7,506	18,331	(16,669)	—	(16,669)	—	—
Emergency communications	26,496	18,572	—	—	(7,924)	—	(7,924)	—	—
Police department	168,899	3,537	1,605	—	(163,757)	—	(163,757)	—	—
Fire department	92,644	2,507	783	5	(89,349)	—	(89,349)	—	—
Library	18,042	2,598	7,738	12	(7,694)	—	(7,694)	—	—
Recreation and human services	15,997	1,730	965	925	(12,377)	—	(12,377)	—	—
Education	119,100	—	—	—	(119,100)	—	(119,100)	—	—
Interest on long term debt	2,447	—	—	—	(2,447)	—	(2,447)	—	—
Total governmental activities	<u>762,806</u>	<u>150,906</u>	<u>47,265</u>	<u>31,532</u>	<u>(533,103)</u>	<u>—</u>	<u>(533,103)</u>	<u>—</u>	<u>—</u>
Business-type activities:									
Water	43,538	40,722	51	243	—	(2,522)	(2,522)	—	—
Parking	13,425	7,667	—	295	—	(5,463)	(5,463)	—	—
War Memorial	5,616	639	—	6,162	—	1,185	1,185	—	—
Refuse	26,536	28,092	—	—	—	1,556	1,556	—	—
Cemetery	3,664	2,161	—	—	—	(1,503)	(1,503)	—	—
Public Market	2,064	865	—	—	—	(1,199)	(1,199)	—	—
Total business-type activities	<u>94,843</u>	<u>80,146</u>	<u>51</u>	<u>6,700</u>	<u>—</u>	<u>(7,946)</u>	<u>(7,946)</u>	<u>—</u>	<u>—</u>
Total primary government	<u>857,649</u>	<u>231,052</u>	<u>47,316</u>	<u>38,232</u>	<u>(533,103)</u>	<u>(7,946)</u>	<u>(541,049)</u>	<u>—</u>	<u>—</u>
<b>Component units:</b>									
District	\$ 864,247	\$ 2,950	\$ 98,290	\$ —				(763,007)	—
RLBC	1,086	—	819	—				—	(268)
Total component units	<u>\$ 865,333</u>	<u>\$ 2,950</u>	<u>\$ 99,109</u>	<u>\$ —</u>				<u>(763,007)</u>	<u>(268)</u>
General revenues:									
Property taxes					172,414	2,647	175,061	—	—
Sales taxes					174,006	—	174,006	—	—
Payment in-lieu of tax					14,384	—	14,384	—	—
Other taxes					10,526	905	11,431	—	—
Governmental aid - (unrestricted)					114,189	41	114,230	618,950	—
Investment earnings					991	16	1,007	1,096	—
Allocation to the district - (unrestricted)					—	—	—	119,100	—
Miscellaneous					5,343	1,510	6,853	9,186	163
Transfers					5,451	(5,451)	—	—	—
Total general revenues and transfers					<u>497,304</u>	<u>(332)</u>	<u>496,972</u>	<u>748,332</u>	<u>163</u>
Change in net position					(35,799)	(8,278)	(44,077)	(14,675)	(105)
Net position (deficit) - beginning as previously stated					(713,904)	131,906	(581,998)	(623,877)	1,179
Restatement, (Note I.G.12)					50	—	50	267	—
Net position (deficit) - beginning, as restated					<u>(713,854)</u>	<u>131,906</u>	<u>(581,948)</u>	<u>(623,610)</u>	<u>1,179</u>
Net position (deficit) - ending					<u>\$ (749,653)</u>	<u>\$ 123,628</u>	<u>\$ (626,025)</u>	<u>\$ (638,285)</u>	<u>\$ 1,074</u>

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

THE CITY OF ROCHESTER, NEW YORK  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021 (000's Omitted)

	General	Capital Projects		Special Revenue	Total Nonmajor Funds	Total Governmental Funds
		General	Transportation	Community Development		
<b>ASSETS</b>						
Cash and cash equivalents	\$222,401	\$ 50	\$ —	\$ 14,079	\$ 47,172	\$ 283,702
Receivables (net of allowance for uncollectibles)						
Accounts	2,129	4	—	56,062	1,153	59,348
Taxes	17,013	—	—	—	314	17,327
Due from other funds	28,466	49,698	12,403	18	4,301	94,885
Due from other governments	52,897	12,212	313	2,614	2,979	71,016
Due from component units	320	—	—	—	—	320
Prepaid items	11	—	—	—	—	11
Cash and cash equivalents - restricted	—	3,283	5,521	—	5,366	14,171
Total assets	<u>\$323,237</u>	<u>\$ 65,247</u>	<u>\$ 18,237</u>	<u>\$ 72,773</u>	<u>\$ 61,285</u>	<u>\$ 540,780</u>
<b>LIABILITIES</b>						
Accounts payable and other accrued liabilities	\$ 28,735	\$ 13,562	\$ 3,861	\$ 2,259	\$ 2,296	\$ 50,714
Bond anticipation notes payable	—	28,171	30,269	—	5,696	64,136
Due to other funds	66,409	10,820	12,746	1,935	14,757	106,667
Due to other governments	12,663	—	—	1,030	551	14,244
Due to component units	140	—	—	—	5	145
Unearned revenue	115,722	451	—	56,084	50	172,307
Total liabilities	<u>223,669</u>	<u>53,004</u>	<u>46,876</u>	<u>61,308</u>	<u>23,355</u>	<u>408,213</u>
<b>FUND BALANCES (DEFICIT)</b>						
Nonspendable	11	—	—	—	—	11
Restricted	—	—	—	4,792	9,945	14,737
Committed	39,950	12,189	—	6,673	7,855	66,667
Assigned	53,664	54	—	—	25,385	79,103
Unassigned (deficit)	5,943	—	(28,639)	—	(5,255)	(27,951)
Total fund balances (deficit)	<u>99,568</u>	<u>12,243</u>	<u>(28,639)</u>	<u>11,465</u>	<u>37,930</u>	<u>132,567</u>
Total liabilities and fund balances (deficit)	<u>\$323,237</u>	<u>\$ 65,247</u>	<u>\$ 18,237</u>	<u>\$ 72,773</u>	<u>\$ 61,285</u>	<u>\$ 540,780</u>

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

**THE CITY OF ROCHESTER, NEW YORK**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2021 (000's Omitted)**

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

Total fund balances of governmental funds	\$ 132,567
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	735,689
Accrual of property and sales taxes to qualify as financial resources	17,167
Internal service funds are used by management to charge the cost of risk management and health insurance to individual funds.	59,283
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Accrual of interest on bonds and notes payable	(1,493)
Accrual of Medicare Part D revenue	331
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds:	
Retainage liability	(1,627)
Bonds payable	(50,399)
Premium liability	(6,378)
Compensated absences	(18,073)
Workers' compensation	(15,406)
OPEB liability	(1,627,446)
Pollution remediation liability	(18,185)
Pension amortization liability	(2,314)
Net pension liability	(55,625)
Net deferred pension inflows and outflows	(32,321)
Deferred OPEB outflows	<u>134,577</u>
Net position of governmental activities	<u><u>\$ (749,653)</u></u>

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

**THE CITY OF ROCHESTER, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021 (000's Omitted)**

	Capital Projects			Special Revenue	Total Nonmajor Funds	Total Governmental Funds
	General	General	Transportation	Community Development		
<b>REVENUES</b>						
Real property tax	\$ 165,852	—	—	—	8,694	\$ 174,546
Sales tax	172,917	—	—	—	—	172,917
Other taxes	24,910	—	—	—	—	24,910
Departmental	21,781	—	—	—	23,022	44,803
Use of money and property	35	—	—	—	951	986
Licenses and permits	3,309	—	—	—	—	3,309
Federal aid	4,477	7,496	12,178	22,262	1,038	47,451
State aid	115,894	14,263	7,315	—	2,113	139,585
Local sources and other	24,658	2,177	—	1,703	8,741	37,279
Total revenues	<u>533,833</u>	<u>23,936</u>	<u>19,493</u>	<u>23,965</u>	<u>44,559</u>	<u>645,786</u>
<b>EXPENDITURES</b>						
Current:						
General government	150,047	—	—	—	8,416	158,463
Neighborhood business development	6,467	—	—	20,843	1,288	28,598
Environmental services	21,793	—	—	—	11,352	33,145
Transportation	3,795	—	—	—	121	3,916
Emergency communications	14,273	—	—	—	—	14,273
Police department	97,740	—	—	—	1,906	99,646
Fire department	52,672	—	—	—	579	53,251
Library	—	—	—	—	11,147	11,147
Recreation and human services	9,356	—	—	—	361	9,717
Education	119,100	—	—	—	—	119,100
Debt service:						
Principal retirement	13,589	—	—	—	1,180	14,769
Interest	3,400	—	—	—	206	3,606
Administrative charges	1	—	—	—	—	1
Capital outlay:						
General government	—	33,248	3	—	24	33,275
Neighborhood business development	—	2,964	—	—	—	2,964
Environmental services	—	4,464	2	—	—	4,466
Transportation	—	6,713	24,167	—	—	30,880
Police department	—	576	—	—	—	576
Fire department	—	2,755	—	—	—	2,755
Library	—	725	—	—	4,291	5,016
Recreation and human services	—	74	—	—	957	1,031
Total expenditures	<u>492,233</u>	<u>51,519</u>	<u>24,172</u>	<u>20,843</u>	<u>41,828</u>	<u>630,595</u>
Excess (deficiency) of revenues over expenditures	<u>41,600</u>	<u>(27,583)</u>	<u>(4,679)</u>	<u>3,122</u>	<u>2,731</u>	<u>15,191</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	17,137	13,065	4,140	—	2,172	36,514
Transfers out	(29,900)	(226)	(6,078)	—	(9,315)	(45,519)
Total other financing sources (uses)	<u>(12,763)</u>	<u>12,839</u>	<u>(1,938)</u>	<u>—</u>	<u>(7,143)</u>	<u>(9,005)</u>
Net change in fund balances	28,837	(14,744)	(6,617)	3,122	(4,412)	6,186
Fund balances (deficit) - beginning as previously stated	70,681	26,987	(22,022)	8,343	42,342	126,331
Restatement Note (I.G.12)	50	—	—	—	—	50
Fund balances (deficit) - beginning as restated	<u>70,731</u>	<u>26,987</u>	<u>(22,022)</u>	<u>8,343</u>	<u>42,342</u>	<u>126,381</u>
Fund balances (deficit) - ending	<u>\$ 99,568</u>	<u>\$ 12,243</u>	<u>\$ (28,639)</u>	<u>\$ 11,465</u>	<u>\$ 37,930</u>	<u>\$ 132,567</u>

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

THE CITY OF ROCHESTER, NEW YORK  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021 (000's Omitted)

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

Net change in fund balances - total governmental funds	\$ 6,186
Change in net position of internal service fund reported in governmental activities	6,573
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Governmental funds report capital outlays of \$22,519 net of disposals, as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense of \$30,275. This is the amount by which depreciation in the current period exceeded capital outlays.	(7,756)
Change in accrual of interest payable on notes and bonds payable	198
Change in accrual of unrestricted governmental aid	(100)
Change in accrual of property tax	(2,132)
Change in accrual of sales tax	1,090
Change in pollution remediation liability	(12,721)

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

Debt proceeds and principal payment	14,769
Premium liability	961

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

Workers' compensation	(1,845)
Compensated absences	475
Retirement amortization	1,096
Net pension expense and net deferred outflow and inflows	7,540
Deferred OPEB outflow	100,182
OPEB expense	(150,082)
Retainage	(233)

Change in net position of governmental activities	<u>\$ (35,799)</u>
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The notes to financial statements are an integral part of this statement.

THE CITY OF ROCHESTER, NEW YORK  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2021 (000's Omitted)

	Business-type Activities						Governmental	
	Water	Parking	War Memorial	Refuse	Cemetery	Public Market	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 17,745	\$ 2,521	\$ 683	\$ 21,126	\$ 3,301	\$ 1,833	\$ 47,209	\$ 66,649
Receivables (net of allowance for uncollectibles)	14,317	4,083	1	3,006	492	—	21,899	—
Due from other funds	641	93	23	1,960	901	194	3,812	16,263
Cash and equivalents - restricted	6,240	2,113	58	236	98	326	9,071	—
Due from other governments - restricted	6	—	—	—	—	—	6	—
Total current assets	<u>38,949</u>	<u>8,810</u>	<u>765</u>	<u>26,328</u>	<u>4,792</u>	<u>2,353</u>	<u>81,997</u>	<u>82,912</u>
Noncurrent assets:								
Capital assets:								
Land	572	8,916	165	30	139	717	10,539	—
Buildings	46,259	115,978	53,753	508	7,877	11,545	235,920	—
Machinery, equipment, and vehicles	10,726	2,265	5,884	29,278	2,402	176	50,731	—
Improvements other than buildings	297,666	2,054	68	672	4,134	3,186	307,780	—
Construction in progress	316	12	2,990	2	18	—	3,338	—
Less accumulated depreciation	(197,688)	(82,905)	(30,609)	(19,775)	(6,855)	(5,758)	(343,590)	—
Total noncurrent assets	<u>157,851</u>	<u>46,320</u>	<u>32,251</u>	<u>10,715</u>	<u>7,715</u>	<u>9,866</u>	<u>264,718</u>	<u>—</u>
Total assets	<u>196,800</u>	<u>55,130</u>	<u>33,016</u>	<u>37,043</u>	<u>12,507</u>	<u>12,219</u>	<u>346,715</u>	<u>82,912</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Deferred outflows of resources - pension	4,551	1,226	—	4,080	463	129	10,449	—
Deferred outflows of resources - OPEB	2,039	448	—	1,955	357	98	4,897	—
Total deferred outflows of resources	<u>6,590</u>	<u>1,674</u>	<u>—</u>	<u>6,035</u>	<u>820</u>	<u>227</u>	<u>15,346</u>	<u>—</u>
Total assets and deferred outflows of resources	<u>\$ 203,390</u>	<u>\$ 56,804</u>	<u>\$ 33,016</u>	<u>\$ 43,078</u>	<u>\$ 13,327</u>	<u>\$ 12,446</u>	<u>\$ 362,061</u>	<u>\$ 82,912</u>

Continued

THE CITY OF ROCHESTER, NEW YORK  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2021 (000's Omitted)

	Business-type Activities						Governmental Activities	
	Water	Parking	War Memorial	Refuse	Cemetery	Public Market	Total Enterprise Funds	Internal Service Funds
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable and other accrued liabilities	\$ 2,756	\$ 1,049	\$ 174	\$ 2,571	\$ 391	\$ 91	\$ 7,032	\$ 23,629
Retainage payable	316	12	245	2	18	—	593	—
Accrued interest payable	669	187	96	57	6	47	1,062	—
Workers' compensation, current portion	519	109	—	1,408	24	3	2,063	—
Bond anticipation notes payable	14,992	4,312	1,573	3,000	—	835	24,712	—
Bonds payable	5,781	2,564	900	—	106	336	9,687	—
Due to other funds	320	1,903	3,558	1,442	100	971	8,294	—
Due to other governments	337	72	—	257	41	14	721	—
Unearned revenue	—	74	—	—	83	—	157	—
Total current liabilities	<u>25,690</u>	<u>10,282</u>	<u>6,546</u>	<u>8,737</u>	<u>769</u>	<u>2,297</u>	<u>54,321</u>	<u>23,629</u>
Noncurrent liabilities:								
Workers' compensation	1,906	401	—	5,169	90	10	7,576	—
Bonds payable	29,453	6,427	4,372	—	324	2,482	43,058	—
Due to other governments	116	30	—	98	12	6	262	—
OPEB liability	55,033	14,819	—	49,337	5,593	1,565	126,347	—
Net pension liability	10	2	—	9	2	—	23	—
Total noncurrent liabilities	<u>86,518</u>	<u>21,679</u>	<u>4,372</u>	<u>54,613</u>	<u>6,021</u>	<u>4,063</u>	<u>177,266</u>	<u>—</u>
Total liabilities	<u>112,208</u>	<u>31,961</u>	<u>10,918</u>	<u>63,350</u>	<u>6,790</u>	<u>6,360</u>	<u>231,587</u>	<u>23,629</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred inflows of resources - pension	2,851	627	—	2,733	499	136	6,846	—
Total deferred inflows of resources	<u>2,851</u>	<u>627</u>	<u>—</u>	<u>2,733</u>	<u>499</u>	<u>136</u>	<u>6,846</u>	<u>—</u>
<b>NET POSITION (DEFICIT)</b>								
Net investment in capital assets	113,549	35,117	25,219	7,948	7,366	6,537	195,736	—
Restricted for:								
Capital projects	—	—	—	361	1,601	—	1,962	—
Debt service	2,319	845	28	75	23	113	3,403	—
Health insurance	—	—	—	—	—	—	—	41,075
Dental insurance	—	—	—	—	—	—	—	330
Unrestricted (deficit)	<u>(27,537)</u>	<u>(11,746)</u>	<u>(3,149)</u>	<u>(31,389)</u>	<u>(2,952)</u>	<u>(700)</u>	<u>(77,473)</u>	<u>17,878</u>
Total net position (deficit)	<u>88,331</u>	<u>24,216</u>	<u>22,098</u>	<u>(23,005)</u>	<u>6,038</u>	<u>5,950</u>	<u>123,628</u>	<u>59,283</u>
Total liabilities, deferred inflows of resources and net position (deficit)	<u>\$ 203,390</u>	<u>\$ 56,804</u>	<u>\$ 33,016</u>	<u>\$ 43,078</u>	<u>\$ 13,327</u>	<u>\$ 12,446</u>	<u>\$ 362,061</u>	<u>\$ 82,912</u>

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

THE CITY OF ROCHESTER, NEW YORK  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021 (000's Omitted)

	Business-type Activities						Governmental Activities	
	Water	Parking	War Memorial	Refuse	Cemetery	Public Market	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>								
Charges for services	\$ 40,722	\$ 7,667	\$ 639	\$ 28,092	\$ 2,161	\$ 865	\$ 80,146	\$ 76,908
Total operating revenues	40,722	7,667	639	28,092	2,161	865	80,146	76,908
<b>OPERATING EXPENSES</b>								
Personnel services	7,588	1,640	—	7,014	1,320	343	17,905	—
Supplies and materials	19,347	5,954	4,177	13,023	1,052	702	44,255	—
Employee benefits	7,431	2,053	33	4,042	723	292	14,574	—
Claims settlement	—	—	—	—	—	—	—	84,796
Depreciation	8,022	3,346	1,099	2,388	563	623	16,041	—
Total operating expenses	42,388	12,993	5,309	26,467	3,658	1,960	92,775	84,796
Operating income (loss)	(1,666)	(5,326)	(4,670)	1,625	(1,497)	(1,095)	(12,629)	(7,888)
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Real property tax	—	299	199	—	1,190	959	2,647	—
Other taxes	—	—	905	—	—	—	905	—
Interest and penalties	988	136	—	—	3	—	1,127	—
Interest on investments	5	—	—	4	5	2	16	5
Federal aid	51	—	—	—	—	—	51	—
State aid	—	—	—	—	—	41	41	—
Local sources and other	240	61	23	48	—	11	383	—
Interest expense	(1,150)	(432)	(307)	(69)	(6)	(104)	(2,068)	—
Total nonoperating revenues (expenses)	134	64	820	(17)	1,192	909	3,102	5
Income(loss) before contributions and transfers	(1,532)	(5,262)	(3,850)	1,608	(305)	(186)	(9,527)	(7,883)
Capital contributions	243	295	6,162	—	—	—	6,700	—
Transfers in	—	—	—	—	—	—	—	14,456
Transfers out	(5,451)	—	—	—	—	—	(5,451)	—
Change in net position	(6,740)	(4,967)	2,312	1,608	(305)	(186)	(8,278)	6,573
Net position (deficit) - beginning	95,071	29,183	19,786	(24,613)	6,343	6,136	131,906	52,710
Net position (deficit) - ending	\$ 88,331	\$ 24,216	\$ 22,098	\$ (23,005)	\$ 6,038	\$ 5,950	\$ 123,628	\$ 59,283

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

THE CITY OF ROCHESTER, NEW YORK  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021 (000's Omitted)

	Business-type Activities						Governmental Activities	
	Water	Parking	War Memorial	Refuse	Cemetery	Public Market	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers	\$ 38,315	\$ 7,887	\$ 729	\$ 28,291	\$ 2,026	\$ 865	\$ 78,113	\$ 76,908
Payments to suppliers	(19,307)	(6,053)	(4,144)	(15,315)	(885)	(756)	(46,460)	(78,821)
Payments to employees	(12,463)	(2,712)	(33)	(12,391)	(1,796)	(550)	(29,945)	—
Net cash provided by (used for) operating activities	6,545	(878)	(3,448)	585	(655)	(441)	1,708	(1,913)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Real property taxes and other taxes	—	299	1,330	—	1,190	960	3,779	—
Transfers from other funds	—	—	—	—	—	—	—	14,456
Transfers to other funds	(5,451)	—	—	—	—	—	(5,451)	—
Interfund loans	(8,097)	800	3,328	(2,413)	(446)	636	(6,192)	(14,336)
Operating grants	49	—	—	—	—	—	49	—
Net cash provided by (used for) noncapital financing activities	(13,499)	1,099	4,658	(2,413)	744	1,596	(7,815)	120
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Proceeds from sales of bonds and notes	5,849	626	1,056	—	—	—	7,531	—
Capital contributions	486	295	6,162	—	—	—	6,943	—
Capital grants	2	—	—	—	—	42	44	—
Principal paid on bonds and notes	(7,448)	(4,197)	(945)	(998)	(90)	(406)	(14,084)	—
Interest expense paid on bonds and notes	(1,305)	(555)	(293)	(73)	(19)	(119)	(2,364)	—
Acquisition and construction of capital assets	(627)	(179)	(7,320)	(104)	(168)	—	(8,398)	—
Net cash used for capital and related financing activities	(3,043)	(4,010)	(1,340)	(1,175)	(277)	(483)	(10,328)	—
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Proceeds from sale of investments	10,780	3,896	340	10,073	1,427	469	26,985	13,998
Interest received from investments and customers	994	137	—	5	9	1	1,146	5
Net cash provided by investing activities	11,774	4,033	340	10,078	1,436	470	28,131	14,003
Net increase in cash and cash equivalents	1,777	244	210	7,075	1,248	1,142	11,696	12,210
Cash and cash equivalents at beginning of year	22,208	4,390	531	14,287	2,151	1,017	44,584	54,439
Cash and cash equivalents at end of year	\$ 23,985	\$ 4,634	\$ 741	\$ 21,362	\$ 3,399	\$ 2,159	\$ 56,280	\$ 66,649
Cash and cash equivalents -unrestricted	\$ 17,745	\$ 2,521	\$ 683	\$ 21,126	\$ 3,301	\$ 1,833	\$ 47,209	\$ 66,649
Cash and cash equivalents -restricted	\$ 6,240	\$ 2,113	\$ 58	\$ 236	\$ 98	\$ 326	\$ 9,071	—
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>								
Operating income (loss)	\$ (1,666)	\$ (5,326)	\$ (4,670)	\$ 1,625	\$ (1,497)	\$ (1,095)	\$ (12,629)	\$ (7,888)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation expense	8,022	3,346	1,099	2,388	563	623	16,041	—
(Increase) decrease in customer receivables	(2,407)	220	90	200	(137)	—	(2,034)	—
Increase (decrease) in accounts payable - supplier	40	(100)	33	(2,292)	171	(27)	(2,175)	5,975
Increase (decrease) in compensated absences	36	2	—	10	(5)	1	44	—
Increase (decrease) in salaries & benefits payable	2,520	980	—	(1,346)	250	57	2,461	—
Total adjustments	8,211	4,448	1,222	(1,040)	842	654	14,337	5,975
Net cash provided by (used for) operating activities	\$ 6,545	\$ (878)	\$ (3,448)	\$ 585	\$ (655)	\$ (441)	\$ 1,708	\$ (1,913)

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

**THE CITY OF ROCHESTER, NEW YORK  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2021 (000's Omitted)**

	<b>Private-Purpose Trust Funds</b>	<b>Custodial Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 606	\$ 13,699
Investments	3,319	—
Receivables (net of allowance for uncollectibles)	—	304
Total assets	<u>3,925</u>	<u>14,003</u>
<b>LIABILITIES</b>		
Accounts payable and other accrued liabilities	—	779
Total liabilities	<u>—</u>	<u>779</u>
<b>NET POSITION</b>		
Restricted for:		
Employees	—	2,164
Foreclosure	—	2,424
Community programs	—	2,514
Seizure funds	—	3,450
Escrow	—	2,672
Trust and other purposes	3,925	—
Total net position	<u>\$ 3,925</u>	<u>\$ 13,224</u>

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

**THE CITY OF ROCHESTER, NEW YORK  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Private-Purpose Trust Funds</u>	<u>Custodial Funds</u>
<b>ADDITIONS</b>		
Contributions:		
Employees	\$ —	\$ 7,630
Gifts and bequests	193	—
Interest on investments	722	—
Community programs	—	876
Seizure funds	—	900
Escrow	—	420
Total additions	<u>915</u>	<u>9,826</u>
<b>DEDUCTIONS</b>		
Community services	333	—
Payments on behalf of employees	—	9,668
Foreclosure	—	545
Community programs	—	234
Seizure funds	—	793
Escrow	—	305
Total deductions	<u>333</u>	<u>11,545</u>
Change in net position	582	(1,719)
Net position - beginning, as previously stated	3,343	—
Restatement Note (I.G.12)	<u>—</u>	<u>14,943</u>
Net position - beginning, as restated	<u>3,343</u>	<u>14,943</u>
Net position - ending	<u>\$ 3,925</u>	<u>\$ 13,224</u>

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

# **NOTES TO FINANCIAL STATEMENTS**

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. REPORTING ENTITY

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

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

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

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

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

### B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function

or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the proprietary funds are as follows: sale of water for the Water Fund, refuse collection charges for the Refuse Fund, parking fees for the Parking Fund, sale of event tickets for the War Memorial Fund, sale of graves for the Cemetery Fund and vendor charges for the Public Market Fund. Operating expenses for the enterprise funds and the Internal Service Fund include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

#### **D. NEW ACCOUNTING PRONOUNCEMENTS**

On May 8, 2020, the GASB issued Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* in response to the COVID-19 pandemic. The effective dates of GASB Statements not yet implemented by the City have been updated below to reflect the impact of this Statement.

During the fiscal year ended June 30, 2021, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The primary objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The City reclassified certain activities, no longer considered fiduciary in nature, to the governmental funds and the related governmental activities, to comply with this Statement in the current year. The City also opted for early implementation of GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This statement establishes the term Annual Comprehensive Financial Report and its acronym ACFR. The new term and acronym replaces the Comprehensive Financial Report and its acronym.

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

- Statement No. 87, *Leases*, which will be effective for the year ending June 30, 2022.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for the year ending June 30, 2022.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending June 30, 2023.
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending June 30, 2022.
- Statement No. 93, *Replacement of Interbank Offered Rates*, which will be effective for the year ending June 30, 2022.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for the year ending June 30, 2023.
- Statement No. 96, *Subscription-Base Information Technology Arrangements* which will be effective for the year ending June 30, 2023
- Statment No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32* which will be effective for year ending June 30, 2022.

#### **E. USE OF ESTIMATES**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

#### **F. REAL PROPERTY TAX**

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

The City is permitted by the Constitution of New York State to levy taxes up to 2% of the five-year average full-assessed valuation for general governmental services other than the payment of debt service and capital expenditures. The City utilizes a full value system, assessing all properties at 100% of full market value. For the year ended June 30, 2021, the City had a legal margin of \$16,433,000.

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

##### **1. Cash and Cash Equivalents, Deposits and Investments**

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

The City's investment policies are governed by State statutes. City funds must be deposited in FDIC insured commercial banks or trust companies located within the State. Permissible investments include demand accounts and certificates of deposit, obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand deposits, time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations may be pledged as collateral are in accordance with the City's Investment policy and New York State General Municipal Law Section 10 (3).

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

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

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

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

## 2. Restricted Assets

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

## 3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable Governmental or Business-type activities columns in the government-wide financial statements. Infrastructure acquired or constructed prior to fiscal year 1980 is not reported, as permitted by GASB Statement No. 34. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

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

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

Class	Life in Years
Buildings	30-60
Improvements Other than Buildings	10-20
Infrastructure	5-60
Water System	40-65
Equipment	6-15

## 4. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and therefore, will *not* be recognized as an inflow of resources (revenue) until that time. The City and the District have one item that qualifies for reporting in this category; the deferred inflow related to pensions reported in the government-wide Statement of Net Position, and in the Proprietary Funds Statement of Net Position.

## **5. Unearned Revenue**

Unearned revenue is a liability for resources obtained prior to revenue recognition. The unearned revenue of \$115,722,000 in the City's General Fund relates primarily to American Rescue Plan Act of 2021 (ARPA) funds, and property taxes that will not be collected within sixty days, \$451,000 in the General Capital Fund relates to future rent from a lease agreement, \$56,084,000 in the City's Special Revenue Community Development Fund relates to loan repayments for programs, \$83,000 in the City's Cemetery Fund relates primarily to charges for future care of grave sites, \$74,000 in the City's Parking Fund relates primarily to prepaid monthly parking fees and \$50,000 in the City's Animal Control Fund for a grant for future care programs.

The District received cash in advance of expenditures in the amount of \$8,000 in the General fund at June 30, 2021 for seminar fees associated with events scheduled to occur during fiscal year 2021-22. The District also received cash in advance of expenditures in the amount of \$1,754,000 for Special Aid fund projects during fiscal year 2020-21. These funds represent receipts for various grants that were not fully spent as of June 30, 2021. As the funds are spent during fiscal year 2021-22, revenue will be recorded.

## **6. Compensated Absences**

It is the City's policy to pay employees for unused vacation and compensatory time when there is a separation from service. Employees have a vacation bank cap based on their start of service date with the City. Therefore, it is estimated that the prior fiscal year compensated absences balance is fully liquidated by the end of the next fiscal year. For Governmental activities, the current portion of this liability is accrued in the appropriate fund and for Business-type activities, the full liability is recognized at both the fund and entity-wide level. As of June 30, 2021, the liability for Governmental Activities was \$19,078,000 and \$1,124,000 for Business-type Activities, and \$4,474,000 for the District.

## **7. Long-term Obligations**

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

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

## **8. Net Position Flow Assumption**

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

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

## **9. Fund Balances — Flow Assumptions and Policies**

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

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

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

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

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

## **10. Encumbrances & Commitments**

Encumbrances are recorded at the time a purchase order, construction contract or service agreement is finalized. In governmental funds, commitments are encumbered and reported as either assigned or committed fund balances since they do not constitute expenditures or liabilities. Total encumbrances in the General fund were \$8,113,000 at year end. These were substantially for environmental services purposes including \$2,151,000 for utilities, maintenance, fuel and security systems and general government purposes were \$4,247,000 which included recreation programs, medical services, and employee training.

## **11. Prepaid items**

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

The District utilizes the consumption method to record prepaid expenditures. As of June 30, 2021, the General Fund recorded prepaid expenditures in the amount of \$15,601,000 for charter schools and subscriptions. Prepayments of \$2,000 were recorded in the Special Aid fund for travel reservations. Additionally, prepayments of \$12,000 recorded in the RJSCB fund were primarily for prepaid insurance. These prepayments will be recorded as expenditures during fiscal year 2021-22. Prepayments are classified as nonspendable to signify that portion of fund balance that is not in a spendable form.

## 12. Restatement of Fund Balance and Net Position

For the fiscal year ended June 30, 2021, the City and the District implemented GASB 84, *Fiduciary Activities*. The implementation of Statement No. 84 resulted in the reporting of net position in the custodial fund and increases in fund balances and net position in the General Fund and Governmental Activities respectively.

	<u>General Fund</u>	<u>District</u>
Fund balance - beginning, as previously stated	\$ 70,681,000	\$ 82,248,000
GASB Statement No. 84 implementation	<u>50,000</u>	<u>267,000</u>
Fund Balance - beginning as restated	<u>\$ 70,731,000</u>	<u>\$ 82,515,000</u>

	<u>Governmental Activities</u>		<u>Custodial Funds</u>	
	<u>City</u>	<u>District</u>	<u>City</u>	<u>District</u>
Net position - beginning, as previously stated	(713,904,000)	\$ (623,877,000)	\$ —	\$ —
GASB Statement No. 84 implementation	<u>50,000</u>	<u>267,000</u>	<u>14,943,000</u>	<u>115,652</u>
Net position - beginning as restated	<u>\$ (713,854,000)</u>	<u>\$ (623,610,000)</u>	<u>\$ 14,943,000</u>	<u>\$ 115,652</u>

## II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### A. BUDGETARY INFORMATION

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

Since the adopted budget is on a departmental basis, rather than a fund basis, legal compliance cannot be reported as part of the Basic Financial Statements. Therefore, in compliance with GASB Statement No. 41

*(Budgetary Comparison Schedules – Perspective Differences)*, a non-GAAP budget-to-actual schedule is presented as Required Supplemental Information after the Basic Financial Statements.

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

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

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

During the year, City Council passed budget amendments which decreased total appropriations for operating budgets by \$2,247,000. Estimated revenues increased by \$3,113,000, transfers to other funds increased by \$5,991,000 and transfers from other funds increased by \$630,000. Appropriation of fund balance remained unchanged.

## **B. DEFICIT FUND EQUITY**

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

### III. DETAILED NOTES ON ALL FUNDS

#### A. DEPOSITS AND INVESTMENTS

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

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

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

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

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

Investment Pool – NYCLASS – The City and the District participate in the Cooperative Liquid Assets Securities System ("CLASS") a cooperative investment pool established pursuant to General Municipal Law that meets the definition of a 2a7-like pool. In accordance with the provisions of General Municipal Law, Article 3A, CLASS has designated 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 AAAM by Standard and Poor's Rating Service. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The pool invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

#### 1. Deposits

At year-end, the total carrying amount of the City's deposits net of outstanding checks, including certificates of deposit, was \$271,915,000 and the bank balance was \$276,594,000. These deposits, which are above the level insured by FDIC, were collateralized at 102% with U.S. Government securities held by a third-party.

At year-end, the District's cash balance, both restricted and non-restricted, was \$122,068,000. These deposits, which are above the level insured by FDIC, were collateralized at 102% with U.S. Government securities held by a third-party.

## 2. Cash Equivalents

At year-end, the City had cash equivalents of \$162,516,000 with \$10,000,000 held in money markets, and \$152,516,000 held in NYCLASS investments. These cash equivalents were collateralized at 102% with U.S. Government securities held by a third-party.

At year-end, the District had cash equivalents in the form of money markets at fair value of \$199,000. These cash equivalents were collateralized at 102% with U.S. Government securities held by a third-party.

## 3. Investments

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

### Level 1:

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

### Level 2:

Inputs to the valuation methodology include:

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

### Level 3:

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

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

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

**Cash and Cash Equivalents** - The fair value of cash and cash equivalents, consisting primarily of cash and money market funds, is classified as Level 1.

**Exchanged Traded Products, Common stocks, government bonds, and corporate bonds** - Valued at the closing price reported on the active market on which the individual securities are listed.

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

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

At year end, the City had \$3,319,000 of Library trust funds invested. The Library's investments were measured at fair value on a recurring basis at June 30, 2021 and were all considered Level 1:

<b>Cash and cash equivalent</b>	\$107,000
<b>Exchange Traded Products</b>	
Equity ETPs	2,000,000
Fixed income ETPs	432,000
<b>Total Exchange Traded Products</b>	<b>2,432,000</b>
<b>Mutual funds:</b>	
Stocks	190,000
Bonds	571,000
<b>Total mutual funds</b>	<b>761,000</b>
<b>Asset based securities</b>	
Financial/Investment	19,000
<b>Total Asset based securities</b>	<b>19,000</b>
<b>Total</b>	<b>\$3,319,000</b>

#### B. RECEIVABLES AND PAYABLES

The Primary Government had \$95,692,000 in accounts receivable at year-end. A significant receivable in the governmental activities was \$56,062,000 in economic development and housing loans made from the Community Development Special Revenue Fund. Significant business-type receivables were \$14,317,000 in the Water Fund, \$3,006,000 in the Refuse Fund, \$492,000 in the Cemetery Fund and \$4,083,000 in the Parking Fund.

Receivables are reported net of allowance for uncollectibles, which were established based on current collection experience. Allowances for uncollectibles for major revenue sources are as follows: General Fund property taxes (\$19,502,000), Water Fund (\$2,528,000) and Refuse Fund (\$4,810,000).

The amount due from other governments to the City, as presented in the governmental fund level statements as of June 30, 2021, was \$71,016,000. This was comprised of the following items: \$10,930,000 from New York State, \$53,134,000 from Monroe County, \$3,750,000 from the Federal Government, and \$3,201,000 from others.

The amount due from other governments including the primary government to the District as of June 30, 2021 was \$127,500,000. This was comprised of the following items: \$99,517,000 from New York State, \$18,846,000 from the Federal Government and \$9,137,000 from local sources.

The Primary Government had \$99,447,000 in accounts payable and accrued liabilities at year-end. This amount also includes compensated absences (See Note I.G.6), as well as invoices expensed but not yet disbursed and payroll liability not yet disbursed, both due to the normal lag in processing such transactions.

The District had \$79,809,000 in accounts payable and accrued liabilities at year-end. This was principally made up of vouchers expensed but not yet disbursed and payroll liability not yet disbursed, both due to the normal lag in processing such transactions.

**C. CAPITAL ASSETS**

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

Class	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
<b>Capital assets, not being depreciated:</b>				
Land	\$ 26,534	\$ 658	\$ 6	\$ 27,186
Construction in progress	13,448	8,119	10,136	11,431
Total capital assets, not being depreciated	39,982	8,777	10,142	38,617
<b>Capital assets, being depreciated:</b>				
Buildings	260,240	10,718	—	270,958
Improvements other than buildings	91,302	1,402	—	92,704
Machinery, equipment, and vehicles	129,043	6,143	7,390	127,796
Infrastructure	713,273	6,321	805	718,789
Total capital assets being depreciated	1,193,858	24,584	8,195	1,210,247
<b>Less accumulated depreciation for:</b>				
Buildings	140,738	7,461	—	148,199
Improvements other than buildings	38,247	3,303	—	41,550
Machinery, equipment, and vehicles	93,556	6,972	7,342	93,186
Infrastructure	217,855	12,539	154	230,240
Total accumulated depreciation	490,396	30,275	7,496	513,175
<b>Total capital assets, being depreciated, net:</b>	703,462	(5,691)	699	697,072
<b>Governmental activities capital assets, net:</b>	\$ 743,444	\$ 3,086	\$ 10,841	\$ 735,689

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

Class	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
<b>Capital assets, not being depreciated:</b>				
Land	\$ 10,539	\$ —	\$ —	\$ 10,539
Construction in progress	2,869	3,882	3,413	3,338
Total capital assets, not being depreciated	<u>13,408</u>	<u>3,882</u>	<u>3,413</u>	<u>13,877</u>
<b>Capital assets, being depreciated:</b>				
Buildings	228,828	7,092	—	235,920
Improvements other than buildings	307,780	—	—	307,780
Machinery, equipment, and vehicles	55,482	873	5,624	50,731
Total capital assets being depreciated	<u>592,090</u>	<u>7,965</u>	<u>5,624</u>	<u>594,431</u>
<b>Less accumulated depreciation for:</b>				
Buildings	133,496	6,038	—	139,534
Improvements other than buildings	162,779	6,506	—	169,285
Machinery, equipment, and vehicles	36,878	3,497	5,604	34,771
Total accumulated depreciation	<u>333,153</u>	<u>16,041</u>	<u>5,604</u>	<u>343,590</u>
<b>Total capital assets, being depreciated, net:</b>	<u>258,937</u>	<u>(8,076)</u>	<u>20</u>	<u>250,841</u>
<b>Business-type activities capital assets, net:</b>	<u>\$ 272,345</u>	<u>\$ (4,194)</u>	<u>\$ 3,433</u>	<u>\$ 264,718</u>

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

**Governmental activities:**

General Government	\$ 2,686
Police	2,080
Fire	1,907
Emergency Communications	232
Transportation	12,537
Environmental Services	6,802
Recreation & Human Services	2,386
Library	996
Neighborhood & Business Development (NBD)	649
Total depreciation expense - governmental activities	<u>\$ 30,275</u>

**Business-type activities:**

Water	\$ 8,022
Parking	1,098
War Memorial	3,346
Refuse	563
Cemetery	624
Public Market	2,388
Total depreciation expense - business-type activities	<u>\$ 16,041</u>
<b>Total depreciation - Primary Government</b>	<u>\$ 46,316</u>

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

<b>Class</b>	<b>Balance July 1, 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2021</b>
<b>Capital assets, not being depreciated:</b>				
Land	\$ 18,562	\$ —	\$ —	\$ 18,562
Construction in progress	150,003	50,035	13,925	186,113
Total capital assets, not being depreciated	<u>168,565</u>	<u>50,035</u>	<u>13,925</u>	<u>204,675</u>
<b>Capital assets, being depreciated:</b>				
Buildings and improvements	1,117,018	17,067	1,557	1,132,528
Equipment and other	56,787	479	198	57,068
Total capital assets being depreciated	<u>1,173,805</u>	<u>17,546</u>	<u>1,755</u>	<u>1,189,596</u>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	408,611	38,719	1,468	445,862
Equipment and other	38,819	4,688	145	43,362
Total accumulated depreciation	<u>447,430</u>	<u>43,407</u>	<u>1,613</u>	<u>489,224</u>
<b>Total capital assets, being depreciated, net:</b>	<u>726,375</u>	<u>(25,861)</u>	<u>142</u>	<u>700,372</u>
<b>District Capital Assets, net:</b>	<u>\$ 894,940</u>	<u>\$ 24,174</u>	<u>\$ 14,067</u>	<u>\$ 905,047</u>

#### D. CURRENT DEBT RELATED LIABILITIES

The following tables summarize changes in the City's current debt related liabilities for the year ended June 30, 2021:

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

	Balance	New Issues/	Maturities/	Balance	Due Within
	July 1, 2020	Additions	Reductions	June 30, 2021	One Year
<b>Bond Anticipation Notes</b>					
Public improvement	\$ 43,174	\$ 17,913	\$ (3,798)	\$ 57,289	\$ 57,289
Library	1,103	2,813	(65)	3,851	3,851
Local Works	2,216	1,220	(441)	2,995	2,995
Total Bond Anticipation Notes	\$ 46,493	\$ 21,946	\$ (4,304)	\$ 64,135	\$ 64,135

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

	Balance	New Issues/	Maturities/	Balance	Due Within
	July 1, 2020	Additions	Reductions	June 30, 2021	One Year
<b>Bond Anticipation Notes</b>					
Water	\$ 9,835	\$ 5,849	\$ (692)	\$ 14,992	\$ 14,992
Parking	4,406	626	(720)	4,312	4,312
War Memorial	517	1,056	—	1,573	1,573
Public Market	925	—	(90)	835	835
Refuse	3,999	—	(999)	3,000	3,000
Total Bond Anticipation Notes	\$ 19,682	\$ 7,531	\$ (2,501)	\$ 24,712	\$ 24,712

As of June 30, 2021, the City had two Bond Anticipation Notes, one for \$98,770,000 (\$10,000,000 at 3.00% and \$88,770,000 at 2%) maturing August 4, 2021 and one for \$41,355,000 at 1.5% maturing March 3, 2022. These BANS were the combined short term financing for capital projects in governmental activities, business-type activities and for the District.

The following table summarizes changes in the District's current debt related liabilities for the year ended June 30, 2021:

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

	Balance	New Issues/	Maturities/	Balance
	July 1, 2020	Additions	Reductions	June 30, 2021
<b>Bond Anticipation Notes</b>				
Rochester City School District	\$ 37,850	\$ 16,603	\$ (3,175)	\$ 51,278
Total Bond Anticipation Notes	\$ 37,850	\$ 16,603	\$ (3,175)	\$ 51,278

## E. LONG-TERM LIABILITIES

The following tables summarize changes in the City's long-term liabilities for the year ended June 30, 2021:

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

	Balance	New Issues/	Maturities/	Balance	Due Within
	July 1, 2020	Additions	Reductions	June 30, 2021	One Year
<b>General Obligation Bonds</b>					
Public improvement	\$ 61,859	\$ —	\$ (13,537)	\$ 48,323	\$ 11,541
Sewer	53	—	(53)	—	—
Library	576	—	(165)	411	106
Local Works	2,680	—	(1,015)	1,665	735
Premium	7,341	—	(960)	6,379	955
Total General Obligation Bonds	72,509	—	(15,730)	56,778	13,337
<b>Other Noncurrent Liabilities</b>					
Promissory Note Payable	—	515	(64)	451	29
Workers' Compensation	13,562	4,521	(2,677)	15,406	3,298
Pollution Remediation	5,465	14,389	(1,668)	18,186	—
OPEB Liability	1,477,364	184,511	(34,429)	1,627,446	—
Net Pension Liability**	254,732	—	(199,107)	55,625	—
Due to Other Governments - Pension Amortization*	3,409	—	(1,096)	2,313	—
Due to Other Governments - HUD 108 Loan	16,155	—	(1,011)	15,144	1,030
Total Other Noncurrent Liabilities	1,754,532	203,936	(239,041)	1,734,571	4,357
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 1,827,041</b>	<b>\$ 203,936</b>	<b>\$ (254,771)</b>	<b>\$ 1,791,349</b>	<b>\$ 17,694</b>

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

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

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

	Balance	New Issues/	Maturities/	Balance	Due Within
	July 1, 2020	Additions	Reductions	June 30, 2021	One Year
<b>General Obligation Bonds</b>					
Water	\$ 39,193	\$ —	(6,756)	\$ 32,437	\$ 5,444
Parking	11,608	—	(3,477)	8,131	2,457
War Memorial	6,195	—	(945)	5,250	895
Cemeteries	480	—	(90)	390	95
Public Market	2,920	—	(315)	2,605	315
Premium	4,414	—	(482)	3,932	481
Total General Obligation Bonds	64,810	—	(12,065)	52,745	9,687
<b>Other Noncurrent Liabilities</b>					
Workers' Compensation	11,279	586	(2,226)	9,639	2,063
OPEB Liability	114,271	14,465	(2,389)	126,347	—
Net Pension Liability**	6,307	—	(6,284)	23	—
Due to Other Governments - Pension Amortization*	386 *	—	(124)	262 *	—
Total Other Noncurrent Liabilities	132,243	15,051	(11,023)	136,271	2,063
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 197,053</b>	<b>\$ 15,051</b>	<b>\$ (23,088)</b>	<b>\$ 189,016</b>	<b>\$ 11,750</b>

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

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

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

The following table summarizes changes in the District's noncurrent and debt-related liabilities for the year ended June 30, 2021 :

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

	Balance July 1, 2020	New Issues/ Additions	Maturities/ Reductions	Balance June 30, 2021	Due Within One Year
<b>General Obligation and Revenue Bonds</b>					
District Serial Bonds	\$ 106,351	\$ —	\$ (19,239)	\$ 87,112	\$ 14,859
Premium	9,362	—	(1,273)	8,089	1,273
<b>School Facilities Revenue Bonds</b>					
FMP Revenue Bonds	529,595	—	(33,570)	496,025	37,010
Premium	80,291	—	(6,322)	73,969	6,323
<b>TOTAL GENERAL OBLIGATION AND REVENUE BONDS</b>	<b>725,599</b>	<b>—</b>	<b>(60,404)</b>	<b>665,195</b>	<b>59,465</b>
<b>Other Noncurrent Liabilities</b>					
Compensated Absences	4,817	5,440	(5,783)	4,474	4,474
Claims Payable:					
Worker's Compensation	23,219	8,271	(4,612)	26,878	6,201
TRS Incentive	6,960	—	(1,710)	5,250	1,750
Other Post Employment Benefits	1,051,932	134,518	(27,763)	1,158,687	—
Due to Other Governments:					
NYS Lottery Advance	45,000	—	(1,833)	43,167	1,833
NYS TRS Loan	5,299	—	(2,604)	2,695	2,695
NYS ERS Loan	3,086	—	(574)	2,512	593
ERS Pension Liability	61,644	—	(61,425)	219	—
TRS Pension Liability	—	43,662	—	43,662	—
<b>Total Other Noncurrent Liabilities</b>	<b>1,201,957</b>	<b>191,891</b>	<b>(106,304)</b>	<b>1,287,544</b>	<b>17,546</b>
<b>TOTAL NONCURRENT and DEBT RELATED LIABILITIES</b>	<b>\$ 1,927,556</b>	<b>\$ 191,891</b>	<b>\$ (166,708)</b>	<b>\$ 1,952,739</b>	<b>\$ 77,011</b>

Compensated absences paid in fiscal year 2020-21 totaled approximately \$5.4 million, excluding payroll taxes. This amount is reflected in the maturities/reductions along with any balance remaining from fiscal year 2019-20. The new issues/additions reflect the new long-term liability at June 30, 2021. The General fund is typically used to liquidate all long-term liabilities, as well as debt related liabilities.

**Debt Service Requirements**

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

Fiscal year Ending June 30	General Obligation Debt							Total
	Governmental Activities		Business-Type Activities		District			
	Principal	Interest	Principal	Interest	Principal	Interest		
2022	\$ 12,382	\$ 1,782	\$ 9,204	\$ 1,779	\$ 14,859	\$ 2,736	\$ 42,742	
2023	10,285	1,289	8,261	1,415	13,299	2,296	36,845	
2024	8,892	880	7,539	1,102	11,429	1,910	31,752	
2025	6,925	599	6,937	820	7,828	1,601	24,710	
2026	3,370	391	5,209	580	7,140	1,353	18,043	
2027-2031	8,130	703	11,438	862	26,862	3,443	51,438	
2032-2034	415	13	225	8	5,695	286	6,642	
Total	<u>\$ 50,399</u>	<u>\$ 5,657</u>	<u>\$ 48,813</u>	<u>\$ 6,566</u>	<u>\$ 87,112</u>	<u>\$ 13,625</u>	<u>\$ 212,172</u>	

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

**Outstanding Bond Issues - June 30, 2021**

<b>Issue</b>	<b>Rate(%)</b>	<b>Principal Balance</b>	<b>Final Maturity</b>	<b>Original Balance</b>	<b>Capital Project Fund Categories</b>
General Obligation-1994, Series A	5.00	\$ 615,000	08/15/22	\$ 63,577,000	G,L,P,R,S,W,Sch
General Obligation-1996, Series A	5.00	90,000	09/15/23	70,690,000	G,L,P,S,W,Sch
General Obligation-1996, Series B (Taxable)	6.75	1,280,000	09/15/24	9,380,000	Parking only
General Obligation Serial Bonds-1997	5.00	1,405,000	10/01/25	55,960,000	G,L,P,S,W,Sch
General Obligation Serial Bonds-1999	5.25	4,380,000	10/01/26	69,575,000	G,W,S,L,WM,Sch
General Obligation Serial Bonds-2001, Series A	4.50	315,000	10/15/27	29,275,000	G,L,S,W,Sch
General Obligation Serial Bonds-2001, Series B	5.00	820,000	02/15/28	35,350,000	G,S,PM,WM,W,Sch
General Obligation Serial Bonds-2008, Series A	4.00	95,000	02/01/22	19,005,000	G,S,W,P
General Obligation Serial Bonds-2009, Series C3 (Taxable)	6.989	645,000	02/10/24	1,830,000	G,W,P
School Refunding Bonds-2012, Series III	2.25/4.0	1,535,000	02/15/25	9,640,000	School only
Refunding Bonds-2012, Series IV	4.00	4,330,000	10/15/31	14,655,000	G,S,W,Sch
Refunding Bonds-2012, Series V	4.00	2,740,000	02/15/31	19,390,000	G,S,W,P,Sch
General Obligation Serial Bonds-2013, Series I	5.00	11,285,000	02/01/25	29,150,000	G,LW,P,C
General Obligation Serial Bonds-2013, Series II	5.00	16,950,000	02/01/29	67,470,000	G,W,P,Sch
General Obligation Serial Bonds-2015, Series I	5.00	30,410,000	08/01/30	59,620,000	G,L,W,WM,P,Sch
General Obligation Refunding (Serial) Bonds-2016, Series I	4.00	7,080,000	10/15/24	20,200,000	G,S,W,Sch
General Obligation Serial Bonds-2018, Series I	4.00	17,755,000	02/15/32	35,140,000	G,L,LW,W,WM,P,PM
General Obligation Serial Bonds-2018, Series II	4.00	55,875,000	08/01/33	70,914,000	G,L,LW,W,P,PM,Sch
General Obligation Refunding Serial Bonds-2020, Series I	1.27	28,720,000	08/01/27	40,370,000	G,S,L,W,P,Sch
		<u>\$ 186,325,000</u>			

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

General obligation bonds are direct obligations for which the full faith and credit of the City are pledged. Bonds are generally issued as serial bonds for a period equivalent to one-half of the period of probable usefulness for each improvement as defined by the New York State Local Finance Law. The interest rates on long-term debt range from 1.27% to 6.989% with maturity dates through fiscal year 2034. Bonds authorized but unissued as of June 30, 2021 amounted to \$74,073,000. The debt-contracting margin of the City as of June 30, 2021, was \$362,842,000.

The City is in compliance with Internal Revenue Service regulations regarding arbitrage restrictions on tax-exempt bonds. No arbitrage rebate payments were due or made for the year ended 2021.

## **F. POLLUTION REMEDIATION**

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

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

Site investigation, planning and design, cleanup and site monitoring are typical remediation activities underway across the City. The City's Department of Environmental Services has primary responsibility for managing remediation related issues. The City has the knowledge and expertise to estimate the remediation obligations presented herein based upon prior experience in identifying and funding similar remediation activities. The standard requires the City to calculate pollution remediation liabilities using the expected cash flow technique. Excluded from current liability recognition is the remediation of two landfills for which the extent of the City's cleanup liability, if any, is unclear. Also excluded from the current liability recognition is \$7,000,000 for expenditures that have been budgeted in the capital projects fund as part of the Roc the Riverway project.

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

During the fiscal year, the City recognized estimated additional liabilities of \$14,389,000 and spent \$1,668,000 in pollution remediation obligation related activities. At June 30, 2021, the City had an outstanding pollution remediation liability of \$18,186,000.

## **G. LEASE TO ROCHESTER ECONOMIC DEVELOPMENT CORPORATION**

The City purchased the Maguire Building, a property at 448 Smith St., from Rochester Economic Development Corporation (REDCO) and issued a promissory note payable for the purchase price in the amount of \$515,000. The interest rate is 2%, and shall be payable by way of Lease credits. The City entered a 10-year operating lease with REDCO for a portion of the office space in the property at 55-57 St. Paul St, for use as administration space for REDCO. The initial lease term is for 10 years, starting April 1, 2021. REDCO has the option to renew for two additional 5-year terms. In lieu of making monthly rent payments, REDCO will apply their rent payments due to the City as credits against the City's promissory note payable. The final rent credit is due to be applied during the third year of the first lease extension. Per the lease agreement and promissory note terms, REDCO has the option of early termination of the lease as of February 28, 2026, without penalty, under the following conditions:

The Chief Executive Officer of REDCO certifies that it has substantially reduced its workforce and no longer requires the space at 55-57 St Paul Street to operate its business or REDCO substantially increases its space requirements, and the City is unable to provide additional space at St Paul. Upon early termination of the lease, the remaining balance of funds due for the purchase of 448 Smith Street will be due to REDCO on or before the 1st day of the last month of the Term. At June 30, 2021 the balance of this note was \$451,000.

The schedule for repayment of the promissory note payable is below:

<b>Fiscal Year Ending June 30</b>	<b>Principal Payments</b>	<b>Interest</b>	<b>Total Lease Payments</b>	<b>Balance</b>
2022	\$ 29,060	\$ 8,754	\$ 37,814	\$ 421,738
2023	31,669	8,149	39,818	390,069
2024	34,438	7,491	41,929	355,631
2025	37,376	6,776	44,152	318,255
2026	40,491	6,000	46,491	277,764
2027	43,795	5,160	48,955	233,968
2028	47,298	4,252	51,550	186,671
2029	51,009	3,273	54,282	135,661
2030	54,942	2,217	57,159	80,719
2031	59,108	1,080	60,188	21,611
2032	21,612	92	21,704	—
<b>Total</b>	<b>\$ 450,798</b>	<b>\$ 55,618</b>	<b>\$ 504,042</b>	

#### H. FUND BALANCES - GOVERNMENTAL FUNDS

As of June 30, 2021, fund balances of the governmental funds are classified as follows:

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

The Assigned category includes funds encumbered for contract services and purchase orders that were open as of June 30, 2021.

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

As of June 30, 2021, governmental fund balances were classified as follows (000's omitted):

	Capital Projects			Special Revenue		Nonmajor Governmental	Total Governmental Funds
	General	General	Transportation	Community Development			
<b>Nonspendable:</b>							
Prepaid items	\$ 11	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12
<b>Restricted:</b>							
Debt service	—	—	—	—	—	2,819	2,819
Community development	—	—	—	4,792	—	—	4,792
Federal projects	—	—	—	—	—	5,523	5,523
State projects	—	—	—	—	—	1,603	1,603
<b>Committed:</b>							
Retirement costs	18,502	—	—	—	—	—	18,502
Property tax relief	21,448	—	—	—	—	—	21,448
Capital projects	—	12,189	—	—	—	—	12,189
Federal block grant	—	—	—	6,673	—	—	6,673
Cemetery perpetual care	—	—	—	—	—	5,390	5,390
Economic development	—	—	—	—	—	2,465	2,465
<b>Assigned:</b>							
Open purchase orders and contracts:							
General government	4,247	—	—	—	—	—	4,247
Police	498	—	—	—	—	—	498
Fire	297	—	—	—	—	—	297
Emergency communications	227	—	—	—	—	—	227
Environmental services	2,151	—	—	—	—	—	2,151
Recreation & human services	573	—	—	—	—	—	573
Neighborhood & business development	120	—	—	—	—	—	120
Retirement costs	18,858	—	—	—	—	—	18,858
Property tax relief	16,716	—	—	—	—	—	16,716
Postemployment benefits	4,977	—	—	—	—	—	4,977
Debt service	—	—	—	—	—	7,167	7,167
Capital projects	5,000	54	—	—	—	—	5,054
Animal control	—	—	—	—	—	498	498
Library	—	—	—	—	—	2,468	2,468
Local works	—	—	—	—	—	13,111	13,111
Downtown programs	—	—	—	—	—	2,141	2,141
<b>Unassigned (deficit)</b>							
Capital projects fund - Transportation	—	—	(28,639)	—	—	—	(28,639)
Capital projects fund - Cultural and Recreation	—	—	—	—	—	(5,255)	(5,255)
General fund	5,943	—	—	—	—	—	5,943
<b>Totals</b>	<u>\$ 99,568</u>	<u>\$ 12,243</u>	<u>\$ (28,639)</u>	<u>\$ 11,465</u>	<u>\$ 37,930</u>	<u>\$ 132,567</u>	

## IV. OTHER INFORMATION

### A. RISK MANAGEMENT

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

At June 30, 2021, the amount of these liabilities was \$43,361,000. Liability estimates are based on the valuations of the insurance companies administering the programs. Changes in the reported liability since June 30, 2019 resulted from the following (000's Omitted):

	<b>Workers' Compensation</b>	<b>General Liability</b>	<b>Total</b>
Estimated claims June 30, 2019	\$ 24,612	\$ 12,224	\$ 36,836
Claims incurred 2019-20	5,961	3,034	8,995
Payments 2019-20	(5,732)	(2,463)	(8,195)
Estimated claims June 30, 2020	<u>\$ 24,841</u>	<u>\$ 12,795</u>	<u>\$ 37,636</u>
Claims incurred 2020-21	5,107	13,538	18,645
Payments 2020-21	(4,903)	(8,018)	(12,921)
Estimated claims June 30, 2021	<u><u>\$ 25,045</u></u>	<u><u>\$ 18,315</u></u>	<u><u>\$ 43,360</u></u>

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

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

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

	<b>Workers' Compensation</b>
Estimated claims June 30, 2019	<u>\$ 24,150</u>
Claims incurred 2019-20	4,841
Payments 2019-20	(5,771)
Estimated claims June 30, 2020	<u>\$ 23,220</u>
Claims incurred 2020-21	8,968
Payments 2020-21	(5,310)
Estimated claims June 30, 2021	<u><u>\$ 26,878</u></u>

## B. CONTINGENT LIABILITIES

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

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

## C. POSTEMPLOYMENT BENEFITS (OBLIGATIONS FOR HEALTH INSURANCE & FIREFIGHTER DISABILITY)

*Plan Description.* The City provides continuation of medical insurance coverage to employees that retire under the New York Retirement Systems at the same time they end their service to the City. Based on collective bargaining agreements, the retiree, and his or her dependents, receives this coverage for the life of the retiree. Healthcare benefits for non-union employees are similar to those of union employees. The retiree's share of premium costs range from 0% to 25%, depending on the employee group and length of service. Eligible dependents of retirees who retired on or after 1/1/2020 continue to receive health benefits for life at the same contribution level of the retiree. Coverage ceases if the surviving spouse remarries. Coverage for dependents ceases when they reach age 26. Also, under requirements of state and local law, the City compensates firefighters that retire due to disability until the mandatory retirement age of 70. This compensation is equal to the differential between the retiree's pension and the salary that they would be paid if still in active service. There are currently 57 firefighters receiving such compensation.

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

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

### *City and District Employees covered by benefit terms*

At June 30, 2021, the following employees were covered by the benefit terms.

	City	District
Inactive employees or beneficiaries currently receiving benefit payments	3,383	3,144
Inactive employees entitled to but not yet receiving benefit payments	—	718
Active employees	2,788	5,388
Total	6,171	9,250

### *Total OPEB Liability*

The City's total OPEB liability of \$1,753,794,000 was measured as of June 30, 2021 and was determined based on an actuarial valuation as of July 1, 2019.

The District's total OPEB liability of \$1,158,687,000 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020.

*Actuarial Assumptions and Other Inputs*

The City's total OPEB liability in the July 1, 2019 actuarial valuation rolled forward to June 30, 2021 and was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Salary increase	3.0% average salary increase used for Entry Age Normal (EAN)
Discount rate	2.09%
Healthcare Cost Trend rates:	Year 1 trend January 1, 2021 7% both Pre 65, and Post 65 Ultimate trend January 1, 2031 and later 4.5% both Pre 65 and Post 65 Grading per year .25% both Pre 65 and Post 65.

Retiree share of benefit-related Range of 0%-25% of premium cost

The discount rate was based on the prescribed discount interest rate methodology under GASB 75 based on an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years) as of June 30, 2021.

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-2019.

The valuation uses assumptions and inputs provided for the July 1, 2019 valuation rolled forward to June 30, 2021.

The District's total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Retirees Share of Benefit-Related Costs	Range of 0%-15% health insurance premium cost
Salary increase	3.0% average, including inflation
Discount rate	2.09%
Healthcare Cost Trend rates:	7.0% for 2021 with a reduction of 0.25% per year and an ultimate rate of 4.5% in 2031 and years thereafter.

The discount rate was based on the prescribed discount interest rate methodology under GASB 75 based on an average of three 20-year bond indices as of June 30, 2021.

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-2019.

The actuarial assumptions used in the City's July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2019 to June 30, 2020.

Changes Total OPEB Liability	<u>City</u>	<u>District</u>
Balance as of 6/30/2020	\$ 1,591,635,153	\$1,051,932,046
Changes for the year		
Service cost	33,770,089	29,974,745
Interest	32,880,429	21,695,253
Changes of benefit terms	—	—
Differences between expected and actual experience	—	—
Changes in assumptions or other inputs	132,324,969	82,848,304
Benefits payments	<u>(36,817,736)</u>	<u>(27,763,286)</u>
Net changes	<u>162,157,751</u>	<u>106,755,016</u>
Balance 6/30/2021	<u>\$ 1,753,792,904</u>	<u>\$1,158,687,062</u>

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.09 percent) or 1-percentage point higher (3.09 percent) than the current discount rate.

	Discount Rate 1% Decrease <u>(1.09%)</u>	Discount Rate <u>(2.09%)</u>	Discount Rate 1% Increase <u>(3.09%)</u>
Total OPEB Liability \$	2,224,723,760	\$ 1,753,792,904	\$ 1,416,555,263

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 (1.09%) or one percentage point higher (3.09%) than the current discount rate.

	Discount Rate 1% Decrease <u>(1.09%)</u>	Discount Rate <u>(2.09%)</u>	Discount Rate 1% Increase <u>(3.09%)</u>
Total OPEB Liability \$	1,452,096,490	\$ 1,158,687,062	\$ 945,172,621

The employer currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the City and the District respectively.

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.0% decreasing to 3.5%) or one percentage point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rate.

	Discount Rate 1% Decrease <u>6.0% decreasing to 3.5%)</u>	Healthcare Cost Trend Rate <u>(7.0% decreasing to 4.5%)</u>	Discount Rate 1% Increase <u>(8.0% decreasing to 5.5%)</u>
Total OPEB Liability \$	1,380,659,538	\$ 1,753,792,904	\$ 2,282,231,323

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.0% decreasing to 3.5%) or one percentage point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rate.

	Discount Rate 1% Decrease <u>6.0% decreasing to 3.5%)</u>	Healthcare Cost Trend Rate <u>(7.0% decreasing to 4.5%)</u>	Discount Rate 1% Increase <u>(8.0% decreasing to 5.5%)</u>
Total OPEB Liability \$	923,456,874	\$ 1,158,687,062	\$ 1,485,309,018

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$91,006,000. At June 30, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ —	\$ —
Changes in assumptions	145,026,000	—
Net difference between projected and actual earnings on OPEB plan investments	<u>—</u>	<u>—</u>
Total	<u>\$ 145,026,000</u>	<u>\$ —</u>

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

**Year ended June 30:**

2022	\$ 24,355,000
2023	24,355,000
2024	24,355,000
2025	24,355,000
2026	24,355,000
2027	19,574,000
2028	3,677,000

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ —	\$ —
Changes in assumptions	195,027,000	—
Net difference between projected and actual earnings on OPEB plan investments	<u>—</u>	<u>—</u>
Total	<u>\$ 195,027,000</u>	<u>\$ —</u>

For the year ended June 30, 2021, the District recognized OPEB expense of \$90,144,000. A summary of deferred inflows and outflows for the 2020 plan year valuation is as follows:

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

**Year ended June 30:**

2022	\$ 38,474,000
2023	38,474,000
2024	38,474,000
2025	38,474,000
2026	31,925,000
2027	9,206,000

*Medical Reimbursements.*

The City's Medicare Part D prescription drug subsidy, which reduces the cost of retiree healthcare premiums, is accrued as revenue only in the current year. Subsidies which were \$331,000 for the City in fiscal year 2021, cannot be projected as a reduction to the actuarial accrued liability.

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

Effective January 1, 2002, the District established a Medical Reimbursement Account (MRA) for qualified retirees per the collective bargaining agreement between the District and Association of Supervisors and Administrators of Rochester for an attendance incentive. During fiscal year 2020-21, MRA claims totaling \$17,000 were paid by the District and at June 30, 2021, there were fifteen active participants.

## D. PENSION OBLIGATIONS

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

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

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

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

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

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

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

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

At June 30, 2021, the City reported the following asset/(liability) for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of March 31, 2021 for ERS and PFRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation.

	ERS	PFRS
Measurement Date	March 31, 2021	March 31, 2021
Net Pension (Liability)	\$ (309,536)	\$ (55,338,994)
City's portion of the plan's total net pension liability	0.3108603 %	3.1872234%
Change in proportionate share since prior measurement date	(0.0039896)	(0.1367573)

At June 30, 2021, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined.

	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Net Pension Asset (Liability)	\$ (219,004)	\$ (43,662,168)
District's portion of the Plan's total net pension liability	0.2194412 %	1.580090%
Change in proportionate share since prior measurement date	(0.0012850)	(0.142196)

At year end June 30, 2021, the City recognized ERS pension expenses of \$7,269,000. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 3,780,273	\$ —
Changes of Assumptions	56,913,681	1,073,409
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	—	88,916,959
Changes in Proportion and differences between Employer Contributions and Proportionate Share of Contributions	768,985	809,351
<b>Total</b>	<b>\$ 61,462,939</b>	<b>\$ 90,799,719</b>

The City's contributions subsequent to the measurement date for ERS amounted to \$3,487,000.

At year end June 30, 2021, the City recognized PFRS pension expenses of \$29,283,000. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 12,279,430	\$ —
Changes of Assumptions	135,961,926	—
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	—	162,721,073
Changes in Proportion and differences between Employer Contributions and Proportionate Share of Contributions	1,273,930	3,952,845
<b>Total</b>	<b>\$ 149,515,286</b>	<b>\$ 166,673,918</b>

The City's contributions subsequent to the measurement date for PFRS amounted to \$8,738,000.

At year end June 30, 2021, the District's ERS recognized pension expenses of \$6,304,000 and for TRS \$59,636,000 net of deferrals. At June 30, 2021, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions arose from the following sources:

	District	
	ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 2,674,635	\$ —
Changes of Assumptions	40,267,810	759,463
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	—	62,910,904
Changes in Proportion and differences between Employer Contributions and Proportionate Share of Contributions	3,505,737	1,366,274
District's contributions subsequent to the measurement date	2,445,292	—
<b>Total</b>	<b>\$ 48,893,474</b>	<b>\$ 65,036,641</b>

	District	
	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 38,256,796	\$ 2,237,602
Changes of Assumptions	55,222,481	19,683,929
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	28,515,224	—
Changes in Proportion and differences between Employer Contributions and Proportionate Share of Contributions	9,244,255	4,735,262
District's contributions subsequent to the measurement date	<u>23,332,376</u>	<u>—</u>
<b>Total</b>	<b><u>\$ 154,571,132</u></b>	<b><u>\$ 26,656,793</u></b>

The City's primary government recognized total pension expense of \$36,552,000 (\$7,269,000 for ERS, and \$29,283,000 for PFRS.) The District recognized total pension expense of \$65,940,000 (\$6,304,000 for ERS, and \$59,636,000 TRS).

The City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The City's net amount of the employer's balances of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Fiscal year ending June 30,	ERS	PFRS
2022	\$ (5,239,037)	\$ (7,266,152)
2023	(1,980,928)	(1,354,609)
2024	(4,933,268)	(5,907,512)
2025	(17,183,547)	(29,161,742)
2026	—	26,531,382
Thereafter	—	—

The District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	ERS	Year Ended June 30,	TRS
2022	\$ (2,734,805)	2022	\$ 17,859,682
2023	(715,110)	2023	35,185,912
2024	(3,036,343)	2024	28,935,761
2025	(12,102,201)	2025	17,689,494
2026	—	2026	1,632,341
Thereafter	—	Thereafter	3,278,773

## Actuarial Assumptions

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

	ERS	PFRS	TRS
Measurement Date	March 31, 2021	March 31, 2021	June 30, 2020
Actuarial Valuation Date	April 1, 2020	April 1, 2020	June 30, 2019
Interest Rate	5.9%	5.9%	7.10%
Salary Scale	4.4%	6.2%	1.9% - 4.72%
Decrement Tables	04/01/15-03/31/20 System's Experience	04/01/15-03/31/20 System's Experience	07/01/09-06/30/14 System's Experience
Inflation Rate	2.7%	2.7%	2.2%
Cost of Living Adjustments	1.4%	1.4%	1.3%

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

For ERS and PFRS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System's experience with adjustments for mortality improvements based on the Society of Actuaries Scale MP-2019.

For TRS, the actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The City and District's long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

CITY AND DISTRICT	Target Allocation		Long-Term Expected Real Rate of Return	
	TRS	ERS AND PFRS	TRS	ERS AND PFRS
	June 30, 2020	March 31, 2021	June 30, 2020	March 31, 2021
Measurement Date	June 30, 2020	March 31, 2021	June 30, 2020	March 31, 2021
Asset Class:				
Domestic equities	33.0%	32.0%	7.1%	4.05%
International equities	16.0	15.0	7.7	6.3
Global equities	4.0	—	7.4	—
Real estate	11.0	9.0	6.8	4.95
Private equity	8.0	10.0	10.4	6.75
Private debt	1.0	—	5.2	—
Real estate debt	7.0	—	3.6	—
Domestic fixed income securities	16.0	—	1.8	—
Global bonds	2.0	—	1.0	—
High yield bonds	1.0	—	3.9	—
Opportunistic/Absolute return strategies	—	3.0	—	4.50
Credit	—	4.0	—	3.63
Real assets	—	3.0	—	5.95
Bond and mortgages	—	—	—	—
Fixed Income		23.0		—
Cash equivalents	1.0	1.0	0.7	0.50
Inflation-indexed bonds	—	—	—	—
Total	<u>100.0%</u>	<u>100.0%</u>		

#### Discount Rate

The Discount rate used to calculate the total pension liability was 5.9% for ERS and PFRS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that the contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following tables present the City and District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and PFRS and 7.1% for TRS, as well as what the City and District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is one percentage point lower (4.9% for ERS and PFRS and 6.1% for TRS) or one percent point higher (6.9% for ERS and PFRS and 8.1% for TRS) than the current rate:

		1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
CITY - ERS	Employer's proportionate share of the Net Pension asset/(liability)	\$ (85,915,212)	\$ (309,536)	\$ 78,638,933
CITY - PFRS	Employer's proportionate share of the Net Pension asset/(liability)	\$ (235,332,588)	\$ (55,338,994)	\$ 93,649,186
DISTRICT-ERS	Employer's proportionate share of the Net Pension asset/(liability)	\$ (60,787,096)	\$ (219,004)	\$ 55,638,952

		1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
DISTRICT-TRS	Employer's proportionate share of the Net Pension asset/(liability)	\$ (275,798,873)	\$ (43,662,168)	\$ 151,159,355

### Pension Plan Fiduciary Net Position

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

	ERS	PFRS	TRS
	(Dollars in Thousands)		
Measurement Date	3/31/2021	3/31/2021	6/30/2020
Employers' total pension liability	\$ 220,680,157	\$ 41,236,775	\$ 123,247,776
Fiduciary net position	220,580,583	39,500,500	120,479,505
Employers' net pension asset/(liability)	\$ (99,574)	\$ (1,736,275)	\$ (2,768,271)
Ratio of Plan net position to the employers' total pension asset/(liability)	99.95%	95.79%	97.75%

### Payables to the Pension Plan

For the City's ERS and PFRS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2021 based on 25% of the City's ERS and PFRS estimated bill. The City's accrued retirement contributions as of June 30, 2021 for ERS amounted to \$3,487,000 and PFRS amounted to \$8,738,000.

For the District, ERS employer contributions are paid annually based on the System's fiscal year which ends March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on ERS wages multiplied by the contribution rate by tier. Accrued employer retirement contributions were \$2,445,000, and employee accrued retirement contributions were \$159,000 as of June 30, 2021. The District opted out of the ERS pension amortization program during 2014-15, and as a result incurred a loan for prior year amortizations amounts. As of June 30, 2021, the total outstanding balance for ERS amortization was \$2,512,000. For the District's TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a State Aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on TRS wages multiplied by a contribution rate of 9.53%, as calculated by the TRS as the actuarially required rate. Employer accrued retirement contributions as of June 30, 2021 were \$23,332,000 and employee accrued retirement contributions were \$2,018,000. The District opted out of the TRS pension amortization program during 2016-17, and as a result incurred a loan for prior year amortization amounts. As of June 30, 2021, the total outstanding balance for the TRS amortization repayments was \$2,695,000.

**E. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

To improve cash management, all City disbursements are made from a consolidated account in the general fund. Also, the cash balances of certain capital funds are consolidated to maximize investment return. Both these cash management practices, as well as normal delays in processing interfund transfers and reimbursements, are the primary reasons why interfund receivables and payables exist. These receivables and payables are short term in nature and are typically repaid in less than one year. The following schedule summarizes individual fund interfund receivables and payables at June 30, 2021 (000's Omitted):

Due to:	Due From:								Total
	General	General Capital	Transportation Capital	Community Development	Nonmajor Governmental Special Revenue	Nonmajor Governmental Capital Projects	Internal Service	Proprietary	
General	\$ —	\$ 42,363	\$ 2,246	\$ 18	\$ 2,858	\$ 1	\$ 16,263	\$ 2,660	\$ 66,409
General Capital	7,438	—	3,367	—	—	15	—	—	\$ 10,820
Transportation Capital	5,637	7,105	—	—	—	—	—	4	12,746
Community Development	1,935	—	—	—	—	—	—	—	1,935
Nonmajor Capital Projects	756	—	—	—	—	—	—	—	756
Nonmajor Special Revenue	4,508	230	6,790	—	—	1,325	—	1,148	14,001
Proprietary	8,192	—	—	—	102	—	—	—	8,294
Total	<u>\$ 28,466</u>	<u>\$ 49,698</u>	<u>\$ 12,403</u>	<u>\$ 18</u>	<u>\$ 2,960</u>	<u>\$ 1,341</u>	<u>\$ 16,263</u>	<u>\$ 3,812</u>	<u>\$ 114,961</u>

Transfers among funds are provided for as part of the annual budget process. They facilitate annual contributions from the operating budget to capital project funds. They also facilitate the contribution of enterprise earnings to the general fund. Interfund transfers for the fiscal year ending June 30, 2021, which were routine in nature, were as follows (000's Omitted):

Transfer Out:	Transfer In:							Total
	General	Nonmajor Debt Service	General Capital	Transportation Capital	Nonmajor Governmental Special Revenue	Nonmajor Governmental Capital Projects	Internal Service	
General	\$ —	\$ —	\$ 12,900	\$ 2,244	\$ —	\$ 300	\$ 14,456	\$ 29,900
Nonmajor Debt Service	4,500	—	—	—	109	—	—	4,609
General Capital	200	26	—	—	—	—	—	226
Transportation Capital	5,219	859	—	—	—	—	—	6,078
Nonmajor Capital Projects	—	63	—	—	—	—	—	63
Nonmajor Special Revenue	1,767	—	165	1,896	—	815	—	4,643
Internal Service	—	—	—	—	—	—	—	—
Proprietary	5,451	—	—	—	—	—	—	5,451
Total	<u>\$ 17,137</u>	<u>\$ 948</u>	<u>\$ 13,065</u>	<u>\$ 4,140</u>	<u>\$ 109</u>	<u>\$ 1,115</u>	<u>\$ 14,456</u>	<u>\$ 50,970</u>

**F. TAX ABATEMENTS**

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

Program	NYS Real Property Tax Law	Purpose of Program		Real Property Taxes being abated
COMIDA - CHOICE*	RPTL 412-a & General Municipal Law 874	Promote new residential owner occupied units in the Center City District		\$ 317,489
Criteria to be eligible to receive abatement *Core Housing Owner Incentive Exemption	Owner occupied housing	Center City District (Homestead Tax Rate)		
COMIDA	RPTL 412-a & General Municipal Law 874	Job Growth		\$ 16,383,005
		(Non-Homestead Tax Rate)		
CUE	RPTL 485-a	Converted to mixed-use from under utilized commercial buildings		\$ 1,502,545
Conversion Urban Exemption		(Residential & Commercial Non-Homestead Tax Rate)		
421-f Capital Improvements to Residential Buildings	Real Property Tax Law 421-f	Capital Improvements to residential properties		\$ 79,951
Criteria to be eligible to receive abatement	Owner occupied housing	Center City District (Homestead Tax Rate)		
485-b Business Improvement Exemption	RPTL 485-b	Improvements to Commercial & Industrial properties		\$ 402,283
		(Non-Homestead Tax Rate)		
Rochester Housing Authority	Public Housing Law Section 52(3) 52(5) 52(6)	Municipal Housing Authority	(NH Non-Homestead)	\$ 328,934
			(H Homestead)	\$ 2,084,851
<b>Sub Totals</b>				<b>\$ 2,413,785</b>
Housing Development Fund Companies	Private Housing Finance Law Section 577 (3)	Low Income Housing	(NH Non-Homestead)	\$ 9,229,121
			(H Homestead)	\$ 430,874
<b>Sub Totals</b>				<b>\$ 9,659,995</b>
Redevelopment Company Housing Projects	Private Housing Finance Law Sections 125, 127	Low Income Housing	(NH Non-Homestead)	\$ 206,548
			(H Homestead)	\$ 5,272
<b>Sub Totals</b>				<b>\$ 211,820</b>
<b>Total Housing</b>				<b>\$ 12,285,600</b>
<b>Total All Programs</b>				<b>\$ 30,970,873</b>

## **G. SUBSEQUENT EVENTS**

On August 3, 2021 the City of Rochester issued Bond Anticipation Notes, 2021 Series II in the amount of \$132,352,000. A portion of the proceeds (\$87,017,000) were used to redeem Bond Anticipation Notes (BAN's) maturing on August 4, 2021 and the remaining (\$45,335,000) provided original financing. The City received an interest rate of 0.086% on the BANs.

Management has evaluated subsequent events through December 22, 2021, which is the date the financial statements are available for issuance, and have determined except as disclosed above, there are no subsequent events that require disclosure under generally accepted accounting principles.

The City of Rochester, New York

*Required Supplemental Information*

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

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

**NON-GAAP BUDGET BASIS**

**FOR THE YEAR ENDED JUNE 30, 2021 (000's Omitted)**

	General Fund		Special Revenue Funds		Proprietary Funds		Total			
	Final	Actual	Final	Actual	Final	Actual	Original	Final	Actual	Variance
<b>REVENUES</b>										
Real property tax	\$ 165,883	\$ 166,215	\$ 8,694	\$ 8,694	\$ 2,648	\$ 2,648	\$ 177,225	\$ 177,225	\$ 177,557	\$ 332
Sales taxes	137,693	172,917	—	—	—	—	137,693	137,693	172,917	35,224
Other taxes	24,187	24,547	—	—	905	905	24,972	25,092	25,452	360
Charges for services	23,731	20,668	23,513	22,997	80,851	80,146	126,895	128,095	123,811	(4,284)
Use of money and property	150	35	29	1	143	16	322	322	52	(270)
Interest and penalties	2,120	2,449	—	—	946	1,127	3,067	3,066	3,576	510
Licenses and permits	3,193	3,074	43	27	—	—	3,234	3,236	3,101	(135)
Federal aid	7,581	9,816	—	193	3	51	6,387	7,584	10,060	2,476
State aid	103,935	120,927	999	846	—	41	104,453	104,934	121,814	16,880
Local sources and other	23,666	22,905	7,010	6,792	50	21	30,613	30,726	29,718	(1,008)
Total revenues	492,139	543,553	40,288	39,550	85,546	84,955	614,861	617,973	668,058	50,085
<b>EXPENDITURES</b>										
Council and clerk	2,513	2,310	—	—	—	—	2,413	2,513	2,310	203
Administration	12,823	11,900	—	—	—	—	13,078	12,823	11,900	923
Information technology	6,839	6,736	—	—	—	—	6,839	6,839	6,736	103
Finance	5,319	5,188	—	—	6,150	4,760	11,469	11,469	9,948	1,521
Neighborhood development	10,689	10,498	—	—	—	—	10,989	10,689	10,498	191
Environmental services	27,030	27,356	13,860	11,709	46,437	45,272	88,208	87,327	84,337	2,990
Library	—	—	12,375	11,374	—	—	12,375	12,375	11,374	1,001
Police	98,084	98,169	1,556	1,452	—	—	95,116	99,640	99,621	19
Fire	53,468	53,248	—	—	—	—	53,721	53,468	53,248	220
Emergency communications	15,360	14,405	—	—	—	—	15,360	15,360	14,405	955
Recreation and human services	12,785	11,395	—	8	999	989	12,539	13,784	12,392	1,392
Undistributed	123,384	125,024	8,924	8,416	13,644	10,709	148,844	145,952	144,149	1,803
Contingency	—	—	—	—	—	—	3,538	—	—	—
Debt services	20,800	20,785	1,894	1,892	16,844	16,636	39,538	39,538	39,313	225
Total expenditures	389,094	400,914	38,609	34,851	84,074	78,366	514,027	511,777	500,231	11,546
Excess of revenues over expenditures	103,045	142,639	1,679	4,699	1,472	6,589	100,834	106,196	167,827	38,539

The City of Rochester, New York

*Required Supplemental Information*

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

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

**NON-GAAP BUDGET BASIS**

**FOR THE YEAR ENDED JUNE 30, 2021 (000's Omitted)**

(continued)

	General Fund		Special Revenue Funds		Proprietary Funds		Total			
	Final	Actual	Final	Actual	Final	Actual	Original	Final	Actual	Variance
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers from other funds	\$ 11,948	\$ 12,103	\$ 109	\$ 109	\$ 1,531	\$ 1,531	\$ 12,958	\$ 13,588	\$ 13,743	\$ 155
Transfers (to) other funds	(11,647)	(25,547)	(2,370)	(2,370)	(7,608)	(7,608)	(15,634)	(21,625)	(35,525)	13,900
Transfers (to) component unit	(119,100)	(119,100)	—	—	—	—	(119,100)	(119,100)	(119,100)	—
Total other financing uses	(118,799)	(118,644)	(2,261)	(2,261)	(6,077)	(6,077)	(121,776)	(127,137)	(126,982)	14,055
Appropriation of prior year fund balance	15,754	—	582	—	4,605	—	20,941	20,941	—	(20,941)
Excess (deficiency) of revenues and other sources over expenditures and other uses- Budget Basis	—	23,995	—	2,438	—	512	10,336	—	26,945	26,945
Encumbrances included in actual		7,613		790		1,184			9,587	
Excess (deficiency) of revenues and other sources over expenditures, encumbrances and other uses		31,608		3,228		1,696			36,532	
Expenditures of prior years' encumbrances		2,771		194		258			3,223	
Excess(deficiency) of revenues and other sources over expenditures and other uses		28,837		3,034		1,438			33,309	
Net proprietary capital expense		—		—		(17,382)			(17,382)	
Depreciation expense		—		—		(16,041)			(16,041)	
Debt service cash basis		—		—		14,084			14,084	
Contribution to reserve for capital projects		—		—		7,577			7,576	
Other post employment benefits		—		—		(4,288)			(4,288)	
Capital and debt reimbursement		—		—		(599)			(599)	
Capital contribution		—		—		6,457			6,457	
Aggregate net pension expense		—		—		476			476	
<b>Fund Balance/Net Position - beginning as restated</b>		70,731		13,043		131,906			215,680	
<b>Fund Balance/Net Position - ending</b>		<u>\$ 99,568</u>		<u>\$ 16,077</u>		<u>\$ 123,628</u>			<u>\$ 239,273</u>	

The City of Rochester, New York

*Required Supplemental Information*

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

**LAST TEN FISCAL YEARS\* (000's Omitted)**

	Year Ended June 30			
	2018	2019	2020	2021
<b>Total OPEB Liability</b>				
Service cost	\$ 13,985	\$ 14,404	\$ 29,128	\$ 33,770
Interest cost	50,478	51,477	36,615	32,881
Changes of benefit terms	—	—	—	—
Differences between expected and actual experience	—	—	—	—
Changes in assumptions or other inputs	—	—	43,032	132,325
Benefit payments	(35,414)	(36,524)	(35,532)	(36,817)
Net changes in total OPEB liability	29,049	29,357	73,243	162,159
Total OPEB Liability - beginning	\$ 1,459,985	\$ 1,489,034	\$ 1,518,392	\$ 1,591,635
<b>Total OPEB liability - ending</b>	<b>\$ 1,489,034</b>	<b>\$ 1,518,392</b>	<b>\$ 1,591,635</b>	<b>\$ 1,753,794</b>
Covered employee payroll	\$ 226,033	\$ 241,678	\$ 236,695	\$ 236,207
Total OPEB liability as a percentage of covered employee payroll	658.77 %	628.27 %	672.44 %	742.48 %

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

The City of Rochester, New York

*Required Supplemental Information*

**SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS**

**NYSERS AND NYSPFRS PENSION PLAN**

**LAST TEN FISCAL YEARS (000's Omitted)**

	Year Ended June 30									
	EMPLOYEES' RETIREMENT SYSTEM									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 12,463	\$ 14,581	\$ 10,634	\$ 17,665	\$ 15,473	\$ 14,271	\$ 14,185	\$ 13,650	\$ 13,570	\$ 13,733
Contributions in relation to the contractually required contribution	12,463	14,581	10,634	17,665	15,473	14,271	14,185	13,650	13,570	13,733
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
City's covered payroll	\$ 83,192	\$ 83,963	\$ 86,121	\$ 88,861	\$ 90,559	\$ 89,172	\$ 91,092	\$ 95,339	\$ 99,649	\$ 92,510
Contributions as a percentage of covered payroll	15%	17%	12%	20%	17%	17%	15%	14%	14%	15%

	Year Ended June 30									
	POLICE AND FIRE RETIREMENT SYSTEM									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 18,798	\$ 32,003	\$ 21,218	\$ 27,261	\$ 25,610	\$ 28,374	\$ 27,647	\$ 27,171	\$ 29,519	\$ 30,745
Contributions in relation to the contractually required contribution	18,798	32,003	21,218	27,261	25,610	28,374	27,647	27,171	29,519	30,745
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
City's covered payroll	\$ 99,550	\$ 104,186	\$ 103,393	\$ 111,485	\$ 111,504	\$ 115,196	\$ 116,417	\$ 130,412	\$ 125,631	\$ 126,299
Contributions as a percentage of covered payroll	19%	31%	21%	24%	23%	23%	24%	21%	23%	24%

The City of Rochester, New York

*Required Supplemental Information*

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

**NYSERS AND NYSPFRS PENSION PLAN**

**LAST TEN FISCAL YEARS\* (000's Omitted)**

**Year Ended June 30**  
**EMPLOYEES' RETIREMENT SYSTEM**

<b>Measurement Date March 31</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
City's proportion of the net pension asset (liability)	0.3300000%	0.3307422%	0.3258387%	0.3300000%	0.3240283%	0.3148499%	0.3108603%
City's proportionate share of the net pension asset (liability)	\$ (11,280)	\$ (53,085)	\$ (30,617)	\$ (10,618)	\$ (22,958)	\$ (83,374)	\$ (310)
City's covered payroll	\$ 88,861	\$ 90,559	\$ 89,172	\$ 90,728	\$ 91,504	\$ 92,627	\$ 90,292
City's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	12.69%	58.62%	34.33%	11.66%	25.09%	90.36%	0.34%
Plan fiduciary net position as a percentage of the total pension	97.90%	90.70%	94.70%	98.24%	96.27%	86.39%	99.95%

The City of Rochester, New York

*Required Supplemental Information*

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

**NYSERS AND NYSPFRS PENSION PLAN**

**LAST TEN FISCAL YEARS\* (000's Omitted)**

Continued

Year Ended June 30

**POLICE AND FIRE RETIREMENT SYSTEM**

Measurement Date March 31	2015	2016	2017	2018	2019	2020	2021
City's proportion of the net pension asset (liability)	0.3290000 %	3.2675555 %	3.2880163 %	3.1900000 %	3.1894350 %	3.3239807 %	3.1872234 %
City's proportionate share of the net pension asset (liability)	\$ (9,055)	\$ (96,745)	\$ (68,149)	\$ (32,194)	\$ (53,489)	\$ (177,665)	\$ (55,339)
City's covered payroll	\$ 111,485	\$ 111,505	\$ 115,196	\$ 116,517	\$ 126,453	\$ 124,079	\$ 125,590
City's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	8.12 %	86.76 %	59.16 %	27.65 %	42.30 %	143.19 %	0.25 %
Plan fiduciary net position as a percentage of the total pension	99.0 %	90.2 %	93.5 %	96.9 %	95.1 %	84.9 %	95.79 %

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

**I. BUDGETARY INFORMATION**

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

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

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

**II. OTHER POST EMPLOYMENT BENEFITS**

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

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

Year Ended June 30	Salary Scale	Single Discount Rate	Ultimate Healthcare Cost Trend Rate
2021	3.0 %	2.09 %	4.5 %
2020	3.0 %	2.4 %	4.5 %
2019	3.0 %	3.5 %	5.0 %
2018	3.0 %	3.5 %	5.0 %

### III. RETIREMENT SYSTEM

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

<b>Year ended June 30</b>	<b>ERS &amp; PFRS</b>
2021	5.9%
2020	6.8%
2019	7.0%
2018	7.0%
2017	7.0%
2016	7.5%
2015	7.5%

# Nonmajor Governmental Funds

## Debt Funds

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

## Capital Funds

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

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

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

## Special Revenue Funds

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

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

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

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

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

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

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

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

THE CITY OF ROCHESTER, NEW YORK  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2021 (000's Omitted)

	Capital Projects					Special Revenue					Total Nonmajor Governmental Funds	
	Debt Service	Economic Assistance	Cultural and Recreation	Animal Control	Library	Local Works	Federal Projects	State Projects	Cemetery Perpetual Care	Other		
<b>ASSETS</b>												
Cash and cash equivalents	\$ 7,170	\$ —	\$ —	\$ 736	\$ 1,188	\$ 21,054	\$ 6,353	\$ 1,692	\$ 6,126	\$ 2,853	\$ 47,172	
Investments	—	—	—	—	—	—	—	—	—	—	—	
Receivables (net of allowance for uncollectibles)												
Accounts	—	—	—	—	1,151	—	—	—	—	2	1,153	
Taxes	—	—	—	—	—	314	—	—	—	—	314	
Due from other funds	—	—	1,341	208	1,325	1,354	—	—	66	7	4,301	
Due from other governments	—	661	—	—	1,498	—	—	820	—	—	2,979	
Cash and cash equivalents - restricted	2,819	1,856	691	—	—	—	—	—	—	—	5,366	
Total assets	<u>\$ 9,989</u>	<u>\$ 2,517</u>	<u>\$ 2,032</u>	<u>\$ 944</u>	<u>\$ 5,162</u>	<u>\$ 22,722</u>	<u>\$ 6,353</u>	<u>\$ 2,512</u>	<u>\$ 6,192</u>	<u>\$ 2,862</u>	<u>\$ 61,285</u>	
<b>LIABILITIES</b>												
Accounts payable and other accrued liabilities	\$ —	\$ 17	\$ 870	\$ 89	\$ 828	\$ 289	\$ 113	\$ 85	\$ —	\$ 5	\$ 2,296	
Bond anticipation notes payable	—	35	5,661	—	—	—	—	—	—	—	5,696	
Due to other funds	—	—	756	263	1,545	9,134	717	824	802	716	14,757	
Due to other governments	—	—	—	44	319	188	—	—	—	—	551	
Due to component units	3	—	—	—	2	—	—	—	—	—	5	
Unearned Revenue	—	—	—	50	—	—	—	—	—	—	50	
Total liabilities	<u>3</u>	<u>52</u>	<u>7,287</u>	<u>446</u>	<u>2,694</u>	<u>9,611</u>	<u>830</u>	<u>909</u>	<u>802</u>	<u>721</u>	<u>23,355</u>	
<b>FUND BALANCES (DEFICIT)</b>												
Restricted	2,819	—	—	—	—	—	5,523	1,603	—	—	9,945	
Committed	—	2,465	—	—	—	—	—	—	5,390	—	7,855	
Assigned	7,167	—	—	498	2,468	13,111	—	—	—	2,141	25,385	
Unassigned (deficit)	—	—	(5,255)	—	—	—	—	—	—	—	(5,255)	
Total fund balances (deficit)	<u>9,986</u>	<u>2,465</u>	<u>(5,255)</u>	<u>498</u>	<u>2,468</u>	<u>13,111</u>	<u>5,523</u>	<u>1,603</u>	<u>5,390</u>	<u>2,141</u>	<u>37,930</u>	
Total liabilities and fund balances (deficit)	<u>\$ 9,989</u>	<u>\$ 2,517</u>	<u>\$ 2,032</u>	<u>\$ 944</u>	<u>\$ 5,162</u>	<u>\$ 22,722</u>	<u>\$ 6,353</u>	<u>\$ 2,512</u>	<u>\$ 6,192</u>	<u>\$ 2,862</u>	<u>\$ 61,285</u>	

THE CITY OF ROCHESTER, NEW YORK  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021 (000's Omitted)

	Capital Projects			Special Revenue							Total Nonmajor Governmental Funds
	Debt Service	Economic Assistance	Cultural and Recreation	Animal Control	Library	Local Works	Federal Projects	State Projects	Cemetery Perpetual Care	Other	
<b>REVENUES</b>											
Real property tax	\$ —	\$ —	\$ —	\$ 2,091	\$ 6,603	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 8,694
Departmental	—	—	—	136	2,598	20,288	—	—	—	—	23,022
Use of money and property	949	—	—	—	—	1	1	—	—	—	951
Federal aid	—	—	—	—	193	—	614	231	—	—	1,038
State aid	—	80	—	—	763	84	1	1,185	—	—	2,113
Local sources and other	—	—	—	10	6,782	—	823	3	171	952	8,741
Total revenues	949	80	—	2,237	16,939	20,373	1,439	1,419	171	952	44,559
<b>EXPENDITURES</b>											
Current:											
General government	—	—	—	615	4,039	3,761	—	—	—	1	8,416
Neighborhood business development	—	—	—	—	—	—	874	414	—	—	1,288
Environmental services	—	—	—	—	—	11,287	65	—	—	—	11,352
Transportation	—	—	—	—	—	—	—	—	—	121	121
Police department	—	—	—	1,506	—	—	—	400	—	—	1,906
Fire department	—	—	—	—	—	—	—	579	—	—	579
Library	—	—	—	—	11,147	—	—	—	—	—	11,147
Recreation and human services	—	—	—	8	—	—	352	—	—	1	361
Debt service:											
Principal retirement	—	—	—	—	165	1,015	—	—	—	—	1,180
Interest	—	—	—	—	49	157	—	—	—	—	206
Capital outlay:											
General government	—	24	—	—	—	—	—	—	—	—	24
Library	—	—	4,291	—	—	—	—	—	—	—	4,291
Recreation and human services	—	—	957	—	—	—	—	—	—	—	957
Total expenditures	—	24	5,248	2,129	15,400	16,220	1,291	1,393	—	123	41,828
Excess (deficiency) of revenues over (under) expenditures	949	56	(5,248)	108	1,539	4,153	148	26	171	829	2,731
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers in	948	—	1,115	—	25	84	—	—	—	—	2,172
Transfers out	(4,609)	(57)	(6)	(165)	(815)	(1,896)	(862)	(189)	—	(716)	(9,315)
Total other financing source (uses)	(3,661)	(57)	1,109	(165)	(790)	(1,812)	(862)	(189)	—	(716)	(7,143)
Net change in fund balances	(2,712)	(1)	(4,139)	(57)	749	2,341	(714)	(163)	171	113	(4,412)
Fund balances (deficit) - beginning	12,698	2,466	(1,116)	555	1,719	10,770	6,237	1,766	5,219	2,028	42,342
Fund balances (deficit) - ending	\$ 9,986	\$ 2,465	\$ (5,255)	\$ 498	\$ 2,468	\$ 13,111	\$ 5,523	\$ 1,603	\$ 5,390	\$ 2,141	\$ 37,930

# STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	103
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	111
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	114
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	120
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	121

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Net investment in capital assets	\$ 552,846	\$ 547,613	\$ 597,794	\$ 602,559	\$ 626,977	\$ 642,707	\$ 648,630	\$ 644,067	\$ 639,146	\$ 627,321
Restricted	83,543	168,975	120,328	83,436	66,658	40,619	58,170	55,167	27,248	21,450
Unrestricted	<u>(102,121)</u>	<u>(157,296)</u>	<u>(229,839)</u>	<u>(240,753)</u>	<u>(315,517)</u>	<u>(371,720)</u>	<u>(1,282,903)</u>	<u>(1,299,337)</u>	<u>(1,380,299)</u>	<u>(1,398,424)</u>
Total governmental activities net position	<u>\$ 534,268</u>	<u>\$ 559,292</u>	<u>\$ 488,283</u>	<u>\$ 445,242</u>	<u>\$ 378,118</u>	<u>\$ 311,606</u>	<u>\$ (576,103)</u>	<u>\$ (600,103)</u>	<u>\$ (713,905)</u>	<u>\$ (749,653)</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 183,329	\$ 187,190	\$ 211,529	\$ 207,285	\$ 205,542	\$ 199,698	\$ 194,635	\$ 193,621	\$ 197,327	\$ 195,736
Restricted	21,454	18,456	16,722	16,417	17,126	9,442	13,122	8,649	5,955	5,365
Unrestricted	<u>10,365</u>	<u>11,781</u>	<u>5,770</u>	<u>1,640</u>	<u>(1,184)</u>	<u>2,084</u>	<u>(64,109)</u>	<u>(67,423)</u>	<u>(71,376)</u>	<u>(77,473)</u>
Total business-type activities net position	<u>\$ 215,148</u>	<u>\$ 217,427</u>	<u>\$ 234,021</u>	<u>\$ 225,342</u>	<u>\$ 221,484</u>	<u>\$ 211,224</u>	<u>\$ 143,648</u>	<u>\$ 134,847</u>	<u>\$ 131,906</u>	<u>\$ 123,628</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 736,175	\$ 734,803	\$ 809,323	\$ 809,844	\$ 832,519	\$ 842,405	\$ 843,265	\$ 837,688	\$ 836,473	\$ 823,057
Restricted	104,997	187,431	137,050	99,853	83,784	50,061	71,292	63,816	33,203	26,815
Unrestricted	<u>(91,756)</u>	<u>(145,515)</u>	<u>(224,069)</u>	<u>(239,113)</u>	<u>(316,701)</u>	<u>(369,635)</u>	<u>(1,347,012)</u>	<u>(1,366,760)</u>	<u>(1,451,675)</u>	<u>(1,475,897)</u>
Total primary government net position	<u>\$ 749,416</u>	<u>\$ 776,719</u>	<u>\$ 722,304</u>	<u>\$ 670,584</u>	<u>\$ 599,602</u>	<u>\$ 522,831</u>	<u>\$ (432,455)</u>	<u>\$ (465,256)</u>	<u>\$ (581,999)</u>	<u>\$ (626,025)</u>

Note: Prior years' information not available on accrual basis

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

**(000's Omitted)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
General government	\$ 102,200	\$ 119,387	\$ 154,138	\$ 136,679	\$ 166,709	\$ 177,758	\$ 145,574	\$ 176,535	\$ 174,924	\$ 182,621
Neighborhood business development	34,908	41,888	43,480	38,195	25,883	31,641	33,522	67,776	36,384	39,377
Environmental services	36,819	43,419	45,366	45,209	42,010	50,473	44,742	4,350	43,238	53,498
Transportation	8,098	4,094	8,982	22,674	24,987	24,743	36,007	29,659	41,553	43,685
Emergency communications	19,281	23,218	22,853	23,141	24,369	25,752	22,993	20,867	36,003	26,496
Police department	128,413	143,722	143,880	147,566	157,406	163,702	155,441	155,314	147,567	168,899
Fire department	69,022	82,560	78,226	79,577	85,311	87,741	82,995	82,340	108,534	92,644
Library	13,143	13,958	13,878	14,003	15,739	15,705	14,017	13,626	18,391	18,042
Recreation and human services	18,225	18,818	18,069	18,954	20,361	19,039	17,935	17,835	19,365	15,997
Education	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100
Interest on long-term debt	3,071	3,664	4,596	4,483	4,535	4,295	4,032	4,125	3,904	2,447
Total governmental activities expenses	<u>552,280</u>	<u>613,828</u>	<u>652,568</u>	<u>649,581</u>	<u>686,410</u>	<u>719,949</u>	<u>676,358</u>	<u>691,527</u>	<u>748,963</u>	<u>762,806</u>
Business-type activities:										
Water	31,960	33,206	31,348	36,081	33,076	34,549	35,973	37,721	35,413	43,538
Parking	11,463	7,580	17,039	15,466	15,595	29,238	15,115	15,099	14,426	13,425
War Memorial	2,590	2,696	2,526	2,443	2,068	2,449	2,632	2,543	1,756	5,616
Refuse	26,637	27,383	26,850	29,703	28,978	29,986	30,777	31,388	27,869	26,536
Cemetery	2,118	3,016	2,679	3,025	3,565	3,522	3,264	3,617	4,018	3,664
Public Market	1,557	789	899	1,065	1,101	2,012	1,842	1,909	2,035	2,064
Total business-type activities expenses	<u>76,325</u>	<u>74,670</u>	<u>81,341</u>	<u>87,783</u>	<u>84,383</u>	<u>101,756</u>	<u>89,603</u>	<u>92,277</u>	<u>85,517</u>	<u>94,843</u>
Total primary government expenses	<u>\$ 628,605</u>	<u>\$ 688,498</u>	<u>\$ 733,909</u>	<u>\$ 737,364</u>	<u>\$ 770,793</u>	<u>\$ 821,705</u>	<u>\$ 765,961</u>	<u>\$ 783,804</u>	<u>\$ 834,480</u>	<u>\$ 857,649</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 10,500	\$ 40,648	\$ 69,563	\$ 71,570	\$ 74,205	\$ 80,035	\$ 83,268	\$ 90,683	\$ 88,470	\$ 95,143
Neighborhood business development	4,529	3,740	3,681	7,080	6,497	5,990	5,653	5,762	6,391	4,960
Environmental services	18,511	19,058	19,552	20,351	20,291	20,687	21,059	20,773	20,636	20,680
Transportation	970	940	1,048	946	1,106	1,392	1,045	1,102	1,010	1,179
Emergency communications	14,473	17,220	16,474	17,337	17,528	17,269	18,060	18,228	18,923	18,572
Police department	9,084	10,961	6,470	7,059	8,412	6,426	5,018	4,564	3,805	3,537
Fire department	1,268	1,860	2,185	2,066	1,960	2,799	2,646	2,830	2,463	2,507
Library	2,603	2,729	2,455	2,730	2,658	2,529	2,585	2,606	2,583	2,598
Recreation and human services	1,589	1,243	1,196	1,717	1,044	1,163	1,508	1,509	1,612	1,730
Operating grants and contributions	31,754	70,831	38,495	43,486	33,289	38,226	36,161	35,446	30,320	47,265
Capital grants and contributions	23,008	30,137	19,769	16,065	18,166	37,791	35,019	18,083	21,712	31,532
Total governmental activities program revenues	<u>118,289</u>	<u>199,367</u>	<u>180,888</u>	<u>190,407</u>	<u>185,156</u>	<u>214,307</u>	<u>212,022</u>	<u>201,586</u>	<u>197,925</u>	<u>229,703</u>

Continued

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

	Continued									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Business-type activities:</b>										
Charges for services:										
Water	\$ 35,988	\$ 37,705	\$ 36,579	\$ 36,925	\$ 37,298	\$ 39,022	\$ 39,156	\$ 36,962	\$ 37,485	\$ 40,722
Parking	9,805	10,899	11,823	12,704	11,553	17,033	11,578	11,854	8,895	7,667
War Memorial	1,571	1,586	1,342	913	994	932	128	1,036	1,126	639
Refuse	25,724	25,534	25,675	26,196	27,317	27,843	28,572	27,919	28,380	28,092
Cemetery	1,370	1,767	1,557	1,532	1,467	1,531	1,395	1,512	1,478	2,161
Public Market	730	774	824	789	819	724	935	954	694	865
Operating grants and contributions	—	—	115	—	—	—	—	—	2	51
Capital grants and contributions	—	—	20,578	1,374	1,433	4,160	278	1,325	628	6,700
Total business-type activities program revenues	<u>75,188</u>	<u>78,265</u>	<u>98,493</u>	<u>80,433</u>	<u>80,881</u>	<u>91,245</u>	<u>82,042</u>	<u>81,562</u>	<u>78,688</u>	<u>86,897</u>
Total primary government program revenues	<u>\$ 193,477</u>	<u>\$ 277,632</u>	<u>\$ 279,381</u>	<u>\$ 270,840</u>	<u>\$ 266,037</u>	<u>\$ 305,552</u>	<u>\$ 294,064</u>	<u>\$ 283,148</u>	<u>\$ 276,613</u>	<u>\$ 316,600</u>
Net (expense)/revenue										
Governmental activities	\$ (433,991)	\$ (414,461)	\$ (471,680)	\$ (459,174)	\$ (501,252)	\$ (505,642)	\$ (464,336)	\$ (489,941)	\$ (551,038)	\$ (533,103)
Business-type activities	(1,137)	3,595	17,152	(7,350)	(3,502)	(10,511)	(7,561)	(10,715)	(6,829)	(7,946)
Total primary government net expense	<u>\$ (435,128)</u>	<u>\$ (410,866)</u>	<u>\$ (454,528)</u>	<u>\$ (466,524)</u>	<u>\$ (504,754)</u>	<u>\$ (516,153)</u>	<u>\$ (471,897)</u>	<u>\$ (500,656)</u>	<u>\$ (557,867)</u>	<u>\$ (541,049)</u>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Taxes										
Property taxes	\$ 146,698	\$ 147,218	\$ 148,913	\$ 152,593	\$ 152,921	\$ 154,506	\$ 159,165	\$ 168,603	\$ 159,415	172,414
Sales taxes	135,941	136,409	140,551	139,782	144,945	148,263	153,971	159,719	159,903	174,006
Payment in-lieu of tax	10,755	4,672	11,525	10,928	11,238	12,367	13,600	14,589	14,307	14,384
Other taxes	12,654	12,691	8,527	8,410	7,619	8,354	8,937	9,868	8,358	10,526
Governmental aid - (unrestricted)	104,323	120,271	104,821	108,673	103,420	101,269	99,677	99,011	81,264	114,189
Investment earnings	1,499	4	1,401	1,476	1,576	1,819	1,831	2,762	3,853	991
Miscellaneous	2,062	12,846	4,845	5,923	7,035	7,178	5,202	6,101	5,590	5,343
Proceeds of general obligation debt	—	—	—	—	—	—	—	—	—	—
Transfers	5,533	3,697	5,374	5,374	5,374	5,374	5,217	5,288	4,546	5,451
Total governmental activities	<u>419,465</u>	<u>437,808</u>	<u>425,957</u>	<u>433,159</u>	<u>434,128</u>	<u>439,130</u>	<u>447,600</u>	<u>465,941</u>	<u>437,236</u>	<u>497,304</u>
<b>Business-type activities:</b>										
Taxes										
Property taxes	2,330	1,998	2,224	2,635	2,641	3,366	2,890	4,585	3,177	2,647
Other taxes	679	905	905	906	905	905	905	905	905	905
Governmental aid	160	7	433	5	5	60	77	15	2,454	41
Investment earnings	401	57	174	389	238	325	398	668	807	16
Miscellaneous	1,616	1,091	1,080	975	1,229	969	1,233	1,029	—	1,510
Transfers	(3,574)	(5,374)	(5,374)	(5,374)	(5,374)	(5,374)	(5,217)	(5,288)	(4,546)	(5,451)
Total business-type activities	<u>1,612</u>	<u>(1,316)</u>	<u>(558)</u>	<u>(464)</u>	<u>(356)</u>	<u>251</u>	<u>286</u>	<u>1,914</u>	<u>2,797</u>	<u>(332)</u>
Total primary government	<u>\$ 421,077</u>	<u>\$ 436,492</u>	<u>\$ 425,399</u>	<u>\$ 432,695</u>	<u>\$ 433,772</u>	<u>\$ 439,381</u>	<u>\$ 447,886</u>	<u>\$ 467,855</u>	<u>\$ 440,033</u>	<u>\$ 496,972</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (16,362)	\$ 25,024	\$ (45,723)	\$ (26,015)	\$ (67,124)	\$ (66,512)	\$ (16,736)	\$ (24,000)	\$ (113,802)	(35,799)
Business-type activities	475	2,279	16,594	(7,814)	(3,858)	(10,260)	(7,275)	(8,801)	(2,941)	(8,278)
Total primary government	<u>\$ (15,887)</u>	<u>\$ 27,303</u>	<u>\$ (29,129)</u>	<u>\$ (33,829)</u>	<u>\$ (70,982)</u>	<u>\$ (76,772)</u>	<u>\$ (24,011)</u>	<u>\$ (32,801)</u>	<u>\$ (116,743)</u>	<u>\$ (44,077)</u>

Note: Prior years' information not available on accrual basis

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Property tax	\$149,028	\$149,216	\$151,137	\$155,228	\$155,562	\$154,506	\$159,165	\$168,603	\$159,415	172,414
Sales tax	135,941	136,409	140,551	139,782	144,945	148,263	153,971	159,719	159,903	174,006
Payment in-lieu of tax	10,755	4,672	11,525	10,928	11,238	12,367	13,600	14,589	14,307	14,384
Other taxes	13,333	13,596	9,432	9,316	8,524	8,354	8,937	9,868	8,358	10,526
Total taxes	<u>\$309,057</u>	<u>\$303,893</u>	<u>\$312,645</u>	<u>\$315,254</u>	<u>\$320,269</u>	<u>\$323,490</u>	<u>\$335,673</u>	<u>\$352,779</u>	<u>\$341,983</u>	<u>\$371,330</u>

Note: Prior years' information not available on accrual basis

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Nonspendable	\$6,641	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 23.00	11
Committed	38,623	35,223	47,835	50,155	41,636	47,835	47,874	50,204	48,904	39,950
Assigned	15,686	28,540	27,923	30,753	39,939	37,029	37,731	32,035	21,753	53,664
Unassigned	4,860	4,870	5,152	5,030	5,672	5,670	5,700	5,803	1	5,943
Total general fund	65,810	68,633	80,910	85,938	87,247	90,534	91,305	88,042	70,681	99,568
Nonspendable, reported in:										
Other governmental funds	—	—	—	—	—	—	—	—	—	—
Restricted, reported in:										
Debt service funds	4,037	11,653	8,689	5,070	8,274	4,606	5,063	5,198	3,060	2,819
Capital projects funds	—	1,066	—	—	—	—	—	—	—	—
funds	3,655	9,051	4,798	4,667	3,901	3,241	3,477	3,866	2,232	4,792
Other governmental funds	9,810	4,737	4,389	4,989	5,394	6,641	6,711	7,920	8,004	7,126
Committed, reported in:										
Capital projects funds	63,185	119,042	81,463	69,865	42,605	28,139	34,780	33,367	26,941	12,189
funds	1,057	5,372	5,473	411	872	3,905	4,314	6,335	8,577	9,138
Other governmental funds	6,445	11,143	8,824	8,495	8,771	8,064	8,459	8,562	5,220	5,390
Assigned, reported in:										
Debt service funds	13,716	15,281	15,615	15,780	15,979	16,261	12,515	11,994	9,637	7,167
Capital projects funds	581	859	677	606	563	39	29	36	45	54
Other governmental funds	9,304	11,173	10,970	11,006	13,110	14,632	13,897	13,846	15,071	18,218
Unassigned, reported in:										
Capital projects funds	(8,959)	—	—	(16,181)	(8,967)	(17,726)	(4,843)	(7,881)	(22,022)	(28,639)
Other governmental funds	(369)	—	—	—	—	(548)	(920)	(416)	(1,116)	(5,255)
Total all other governmental funds	102,462	189,377	140,898	104,708	90,502	67,254	83,482	82,827	55,649	32,999
Total all governmental funds	<u>\$168,272</u>	<u>\$258,010</u>	<u>\$221,808</u>	<u>\$190,646</u>	<u>\$177,749</u>	<u>\$157,788</u>	<u>\$174,787</u>	<u>\$170,869</u>	<u>\$126,330</u>	<u>\$132,567</u>

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

**THE CITY OF ROCHESTER, NEW YORK**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(000's Omitted)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Real property tax	\$ 148,055	\$ 149,507	\$ 148,791	\$ 153,969	\$ 155,756	\$ 158,343	\$ 161,231	\$ 162,331	\$ 163,762	174,546
Sales tax	135,407	136,332	140,227	139,816	144,550	147,978	153,510	159,242	159,852	172,917
Other taxes	23,409	17,363	20,052	19,338	18,857	20,721	22,537	24,457	22,665	24,910
Departmental	39,967	44,367	43,371	49,225	47,801	48,155	47,156	47,791	49,507	44,803
Interest on investments	—	3	—	—	—	—	—	—	—	—
Use of money and property	1,264	9,121	766	821	3,409	1,001	901	1,646	2,071	986
Licenses and permits	3,157	3,141	3,384	3,175	3,894	3,420	3,496	3,783	3,405	3,309
Federal aid	33,442	49,122	37,067	35,610	23,265	37,205	42,201	24,966	18,918	47,451
State aid	117,404	133,952	115,867	120,854	119,449	123,733	115,515	116,339	101,631	139,585
Local sources and other	31,127	37,444	32,771	36,186	38,114	40,807	37,502	36,859	37,809	37,279
Total revenues	<u>533,232</u>	<u>580,352</u>	<u>542,296</u>	<u>558,994</u>	<u>555,095</u>	<u>581,363</u>	<u>584,049</u>	<u>577,414</u>	<u>559,620</u>	<u>645,786</u>
<b>Expenditures</b>										
General government	124,998	135,018	124,930	144,892	160,000	169,152	151,510	155,259	153,451	158,463
Neighborhood business development	29,833	33,489	37,985	39,104	25,280	22,107	24,347	24,840	23,068	28,598
Environmental services	23,213	25,262	28,498	30,708	29,345	34,003	33,666	33,460	33,133	33,145
Transportation	5,438	5,311	5,211	8,858	22,286	31,140	4,374	4,405	3,907	3,916
Emergency communications	12,164	14,853	12,906	12,810	11,621	13,443	13,520	13,754	14,351	14,273
Police	83,279	85,061	87,439	87,908	89,431	93,955	95,115	97,341	99,007	99,646
Fire	42,655	48,212	46,560	46,363	47,298	49,861	50,775	51,677	52,075	53,251
Library	10,602	10,708	11,030	11,122	12,929	12,761	11,629	11,718	11,072	11,147
Recreation & human services	11,581	9,489	11,394	11,412	11,303	11,031	10,843	10,486	9,559	9,717
Education (Allocation to the District)	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100
Debt service:										
Principal retirement	14,269	12,450	17,389	17,875	14,765	15,893	14,426	17,476	16,623	14,769
Interest	3,138	3,247	4,715	4,522	4,548	4,400	4,009	4,198	3,964	3,606
Administrative charges	27	124	16	11	7	14	4	2	10	1
Capital outlay	67,404	70,061	75,044	58,567	39,477	29,861	65,577	53,135	69,220	80,963
Total expenditures	<u>547,701</u>	<u>572,385</u>	<u>582,217</u>	<u>593,252</u>	<u>587,390</u>	<u>606,721</u>	<u>598,895</u>	<u>596,851</u>	<u>608,540</u>	<u>630,595</u>
Excess of revenues over (under) expenditures	(14,469)	7,967	(39,921)	(34,258)	(32,295)	(25,358)	(14,846)	(19,437)	(48,920)	15,191
<b>Other financing sources (uses)</b>										
Payment to refunded bond escrow agent	—	(11,055)	—	—	—	—	—	—	(4,915)	—
Premium on bond issued	—	708	—	—	—	170	1,876	977	—	—
Issuance of debt	—	81,154	—	—	20,622	1,424	25,833	11,414	5,033	—
Refunding bonds issued	—	10,450	—	—	—	—	—	—	—	—
Transfers in	58,941	55,011	35,378	60,110	41,428	45,110	45,370	53,601	48,205	36,514
Transfers out	(57,623)	(54,497)	(31,704)	(57,014)	(42,652)	(39,815)	(41,235)	(50,473)	(44,050)	(45,519)
Capital Contributions	—	—	45	—	—	(1,490)	—	—	—	—
Total other financing sources (uses)	<u>1,318</u>	<u>81,771</u>	<u>3,719</u>	<u>3,096</u>	<u>19,398</u>	<u>5,399</u>	<u>31,844</u>	<u>15,519</u>	<u>4,273</u>	<u>(9,005)</u>
Net change in fund balances	<u>\$ (13,151)</u>	<u>\$ 89,738</u>	<u>\$ (36,202)</u>	<u>\$ (31,162)</u>	<u>\$ (12,897)</u>	<u>\$ (19,959)</u>	<u>\$ 16,998</u>	<u>\$ (3,918)</u>	<u>\$ (44,647)</u>	<u>\$ 6,186</u>
Debt service as a percentage of noncapital expenditures	3.63%	3.15%	4.36%	4.19%	3.53%	3.52%	3.46%	3.99%	3.82%	2.91%

Note: Prior years' information not available on accrual basis

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Property tax	\$148,055	\$149,507	\$148,791	\$153,969	\$155,756	\$158,343	\$161,231	\$162,331	\$ 163,763	\$174,546
Sales tax	135,407	136,332	140,227	139,816	144,550	147,978	153,510	159,242	159,852	172,917
Other taxes	<u>23,409</u>	<u>17,363</u>	<u>20,052</u>	<u>19,338</u>	<u>18,857</u>	<u>20,721</u>	<u>22,537</u>	<u>24,457</u>	<u>22,665</u>	<u>24,910</u>
Total taxes	<u>\$306,871</u>	<u>\$303,202</u>	<u>\$309,070</u>	<u>\$313,123</u>	<u>\$319,163</u>	<u>\$327,042</u>	<u>\$337,278</u>	<u>\$346,030</u>	<u>\$ 346,280</u>	<u>\$372,373</u>

Sales tax included other taxes up through 2009

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

<b>Fiscal Year</b>	<b>Assessed Value Municipal Purposes</b>	<b>Veterans Exemption (1)</b>	<b>Assessed Value School Purposes</b>	<b>Estimated Actual Value Municipal Purposes</b>	<b>Estimated Actual Value School Purposes</b>	<b>Assessed Value as a Percentage of Actual Value (2)</b>	<b>Total Direct Rate Applied to Base</b>	<b>Total Direct Homestead Rate Per Thousand</b>	<b>Total Direct Nonhomestead Rate Per Thousand</b>
2012	5,734,433	50,907	5,785,340	6,055,367	5,906,907	97.94 %	2.91 %	20.04	42.79
2013	5,860,653	50,339	5,910,992	6,076,364	6,128,302	96.45 %	2.85 %	19.32	42.98
2014	5,882,907	48,443	5,931,350	5,976,135	6,024,586	98.45 %	2.84 %	19.65	42.04
2015	5,927,413	46,532	5,973,945	6,207,365	6,250,507	95.58 %	2.90 %	20.05	42.86
2016	5,980,615	12,247	5,992,862	6,194,319	6,207,003	96.55 %	2.88 %	20.15	41.92
2017	6,482,549	11,501	6,494,050	6,673,408	6,680,286	97.21 %	2.69 %	19.21	37.76
2018	6,450,304	10,231	6,460,535	6,650,484	6,661,032	96.99 %	2.70 %	18.33	39.45
2019	6,395,261	1,634	6,396,895	6,569,349	6,571,027	97.35 %	2.79 %	18.86	41.15
2020	6,457,508	2,166	6,459,674	6,794,516	6,796,795	95.04 %	2.77 %	19.43	39.46
2021	7,548,863	1,962	7,550,825	8,446,753	8,448,948	89.37 %	2.49 %	17.57	35.83

Notes:

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

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

Fiscal Year	City of Rochester			Overlapping Rate	Total Direct & Overlapping Rate	
	General Municipal Purposes	District Purposes	Total Direct Rate	Monroe County (1)		
2012	Homestead	5.82	14.22	20.04	9.19	29.23
	Nonhomestead	12.30	30.49	42.79	9.19	51.98
2013	Homestead	5.61	13.71	19.32	9.20	28.52
	Nonhomestead	12.36	30.62	42.98	9.20	52.18
2014	Homestead	5.70	13.95	19.65	9.20	28.85
	Nonhomestead	12.09	29.95	42.04	9.20	51.24
2015	Homestead	6.22	13.83	20.05	9.22	29.27
	Nonhomestead	13.17	29.69	42.86	9.22	52.08
2016	Homestead	6.21	13.94	20.15	9.22	29.37
	Nonhomestead	12.88	29.03	41.91	9.22	51.13
2017	Homestead	6.11	13.10	19.21	9.17	28.38
	Nonhomestead	11.98	25.78	37.76	9.17	46.93
2018	Homestead	5.83	12.50	18.33	9.17	27.50
	Nonhomestead	12.52	26.93	39.45	9.17	48.62
2019	Homestead	6.29	12.58	18.86	9.21	28.08
	Nonhomestead	13.71	27.43	41.15	9.21	50.36
2020	Homestead	6.48	12.95	19.43	9.64	29.07
	Nonhomestead	13.15	26.31	39.46	9.64	49.10
2021	Homestead	6.42	11.15	17.57	8.76	26.33
	Nonhomestead	13.09	22.74	35.83	8.76	44.59

1) Source: Monroe County Treasury

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

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Cancellations and/or Adjustments to Tax Levy (3)	Outstanding Delinquent Taxes (Cumulative)	Percentage of Outstanding Delinquent Taxes to Total Tax Levy
		Amount	Percentage of Levy		Amount (2)	Percentage of Levy			
2012	205,558	189,505	92.19 %	9,954	199,459	97.03 %	1,940	17,492	8.51 %
2013	206,013	190,291	92.37 %	11,584	201,875	97.99 %	1,347	17,596	8.54 %
2014	206,188	191,616	92.93 %	11,289	202,905	98.41 %	697	21,197	10.28 %
2015	213,694	198,289	92.79 %	11,784	210,073	98.31 %	1,568	24,043	11.25 %
2016	213,823	198,982	93.06 %	11,213	210,195	98.30 %	1,860	25,849	12.09 %
2017	217,466	203,176	93.43 %	11,751	214,927	98.83 %	3,211	23,558	10.83 %
2018	219,298	205,190	93.57 %	11,815	217,005	98.95 %	427	23,471	10.70 %
2019	224,642	209,139	93.10 %	10,467	219,606	97.76 %	2,154	23,597	10.50 %
2020	224,736	208,397	92.73 %	6,921	215,318	95.81 %	1,378	28,807	12.82 %
2021	233,630	218,819	93.66 %	N/A	218,819	93.66 %	2,451	30,917	13.23 %

Notes:

- 1) Tax exempt properties with an assessed value of \$840,426,550 made payments in lieu of taxes amounting to \$14,437,653 for the fiscal year ending June 30, 2021. If these properties had been fully taxable, total revenues would have increased by \$14,548,442. The properties, upon expiration of their agreements will become fully taxable.
- 2) The City begins foreclosure action on properties after taxes are past due for one year. The City provides tax installment agreements of up to five years to taxpayers demonstrating financial hardship if the property is in compliance with City codes.
- 3) Cancellations are chiefly the result of foreclosure by the City and adjustments made for erroneous assessments.

**THE CITY OF ROCHESTER, NEW YORK**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT FISCAL YEAR AND NINE YEARS PRIOR**  
**June 30, 2021**  
**(000's Omitted)**

	2021			2012		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Rochester Gas and Electric	\$1,052,324	1	13.94%	\$604,581	1	10.55%
Buckingham Properties	97,751	2	1.29%	35,733	4	0.62%
Frontier Telephone Corp.	54,981	3	0.73%	70,915	3	1.24%
Eastman Kodak Co.	43,722	4	0.58%	75,953	2	1.33%
CSX (Conrail)	29,831	5	0.40%	23,228	5	0.41%
Clinton Asset Holding	25,000	6	0.33%	—	—	—
Maguire Family Properties	22,093	7	0.29%	19,818	6	0.35%
Anthony Dimarzo	18,386	8	0.24%	—	—	—
DHD Ventures	13,376	9	0.18%	—	—	—%
Harris Corp.	13,093	10	0.17%	—	—	—%
JP Morgan/Chase (Chase Manhattan)	—	—	—	18,621	7	0.33%
NK-TCC Property LLC	—	—	—	16,296	8	0.28%
Max M. Farash (Farash, Jalyann, Brighton Dev.)	—	—	—	15,216	9	0.27%
Landsman Development Corp.	—	—	—	14,800	10	0.26%
Totals	<u>\$1,370,557</u>		<u>18.15%</u>	<u>\$895,161</u>		<u>15.64%</u>

Note:

- 1) The total taxable assessed value of \$7,548,862,806 was used for fiscal year 2020-21 taxes.
- 2) The total taxable assessed value of \$5,729,224,760 was used for fiscal year 2011-12 taxes.

Source: Assessment Roll of the City of Rochester

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

Fiscal Year	Governmental Activities	Business-Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	General Obligation Bonds			
2012	53,595	56,065	109,660	1.13%	521
2013	130,780	87,291	218,071	2.15%	1,037
2014	112,686	78,000	190,686	1.98%	908
2015	94,107	68,605	162,712	1.62%	776
2016	101,754	82,096	183,850	1.83%	880
2017	85,018	72,073	157,091	1.48%	755
2018	97,307	72,566	169,873	1.56%	823
2019	91,039	77,511	168,550	1.49%	819
2020	72,508	64,811	137,319	N/A	650
2021	56,778	52,745	109,523	N/A	N/A

Note:

- 1) Population figures from US Census Bureau ([www.quickfacts.census.gov](http://www.quickfacts.census.gov)). Figure for 2021 not available yet.
- 2) Per Capita Personal Income figures for Monroe County from US Dept. of Commerce Bureau of Economic Analysis ([www.bea.gov](http://www.bea.gov)).
- 3) The City of Rochester does not have any capital leases to present. Figures for 2020 and 2021 not available yet.

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

<b>Fiscal Year</b>	<b>Total Primary Government General Obligation Bonds</b>	<b>Less: Amounts Available for Debt</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita (1)</b>
2012	109,660	23,554	86,106	1.50%	409
2013	218,071	34,725	183,346	3.13%	871
2014	190,686	27,977	162,709	2.77%	775
2015	162,712	24,644	138,068	2.33%	658
2016	169,384	28,048	141,336	2.36%	677
2017	157,091	24,188	132,903	2.05%	639
2018	169,873	20,782	149,091	2.31%	723
2019	168,550	20,394	148,156	2.32%	720
2020	137,319	15,946	121,373	1.88%	574
2021	109,523	13,388	95,676	1.27%	453

Notes:

1) Population figures for 2012 - 2020 are from US Census Bureau [www.quickfacts.census.gov](http://www.quickfacts.census.gov), current year data unavailable. 2020 population used for 2021.

**THE CITY OF ROCHESTER, NEW YORK**  
**DIRECT AND OVERLAPPING DEBT**  
**AS OF JUNE 30, 2021**  
**(000's Omitted)**

<b>Jurisdiction</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to City of Rochester</b>	<b>Amount Applicable to City of Rochester</b>
City of Rochester	\$56,778	100%	\$56,778
County of Monroe (1)	408,630	15.52%	63,419
<b>Total</b>	<b>\$465,408</b>		<b>\$120,197</b>

1) Source: County of Monroe Finance Department

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$530,872	\$529,709	\$532,221	\$542,837	\$544,119	\$551,650	\$571,293	\$578,783	\$594,865	\$640,541
Total net debt applicable to limit	\$311,105	331,979	323,825	312,336	313,593	301,104	288,152	287,721	285,591	277,699
Legal debt margin	<u>\$219,767</u>	<u>\$197,730</u>	<u>\$208,396</u>	<u>\$230,501</u>	<u>\$230,526</u>	<u>\$250,546</u>	<u>\$283,141</u>	<u>\$291,062</u>	<u>\$309,274</u>	<u>\$362,842</u>
Total net debt applicable to the limit as a percentage of debt limit	58.60%	62.67%	60.84%	57.54%	57.63%	54.58%	50.44%	49.71%	48.01%	43.35%

**Legal Debt Margin Calculation for Fiscal Year 2021**

Indebtedness		
Borrowings (Bonds and Notes)	\$326,450	(1)
Contract liabilities	—	(2) \$326,450
Deductions and Exclusions		
Water Bonds and Notes	47,430	(3)
Sanitary Sewer Bonds and Notes	—	(3)
School - RJSCB note	—	
Appropriation	—	(4)
Cash and cash equivalents	<u>1,321</u>	(5) <u>48,751</u>
Net indebtedness		277,699
Debt limit (9% of five-year average full valuation)		<u>640,541</u>
Debt Contracting Margin		<u>\$362,842</u>

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

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Continued

Notes:

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Population (1)	210,532	210,358	209,983	209,802	208,880	208,046	206,284	205,695	211,328	211,328
Total Personal Income Monroe County (2)	\$34,197,629	\$33,730,384	\$34,179,862	\$35,847,022	\$36,057,927	\$38,050,420	\$39,314,982	\$40,822,554	\$40,822,554	N/A
Per Capital Personal Income Monroe County (2)	\$45,661	\$44,952	\$45,568	\$47,857	\$48,223	\$50,894	\$52,951	\$55,034	\$55,034	N/A
District Enrollment (3)	30,734	29,197	29,103	28,401	27,611	26,984	26,611	25,690	25,109	23,360
Unemployment Rate (4)	10.8%	9.6%	8.1%	6.9%	6.5%	6.9%	6.8%	5.5%	8.7%	11.4%
Employed (4)	85,300	85,500	84,500	85,400	85,200	83,600	84,600	84,900	82,200	81,200

Source:

- (1) 2012 - 2020 figures from US Census Bureau ([www.factfinder.census.org](http://www.factfinder.census.org)). Current year data unavailable, 2020 population used for 2021.
- (2) US Dept. of Commerce Bureau of Economic Analysis ([www.bea.gov](http://www.bea.gov)). Total personal income in thousands of dollars 2020 and 2021 data unavailable, 2019 personal income used for 2021.
- (3) Rochester City School District ([www.rcsdk12.org](http://www.rcsdk12.org)).
- (4) [www.labor.state.ny.us](http://www.labor.state.ny.us) (Average rates computed through June 2021) for City of Rochester.

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

	2021			2012		
	Employees (1)	Rank	Percentage of Total Employment (2)	Employees (1)	Rank	Percentage of Total Employment (2)
University of Rochester/Strong Memorial Hospital	31,637	1	6.35%	19,987	1	3.88%
Rochester Regional Health System (3)	17,594	2	3.53%	—	—	—
Wegmans Food Markets Inc.	13,434	3	2.70%	14,240	2	2.77%
Rochester Institute of Technology	3,976	4	0.80%	3,268	9	0.64%
L3Harris Technologies Inc.	3,800	5	0.76%	—	—	—
Angels In Your Home	2,620	6	0.53%	—	—	—
Heritage Christian Services Inc.	2,274	7	0.46%	—	—	—
YMCA of Greater Rochester	2,117	8	0.42%	2,757	10	0.54%
Lifetime Healthcare Cos. Inc.	2,044	9	0.41%	3,646	7	—
Tops Markets LLC	1,809	10	0.36%	—	—	—
Rochester General Health System (ViaHealth)	—	—	—	7,514	3	1.46%
Eastman Kodak Company	—	—	—	7,100	4	1.38%
Xerox Corporation	—	—	—	6,672	5	1.30%
Unity Health System	—	—	—	5,302	6	1.03%
Paychex	—	—	—	3,577	8	0.70%

(1) Source: Rochester Business Journal The Lists - 2021 Edition.

(2) Employment source: www.labor.state.ny.us employment data as of 6/30/21 Includes Monroe, Genesee, Livingston, Ontario, Orleans and Wayne counties.

(3) Rochester General Health System (ViaHealth) merged with Unity Health System.

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

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
City Council and Clerk	25.7	23.1	23.1	23.1	23.8	23.3	23.2	23.1	26.4	28.2
Administration	92.5	92.9	93.5	97.4	107.1	110.1	107.9	110.6	124.5	123.7
Information Technology	49.5	49.6	54.2	54.8	54.8	55.2	54.8	55.4	41.4	38.0
Finance	95.9	102.6	106.9	110.9	110.5	109.8	103.7	113.1	111.6	103.1
Neighborhood & Business Development	140.0	137.6	138.2	138.7	136.0	136.9	137.4	137.6	141.6	139.0
Environmental Services	684.7	679.2	682.1	721.1	728.3	731.6	731.6	730.7	741.2	751.3
Emergency Communications	234.8	231.6	231.7	233.9	233.1	230.4	228.1	226.7	231.1	231.1
Police	930.7	940.0	939.0	905.4	903.6	939.1	939.9	941.7	938.2	914.7
Fire	513.4	518.2	527.2	523.5	525.3	532.6	520.8	521.5	518.8	515.7
Library	154.3	146.2	142.2	140.4	138.8	139.5	133.4	132.8	134.3	131.2
Recreation & Human Services	198.9	188.0	198.1	202.2	201.5	211.3	209.8	193.3	194.6	182.7
<b>Total</b>	<b>3,120.4</b>	<b>3,109.0</b>	<b>3,136.2</b>	<b>3,151.4</b>	<b>3,162.8</b>	<b>3,219.8</b>	<b>3,190.6</b>	<b>3,186.5</b>	<b>3,203.7</b>	<b>3,158.7</b>

**Full-time Employees**  
**Last Ten Fiscal Years**

City	2,719	2,703	2,714	2,723	2,734	2,747	2,736	2,745	2,763	2,742
District	5,256	5,365	5,221	5,618	5,740	6,022	6,315	6,552	6,011	5,522
<b>Total</b>	<b>7,975</b>	<b>8,068</b>	<b>7,935</b>	<b>8,341</b>	<b>8,474</b>	<b>8,769</b>	<b>9,051</b>	<b>9,297</b>	<b>8,774</b>	<b>8,264</b>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Estimated
<b>Emergency Communications</b>											
Calls received	1,132,135	1,140,707	1,125,130	1,150,976	1,178,101	1,204,047	1,092,679	1,026,433	1,034,557	1,050,000	
<b>Police</b>											
Calls for service	403,312	357,076	341,567	358,239	351,012	339,630	333,918	318,859	321,553	321,980	
Reported crimes	30,119	31,638	25,890	22,398	22,907	22,204	21,310	20,384	20,751	20,827	
<b>Fire</b>											
Unit responses	42,112	43,440	42,366	44,977	46,283	44,162	44,150	46,042	45,352	45,850	
<b>Refuse</b>											
Residential accounts	52,030	52,446	51,277	51,519	51,773	51,351	51,444	51,430	51,429	51,681	
Commercial accounts	2,416	2,386	2,393	2,464	2,552	2,614	2,689	2,703	2,720	2,740	
Total tonnage	100,819	97,606	99,201	106,450	106,839	107,109	107,471	99,917	101,490	107,965	
<b>Water</b>											
Millions of gallons per day:											
Filtration plant production	36.4	37.6	37.4	37.5	36.3	36.66	37.9	36.2	35.3	34.87	
City water demand	27.33	27.8	28.2	29.8	28.5	27.01	26.8	27.3	26.1	26.15	
<b>Library</b>											
Total circulation	1,403,642	1,436,899	1,362,970	1,312,304	1,238,353	1,184,341	1,439,832	1,410,567	1,110,679	633,380	
Door Count/Visits	1,743,885	1,830,930	1,859,661	1,697,882	1,517,576	1,465,962	1,354,314	1,310,650	888,604	246,350	
Computer Use Sessions	392,914	396,752	373,830	340,972	297,738	279,942	247,569	230,137	108,974	16,631	
Wireless Use	—	—	—	—	—	—	135,755	127,878	96,974	47,692	
<b>Parking</b>											
Total parking spaces	10,642	10,642	10,642	12,260	12,260	12,260	10,572	10,572	10,572	8,074	
Annual car counts	2,485,920	2,569,680	2,571,280	2,571,644	2,574,170	2,569,640	2,310,223	2,553,605	2,035,896	648,431	
<b>Parks and Recreation</b>											
Convention Center attendance	244,575	226,176	255,000	250,000	251,305	207,941	209,925	190,452	141,047	63,500	
<b>War Memorial/Blue Cross Arena</b>											
Total attendance	583,412	624,456	399,000	380,000	386,682	441,428	383,110	360,319	183,265	—	

Source: City of Rochester Budget & Departments

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

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Miles of streets	540	532	532	532	533	533	533	533	533	533
Parking garages	8	8	8	9	9	8	8	8	8	8
Libraries	11	11	11	11	11	11	11	11	11	11
Fire houses	15	15	16	16	16	16	16	16	16	16
City-owned street lights (1)	27,800	27,949	28,110	28,110	28,191	28,185	28,340	28,345	28,345	28,498
Fire hydrants	7,843	7,634	7,638	7,655	7,654	7,662	7,642	7,691	7,647	7,672

Source: City of Rochester Budget & Departments

# **STATE TRANSPORTATION AWARDS**



**REPORT ON COMPLIANCE FOR NEW YORK STATE  
DEPARTMENT OF TRANSPORTATION ASSISTANCE EXPENDED  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH DRAFT PART 43 OF NYCRR**

**INDEPENDENT AUDITOR'S REPORT**

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

**Report On Compliance For Each Major State Transportation Assistance Program**

We have audited the City of Rochester, New York's, (the City) compliance with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that could have a direct and material effect on the major state transportation assistance program for the year ended June 30, 2021. The City's major program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for State Transportation Assistance Expended.

***Management's Responsibility***

Management is responsible for compliance with requirements of laws, regulations, and the terms and conditions of its major state transportation assistance program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major state transportation assistance programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the preliminary Draft Part 43 of NYCRR. Those standards and regulations require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a state transportation assistance program has occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state transportation assistance program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major State Transportation Assistance Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state transportation assistance programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major state transportation assistance program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state transportation assistance program and to test and report on the internal control over compliance in accordance with the preliminary Draft Part 43 of NYCRR, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the preliminary Draft Part 43 of NYCRR. Accordingly, this report is not suitable for any other purpose.

*Freed Maxick CPAs, P.C.*

Rochester, New York  
December 22, 2021

**THE CITY OF ROCHESTER, NEW YORK  
SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED  
YEAR ENDED JUNE 30, 2021**

	Grant Number	NYS DOT Expenditures
<b>STATE OF NEW YORK:</b>		
<b>DEPARTMENT OF TRANSPORTATION:</b>		
Snow & Ice Control	D005375	\$ 83,767
Broad Street Bridge	D013824	1,476
Monroe/South Ave	D027641	12,500
Ridgeway Avenue	D031733	1,410
Waring Road	D033327	62,764
Asphalt Maint and Repair (Goodman/Main)	D034839	720
Asphalt Maint and Repair (Arnes/Buffalo)	D034872	555
Asphalt Maint and Repair (Arnett/GPB/Webster)	D034873	773
Asphalt Maint and Repair (S. Goodman)	D034955	1,230
Asphalt Maint and Repair (Browncroft/Merchants/Central)	D034995	15,923
Mt. Hope Ave Phase 2	D035003	565,283
Driving Pk over Genesee Prev Maint	D035068	1,820
Asphalt Maint and Repair (Beach/Dewey/Lake)	D035408	484,485
Asphalt Maint and Repair (Hudson/St Paul)	D035409	254,969
Asphalt Maint and Repair (Alexander/Scio)	D035465	19,743
Asphalt Maint and Repair (Upper Falls/St Paul)	D035467	19,834
East Henrietta Road	D035485	31,197
Asphalt Maint and Repair (Lyell)	D035650	403,787
East Main Street Reconstruction	D035651	38,342
Mt. Hope Ave Phase 2	D035579	7,403
State Street	D036027	38,100
Asph M&R 2021 TIP PM NW Group 12 Emerson/Jay/Driving park	D036398	22,187
ROC riverway -Running Track Bridge	D036456	90,000
ROC riverway- Pont de Rennes Bridge	D036457	43,378
Inner Loop North Study	D040129	221,696
Consolidated Street & Highway Improvements		4,280,545
Extreme Winter Recovery (EWR)		790,905
PAVE-NY		2,052,557
Total NYS DOT expenditures		<u>\$ 9,547,349</u>

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

**THE CITY OF ROCHESTER, NEW YORK  
NOTES TO THE SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED  
FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 1 - BASIS OF PRESENTATION**

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

**NOTE 2 - BASIS OF ACCOUNTING**

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

THE CITY OF ROCHESTER, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR  
STATE TRANSPORTATION ASSISTANCE EXPENDED  
FOR THE YEAR ENDED JUNE 30, 2021

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**I. SUMMARY OF AUDITOR'S RESULTS**

Internal control over New York State Transportation Assistance Expended:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Type of auditor's report issued on compliance for  
NYS DOT program(s) tested:

Unmodified

- Any audit findings disclosed that are required to be  
reported in accordance with Draft Part 43 of NYCRR?  Yes  No

Identification of New York State Transportation Assistance program(s) tested:

Name of New York State Transportation Assistance Program

Consolidated Local Street and Highway Improvement Program (CHIPs)

**II. NEW YORK STATE TRANSPORTATION ASSISTANCE FINDINGS AND QUESTIONED COSTS**

There were no New York State Transportation Assistance findings or questioned costs noted for the year ended June 30, 2021.