

**THE CITY OF ROCHESTER, NEW YORK**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2009**

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

**Brian L. Roulin, CPA**  
Director of Finance

**James B. Barclay**  
Director of Accounting

**ANNUAL FINANCIAL REPORT**

**Year Ended June 30, 2009**

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# Introductory Section



December 11, 2009

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, 2009. The accounting firm selected by City Council, Freed Maxick & Battaglia PC, has audited the financial statements. The auditors' unqualified opinion is included in this report.

In each of the past twenty-five 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 2009 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 his 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 black ink, appearing to read "R. Duffy".

Robert J. Duffy  
Mayor





December 11, 2009

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

I am pleased to submit the Comprehensive Annual Financial Report of the City of Rochester for the fiscal year ended June 30, 2009. 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 & Battaglia PC, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Rochester's financial statements for the year ended June 30, 2009. 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. MD&A complement this letter of transmittal and should be read in conjunction with it.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments. Information related to this single audit, including the schedule of expenditures of federal awards, schedule of findings and questioned costs, and independent accountants' reports on internal control and compliance with applicable laws and regulations, is included in the single audit section of this report.

The New York State and other awards section contain a schedule of all non-federal grants. This section also includes a comprehensive summary of all financial assistance, i.e. federal, state, county and private.

**PROFILE OF THE GOVERNMENT**

The City, located in Monroe County on Lake Ontario, approximately midway between Buffalo and Syracuse, encompasses 37 square miles. Rochester was recorded as the third largest city in New York State by the 2004 census updates with a population currently estimated at 206,886. It is divided into 66,700 real estate parcels, and serviced by 540 miles of public ways. Rochester is served by three bus lines; the New York Thruway; and twenty-three airlines (six major and seventeen regional) at the Greater Rochester International Airport. This airport also offers support facilities for private aircraft. Amtrak provides rail passenger service, and the Conrail and Chessie systems provide railway freight service. Water transportation service is provided by the Erie Canal and through the Port of Rochester.

Incorporated as a village in 1814, 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 fast ferry company, both of which are 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 1.A).



City Council is required to adopt a final budget no later than the close of the fiscal year, i.e. by 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

In its early years, the City was an agricultural, trading, milling and transportation center. The City's economy turned to manufacturing in the early Twentieth Century, primarily through the manufacturing of photographic, optical and precision equipment by the Eastman Kodak and Bausch & Lomb companies. Over 90 optics and imaging firms, plus the imaging-related divisions of several other large firms, are located in the Rochester area.

The largest concentration of employment in the City is educational and health services at 21% of total non-agricultural employment in the Rochester metropolitan area.

The City also enjoys the reputation of being a high technology city. Approximately 60% of the manufacturing work force and over 20% of all employees are employed in high technology industries. Employment of scientists and engineers as a percentage of total employment is four percent, twice the national average. Fifty percent of all persons employed nationally in the manufacture of photographic equipment and supplies are in the Rochester area. Other major research, development and manufacturing in the area include optics, automotive products, dental equipment, office duplicating and computing equipment, electrical equipment, measuring and controlling devices and heavy machinery. Centers with particularly strong potential include pharmaceuticals, biotechnology and polymers.

The Rochester labor area is comprised of Monroe, Genesee, Livingston, Ontario, Orleans and Wayne Counties. Population and industry are primarily concentrated in Monroe County. Over half of all Monroe County residents work in the City. Approximately two-thirds of all manufacturing employment in Monroe County is within the City.

The Rochester area has long been considered to have a stable economy, especially when compared to other northeast and north-central metropolitan areas. The Rochester economy generally responds to the national trends on a six-to-eight month lag. Unemployment has historically been low relative to national averages.

The City's development services provide expanding and relocating businesses with technical assistance and financing through several business loan and grant programs. Many economic development activities in the City are centralized, providing greater convenience to businesses needing assistance. The City staffs the local development corporation, Rochester Economic Development Corporation, the City's Renewal Community Zone, and the State Empire Zone.

During the fiscal year ended June 30, 2008 the Rochester Economic Development Department worked with 159 companies which anticipate investing \$161 million in the community, currently employ approximately 5,571 people and expect to create nearly 650 new jobs over the next five years.

The City continues transitioning from an economy dominated by two or three large companies to a more diverse base of small and medium-sized employers. Jobs in most manufacturing categories continue to decline, but service jobs (those in business, utilities, clothing and merchandise stores, telecommunications, educational and health services) grew in Rochester's economy to offset job losses in other areas. The City's business services sector is another element of the local economy's success.

The average 2008 unemployment rate for the Rochester area was 5.6% compared to the national average of 5.8% and the State average of 5.4%. Reflecting the national economic downturn, through October of 2009 the average unemployment rate for the Rochester area was 8.02%.

### **Significant Announcements**

- *The University of Rochester.* A \$550 million initiative to place the University of Rochester's Medical Center among the top academic medical centers in the United States was announced in 2008. The investment is expected to be made over a five to ten year period in construction, hiring and expanding research. (Further information is presented below.)
- *The Eastman Kodak Company,* once the area's largest employer, has restructured and repositioned itself. It has shifted its emphasis from chemical to digital imaging. In conjunction with these efforts, the firm has reduced its worldwide employment by 25,000 and its local employment to about 9,000 (from approximately 60,400 in 1982). Several of the company's business lines were sold during the restructuring process and remain in the area. Many of the employees transferred to the new firms.



- *Rochester Riverfront* will be constructing an 80 unit Holiday Inn/Staybridge Hotel as part of a major revitalization project for the Brooks Landing area in the City. The \$18 million Brooks Landing project includes the hotel, a new restaurant, office, and retail buildings. In August 2007, Riverview Equity-1, LLC announced a \$30 million privately funded project to develop a five building, 120 unit apartment complex adjacent to the Brooks Landing project. The project will be leased to the University of Rochester for student housing to address the growing demand for off-campus housing.
- *PAETEC Holding Corp.*, a telecommunications company, announced in 2007 that it will construct a new headquarters downtown. As a key partner in redeveloping the Midtown Plaza site, the firm will be relocating approximately 600 jobs from the suburbs to the city.
- *ESL Federal Credit Union*. In 2008, ESL Federal Credit Union launched plans to build a new \$50 million six-story headquarters in downtown Rochester which is expected to house 300 employees and a credit union branch office.
- *JPMorgan Chase & Co.* announced in May of 2009 that it would add 250 jobs to its downtown Rochester offices. The new jobs will service the bank's mortgage business. They will help restructure mortgages with customers who may be having financial difficulties.

### **Exports**

International trade by area exporters continues to be a significant component of the economic activity of the Rochester area. Rochester is the second largest exporting area in the state (New York City is the largest).

### **Educational Resources**

Metropolitan Rochester is an educational and cultural center. Located within the Rochester Area are the University of Rochester (including its Medical Center, affiliated healthcare facilities and its Eastman School of Music), employing approximately 18,671 people, Roberts Wesleyan College, the State University College at Brockport, Nazareth College, St. John Fisher College, Rochester Institute of Technology and Monroe Community College. These schools had 44,779 full time and 15,075 part time students enrolled in the fall of 2007.

*University of Rochester Medical Research Center*. A strategic plan to invest \$500 million in construction, hiring and expanding research over the next 5 to 10 years (2007 to 2012) was announced by the University of Rochester. On March 19, 2009, the University of Rochester announced that its expansion plans were put on hold due to the current economic climate. The initiative is intended to re-establish the Medical Center as one of the world's premier medical research institutions. The plan calls for new technology, additional facilities, more jobs, new research equipment and marketing of the medical center. A key building component of the plan includes a \$56 million, 150,000-square-foot Clinical and Transitional Sciences Building which is expected to create 300 jobs. On June 13, 2009, the University announced that it expected to commence construction on this facility within weeks because \$50 million in state aid had been received towards the project which is now estimated to cost \$76.4 million. 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.

*The University Technology Seed Fund* was created in early 2002 to provide early stage funding for the creation of business ventures based on technologies developed at area universities, corporations and research centers. It is a public-private partnership which is expected to provide \$5 to \$10 million. Its goal is to support local entrepreneurs that are creating businesses in the City.

### **Sports**

The City is home to six professional sports teams: the Rochester Red Wings, AAA farm team of the Minnesota Twins; the Rochester Americans, American Hockey League farm team for the Florida Panthers; the Rochester Knighthawks of the National Lacrosse League (indoor); the Rochester Rattlers of the Major Lacrosse League (outdoor); the Rochester Razorsharks of the American Basketball Association, and the Rochester Raging Rhinos of the American Professional Soccer League "A" League.

*Frontier Field* is a multi-use stadium located in downtown that opened its doors to the public in 1996. The stadium is capable of seating 12,500 spectators (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. The primary user of the facility is the Rochester Red Wings.

*Marina Auto Stadium* is a 13,768-seat multi-use stadium, located in downtown, which opened in 2006. It is home to the Rochester Rhinos soccer team and the Rochester Rattlers lacrosse team.

### **Waterfront Development**

*Charlotte.* The City is in the process of evaluating proposals for the redevelopment of the Port of Rochester and the surrounding area. A ferry terminal constructed by the City will likely be converted to other uses since the City has ceased the fast-ferry service which it owned and operated between the port and Toronto.

*Corn Hill Landing.* The Corn Hill Landing project is located on the west bank of the Genesee River, on the Erie Canal system. Adjacent to Rochester's historic Corn Hill Neighborhood, Corn Hill Landing provides Canal boaters access to the doorstep of downtown Rochester. Corn Hill Landing is a mixed use project combining market rate housing, retail stores, restaurants and office space with a host of land and water based recreational amenities. The \$20 million project includes 127 luxury 1 and 2 bedroom apartments, 14,000 square feet of retail and restaurant space, and office space.

### **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. This development follows the vision of a Center City Master Plan that presents a new way of thinking about a downtown that focuses on development objectives and design guidelines for its streets, neighborhoods and districts. A new zoning ordinance was adopted for Center City that eliminated complex use regulations that were viewed as unfriendly to development.

Economic incentives were put in place such as Empire Zone designation for key properties and a new Commercial Urban Exemption Program that provides tax incentives for those redeveloping the older buildings in Center City. The private market and public investment has responded with more than \$190 million of new investments in Center City being initiated in recent years. Demand for new market-rate residential units in Downtown is strong. Additional cultural, entertainment, educational, and recreational improvements include completion of renovation and expansion of the War Memorial Auditorium, Frontier Field. Additional improvements include a new Rochester Public Library, continuing expansion for GeVa, a professional theater company, renovation and expansion of the Little Theater from two screens to five screens, and major expansion of the Strong Museum (a major children/family attraction). Redevelopment of Midtown Plaza, in the heart of downtown Rochester, commenced in 2008.

The continued strong investment in the Center City of Rochester that was and is being made by major corporations such as Eastman Kodak, Xerox, Bausch & Lomb, PAETEC, Frontier Corporation, JPMorgan Chase Bank, HSBC Bank, IBM, Blue Cross and Blue Shield, and many other firms, indicates that the business community believes that downtown Rochester is the best place to conduct business in the Rochester region.

### **Investment In Residential Areas**

In addition to investments in business development, the City is devoting the major share of its Community Development Block Grant (CDBG) to the improvement of residential neighborhoods. According to the table following, the City has allocated \$298.7 million, or 67% of total federal allocations and program income, to the City's residential areas since the inception of the CDBG Program in 1975.

#### **Community Development Block Grant/Consolidated Program (In Millions)**

	Allocation Through 06/30/10
Residential neighborhoods	\$ 298.7
Business development	77.6
Urban renewal completion	15.8
Planning, management, and administration	54.8
	<u>\$ 446.9</u>

An example of the impact of these investments is represented by the Housing Occupancy Initiative, funded by the CDBG and HOME Program, which was developed in response to concern over the growing number of vacant residential properties in the City and the declining number of owner-occupied residences. Since its inception in 1993, this initiative has addressed 5,575 vacant houses through either demolition (2,569) or rehabilitation/reoccupation programs (3,006), and created 482 new single-family homes for owner-occupants.

Since June 1994, there have been 1,089 affordable rental units added to the inventory and an additional 1,340 units have been renovated with these two sources of funding.

### **LONG-TERM FINANCIAL PLANNING**

Over the past 10 years, and before, the City has been able to maintain a stable unreserved, undesignated fund balance in the general fund at approximately one percent of total general fund revenues. In fiscal 2008-09 that balance was \$4,343,000.

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 — 5½% for municipal purposes and 3½% 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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. This was the twenty-fifth 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 our current report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

### **ACKNOWLEDGMENTS**

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Bureau of Accounting. 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 continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Brian L. Roulin, CPA  
Director of Finance

# 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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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

Robert J. Duffy, Mayor

Gladys Santiago (At-Large), President

William F. Pritchard (At-Large), Vice President



Adam C. McFadden (South District)

Carolee A. Conklin (At-Large)

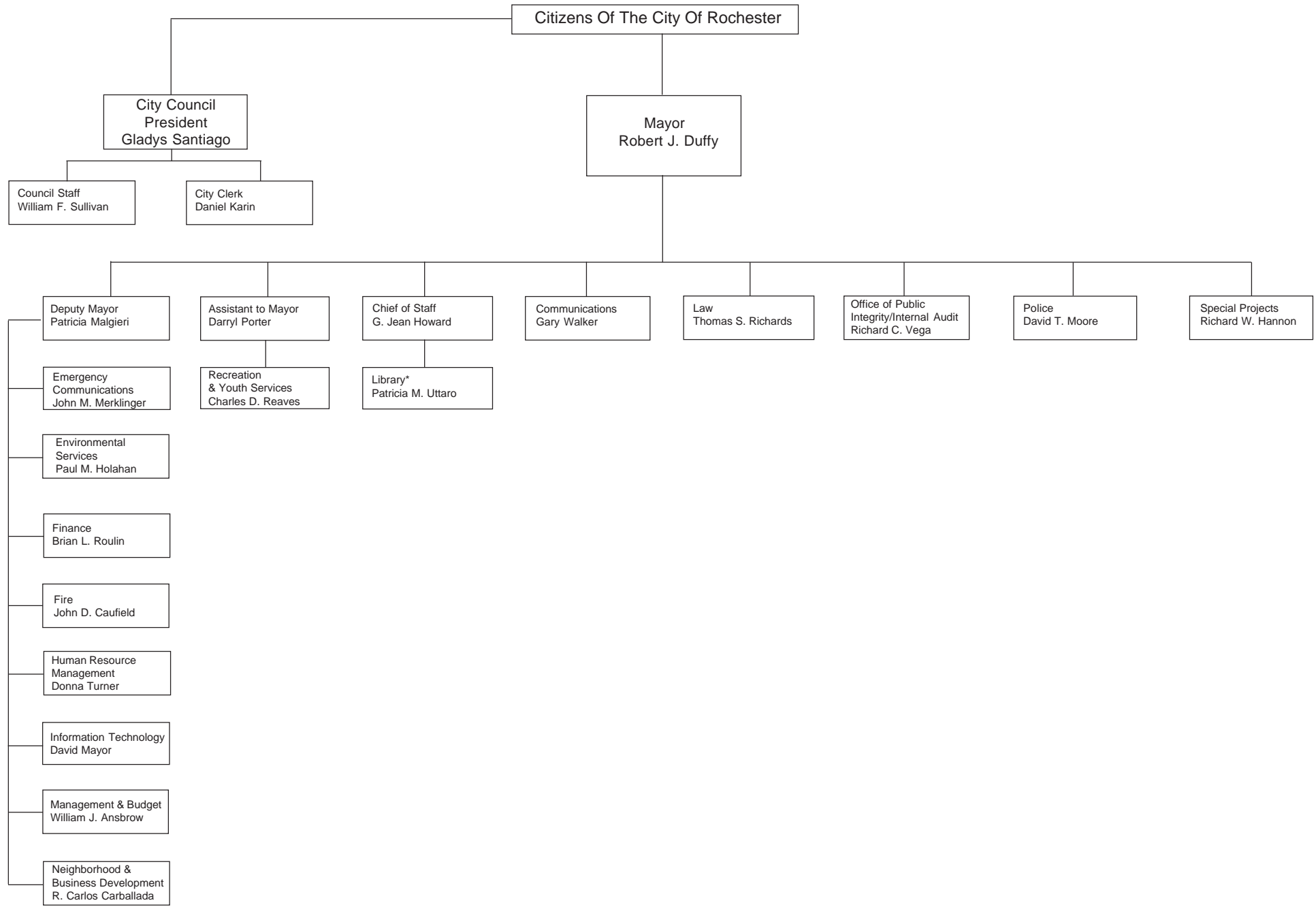
Dana K. Miller (At-Large)

John F. Lightfoot (At-Large)

Lovely A. Warren (Northeast District)

Elaine M. Spaul (East District)

Carla M. Palumbo (Northwest District)



\*Library Director is appointed by the Library Board of Trustees

**CITY OF ROCHESTER, NEW YORK**  
**ORGANIZATIONAL UNITS AND OFFICIALS**  
Effective December 11, 2009

<b>Mayor</b> .....	Robert J. Duffy
Deputy Mayor .....	Patricia Malgieri
Assistant to Mayor .....	Darryl Porter
City Clerk .....	Daniel Karin
City Council Staff .....	William F. Sullivan
Management & Budget .....	William J. Ansbrow
Communications .....	Gary Walker
Chief of Staff .....	G. Jean Howard
Human Resource Management .....	Donna Turner
Public Integrity/Internal Audit .....	Richard C. Vega
Special Projects .....	Richard W. Hannon
<b>Emergency Communications</b> .....	John M. Merklinger
<b>Environmental Services</b> .....	Paul M. Holahan
<b>Finance</b> .....	Brian L. Roulin
<b>Fire</b> .....	John D. Caufield
<b>Information Technology</b> .....	David Mayor
<b>Law</b> .....	Thomas S. Richards
<b>Library</b> .....	Patricia M. Uttaro
<b>Neighborhood &amp; Business Development</b> .....	R. Carlos Carballada
<b>Police</b> .....	David T. Moore
<b>Recreation &amp; Youth Services</b> .....	Charles D. Reaves

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# FINANCIAL SECTION



**Independent Auditor's Report**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2009, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As stated in Note I.D., the City adopted Governmental Accounting Standards Board (GASB) Statement No 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 11, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the budgetary comparison on pages 16 through 25 and 59 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplemental information, listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. The accompanying schedule of expenditures of federal awards and the schedule of expenditures of New York State and other awards are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The statistical data, schedule of expenditures of New York State and other awards and summary of financial assistance on pages 68 through 88, 110 through 115 and 117 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The statistical data, schedule of expenditures of New York State and other awards and summary of financial assistance have not been subjected to auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on them.

*Freed Maxick & Battaglia, CPAs, PC*

Rochester, New York  
November 11, 2009

**A**s 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, 2009. 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 Comprehensive Annual Financial Report of the District for the year ended June 30, 2009.

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$769,262 (net assets).
- The City's total net assets increased by \$30,924.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$174,503, a decrease of \$1,462 from the prior year.
- At the end of the current fiscal year, undesignated fund balance for the general fund was \$4,343, or 1.0% of total general fund expenditures.

The City's total outstanding debt (net of notes refinanced as bonds) increased by \$7,362 (4%) over the prior year, primarily due to increased borrowing in the governmental activities.

### 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 City of Rochester's 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 assets* presents information on all of the City of Rochester's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 a legally separate school district and the Rochester Ferry Company, LLC for which the City of Rochester is financially accountable. Financial information for these *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.

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

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

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

The City of Rochester maintains fifteen governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service 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 nonmajor 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, 2009, which includes the General Fund as well as certain special revenue and enterprise funds, is reported in the *Combined Schedule of Revenues, Expenditures and Changes in Fund Equity – Budget and Actual* 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 assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$769,262 at the close of the most recent fiscal year.

By far, the largest portion of the City's net assets (86 percent) 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 Assets**  
 (000's Omitted)

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 347,032	\$ 353,081	\$ 54,106	\$ 51,770	\$ 401,138	\$ 404,851
Capital assets	600,196	579,946	250,249	243,464	850,445	823,410
<b>Total assets</b>	<b>947,228</b>	<b>933,027</b>	<b>304,355</b>	<b>295,234</b>	<b>1,251,583</b>	<b>1,228,261</b>
Long-term liabilities outstanding	223,182	212,352	77,146	80,534	300,328	292,886
Other liabilities	158,768	177,001	23,225	20,036	181,993	197,037
<b>Total liabilities</b>	<b>381,950</b>	<b>389,353</b>	<b>100,371</b>	<b>100,570</b>	<b>482,321</b>	<b>489,923</b>
Net assets:						
Invested in capital assets, net of related debt	488,181	441,242	170,659	158,705	658,840	599,947
Restricted	121,987	127,030	27,430	33,854	149,417	160,884
Unrestricted	(44,890)	(24,598)	5,895	2,105	(38,995)	(22,493)
<b>Total net assets</b>	<b>\$ 565,278</b>	<b>\$ 543,674</b>	<b>\$ 203,984</b>	<b>\$ 194,664</b>	<b>\$ 769,262</b>	<b>\$ 738,338</b>

The City's total net assets increased by \$30,924, made up of an increase of \$21,604 in the net assets of governmental activities and an increase of \$9,320 in the net assets of business-type activities. A portion of the City's net assets (19 percent) 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 Invested in capital assets, net of related debt, and Restricted. This was true for both for 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 assets increased by \$21,604. Key components of this change are summarized as follows:

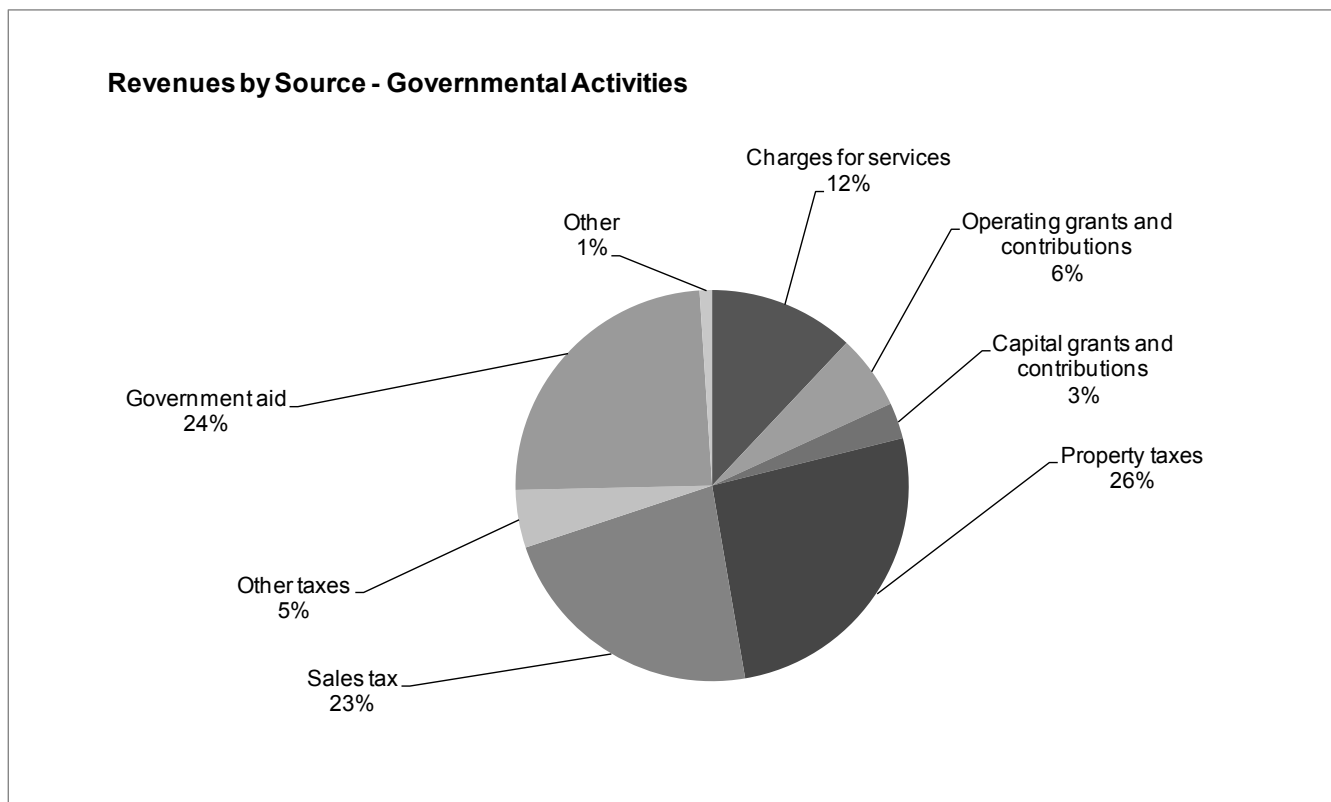
**City of Rochester's Changes in Net Assets**  
 (000's Omitted)

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 64,894	\$ 63,440	\$ 64,547	\$ 65,479	\$ 129,441	\$ 128,919
Operating grants and contributions	33,162	37,290	-	-	33,162	37,290
Capital grants and contributions	15,984	11,366	4,994	511	20,978	11,877
General revenues:						
Property taxes	141,531	136,921	3,379	3,876	144,910	140,797
Sales and other taxes	147,788	159,590	1,131	905	148,919	160,495
Governmental aid	131,431	105,188	1,133	125	132,564	105,313
Other	5,558	9,433	2,183	2,662	7,741	12,095
Total revenues	540,348	523,228	77,367	73,558	617,715	596,786
<b>Expenses:</b>						
General government	67,301	75,553	-	-	67,301	75,553
Police	123,793	124,310	-	-	123,793	124,310
Fire	69,232	68,041	-	-	69,232	68,041
Emergency communications	16,416	15,222	-	-	16,416	15,222
Transportation	23,380	25,468	-	-	23,380	25,468
Environmental services	33,166	31,904	-	-	33,166	31,904
Parks & recreation	20,311	15,406	-	-	20,311	15,406
Library	12,387	12,324	-	-	12,387	12,324
Community & economic development	34,379	33,595	-	-	34,379	33,595
Interest on long term debt	3,872	6,048	-	-	3,872	6,048
Allocation to school district	119,100	119,100	-	-	119,100	119,100
Water	-	-	27,632	28,505	27,632	28,505
War memorial	-	-	2,992	3,005	2,992	3,005
Parking	-	-	5,163	6,343	5,163	6,343
Cemetery	-	-	1,789	1,953	1,789	1,953
Public market	-	-	1,276	922	1,276	922
Refuse	-	-	24,602	22,496	24,602	22,496
Total expenses	523,337	526,971	63,454	63,224	586,791	590,195
Excess (deficiencies) of revenues over expenses	17,011	(3,743)	13,913	10,334	30,924	6,591
Transfers	4,593	(916)	(4,593)	916	-	-
Adjustment (See note I. G. 7.)	-	(14,688)	-	-	-	(14,688)
Increase (decrease) in net assets	21,604	(19,347)	9,320	11,250	30,924	(8,097)
Net assets - beginning (as restated)	543,674	563,021	194,664	183,414	738,338	746,435
Net assets - ending	\$ 565,278	\$ 543,674	\$ 203,984	\$ 194,664	\$ 769,262	\$ 738,338

**Governmental activities revenue highlights.**

The major factors contributing to the overall revenue increase of \$17,120 were:

- Charges for services increased by \$1,454, primarily due to a \$760 increase in charges for emergency communications and a \$565 increase in local works charges.
- Operating grants and contributions decreased by \$4,128 primarily because \$2,400 in revenue from the sale of urban renewal property in 2008 was a onetime event. Also contributing to the revenue decline, reimbursable spending under the community development block grant was down approximately \$1,500.
- Capital grants and contributions increased by \$4,618 as a result of \$5,333 increase in state aid and a \$1,486 increase in federal aid, offset in part by a \$2,201 decrease in eligible reimbursements for various capital projects.
- Property taxes revenues increased by \$4,610 due to the sale of liens for delinquent taxes.
- The sales and other taxes category decreased by \$11,802, primarily due to a \$8,788 decline in sales tax revenue. The decline in other tax revenues were as follows: gross utilities receipts, \$2,712; in-lieu-of tax payments, \$958; mortgage tax, \$734. These declines were partially offset by a \$734 interest and penalties and \$656 in cable television franchise fees.
- Governmental aid increased by \$26,243, primarily due to a \$26,365 increase in state aid partially offset by a \$122 decrease in federal aid.
- Various other revenues declined by \$3,875.

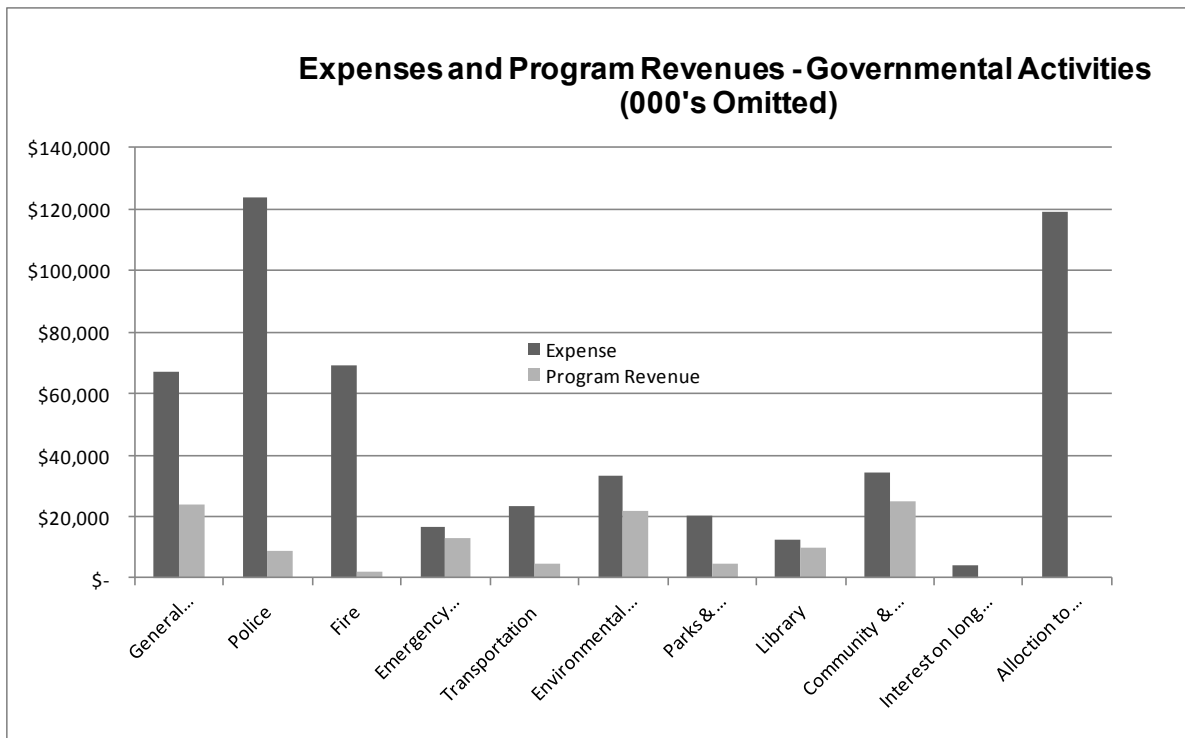




**Governmental activities expense highlights.**

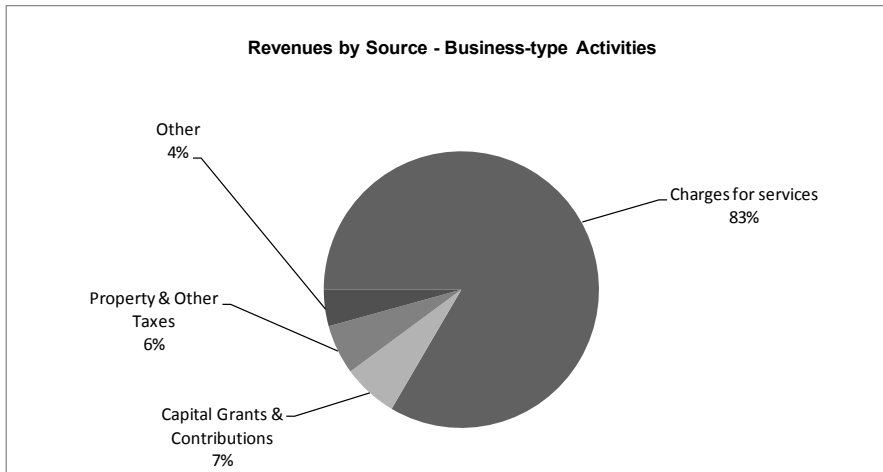
The major factors contributing to an overall expenditure decrease of \$3,634 were:

- General government expenses decreased by \$8,252 primarily due to lower employee fringe benefits costs.
- Fire expenses increased by \$1,191, mainly in the categories of salaries and supplies.
- Emergency communication expenses increased by \$1,194, mainly in the categories of salaries and supplies.
- Transportation expenses decreased by \$2,088, reflecting a net increase in capitalization.
- Environmental services expenses increased by \$1,262, mainly in the categories of salaries and supplies.
- Parks and recreation expenses increased by \$4,905 primarily as a result of \$5,889 decreases in capitalization expense, partially offset by \$984 in decreases in operating and other expenses.
- Interest on long term debt decreased by \$2,176 with the pay off of the debt of the Rochester Ferry Company LLC.
- Various other expense categories increased by \$330.



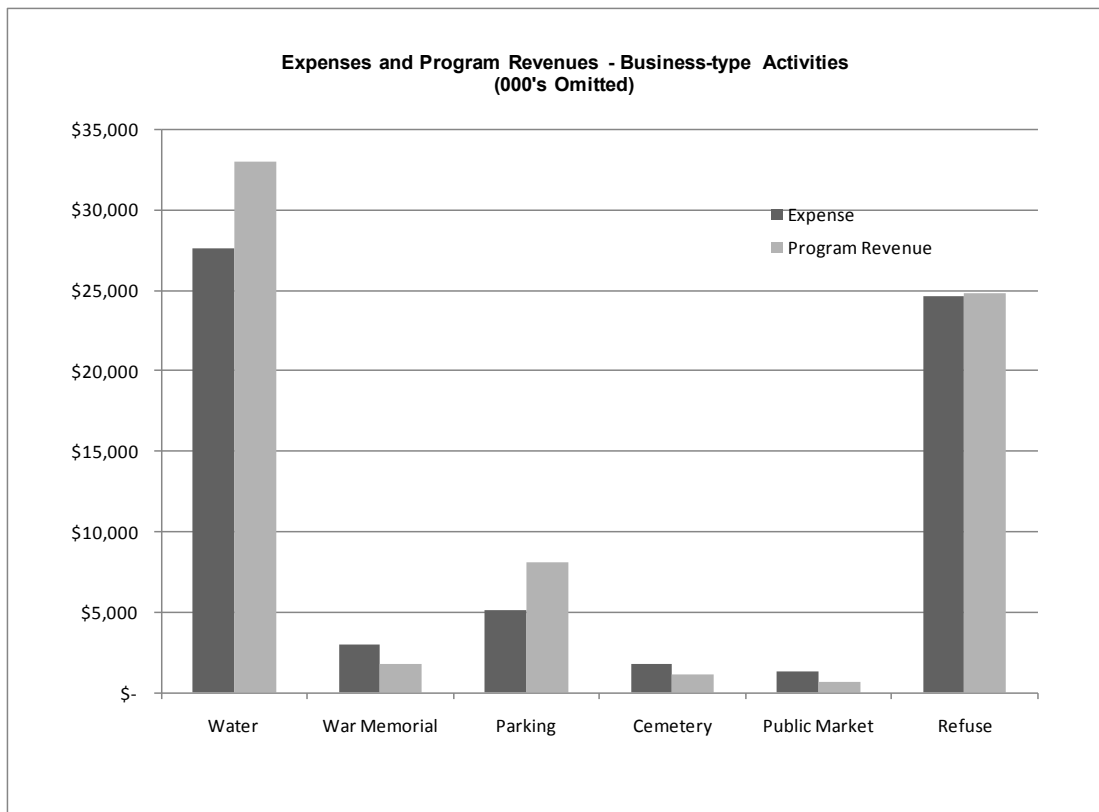
**Business-type activities revenue highlights.**

- Revenues for business-type activities increased by \$3,809. This increase is primarily the result of a \$3,542 general capital contribution to the parking fund, related to the reconstruction of the South Avenue ramp garage.



**Business-type activities expense highlights.**

- The net increase in business-type activities expenses was \$230. This increase is primarily the result of \$2,106 of refuse fund increases offset by reduced expense of \$1,180 in the parking fund, reduced expense of \$873 in the water fund, and other various other increases and decreases netting to a \$177 increases.



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## 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, *unreserved 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 \$174,503, a decrease of \$1,462 in comparison with the prior year. The reserved portion of fund balance, which is not available for new spending, is composed of the following commitments: 1) to liquidate contracts and purchase orders of the period — \$92,207, 2) to pay debt service — \$57,066, and 3) for a variety of other restricted purposes — \$5,328. The unreserved portion of fund balance includes: (\$1,260) restricted in Capital projects funds, \$4,183 of general fund money designated for use in fiscal 2009-10, \$4,343 of general fund money available for use in fiscal 2009-10, \$6,015 unreserved in special revenue funds, and \$6,621 undesignated in the cemetery perpetual care fund. The result is a total unreserved fund surplus for all governmental funds of \$19,902. This positive balance results from short-term borrowing in the capital projects funds and is further explained in the *Transportation capital projects* section below.

**General fund.** The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$8,526 while total fund balance reached \$29,559. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balances represents 2 percent of total fund expenditures, while total fund balance represents 7 percent of that same amount. The fund balance of the City's general fund increased by \$900 during the current fiscal year.

**Debt service fund.** The debt service fund has a total fund balance of \$57,066, all of which is reserved for the payment of debt service. The \$10,523 decrease in fund balance during the current year in the debt service fund resulted from the following: a Rochester Ferry debt service payment of \$21,011 was in part offset by the transfer of \$12,868 in reprogrammed funds from cash capital funds. Transfers of (\$4,577) were made to operating funds to meet current debt service requirements. The debt service fund had \$1,955 interest earnings and \$242 in other revenue.

**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 \$61,352, of this \$53,036 was encumbered for contracts underway, and \$8,316 was undesignated.

**Transportation capital projects.** The transportation capital projects fund is used to account for road and bridge construction and reconstruction. At the end of the current fiscal year, the fund balance was \$(4,253). This balance is the result of \$5,147 encumbered for contracts underway less a \$9,400 deficit fund balance, which will be eliminated when bond anticipation notes are converted to 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 of \$5,128

**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 assets of the proprietary funds at the end of the current fiscal year totaled \$203,984. The change in net assets between 2008 and 2009, which totaled to a \$9,320 increase, were as follows: the Water fund increased by \$3,748, the Parking fund increased by \$4,867 the War Memorial fund decreased by \$80, the Refuse fund increased by \$355, the Cemetery fund increased by \$613, and the Public Market fund decreased by \$183.

Unrestricted net assets of the proprietary funds, which totaled \$5,895 at year end, breakdown as follows: Water — (\$1,378), Parking — \$2,054, War Memorial — \$1, Refuse — \$2,132, Cemetery — \$3,165, and Public Market — (\$79).

**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 assets at the end of the fiscal year were \$20,096, a decrease of \$639 over the prior year. The decrease is the result of claims settlement expenses of \$5,242 in excess of \$3,841 in transfers from the General Fund, \$310 in revenue from investments, and \$452 in proceed from insurance claim recovery.

### 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. However, the Community Development special revenue fund 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 other supplemental information to the financial statements.

### Capital Assets and Debt Administration

**Capital Assets.** In accordance with GASB 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, 2009, amounted to \$850,445 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress. The overall increase in the City's investment in capital assets for the current fiscal year was 3.28 percent, of which 2.46 percent was attributable to governmental activities and .82 percent to business-type activities.

Major capital asset expenditures during the current fiscal year included the following:

- Construction and reconstruction of various streets — \$18,216,200
- Purchase of equipment and vehicles — \$7,659,000
- Construction and reconstruction of municipal facilities — \$7,723,700
- Construction and reconstruction of various water mains — \$6,660,000
- Purchase of refuse collection equipment and containers — \$6,252,780
- Demolition of properties — \$2,964,000
- Ryan Community Center — \$2,547,300
- Restoration of City Hall brownstone exterior — \$2,097,900
- Midtown Plaza redevelopment project, property acquisition — \$1,161,000
- Rundel library structural repairs and library acquisitions — \$1,117,000

	Governmental		Business-type		Total	
	activities		activities			
	2009	2008	2009	2008	2009	2008
Land	\$ 22,812	\$ 22,647	\$ 11,097	\$ 11,434	\$ 33,909	\$ 34,081
Buildings	108,733	103,897	108,450	106,430	217,183	210,327
Improvements other than buildings	31,051	29,648	114,882	112,110	145,933	141,758
Machinery and equipment	29,467	29,032	6,700	6,571	36,167	35,603
Infrastructure	398,124	392,685	-	-	398,124	392,685
Construction in progress	10,009	2,037	9,120	6,919	19,129	8,956
<b>Total</b>	<b>\$ 600,196</b>	<b>\$ 579,946</b>	<b>\$ 250,249</b>	<b>\$ 243,464</b>	<b>\$ 850,445</b>	<b>\$ 823,410</b>

**Long-term debt.** On June 30, 2009 the City's outstanding debt (net of notes refinanced as bonds) was \$191,605,000. This was an increase of \$7,362,000 (4%) over the prior year. An increase of \$12,531,000 in the governmental activities funds was partially offset by a reduction of \$5,169,000 in the business-type activities funds.

<b>City of Rochester's Outstanding Debt</b>							
(000's Omitted)							
	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>		
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	
General obligation bonds	\$ 65,928	\$ 80,992	\$ 69,611	\$ 76,805	\$ 135,539	\$ 157,797	
Bond anticipation notes	46,087	57,712	9,979	7,954	56,066	65,666	
<b>Total</b>	<b>112,015</b>	<b>138,704</b>	<b>79,590</b>	<b>84,759</b>	<b>191,605</b>	<b>223,463</b>	
Less: Notes refinanced as bonds which mature in the subsequent fiscal year	-	(39,220)	-	-	-	(39,220)	
<b>Net Outstanding Debt</b>	<b>\$ 112,015</b>	<b>\$ 99,484</b>	<b>\$ 79,590</b>	<b>\$ 84,759</b>	<b>\$ 191,605</b>	<b>\$ 184,243</b>	

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 A from Standard & Poor's and an A-2 rating from Moody's Investors Service.

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. This limit, which applies to the combined City and School District debt, was \$522 million as of the fiscal year end, an amount that was \$172 million above the combined City and School District's net indebtedness.

More detailed information on the City's capital assets and long-term debt activity is provided in the Note III. D. in the Notes to the Financial Statements.

**Economic Factors**

Rochester has been able to maintain a strong economy even though its major employers have gone through significant downsizing in the recent years. There are over 90 optics and imaging firms located in the Rochester area. There continues to be a strong concentration of manufacturing employment. Manufacturing accounts for 14% of total nonagricultural employment in the Rochester Metropolitan Area, as compared to the national level of 13%. Other major research, development and manufacturing in the area include automotive products, dental equipment, office duplicating and computing equipment, electrical equipment, measuring and controlling devices and heavy machinery.

**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.

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# **BASIC FINANCIAL STATEMENTS**

**THE CITY OF ROCHESTER, NEW YORK  
STATEMENT OF NET ASSETS  
JUNE 30, 2009 (000's Omitted)**

	Primary Government			Component Unit	Component Unit
	Governmental Activities	Business-type Activities	Total	School District	Rochester Ferry Co. LLC.
<b>ASSETS</b>					
Cash and cash equivalents	\$ 206,513	\$ 23,596	\$ 230,109	\$ 112,716	\$ 113
Receivables (net of allowance for uncollectibles):					
Accounts	42,240	19,463	61,703	2,484	-
Taxes	16,081	-	16,081	-	-
Due from other governments	78,819	3,317	82,136	53,142	-
Due from primary government	-	-	-	4,633	-
Due from component unit	1,188	-	1,188	-	-
Prepaid expenses	-	-	-	2,293	-
Interfund balances	2,191	(2,191)	-	-	-
Inventory, at cost	-	-	-	90	-
Restricted assets:					
Cash and cash equivalents	-	9,915	9,915	-	-
Accounts receivable	-	6	6	-	-
Capital assets (net of accumulated depreciation):					
Land	22,812	11,097	33,909	17,169	-
Buildings	108,733	108,450	217,183	333,235	-
Machinery and equipment	29,467	6,700	36,167	19,287	-
Improvements other than buildings	31,051	114,881	145,932	-	-
Infrastructure	398,124	-	398,124	-	-
Construction in progress	10,009	9,121	19,130	50,180	-
Total assets	<u>\$ 947,228</u>	<u>\$ 304,355</u>	<u>\$ 1,251,583</u>	<u>\$ 595,229</u>	<u>\$ 113</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 40,161	\$ 5,027	\$ 45,188	\$ 50,864	\$ 2,233
Accrued interest payable	1,178	924	2,102	-	-
Due to other governments	13,005	254	13,259	21,512	-
Due to component unit	4,633	-	4,633	-	-
Unearned revenue	25,413	60	25,473	255	-
Noncurrent liabilities:					
Due within one year	74,378	16,960	91,338	108,597	-
Due within more than one year	223,182	77,146	300,328	253,222	-
Total liabilities	<u>\$ 381,950</u>	<u>\$ 100,371</u>	<u>\$ 482,321</u>	<u>\$ 434,450</u>	<u>\$ 2,233</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	\$ 488,181	\$ 170,659	\$ 658,840	\$ 231,461	\$ -
Restricted for:					
Capital projects	106,655	20,640	127,295	-	-
Debt service	3,583	6,790	10,373	-	-
Community development	5,128	-	5,128	-	-
Cemetery perpetual care non-expendable	6,621	-	6,621	-	-
Unrestricted (deficit)	(44,890)	5,895	(38,995)	(70,682)	(2,120)
Total net assets	<u>\$ 565,278</u>	<u>\$ 203,984</u>	<u>\$ 769,262</u>	<u>\$ 160,779</u>	<u>\$ (2,120)</u>

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



**THE CITY OF ROCHESTER, NEW YORK  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009 (000's Omitted)**

Functions / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit  School District	Component Unit  Rochester Ferry Co. LLC.
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government				
					Governmental Activities	Business-type Activities	Total		
<b>Primary government:</b>									
Governmental activities:									
General government	\$ 67,301	\$ 10,987	\$ 771	\$ 12,199	\$ (43,344)	\$ -	\$ (43,344)	\$ -	\$ -
Police	123,793	8,062	744	-	(114,987)	-	(114,987)	-	-
Fire	69,232	887	1,104	-	(67,241)	-	(67,241)	-	-
Emergency communications	16,416	13,113	-	-	(3,303)	-	(3,303)	-	-
Transportation	23,380	386	1,242	3,210	(18,542)	-	(18,542)	-	-
Environmental services	33,166	21,713	-	-	(11,453)	-	(11,453)	-	-
Parks & recreation	20,311	3,322	1,299	-	(15,690)	-	(15,690)	-	-
Library	12,387	2,933	6,889	-	(2,565)	-	(2,565)	-	-
Community & economic development	34,379	3,491	21,113	575	(9,200)	-	(9,200)	-	-
Interest on long-term debt	3,872	-	-	-	(3,872)	-	(3,872)	-	-
Allocation to school district	119,100	-	-	-	(119,100)	-	(119,100)	-	-
Total governmental activities	523,337	64,894	33,162	15,984	(409,297)	-	(409,297)	-	-
Business-type activities:									
Water	27,632	33,018	-	-	-	5,386	5,386	-	-
War memorial	2,992	1,781	-	-	-	(1,211)	(1,211)	-	-
Parking	5,163	3,139	-	4,994	-	2,970	2,970	-	-
Cemetery	1,789	1,117	-	-	-	(672)	(672)	-	-
Public market	1,276	675	-	-	-	(601)	(601)	-	-
Refuse	24,602	24,817	-	-	-	215	215	-	-
Total business-type activities	63,454	64,547	-	4,994	-	6,087	6,087	-	-
Total primary government	\$ 586,791	\$ 129,441	\$ 33,162	\$ 20,978	\$ (409,297)	\$ 6,087	\$ (403,210)	\$ -	\$ -
<b>Component unit:</b>									
Public school system	\$ 709,495	\$ 17,372	\$ 95,492	\$ -	\$ -	\$ -	\$ -	\$ (596,631)	\$ -
<b>Component unit:</b>									
Rochester Ferry Co., LLC	\$ 241	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (241)
General revenues:									
Property taxes					\$ 141,531	\$ 3,379	\$ 144,910	\$ -	\$ -
Sales taxes					122,077	-	122,077	-	-
Other taxes					25,711	1,131	26,842	-	-
Governmental aid - (unrestricted)					131,431	1,133	132,564	441,566	-
Investment earnings					3,228	711	3,939	2,450	2
Allocation to school district - (unrestricted)					-	-	-	119,100	-
Miscellaneous					2,330	1,472	3,802	19,528	314
Transfers					4,593	(4,593)	-	-	-
Total general revenues and transfers					430,901	3,233	434,134	582,644	316
Change in net assets					21,604	9,320	30,924	(13,987)	75
Net assets-beginning (as originally reported)					558,362	194,664	753,026	172,679	(2,195)
Adjustments (see note I)					(14,688)	-	(14,688)	2,087	-
Net assets-beginning (as adjusted)					543,674	194,664	738,338	174,766	(2,195)
Net assets-ending					\$ 565,278	\$ 203,984	\$ 769,262	\$ 160,779	\$ (2,120)

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

**THE CITY OF ROCHESTER, NEW YORK  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009 (000's Omitted)**

	General	Debt Service	Capital Projects		Special Revenue Community Development	Nonmajor Govern- mental Funds	Total Govern- mental Funds
			General	Trans- portation			
<b>ASSETS</b>							
Cash and cash equivalents	\$ 63,986	\$ 55,156	\$ 15,186	\$ 5,071	\$ 6,153	\$ 37,851	\$ 183,403
Receivables (net of allowance for uncollectibles):							
Accounts	7,197	6	44	-	33,409	928	41,584
Taxes	9,314	-	-	-	-	166	9,480
Due from other governments	49,406	-	9,599	945	2,670	5,074	67,694
Due from other funds	23,954	3,281	75,147	7,278	-	3,915	113,575
Due from component unit	1,188	-	-	-	-	-	1,188
Total assets	<u>\$ 155,045</u>	<u>\$ 58,443</u>	<u>\$ 99,976</u>	<u>\$ 13,294</u>	<u>\$ 42,232</u>	<u>\$ 47,934</u>	<u>\$ 416,924</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ 26,257	\$ -	\$ 2,958	\$ 886	\$ 1,744	\$ 1,746	\$ 33,591
Notes payable	-	-	24,068	15,986	-	6,033	46,087
Due to other funds	87,103	-	10,911	675	2,214	13,381	114,284
Due to other governments	4,402	-	-	-	8,381	222	13,005
Due to component unit	-	1,377	687	-	-	-	2,064
Deferred revenue	7,724	-	-	-	24,765	901	33,390
Total liabilities	<u>125,486</u>	<u>1,377</u>	<u>38,624</u>	<u>17,547</u>	<u>37,104</u>	<u>22,283</u>	<u>242,421</u>
<b>Fund balances:</b>							
Reserved for encumbrances	15,705	-	53,036	5,147	13,608	4,711	92,207
Reserved for noncurrent receivable	5,328	-	-	-	-	-	5,328
Reserved for debt	-	57,066	-	-	-	-	57,066
<b>Unreserved:</b>							
Designated for subsequent years' expenditures							
General fund	4,183	-	-	-	-	-	4,183
Special revenue fund	-	-	-	-	-	2,028	2,028
<b>Undesignated, reported in:</b>							
General fund	4,343	-	-	-	-	-	4,343
Special revenue fund	-	-	-	-	(8,480)	12,467	3,987
Capital projects fund	-	-	8,316	(9,400)	-	(176)	(1,260)
Permanent fund	-	-	-	-	-	6,621	6,621
Total fund balances	<u>29,559</u>	<u>57,066</u>	<u>61,352</u>	<u>(4,253)</u>	<u>5,128</u>	<u>25,651</u>	<u>174,503</u>
Total liabilities and fund balances	<u>\$ 155,045</u>	<u>\$ 58,443</u>	<u>\$ 99,976</u>	<u>\$ 13,294</u>	<u>\$ 42,232</u>	<u>\$ 47,934</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	600,196
Accrual of property and sales taxes to qualify as financial resources	24,802
Internal service fund transferred to governmental activities	20,096
Accrual of interest on bonds and notes payable	(1,178)
Accrual of Medicare Part D revenue	901
Long-term liabilities are not reported in the funds:	
Bonds payable	(65,928)
Municipal Bond Bank Agency liability	(1,480)
Compensated absences	(10,563)
Workers' compensation	(6,348)
OPEB liability	(153,312)
Due to component unit	(2,569)
NYS Canal Corp. Lease	(637)
Pollution remediation liability	(13,205)
Net assets of governmental activities	<u>\$ 565,278</u>

The notes to the 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, 2009 (000's Omitted)**

	General	Debt Service	Capital Projects		Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
			General	Transportation	Community Development		
<b>REVENUES</b>							
Real property tax	\$ 137,897	\$ -	\$ -	\$ -	\$ -	\$ 6,697	\$ 144,594
Sales and other taxes	149,616	-	-	-	-	-	149,616
Departmental	24,819	-	-	-	-	18,711	43,530
Use of money and property	1,386	1,955	25	-	699	189	4,254
Licenses and permits	2,384	-	-	-	-	-	2,384
Federal aid	1,705	-	5,894	4	17,112	1,417	26,132
State aid	132,833	-	6,035	3,020	-	1,583	143,471
Local sources and other	16,539	242	245	186	2,381	9,994	29,587
Total revenues	<u>467,179</u>	<u>2,197</u>	<u>12,199</u>	<u>3,210</u>	<u>20,192</u>	<u>38,591</u>	<u>543,568</u>
<b>EXPENDITURES</b>							
Current:							
Council and clerk	1,674	-	-	-	-	-	1,674
Administration	11,047	-	-	-	-	-	11,047
Law	1,898	-	-	-	-	-	1,898
Information technology	3,579	-	-	-	-	-	3,579
Finance	5,180	-	-	-	-	-	5,180
Community development	5,764	-	-	-	15,836	-	21,600
Economic development	1,545	-	-	-	-	-	1,545
Environmental services	25,578	-	-	-	-	10,504	36,082
Library	-	-	-	-	-	10,687	10,687
Police	76,568	-	-	-	-	1,207	77,775
Fire	42,408	-	-	-	-	4	42,412
Emergency communications	10,189	-	-	-	-	-	10,189
Parks, recreation and human services	12,192	-	-	-	-	775	12,967
Undistributed	83,940	-	-	-	-	5,954	89,894
Allocation to school district	119,100	-	-	-	-	-	119,100
Capital projects	-	-	43,845	8,637	-	5,575	58,057
Debt service:							
Principal	16,324	21,011	-	-	-	285	37,620
Interest	4,445	-	-	-	-	31	4,476
Total expenditures	<u>421,431</u>	<u>21,011</u>	<u>43,845</u>	<u>8,637</u>	<u>15,836</u>	<u>35,022</u>	<u>545,782</u>
Excess (deficiency) of revenues over expenditures	45,748	(18,814)	(31,646)	(5,427)	4,356	3,569	(2,214)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers from other funds	18,877	12,868	50,590	3,014	400	3,082	88,831
Transfers (to) other funds	(63,725)	(4,577)	(2,920)	(3,191)	(5,243)	(8,423)	(88,079)
Total other financing sources (uses)	<u>(44,848)</u>	<u>8,291</u>	<u>47,670</u>	<u>(177)</u>	<u>(4,843)</u>	<u>(5,341)</u>	<u>752</u>
Net change in fund balances	900	(10,523)	16,024	(5,604)	(487)	(1,772)	(1,462)
<b>Fund Balances - beginning of year</b>	<u>28,659</u>	<u>67,589</u>	<u>45,328</u>	<u>1,351</u>	<u>5,615</u>	<u>27,423</u>	<u>175,965</u>
<b>Fund Balances - end of year</b>	<u>\$ 29,559</u>	<u>\$ 57,066</u>	<u>\$ 61,352</u>	<u>\$ (4,253)</u>	<u>\$ 5,128</u>	<u>\$ 25,651</u>	<u>\$ 174,503</u>

The notes to the 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, 2009 (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	\$ (1,462)
Governmental funds report capital outlays of \$41,166 as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense of \$20,916. This is the amount by which capital outlays exceeded depreciation in the current period.	20,250
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	(3,220)
Change in accrual of interest payable on notes and bonds payable.	604
Change in net assets of the internal service fund reported in governmental activities.	(639)
Change in the pollution remediation liability.	1,483
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 has an effect on net assets. Debt service principal payments	37,620
OPEB expense is not reported in the governmental funds.	(31,951)
NYS Canal Lease expense is not reported in the governmental funds.	(91)
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 governmental funds. Thomas P Ryan Center Compensated absences Workers' compensation	(2,569) (39) 1,618
Change in net assets of governmental activities	<u>\$ 21,604</u>

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

**THE CITY OF ROCHESTER, NEW YORK**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2009 (000's Omitted)**

	Business-type Activities- Enterprise Funds						Total Funds	Governmental Activities- Internal Service Fund
	Water	Parking	War Memorial	Refuse	Cemetery	Public Market		
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 1,963	\$ 1,820	\$ 33	\$ 15,643	\$ 4,133	\$ 4	\$ 23,596	\$ 23,110
Receivables (net of allowance for uncollectibles)	13,766	1,605	1,184	2,188	720	-	19,463	656
Due from other governments	1,000	2,022	226	-	69	-	3,317	-
Due from other funds	267	606	50	706	161	378	2,168	2,900
Cash and cash equivalents - restricted	7,110	1,951	40	161	57	596	9,915	-
Due from other governments - restricted	6	-	-	-	-	-	6	-
Total current assets	24,112	8,004	1,533	18,698	5,140	978	58,465	26,666
Noncurrent assets:								
Capital assets:								
Land	804	9,251	165	30	139	708	11,097	-
Buildings	41,568	116,673	44,310	962	1,630	1,793	206,936	-
Improvements other than buildings	207,914	1,512	60	520	1,181	2,389	213,576	-
Equipment	6,665	1,460	5,462	13,608	896	33	28,124	-
Construction in progress	5,112	-	37	3,855	114	2	9,120	-
Less accumulated depreciation	(114,798)	(67,387)	(19,667)	(13,000)	(2,129)	(1,623)	(218,604)	-
Total noncurrent assets (net of accumulated depreciation)	147,265	61,509	30,367	5,975	1,831	3,302	250,249	-
Total assets	171,377	69,513	31,900	24,673	6,971	4,280	308,714	26,666
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable and accrued liabilities	1,266	229	27	3,078	74	353	5,027	6,570
Accrued interest payable	374	325	218	-	1	6	924	-
Notes payable	7,324	1,600	-	-	205	850	9,979	-
Bonds payable	4,090	1,851	1,015	-	-	25	6,981	-
Due to other funds	3,414	7	763	27	101	47	4,359	-
Due to other governments	124	7	-	111	10	2	254	-
Deferred revenue	-	60	-	-	-	-	60	-
Total current liabilities	16,592	4,079	2,023	3,216	391	1,283	27,584	6,570
Noncurrent liabilities:								
Worker's compensation	462	-	-	2,264	-	-	2,726	-
Bonds payable	28,124	19,426	15,005	-	-	75	62,630	-
OPEB liability	5,866	390	19	4,955	482	78	11,790	-
Total noncurrent liabilities	34,452	19,816	15,024	7,219	482	153	77,146	-
Total liabilities	51,044	23,895	17,047	10,435	873	1,436	104,730	6,570
<b>NET ASSETS</b>								
Invested in capital assets, net of related debt	107,727	38,632	14,347	5,975	1,626	2,352	170,659	-
Restricted for debt service	4,896	1,597	40	161	56	40	6,790	-
Restricted for capital projects	9,088	3,335	465	5,970	1,251	531	20,640	-
Unrestricted (deficit)	(1,378)	2,054	1	2,132	3,165	(79)	5,895	20,096
Total net assets	\$ 120,333	\$ 45,618	\$ 14,853	\$ 14,238	\$ 6,098	\$ 2,844	\$ 203,984	\$ 20,096

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

**THE CITY OF ROCHESTER, NEW YORK  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009 (000's Omitted)**

	Business-type Activities- Enterprise Funds						Governmental Activities- Internal Service Fund	
	Water	Parking	War Memorial	Refuse	Cemetery	Public Market		Total Funds
<b>Operating Revenues</b>								
Charges for services	\$ 33,018	\$ 3,139	\$ 1,781	\$ 24,817	\$ 1,117	\$ 675	\$ 64,547	\$ -
<b>Operating Expenses</b>								
Personal services	6,509	248	-	6,319	735	201	14,012	-
Supplies and materials	9,438	1,024	940	12,540	589	831	25,362	-
Employee benefits	4,417	177	26	5,062	316	66	10,064	-
Depreciation	5,735	2,590	1,187	681	145	155	10,493	-
Claims settlement	-	-	-	-	-	-	-	5,242
Total operating expenses	26,099	4,039	2,153	24,602	1,785	1,253	59,931	5,242
Operating income (loss)	6,919	(900)	(372)	215	(668)	(578)	4,616	(5,242)
<b>Nonoperating revenues (expenses)</b>								
Real property taxes	-	1,814	-	-	1,167	398	3,379	-
Sales and use taxes	-	-	1,131	-	-	-	1,131	-
Interest and penalties	1,470	-	-	-	2	-	1,472	-
Interest on investments	352	83	-	140	116	20	711	310
Interest expense	(1,533)	(1,124)	(839)	-	(4)	(23)	(3,523)	-
State grant	1,133	-	-	-	-	-	1,133	-
Insurance recovery	-	1,452	-	-	-	-	1,452	452
Total nonoperating revenues (expenses)	1,422	2,225	292	140	1,281	395	5,755	762
Income (loss) before operating transfers	8,341	1,325	(80)	355	613	(183)	10,371	(4,480)
Capital Contributions	-	3,542	-	-	-	-	3,542	-
Transfers in	-	-	-	-	-	-	-	3,841
Transfers out	(4,593)	-	-	-	-	-	(4,593)	-
Change in net assets	3,748	4,867	(80)	355	613	(183)	9,320	(639)
Total net assets-beginning	116,585	40,751	14,933	13,883	5,485	3,027	194,664	20,735
Total net assets-ending	\$ 120,333	\$ 45,618	\$ 14,853	\$ 14,238	\$ 6,098	\$ 2,844	\$ 203,984	\$ 20,096

The notes to the 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, 2009 (000's Omitted)**

	Business-type Activities- Enterprise Funds						Governmental Activities- Internal Service Fund	
	Water	Parking	War Memorial	Refuse	Cemetery	Public Market		Total Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers and users	\$ 33,779	\$ 3,652	\$ 828	\$ 25,184	\$ 1,340	\$ 675	\$ 65,458	\$ (450)
Payments to suppliers	(12,297)	(1,475)	(968)	(14,140)	(853)	(552)	(30,285)	(1,827)
Payments to employees	(6,549)	(249)	(1)	(6,371)	(773)	(202)	(14,145)	-
Net cash provided (used) by operating activities	14,933	1,928	(141)	4,673	(286)	(79)	21,028	(2,277)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Real property taxes	-	1,814	-	-	1,167	398	3,379	-
Operating grants	133	186	905	-	-	-	1,224	-
Transfers (to) from other funds	(4,466)	(1,367)	697	(50)	1,755	(281)	(3,712)	3,318
Net cash provided (used) by noncapital financing activities	(4,333)	633	1,602	(50)	2,922	117	891	3,318
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Proceeds from sales of bonds and notes	440	1,600	-	-	-	-	2,040	-
Principal paid on bonds and notes	(4,293)	(1,856)	(1,015)	-	-	(45)	(7,209)	-
Capital grants	-	3,542	-	-	-	-	3,542	-
Interest expense paid on bonds and notes	(1,906)	(1,244)	(853)	-	(5)	(26)	(4,034)	-
Payments to contractors	(6,522)	(5,567)	(76)	(4,458)	(409)	(246)	(17,278)	-
Proceeds from insurance recovery	-	1,452	-	-	-	-	1,452	452
Net cash provided (used) by capital and related financing activities	(12,281)	(2,073)	(1,944)	(4,458)	(414)	(317)	(21,487)	452
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Interest received	352	83	-	140	116	20	711	310
Net increase (decrease) in cash and cash equivalents	(1,329)	571	(483)	305	2,338	(259)	1,143	1,803
Cash and cash equivalents at beginning of year	10,402	3,200	556	15,499	1,852	859	32,368	21,307
Cash and cash equivalents at end of year	\$ 9,073	\$ 3,771	\$ 73	\$ 15,804	\$ 4,190	\$ 600	\$ 33,511	\$ 23,110
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>								
Operating income (loss)	\$ 6,919	\$ (900)	\$ (372)	\$ 215	\$ (668)	\$ (578)	\$ 4,616	\$ (5,242)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation expense	5,735	2,590	1,187	681	145	155	10,493	-
(Increase) decrease in accounts receivable	(709)	39	(953)	367	221	-	(1,035)	(450)
Increase (decrease) in accounts payable	240	117	7	2,378	(51)	322	3,013	3,415
Increase (decrease) in intergovernmental payables	117	(1)	-	(19)	(2)	-	95	-
Increase (decrease) in OPEB liability	1,161	74	(10)	1,051	67	22	2,365	-
Increase (decrease) in deferred revenue	-	9	-	-	-	-	9	-
Interest and penalties	1,470	-	-	-	2	-	1,472	-
Total adjustments	8,014	2,828	231	4,458	382	499	16,412	2,965
Net cash provided (used) by operating activities	\$ 14,933	\$ 1,928	\$ (141)	\$ 4,673	\$ (286)	\$ (79)	\$ 21,028	\$ (2,277)

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

**THE CITY OF ROCHESTER, NEW YORK  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2009 (000's Omitted)**

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	<u>Private Grants</u>	<u>Agency</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,793	\$ 14,606
Receivables (net of allowance for uncollectibles)	-	186
Total assets	<u>2,793</u>	<u>14,792</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	-	14,792
Total liabilities	<u>-</u>	<u>14,792</u>
<b>NET ASSETS</b>		
Held in trust and other purposes	<u>\$ 2,793</u>	<u>\$ -</u>

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



**THE CITY OF ROCHESTER, NEW YORK  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009 (000's Omitted)**

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	<u>Private Grants</u>
<b>ADDITIONS</b>	
Use of money and property	\$ 8
Local sources and other	1,658
Total additions	<u>1,666</u>
<b>DEDUCTIONS</b>	
Community services	<u>304</u>
Change in net assets	1,362
Net assets-beginning of year	1,431
Net assets-end of year	<u><u>\$ 2,793</u></u>

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

# Notes to the Financial Statements

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## 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: Community Development; Economic Development; Environmental Services; Finance; Information Technology; Law; Library; Recreation and Youth 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 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 Ferry Company, LLC is included in these financial statements as a discretely presented component unit, a Business-type activity. This entity was formed in 2005 by the City of Rochester to operate a fast ferry service between the Port of Rochester, NY and the Port of Toronto, Canada. An eleven-member board, appointed by City Council, is responsible for managing the operation. As disclosed below in Note III. D. 3, this entity is to be dissolved.

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

The government-wide financial statements (i.e., the statement of net assets 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 to a significant extent 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 properly 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 government 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 government.

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 **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.

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 collections 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 City has an **Internal Service Fund**, which is used to account for entity-wide general liabilities.

The **Private Grant 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 **Agency Fund** is used to account for custodial transactions in which assets equal liabilities. This includes payroll withholdings, security deposits, and tax overpayments held for refund.

The City has elected to apply all Governmental Accounting Standards Board (GASB) pronouncements, applicable Financial Accounting Standards Board (FASB) pronouncements, and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

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, and the sale of event tickets for the War Memorial, sale of graves for Cemetery, and vendor charges at the Public Market. 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 government's policy to use restricted resources first, and then unrestricted resources as they are needed.

#### D. NEW ACCOUNTING PRINCIPLES

During the fiscal year ended June 30, 2009, the City adopted GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which established accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The standard excludes pollution prevention or control obligations with respect to current operations, and future pollution remediation activities that are required upon retirement of an asset, such as landfill closure and post closure care. The effects of applying this standard are disclosed in Note I.G.7.

The GASB has issued the following new statements that are potentially applicable to the City of Rochester and its component units in the subsequent fiscal year:

- Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which establishes requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software
- Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*
- Statement No. 54, *Accounting and Fund Balance Reporting and Governmental Fund Type Definitions*

The City is currently studying these statements and plans on adoption as required.

#### E. USE OF ESTIMATES

The preparation of general purpose financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and 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* 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, 2009, the City had a legal margin of \$36,672,433.

#### G. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

##### 1. Deposits and Investments

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 market 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 of the United States or any obligation fully insured as to interest and principal by the United States acting through an agency, and obligations of New York State or obligations of any municipal corporation, school district, or district corporation of the State of New York.

Cash equivalents include U. S. Government securities and U. S. Government securities purchased through repurchase agreements. All highly liquid investments, both restricted and unrestricted, with an original maturity of approximately three

months or less are considered to be cash equivalents. Repurchase agreement securities are valued monthly to confirm that the fair value of the securities is equal to or greater than the value of the investment. The fair value includes accrued interest from unmatured coupons on U.S. Treasury securities. Interest earnings are recorded at maturity and generally allocated to the appropriate fund by outstanding balance.

The City, in accordance with Governmental Accounting Standards Board Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, reports investments 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 on the balance sheet 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. Community Development Block Grant funds must be used only for approved programs. Cemetery perpetual care funds cannot be expended. However, the interest earnings can be spent for cemetery maintenance functions.

**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 prior to fiscal 1980 is not reported. The City defines capital assets as assets with an initial, individual cost of more than \$2,000 (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 are recorded at estimated fair value at the date of donation.

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 assets lives are not capitalized.

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. Compensated Absences**

It is the City's policy to pay employees for unused vacation and compensatory time when there is a separation from service. For Governmental activities, the current portion of this liability is accrued in the appropriate fund and the long-term portion is accrued in the entity-wide statement of net assets as noncurrent liabilities. For Business-type funds, the full liability is recognized at both the fund and entity-wide level.

**5. Long-term Obligations**

In the entity-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 assets. Bond premiums, if any, are deposited in the debt service fund and used to retire debt in the respective funds. Bond issuance costs that are immaterial are charged as a general fund operating expense.

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

**6. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represents tentative management plans that are subject to change.

## 7. Restatement of Beginning Net Assets

The provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, require the measurement of pollution remediation liabilities as of June 30, 2008. Consequently, the City's beginning net assets were decreased by \$14,687,600, from \$753,026,000 to \$738,338,400. The City was not able to calculate retroactively the liability for prior fiscal years due to the difficulty in determining the timing of past obligating events and deriving reliable past cost estimates. Please see Note III. E. for additional information. The City's component units and related entities have no GASB 49 related liabilities.

The District's entity wide beginning net assets balance was increased by \$2,087,100 from \$172,678,700 to \$174,765,800. This represented a correction to include \$1,905,400 managed by the District's third party administrator of workers' compensation and \$181,700 of expense accrual adjustments. Additional details are provided in the separately issued annual financial report of the District.

## 8. Encumbrances & Commitments

Commitments are recorded at the time a purchase order, construction contract, or service agreement is finalized. In governmental funds, commitments are encumbered and reported as reservations of fund balances, since they do not constitute expenditures or liabilities. Total encumbrances for construction and other governmental fund capital projects as of June 30, 2009 were \$61,828,000. This amount is composed of \$53,036,000 in general government projects, \$5,147,000 in transportation projects, as well as \$3,645,000 in nonmajor governmental fund capital projects. In addition, \$13,608,000 was encumbered in the Special Revenue fund for Community Development projects.

In enterprise funds, commitments outstanding at year-end are included in Unrestricted Net Assets. Total commitments for construction and other enterprise fund capital projects as of June 30, 2009 were \$11,774,000. This was composed of \$4,281,000 for Water Fund projects, \$4,550,000 for Refuse Fund projects, \$1,542,000 for Parking Fund projects, \$15,000 for War Memorial projects, \$712,000 for Cemetery projects, and \$674,000 for Public Market projects.

At year-end the School District had total encumbrances of \$15,601,800 in their capital projects fund.

## 9. Cash and Cash Equivalent

The City's cash and cash equivalents consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

The City's investment policies are governed by State statutes. The 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 that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

# 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 Statement of Revenues, Expenditures and Changes in Fund Equity - Budget and Actual, General, Certain Special Revenue and Enterprise Fund, 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 41 (*Budgetary Comparison Schedules - Perspective Differences*), a non-GAAP budget-to-actual schedule is presented as Required Supplemental Information after the Basic Financial Statements. A non-administrative level budget-to-actual schedule is presented as Other Supplemental Information following the combining and individual fund statements and schedules.

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 is 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 the following 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 \$6,906,000. Estimated revenues decreased by \$1,322,000, transfers to other funds increased by \$4,261,000 and transfers from other funds increased by \$9,933,000.

## B. DEFICIT FUND EQUITY

It has been the City's practice to fund capital projects for up to five years with bond anticipation notes, then convert to bonds when the final project costs are known and when long-term rates are most favorable, minimizing interest costs for the City. Thus, deficit fund balances reported in the Capital Project Funds term and will be eliminated once the bond anticipation notes are converted to bonds. As of June 30, 2009 the following funds had deficit fund balances: the Transportation Capital Projects Fund — \$4,253,000, the Cultural and Recreation Capital Project Fund — \$1,419,000, and the Sewer Capital Project Fund — \$488,000.

## 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 School District. The cash management of the Rochester Ferry Company, LLC also follows the same policies. Thus, the following risk assessments apply to cash, cash equivalents, and investments of the primary government and the component units.

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, City 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.

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.

#### 1. Deposits

At year-end, the carrying amount of the City's deposits net of outstanding checks, including certificates of deposit, was \$158,292,800 and the bank balance was \$161,441,000. Of this bank balance, \$500,000 is FDIC insured. The uninsured portion was collateralized at 102% with U.S. Government securities held by a third-party.



At year-end, the carrying amount of the School District's deposits net of outstanding checks, including certificates of deposit, was \$ 42,127,400. 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 carrying amount and bank balance of the Rochester Ferry Company, LLC was \$112,700.

**2. Cash Equivalents**

At year-end, the City had cash equivalents of \$98,269,700 as follows: \$90,350,000 in money market accounts, \$7,500,000 (fair value) in repurchase agreements, and \$ 419,700 in New York State municipal bonds held as retainage for construction contracts. Money market accounts and repurchase agreements were collateralized at 102% with U.S. Government securities held by a third-party.

At year-end, the School District had cash equivalents of \$ 77,512,700. The fair value of money market accounts was \$71,037,700 and the fair value of repurchase agreements was \$6,475,000. These cash equivalents were collateralized at 102% with U.S. Government securities held by a third-party.

At year-end, the Rochester Ferry Company, LLC had no cash equivalents.

**3. Investments**

At year-end, City investments were as follows (000's Omitted):

		Fair Value	
Library Trust Fund:	U.S. Government Securities	\$	413
	Equities		468
		\$	881

Library trust fund investments, which derive from private contributions, constitute only .3% of the City's deposits and cash equivalents. These funds, which provide resources for restricted purposes, are managed separately under the control of an independent library board, rather than under the City Treasurer's cash management policies described above. Approximately one-half of this portfolio is invested in U.S. Treasury and agency obligations. The remaining is invested in stocks and mutual funds for which ratings are unavailable. These equities have been characterized as 50% growth investments and 50% value investments. Since this portfolio is not protected by the City's collateral agreements and has exposure to cyclical markets, there is greater custodial and credit risk.

At year-end, the School District and the Rochester Ferry Company, LLC had no investments.

In accordance with certain contractual provisions, investment income of \$1,050,700 for fiscal year 2009, associated with the Capital Projects Fund, was assigned to the Debt Service Fund. In addition, investment income of \$114,000 for fiscal year 2009, associated with the Permanent Fund, was assigned to the Cemetery Enterprise Fund.

**B. RECEIVABLES AND PAYABLES**

The Primary Government had \$61,703,000 in accounts receivables at year-end. The major Governmental activities receivable was \$33,409,000 in economic development and housing loans made from the Community Development Special Revenue Fund. The major Business-type receivables were \$13,766,000 in the Water Fund, \$2,188,000 in the Refuse Fund, and \$1,605,000 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 (\$2,559,300), Water Fund (\$4,695,000), and Refuse Fund (\$1,344,000).

The amount due from other governments to the City, as presented in the fund level statements as of June 30, 2009, was \$71,011,000. This was comprised of the following items: \$24,895,000 from New York State, \$39,276,000 from Monroe County, \$5,206,000 from the Federal Government, and \$1,640,000 from others.

The amount due from other governments and the primary government to the School District as of June 30, 2009 was \$57,774,900. This was comprised of the following items: \$37,865,400 from New York State, \$14,420,000 from the Federal Government, and \$5,489,500 from other sources.

The Primary Government had \$45,188,000 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.

The School District Component Unit had \$50,864,000 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.

The Rochester Ferry Company, LLC Component Unit had \$2,233,000 accounts payable and accrued liabilities at year-end.

### C. CAPITAL ASSETS

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

Class	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<b>Capital assets, not being depreciated:</b>				
Land	\$ 22,647	\$ 1,638	\$ 1,473	\$ 22,812
Construction in progress	2,037	14,361	6,389	10,009
Total capital assets, not being depreciated	\$ 24,684	\$ 15,999	\$ 7,862	\$ 32,821
<b>Capital assets, being depreciated:</b>				
Buildings	\$ 173,971	\$ 15,705	\$ 6,633	\$ 183,043
Improvements other than buildings	41,197	5,986	2,936	44,247
Machinery and equipment	77,995	11,637	10,858	78,774
Infrastructure	509,447	14,702	-	524,149
Total capital assets being depreciated	802,610	48,030	20,427	830,213
<b>Less accumulated depreciation for:</b>				
Buildings	70,074	4,474	238	74,310
Improvements other than buildings	11,549	1,576	(71)	13,196
Machinery and equipment	48,963	5,603	5,259	49,307
Infrastructure	116,762	9,263	-	126,025
Total accumulated depreciation	247,348	20,916	5,426	262,838
<b>Total capital assets, being depreciated, net:</b>	555,262	27,114	15,001	567,375
<b>Governmental activities capital assets, net:</b>	\$ 579,946	\$ 43,113	\$ 22,863	\$ 600,196

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

Class	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<b>Capital assets, not being depreciated:</b>				
Land	\$ 11,434	\$ -	\$ 337	\$ 11,097
Construction in progress	6,919	9,121	6,919	9,121
Total capital assets, not being depreciated	\$ 18,353	\$ 9,121	\$ 7,256	\$ 20,218
<b>Capital assets, being depreciated:</b>				
Buildings	\$ 200,500	\$ 6,435	\$ -	\$ 206,935
Improvements other than buildings	206,411	7,166	-	213,577
Machinery and equipment	27,776	2,024	1,677	28,123
Total capital assets being depreciated	434,687	15,625	1,677	448,635
<b>Less accumulated depreciation for:</b>				
Buildings	94,070	4,413	(2)	98,485
Improvements other than buildings	94,301	4,395	-	98,696
Machinery and equipment	21,205	1,685	1,467	21,423
Total accumulated depreciation	209,576	10,493	1,465	218,604
<b>Total capital assets, being depreciated, net:</b>	225,111	5,132	212	230,031
<b>Business-type activities capital assets, net:</b>	\$ 243,464	\$ 14,253	\$ 7,468	\$ 250,249

Depreciation expense was charged to City functions and programs as follows:

<b>Governmental activities:</b>	
General government	\$ 3,948,600
Police	1,653,700
Fire	1,004,400
Emergency communications	215,300
Transportation	9,261,300
Environmental services	2,303,900
Parks & recreation	1,753,700
Library	758,500
Community development	16,600
Total depreciation expense - governmental activities	<u>\$ 20,916,000</u>
<b>Business-type activities:</b>	
Water	\$ 5,735,200
Parking	2,590,400
War Memorial	1,186,700
Refuse	681,400
Cemetery	145,200
Public market	154,800
Total depreciation expense - business type activities	<u>\$ 10,493,700</u>
Total depreciation - Primary Government	<u>\$ 31,409,700</u>

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

Class	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<b>Capital assets, not being depreciated:</b>				
Land	\$ 17,458	\$ 2	\$ 291	\$ 17,169
Construction in progress	27,986	39,153	16,959	50,180
Total capital assets, not being depreciated	<u>\$ 45,444</u>	<u>\$ 39,155</u>	<u>\$ 17,250</u>	<u>\$ 67,349</u>
<b>Capital assets, being depreciated:</b>				
Buildings	\$ 510,176	\$ 12,604	\$ 7,408	\$ 515,372
Machinery and equipment	43,969	6,965	3,753	47,181
Total capital assets being depreciated	<u>554,145</u>	<u>19,569</u>	<u>11,161</u>	<u>562,553</u>
<b>Less accumulated depreciation for:</b>				
Buildings	167,898	16,968	2,729	182,137
Machinery and equipment	24,490	6,881	3,477	27,894
Total accumulated depreciation	<u>192,388</u>	<u>23,849</u>	<u>6,206</u>	<u>210,031</u>
<b>Total capital assets, being depreciated, net:</b>	<u>361,757</u>	<u>(4,280)</u>	<u>4,955</u>	<u>352,522</u>
<b>School District capital assets, net:</b>	<u>\$ 407,201</u>	<u>\$ 34,875</u>	<u>\$ 22,205</u>	<u>\$ 419,871</u>

**D. LONG-TERM LIABILITIES**

The following tables summarize changes in the City's long-term liabilities for the year ended June 30, 2009:

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

	Balance June 30, 2008	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2009	Due Within One Year
<b>General Obligation Bonds</b>					
Public improvement	\$ 76,002	\$ -	\$ (13,795)	\$ 62,207	\$ 12,493
Sewer	4,465	-	(984)	3,481	912
Library	525	-	(285)	240	240
Total General Obligation Bonds	80,992	-	(15,064)	65,928	13,645
<b>Other Noncurrent liabilities:</b>					
EFIC (Fast Ferry)	21,011	-	(21,011)	-	-
NYS Canal Corp. Lease	546	91	-	637	-
Municipal Bond Bank Agency Liability	3,025	-	(1,545)	1,480	1,480
Compensated absences	10,524	10,563	(10,524)	10,563	10,563
Workers' compensation	7,966	817	(2,435)	6,348	2,603
Pollution remediation	14,688	165	(1,648)	13,205	-
OPEB liability	121,361	53,982	(22,031)	153,312	-
Total Other Noncurrent liabilities	179,121	65,618	(59,194)	185,545	14,646
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 260,113</b>	<b>\$ 65,618</b>	<b>\$ (74,258)</b>	<b>\$ 251,473</b>	<b>\$ 28,291</b>

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

	Balance June 30, 2008	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2009	Due Within One Year
<b>General Obligation Bonds</b>					
Water	\$ 36,497	\$ -	\$ (4,283)	\$ 32,214	\$ 4,090
War Memorial	17,035	-	(1,015)	16,020	1,015
Parking	23,128	-	(1,851)	21,277	1,851
Public Market	145	-	(45)	100	25
Total General Obligation Bonds	76,805	-	(7,194)	69,611	6,981
<b>Other Noncurrent liabilities:</b>					
Workers' compensation	2,270	2,210	(1,754)	2,726	1,118
OPEB liability	9,425	3,623	(1,258)	11,790	-
Total Other Noncurrent liabilities	11,695	5,833	(3,012)	14,516	1,118
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 88,500</b>	<b>\$ 5,833</b>	<b>\$ (10,206)</b>	<b>\$ 84,127</b>	<b>\$ 8,099</b>

The following tables summarize changes in the City's current debt related liabilities for the year ended June 30, 2009:

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

	Balance June 30, 2008	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2009	Due Within One Year
<b>Bond Anticipation Notes</b>					
Public improvement	\$ 17,398	\$ 26,636	\$ (79)	\$ 43,955	\$ 43,955
Library	500	464	-	964	964
Sewer	594	580	(6)	1,168	1,168
Total Capital Projects Funds	18,492	27,680	(85)	46,087	46,087
Debt service fund	39,220	-	(39,220)	-	-
Total Bond Anticipation Notes	<u>\$ 57,712</u>	<u>\$ 27,680</u>	<u>\$ (39,305)</u>	<u>\$ 46,087</u>	<u>\$ 46,087</u>

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

	Balance June 30, 2008	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2009	Due Within One Year
<b>Bond Anticipation Notes</b>					
Water	\$ 6,894	\$ 440	\$ (10)	\$ 7,324	\$ 7,324
Parking	5	1,600	(5)	1,600	1,600
Cemeteries	205	-	-	205	205
Public Market	850	-	-	850	850
Total Bond Anticipation Notes	<u>\$ 7,954</u>	<u>\$ 2,040</u>	<u>\$ (15)</u>	<u>\$ 9,979</u>	<u>\$ 9,979</u>

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 School District Component Unit's noncurrent and debt-related liabilities for the year ended June 30, 2009:

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

	Balance June 30, 2008	New Issues/ Additions	Maturities And/or Payments	Balance June 30, 2009	Due Within One Year
<b>General Obligation Bonds</b>					
General Fund	\$ 127,319	\$ -	\$ (11,268)	\$ 116,051	\$ 9,856
<b>Bond Anticipation Notes</b>					
Capital Projects Fund	60,774	23,931	(1,690)	83,015	83,015
<b>Other Noncurrent Liabilities</b>					
OPEB liability	59,068	40,169	(11,394)	87,843	-
Municipal Bond Bank Agency	3,036	-	(1,550)	1,486	1,486
NYS Education Department (EPE)	10,645	-	-	10,645	2,129
NYS Special Purpose Bonds - 2003	6,648	-	(1,225)	5,423	1,281
NYS Lottery advance	18,000	-	(667)	17,333	667
Claims payable	18,536	9,086	(7,976)	19,646	5,737
Compensated absences	1,849	6,155	(5,782)	2,222	2,223
Installment purchase debt	18,861	2,043	(2,749)	18,155	2,203
Total Other Noncurrent Liabilities	<u>136,643</u>	<u>57,453</u>	<u>(31,343)</u>	<u>162,753</u>	<u>15,726</u>
<b>Total Noncurrent Liabilities</b>	<u>\$ 324,736</u>	<u>\$ 81,384</u>	<u>\$ (44,301)</u>	<u>\$ 361,819</u>	<u>\$ 108,597</u>

The District's other noncurrent liabilities are liquidated in the fund where the liability was incurred, which is normally the General Fund.

Bond Anticipation Notes maturing in August 2009 have rates averaging 2.75%, and those maturing in February 2010 have rates averaging 1.5%.

### 1. Municipal Bond Bank Agency

In fiscal year 1992, permanent financing of \$34,650,000 was arranged through the New York State Municipal Bond Bank Agency (MBBA) with the issuance of 20-year Special Program Revenue Bonds, which was used to repay the State for taxpayer refunds resulting from the City taxing in excess of its Constitutional tax limit from 1975 to 1978. In fiscal year 1999, these MBBA bonds were refinanced under lower interest rates for the same term, which is through March 2011. These bonds, which are collateralized by annual payments of the City pursuant to an agreement between MBBA and the City, are not debt of the State or the City, but rather of the MBBA. The June 30, 2009 principal balance of \$2,966,000 will be repaid by the City and School District. In fiscal year 2009, the City made net interest payments of \$202,600, and the School District made net interest payments of \$203,200. Annual principal and interest payments by the City and the School District will be \$3,502,800 in fiscal year 2011. This payment and the final payment of \$1,541,900 in fiscal 2012 will be partially reduced by the application of \$1,753,000 held in a debt service account by the MBBA, as well as any accumulated interest earnings.

### 2. Dormitory Authority of the State of New York

During fiscal 2003 the City financed \$30,295,000 through the Dormitory Authority of the State of New York to advance refund \$29,875,900 of general obligation bonds, now considered defeased, and \$419,100 of associated issuing costs. This was done to restructure School District debt service payments to more closely match New York state reimbursement levels for building aid, which are over a more extended timeframe. Based on a present value analysis, the School District had a \$977,900 economic loss resulting from extending the term of the debt. The proceeds from this refunding issue are held in an irrevocable trust on behalf of the original bondholders, thus eliminating the liability for refinanced bonds. The indebtedness to the Dormitory Authority is secured with the assignment and pledge of state education aid.

### 3. Rochester Ferry Company LLC

In January 2005, the City formed a limited liability company known as the Rochester Ferry Company LLC (the "Company") pursuant to the New York Limited Liability Company Law by filing Articles of Organization with the New York State Department of State. The purpose of the Company was to promote tourism in and to Rochester, NY, including by operating a public ferry transportation service on Lake Ontario for transportation of vehicles, freight, and passengers between Rochester, NY, and Toronto, Ontario, Canada and other Canadian ports on the north shore of Lake Ontario. An 11-member board, appointed by the Mayor and City Council President and confirmed by the Rochester City Council, manages the operation. In the event of termination, dissolution, or winding up of the Company, its remaining assets, if any, shall be distributed to the City to be used exclusively for public purposes.

In March 2005, the Company purchased an Australian-built ferry for \$32,000,000. The purchase price of the ferry, plus up to \$8,000,000 in startup costs, was financed by the Australian Export Finance Insurance Corp. (EFIC). The City agreed to guarantee this debt obligation. After a season of operation it became apparent that the ferry service would not become self-sustaining. Rather than face a continuing subsidy, the City decided in January of 2006 to suspend operation of the ferry service and sell the vessel, which occurred on April 19, 2007. Pursuant to a guarantee obligation and a wind-up agreement, the City assumed the EFIC debt and subsequently paid the entire obligation. Approximately one-half of the outstanding principal of the loan was paid in 2007-08 fiscal year with proceeds from the sale of the ferry. The remaining balance was paid in full during the 2008-09 fiscal year from available cash capital.

The Company is anticipated to be dissolved upon resolution and/or termination of a lease with the Toronto Port Authority. This obligation of the Company is not guaranteed by the City and must be resolved between the two entities. The lease, which expires in 2019, provides for an annual gross rent of \$250,000 (Canadian dollars) plus additional rent payments based on the usage of the facility. Although the ferry service ended in 2005, the gross rent was paid by the Company through March 31, 2009, at which point payments ceased due to the near-exhausted resources of the Company. As the ferry terminal is no longer in use by the Company and future use of this facility by the Company is unknown, a liability has been recorded for the remaining obligation under the lease amounting to \$2,204,000 (US dollars) at year-end. The valuation of this obligation includes a \$313,500 reduction resulting from a favorable fluctuation in the Canadian-American exchange rate that is reported as miscellaneous revenue on the Statement of Activities.

**4. Debt Service Requirements**

In compliance with Internal Revenue Service regulations regarding arbitrage restrictions on tax-exempt bonds, the City remitted \$1,600 and the District remitted \$39,900 to the Internal Revenue Service in fiscal year 2009 for arbitrage rebates.

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

Fiscal Year Ending June 30	Governmental Activities		Business-Type Activities		School District		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2010	\$ 13,645	\$ 2,201	\$ 6,981	\$ 2,937	\$ 9,856	\$ 4,510	\$ 40,130
2011	11,066	1,750	6,733	2,660	9,130	4,160	35,499
2012	8,772	1,390	6,412	2,394	9,105	3,826	31,899
2013	6,960	1,111	6,040	2,139	8,486	3,499	28,235
2014	5,375	895	5,630	1,901	8,275	3,187	25,263
2015-2019	10,765	2,828	22,560	6,284	41,167	11,005	94,609
2020-2024	4,515	1,396	11,800	2,239	27,432	3,403	50,785
2025-2029	3,305	659	3,455	265	2,600	115	10,399
2030-2032	1,525	82	-	-	-	-	1,607
	<u>\$ 65,928</u>	<u>\$ 12,312</u>	<u>\$ 69,611</u>	<u>\$ 20,819</u>	<u>\$ 116,051</u>	<u>\$ 33,705</u>	<u>\$ 318,426</u>

A schedule of outstanding bond issues for the City and the School District follows (000's Omitted):

Outstanding Bond Issues – June 30, 2009			
Issue	Rate	Amount	Final Maturity
General Obligation Serial Bonds-1980	7.500	\$ 155,000	August 1, 2009
General Obligation Serial Bonds-1982	8.900	555,000	October 1, 2011
General Obligation-1994, Series A	5.000	4,450,000	August 15, 2022
General Obligation-1996, Series A	4.625	1,005,000	September 15, 2023
General Obligation-1996, Series B (Taxable)	6.700	5,155,000	September 15, 2024
General Obligation Serial Bonds-1997	5.000	7,153,046	October 1, 2025
General Obligation Serial Bonds-1999	5.250	17,420,910	October 1, 2026
General Obligation Serial Bonds-2001, Series A	4.000	3,765,000	October 15, 2027
General Obligation Serial Bonds-2001, Series B	4.125	3,829,599	February 15, 2028
Dormitory Authority 2002	4.500	21,257,000	February 15, 2025
General Obligation Serial Bonds-2004, Series A	2.750	29,570,000	October 15, 2031
General Obligation Serial Bonds-2004, Series B	3.000	35,035,000	February 15, 2031
General Obligation Serial Bonds-2006, Series A	3.750	45,215,000	February 15, 2025
General Obligation Serial Bonds-2006, Series B	3.500	25,650,000	October 15, 2024
General Obligation Serial Bonds-2008, Series A	3.000	16,275,000	February 1, 2022
General Obligation Serial Bonds-2008, Series B	3.000	35,100,000	October 15, 2026
<b>Total</b>		<u>\$ 251,590,555</u>	

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 2.75% to 8.9% with maturity dates through fiscal 2032. Bonds authorized but unissued as of June 30, 2009, amounted to \$19,346,300. The debt-contracting margin of the City as of June 30, 2009, was \$172,145,900.

**E. 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.

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 \$165,200, and spent \$1,648,100 in pollution remediation obligation related activities. At June 30, 2009, the City had an outstanding pollution remediation liability of \$13,204,800, and the City has secured approximately \$5,561,400 of grant assistance to fund remediation projects.

**F. DEFERRED REVENUE**

Under the accrual method of accounting, revenue must be recognized as soon as it is earned, regardless of availability. Thus, deferred revenue is reported as income on the entity-wide statements. Conversely, under the modified accrual basis of accounting, revenue cannot be recognized until it is available to liquidate liabilities of the current period. Thus, deferred revenue is reported as a liability on the fund-level statements.

Deferred revenue of \$7,724,000 in the City's General Fund relates primarily to property taxes that will not be collected within sixty days. Deferred revenue of \$24,765,000 in the Community Development Special Revenue Fund relates to long-term receivable balances from various community development programs.

Cash received by the School District in advance of expenditures for Special Aid Fund projects has been recorded as deferred revenue. These funds represent receipts for various grants of which were not fully spent at June 30, 2009. As the funds are spent during fiscal 2009-10, revenue will be recorded.

**G. LEASE OF SEWER AND WASTE DISPOSAL FACILITIES**

The City has entered into a contract with the Monroe County Pure Waters District (MCPWD), under which MCPWD leases all of its sewer system and waste treatment facilities and assumes much of the related debt service costs on obligations incurred by the City in connection with these facilities. In fiscal year 2009, these debt service costs amounted to \$1,222,700 of which \$462,000 was reimbursed by MCPWD.



**H. LEASE FROM NYS CANAL CORPORATION**

The City has a 20-year operating lease with the New York Canal Commission for a strip of land that provides riverfront access to the Corn Hill Landing Project, a residential and commercial development. In accordance with the agreement, the City will make annual payments of \$203,275 during the second half of the lease, fiscal years 2012 through 2021. As of June 30, 2009, the accrued lease liability (net of receivables from a sublease) was \$636,600. The lease has a renewable option for an additional 20-year term. In a related agreement, the City has provided for public access to the waterfront and adjacent areas with the purchase of a permanent easement from the Corn Hill Landing developer.

**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 twenty years. Settled claims have not exceeded established reserves. Workers' compensation claims are funded from a liability reserve in 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. Settlements have not exceeded established reserves for the past three years.

At June 30, 2009, the amount of these liabilities was \$16,575,000. Liability estimates are based on the valuations of the insurance companies administering the programs. Changes in the reported liability since June 30, 2007 resulted from the following (000's Omitted):

	<b>Workers' Compensation</b>	<b>General Liability</b>	<b>Total</b>
Estimated claims June 30, 2007	\$ 11,892	\$ 2,542	\$ 14,434
Claims incurred 2007-08	2,894	2,179	5,073
Payments 2007-08	<u>(3,618)</u>	<u>(1,567)</u>	<u>(5,185)</u>
Estimated claims June 30, 2008	<u>\$ 11,168</u>	<u>\$ 3,154</u>	<u>\$ 14,322</u>
Claims incurred 2008-09	\$ 3,026	\$ 5,242	\$ 8,268
Payments 2008-09	<u>(4,189)</u>	<u>(1,826)</u>	<u>(6,015)</u>
Estimated claims June 30, 2009	<u>\$ 10,005</u>	<u>\$ 6,570</u>	<u>\$ 16,575</u>

Third party insurance is maintained by the School District on vehicles, boilers and machines, stop loss for major medical benefits, aviation and pupil accidents. Also, the School District carries a general liability policy with a self-insured retention of \$500,000 and a \$10,000,000 limit for each occurrence and \$20,000,000 limit for general aggregate.

The schedule below presents the changes in the School District's estimated claims since June 30, 2007 for workers' compensation and major medical programs. The estimated claims for workers' compensation represent claims that have occurred and are open, due to an actual or future final determination of benefit payout as prescribed by the New York State Workers' Compensation Board. The calculation is based on the present value of future payouts. The estimated claims for major medical represent an amount based on prior experience with actual payments of claims (000's Omitted):

	<b>Workers' Compensation</b>	<b>Major Medical</b>	<b>Total</b>
Estimated claims June 30, 2007	\$ 17,440	\$ 272	\$ 17,712
Claims incurred 2007-08	4,370	2,984	7,354
Payments 2007-08	<u>(3,667)</u>	<u>(2,872)</u>	<u>(6,539)</u>
Estimated claims June 30, 2008	<u>\$ 18,143</u>	<u>\$ 384</u>	<u>\$ 18,527</u>
Claims incurred 2008-09	\$ 5,383	\$ 2,649	\$ 8,032
Payments 2008-09	<u>(4,118)</u>	<u>(2,816)</u>	<u>(6,934)</u>
Estimated claims June 30, 2009	<u>\$ 19,408</u>	<u>\$ 217</u>	<u>\$ 19,625</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 government expects such amounts, if any, to be immaterial.

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

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

From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2006, the City recognizes the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2006 liability.

*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 beneficiaries, receive 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. 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 60 firefighters receiving such compensation.

The School District, per its contracts with employee units, will pay the full premium costs for the basic health and hospitalization coverage (currently provided by Blue Cross/Blue Shield of the Rochester Area) for an employee of the District at retirement, provided the employee has been employed with the District for at least ten consecutive years of continuous employment prior to the date of retirement. These contracts will be renegotiated at various times in the future. The retiree, however, assumes the full premium for the major medical plan.

The number of participants as of June 30, 2009, the effective date of the biannual OPEB valuation, follows:

	City	School District	Total
Active employees	2,668	6,347	9,015
Retired employees	1,849	2,735	4,584
Spouses of retired employees	1,218	1,097	2,315
Total	5,735	10,179	15,914

*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.

*Annual Other Postemployment Benefit Cost.* For the fiscal year ended June 30, 2009, the City's annual OPEB cost (expense) of \$57,603,900 is not equal to the Annual Required Contribution, which is \$59,935,800. Considering the annual expense as well as the payment of current health insurance premiums, which totaled \$23,289,900 for retirees and their beneficiaries, the result was an increase in the Net OPEB Obligation of \$34,314,600 for the year ended June 30, 2009.

Considering the District's annual expense as well as the payment of current health insurance premiums, which totaled \$11,394,400, the result was an increase in the District's Net OPEB Obligation of \$28,774,700 for the year ended June 30, 2009.

	Benefit Obligations and Normal Cost		
	City	School District	Total
Actuarial Accrued Liability (AAL)			
Retired employees	\$ 272,560,079	\$ 131,194,231	\$ 403,754,310
Active employees	321,363,651	229,761,868	551,125,519
Unfunded actuarial accrued liability (UAAL)	\$ 593,923,730	\$ 360,956,099	\$ 954,879,829
Normal cost at beginning of year	\$ 24,604,946	\$ 14,361,060	\$ 38,966,006
Amortization factor based on 30 y ears	17.9837	17.9837	17.9837
Annual Covered Payroll	194,609,000	354,950,332	549,559,332
UAAL as a Percentage of Covered Payroll	305.19%	101.69%	173.75%

	Level Dollar Amortization		
	City	School District	Total
Calculation of ARC under Projected Unit Credit Method			
ARC Normal cost with interest to end of year	\$ 25, 589,142	20,874,127	\$ 46,463,269
Amortization of unfunded actuarial accrued liability (UAAL) over 30 years with interest at end of year	34,346,668	20,348,130	54,694,798
Annual required contribution (ARC)	59,935,810	41,222,257	101,158,067
Interest on Net OPEB Obligation	5,231,473	2,362,752	7,594,225
Adjustment to ARC	(7,563,415)	(3,415,954)	(10,979,369)
Annual OPEB cost (expense)	57,603,868	40,169,055	97,772,923
Contribution for fiscal year ended June 30, 2009	(23,289,291)	(11,394,381)	(34,683,672)
Increase in net OPEB obligation	34,314,577	28,774,674	63,089,251
Net OPEB obligation June 30, 2008	130,786,821	59,068,798	189,855,619
Net OPEB obligation June 30, 2009	\$ 165,101,398	\$ 87,843,472	\$ 252,944,870
Percent of annual OPEB cost contributed	40.43%	28.37%	35.47%

The City's annual OPEB cost and contribution for year ended June 30, 2009 and the prior years were as follows:

Fiscal Year	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2007	\$ 63,509,219	\$ 18,617,500	29.31%	70.69%
2008	65,478,456	21,982,618	33.57%	66.43%
2009	57,603,868	23,289,291	40.43%	59.57%

The District's annual OPEB cost and contribution for year ended June 30, 2009 and the prior two years were as follows:

Fiscal Year	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2007	\$ 29,396,039	\$ 9,574,540	32.57%	67.43%
2008	30,486,790	10,694,599	35.08%	64.92%
2009	40,169,055	11,394,381	28.37%	71.63%

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. Most included coverages are "community-rated" and annual premiums for community-rated coverages were used as a proxy for claims costs without age adjustment. The unfunded actuarial accrued liability is being amortized over 30 years on a level dollar open basis.

In the June 30, 2009 actuarial valuation, the liabilities were computed using the projected unit credit method and level dollar amortization. The actuarial assumptions utilized a 4% discount rate. Because the plan is unfunded, reference to the general assets, which are short-term in nature (such as money market funds), was considered in the selection of the 4% rate. The valuation assumes a 9% healthcare cost trend increase for fiscal year 2009-10 (10.1% for the District), reduced by decrements to a rate of 5% in fiscal year 2017-18, and later.

*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 \$901,400 for the City in 2009, cannot be projected as a reduction to the actuarial accrued liability.

Effective January 1, 2002, the District established a Medical Reimbursement Account (MRA) for retirees per agreement between the District and Association of Supervisors and Administrators of Rochester. Per this agreement, 40 retirees qualified to have a medical reimbursement account. During fiscal year 2008-09 the District paid MRA claims totaling \$42,400.

## D. EMPLOYEE RETIREMENT SYSTEMS

### 1. Description of Plans

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 School District also participates in the New York State and Local Employees' Retirement System and in the New York State and the Local Teachers' Retirement System (TRS). These are cost sharing multiple employer retirement systems (Systems). The New York State Retirement and Social Security Laws govern obligations of employers and employees to contribute and benefits to 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. All benefits generally vest after five years of credited service.

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 employees, participate in the Systems. The Systems are contributory except for employees who joined the Employees' Retirement System before July 27, 1976, or the Teachers' Retirement System before June 30, 1976. The contribution rate is 3% of salary during the first 10 years of service. Employee contributions are deducted by employers from employees' paychecks and are sent currently to the Retirement System.

The total payroll for all employees of the City for fiscal year 2009 was \$194,609,000 of which \$83,992,000 represented payroll costs for employees covered by ERS, \$95,659,000 by PFRS, and \$14,958,000 for nonparticipating employees. Average contribution rates for fiscal year 2009 were 7.9% for ERS and 17.9% for PFRS. All full-time police officers and firefighters are mandatory members.

The total payroll for all employees of the School District for fiscal 2009 was \$354,950,300 of which \$270,801,700 represented payroll costs for employees covered by TRS, \$70,045,900 by ERS, and \$14,102,700 for nonparticipating employees. Average contribution rates for fiscal 2009 were 7.9% for TRS and 7.3% for ERS. All full-time teachers are mandatory members.

### 2. Contributions & Liabilities

Contributions payable to the Employees' and Police and Fire Retirement Systems are billed on the basis of salaries paid during the Systems' fiscal year ending March 31, and are made in accordance with funding requirements determined by the actuaries of the Systems.

Payments to the Teachers' Retirement System, which are made in accordance with funding requirements determined by the actuary of the System, are deducted from State Aid payments to the School District. The contributions for salaries paid for the year ended June 30, 2009 were made in three monthly installments starting in September of 2009.

Contributions for the Retirement Systems made by the City over the past three fiscal years, which were equal to the required contributions, were as follows (000's Omitted):

Fiscal Year	Employees' Retirement System	Police and Fire Retirement System	Total Retirement Systems
2007	\$8,045	\$14,025	\$22,070
2008	7,736	14,824	22,560
2009	6,642	17,117	23,759

Contributions for the Retirement Systems made by the School District over the past three fiscal years, which were equal to the required contributions were as follows (000's Omitted):

Fiscal Year	Employees' Retirement System	Teachers' Retirement System	Total Retirement Systems
2007	\$6,699	\$17,544	\$24,243
2008	5,490	19,946	25,436
2009	5,095	21,437	26,532

The total unbilled liability for the City and the School District as of June 30, 2009, included in Due to other governments at the fund level, is as follows (000's Omitted):

	Employees' Retirement System	Police and Fire Retirement System	Teachers' Retirement System	Total Retirement Systems
City	\$ 1,529	\$ 3,350	\$ -	\$ 4,879
School District	1,278	-	23,609	24,887
Total of City and School District	<u>\$ 2,807</u>	<u>\$ 3,350</u>	<u>\$ 23,609</u>	<u>\$ 29,766</u>

The total liability as of June 30, 2009 includes the period of April 1 - June 30, 2009 for the Employees' and Police and Fire Retirement Systems; and the period July 1, 2008 to June 30, 2009 for the Teachers' System. These amounts represent a portion of the estimated billings of the New York State retirement systems based on the fiscal year of the plans. It is the policy of the City and the School District to record pension costs on the modified accrual basis for governmental funds. Pension costs of the proprietary funds are recognized on the accrual basis.

The annual report containing financial statements and required supplemental information for the Employees' and the Police and Fire Retirement Systems, may be obtained from the New York State and Local Retirement Systems, 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.

### 3. Prior Plan

Prior to its participation in the New York State Police and Fire Retirement System, the City had a pension plan that covered firemen, policemen and their widows. It is the policy of the City to provide for payments to the beneficiaries of this plan out of current operations. The City is not required to pay benefits under this plan and the beneficiaries do not have a vested right to benefits. During the year ended June 30, 2009, the City paid approximately \$18,000. On June 30, 2009, there were 2 widows and no retired employees receiving payments under this plan. The pension benefit obligation of this plan is not significant to the City.

**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 main reason 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, 2009 (000's Omitted):

Due To:	Due From:							Total
	General	Debt Service	General Capital	Transportation Capital	Nonmajor governmental	Internal Service	Proprietary	
General	\$ -	\$ 3,281	\$ 74,644	\$ 1,073	\$ 3,037	\$ 2,900	\$ 2,168	\$ 87,103
General Capital	10,911	-	-	-	-	-	-	10,911
Transportation Capital	675	-	-	-	-	-	-	675
Community Development	2,214	-	-	-	-	-	-	2,214
Nonmajor governmental special revenue	5,795	-	503	6,205	878	-	-	13,381
Proprietary	4,359	-	-	-	-	-	-	4,359
Total	\$ 23,954	\$ 3,281	\$ 75,147	\$ 7,278	\$ 3,915	\$ 2,900	\$ 2,168	\$ 118,643

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, 2009, which were routine in nature, were as follows (000's Omitted):

Transfer out:	Transfer In:							Total
	General	Debt Service	General Capital	Transportation Capital	Nonmajor Governmental capital projects	Internal Service	Special Revenue	
General	\$ -	\$ 8,370	\$ 49,404	\$ 4	\$ 81	\$ 3,841	\$ 2,025	\$ 63,725
Debt Service	4,560	-	-	-	-	-	17	4,577
General Capital	150	2,354	-	-	416	-	-	2,920
Transportation Capital	2,648	-	-	-	543	-	-	3,191
Community Development	4,157	-	686	-	-	-	400	5,243
Nonmajor governmental capital projects	-	1,186	-	-	-	-	-	1,186
Nonmajor governmental special revenue	2,769	958	500	3,010	-	-	-	7,237
Water	4,593	-	-	-	-	-	-	4,593
Proprietary	-	-	-	-	-	-	-	-
Total	\$ 18,877	\$ 12,868	\$ 50,590	\$ 3,014	\$ 1,040	\$ 3,841	\$ 2,442	\$ 92,672

**The City of Rochester, New York**  
Required Supplemental Information

**THE CITY OF ROCHESTER, NEW YORK  
 COMBINED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND EQUITY - BUDGET AND ACTUAL - NON-GAAP BUDGET BASIS  
 FOR THE YEAR ENDED JUNE 30, 2009 (000's Omitted)**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Real property tax	\$ 139,688	\$ 139,691	\$ 147,460	\$ 7,769
Sales and other taxes	160,308	160,308	150,747	(9,561)
Charges for services	96,881	110,417	108,016	(2,401)
Use of money and property	2,541	3,049	1,855	(1,194)
Interest and penalties	1,145	1,145	1,472	327
Licenses and permits	-	-	2,384	2,384
Federal aid	1,358	1,654	1,705	51
State aid	132,371	133,543	134,291	748
Local sources and other	42,434	25,597	23,159	(2,438)
Total revenues	<u>576,726</u>	<u>575,404</u>	<u>571,089</u>	<u>(4,315)</u>
<b>EXPENDITURES</b>				
Council and clerk	1,772	1,839	1,760	79
Administration	12,708	13,615	12,669	946
Law	1,930	1,991	1,924	67
Information Technology	4,004	4,236	4,112	124
Finance	5,364	5,378	5,271	107
Community development	6,032	6,097	5,920	177
Economic development	2,661	2,729	2,351	378
Environmental services	82,669	82,762	73,450	9,312
Library	11,186	11,226	10,706	520
Police	78,734	80,264	79,378	886
Fire	41,304	42,740	42,718	22
Emergency communications	10,337	10,356	10,311	45
Parks, recreation and youth services	17,263	17,270	16,566	704
Undistributed	102,979	102,842	97,212	5,630
Contingency	11,318	10	-	10
Debt services	37,806	37,806	37,501	305
Total expenditures	<u>428,067</u>	<u>421,161</u>	<u>401,849</u>	<u>19,312</u>
Excess of revenues over expenditures	<u>148,659</u>	<u>154,243</u>	<u>169,240</u>	<u>14,997</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	15,187	19,448	19,079	(369)
Transfers (to) other funds	(50,040)	(59,973)	(66,653)	(6,680)
Transfers (to) component unit	(119,100)	(119,100)	(119,100)	-
Total other financing uses	<u>(153,953)</u>	<u>(159,625)</u>	<u>(166,674)</u>	<u>(7,049)</u>
Appropriation of prior year fund balance	<u>5,294</u>	<u>5,382</u>	<u>-</u>	<u>(5,382)</u>
Excess of revenues and other sources over expenditures and other uses-Budget Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,566</u>	<u>\$ 2,566</u>
Encumbrances included in actual			\$ 10,736	
Excess of revenues and other sources over expenditures, encumbrances and other uses			13,302	
Expenditures of prior years' encumbrances			6,082	
Excess of revenues and other sources over expenditures and other uses			7,220	
Net enterprise capital revenue			(2,783)	
Depreciation expense			(10,493)	
Debt service cash basis			7,720	
Contribution to reserve for capital projects			6,600	
Other post employment benefits			(2,365)	
Capital and debt service interest			337	
Capital reimbursement			61	
Capital contribution			3,542	
Debt reserve transfer in			(185)	
Transfer from cemetery capital to debt service			1,452	
Fund equity - beginning of year			<u>227,837</u>	
Fund equity - end of year			<u>\$ 238,943</u>	
General fund			\$ 29,559	
Special revenue fund			5,400	
Enterprise fund			<u>203,984</u>	
Total			<u>\$ 238,943</u>	

# Nonmajor Governmental Funds

## 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.

Sewer Fund - This fund accounts for capital investments in the City's sewer infrastructure.

## 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.

## Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's program.

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  
SUPPLEMENTAL COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009 (000's Omitted)**

	Capital Projects			Animal Control	Library	Local Works	Special Revenue			Permanent Fund Cemetery	Total Nonmajor Governmental Funds
	Economic Assistance	Cultural/ Recreation	Sewers				Federal Projects	State Projects	Other		
<b>ASSETS</b>											
Cash and cash equivalents	\$ 4,020	\$ 2,521	\$ 680	\$ 368	\$ 1,587	\$ 12,110	\$ 3,236	\$ 2,609	\$ 4,099	\$ 6,621	\$ 37,851
Receivables (net of allowance for uncollectibles):											
Accounts	-	-	-	-	27	-	-	901	-	-	928
Taxes	-	-	-	-	-	166	-	-	-	-	166
Due from other governments	1,511	188	-	-	3,115	-	148	112	-	-	5,074
Due from other funds	-	958	-	10	516	405	-	-	2,026	-	3,915
Total assets	<u>\$ 5,531</u>	<u>\$ 3,667</u>	<u>\$ 680</u>	<u>\$ 378</u>	<u>\$ 5,245</u>	<u>\$ 12,681</u>	<u>\$ 3,384</u>	<u>\$ 3,622</u>	<u>\$ 6,125</u>	<u>\$ 6,621</u>	<u>\$ 47,934</u>
<b>LIABILITIES AND FUND BALANCES</b>											
Liabilities											
Accounts payable and accrued liabilities	\$ -	\$ 110	\$ -	\$ 66	\$ 585	\$ 882	\$ 52	\$ 51	\$ -	\$ -	\$ 1,746
Notes payable	-	4,865	1,168	-	-	-	-	-	-	-	6,033
Due to other funds	155	111	-	85	4,035	7,029	100	617	1,249	-	13,381
Due to component unit	-	-	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	15	118	89	-	-	-	-	222
Deferred revenue	-	-	-	-	-	-	-	901	-	-	901
Total liabilities	<u>155</u>	<u>5,086</u>	<u>1,168</u>	<u>166</u>	<u>4,738</u>	<u>8,000</u>	<u>152</u>	<u>1,569</u>	<u>1,249</u>	<u>-</u>	<u>22,283</u>
Fund balances:											
Reserved for encumbrances	1,945	1,426	274	35	143	98	273	501	16	-	4,711
Unreserved:											
Designated for subsequent years' expenditures	-	-	-	-	-	2,028	-	-	-	-	2,028
Undesignated, reported in:											
Special revenue fund	-	-	-	177	364	2,555	2,959	1,552	4,860	-	12,467
Capital projects fund	3,431	(2,845)	(762)	-	-	-	-	-	-	-	(176)
Permanent fund	-	-	-	-	-	-	-	-	-	6,621	6,621
Total fund balances	<u>5,376</u>	<u>(1,419)</u>	<u>(488)</u>	<u>212</u>	<u>507</u>	<u>4,681</u>	<u>3,232</u>	<u>2,053</u>	<u>4,876</u>	<u>6,621</u>	<u>25,651</u>
Total liabilities and fund balances	<u>\$ 5,531</u>	<u>\$ 3,667</u>	<u>\$ 680</u>	<u>\$ 378</u>	<u>\$ 5,245</u>	<u>\$ 12,681</u>	<u>\$ 3,384</u>	<u>\$ 3,622</u>	<u>\$ 6,125</u>	<u>\$ 6,621</u>	<u>\$ 47,934</u>

**THE CITY OF ROCHESTER, NEW YORK  
SUPPLEMENTAL COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009 (000's Omitted)**

	Capital Projects		Sewers	Animal Control	Library	Local Works	Special Revenue			Permanent Fund Cemetery	Total Nonmajor Governmental Funds
	Economic Assistance	Cultural/ Recreation					Federal Projects	State Projects	Other		
<b>REVENUES</b>											
Real property tax	\$ -	\$ -	\$ -	\$ 1,064	\$ 5,120	\$ -	\$ -	\$ -	\$ 513	\$ -	\$ 6,697
Departmental	-	-	-	293	2,933	15,485	-	-	-	-	18,711
Use of money and property	-	-	-	-	-	95	36	22	36	-	189
Federal aid	-	-	-	-	-	-	300	1,117	-	-	1,417
State aid	575	-	-	-	269	56	326	357	-	-	1,583
Local sources and other	-	-	-	-	6,620	-	732	1,093	1,412	137	9,994
<b>Total revenues</b>	<b>575</b>	<b>-</b>	<b>-</b>	<b>1,357</b>	<b>14,942</b>	<b>15,636</b>	<b>1,394</b>	<b>2,589</b>	<b>1,961</b>	<b>137</b>	<b>38,591</b>
<b>EXPENDITURES</b>											
Current:											
Environmental services	-	-	-	-	-	9,193	1,189	107	15	-	10,504
Library	-	-	-	-	10,687	-	-	-	-	-	10,687
Police	-	-	-	1,042	-	-	-	164	1	-	1,207
Fire	-	-	-	-	-	-	-	4	-	-	4
Parks, recreation and human services	-	-	-	-	-	-	-	724	51	-	775
Undistributed	-	-	-	262	2,583	2,515	312	-	282	-	5,954
Capital projects	829	4,482	264	-	-	-	-	-	-	-	5,575
Debt service:											
Principal	-	-	-	-	285	-	-	-	-	-	285
Interest	-	-	-	-	31	-	-	-	-	-	31
<b>Total expenditures</b>	<b>829</b>	<b>4,482</b>	<b>264</b>	<b>1,304</b>	<b>13,586</b>	<b>11,708</b>	<b>1,501</b>	<b>999</b>	<b>349</b>	<b>-</b>	<b>35,022</b>
Excess (deficiency) of revenues over expenditures	(254)	(4,482)	(264)	53	1,356	3,928	(107)	1,590	1,612	137	3,569
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers from other funds	-	1,034	6	-	17	-	-	-	2,025	-	3,082
Transfers (to) other funds	(1,100)	(72)	(14)	-	(1,458)	(3,010)	(368)	(1,119)	(1,282)	-	(8,423)
<b>Total other financing sources (uses)</b>	<b>(1,100)</b>	<b>962</b>	<b>(8)</b>	<b>-</b>	<b>(1,441)</b>	<b>(3,010)</b>	<b>(368)</b>	<b>(1,119)</b>	<b>743</b>	<b>-</b>	<b>(5,341)</b>
Net change in fund balances	(1,354)	(3,520)	(272)	53	(85)	918	(475)	471	2,355	137	(1,772)
<b>Fund Balances - beginning of year</b>	<b>6,730</b>	<b>2,101</b>	<b>(216)</b>	<b>159</b>	<b>592</b>	<b>3,763</b>	<b>3,707</b>	<b>1,582</b>	<b>2,521</b>	<b>6,484</b>	<b>27,423</b>
<b>Fund Balances - end of year</b>	<b>\$ 5,376</b>	<b>\$ (1,419)</b>	<b>\$ (488)</b>	<b>\$ 212</b>	<b>\$ 507</b>	<b>\$ 4,681</b>	<b>\$ 3,232</b>	<b>\$ 2,053</b>	<b>\$ 4,876</b>	<b>\$ 6,621</b>	<b>\$ 25,651</b>

**THE CITY OF ROCHESTER, NEW YORK  
 SUPPLEMENTAL STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009 (000's Omitted)**

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	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,712	\$ 13,667	\$ 11,773	\$ 14,606
Receivables (net of allowance for uncollectibles)	268	2	84	186
Total assets	<u>12,980</u>	<u>13,669</u>	<u>11,857</u>	<u>14,792</u>
 <b>LIABILITIES</b>				
Accounts payable and accrued liabilities	12,980	14,311	12,499	14,792
Total liabilities	<u>\$ 12,980</u>	<u>\$ 14,311</u>	<u>\$ 12,499</u>	<u>\$ 14,792</u>

The City of Rochester, New York

Other Supplemental Information

**THE CITY OF ROCHESTER, NEW YORK  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY  
BUDGET AND ACTUAL- GENERAL, CERTAIN SPECIAL REVENUE AND ENTERPRISE FUNDS  
NON-GAAP BUDGET BASIS - FOR THE YEAR ENDED JUNE 30, 2009 (000's Omitted)**

	General Fund		Special Revenue Fund		Enterprise Funds		Total			
	Final	Actual	Final	Actual	Final	Actual	Original	Final	Actual	Variance
<b>REVENUES</b>										
Real property tax	\$ 130,540	\$ 137,897	\$ 5,684	\$ 6,184	\$ 3,467	\$ 3,379	\$ 139,688	\$ 139,691	\$ 147,460	\$ 7,769
Sales and other taxes	159,403	149,616	-	-	905	1,131	160,308	160,308	150,747	(9,561)
Charges for services	25,477	24,819	18,976	18,711	65,964	64,486	96,881	110,417	108,016	(2,401)
Use of money and property	1,956	1,386	715	95	378	374	2,541	3,049	1,855	(1,194)
Interest and penalties	-	-	-	-	1,145	1,472	1,145	1,145	1,472	327
Licenses and permits	-	2,384	-	-	-	-	-	-	2,384	2,384
Federal aid	1,654	1,705	-	-	-	-	1,358	1,654	1,705	51
State aid	132,497	132,833	46	325	1,000	1,133	132,371	133,543	134,291	748
Local sources and other	18,977	16,539	6,620	6,620	-	-	42,434	25,597	23,159	(2,438)
Total revenues	470,504	467,179	32,041	31,935	72,859	71,975	576,726	575,404	571,089	(4,315)
<b>EXPENDITURES</b>										
Council and clerk	1,839	1,760	-	-	-	-	1,772	1,839	1,760	79
Administration	13,236	12,290	94	94	285	285	12,708	13,615	12,669	946
Law	1,991	1,924	-	-	-	-	1,930	1,991	1,924	67
Information technology	4,236	4,112	-	-	-	-	4,004	4,236	4,112	124
Finance	5,378	5,271	-	-	-	-	5,364	5,378	5,271	107
Community development	6,097	5,920	-	-	-	-	6,032	6,097	5,920	177
Economic development	1,681	1,592	-	-	1,048	759	2,661	2,729	2,351	378
Environmental services	28,869	27,321	10,910	9,092	42,983	37,037	82,669	82,762	73,450	9,312
Library	-	-	11,226	10,706	-	-	11,186	11,226	10,706	520
Police	79,165	78,336	1,099	1,042	-	-	78,734	80,264	79,378	886
Fire	42,740	42,718	-	-	-	-	41,304	42,740	42,718	22
Emergency communications	10,356	10,311	-	-	-	-	10,337	10,356	10,311	45
Parks, recreation and youth services	14,510	13,816	-	-	2,760	2,750	17,263	17,270	16,566	704
Undistributed	89,505	83,614	5,100	5,389	8,237	8,209	102,979	102,842	97,212	5,630
Contingency	-	-	5	-	5	-	11,318	10	-	10
Debt services	26,247	25,942	316	316	11,243	11,243	37,806	37,806	37,501	305
Total expenditures	325,850	314,927	28,750	26,639	66,561	60,283	428,067	421,161	401,849	19,312
Excess of revenues over expenditures	144,654	152,252	3,291	5,296	6,298	11,692	148,659	154,243	169,240	14,997

(continued)

The City of Rochester, New York  
*Other Supplemental Information*

**THE CITY OF ROCHESTER, NEW YORK  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY  
 BUDGET AND ACTUAL- GENERAL, CERTAIN SPECIAL REVENUE AND ENTERPRISE FUNDS  
 NON-GAAP BUDGET BASIS - FOR THE YEAR ENDED JUNE 30, 2009 (000's Omitted)**

(continued)

	General Fund		Special Revenue Fund		Enterprise Funds		Total			
	Final	Actual	Final	Actual	Final	Actual	Original	Final	Actual	Variance
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers from other funds	\$ 19,217	\$ 18,877	\$ 17	\$ 17	\$ 214	\$ 185	\$ 15,187	\$ 19,448	\$ 19,079	\$ (369)
Transfers (to) other funds	(49,404)	(55,585)	(3,969)	(4,468)	(6,600)	(6,600)	(50,040)	(59,973)	(66,653)	(6,680)
Transfers (to) component unit	(119,100)	(119,100)	-	-	-	-	(119,100)	(119,100)	(119,100)	-
Total other financing uses	(149,287)	(155,808)	(3,952)	(4,451)	(6,386)	(6,415)	(153,953)	(159,625)	(166,674)	(7,049)
Appropriation of prior year fund balance	4,633	-	661	-	88	-	5,294	5,382	-	(5,382)
Excess (deficiency) of revenues and other sources over expenditures and other uses-Budget Basis	\$ -	(3,556)	\$ -	845	\$ -	5,277	\$ -	\$ -	\$ 2,566	\$ 2,566
Encumbrances included in actual		10,051		272		413				
Excess (deficiency) of revenues and other sources over expenditures, encumbrances and other uses		6,495		1,117		5,690				
Expenditures of prior years' encumbrances		5,595		231		256				
Excess (deficiency) of revenues and other sources over expenditures and other uses		900		886		5,434				
Net enterprise capital expense		-		-		(2,783)				
Depreciation expense		-		-		(10,493)				
Debt service cash basis		-		-		7,720				
Contribution to reserve for capital projects		-		-		6,600				
Other post employment benefits		-		-		(2,365)				
Capital and debt service interest		-		-		337				
Capital reimbursement		-		-		61				
Capital contribution		-		-		3,542				
Debt reserve transfer in		-		-		(185)				
Transfer into enterprise fixed assets		-		-		-				
Insurance recovery		-		-		1,452				
<b>Fund equity - beginning of year</b>		28,659		4,514		194,664				
<b>Fund equity - end of year</b>		\$ 29,559		\$ 5,400		\$ 203,984				

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# STATISTICAL SECTION

This part of the City of Rochester's Comprehensive Annual 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>	68
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	75
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>	79
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>	84
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>	86

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

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

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Governmental activities</b>									
Invested in capital assets, net of related debt	\$ 283,119	\$ 348,540	\$ 372,737	\$ 391,222	\$ 421,921	\$ 449,840	\$ 462,204	\$ 441,242	\$ 488,181
Restricted	106,928	131,239	122,987	124,241	136,012	129,193	95,283	127,030	121,987
Unrestricted	99,369	42,839	46,656	43,179	41,326	18,451	5,534	(9,910)	(44,890)
<b>Total governmental activities net assets</b>	<b>\$ 489,416</b>	<b>\$ 522,618</b>	<b>\$ 542,380</b>	<b>\$ 558,642</b>	<b>\$ 599,259</b>	<b>\$ 597,484</b>	<b>\$ 563,021</b>	<b>\$ 558,362</b>	<b>\$ 565,278</b>
<b>Business-type activities</b>									
Invested in capital assets, net of related debt	\$ 150,098	\$ 153,047	\$ 157,992	\$ 157,049	\$ 155,974	\$ 144,262	\$ 153,257	\$ 158,705	\$ 170,659
Restricted	19,315	19,001	14,851	15,871	17,959	31,161	27,778	33,854	27,430
Unrestricted	6,994	5,087	5,173	3,105	5,649	4,250	2,379	2,105	5,895
<b>Total business-type activities net assets</b>	<b>\$ 176,407</b>	<b>\$ 177,135</b>	<b>\$ 178,016</b>	<b>\$ 176,025</b>	<b>\$ 179,582</b>	<b>\$ 179,673</b>	<b>\$ 183,414</b>	<b>\$ 194,664</b>	<b>\$ 203,984</b>
<b>Primary government</b>									
Invested in capital assets, net of related debt	\$ 433,217	\$ 501,587	\$ 530,729	\$ 548,271	\$ 577,895	\$ 594,102	\$ 615,461	\$ 599,947	\$ 658,840
Restricted	126,243	150,240	137,838	140,112	153,971	160,354	123,061	160,884	149,417
Unrestricted	106,363	47,926	51,829	46,284	46,975	22,701	7,913	(7,805)	(38,995)
<b>Total primary government net assets</b>	<b>\$ 665,823</b>	<b>\$ 699,753</b>	<b>\$ 720,396</b>	<b>\$ 734,667</b>	<b>\$ 778,841</b>	<b>\$ 777,157</b>	<b>\$ 746,435</b>	<b>\$ 753,026</b>	<b>\$ 769,262</b>

Note: Prior years' information not available on accrual basis



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

	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>									
Governmental activities:									
General government	\$ 42,860	\$ 47,630	\$ 45,146	\$ 60,241	\$ 46,516	\$ 54,702	\$ 61,690	\$ 75,552	\$ 67,301
Police	71,400	73,383	76,955	84,091	90,509	111,195	113,896	124,310	123,793
Fire	42,191	45,151	49,210	51,688	57,330	68,391	69,551	68,041	69,232
Emergency communications	9,504	9,608	9,834	10,523	11,988	14,437	14,798	15,222	16,416
Transportation	26,302	24,922	26,265	24,937	27,618	31,630	31,244	25,468	23,380
Environmental services	16,143	14,693	18,496	20,376	21,204	21,768	26,268	31,904	33,166
Parks & recreation	20,683	20,353	18,958	18,516	20,815	21,754	24,886	15,406	20,311
Library	12,252	12,075	11,356	11,148	10,795	12,121	12,419	12,324	12,387
Community & economic development	30,963	38,200	43,275	30,039	29,907	35,265	34,423	33,595	34,379
Interest on long-term debt	5,771	5,370	4,162	3,921	4,041	4,500	8,060	6,049	3,872
Allocation to school district	127,300	127,300	126,100	126,100	119,100	119,100	119,100	119,100	119,100
Ferry	-	-	-	-	-	-	21,259	-	-
Total governmental activities expenses	405,369	418,685	429,757	441,580	439,823	494,863	537,594	526,971	523,337
Business-type activities expenses									
Water	21,979	24,354	23,583	24,950	25,654	28,797	28,571	28,505	27,632
War memorial	3,469	3,748	3,426	3,455	3,209	3,337	3,219	3,005	2,992
Parking	7,883	7,157	6,821	6,450	5,611	6,155	5,443	6,343	5,163
Cemetery	1,729	1,948	2,060	2,285	2,252	2,516	2,075	1,953	1,789
Public market	644	620	672	618	765	754	825	922	1,276
Refuse	19,562	19,766	20,322	23,424	22,252	23,685	22,682	22,496	24,602
Port of Rochester	8	8	8	-	-	-	-	-	-
Total business-type activities expenses	55,274	57,601	56,892	61,182	59,743	65,244	62,815	63,224	63,454
Total primary government expenses	\$ 460,643	\$ 476,286	\$ 486,649	\$ 502,762	\$ 499,566	\$ 560,107	\$ 600,409	\$ 590,195	\$ 586,791
<b>Program Revenues</b>									
Governmental activities:									
Charges for services:									
General government	\$ 8,601	\$ 7,783	\$ 7,400	\$ 7,248	\$ 7,992	\$ 8,372	\$ 8,968	\$ 10,222	\$ 10,987
Police	6,089	6,675	6,275	6,829	6,473	7,102	6,677	7,560	8,062
Fire	566	767	1,057	888	1,100	1,006	764	1,195	887
Emergency communications	8,875	8,914	9,290	9,902	11,074	10,789	11,011	12,353	13,113
Transportation	812	768	759	844	818	828	915	820	386
Environmental services	15,068	15,613	16,446	16,989	18,640	17,294	19,719	20,969	21,713
Parks & recreation	2,425	2,134	2,136	2,117	2,067	2,005	2,201	2,228	3,322
Library	1,711	1,842	2,536	2,207	2,365	2,579	2,778	2,456	2,933
Community & economic development	2,796	3,335	2,913	3,623	3,624	4,294	4,013	5,637	3,491
Operating grants and contributions	38,997	52,713	44,557	35,116	34,382	41,140	40,208	37,290	33,162
Capital grants and contributions	15,493	14,782	16,204	24,035	15,992	19,452	11,452	11,366	15,984
Total governmental activities program revenues	101,433	115,326	109,573	109,798	104,527	114,861	108,706	112,096	114,040

Continued

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

Continued

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Business-type activities:									
Charges for services:									
Water	28,833	29,666	29,658	31,603	32,513	33,641	33,531	34,241	33,018
War memorial	1,632	1,222	1,389	1,595	1,515	1,541	1,442	1,460	1,781
Parking	6,346	5,842	4,987	4,156	4,108	3,835	3,892	2,879	3,139
Cemetery	1,336	1,634	1,522	1,573	1,665	1,399	1,195	1,147	1,117
Public market	436	527	498	533	543	575	608	642	675
Refuse	18,854	19,078	20,519	20,589	22,506	23,436	24,804	25,110	24,817
Port of Rochester	11	9	7	2	-	-	-	-	-
Capital grants and contributions	266	160	18	-	-	-	-	511	4,994
Total business-type activities program revenues	57,714	58,138	58,598	60,051	62,850	64,427	65,472	65,990	69,541
Total primary government program revenues	\$ 159,147	\$ 173,464	\$ 168,171	\$ 169,849	\$ 167,377	\$ 179,288	\$ 174,178	\$ 178,086	\$ 183,581
Net (expense)/revenue									
Governmental activities	\$ (303,936)	\$ (303,359)	\$ (320,184)	\$ (331,782)	\$ (335,296)	\$ (380,002)	\$ (428,888)	\$ (414,875)	\$ (409,297)
Business-type activities	2,440	537	1,706	(1,131)	3,107	(817)	2,657	2,766	6,087
Total primary government net expense	\$ (301,496)	\$ (302,822)	\$ (318,478)	\$ (332,913)	\$ (332,189)	\$ (380,819)	\$ (426,231)	\$ (412,109)	\$ (403,210)
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Taxes									
Property taxes	\$ 126,421	\$ 121,211	\$ 125,895	\$ 130,602	\$ 131,917	\$ 137,278	\$ 139,276	\$ 136,921	\$ 141,531
Sales taxes	110,526	113,262	111,442	115,501	118,000	122,240	120,518	130,865	122,077
Other taxes	29,177	28,744	31,717	30,874	28,007	26,893	28,860	28,725	25,711
Governmental aid	57,001	60,803	61,699	62,097	77,604	79,149	91,402	105,188	131,431
Investment earnings	8,947	4,607	2,292	2,087	3,126	5,971	8,124	7,143	3,228
Miscellaneous	3,820	3,256	2,223	1,599	4,272	2,019	1,566	2,290	2,330
Transfers	4,154	4,678	4,678	5,284	4,427	4,677	4,679	(916)	4,593
Total governmental activities	340,046	336,561	339,946	348,044	367,353	378,227	394,425	410,216	430,901
Business-type activities:									
Taxes									
Property taxes	1,107	2,225	1,410	1,895	2,024	2,024	2,658	3,876	3,379
Other taxes	919	846	844	933	985	905	905	905	1,131
Governmental aid	-	-	117	31	34	-	18	125	1,133
Investment earnings	1,162	619	315	242	426	1,257	737	1,180	711
Miscellaneous	1,192	1,179	1,168	1,323	1,408	1,399	1,445	1,482	1,472
Transfers	(4,154)	(4,678)	(4,678)	(5,284)	(4,427)	(4,677)	(4,679)	916	(4,593)
Total business-type activities	226	191	(824)	(860)	450	908	1,084	8,484	3,233
Total primary government	\$ 340,272	\$ 336,752	\$ 339,122	\$ 347,184	\$ 367,803	\$ 379,135	\$ 395,509	\$ 418,700	\$ 434,134
<b>Change in Net Assets</b>									
Governmental activities	\$ 36,110	\$ 33,202	\$ 19,762	\$ 16,262	\$ 32,057	\$ (1,775)	\$ (34,463)	\$ (4,659)	\$ 21,604
Business-type activities	2,666	728	882	(1,991)	3,557	91	3,741	11,250	9,320
Total primary government	\$ 38,776	\$ 33,930	\$ 20,644	\$ 14,271	\$ 35,614	\$ (1,684)	\$ (30,722)	\$ 6,591	\$ 30,924

Note: Prior years' information not available on accrual basis

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

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Property Tax	\$ 127,528	\$ 123,436	\$ 127,305	\$ 132,497	\$ 133,941	\$ 139,302	\$ 141,934	\$ 140,797	\$ 144,910
Sales Tax	110,526	113,262	111,442	115,501	118,000	122,240	120,518	130,865	122,077
Other Taxes	<u>30,096</u>	<u>29,590</u>	<u>32,561</u>	<u>31,807</u>	<u>28,992</u>	<u>27,798</u>	<u>29,765</u>	<u>29,630</u>	<u>26,842</u>
Total Taxes	<u>\$ 268,150</u>	<u>\$ 266,288</u>	<u>\$ 271,308</u>	<u>\$ 279,805</u>	<u>\$ 280,933</u>	<u>\$ 289,340</u>	<u>\$ 292,217</u>	<u>\$ 301,292</u>	<u>\$ 293,829</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)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General fund										
Reserved	\$ 8,883	\$ 9,119	\$ 9,727	\$ 10,098	\$ 10,412	\$ 10,938	\$ 11,726	\$ 13,435	\$ 20,283	\$ 21,033
Unreserved	6,227	6,531	7,036	7,361	7,605	7,819	8,002	8,244	8,376	8,526
Total general fund	<u>15,110</u>	<u>15,650</u>	<u>16,763</u>	<u>17,459</u>	<u>18,017</u>	<u>18,757</u>	<u>19,728</u>	<u>21,679</u>	<u>28,659</u>	<u>29,559</u>
All other governmental funds										
Reserved	N/A	105,627	106,755	102,013	92,542	117,199	88,082	119,321	122,450	133,568
Unreserved, designated for subsequent yr's expenditures	N/A	-	-	-	-	-	-	577	661	2,028
Unreserved, reported in:										
Special revenue funds	N/A	2,013	11,569	9,106	6,647	1,908	10,209	5,124	3,070	3,987
Capital projects funds	N/A	880	(27,357)	(35,594)	(3,519)	(28,106)	24,746	20,226	14,641	(1,260)
Permanent funds	N/A	5,176	5,348	5,536	5,684	5,860	6,050	6,360	6,484	6,621
Total all other governmental funds	N/A	<u>113,696</u>	<u>96,315</u>	<u>81,061</u>	<u>101,354</u>	<u>96,861</u>	<u>129,087</u>	<u>151,608</u>	<u>147,306</u>	<u>144,944</u>
Total all governmental funds	N/A	<u>\$ 129,346</u>	<u>\$ 113,078</u>	<u>\$ 98,520</u>	<u>\$ 119,371</u>	<u>\$ 115,618</u>	<u>\$ 148,815</u>	<u>\$ 173,287</u>	<u>\$ 175,965</u>	<u>\$ 174,503</u>

Note: Comparative prior years' information not available for all non-general funds prior to implementation of GASB 34 in 2001.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>									
Real property tax	\$ 124,475	\$ 119,623	\$ 124,861	\$ 129,517	\$ 131,724	\$ 135,751	\$ 138,081	\$ 135,851	\$ 144,594
Sales and other taxes	140,142	142,694	144,022	147,213	147,468	149,934	150,620	159,940	149,616
Departmental	31,584	32,909	33,556	34,788	36,478	36,408	39,498	43,404	43,530
Use of money and property	10,540	5,990	2,974	2,536	3,633	6,840	9,139	7,896	4,254
Licenses and permits	1,567	1,588	1,569	2,069	2,269	2,636	2,289	2,676	2,384
Federal aid	30,292	39,076	34,842	40,512	32,379	39,925	33,671	27,514	26,132
State aid	68,258	68,322	76,509	69,512	85,001	86,796	97,714	111,542	143,471
Local sources and other	28,107	35,335	25,546	25,310	28,868	28,103	26,388	32,677	29,587
Ferry	-	-	-	-	-	-	19,287	-	-
Total revenues	<u>434,965</u>	<u>445,537</u>	<u>443,879</u>	<u>451,457</u>	<u>467,820</u>	<u>486,393</u>	<u>516,687</u>	<u>521,500</u>	<u>543,568</u>
<b>Expenditures</b>									
Council and clerk	1,316	1,331	1,330	1,431	1,478	1,462	1,634	1,698	1,674
Administration	8,444	8,891	9,243	9,349	9,043	9,492	10,062	11,201	11,047
Law	1,663	1,726	1,653	1,763	1,816	1,752	1,743	1,865	1,898
Information technology	-	-	-	-	-	-	-	4,021	3,579
Finance	6,776	6,812	6,806	7,228	7,198	7,449	7,607	5,131	5,180
Community development	24,739	32,322	38,926	25,539	21,911	28,195	27,015	26,527	21,600
Economic development	1,868	1,843	1,536	1,655	1,482	1,530	1,560	1,226	1,545
Environmental services	29,810	28,125	30,531	29,373	29,670	28,987	32,306	34,191	36,082
Library	11,335	11,255	10,448	10,267	9,894	10,099	10,316	10,361	10,687
Police	56,112	58,542	59,417	62,983	63,202	67,272	69,471	78,057	77,775
Fire	34,092	35,542	37,288	37,734	39,316	40,300	40,909	41,231	42,412
Emergency communications	7,634	7,615	7,651	7,881	8,360	8,682	8,943	9,419	10,189
Parks, recreation and human services	16,096	14,935	14,439	16,375	16,031	16,690	15,961	13,971	12,967
Undistributed	43,716	49,288	50,127	60,193	77,583	83,520	82,340	83,619	89,894
Allocation to school district	127,300	127,300	126,100	126,100	119,100	119,100	119,100	119,100	119,100
Capital projects	47,867	58,222	47,788	52,344	47,769	54,165	43,907	57,219	58,057
Debt service:									
Principal	14,559	16,267	14,139	12,849	14,819	12,512	15,877	34,069	37,620
Interest	5,208	6,142	4,458	3,733	4,082	3,919	7,822	6,629	4,476
Total expenditures	<u>438,535</u>	<u>466,158</u>	<u>461,880</u>	<u>466,797</u>	<u>472,754</u>	<u>495,126</u>	<u>496,573</u>	<u>539,535</u>	<u>545,782</u>
Excess of revenues over (under) expenditures	(3,570)	(20,621)	(18,001)	(15,340)	(4,934)	(8,733)	20,114	(18,035)	(2,214)
<b>Other financing sources (uses)</b>									
Transfers in	53,642	39,543	57,531	59,029	63,068	65,932	61,804	80,600	88,831
Transfers out	(52,445)	(35,190)	(54,088)	(57,802)	(61,887)	(66,538)	(57,446)	(84,400)	(88,079)
Proceeds of general obligation debt	19,141	-	-	34,964	-	42,536	-	24,513	-
Total other financing sources (uses)	<u>20,338</u>	<u>4,353</u>	<u>3,443</u>	<u>36,191</u>	<u>1,181</u>	<u>41,930</u>	<u>4,358</u>	<u>20,713</u>	<u>752</u>
Net change in fund balances	<u>\$ 16,768</u>	<u>\$ (16,268)</u>	<u>\$ (14,558)</u>	<u>\$ 20,851</u>	<u>\$ (3,753)</u>	<u>\$ 33,197</u>	<u>\$ 24,472</u>	<u>\$ 2,678</u>	<u>\$ (1,462)</u>
Debt service as a percentage of noncapital expenditures	5.06%	5.49%	4.49%	4.00%	4.45%	3.73%	5.24%	8.44%	8.63%

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)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Property Tax	\$ 125,424	\$ 124,475	\$ 119,623	\$ 142,861	\$ 129,517	\$ 131,724	\$ 135,751	\$ 138,081	\$ 135,851	\$ 144,594
Sales and Other Taxes	136,141	140,142	142,694	144,022	147,213	147,468	149,934	150,620	159,940	149,616
Total Taxes	<u>\$ 261,565</u>	<u>\$ 264,617</u>	<u>\$ 262,317</u>	<u>\$ 286,883</u>	<u>\$ 276,730</u>	<u>\$ 279,192</u>	<u>\$ 285,685</u>	<u>\$ 288,701</u>	<u>\$ 295,791</u>	<u>\$ 294,210</u>

**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>
2000	4,968,557	75,689	5,044,246	4,685,991	4,757,376	106.03%	2.84%
2001	4,730,800	71,607	4,802,407	4,680,716	4,751,565	101.07%	2.92%
2002	4,722,309	67,179	4,789,488	4,683,436	4,750,062	100.83%	2.90%
2003	4,717,404	64,714	4,782,118	4,674,246	4,738,368	100.92%	3.02%
2004	4,674,521	60,813	4,735,334	5,003,769	5,068,865	93.42%	3.17%
2005	5,042,828	62,979	5,105,807	5,140,497	5,204,696	98.10%	2.97%
2006	5,057,648	60,016	5,117,664	5,116,488	5,177,202	98.85%	3.04%
2007	5,094,593	56,887	5,151,480	5,598,454	5,660,967	91.00%	3.08%
2008	5,135,078	54,377	5,189,455	5,831,340	5,893,090	88.06%	3.05%
2009	5,690,818	56,782	5,747,600	6,661,275	6,727,740	85.43%	2.86%

Notes:

(1) Subject to School 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	School Purposes	Total	Monroe County (1)	
2000 Homestead	6.07	12.36	18.43	10.49	28.92
Nonhomestead	14.12	29.46	43.58	10.49	54.07
2001 Homestead	5.97	12.97	18.94	10.36	29.30
Nonhomestead	13.59	30.27	43.86	10.36	54.22
2002 Homestead	6.01	13.46	19.47	10.04	29.51
Nonhomestead	12.89	29.54	42.43	10.04	52.47
2003 Homestead	6.33	14.19	20.52	9.93	30.45
Nonhomestead	13.38	30.66	44.04	9.93	53.97
2004 Homestead	6.52	14.64	21.16	10.96	32.12
Nonhomestead	14.26	32.68	46.94	10.96	57.90
2005 Homestead	6.34	13.78	20.12	11.01	31.13
Nonhomestead	13.77	30.55	44.32	11.01	55.33
2006 Homestead	6.61	14.38	20.99	10.94	31.93
Nonhomestead	13.92	30.87	44.79	10.94	55.73
2007 Homestead	6.66	14.52	21.18	9.62	30.80
Nonhomestead	14.04	31.14	45.18	9.62	54.80
2008 Homestead	6.83	14.89	21.72	9.97	31.69
Nonhomestead	13.53	30.01	43.54	9.97	53.51
2009 Homestead	5.59	14.98	20.57	9.20	29.77
Nonhomestead	10.93	29.74	40.67	9.20	49.87

(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  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT FISCAL YEAR AND NINE YEARS PRIOR  
JUNE 30, 2009  
(000's Omitted)**

	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Rochester Gas and Electric	\$ 636,035	1	11.18%	\$ 321,979	1	6.48%
Eastman Kodak Co.	78,852	2	1.39%	195,367	2	3.93%
Frontier Telephone Corp.	75,736	3	1.33%	60,866	3	1.23%
Buckingham Properties	33,025	4	0.58%	-	-	-
Maguire Family Properties	18,943	5	0.33%	-	-	-
Chase Manhattan	18,670	6	0.33%	26,652	4	0.54%
Max M. Farash (Farash,Jalynn,Brighton Dev.)	16,556	7	0.29%	21,729	5	0.44%
NK-TCC Property, LLC	16,296	8	0.29%	-	-	-
Landsman Development Corp.	15,126	9	0.27%	-	-	-
CSX (Conrail)	15,105	10	0.27%	13,366	10	0.27%
Midtown Rochester LLC	-	-	-	19,582	6	0.39%
Xerox	-	-	-	17,500	7	0.35%
Samloff/Glazer	-	-	-	14,710	8	0.30%
Valeo (ITT Automotive)	-	-	-	14,039	9	0.28%
Totals	<u>\$ 924,344</u>		<u>16.24%</u>	<u>\$ 705,790</u>		<u>14.21%</u>

Note:

- 1) The total taxable assessed value of \$5,690,818,080 was used for fiscal year 2008-09 taxes.
- 2) The total taxable assessed value of \$4,968,556,948 was used for fiscal year 1999-2000 taxes.

Source: Assessment Roll of the City of Rochester

**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
		Amount	Percentage of Levy		Amount (2)	Percentage of Levy			
2000	168,683	155,449	92.15%	9,157	164,606	97.58%	3,526	21,406	12.69%
2001	163,894	149,749	91.37%	9,948	159,697	97.44%	5,631	21,912	13.37%
2002	160,732	146,155	90.93%	9,679	155,834	96.95%	3,769	22,906	14.25%
2003	166,991	152,270	91.18%	10,072	162,342	97.22%	4,171	23,507	14.08%
2004	173,145	158,479	91.53%	10,566	169,045	97.63%	5,465	22,968	13.27%
2005	178,380	163,293	91.54%	9,479	172,772	96.86%	4,742	23,004	12.90%
2006	184,086	168,297	91.42%	10,227	178,524	96.98%	5,009	24,102	13.09%
2007	189,822	174,245	91.79%	9,836	184,081	96.98%	3,469	25,882	13.63%
2008	190,298	174,902	91.91%	8,264	183,166	96.25%	2,832	28,448	14.95%
2009	196,088	181,218	92.42%	N/A	181,218	92.42%	4,220	20,890	10.65%

Notes:

- (1) Tax exempt properties with an assessed value of \$415,931,015 made payments in lieu of taxes amounting to \$9,912,424 for the fiscal year ending June 30, 2009. If these properties had been fully taxable, total revenues would have increased by \$6,020,908. 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**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(000's Omitted, except per capita amount)**

Fiscal Year	Government Activities		Business-Type Activities		Bond Proceeds for Note Redemption	Total Primary Government	Component Unit Activities		Total Entity	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Bond Anticipation Notes	General Obligation Bonds	Bond Anticipation Notes			General Obligation Bonds	Bond Anticipation Notes			
2000	\$ 65,446	\$ 29,960	\$ 81,389	\$ 11,124	-	187,919	98,885	55,480	342,284	5.13%	1,589
2001	71,092	65,257	82,054	6,267	(29,275)	195,395	116,530	41,433	353,358	5.09%	1,631
2002	55,929	45,643	74,661	12,407	-	188,640	94,125	62,616	345,381	4.95%	1,605
2003	42,942	54,452	67,488	13,339	-	178,221	77,759	79,805	335,785	4.80%	1,574
2004	66,260	82,043	70,104	6,378	(47,000)	177,785	133,017	33,314	344,116	4.69%	1,624
2005	52,694	49,987	62,672	11,625	-	176,978	114,227	48,542	339,747	4.49%	1,621
2006	84,025	58,853	66,223	21,781	(41,800)	189,082	147,522	24,296	360,900	4.59%	1,734
2007	69,538	27,586	59,402	24,750	-	181,276	131,171	42,743	355,190	4.37%	1,718
2008	80,992	57,712	76,805	7,954	(39,220)	184,243	127,319	60,774	372,336	N/A	1,800
2009	65,928	46,087	69,611	9,979	-	191,605	116,051	83,015	390,671	N/A	N/A

Note:

- 1) Population figures from US Census Bureau [www.factfinder.census.gov](http://www.factfinder.census.gov).
- 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)).

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

<b>Fiscal Year</b>	<b>Total Entity General Obligation Debt</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>
2000	342,284	61,300	280,984	5.66%	1,287
2001	353,358	57,847	295,511	6.25%	1,364
2002	345,381	59,969	285,412	6.04%	1,326
2003	335,785	62,520	273,265	5.79%	1,281
2004	344,116	61,354	282,762	6.05%	1,334
2005	339,747	57,222	282,525	5.60%	1,348
2006	360,900	51,799	309,101	6.11%	1,485
2007	355,190	78,666	276,524	5.43%	1,337
2008	372,336	72,086	300,250	5.85%	1,451
2009	390,671	63,856	326,815	5.74%	1,580

Notes:

1) Population figures for 2000 - 2008 are from US Census Bureau [www.factfinder.census.gov](http://www.factfinder.census.gov), current year data unavailable, 2008 population used for 2009.

**THE CITY OF ROCHESTER, NEW YORK**  
**DIRECT AND OVERLAPPING DEBT**  
**AS OF JUNE 30, 2009**  
**(000's Omitted)**

<b>Jurisdiction</b>	<b>Gross Debt Outstanding</b>	<b>Percentage Applicable to City of Rochester</b>	<b>Amount Applicable to City of Rochester</b>
City of Rochester	\$ 390,671	100.00%	\$ 390,671
County of Monroe	<u>404,646</u>	15.04%	<u>60,859</u>
Total	<u>\$ 795,317</u>		<u>\$ 451,530</u>

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 448,240	\$ 436,660	\$ 428,504	\$ 420,086	\$ 431,025	\$ 450,269	\$ 461,655	\$ 469,406	\$ 515,947	\$ 522,808
Total net debt applicable to limit	<u>294,923</u>	<u>309,800</u>	<u>302,985</u>	<u>301,442</u>	<u>308,620</u>	<u>304,616</u>	<u>316,237</u>	<u>313,025</u>	<u>328,185</u>	<u>350,662</u>
Legal debt margin	<u>\$ 153,317</u>	<u>\$ 126,860</u>	<u>\$ 125,519</u>	<u>\$ 118,644</u>	<u>\$ 122,405</u>	<u>\$ 145,653</u>	<u>\$ 145,418</u>	<u>\$ 156,381</u>	<u>\$ 187,762</u>	<u>\$ 172,146</u>
Total net debt applicable to the limit as a percentage of debt limit	65.80%	70.95%	70.71%	71.76%	71.60%	67.65%	68.50%	66.69%	63.61%	67.07%

**Legal Debt Margin Calculation for Fiscal Year 2009**

Indebtedness	
Borrowings (Bonds and Notes)	\$ 390,671 (1)
Contract Liabilities	29,405 (2) \$ 420,076
Deductions and Exclusions	
Water Bonds and Notes	39,539 (3)
Sanitary Sewer Bonds and Notes	470 (3)
Appropriation	0 (4)
Cash and Cash Equivalents	<u>29,405 (5)</u> 69,414
Net Indebtedness	<u>350,662</u>
Debt Limit (9% of five-year average full valuation)	<u>522,808</u>
Debt Contracting Margin	<u>\$ 172,146</u>

Continued

**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". Also includes bonds and bond anticipation notes issued by the City totaling \$710,000, the debt service on which is to be reimbursed to the City by the Rochester Pure Waters District of the County, pursuant to a lease of sewerage facilities to such district by the City.
- (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 market 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**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Population (1)	219,773	216,761	215,227	213,440	211,894	209,662	208,123	206,759	206,886	206,886
Total Personal Income Monroe County (2)	\$ 22,904,866	\$ 23,666,671	\$ 23,987,737	\$ 24,191,939	\$ 25,526,479	\$ 26,462,179	\$ 27,639,940	28,768,865	N/A	N/A
Per Capita Personal Income Monroe County (2)	30,994	32,035	32,453	32,781	34,654	36,102	37,760	39,314	N/A	N/A
School District Enrollment (3)	37,159	35,435	35,095	34,526	33,832	33,055	33,380	32,586	32,717	32,132
Unemployment Rate (4)	4.5%	5.5%	7.0%	7.2%	6.9%	6.0%	5.9%	5.9%	7.5%	10.4%
Employed (4)	95,000	93,500	91,200	89,900	89,800	90,300	89,100	88,400	88,100	86,600

Source:

- 1) 2000 - 2008 figures from US Census Bureau ([www.factfinder.census.org](http://www.factfinder.census.org)). Current year data unavailable, 2008 population used for 2009.
- 2) US Dept. of Commerce Bureau of Economic Analysis ([www.bea.gov](http://www.bea.gov)).
- 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 September 2009) for City of Rochester.



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

	2009			2000		
	Employees		Percentage	Employees		Percentage
	(1)	Rank	of Total Employment (2)	(1)	Rank	of Total Employment (2)
University of Rochester/Strong Memorial Hospital	18,671	1	3.48%	12,240	3	2.20%
Wegmans Food Markets Inc.	13,683	2	2.55%	5,478	5	0.99%
Eastman Kodak Company	9,200	3	1.71%	24,000	1	4.32%
Xerox Corporation	7,636	4	1.42%	13,350	2	2.40%
ViaHealth	7,005	5	1.31%	5,525	4	0.99%
Unity Health System	5,222	6	0.97%	2,530	9	0.46%
Lifetime Healthcare Cos. Inc.	3,649	7	0.68%	-	-	-
Rochester Institute of Technology	3,435	8	0.64%	2,350	10	0.42%
Paychex	3,115	9	0.58%	-	-	-
Harris Corp. RF Communications Division	2,200	10	0.41%	-	-	-
Hillside Family of Agencies	2,200	10	0.41%	-	-	-
Delphi Corporation	-	-	-	3,000	7	0.54%
Excellus Inc.	-	-	-	2,940	8	0.53%
Global Crossing Ltd.	-	-	-	3,178	6	0.57%

(1) Source: Rochester Business Journal The Lists - 2009 Edition.

(2) Employment source: [www.labor.state.ny.us](http://www.labor.state.ny.us) employment data as of 12/31/08.  
 Includes Monroe, Genesee, Livingston, Ontario, Orleans and Wayne counties.

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

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
City Council and Clerk	27.4	27.3	27.3	27.3	27.2	27.2	27.2	27.2	27.2	27.2
Administration	191.8	190.6	206.2	200.4	200.9	191.1	188.8	184.3	218.8	208.3
Information Technology	-	-	-	-	-	-	-	-	54.0	43.6
Finance	141.7	137.4	141.1	140.3	142.2	138.3	138.8	138.6	97.4	94.4
Community Development	101.0	101.6	104.2	102.2	100.7	98.5	97.9	96.6	94.7	90.8
Economic Development	28.3	41.7	42.2	27.2	26.2	25.7	24.7	22.8	21.9	20.8
Environmental Services	754.9	751.3	765.1	758.5	749.4	733.3	731.3	736.2	738.7	728.2
Emergency Communications	191.9	189.7	186.8	182.7	181.6	182.9	186.4	187.6	192.6	192.6
Police	876.6	916.0	932.5	922.6	915.0	912.1	909.1	923.8	984.1	989.5
Fire	595.3	579.4	584.7	578.1	569.6	568.3	565.5	562.5	554.2	537.9
Library	229.5	231.7	231.6	219.4	192.4	182.0	178.3	172.9	172.9	169.7
Parks, Recreation & Human Services	349.6	337.6	335.4	313.5	301.3	295.2	295.4	277.4	199.3	195.4
Total	<u>3,488.0</u>	<u>3,504.3</u>	<u>3,557.1</u>	<u>3,472.2</u>	<u>3,406.5</u>	<u>3,354.6</u>	<u>3,343.4</u>	<u>3,329.9</u>	<u>3,355.8</u>	<u>3,298.4</u>
<b>Full-time Employees</b>										
<b>Last Ten Fiscal Years</b>										
City	3,096	3,121	3,151	3,100	3,054	3,003	2,984	2,963	2,963	2,893
School District	<u>6,023</u>	<u>6,221</u>	<u>6,303</u>	<u>6,068</u>	<u>6,013</u>	<u>5,864</u>	<u>5,825</u>	<u>6,099</u>	<u>6,073</u>	<u>6,296</u>
Total	<u>9,119</u>	<u>9,342</u>	<u>9,454</u>	<u>9,168</u>	<u>9,067</u>	<u>8,867</u>	<u>8,809</u>	<u>9,062</u>	<u>9,036</u>	<u>9,189</u>

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

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
									<b>Estimated</b>	
<b>Emergency Communications</b>										
Calls received	1,206,034	1,157,877	1,103,665	1,148,108	1,127,659	1,148,793	1,210,515	1,104,893	1,250,000	1,127,000
<b>Police</b>										
Calls for service	443,307	465,568	475,341	455,290	424,851	461,855	406,141	413,820	427,100	431,900
Reported crimes	40,698	38,996	41,045	38,543	39,344	38,212	30,404	47,369	39,900	40,500
<b>Fire</b>										
Unit responses	43,623	43,025	43,990	45,257	45,765	45,003	46,652	52,548	47,385	53,260
<b>Refuse</b>										
Residential accounts	53,541	53,328	52,987	52,766	52,673	52,476	53,015	52,690	52,560	52,337
Commercial accounts	2,972	2,830	2,767	2,730	2,660	2,638	2,641	2,625	2,650	2,672
Total tonnage	118,850	117,285	116,618	117,277	120,939	116,054	113,636	109,835	119,221	114,698
Residential cost per ton	\$102.63	\$99.72	\$100.05	\$101.33	\$101.93	\$105.14	\$100.50	\$108.59	N/A	N/A
Commercial cost per ton	\$128.46	\$126.16	\$133.90	\$154.11	\$157.69	\$151.81	\$168.77	\$169.31	N/A	N/A
<b>Water</b>										
Millions of gallons per day										
Filtration plant production	32.93	38.59	28.27	35.64	37.35	34.50	35.58	38.46	36.35	37.29
City water demand	30.25	29.46	30.08	33.71	32.15	30.15	29.59	30.55	30.44	28.90
<b>Library</b>										
Total circulation	1,539,099	1,612,279	1,788,621	1,680,872	1,667,529	1,626,157	1,298,760	1,315,811	1,436,450	1,474,828
<b>Parking</b>										
Total parking spaces	13,838	12,695	12,695	12,589	11,948	11,953	11,743	11,637	11,165	8,926
Annual car counts	3,758,619	3,031,900	3,178,500	2,918,164	2,993,264	2,902,784	2,929,728	2,396,205	2,671,826	2,667,998
<b>Parks and Recreation</b>										
Convention Center attendance	280,363	275,702	260,804	279,528	312,680	325,000	363,004	274,000	300,000	300,000
<b>War Memorial</b>										
Total attendance	605,200	629,727	557,531	410,547	573,678	498,741	437,051	536,927	503,700	538,300

Source: City of Rochester Budget.

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

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Miles of streets	539	539	539	539	539	539	539	539	539	540
Parking garages	8	8	8	8	8	8	8	8	8	8
Libraries	11	11	11	11	11	11	11	11	11	11
Fire houses	16	16	16	16	16	16	16	15	15	15
City-owned street lights	11,609	11,858	12,460	12,773	13,200	10,936	15,037	15,348	15,900	16,400
Fire hydrants	7,456	7,468	7,287	7,287	7,287	7,287	7,287	7,287	7,287	7,287

Source: City of Rochester Budget

# **SINGLE AUDIT REPORTS**



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

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of the City of Rochester, New York (the City) as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 11, 2009, which included a disclaimer of opinion with respect to the schedule of expenditures of New York State and other awards and summary of financial assistance on pages 110 through 115 and 117. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated November 11, 2009.

This report is intended solely for the information and use of the members of the City Council, management, others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

*Freed Maxick & Battaglia, CPAs, PC*

Rochester, New York  
November 11, 2009



**Independent Auditor's Report on Compliance with Requirements Applicable to  
Each Major Program and on Internal Control Over Compliance in  
Accordance with OMB Circular A-133**

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

Compliance

We have audited the compliance of the City of Rochester, New York (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The City's major federal programs are identified in the summary of audit results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 major federal program 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. Our audit does not provide a legal determination on the City's compliance with those requirements.

As described in items 09-1 and 09-2 in the accompanying Schedule of Findings and Questioned Costs, the City did not comply with the requirements regarding suspension and debarment and payroll certifications, which are applicable to the 21<sup>st</sup> Century Community Learning Centers Program. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements of that cluster or programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.



## Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 09-1 and 09-2 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the members of the City Council, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Freed Maxick & Battaglia, CPAs, PC*

Rochester, New York  
November 11, 2009

**THE CITY OF ROCHESTER, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2009**

	Grant Number	CFDA Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
				Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	
<b>CITY GRANTS</b>										
<b>AMERICAN RECOVERY AND REINVESTMENT ACT</b>										
CDBG - R	B-09-MY-36-0003	14.253	2,585,159	-	646,000	646,000	-	646,000	646,000	-
<b>DEPT. OF HOUSING AND URBAN DEVELOPMENT:</b>										
CDBG PY 1995	B-95-MC-36-0003	14.218	\$ 16,320,401	\$ 16,235,540	\$ 500	\$ 16,236,040	\$ 16,235,540	\$ 500	\$ 16,236,040	\$ -
CDBG PY 1996	B-96-MC-36-0003	14.218	18,710,449	18,552,390	13,811	18,566,201	18,552,390	13,811	18,566,201	-
CDBG PY 1997	B-97-MC-36-0003	14.218	14,209,646	14,299,066	6,700	14,305,766	14,299,066	6,700	14,305,766	-
CDBG PY 1998	B-98-MC-36-0003	14.218	12,890,500	12,687,962	70,500	12,758,462	12,687,960	70,500	12,758,460	2
CDBG PY 1999	B-99-MC-36-0003	14.218	14,492,265	14,496,941	60,532	14,557,473	14,496,941	60,532	14,557,473	-
CDBG PY 2000	B-00-MC-36-0003	14.218	13,651,489	13,869,870	6,903	13,876,773	13,869,870	6,903	13,876,773	-
CDBG PY 2001	B-01-MC-36-0003	14.218	13,516,000	13,763,055	134,199	13,897,254	13,763,054	134,199	13,897,253	1
CDBG PY 2002	B-02-MC-36-0003	14.218	13,863,000	13,507,693	252,219	13,759,912	13,517,885	252,219	13,770,104	(10,192)
CDBG PY 2003	B-03-MC-36-0003	14.218	13,968,320	15,583,134	287,855	15,870,989	15,452,910	125,909	15,578,819	292,170
CDBG PY 2004	B-04-MC-36-0003	14.218	13,707,000	12,161,412	1,005,536	13,166,948	12,165,787	1,001,161	13,166,948	-
CDBG PY 2005	B-05-MC-36-0003	14.218	13,283,899	13,650,294	625,191	14,275,485	13,662,610	612,874	14,275,484	1
CDBG PY 2006	B-06-MC-36-0003	14.218	11,687,345	7,804,846	1,281,799	9,086,645	7,798,884	1,289,964	9,088,848	(2,203)
CDBG PY 2007	B-07-MC-36-0003	14.218	11,370,989	5,978,503	3,084,938	9,063,441	5,991,270	3,080,093	9,071,363	(7,923)
CDBG PY 2008	B-08-MC-36-0003	14.218	10,421,039	-	4,298,376	4,298,376	-	4,298,376	4,298,376	-
Section 108 Loan Program	B-99-MC-36-0003B	14.158	2,000,000	1,000,000	-	1,000,000	1,000,000	-	1,000,000	-
Section 108 EDI Program	B-95-ED-36-0019	14.158	475,000	472,500	-	472,500	472,500	-	472,500	-
Section 108 EDI Program	B-99-ED-36-0017	14.158	500,000	250,000	-	250,000	250,000	-	250,000	-
Section 108 EDI Program	B-00-ED-36-0038	14.158	1,925,000	1,500,000	-	1,500,000	1,500,000	-	1,500,000	-
EDI Special Projects	B-05-SPNY-0568	14.158	99,200	99,200	-	99,200	99,200	-	99,200	-
Emergency Shelter	S-07-MC-36-0006	14.146	426,425	280,519	145,906	426,425	280,519	145,906	426,425	-
Emergency Shelter	S-08-MC-36-0006	14.146	425,305	-	278,605	278,605	-	278,605	278,605	-
Home Program 1992	M-92-MC-36-0504	14.239	2,913,000	2,912,230	770	2,913,000	2,912,230	770	2,913,000	-
Home Program 1995	M-95-MC-36-0504	14.239	2,879,000	2,878,862	138	2,879,000	2,878,862	138	2,879,000	-
Home Program 1996	M-96-MC-36-0504	14.239	3,090,000	3,088,275	1,725	3,090,000	3,088,275	1,725	3,090,000	-
Home Program 1997	M-97-MC-36-0504	14.239	3,296,292	3,296,292	-	3,296,292	3,296,292	-	3,296,292	-
Home Program 1998	M-98-MC-36-0504	14.239	3,413,000	3,411,974	1,026	3,413,000	3,411,974	1,026	3,413,000	-
Home Program 1999	M-99-MC-36-0504	14.239	3,710,000	3,675,565	34,233	3,709,798	3,675,565	34,233	3,709,798	-
Home Program 2000	M-00-MC-36-0504	14.239	3,882,000	3,859,345	22,655	3,882,000	3,859,345	22,655	3,882,000	-
Home Program 2001	M-01-MC-36-0504	14.239	4,148,000	4,077,648	61,464	4,139,112	4,077,648	61,464	4,139,112	-
Home Program 2002	M-02-MC-36-0504	14.239	3,917,000	3,722,227	69,823	3,792,050	3,722,227	69,823	3,792,050	-
Home Program 2003	M-03-MC-36-0504	14.239	3,793,619	3,184,788	159,926	3,344,714	3,184,788	159,926	3,344,714	-
Home Program 2004	M-04-MC-36-0504	14.239	4,115,135	3,196,827	223,304	3,420,131	3,196,827	223,304	3,420,131	-
Home Program 2005	M-05-MC-36-0504	14.239	3,760,753	3,383,244	271,926	3,655,170	3,383,244	271,926	3,655,170	-
Home Program 2006	M-06-MC-36-0504	14.239	3,760,753	2,359,917	570,250	2,930,167	2,359,917	570,250	2,930,167	-
Home Program 2007	M-07-MC-36-0504	14.239	3,364,582	2,198,709	146,510	2,345,219	1,604,184	741,035	2,345,219	-
Home Program 2008	M-08-MC-36-0504	14.239	3,229,286	-	988,768	988,768	-	646,638	646,638	342,130
Lead Hazard Demonstration	NYLHD0003-03	14.905	2,568,248	2,006,996	249,914	2,256,910	1,982,853	274,057	2,256,910	-
Lead Hazard Control	NYLHB0240-03	14.905	2,918,423	2,747,023	18,201	2,765,224	2,713,699	6,525	2,720,224	45,000
Lead Hazard Demonstration II	NYLHD0025-04	14.905	2,499,310	1,225,605	1,170,064	2,395,669	1,234,698	1,160,971	2,395,669	-
Lead Hazard Control 2	NYLHB0379-07	14.905	1,606,710	-	921,193	921,193	-	921,193	921,193	-
Lead Hazard	NYLHD0185-08	14.905	3,999,700	-	222	222	-	222	222	-
HOPWA	N-YH-05-F003	14.241	610,944	574,666	17,250	591,916	574,666	17,250	591,916	-
HOPWA	N-YH-06-F003	14.241	601,687	553,980	47,016	600,996	553,980	47,016	600,996	-
HOPWA	N-YH-07-F003	14.241	605,000	18,150	587,673	605,823	18,150	587,673	605,823	-

(continued)

**THE CITY OF ROCHESTER, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2009**

	Grant Number	CFDA Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
				Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	
<b>DEPARTMENT OF HOMELAND SECURITY</b>										
Medical Response (PASS THROUGH)	WM05-1161-D00	97.071	\$ 250,000	\$ 123,302	\$ 99,671	\$ 222,973	\$ 137,480	\$ 164,097	\$ 301,577	\$ (78,604)
BZPP - 2006 (PASS THROUGH)	WM06153766	97.078	189,000	-	-	-	-	95,177	95,177	(95,177)
Water -SUASP-2006 (PASS THROUGH)	C834464	97.067	280,000	279,296	701	279,997	279,296	701	279,997	-
Water -SUASP-2007 (PASS THROUGH)	C834464	97.067	420,000	-	420,000	420,000	-	420,000	420,000	-
AFG - Fire Prevention	FG0702426FPS002	97.046	73,326	-	59,980	59,980	-	71,642	71,642	(11,662)
<b>U.S. DEPARTMENT OF JUSTICE</b>										
Justice Assistance Grant-4	2007-DJ-BX-0430	16.738	248,800	138,116	110,684	248,800	138,116	110,684	248,800	-
Justice Assistance Grant-5	2008-DJ-BX-0243	16.738	82,530	-	56,674	56,674	-	56,674	56,674	-
ATF 07/08	08-NY-333-AFF	16.012	47,000	23,147	24,161	47,308	40,804	6,182	46,986	322
ATF 08/09	09-NY-333-AFF	16.012	77,000	-	7,210	7,210	-	24,970	24,970	(17,760)
OCDETF	2008-OC-TY-02503	16.001	12,921	-	12,921	12,921	-	12,921	12,921	-
Edward Byrne Memorial Grant	2007-DD-BX-0687	16.580	324,143	-	239,133	239,133	31,212	208,918	240,130	(997)
Ryan Community Center	2006-JL-FX-0185	16.541	98,723	-	98,700	98,700	-	98,700	98,700	-
PASS THROUGH (FROM DCJS)										
Youth Violence	C-521982	16.523	103,700	98,856	4,844	103,700	60,216	43,484	103,700	-
Youth Violence-Juvenile Strategy	C-521983	16.523	207,400	-	207,400	207,400	-	207,400	207,400	-
Edward Byrne Truancy/Narcotics	C920230	16.580	150,000	56,977	81,130	138,107	56,977	131,130	188,107	(50,000)
Edward Byrne - PAC TAC (through DCJS)	T631994	16.738	50,000	-	49,901	49,901	-	49,833	49,833	68
Project Safe Neighborhood - Police	2006-PG-BX-0025	16.609	46,617	44,828	1,789	46,617	44,828	1,789	46,617	-
Stop Violence Against Women	C-554640	16.588	69,600	34,586	34,361	68,947	18,705	50,242	68,947	-
Stop Violence Against Women	C-554641	16.588	67,303	-	35,045	35,045	-	35,045	35,045	-
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>										
NYS DEPARTMENT OF TRANSPORTATION (Pass Through)										
Broad Street Tunnel - 4751.87	D009279	20.205	1,166,400	845,558	259,326	1,104,884	845,558	413,341	1,258,899	(154,015)
Ford Street Bridge - 4752.52	D011399	20.205	8,800,000	8,407,479	-	8,407,479	8,407,479	-	8,407,479	-
Lake Avenue - 4752.49	D011414	20.205	14,069,226	13,356,468	-	13,356,468	13,356,468	-	13,356,468	-
Port	D013858	20.205	18,887,000	18,222,821	-	18,222,821	18,222,821	-	18,222,821	-
West Ridge Road	D013560	20.205	20,037,600	18,616,517	40,255	18,656,772	18,616,517	40,255	18,656,772	-
Broad Street Bridge	D013824	20.205	993,504	45,412	27,840	73,252	45,412	687,778	733,190	(659,938)
CBD Signs	D017579	20.205	661,900	404,266	240,447	644,713	404,266	240,447	644,713	-
Lexington Avenue	D017499	20.205	4,276,061	4,437,105	42,671	4,479,776	4,437,105	42,671	4,479,776	-
Chili Avenue	D014967	20.205	5,887,800	5,873,868	152	5,874,020	5,875,992	152	5,876,144	(2,124)
Elmwood Avenue Bridge	D013825	20.205	2,300,000	2,280,053	27	2,280,080	2,280,053	27	2,280,080	-
Port Intel Trans System	D022323	20.205	937,500	2,497	709	3,206	2,497	709	3,206	-
Mt. Hope Ave. & E. Henrietta Road	D022408	20.205	480,000	398,312	91,253	489,565	398,312	91,253	489,565	-
Smith Street Bridge	D024554	20.205	10,350,000	4,390,370	3,076,944	7,467,314	4,390,370	3,076,944	7,467,314	-
Inner Loop Study Phase II	D017599	20.205	400,000	-	88,651	88,651	-	88,651	88,651	-
Ridgeway Avenue	D031733	20.205	176,000	-	176,000	176,000	-	176,000	176,000	-
PL - 2007-08	D125071	20.205	32,208	-	16,174	16,174	-	16,174	16,174	-
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>										
Substance Abuse	1-H79-SP13209-01	93.276	500,000	227,363	102,086	329,449	184,104	70,313	254,417	75,032

(continued)

**THE CITY OF ROCHESTER, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2009**

	Grant Number	CFDA Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
				Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>										
Brownfield Grant 430-01	BF98298403	66.811	\$ 280,000	\$ 270,211	\$ 7,588	\$ 277,799	\$ 269,265	\$ 3,884	\$ 273,149	\$ 4,650
Brownfield Grant 430-02	BF97298603	66.811	400,000	392,455	2,853	395,308	394,293	1,015	395,308	-
Brownfield Grant 430-03	BF97259406	66.811	200,000	704	133,701	134,405	3,029	131,376	134,405	-
Brownfield Grant 430-04	BF97259406	66.811	200,000	38,878	25,605	64,483	43,868	20,615	64,483	-
Brownfield Grant 430-05	BF97257506	66.811	200,000	193,355	6,639	199,994	196,018	3,976	199,994	-
Brownfield Grant 430-06	BF97249307	66.811	200,000	16,417	124,206	140,623	16,711	123,912	140,623	-
<b>U.S. DEPARTMENT OF EDUCATION</b>										
PASS THROUGH (From NYS Dept. of Education)										
21st Century Grant RASA IV	0187094089	84.287	847,771	-	887,792	887,792	-	723,823	723,823	163,969
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>										
Summer Food Service	36-079500	10.559	454,466	-	454,466	454,466	-	454,466	454,466	-
<b>SUBTOTAL CITY GRANTS</b>			<b>364,746,372</b>	<b>307,784,465</b>	<b>25,113,311</b>	<b>332,897,776</b>	<b>307,023,582</b>	<b>26,041,443</b>	<b>333,065,025</b>	<b>(167,250)</b>
<b>CITY SCHOOL DISTRICT GRANTS</b>										
<b>PROJECTS OPEN AS OF JUNE 30, 2009</b>										
<b>DIRECT FEDERAL PROJECTS</b>										
<b>U.S. DEPARTMENT OF EDUCATION:</b>										
<b>IMPACT AID</b>										
F0820 Impact Aid	S041B20093427	84.040	\$ 44,112	\$ -	\$ 44,113	\$ 44,113	\$ -	\$ 12,425	\$ 12,425	31,688
<b>OTHER DIRECT FEDERAL</b>										
F0194 Startalk	H982300910	12.901	52,564	-	-	-	-	1,110	1,110	(1,110)
F0197 Foreign Lang. Assist Prog	293B060047	84.293B	252,425	-	80,714	80,714	-	100,605	100,605	(19,891)
F0335 Native American Resource Ctr	060A072183	84.060A	59,798	-	47,687	47,687	-	61,247	61,247	(13,560)
0374 Arts Model Development	351D060136	84.351B	252,226	-	134,210	134,210	-	200,695	200,695	(66,485)
F0448 Carol White Phys Ed Program	215F070018	84.215F	262,796	-	159,227	159,227	-	219,649	219,649	(60,422)
F0451 Integrated Sch w/ Mental Hlth	215M060046	84.215M	46,016	-	21,757	21,757	-	21,742	21,742	15
F0453 Safe Schools/Healthy Stdnts I	184L080045	84.184L	918,335	-	300,972	300,972	-	395,149	395,149	(94,177)
F0454 Safe Schools/Healthy Stdnts II	184L080045	84.184L	576,241	-	195,917	195,917	-	315,253	315,253	(119,336)
F0470 Advanced Plcmt Incentive Grant	330C080224	84.330C	775,474	-	11,760	11,760	-	117,888	117,888	(106,128)
F0476 Teaching as Historians	215X080325	84.215X	301,680	-	91,673	91,673	-	145,263	145,263	(53,590)
<b>FEDERAL FLOW THROUGH PROJECTS</b>										
<b>ESEA TITLE I</b>										
F0202-298 Title I	0021091395	84.010A	31,895,330	-	21,242,403	21,242,403	-	27,014,685	27,014,685	(5,772,282)
<b>ESEA TITLE VI INNOVATIVE PROGRAM STRATEGIES</b>										
F0201 Title V, Pt A - Innovative Pgm	0002091395	84.298A	10,000	-	2,000	2,000	-	4,164	4,164	(2,164)
<b>ESEA TITLE IV SAFE &amp; DRUG-FREE SCHOOLS</b>										
F0450 Title IV - Safe & Drug-Free	0180091395	84.186A	446,773	-	207,263	207,263	-	292,583	292,583	(85,320)
<b>INDIVIDUALS WITH DISABILITIES EDUCATION ACT</b>										
F0305 IDEA Support Serv & Sec 611	0032090370	84.027A	10,149,282	-	7,342,038	7,342,038	-	9,085,362	9,085,362	(1,743,324)
F0340 IDEA Preschool Serv & Sec 619	0033090370	84.173A	495,365	-	378,045	378,045	-	450,939	450,939	(72,894)
F0362 IDEA Quality Assurance Impleme	0031092855	84.027A	175,000	-	35,000	35,000	-	12,158	12,158	22,842

(continued)

**THE CITY OF ROCHESTER, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2009**

	Grant Number	CFDA Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
				Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	
<b>VOCATIONAL EDUCATION</b>										
F0043 Perkins Correctional	8030090001	84.048A	\$ 40,000	\$ -	\$ 26,421	\$ 26,421	\$ -	\$ 32,660	\$ 32,660	(6,239)
F0706 WIA ELL Postsecondary	2338098006	84.002	100,000	-	63,135	63,135	-	99,957	99,957	(36,822)
F0707 Perkins Secondary	8000090024	84.048A	583,504	-	330,414	330,414	-	534,906	534,906	(204,492)
F0754 Perkins Adult	8000099020	84.048A	217,474	-	142,123	142,123	-	215,704	215,704	(73,581)
<b>WORKFORCE INVESTMENT ACT</b>										
F0701 Title II - WIA - Correction Ed	0138090015	84.002A	250,000	-	50,000	50,000	-	243,589	243,589	(193,589)
F0722 WIA Title II	2338091074	84.002A	125,072	-	97,283	97,283	-	124,634	124,634	(27,351)
<b>OTHER FEDERAL FLOW THROUGH STATE</b>										
F0042 Fast Track Rochester	JJ05441702	16.540	92,637	-	57,036	57,036	-	75,001	75,001	(17,965)
F0044 Re-Entry Project	JJ07444090	16.540	171,287	-	104,544	104,544	-	104,544	104,544	-
F0046 OJJDP Re-Entry Program	0081015E00	16.540	167,861	-	-	-	-	20,176	20,176	(20,176)
F0119 Title IIB Math Partnership	0294090107	84.366B	799,991	-	159,998	159,998	-	661,686	661,686	(501,688)
F0120 Title II-D - Technology	0292091395	84.318X	266,241	-	199,862	199,862	-	254,605	254,605	(54,743)
F0121 Title IID Competitive	0291090009	84.318X	756,075	-	100,000	100,000	-	212,042	212,042	(112,042)
F0199 Title III - Bilingual Educ	0293091395	84.365A	563,443	-	420,810	420,810	-	557,875	557,875	(137,065)
F0200 Title IIA - Tchr & Prin Tr/Rec	0147091395	84.367A	6,005,551	-	2,757,267	2,757,267	-	3,534,352	3,534,352	(777,085)
F0300 Title I - Improvement/Choice	0011092004	84.010A	900,000	-	180,000	180,000	-	322,167	322,167	(142,167)
F0303 DICA Audit Grant	0011090004	84.010A	3,000,335	-	600,067	600,067	-	2,147,755	2,147,755	(1,547,688)
F0306 Title I SQR Grant	0123090039	84.377A	210,000	-	157,842	157,842	-	150,011	150,011	7,831
F0310 SETRC	C007559	84.027A	503,216	-	275,771	275,771	-	405,462	405,462	(129,691)
F0360 Homeless Children & Youth	0212093919	84.196A	125,000	-	44,369	44,369	-	80,501	80,501	(36,132)
F0364 Reading First	0243090215	84.357A	690,942	-	509,788	509,788	-	657,321	657,321	(147,533)
F0458 Title IV SDFSCA8	0189091001	84.186	75,836	-	20,493	20,493	-	24,180	24,180	(3,687)
<b>OTHER FEDERAL FLOW THROUGH AGENCY/FOUNDATION</b>										
F0147 Smaller Learning Communities	GREECE0601	84.215L	324,206	-	334,146	334,146	-	218,973	218,973	115,173
F0321 U of R / NIMH	URNIMH0901	93.242B	168,878	-	113,895	113,895	-	164,093	164,093	(50,198)
F0359 Librarians for 21st Century	0106007606	45.313B	84,646	-	55,189	55,189	-	58,553	58,553	(3,364)
<b>PROJECTS CLOSED AS OF JUNE 30, 2009</b>										
<b>DIRECT FEDERAL PROJECTS</b>										
<b>U.S. DEPARTMENT OF EDUCATION:</b>										
<b>IMPACT AID</b>										
E0820 Impact Aid	S041B20053427	84.040	\$ 22,194	\$ 26,372	\$ (4,179)	\$ 22,193	\$ 16,347	\$ 5,846	\$ 22,193	-
<b>OTHER DIRECT FEDERAL</b>										
E0142 Schools on Safety Project	184V070005	84.184V	521,112	86,551	274,085	360,636	117,912	242,724	360,636	-
E0197 Foreign Lang. Assist Prog	293B060047	84.293B	110,706	53,869	56,836	110,705	79,343	31,362	110,705	-
E0335 Native American Resource Ctr	060A072183	84.060A	76,775	51,251	23,470	74,721	74,721	(0)	74,721	-
E0358 Resilience/Motivation Reading	364A070348	84.364A	300,000	172,632	123,322	295,954	279,209	16,745	295,954	-
E0374 Arts Model Development	351D060136	84.351B	251,655	122,161	100,057	222,218	212,732	9,486	222,218	-
E0448 Carol White Phys Ed Program	215F070018	84.215F	172,099	12,114	146,442	158,556	148,343	10,213	158,556	-
<b>FEDERAL FLOW THROUGH PROJECTS</b>										
<b>ESEA TITLE I</b>										
E0202-298 Title I	0021-08-1395	84.010A	33,006,014	22,428,001	6,713,872	29,141,873	26,187,748	2,954,125	29,141,873	-
<b>ESEA TITLE VI INNOVATIVE PROGRAM STRATEGIES</b>										
E0201 Title V -No Child Left Behind	0002-08-1395	84.298A	173,264	80,379	82,142	162,521	135,178	27,343	162,521	-
<b>ESEA TITLE IV SAFE &amp; DRUG-FREE SCHOOLS</b>										
E0450 Safe & Drug Free Schools & Communities	0180-08-1395	84.186A	418,792	184,724	169,154	353,878	273,761	80,117	353,878	-

(continued)

THE CITY OF ROCHESTER, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2009

	Grant Number	CFDA Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
				Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	
INDIVIDUALS WITH DISABILITIES EDUCATION ACT										
E0305 IDEA Support Serv & Sec 611	0032080370	84.027A	\$ 9,530,698	\$ 7,680,390	\$ 1,178,639	\$ 8,859,029	\$ 8,623,910	\$ 235,119	\$ 8,859,029	-
E0340 IDEA Preschool Serv & Sec 619	0033080370	84.173A	834,654	551,556	210,262	761,818	671,224	90,594	761,818	-
E0362 IDEA Quality Assurance Impleme	0031082855	84.027A	115,000	46,342	33,463	79,805	85,605	(5,800)	79,805	-
E0390 Pre-School Administration	0232080370	84.173A	118,605	99,919	16,439	116,358	116,690	(332)	116,358	-
VOCATIONAL EDUCATION										
E0043 Perkins Correctional	8030080001	84.048A	20,000	12,241	5,011	17,252	17,251	1	17,252	-
E0707 Perkins Secondary	8000080024	84.048A	705,848	505,169	148,860	654,029	648,976	5,053	654,029	-
E0754 Perkins Adult	8000089020	84.048A	225,663	199,228	23,238	222,466	220,341	2,125	222,466	-
E0767 Perkins Tech Prep	8080083002	84.243A	165,000	133,274	24,548	157,822	158,190	(368)	157,822	-
WORKFORCE INVESTMENT ACT										
E0701 Title II - WIA - Correction Ed	0138080015	84.002A	56,523	48,445	7,796	56,241	55,804	437	56,241	-
E0722 WIA Title II	2338081178	84.002A	214,302	137,896	75,960	213,856	213,669	187	213,856	-
E0748 WIA One Stop Center	2338086113	84.002A	38,624	33,579	4,037	37,616	38,010	(394)	37,616	-
OTHER FEDERAL FLOW THROUGH STATE										
E0042 Fast Track Rochester	JJ05441701		185,274	52,924	106,472	159,396	149,662	9,734	159,396	-
E0119 Title IIB Math Partnership	0294080107	84.366B	799,991	159,998	353,058	513,056	304,296	208,760	513,056	-
E0120 Title II-D - Technology	0292081395	84.318X	314,317	239,611	43,598	283,209	279,313	3,896	283,209	-
E0121 Title IID Competitive	0291080009	84.318X	500,000	100,000	143,925	243,925	-	243,925	243,925	-
E0196 Title III Immigrant Education	0293081395	84.365A	250,550	-	179,247	179,247	-	179,247	179,247	-
E0199 Title III - Bilingual Educ	0293081395	84.365A	691,970	383,818	(11,780)	372,038	487,705	(115,667)	372,038	-
E0200 Title IIA - Tchr & Prin Tr/Rec	0147081395	84.367A	5,652,121	2,966,946	1,504,984	4,471,930	4,066,449	405,481	4,471,930	-
E0300 Title I - Improvement/Choice	0011082004	84.010A	1,310,000	221,000	764,507	985,507	13,082	972,425	985,507	-
E0303 DICA Audit Grant	0011080004	84.010A	4,849,215	969,843	2,178,025	3,147,868	131,441	3,016,427	3,147,868	-
E0310 SETRC	C007559	84.027A	488,559	277,622	147,973	425,595	424,364	1,231	425,595	-
E0338 Urban Forum	0020080001	84.010A	50,000	15,563	31,864	47,427	15,190	32,237	47,427	-
E0360 Homeless Children & Youth	0212083919	84.196A	125,000	25,000	51,714	76,714	76,110	604	76,714	-
E0364 Reading First	0243080215	84.357A	2,988,000	2,377,526	494,480	2,872,006	2,883,031	(11,025)	2,872,006	-
E0458 Title IV SDFSCA8	0189081001	84.186	52,998	15,095	5,417	20,512	20,438	74	20,512	-
E0718 EDGE	C011381082	84.002A	190,740	124,440	63,580	188,020	125,681	62,339	188,020	-
E0719 EDGE FFFS	C011381081	84.002A	266,832	63,240	203,592	266,832	1,662	265,170	266,832	-
E0779 WIA II Workplace Literacy	2338084102	84.002A	54,227	21,230	31,707	52,937	53,539	(602)	52,937	-
OTHER FEDERAL FLOW THROUGH AGENCY/FOUNDATION										
E0147 Smaller Learning Communities	GREECE0601	84.215L	197,436	276,479	(79,043)	197,436	196,895	541	197,436	-
E0321 U of R / NIMH	URNIMH0801	93.242B	170,268	95,565	69,907	165,472	169,572	(4,100)	165,472	-
E0359 Librarians for 21st Century	0106007606	45.313B	52,165	426	26,998	27,424	27,493	(69)	27,424	-

(continued)

THE CITY OF ROCHESTER, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2009

	Grant Number	CFDA Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
				Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	
<b>SCHOOL FOOD SERVICE FUND:</b>										
U.S. DEPARTMENT OF AGRICULTURE	---	10.555	\$ 14,212,532	\$ -	\$ 14,212,532	\$ 14,212,532	\$ -	\$ 14,212,532	\$ 14,212,532	\$ -
TOTAL SCHOOL DISTRICT GRANTS			143,415,335	41,052,419	67,031,443	108,083,862	47,800,887	72,539,408	120,340,295	(12,256,432)
TOTAL CITY GRANTS			364,746,372	307,784,465	25,113,311	332,897,776	307,023,582	26,041,443	333,065,025	(167,250)
GRAND TOTAL CITY GRANTS AND SCHOOL DISTRICT GRANTS			<u>\$ 508,161,707</u>	<u>\$ 348,836,884</u>	<u>\$ 92,144,754</u>	<u>\$ 440,981,638</u>	<u>\$ 354,824,469</u>	<u>\$ 98,580,851</u>	<u>\$ 453,405,320</u>	<u>\$ (12,423,682)</u>

See "Notes to Schedule of Expenditures of Federal Awards."

(concluded)

# **THE CITY OF ROCHESTER, NEW YORK**

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009**

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### **NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of City of Rochester, New York (the City), and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

### **NOTE 2 - BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting.

The amounts reported as federal expenditures were obtained from the City's financial reporting system, which is the source of the City's basic financial statements.

### **NOTE 3 - MAJOR PROGRAM DETERMINATION**

All federal programs with expenditures exceeding the greater of 3% of the total federal awards or \$300,000 are considered Type A programs, and all federal programs with expenditures exceeding the greater of .3% of the total federal awards or \$100,000 are considered Type B programs. These programs were then further evaluated and major programs were selected.

### **NOTE 4 - NON-MONETARY FEDERAL PROGRAM**

The Rochester City School District (the District) is the recipient of a federal award program that does not result in cash receipts or disbursements, termed a "non-monetary program." During the year ended June 30, 2009, the District received \$925,780 of commodities from the U.S. Department of Agriculture and is included in the current year revenues and expenditures.

### **NOTE 5 - OTHER**

Negative revenues are a result of program closeout or a reduction in the reserve for encumbrances.



# **THE CITY OF ROCHESTER, NEW YORK**

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009**

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### **NOTE 6 - ASSET CONTROL AREA AGREEMENT (“ACA”)**

Participating in this program (CFDA# 14.311), the City purchased houses from the Department of Housing and Urban Development at a discount. In turn, to revitalize the City’s housing stock, these units are rehabilitated and resold to low to moderate-income families. The value of these discounts was \$1,237,700 and \$1,233,491 in the 2009 and 2008 program years, respectively. While the cost of the property purchases and the revenue from sales are reported in the City’s basic financial statements, the expenses for rehabilitation are reported in the schedule of expenditures of federal awards under the CDBG Program (CFDA#14.218) and the Home Program (CFDA# 14.239). The combined acquisition and rehabilitation costs of these properties exceed the final sale prices.

# THE CITY OF ROCHESTER, NEW YORK

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

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### I. SUMMARY OF AUDITOR'S RESULTS

#### *Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None

Noncompliance material to financial statements noted?  Yes  No

#### *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None

Type of auditor's report issued on compliance for major programs:

Unqualified for all major programs except for 21<sup>st</sup> Century Community Learning Center, which is qualified.

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  Yes  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Programs or Clusters</u>
20.205	NYS Department of Transportation
84.287	21 <sup>st</sup> Century Community Learning Centers
14.218/14.253	Community Development Block Grants / Entitlement Grants

Dollar threshold used to distinguish between type A and type B programs (3% of total federal awards) \$ 2,957,426

Auditee qualified as low-risk auditee?  Yes  No

**THE CITY OF ROCHESTER, NEW YORK**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009 (Continued)**

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II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings in the year ended June 30, 2009.

# THE CITY OF ROCHESTER, NEW YORK

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009 (Continued)

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### III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

#### ***SIGNIFICANT DEFICIENCIES***

##### **09-1 Suspension and Debarment**

*Federal Program:* 21<sup>st</sup> Century Community Learning Centers Program CFDA# 84.287

*Condition:* We noted that the City did not perform a verification check for covered transactions related to suspended and debarred vendors for the 21<sup>st</sup> Century Community Learning Centers Program.

*Criteria:* Under the program requirements related to federal expenditures for suspension and debarment, all non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria.

*Cause:* The City did not perform testing on vendors for suspension or debarment related to the 21<sup>st</sup> Century Community Learning Centers Program.

*Effect:* The City is not in compliance with OMB Circular A-133 requirements for suspension and debarment.

*Questioned Costs:* There are no quantifiable questioned costs for this finding.

*Recommendation:* We recommend that all vendors related to federal expenditures are verified to the EPLS website ([www.epls.gov](http://www.epls.gov)) to confirm they are neither a suspended nor a debarred vendor prior to contracting or purchasing from them.

*Management Response:* The City will modify the procedures for the processing of contracts to assure that the suspension and debarment verification occurs as required.

# THE CITY OF ROCHESTER, NEW YORK

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009 (Continued)

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### III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (continued)

#### 09-2 Payroll Time Certifications

*Federal Program:* 21<sup>st</sup> Century Community Learning Centers Program CFDA# 84.287

*Condition:* During our audit of the financial statements it was observed that the City does not maintain a certification of time allocation for all Federal program employees. In accordance with OMB Circular A-87, all employees working and charged to federally funded programs are required to complete time certifications of the percentage of time spent working in federally funded programs or maintain a log of all time spent working in federally funded programs. Certifications are required to be completed at least semiannually.

*Criteria:* All employees working and charged to federally funded programs are required to complete time certifications of the percentage of time spent working in federally funded programs or maintain a log of all time spent working in federally funded programs.

*Effect:* No certifications were completed by the employees working and charged to federally funded programs.

*Questioned Costs:* There are no quantifiable questioned costs for this finding.

*Recommendation:* We recommend that the City implement procedures to ensure compliance with OMB Circular A-87.

*Management Response:* All program staff have now been instructed on correct procedures for payroll certification. The Finance Department will more closely monitor to assure compliance.

# THE CITY OF ROCHESTER, NEW YORK

## SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

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### II. FINANCIAL STATEMENT FINDINGS

#### ***SIGNIFICANT DEFICIENCIES***

##### **08-1 Financial Accounting and Reporting**

*Condition:* Internal controls related to the financial closing and reporting process of the School District (a component unit of the City) are not operating effectively. In the prior year(s) the School District reported compensated absences and an accounts receivable as designations of fund balance in the amount of \$2,139,004 and \$20,000,000, respectively. Compensated absences should have been recorded as a liability in the general fund and, therefore, a prior period adjustment has been recorded in the current year to correct the misstatement. The accounts receivable was recorded based on information received by New York State, however, this receivable was not recorded in accordance with generally accepted accounting principles and has also been reversed through a prior period adjustment in the current year.

*Criteria:* Management is responsible for the fair presentation of the School District's financial statements.

*Cause:* Internal controls related to the financial closing and reporting process of the District are not operating effectively.

*Effect:* Compensated absences were understated, receivables were overstated and fund balance was overstated in the prior year(s).

*Recommendation:* We recommend that the School District fully evaluate the reporting of all fund balance designations to ensure that the School District is in compliance with generally accepted accounting principles.

*Management Response:* The District has accepted the recommendation of our external auditors and have recorded the adjustments in the financials dated June 30, 2008. The proper accounting adjustments have been made in association with the prior years' designations of compensated absences and the Chapter 94 Laws of 2002, issued by New York State.

The District will commence a process to evaluate all fund balance designations of the District to ensure that generally accepted accounting principles are applied. Procedures will be documented and training will occur in the proper recording and use of future fund balance designations. We will also investigate the new requirements for the presentation of fund balances.

# THE CITY OF ROCHESTER, NEW YORK

## SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009 (Continued)

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### III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

#### 08-2 Suspension and Debarment

*Federal Program:* 21<sup>st</sup> Century Community Learning Centers Program CFDA# 84.287

*Condition:* We noted that the City did not perform a verification check for covered transactions related to suspended and debarred vendors for the 21<sup>st</sup> Century Community Learning Centers Program.

*Criteria:* Under the program requirements related to federal expenditures for suspension and debarment, all non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria.

*Cause:* The City did not perform testing on vendors for suspension or debarment related to the 21<sup>st</sup> Century Community Learning Centers Program.

*Effect:* The City is not in compliance with OMB Circular A-133 requirements for suspension and debarment.

*Questioned Costs:* There are no quantifiable questioned costs for this finding.

*Recommendation:* We recommend that all vendors related to federal expenditures are verified to the EPLS website ([www.epls.gov](http://www.epls.gov)) to confirm they are neither a suspended nor a debarred vendor prior to contracting or purchasing from them.

*Management Response:* The City modified its contract procedures to assure compliance with the suspension and debarment verification requirement. Unfortunately, this procedural change occurred mid-year, after the renewal of certain contracts. The City believes that appropriate controls are now in place that will reduce the likelihood of reoccurrence.

# THE CITY OF ROCHESTER, NEW YORK

## SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009 (Continued)

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### III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (continued)

#### 08-3 Payroll Time Certifications

*Federal Program:* Special Education Cluster CFDA# 84.027/84.173  
Mathematics and Science Partnerships CFDA# 84.366

*Condition:* During our audit of the financial statements it was observed that the School District (a component unit of the City) does not maintain a certification of time allocation for all Federal program employees. In accordance with OMB Circular A-87, all employees working and charged to federally funded programs are required to complete time certifications of the percentage of time spent working in federally funded programs or maintain a log of all time spent working in federally funded programs. Certifications are required to be completed at least semiannually.

*Criteria:* All employees working and charged to federally funded programs are required to complete time certifications of the percentage of time spent working in federally funded programs or maintain a log of all time spent working in federally funded programs.

*Effect:* No certifications were completed by the employees working and charged to federally funded programs.

*Questioned Costs:* There are no quantifiable questioned costs for this finding.

*Recommendation:* We recommend that the School District implement procedures to ensure compliance with OMB Circular A-87.

*Management Response:* A cross-functional team is in place to develop an accurate reporting system to be used for the completion of payroll time certifications for the District. This will be implemented by December 31, 2008 for Federal programs as well as the New York State Contract for Excellence. The team consists of individuals from IT, grant development, budgeting and grant monitors. The team has been charged with developing the process and will include the format to be used, instructions, reviews and approvals, change procedures, as well as the training on the process. The process will initially be a manual process to be in immediate compliance with OMB Circular A-87. Continual development will include an automated process to be used for programs through the use of the PeopleSoft software as the District's financial system of record.

An assessment of grant funding will be completed to ensure that the payroll time certifications are completed for the necessary grants. The procedures will be documented and communicated to grant monitors, principals, and program directors for this fiscal year.



**NEW YORK STATE  
& OTHER AWARDS**

**THE CITY OF ROCHESTER, NEW YORK  
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS  
YEAR ENDED JUNE 30, 2009**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	
<b>CITY GRANTS</b>									
<b>STATE OF NEW YORK:</b>									
<b>DIV. OF CRIMINAL JUSTICE SERVICE:</b>									
Motor Vehicle Theft	C-016708	86,012	8,350	76,911	85,261	8,350	76,911	85,261	-
Motor Vehicle Theft	C-464035	50,000	-	5,979	5,979	-	5,979	5,979	-
Impact V	C-483996	518,190	-	373,990	373,990	-	379,002	379,002	(5,012)
<b>DEPARTMENT OF TRANSPORTATION:</b>									
Broad Street Tunnel - 4751.87	D009279	191,250	158,542	48,624	207,166	158,542	48,624	207,166	-
Ford Street Bridge - 4752.52	D011399	1,650,000	1,505,870	-	1,505,870	1,505,870	-	1,505,870	-
Lake Avenue - 4752.45	D011414	1,819,900	1,719,846	-	1,719,846	1,719,846	-	1,719,846	-
Broad Street Bridge	D013824	70,500	-	42,883	42,883	-	42,883	42,883	-
Elmwood Bridge	D013825	431,250	428,481	5	428,486	428,481	5	428,486	-
Chili Avenue	D014967	1,153,818	1,088,524	29	1,088,553	1,088,524	29	1,088,553	-
CBD Wayfinding Signs	D017579	116,500	70,613	41,613	112,226	70,613	41,613	112,226	-
Lexington Avenue	D017499	823,436	830,414	7,963	838,377	830,414	7,963	838,377	-
West Ridge Road	D013560	5,255,400	4,654,129	6,284	4,660,413	4,654,129	6,284	4,660,413	-
Port of Rochester	D013858	1,063,975	1,057,014	-	1,057,014	1,057,014	-	1,057,014	-
Brooks Village/Genesee Street	A809	407,000	396,181	4,819	401,000	396,181	4,819	401,000	-
Charlotte Port	A-218	1,000,000	-	-	-	-	-	-	-
West Main Street Streetscape	D019108	250,000	-	249,900	249,900	-	249,900	249,900	-
Inner Loop Study	D017599	100,000	-	19,876	-	-	19,876	-	-
Smith Street Bridge	D024554	1,142,000	802,882	536,564	1,339,446	802,882	536,564	1,339,446	-
Mt. Hope & E. Henrietta	D022408	90,000	-	60,064	60,064	-	60,064	60,064	-
Ridgeway Avenue	D031733	33,000	-	25,254	25,254	-	25,254	25,254	-
Field Street Traffic Calming	D025863	50,000	-	50,000	50,000	-	50,000	50,000	-
Snow & Ice Control	D005375	53,529	-	53,529	53,529	-	53,529	53,529	-
Consolidated Street & Highway Improvements		2,647,900	-	2,647,900	2,647,900	-	2,647,900	2,647,900	-
<b>EMPIRE STATE DEVELOPMENT CORPORATION</b>									
Restore NY - Center City		300,000	-	300,000	300,000	-	300,000	300,000	-
Restore NY - Demolition	U-966	2,000,000	-	1,500,000	1,500,000	804,013	867,781	1,671,794	(171,794)
Restore NY - Demolition 2		1,900,000	-	-	-	-	1,712,406	1,712,406	(1,712,406)
Restore NY 2		4,100,000	-	-	-	-	-	-	-
Midtown Master Plan		970,000	42,000	847,028	889,028	42,000	847,028	889,028	-
<b>DORMITORY AUTHORITY OF NEW YORK STATE</b>									
South Avenue Garage	1879	4,200,000	3,717,979	-	3,717,979	3,717,979	-	3,717,979	-
South Avenue Garage	1879	8,000,000	-	-	-	2,252,640	3,634,485	5,887,125	(5,887,125)
Phase 2B Rochester Rhinos Stadium	3979	4,000,000	-	200,534	200,534	-	200,534	200,534	-
Atlantic Avenue		50,000	-	21,474	21,474	-	21,474	21,474	-
W. Ridge Rd Targeted Business Exterior Improvement		425,000	-	-	-	-	34,343	34,343	(34,343)
<b>OFFICE OF CHILDREN AND FAMILY SERVICES</b>									
Adolescent Pregnancy 07-08	C008250	377,396	377,084	-	377,084	317,277	51,789	369,066	8,018
Adolescent Pregnancy 08-09	C024995	354,752	79,925	254,089	334,014	-	273,877	273,877	60,137
Adolescent Pregnancy 08-09 COLA	C024995	30,267	-	-	-	-	-	-	-
Adolescent Pregnancy 09-10	C024995	354,752	-	72,119	72,119	-	72,119	72,119	-
<b>CRIME VICTIMS BOARD:</b>									
Victims Assistance 07-08	C-401137	252,574	183,287	63,144	246,431	177,645	70,425	248,070	(1,639)
Victims Assistance 08-09	C-401137	260,000	-	190,496	190,496	-	177,137	177,137	13,359

(continued)

**THE CITY OF ROCHESTER, NEW YORK  
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS  
YEAR ENDED JUNE 30, 2009**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	
<b>NYS OFFICE OF PARKS, RECREATION &amp; HISTORIC PRESERVATION</b>									
		5,000	-	5,000	5,000	-	5,000	5,000	-
		25,582	-	25,582	25,582	-	25,582	25,582	-
		150,000	-	-	-	-	145,000	145,000	(145,000)
<b>NYS DEPARTMENT OF EDUCATION</b>									
		14,511	-	13,060	13,060	-	14,511	14,511	(1,451)
		7,115	-	6,404	6,404	-	7,115	7,115	(711)
		554,731	499,257	-	499,257	499,257	55,474	554,731	(55,474)
<b>DEPARTMENT OF MOTOR VEHICLES</b>									
	PT-2801113	20,726	10,810	9,007	19,817	10,810	9,007	19,817	-
	PT-2801121	37,826	-	21,895	21,895	-	21,895	21,895	-
<b>AFFORDABLE HOUSING CORP.:</b>									
	AHC-2EO7	300,000	300,000	-	300,000	287,500	12,500	300,000	-
	AHC-2EE53	300,000	253,850	45,500	299,350	286,850	12,500	299,350	-
	AHC-2GG46	300,000	201,425	82,500	283,925	201,135	80,550	281,685	2,240
<b>NYS OFFICE OF REAL PROPERTY SERVICES</b>									
		110,000	34,000	76,000	110,000	34,000	76,000	110,000	-
		299,390	-	299,390	299,390	-	299,390	299,390	-
<b>NYS DEPARTMENT OF STATE</b>									
	C-002608	400,000	387,813	12,187	400,000	387,813	12,087	399,900	100
		90,000	66,429	-	66,429	66,429	-	66,429	-
		71,500	22,500	29,284	51,784	57,454	14,046	71,500	(19,716)
		50,000	44,660	-	44,660	44,660	-	44,660	-
<b>NYS DEPARTMENT OF ENVIRONMENTAL CONSERVATION</b>									
		885,010	79,995	-	79,995	79,995	-	79,995	-
		167,101	-	166,280	166,280	36,865	130,236	167,101	(821)
<b>NYS DEPARTMENT OF LABOR</b>									
		217,000	-	217,000	217,000	-	217,000	217,000	-
<b>NYS RECORDS AND ARCHIVES</b>									
		15,200	-	6,062	6,062	-	15,200	15,200	(9,138)
<b>MONROE COUNTY:</b>									
<b>MONROE COUNTY DEPARTMENT OF TRANSPORTATION</b>									
		192,000	157,235	18,195	175,430	167,972	7,458	175,430	-
<b>MONROE COUNTY DEPARTMENT OF PUBLIC HEALTH</b>									
		36,000	-	14,304	14,304	-	14,646	14,646	(342)
<b>MONROE COUNTY DEPARTMENT OF PUBLIC SAFETY</b>									
		91,323	50,261	41,061	91,322	50,261	41,061	91,322	-
		94,926	-	-	-	-	47,444	47,444	(47,444)

(continued)

**THE CITY OF ROCHESTER, NEW YORK  
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS  
YEAR ENDED JUNE 30, 2009**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	
<b>PUBLIC AUTHORITY:</b>									
<b>ROCHESTER GENESEE REGIONAL TRANSPORTATION AUTHORITY</b>									
Midtown Relocation		\$ 175,000	\$ -	\$ 133,145	\$ 133,145	\$ -	\$ 133,145	\$ 133,145	\$ -
<b>LOCAL FOUNDATIONS:</b>									
<b>ST. JOSEPHS VILLA</b>									
DMC		10,010	963	9,047	10,010	963	11,920	12,883	(2,873)
<b>JOAN &amp; HAROLD FEINBLOOM FOUNDATION</b>									
Juvenile Crime Prevention		20,000	20,000	-	20,000	5,966	14,034	20,000	-
<b>GREATER ROCHESTER HEALTH FOUNDATION</b>									
Lead Safe Homes		1,500,000	18,750	320,708	339,458	-	300,708	300,708	38,750
<b>ROCHESTER AREA COMMUNITY FOUNDATION</b>									
Rochester Heritage Trail		200,000	1,875	18,125	20,000	1,875	9,377	11,252	8,748
SUBTOTAL CITY GRANTS (EXCLUDING PASS THROUGH)		52,918,352	19,270,944	9,270,807	28,541,751	22,252,205	14,253,483	36,505,688	(7,963,937)
<b>CITY SCHOOL DISTRICT GRANTS</b>									
<b>PROJECTS CLOSED AS OF JUNE 30, 2009</b>									
<b>STATE OF NEW YORK</b>									
E0023-024, 0085 Universal Pre-K	0409087506	10,557,501	7,471,029	2,542,130	10,013,159	9,772,291	240,868	10,013,159	-
E0031-032 Empl Preparation Ed	00SA432008	2,679,438	666,538	1,990,865	2,657,403	2,665,590	(8,187)	2,657,403	-
E0041 Incarcerated Youth	0000SA8107	1,877,800	834,000	1,032,213	1,866,213	1,860,246	5,967	1,866,213	-
E0050-080 Summer Program - Instruction	0000900008	4,390,642	273,609	2,785,154	3,058,763	3,944,914	(886,151)	3,058,763	-
E0100 School Health Services	0432080002	6,292,705	3,146,352	2,934,914	6,081,266	6,081,666	(400)	6,081,266	-
E0123 Learn Tech SWW	0647080053	49,997	44,997	3,567	48,564	48,564	-	48,564	-
E0124 Learn Tech Monroe	0647080056	50,000	39,816	8,964	48,780	48,052	728	48,780	-
E0125 Learn Tech Monroe Marshall Wil	0647070052	49,915	23,152	22,728	45,880	34,608	11,272	45,880	-
E0126 Learn Tech Douglass SWW Jeffer	0647080054	49,915	23,146	19,642	42,788	33,158	9,630	42,788	-
E0127 Learn Tech East	0647080055	49,999	12,499	10,011	22,510	22,510	-	22,510	-
E0128 Learn Tech East Charlotte	0647080057	50,000	12,500	26,011	38,511	30,603	7,908	38,511	-
E0198 Refugee School Impact Grant	C020183071	410,348	74,699	322,159	396,858	94,131	302,727	396,858	-
E0339 SURR New and Former	0436080012	80,000	20,000	37,363	57,363	57,363	-	57,363	-
E0345 Rochester Teacher Center	0425080086	579,000	392,537	166,604	559,141	531,132	28,009	559,141	-
E0347 Mentor Intern Program	0663080006	351,386	249,373	85,605	334,978	325,009	9,969	334,978	-
E0350 Roch School Library Systems	0365080046	98,596	99,162	(566)	98,596	98,596	(0)	98,596	-
E0351 Extend Day/Violence Prevention	0640081395	739,865	546,228	151,117	697,345	697,443	(98)	697,345	-
E0352 Sch Lib Sys Aid 4 Automation	0364080046	6,733	9,916	(3,183)	6,733	6,733	(0)	6,733	-
E0353 Library Automation Rollover	LIBROL0801	3,386	3,386	0	3,386	3,051	335	3,386	-
E0354 Library Systems Rollover	LIBROL0802	4,288	4,288	(0)	4,288	4,279	9	4,288	-
E0356 School Library Suppl Aid	0365081046	47,199	49,848	(2,649)	47,199	47,872	(673)	47,199	-
E0420 Missing Child Prevention	0544087059	9,999	2,499	7,236	9,735	9,751	(16)	9,735	-
E0721 Welfare Ed Prog Lit & Basic Ed	2396081105	300,000	211,484	72,695	284,179	287,276	(3,097)	284,179	-

(continued)

**THE CITY OF ROCHESTER, NEW YORK  
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS  
YEAR ENDED JUNE 30, 2009**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2008	Current Year	Cumulative June 30, 2008	Cumulative June 30, 2008	Current Year	Cumulative June 30, 2008	
<b>STATE OF NEW YORK (continued)</b>									
E0749 Citizenship Initiative Program	OSWEGO0801	\$ 14,333	\$ -	\$ 14,333	\$ 14,333	\$ 13,356	\$ 977	\$ 14,333	-
E0755 SURR Grant	0436080005	118,000	64,313	7,376	71,689	71,688	1	71,689	-
E0764 ARSIP - Apprenticeship	0140080024	85,527	-	85,527	85,527	83,320	2,207	85,527	-
E0783 Teachers of Tomorrow	0644080012	1,711,600	855,800	709,200	1,565,000	1,565,000	-	1,565,000	-
<b>COUNTY PROJECTS:</b>									
E0140 CCSI Silence Violence	CCSI08Y102	1,000	1,000	-	1,000	1,000	-	1,000	-
E0154 OASAS	00CCSI0801	29,066	8,542	19,814	28,356	13,771	14,585	28,356	-
E0317 Pre-Sch Intgrtd/Hndcppd	0000916508	1,052,268	402,366	89,352	491,718	931,328	(439,610)	491,718	-
E0370 Pre-School Related Services	0000920008	468,088	167,941	57,025	224,966	433,642	(208,676)	224,966	-
E0375 Preschool S.E.I.T	0000913508	132,611	35,600	22,750	58,350	104,743	(46,393)	58,350	-
E0391 Pre-Sch Admin/County	COUNTY0801	235,422	-	-	-	233,082	(233,082)	-	-
E0772 MCDSS CAREERS	MCDSS47407	466,666	116,690	349,976	466,666	444,766	21,900	466,666	-
<b>PRIVATE PROJECTS:</b>									
E0739 LAW ENFORCEMENT PROG @ MARSHAL	CITYRO0801	16,377	13,927	0	13,927	13,927	0	13,927	-
E0747 GARDEN PLOTS @ Marshal	CITYRO0805	12,042	11,974	(0)	11,974	11,974	(0)	11,974	-
E0795 City of Roch. Jr. Rec. Leade	CITYRO0803	18,233	-	16,680	16,680	-	16,680	16,680	-
E0796 City of Roch. Teens on Patro	CITYRO0803	37,226	-	36,044	36,044	-	36,044	36,044	-
E0797 City of Roch Summer of Opporrt	CITYRO0803	52,118	-	38,997	38,997	-	38,997	38,997	-
E0798 City of Roch Comm Conserv Corp	CITYRO0803	183,392	-	172,715	172,715	-	172,715	172,715	-
E0141 Youth Venture	YSAYOUTH08	1,000	500	237	737	737	(0)	737	-
E0304 Roch Early Enhancemnt Prg-RPPF	CHILDR0801	131,232	109,360	18,843	128,203	127,210	993	128,203	-
E0313 School #12/United Way	UNITWY0801	155,254	77,898	71,856	149,754	146,949	2,805	149,754	-
E0371 Gates Frndtn @ Career Academy	GATESF0801	13,340	13,340	(0)	13,340	11,999	1,341	13,340	-
E0445 Teachers As Learners	NAZARE0801	10,000	10,000	-	10,000	4,805	5,195	10,000	-
E0513 The Primary Project	CHILDR0802	101,000	58,364	26,017	84,381	83,942	439	84,381	-
E0515 The Primary Project	CHILDR0804	66,930	33,465	21,459	54,924	54,924	0	54,924	-
E0700 Virtual Enterprise Membership	VIRTUA0801	22,000	20,500	-	20,500	21,993	(1,493)	20,500	-
E0703 Health Care Apprenticeship	ROCGEN0801	162,000	-	97,770	97,770	37,598	60,172	97,770	-
E0734 Law Prep Summer Internship @ M	RWILAW0801	17,000	16,707	0	16,707	16,707	0	16,707	-
E0742 Cuban/Haitian Entrants	CFCHESH08	27,606	6,735	20,758	27,493	26,922	571	27,493	-
E0769 ESL NAF Summer Interr	ESLNAF0801	11,616	8,749	(0)	8,749	8,749	(0)	8,749	-
E0770 Workplace Literacy UAW	UAWGEN0801	16,134	16,133	(0)	16,133	16,129	4	16,133	-
E0773 Monroe County Transition Serv	MCDSS16807	82,320	37,200	43,920	81,120	78,396	2,724	81,120	-
E0775 Workplace Literacy Companies	WORKPL0801	16,220	1,425	-	1,425	3,267	(1,842)	1,425	-
E0776 Workplace Lit - Strong Hosp	UOFROC0803	31,710	13,650	10,800	24,450	28,560	(4,110)	24,450	-
E0783 Urban League Youth Builc	URBANL0801	51,000	-	51,000	51,000	9,794	41,206	51,000	-
<b>PROJECTS OPEN AS OF JUNE 30, 2009</b>									
<b>STATE OF NEW YORK:</b>									
F0023 Universal Pre-K	0409097506	10,279,068	-	7,077,745	7,077,745	-	10,257,224	10,257,224	(3,179,479)
F0031-032 Empl Preparation Ed	00SA432005	2,840,033	-	1,115,929	1,115,929	-	2,809,395	2,809,395	(1,693,466)
F004 1Incarcerated Youth	0000SA8105	2,000,087	-	834,000	834,000	-	1,986,806	1,986,806	(1,152,806)
F0050-080 Summer Program - Instructor	0009000009	4,512,050	-	98,478	98,478	-	4,203,406	4,203,406	(4,104,928)
F0092 Feasibility Study-Insurance	C068872NYS	84,000	-	-	-	-	72,491	72,491	(72,491)
F0100 School Health Services	0432090002	6,292,705	-	4,810,725	4,810,725	-	6,239,536	6,239,536	(1,428,811)
F0123 Learn Tech SWW	0647090053	49,997	-	44,997	44,997	-	49,565	49,565	(4,568)
F0124 Learn Tech Monroe	0647090056	50,000	-	29,335	29,335	-	49,710	49,710	(20,375)

(continued)

**THE CITY OF ROCHESTER, NEW YORK  
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS  
YEAR ENDED JUNE 30, 2009**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	
<b>STATE OF NEW YORK (continued)</b>									
F0125 Learn Tech Monroe Marshall Wil	0647090052	\$ 49,635	\$ -	\$ 12,408	\$ 12,408	\$ -	\$ 40,280	\$ 40,280	\$ 27,872
F0126 Learn Tech Douglass SWWW Jeffer	0647090054	49,915	-	12,478	12,478	-	43,163	43,163	30,685
F0127 Learn Tech East	0647090055	49,999	-	12,499	12,499	-	36,167	36,167	23,668
F0128 Learn Tech East Charlotte	0647090057	49,980	-	21,336	21,336	-	43,079	43,079	21,743
F0151 Special Legislative Project @ Franklin BIOSC #1	SPLC807003	471,202	-	117,800	117,800	-	243,650	243,650	125,850
F0152 Special Legislative Project @ Franklin BIOSC #2	SPLC806009	467,248	-	116,812	116,812	-	185,642	185,642	68,830
F0195 ELL Bilingual Supplementary	0635098011	25,000	-	12,500	12,500	-	6,802	6,802	(5,698)
F0198 Refugee School Impact Grant	C020183071	205,174	-	-	-	-	3,835	3,835	3,835
F0345 Rochester Teacher Center	0425090089	579,000	-	369,581	369,581	-	524,092	524,092	154,511
F0346 Cohesive Leadership Grant	COHESIVE09	135,000	-	101,250	101,250	-	113,800	113,800	12,550
F0347 Mentor Intern Program	0663090006	325,000	-	231,075	231,075	-	303,538	303,538	72,463
F0350 Roch School Library Systems	0365090046	96,929	-	96,929	96,929	-	86,872	86,872	(10,057)
F0351 Extend Day/Violence Prevention	0640091395	691,993	-	460,839	460,839	-	667,304	667,304	206,465
F0352 Sch Lib Sys Aid 4 Automation	0364090046	9,693	-	9,693	9,693	-	8,871	8,871	(822)
F0353 Library Automation Rollover	LIBROL0901	3,183	-	3,183	3,183	-	3,059	3,059	(124)
F0354 Library Systems Rollover	LIBROL0902	3,215	-	3,215	3,215	-	739	739	(2,477)
F0356 School Library Suppl Aid	0365091046	47,950	-	47,950	47,950	-	35,421	35,421	(12,529)
F0420 Missing Child Prevention	0544097059	9,996	-	2,499	2,499	-	9,211	9,211	6,712
F0587 Medicaid Contract	C008808MED	56,400	-	-	-	-	49,431	49,431	49,431
F0721 Welfare Ed Prog Lit & Basic Ed	2396091105	275,562	-	226,115	226,115	-	274,708	274,708	48,593
F0749 Citizenship Initiative Program	OSWEGO0901	12,000	-	-	-	-	475	475	475
F0755 SURR Grant	0436090005	200,022	-	85,878	85,878	-	142,422	142,422	56,544
F0764 ARSIP - Apprenticeship	0140090024	85,527	-	-	-	-	85,229	85,229	85,229
F0825 Teachers of Tomorrow	0644090012	1,985,680	-	992,840	992,840	-	1,283,564	1,283,564	290,724
<b>COUNTY PROJECTS:</b>									
F0317 Pre-Sch Intgrtd/Hndcppd	0000916509	902,268	-	477,548	477,548	-	876,640	876,640	399,091
F0370 Pre-School Related Services	0000920009	468,088	-	139,045	139,045	-	393,546	393,546	254,502
F0375 Preschool S.E.I.T.	0000913509	134,499	-	68,120	68,120	-	133,873	133,873	65,753
F0391 Pre-Sch Admin/County	COUNTY0901	369,055	-	-	-	-	319,682	319,682	319,682
F0772 MCDSS CAREERS	MCDSS47408	466,000	-	349,500	349,500	-	459,096	459,096	109,596
<b>PRIVATE PROJECTS:</b>									
F0091 Food Security	2007582509	30,457	-	30,457	30,457	-	14,925	14,925	(15,532)
F0104 Target Field Trip Grant #42	TARGET0905	800	-	800	800	-	759	759	(41)
F0105 Target Field Trip YA Evening	TARGET0904	800	-	800	800	-	770	770	(30)
F0106 Target Grant at School #6	TARGET0901	800	-	800	800	-	612	612	(188)
F0107 Target Field Trip School #1	TARGET0902	800	-	800	800	-	770	770	(30)
F0108 Target Field Trip Grant - Jeff	TARGET0903	800	-	800	800	-	680	680	(120)
F0111 WC Foundation	GROUPW0901	35,000	-	28,915	28,915	-	28,755	28,755	(161)
F0137 GRHF Water Marshall	GRHFMA0901	4,830	-	4,830	4,830	-	0	-	(4,830)
F0138 GRHF Dancing Stars Future #8	GRHF080902	5,800	-	5,800	5,800	-	5,528	5,528	(272)
F0139 GRHF Fitness Stations #9	GRHF090902	10,000	-	10,000	10,000	-	10,000	10,000	-
F0143 Toshiba America Foundation	TOSHIB0901	518	-	517	517	-	419	419	(98)
F0304 Roch Early Enhancemnt Prg-RPPP	CHILDR0901	131,232	-	77,864	77,864	-	130,752	130,752	52,889
F0313 School #12/United Way	UNITWY0901	157,700	-	132,500	132,500	-	156,434	156,434	23,935
F0378 Arts & Cultural Council-East	ARTSCU0901	4,000	-	2,000	2,000	-	4,000	4,000	2,000
F0379 YAR JROTC Grant @ East	YARJROTC09	1,000	-	843	843	-	843	843	-
F0409 RAC Center for Math & Science	RACCEN0901	40,000	-	30,000	30,000	-	39,722	39,722	9,722

(continued)

**THE CITY OF ROCHESTER, NEW YORK  
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS  
YEAR ENDED JUNE 30, 2009**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	
<b>PRIVATE PROJECTS (continued):</b>									
F0417 Play It Smart	PLAYIT0901	\$ 20,834	\$ -	\$ 16,667	\$ 16,667	\$ -	\$ 20,833	\$ 20,833	\$ (4,166)
The Primary ProjectF0513	CHILDR0902	99,000	-	25,809	25,809	-	70,928	70,928	(45,119)
F0515 The Primary Project	CHILDR0904	29,620	-	10,000	10,000	-	28,416	28,416	(18,416)
F0550 Marshall Elevator Grant	ELEVATOR09	3,000	-	3,000	3,000	-	1,793	1,793	1,208
F0560 UNICON Construction @ Edison	VIRTUA0901	5,000	-	5,000	5,000	-	3,881	3,881	1,119
F0581 Exped Learning #58 Grant 1	ELSWOI0901	63,500	-	62,700	62,700	-	51,284	51,284	11,416
F0700 Virtual Enterprise Membership	VIRTUA0901	27,000	-	21,043	21,043	-	25,837	25,837	(4,794)
F0703 Health Care Apprenticeship	ROCGEN0901	162,000	-	18,495	18,495	-	45,453	45,453	(26,958)
F0734 Law Prep Summer Internship @ M	RWILAW0901	20,154	-	20,154	20,154	-	19,328	19,328	826
F0739 Law Enforcement Program @ Marshall	CITYRO0901	18,112	-	7,202	7,202	-	7,202	7,202	-
F0740 Hospit & Lodging Career @ Jefferson	RWILAW0903	24,548	-	22,271	22,271	-	20,962	20,962	1,309
F0742 Cuban/Haitian Entrants	CFCHES09	30,000	-	-	-	-	26,253	26,253	(26,253)
F0747 Gardent Plots @ Marshall	RWILAW0902	15,045	-	15,045	15,045	-	14,296	14,296	749
F0766 Cons Crdt Cnsl Serv - Student	CCCSIN0901	2,206	-	2,206	2,206	-	2,206	2,206	0
F0769 ESL NAF Summer Intern	ESLNAF0901	11,616	-	4,938	4,938	-	4,671	4,671	266
F0773 Monroe County Transition Servi	MCDSS16808	95,000	-	82,320	82,320	-	77,277	77,277	5,043
F0900 RWI Criminal Justice @ Marshal	RWICRIMJ09	25,029	-	-	-	-	-	-	-
F0901 RWI Law Enforce @ Marshall	RWILAWEN09	23,739	-	-	-	-	-	-	-
F0902 RWI Garden Plots @ Marshall	RWIGARDE09	20,377	-	-	-	-	-	-	-
F0903 RWI Hospitality @ Jefferson	RWIHOSPI09	26,328	-	-	-	-	-	-	-
F0904 RWI Career & Tech @ Jefferson	RWICAREE09	28,317	-	-	-	-	603	603	(603)
F0905 ESL NAF Summer intern	ESLNAFSU09	8,000	-	-	-	-	-	-	-
F0906 RWI Youth Development @ Edison	RWIYOUTH09	-	-	-	-	-	-	-	-
F0907 CCSC Student Intern	CCCSNAFS09	2,000	-	2,000	2,000	-	-	-	2,000
<b>SCHOOL FOOD SERVICE FUND:</b>									
N.Y.S. EDUCATION DEPARTMENT	---	522,856	-	522,856	522,856	-	522,856	522,856	-
CITY OF ROCHESTER	---	21,687	-	21,687	21,687	-	21,687	21,687	-
TOTAL SCHOOL DISTRICT GRANTS		70,320,013	16,313,237	33,346,760	49,659,997	31,305,116	32,584,522	63,889,638	(14,229,641)
TOTAL CITY GRANTS		52,940,039	19,270,944	9,292,494	28,563,438	22,252,205	14,275,170	36,527,375	(7,963,937)
GRAND TOTAL CITY GRANTS AND SCHOOL DISTRICT GRANTS		\$ 123,260,052	\$ 35,584,181	\$ 42,639,254	\$ 78,223,435	\$ 53,557,321	\$ 46,859,692	\$ 100,417,013	\$ (22,193,578)

Note:

(1) See Schedule of Expenditures of Federal Awards for pass through grants.

(concluded)

# **SUMMARY OF FINANCIAL ASSISTANCE**



**THE CITY OF ROCHESTER, NEW YORK  
SUMMARY OF FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2009**

	REVENUES				EXPENSES			Net (Accrued) Deferred Revenue
	Budget	Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	Cumulative June 30, 2008	Current Year	Cumulative June 30, 2009	
<b>CITY GRANTS</b>								
Schedule of Expenditures of Federal Awards *	\$ 364,746,372	\$ 307,784,465	\$ 25,113,311	\$ 332,897,776	\$ 307,023,582	\$ 26,041,443	\$ 333,065,025	\$ (167,249)
Schedule of Expenditures of NYS and Other Awards	52,940,039	19,270,944	9,292,494	28,563,438	22,252,205	14,275,170	36,527,375	(7,963,937)
Subtotal City Grants	417,686,411	327,055,409	34,405,805	361,461,214	329,275,787	40,316,613	369,592,400	(8,131,186)
<b>CITY SCHOOL DISTRICT GRANTS</b>								
Schedule of Expenditures of Federal Awards *	143,415,335	41,052,419	67,031,443	108,083,862	47,800,887	72,539,408	120,340,295	(12,256,433)
Schedule of Expenditures of NYS and Other Awards	70,320,013	16,313,237	33,346,760	49,659,997	31,305,116	32,584,522	63,889,638	(14,229,641)
Subtotal School District Grants	213,735,348	57,365,656	100,378,203	157,743,859	79,106,003	105,123,930	184,229,933	(26,486,074)
GRAND TOTAL CITY GRANTS AND SCHOOL DISTRICT GRANTS	\$ 631,421,759	\$ 384,421,065	\$ 134,784,008	\$ 519,205,073	\$ 408,381,790	\$ 145,440,543	\$ 553,822,333	\$ (34,617,260)

\* Includes federal pass through grants received through New York State.

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