

THE CITY OF ROCHESTER, NEW YORK
Annual Comprehensive Financial Report
Year Ended June 30, 2022

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Department of Finance

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Year Ended June 30, 2022
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INTRODUCTORY SECTION



City of Rochester

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

Malik D. Evans
Mayor

December 22, 2022

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, 2022. The accounting firm selected by City Council, Freed Maxick CPAs PC, has audited the financial statements. The auditors' unmodified "clean" opinion is included in this report.

In each of the past thirty-eight 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 2022 financial report continues to meet the requirements of the Certificate of Achievement Program.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Malik D. Evans", with a long horizontal flourish extending to the right.

Malik D. Evans
Mayor





December 22, 2022

The Mayor
The City of Rochester, New York

I am pleased to submit the Annual Comprehensive Financial Report of the City of Rochester for the fiscal year ended June 30, 2022. Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Freed Maxick CPAs PC, have issued an unmodified (“clean”) opinion on the City of Rochester’s financial statements for the year ended June 30, 2022. The independent auditor’s report is located at the front of the financial section of this report. The Management Discussion and Analysis section (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

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

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

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

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

LOCAL ECONOMY

Rochester's Industrial History

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

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

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

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

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

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

Rochester's Transformation to a 21st Century Economy

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

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

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

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

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

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

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

Economic Development

The City's Business Development Division provides expanding and relocating businesses with technical and financial assistance through several business loan and grant programs. In fiscal year ending June 30, 2021, due to the COVID crisis, a new program was implemented to assist in the retention of existing businesses and their employees during challenging economic times. The City of Rochester assisted many businesses, providing economic development stability and growth within our community. In Fiscal year ending June 30, 2022, the City's Business Development Division initiated and began a new program through the use of American Rescue Plan Act (ARPA) funding to further assist businesses owners who have been impacted by the COVID 19 pandemic according to U.S. Department of

Treasury guidelines. Additional potential programs are currently being explored which may have a positive impact upon city businesses through ARPA funding.

During the fiscal year ending June 30, 2022, the City of Rochester's Department of Neighborhood and Business Development Division assisted numerous businesses resulting in nearly 145 jobs retained and 130 new jobs created.

The unemployment rate for the Rochester area as of June 2022 was 3.4%, compared to the national rate of 3.8%, while NY State was 4.4%.

Significant Announcements

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

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

March 10, 2022 represents the two-year anniversary since the pandemic was declared. Shortly after the pandemic was declared, a national emergency was also declared. Once the national emergency was announced, states began to issue stay-at-home orders, mask mandates, and capacity limits at businesses like restaurants and bars. Since the announcement of the pandemic, there has been much research on vaccines. There are now three vaccines approved by the FDA, Pfizer, Moderna and Johnson & Johnson. The national emergency has been lifted, along with stay at home orders, and most mask mandates. New York State Governor Kathy Hochul, continues to encourage residents to stay up to date on vaccine doses, and test before gatherings and travel.

Due to the pandemic, the City of Rochester saw a decline in revenues and an increase in expenditures. Additionally, there was a reduction in New York State aid to municipalities. Since that time the City has received its full New York State Aid and has brought back all employees that were laid off and furloughed back to work full time. In addition to receiving New York State Aid, the City of Rochester also received funds from the American Rescue Plan Act (ARPA). The City received a total of \$202.1 million, creating a historic opportunity to shape Rochester's recovery and bring true equity to the City. The City of Rochester has received its full allocation.

Quality of Life

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

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

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

Technology: According to the Rochester Beacon, panelists who spoke at the “How Rochester Can Become a Hub for Entrepreneurs” online event said the region’s relatively low profile, despite being home to a well-developed high tech ecosystem, is a hidden strength. The panelists agreed that the Rochester area offers plenty of tech-savvy talent to draw on for new hires whether it be Kodak or Xerox veterans or recent Rochester Institute of Technology or University of Rochester graduates. Rochester has the right infrastructure according to one of the panelist, noting that the region is home to some 150 optics firms, as well as top-flight research institutions.

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

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

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

Educational Resources

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

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

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

Arts and Culture

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

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

The Rochester Philharmonic Orchestra (RPO), also established by George Eastman in 1922, is a nationally award winning orchestra that provides over 120 performances annually with nearly 170,000 in attendance. The RPO performs at the Kodak Hall at Eastman Theater, the Hochstein Performance Hall and other locations. The RPO is known for its educational programs providing free concerts for school children and the community. The Rochester Museum and Science Center (RMSC) holds over 1.2 million items of local history and 200 interactive exhibits. RMSC is also home to the Strasenburgh Planetarium. Other Rochester museums include the Memorial Art Gallery of the University of Rochester, with 50 centuries of world art, and the George Eastman House International, the George Eastman Museum of Photography and Film; and The Margaret Woodbury Strong Museum - a museum dedicated to the history of play with the world's largest collection of historical items associated with play. Over 1.2 million people attended these museums combined in 2015.

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

Sports

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

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

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

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

Annual Festivals

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

Exports

Due to the pandemic, the most recent data available regarding exports from Rochester is from 2019. International trade by area exporters continued to be a significant component of the economic activity of the Rochester area before the pandemic. Exports from the Rochester Metropolitan Statistical Area (MSA) were over \$4.3 billion for calendar 2019. New York State moved up in rank from fourth to third among top exporting states, behind only Texas and California. The Greater Rochester, NY region accounted for 5.8% of all New York State exports, making it the second largest exporting region in the state after New York City.

Waterfront Development

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

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

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

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

Center City:

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

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

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

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

A number of Center City projects have been completed:

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

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

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

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

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

The City of Rochester's Business Development Division is currently working with Constellation Brands, Inc., an upstate wine producer, to relocate nearly 342 positions to the city of Rochester. It will include a significant investment to an existing building within the city of Rochester, named the Aqueduct Building located at 50 East Broad Street.

Investment in Residential Areas

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

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

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

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

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

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

LONG-TERM FINANCIAL PLANNING

The City has historically been able to maintain a stable, unassigned fund balance in the general fund at approximately one percent of total general fund revenues. The balance as of June 30, 2022 was \$112,024,055. The City adopted a fund balance policy on October 17, 2017 specifying unrestricted fund balance in the general fund to be maintained at no less than 12.5% of annual projected general fund expenditures in the same fiscal year. The policy also specifies that should fund balance in the general fund fall below this level then restoration will be no later than within three years.

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

RELEVANT FINANCIAL POLICIES

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

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

REPORTING ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rochester for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the thirty-eighth 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.

The Mayor
Rochester, NY

A Certificate of Achievement is valid for a period of one year only. We believe that this report, the 2022 Annual Comprehensive Financial Report, continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

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

Respectfully submitted,



Kim D. Jones
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Rochester
New York**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF ROCHESTER, NEW YORK
MAYOR AND CITY COUNCIL OFFICIALS

June 30, 2022

Malik D. Evans, Mayor

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

Mary Lupien I (East District), Vice President

Mitchell D. Gruber (At-Large)

Willie J. Lightfoot (At-Large)

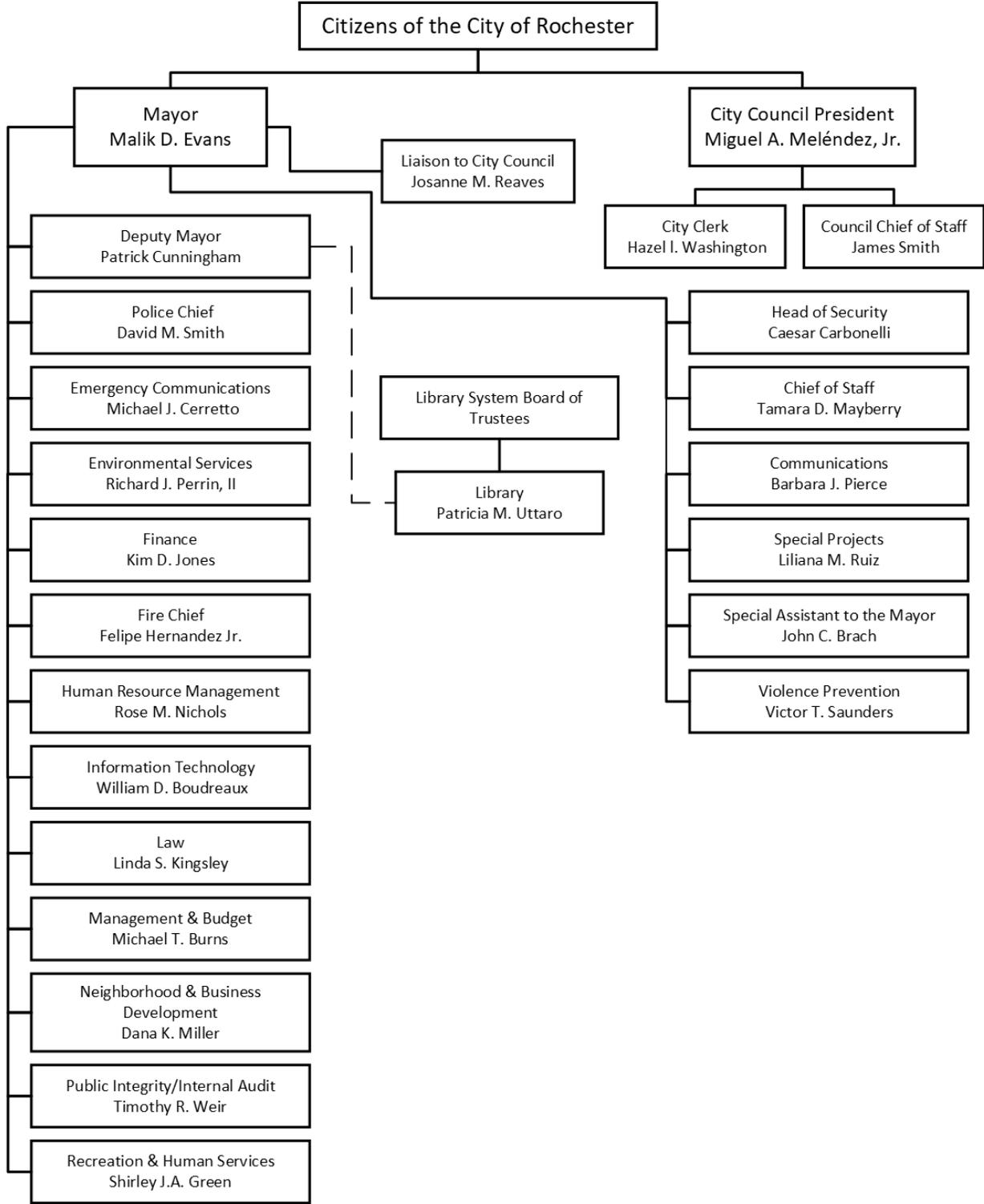
Stanley Martin (At-Large)

Kim Smith (At-Large)

Jose Peo (Northwest District)

LaShay D. Harris (South District)

Michael A. Patterson (Northeast District)



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

Mayor

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

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rochester, New York (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As stated in Note 1, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the combining and individual nonmajor fund financial statements; the schedule of state transportation assistance expended, as required by Draft Part 43 of NYCRR, and the other information such as the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Freed Maxick CPAs, P.C.

Rochester, New York
December 22, 2022



As management of the City of Rochester, we offer readers of the City of Rochester's financial statements this narrative overview and analysis of the financial activities of the City of Rochester for the fiscal year ended June 30, 2022. In this section, all amounts are expressed in thousands of dollars, unless otherwise indicated.

For the management discussion and analysis for the Rochester City School District please see the separately issued Annual Comprehensive Financial Report of the District for the year ended June 30, 2022.

Financial Highlights

- The liabilities and deferred inflows of the City exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$580,144 (net position).
- The City's total net position increased by \$45,881.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$138,861, an increase of \$6,294 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,828.

The City's total outstanding debt decreased by \$6,638 from the prior year.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Compliance with the City's annual operating budget for the year ended June 30, 2022, which includes the General Fund as well as certain special revenue and enterprise funds, is reported in the *Combining Schedule of Revenues, Expenses and Changes in Fund Balance/Net Position - Budget and Actual - General, Certain Special Revenue and Proprietary Funds - Non-GAAP Budget Basis* which is provided as Required Supplemental Information following the Notes to the Financial Statements.

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

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$580,144 at the close of the most recent fiscal year.

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

City of Rochester's Net Position

(000's omitted)

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 670,916	\$ 548,638	\$ 84,164	\$ 73,703	\$ 755,080	\$ 622,341
Pension assets	23,076	—	1,882	—	24,958	—
Capital assets	734,957	735,689	252,305	264,718	987,262	1,000,407
Total assets	1,428,949	1,284,327	338,351	338,421	1,767,300	1,622,748
Deferred pension outflow	171,265	218,306	3,565	4,897	174,830	223,203
Deferred OPEB outflow	—	134,577	—	10,449	—	145,026
Total deferred outflows of resources	171,265.00	352,883	3,565.00	15,346	174,830.00	368,229
Long-term liabilities outstanding	1,160,671	1,773,655	138,525	177,266	1,299,196	1,950,921
Other liabilities	479,413	362,581	51,508	46,027	530,921	408,608
Total liabilities	1,640,084	2,136,236	190,033	223,293	1,830,117	2,359,529
Deferred Inflow - OPEB	403,939	250,627	36,631	6,846	440,570	257,473
Deferred inflow - leases	4,942	—	5,745	—	10,687	—
Deferred pension inflow	234,426	—	6,474	—	240,900	—
Total deferred inflows of resources	643,307	250,627	36,631	6,846	679,938	257,473
Net investment in capital assets	612,195	627,321	183,358	195,736	795,553	823,057
Restricted	27,439	21,450	6,392	5,365	33,831	26,815
Unrestricted (deficit)	(1,322,811)	(1,398,424)	(86,717)	(77,473)	(1,409,528)	(1,475,897)
Total Net Position	\$ (683,177)	\$ (749,653)	\$ 103,033	\$ 123,628	\$ (580,144)	\$ (626,025)

The City's total net position increased by \$45,881. As a result there is a increase of \$66,476 in the net position of governmental activities offset by a decrease of \$(20,595) in the net position of business-type activities. A portion of the City's net position represents resources that are subject to external restrictions on how they may be used.

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

Governmental activities. As noted above, Governmental activities net position increased by \$66,476. Key components of this change are summarized as follows:

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

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 147,659	\$ 150,906	\$ 82,606	\$ 80,146	\$ 230,265	\$ 231,052
Operating grants and contributions	50,265	47,265	—	51	50,265	47,316
Capital grants and contributions	35,171	31,532	717	6,700	35,888	38,232
General revenues:						
Property taxes	176,328	172,414	2,799	2,647	179,127	175,061
Sales and other taxes	223,878	198,916	905	905	224,783	199,821
Governmental aid	96,377	114,189	6,768	41	103,145	114,230
Other	8,790	6,334	1,692	1,526	10,482	7,860
Total revenues	738,468	721,556	95,487	92,016	833,955	813,572
Expenses:						
General Government	145,868	182,621	—	—	145,868	182,621
Neighborhood business development	29,278	39,377	—	—	29,278	39,377
Environmental services	45,570	53,498	—	—	45,570	53,498
Transportation	53,641	43,685	—	—	53,641	43,685
Emergency communications	16,195	26,496	—	—	16,195	26,496
Police department	148,749	168,899	—	—	148,749	168,899
Fire department	79,369	92,644	—	—	79,369	92,644
Library	23,697	18,042	—	—	23,697	18,042
Recreation and human services	13,256	15,997	—	—	13,256	15,997
Education	119,100	119,100	—	—	119,100	119,100
Interest on long term debt	2,530	2,447	—	—	2,530	2,447
Water	—	—	57,691	43,538	57,691	43,538
Parking	—	—	12,429	13,425	12,429	13,425
War memorial	—	—	2,265	5,616	2,265	5,616
Refuse	—	—	31,963	26,536	31,963	26,536
Cemetery	—	—	4,443	3,664	4,443	3,664
Public market	—	—	2,030	2,064	2,030	2,064
Total expenses	677,253	762,806	110,821	94,843	788,074	857,649
Excess (deficiencies) of revenues over expenses	61,215	(41,250)	(15,334)	(2,827)	45,881	(44,077)
Transfers	5,261	5,451	(5,261)	(5,451)	—	—
Change in net position	66,476	(35,799)	(20,595)	(8,278)	45,881	(44,077)
Net position (deficit) - beginning	(749,653)	(713,854)	123,628	131,906	(626,025)	(581,948)
Net position (deficit) - ending	(683,177)	(749,653)	\$ 103,033	123,628	\$ (580,144)	(626,025)

Governmental activities revenue highlights

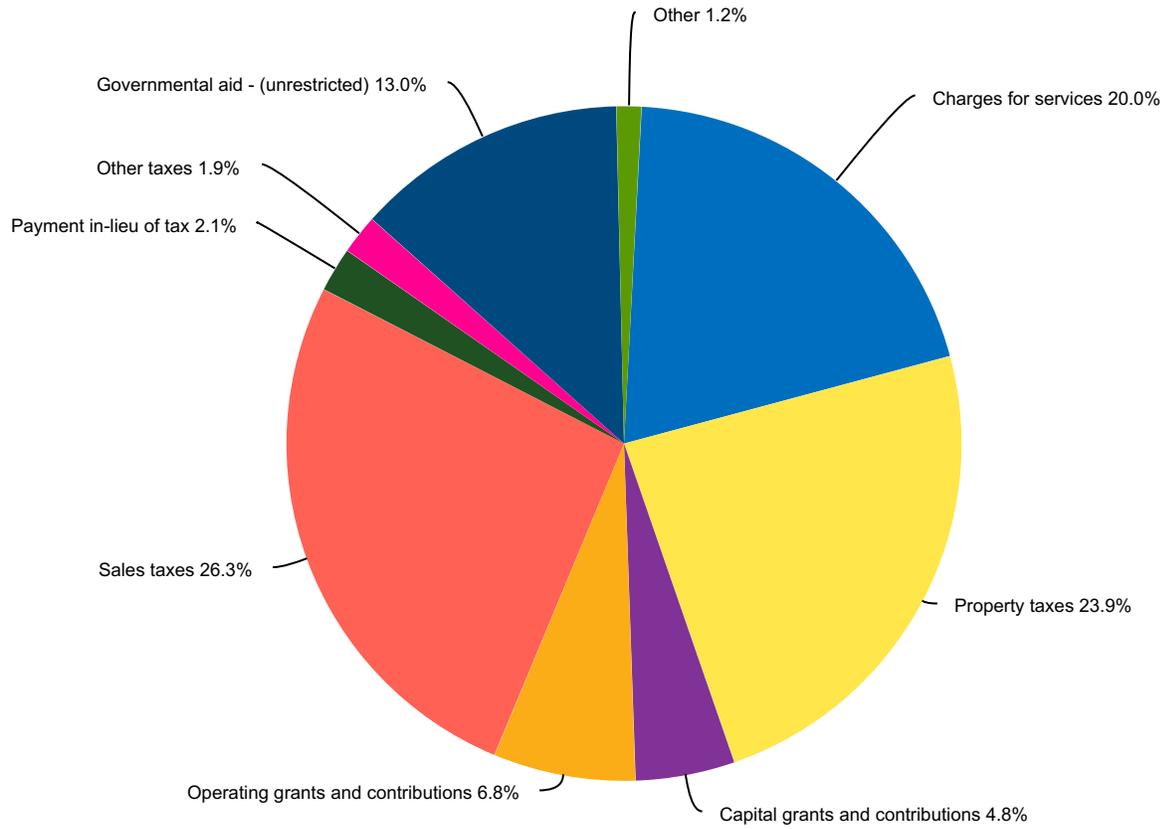
The major factors contributing to the overall revenue increase of \$16,912 were:

- Property tax revenue increased by \$3,914 primarily due to an increase of \$1,414 in adjusting entries for the year end accrual of the property tax receivable; an increase of \$472 in library support; and an increase of \$2,279 in Delinquent Collections; offset by a decrease of \$19 in Animal Control support; and a decrease of \$232 in Real Property Tax Levy;
- Sales and other taxes had an increase of \$24,962 primarily due to an increase of \$1,396 in Payment in-lieu of tax, and an increase of \$3,408 in Other Taxes; and an increase of \$20,158 in Sales Tax received from the increase in overall consumer spending;
- Operating grants and contributions increased by \$3,000 primarily due to an increase of \$1,504 in Police including \$1,292 in NYS impact grants; an increase of \$242 in library; an increase of \$1,435 in Recreation & Human Services from increases in grants supporting youth and crime victims; and an increase of \$3,568 in Neighborhood Business Development, supporting economic recovery offset by a decrease of \$2,589 in General Government; a decrease of \$1,051 in Transportation; a decrease of \$18 in Fire; and a decrease of \$91 in Environmental Services;
- Capital grants and contributions had an increase of \$3,639, primarily due to increased allocation and spending of ARPA funds on public works and downtown development projects causing an increase of \$1,613 in transportation; an increase of \$2 in Fire; an increase of \$4,959 in General Government; and an increase of \$917 in library; offset by a decrease of \$1,953 in Neighborhood Business Development; a decrease of \$1,652 in Environmental Services; and an decrease of \$247 in Recreation & Human Service;
- Other activities increased by \$2,456 as interest revenues increased by \$1,133 and miscellaneous revenues increased by \$1,323

The above increases of \$37,971 were offset by the following decreases which total \$21,059

- Charges for services had a decrease of \$3,247, primarily due to a decrease of \$5,018 in General Government due to decreases in reimbursements as there is increased allocation of grant revenue, as well as decreases in permits and licensing activity; a decrease of \$153 in Library; a decrease of \$594 in Fire; and a decrease of \$631 in Neighborhood Business Development; offset by an increase of \$46 in Transportation; an increase of \$305 in Recreation & Human Services; an increase of \$479 in Environmental Service; and an increase of \$978 in Emergency Communications; and an increase of \$1,341 in Police;
- Governmental aid decreased by \$17,812 primarily due to an decrease in several Federal and NYS Grants as was expected as the previous fiscal year we experienced a substantial increase of \$32,925.

Revenues by Source - Governmental Activities



Governmental activities expense highlights

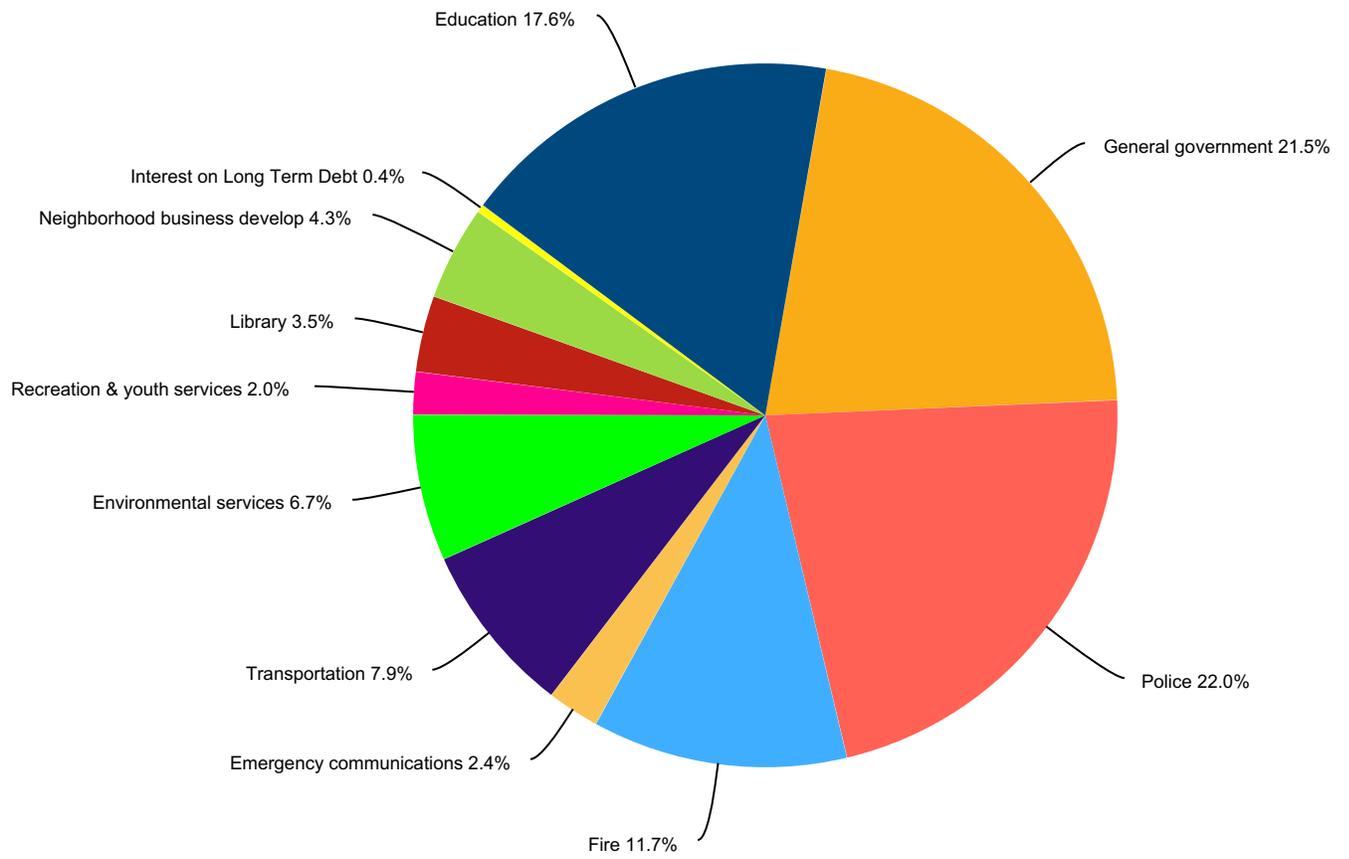
The major factors contributing to an overall decrease in governmental activities expenses of \$85,553 were as follows:

- Recreation and Human Services expenses decreased \$2,741 primarily due to a decrease of \$71 in General Capital; and a decrease of \$6,330 in Adjusting Entries from the change in OPEB due to actuarial rate change; offset by an increase of \$9 in Federal Projects; an increase of \$1,414 in General Fund with increased funding for youth programs such as AmeriCorps and My Brother's Keeper as well as mental health program focusing on crisis intervention; an increase of \$643 in Cultural/Recreation; and an increase of \$1,594 in Animal Control, with this being the first full year since operations had transferred from the police department;
- Environmental services expenses decreased by \$7,928 primarily due to a decrease of \$3,393 in General Capital much of which was chargebacks for services provided to capital projects; a decrease of \$2 in Transportation; a decrease of \$7,798 in adjusting entries, from the change in OPEB expense; and a decrease of \$20 in Federal Projects; offset by an increase of \$197 in General Fund; and an increase of \$1,927 in Local Works. much of which was allocated to significant increases of snowplowing and salting services;
- Neighborhood and business development expenses decreased by \$10,099 due to a decrease of \$1,567 in Community Development; a decrease of \$745 in Federal Projects; a decrease of \$2,646 in General Capital; a decrease of \$6,358 in adjusting entries, from a change in OPEB expense; and a decrease of \$131 in State Projects; offset by an increase of \$1,247 in General fund; and an increase of \$101 in Economic Assistance;
- Police expenses decreased by \$20,150 primarily due a decrease of \$20,851 in adjusting entries, from changes to OPEB expense; and an decrease of \$1,503 in Animal Control, as this was the first full fiscal year after Animal Control was transferred to Recreation and Human Services; offset by an increase of \$49 in State Projects; an increase of \$1,434 in General Fund; and an increase of \$721 in General Capital;
- General government expenses decreased by \$36,753 due to a decrease of \$7,824 in General Capital from realigning of expenses between the General Capital and General fund; and a decrease of \$41,098 in adjusting entries, some of which are \$29,765 in decreases to pension liability and \$11,541 in long term bonds payable; offset by an increase of \$24 in Animal Control; an increase of \$9,817 in General Fund, an increase of \$1,026 in Transportation; an increase of \$5 in Other; an increase of \$194 in Local Works; an increase of \$128 in Library; an increase of \$10 in Community Development; and an increase of \$965 in Economic Assistance;
- Fire expenses decreased \$13,275 primarily due to a decrease of \$18,785 in adjusting entries; and a decrease of \$23 in State Projects; offset by an increase of \$1,708 in General Capital, and an increase of \$3,825 in General Fund;
- Emergency communications expenses decreased \$10,301 due to a decrease of \$480 in General Fund; and a decrease of \$10,064 in adjustments with the previous mentioned OPEB adjustments; offset by an increase of \$243 in General Capital.

The above decreases which total \$101,247 were offset by the below increases of \$15,694 as follows:

- Interest on long term debt expenses increased by \$83 primarily due to an increase of \$42 in Library; and an increase of \$745 in adjusting entries due to the implementation of GASB 87 which brought the recording of governmental leases on to the face of the financials; offset by a decrease of \$44 in Local Works; and a decrease of \$660 in Adjusting Entries;
- Library expenses increased by \$5,655 primarily due to an increase of \$738 in Library; and an increase of \$7,926 in adjusting entries, based on OPEB adjusted allocations; offset by an a decrease of \$705 in General Capital and a decrease of \$2,304 in Cultural/Recreation, as some of the capital projects involving the Genesee River side of the the central library, which were incorporated in Roc The Riverway, were completed;
- Transportation expenses increased \$9,956 primarily due to an increase of \$6,608 in Transportation, much of which was from capital projects to improve the roadways within the city; an increase of \$118 General Fund; an increase of \$1,934 in General Capital; and an increase of \$1,361 in adjusting entries, offset by a decrease of \$6 in Other; and a decrease of \$280 in Local Works.

Expenses by Source - Governmental Activities



Business-type activities revenue highlights

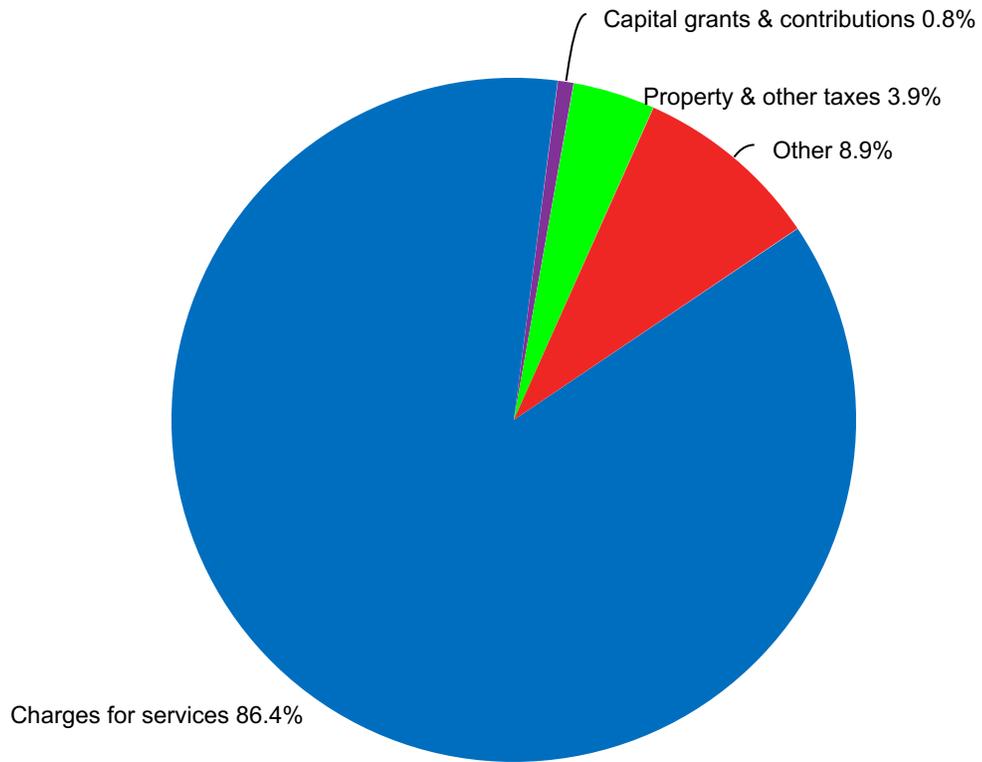
Revenues for business-type activities showed an overall increase of \$3,471.

- Property taxes increased by \$152 primarily due to a change in tax support with an increase of \$123 in War Memorial and an increase of \$173 in Cemetery; offset by a decrease of \$144 in Public Market;
- Governmental aid increased by \$6,727 primarily due to an increase in \$1,717 in Water, for capital projects for water main cleaning and repair; an increase of \$5,000 in parking from ARPA recovery funds; offset by a decrease of \$41 in public market;
- Investment earnings increased by \$39 primarily due to receiving a higher interest rates in NYCLASS investments; leading to an increase of \$10 in Water; an increase of \$5 in Parking; an increase of \$11 in Cemetery; an increase of \$1 in war memorial; and a increase of \$13 in refuse; offset by a decrease of \$1 in public market
- Charges for services increased by \$2,460 primarily due to increased activity as recovery from the pandemic continues; an increase of \$27 in Public Market; an increase of \$84 in Cemetery; and an increase of \$227 in Water; an increase of \$743 in Refuse; an increase of \$890 in Parking; and an increase of \$489 in War Memorial;
- Other miscellaneous increased by \$127; primarily due to an increase of \$84 in Water; an increase of \$50 in Parking; an increase of \$4 in War Memorial; offset by a decrease of \$1 in Public Market and a decrease of \$10 in Refuse;

The above revenue decreases of \$9,454 were offset by the below increases of \$5,983 as follows:

- Capital grants and contributions decreased by \$5,983 primarily due to a decrease of \$125 in Parking; and a decrease of \$5,858 in war memorial, as many of the capital projects renovating and expanding the arena's presence were competed.

Revenues by Source - Business-Type Activities



Business-type activities expense highlights.

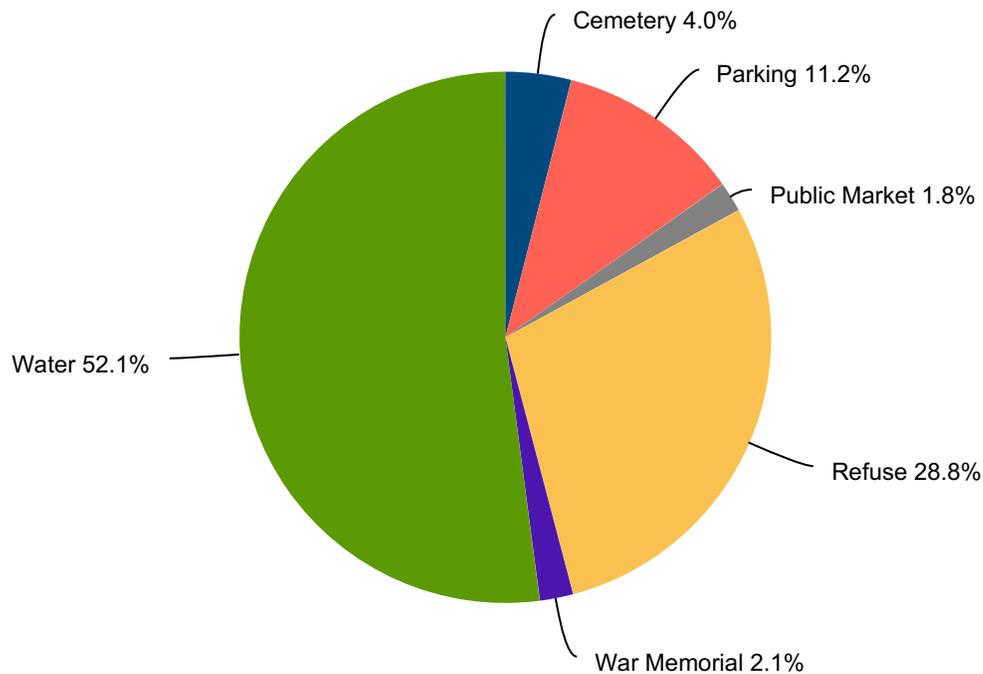
The net increase in business-type activities expenses were \$15,978:

- Water fund expenses increased by \$14,153 primarily due to an increase of \$253 in personal services; an increase of \$5,185 in supplies and materials, from higher acquisition cost as well as increased in capital activity; and an increase of \$8,699 in employee benefits from actuarial allocation of OPEB expenses; offset by a decrease of \$134 in depreciation expense; and a decrease of \$83 in interest expense;
- Cemetery fund expenses increased by \$779 primarily due to an increase of \$763 in employee benefits which came from the change in OPEB expense; an increase of \$47 in personal services; and an increase of \$47 in supplies and materials; offset by a decrease of \$73 in depreciation expense; and a decrease of \$5 in interest expense;
- Refuse expenses increased by \$5,427 primarily due to an increase of \$4,553 in employee benefits, from the actuarial change in allocation; an increase of \$143 in personal services; an increase of \$720 in supplies and materials; and an increase of \$38 in depreciation expense; offset by a decrease of \$27 in interest expense;

The above increases which total \$20,125 were partially offset by decreases of \$4,380 as follows:

- Parking fund expenses decreased by \$996 primarily due to a decrease of \$28 in employee benefits; a decrease of \$94 in interest expense; an decrease of \$353 in depreciation expense; and as improvement projects finished a decrease of \$522 in supplies and materials; offset by an increase of \$1 in personal services
- Public market fund expenses decreased by \$34 primarily due to a decrease of \$44 in employee benefits; a decrease of \$18 in interest expense; and a decrease of \$25 in depreciation expense; offset by an increase of \$18 in personal services; and an increase of \$35 in supplies and materials;
- War memorial expenses decreased by \$3,351 primarily due to the completion of multiple capital improvement projects resulting in a decrease of \$3,194 in supplies and materials; a decrease of \$7 in employee benefits; a decrease of \$110 in depreciation expense; and a decrease of \$39 in interest expense.

Expenses by Source - Business-Type Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$138,861, an increase of \$6,294 in comparison with the prior year. The restricted portion of fund balance includes resources subject to externally enforceable legal restrictions and amounts to \$16,842. The committed portion of fund balance is reported in the amount of \$86,057 and can only be used for specific purposes determined by a formal action of the government's highest level of decision-making authority. The City reports an assigned fund balance of \$71,726 for all governmental funds. This balance consists of amounts constrained by the City's intended use of resources that are neither restricted nor committed. Residual amounts of the governmental fund amount to \$(35,764) and are classified as unassigned.

General fund. The general fund is the chief operating fund of the City. At the end of the current fiscal year, assigned fund balance of the general fund was \$47,924, unassigned fund balance was \$8,828, and total fund balance increased by \$12,457, reaching a total of \$112,025. Assigned and unassigned fund balance total to a combined amount of \$56,752. The fund balance of the City's general fund decreased \$5,740 in assigned fund balance and increased \$2,885 in unassigned fund balance. The City also elected to increase committed fund balance by \$14,753, with totals of \$29,429 committed for retirement costs and \$25,274 committed for tax relief.

General capital projects. The general capital projects fund accounts for the construction and reconstruction of general public improvements, excluding transportation capital projects as well as projects related to business-type activities, which are accounted for elsewhere. At the end of the current fiscal year, the fund balance was \$11,365, of this \$11,302 was committed and \$63 was assigned. The fund balance of the City's general capital projects fund decreased by \$878. This decrease is comprised of a \$887 decrease of committed capital projects and offset by an increase of \$9 in assigned capital projects. General capital projects continue to be very active with a focus on revitalizing downtown through Roc the Riverway, and other major projects.

Transportation capital projects. The transportation capital projects fund is used to account for road and bridge construction and reconstruction. There was a decrease of \$9,525 in transportation capital projects fund balance due to an increase in expenditures for projects. This past year the City has received \$23,047 in aid towards these projects as well as increasing overall spending on these projects by \$7,535, in efforts to maintain and improve our City's infrastructure.

Community development special revenue fund. The Community Development Block Grant fund is a special revenue fund used to account for the programs and projects primarily funded by the U. S. Department of Housing and Urban Development. At the end of the current fiscal year, the fund balance was \$18,916. The fund balance increased by \$7,451. The major factors contributing to the increase were a \$1,030 increase in restricted community development and an increase of \$6,421 in committed community development. Much of the increase in these balances is directly related to federal funding for recovery related programs, despite a current year decrease of \$4,557 in federal reimbursement, the City has received an increased \$7,324 in program income from loan repayments and other local sources, which is used to create future opportunities for community development.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the proprietary funds at the end of the current fiscal year totaled \$103,033. The change in net position between 2021 and 2022, which totaled a decrease of \$20,595 consisted of the following: the Public Market fund decreased by \$312, along with decreases of \$18,855 in Water fund, \$3,073 in the Refuse fund and \$626 in the Cemetery fund; offset by an increase of \$422 in the War Memorial fund and an increase of \$1,849 in the Parking fund. This past year the City's proprietary funds still were still experiencing changes due to the pandemic. The War Memorial started increasing operations and saw growth in fund balance; while the Parking fund received \$5,000 in recovery funds. Actuarial adjustments accounted for significant increases in employee benefits expense due to increases in OPEB expenses. The Water fund also experienced an uptick in expenses, as the City invested more in to the cleaning and repairing water mains as well as increased costs of the supplies and materials for these projects.

Unrestricted net position of the proprietary funds, which totaled \$(86,718) at year end, breakdown as follows: Water \$(35,429), Parking \$(9,543), War Memorial \$(3,173), Refuse \$(34,625), Cemetery \$(3,130), and Public Market \$(818).

Internal service fund. The internal service fund is used to account for entity-wide general liability. It is the City's reserve for self-insurance. The total net position at the end of the fiscal year was \$53,866, a decrease of \$5,417 from the prior year. With the increased expense of \$10,993 over last year, this year the City offset much of this by transferring \$11,237, a decrease of \$3,219 from last year, to replenish the self-insurance account for funding future potential expenses.

Debt service fund. The debt service fund has a total fund balance of \$8,523, of which \$2,767 is restricted and \$5,756 is assigned for the payment of debt service. The fund balance decreased by \$1,463 during the current fiscal year. The major factors contributing to the decrease was a decrease of \$1,411 in assigned fund balance and a decrease of \$52 in restricted fund balance. This decreased fund balance is a result of continued payment of existing debt without the issuance of new long term debt.

Budgetary Highlights

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

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

Capital Assets and Debt Administration

Capital Assets. In accordance with GASB Statement No. 34, the City has recorded depreciation expense associated with all of its capital assets, including infrastructure. The City's investment in capital assets for its governmental and business type activities as of June 30, 2022, amounted to \$987,262 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress. In addition, this year saw the implementation of GASB Statement No. 87, which redefined the scope of measuring leases, and now requires the reporting of qualified long term leases as intangible, right-of-use capital assets that are to be amortized. Due to a change in actuarial, there currently is a net pension asset as well.

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

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 27,186	\$ 27,186	\$ 10,539	\$ 10,539	\$ 37,725	\$ 37,725
Buildings	114,332	122,758	94,214	96,387	208,546	219,145
Machinery, equipment, and vehicles	35,961	34,612	13,407	15,960	49,368	50,572
Improvements other than buildings	51,303	51,153	132,148	138,494	183,451	189,647
Infrastructure	478,711	488,549	—	—	478,711	488,549
Construction in progress	17,931	11,431	1,038	3,338	18,969	14,769
Right to use- equipment	273	—	—	—	273	—
Right to use- real estate	9,260	—	959	—	10,219	—
Total	\$ 734,957	\$ 735,689	\$ 252,305	\$ 264,718	\$ 987,262	\$ 1,000,407

Long-term debt. On June 30, 2022 the City's outstanding debt was \$205,008. This was a increase of \$4,257 from the prior year. An increase of \$10,232 in the governmental activities funds and a decrease of \$5,975 in the business-type activities funds.

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

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 43,441	\$ 56,778	\$ 43,060	\$ 52,745	\$ 86,501	\$ 109,523
Bond anticipation notes	87,704	64,135	30,803	24,712	118,507	88,847
Total	\$ 131,145	\$ 120,913	\$ 73,863	\$ 77,457	\$ 205,008	\$ 198,370

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

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

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

Economic Factors

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

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

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

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

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

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

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF NET POSITION
JUNE 30, 2022 (000's Omitted)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	District	RLBC
ASSETS					
Cash and cash equivalents	\$ 468,542	\$ 49,621	\$ 518,163	\$ 121,020	\$ 1,424
Receivables (net of allowance for uncollectibles)					
Accounts	64,012	24,137	88,149	2,001	140
Taxes	33,626	—	33,626	—	—
Due from other governments	77,266	—	77,266	160,292	—
Due from component units	213	—	213	—	—
Inventory	—	—	—	601	—
Prepaid items	—	—	—	17,431	—
Cash and cash equivalents - restricted	20,176	6,694	26,870	27,603	—
Due from other governments - restricted	—	6	6	—	—
Interfund balances	2,065	(2,065)	—	—	—
Lease receivable	5,016	5,771	10,787	—	—
Capital assets (net of accumulated depreciation/ amortization)					
Land	27,186	10,539	37,725	18,552	—
Buildings	114,332	94,214	208,546	831,741	—
Machinery, equipment, and vehicles	35,961	13,407	49,368	14,197	—
Improvements other than buildings	51,303	132,148	183,451	—	—
Infrastructure	478,711	—	478,711	—	—
Construction in progress	17,931	1,038	18,969	15,540	—
Right to use- equipment	273	—	273	1,065	—
Right to use- real estate	9,260	959	10,219	—	—
Net Pension Asset	23,076	1,882	24,958	265,712	—
Total assets	1,428,949	338,351	1,767,300	1,475,755	1,564
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension outflow	171,265	3,565	174,830	185,427	—
Deferred charge on refunding, net of amortization	—	—	—	1,243	—
Total deferred outflows of resources	171,265	3,565	174,830	186,670	—
LIABILITIES					
Accounts payable and other accrued liabilities	103,377	7,319	110,696	94,819	6
Retainage payable	2,067	788	2,855	—	—
Accrued interest payable	1,752	1,049	2,801	—	—
Bond anticipation notes payable	87,704	30,803	118,507	59,865	—
Due to other governments	12,808	579	13,387	37,470	—
Due to component units	3	—	3	—	—
Unearned revenue	254,901	222	255,123	2,155	—
Noncurrent liabilities:					
Due within one year	16,801	10,748	27,549	71,411	—
Due in more than one year	1,160,671	138,525	1,299,196	1,545,242	—
Total liabilities	1,640,084	190,033	1,830,117	1,810,962	6
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflow - OPEB	403,939	36,631	440,570	70,291	—
Deferred inflow - leases	4,942	5,745	10,687	—	—
Deferred pension inflow	234,426	6,474	240,900	337,167	—
Total deferred inflows of resources	643,307	48,850	692,157	407,458	—
NET POSITION (DEFICIT)					
Net investment in capital assets	612,195	183,358	795,553	219,283	—
Restricted for:					
Capital projects	—	2,983	2,983	6,056	—
Debt service	8,523	3,409	11,932	18,921	—
Community development	18,916	—	18,916	—	—
Scholarships	—	—	—	199	—
Student funds	—	—	—	20	—
Flexible spending	—	—	—	587	—
Revolving loan program	—	—	—	100	—
Unrestricted (deficit)	(1,322,811)	(86,717)	(1,409,528)	(801,161)	1,558
Total net position (deficit)	\$ (683,177)	\$ 103,033	\$ (580,144)	\$ (555,995)	\$ 1,558

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

CITY OF ROCHESTER, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022 (000's Omitted)

Functions/Programs:	Net (Expense) Revenue and Changes in Net Position								
	Program Revenues				Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	District	RLBC
Primary government:									
Governmental activities:									
General government	\$ 145,868	\$ 90,125	\$ 1,011	\$ 11,970	\$ (42,762)	\$ —	\$ (42,762)	\$ —	\$ —
Neighborhood business development	29,278	4,329	28,221	1,041	4,313	—	4,313	—	—
Environmental services	45,570	21,159	324	602	(23,485)	—	(23,485)	—	—
Transportation	53,641	1,225	6,455	19,944	(26,017)	—	(26,017)	—	—
Emergency communications	16,195	19,550	—	—	3,355	—	3,355	—	—
Police department	148,749	4,878	3,109	—	(140,762)	—	(140,762)	—	—
Fire department	79,369	1,913	765	7	(76,684)	—	(76,684)	—	—
Library	23,697	2,445	7,980	929	(12,343)	—	(12,343)	—	—
Recreation and human services	13,256	2,035	2,400	678	(8,143)	—	(8,143)	—	—
Education	119,100	—	—	—	(119,100)	—	(119,100)	—	—
Interest on long term debt	2,530	—	—	—	(2,530)	—	(2,530)	—	—
Total governmental activities	<u>677,253</u>	<u>147,659</u>	<u>50,265</u>	<u>35,171</u>	<u>(444,158)</u>	<u>—</u>	<u>(444,158)</u>	<u>—</u>	<u>—</u>
Business-type activities:									
Water	57,691	40,949	—	243	—	(16,499)	(16,499)	—	—
Parking	12,429	8,557	—	170	—	(3,702)	(3,702)	—	—
War Memorial	2,265	1,128	—	304	—	(833)	(833)	—	—
Refuse	31,963	28,835	—	—	—	(3,128)	(3,128)	—	—
Cemetery	4,443	2,245	—	—	—	(2,198)	(2,198)	—	—
Public Market	2,030	892	—	—	—	(1,138)	(1,138)	—	—
Total business-type activities	<u>110,821</u>	<u>82,606</u>	<u>—</u>	<u>717</u>	<u>—</u>	<u>(27,498)</u>	<u>(27,498)</u>	<u>—</u>	<u>—</u>
Total primary government	<u>788,074</u>	<u>230,265</u>	<u>50,265</u>	<u>35,888</u>	<u>(444,158)</u>	<u>(27,498)</u>	<u>(471,656)</u>	<u>—</u>	<u>—</u>
Component units:									
District	\$ 874,643	\$ 2,665	\$ 140,213	\$ —				(731,765)	—
RLBC	525	—	862	—				—	337
Total component units	<u>\$ 875,168</u>	<u>\$ 2,665</u>	<u>\$ 141,075</u>	<u>\$ —</u>				<u>(731,765)</u>	<u>337</u>
General revenues:									
Property taxes					176,328	2,799	179,127	—	—
Sales taxes					194,164	—	194,164	—	—
Payment in-lieu of tax					15,780	—	15,780	—	—
Other taxes					13,934	905	14,839	—	—
Governmental aid - (unrestricted)					96,377	6,768	103,145	686,061	—
Investment earnings					2,124	55	2,179	1,480	—
Allocation to the district - (unrestricted)					—	—	—	119,100	—
Miscellaneous					6,666	1,637	8,303	7,414	147
Transfers					5,261	(5,261)	—	—	—
Total general revenues and transfers					<u>510,634</u>	<u>6,903</u>	<u>517,537</u>	<u>814,055</u>	<u>147</u>
Change in net position					66,476	(20,595)	45,881	82,290	484
Net position (deficit) - beginning					(749,653)	123,628	(626,025)	(638,285)	1,074
Net position (deficit) - ending					<u>\$ (683,177)</u>	<u>\$ 103,033</u>	<u>\$ (580,144)</u>	<u>\$ (555,995)</u>	<u>\$ 1,558</u>

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

THE CITY OF ROCHESTER, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022 (000's Omitted)

	Capital Projects			Special Revenue	Total Nonmajor Funds	Total Governmental Funds
	General	General	Transportation	Community Development		
ASSETS						
Cash and cash equivalents	\$332,549	\$ 61	\$ —	\$ 21,020	\$ 46,161	\$ 399,791
Receivables (net of allowance for uncollectibles)						
Accounts	2,075	3	—	47,868	794	50,740
Taxes	15,261	—	—	—	282	15,543
Due from other funds	29,554	50,434	7,441	—	5,756	93,185
Due from other governments	59,076	10,633	61	2,252	5,244	77,266
Due from component units	213	—	—	—	—	213
Cash and cash equivalents - restricted	—	7,939	7,007	—	5,229	20,175
Total assets	<u>\$438,728</u>	<u>\$ 69,070</u>	<u>\$ 14,509</u>	<u>\$ 71,140</u>	<u>\$ 63,466</u>	<u>\$ 656,913</u>
LIABILITIES						
Accounts payable and other accrued liabilities	\$ 34,414	\$ 9,166	\$ 5,725	\$ 2,378	\$ 3,197	\$ 54,880
Bond anticipation notes payable	—	39,757	38,362	—	9,585	87,704
Due to other funds	72,932	8,360	8,586	904	15,501	106,283
Due to other governments	12,347	—	—	1,051	461	13,859
Due to component units	—	—	—	—	3	3
Unearned revenue	207,010	422	—	47,891	—	255,323
Total liabilities	<u>326,703</u>	<u>57,705</u>	<u>52,673</u>	<u>52,224</u>	<u>28,747</u>	<u>518,052</u>
FUND BALANCES (DEFICIT)						
Restricted	570	—	—	5,822	10,450	16,842
Committed	54,703	11,302	—	13,094	6,958	86,057
Assigned	47,924	63	—	—	23,739	71,726
Unassigned (deficit)	8,828	—	(38,164)	—	(6,428)	(35,764)
Total fund balances (deficit)	<u>112,025</u>	<u>11,365</u>	<u>(38,164)</u>	<u>18,916</u>	<u>34,719</u>	<u>138,861</u>
Total liabilities and fund balances (deficit)	<u>\$438,728</u>	<u>\$ 69,070</u>	<u>\$ 14,509</u>	<u>\$ 71,140</u>	<u>\$ 63,466</u>	<u>\$ 656,913</u>

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

THE CITY OF ROCHESTER, NEW YORK
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2022 (000's Omitted)

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

Total fund balances of governmental funds	\$ 138,861
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	734,957
Accrual of property and sales taxes to qualify as financial resources	18,084
Internal service funds are used by management to charge the cost of risk management and health insurance to individual funds.	53,866
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Accrual of interest on bonds and notes payable	(1,752)
Accrual of Medicare Part D revenue	209
Long-term assets/(liabilities), are not due and receivable/payable in the current period and, therefore, are not reported in the funds:	
Retainage liability	(2,067)
Bonds payable	(38,017)
Premium liability	(5,424)
Compensated absences	(18,449)
Workers' compensation	(16,360)
OPEB liability	(1,052,136)
Pollution remediation liability	(22,000)
Pension amortization liability	(1,177)
Net pension asset	4,979
Lease payable long term liabilities	(9,725)
Lease receivable	5,016
Deferred lease outflow	(4,942)
Deferred OPEB outflows	(403,939)
Net deferred pension inflows/outflows	<u>(63,161)</u>
Net position of governmental activities	<u>\$ (683,177)</u>

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

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022 (000's Omitted)**

	Capital Projects			Special Revenue	Total Nonmajor Funds	Total Governmental Funds
	General	General	Transportation	Community Development		
REVENUES						
Real property tax	\$ 167,899	—	—	—	9,147	\$ 177,046
Sales tax	192,530	—	—	—	—	192,530
Other taxes	29,714	—	—	—	—	29,714
Departmental	21,016	—	—	—	23,770	44,786
Use of money and property	440	—	—	8	1,562	2,010
Licenses and permits	3,350	—	—	—	—	3,350
Federal aid	3,849	2,876	13,039	17,705	1,943	39,412
State aid	99,065	12,226	9,093	—	2,397	122,781
Local sources and other	26,580	1,915	915	9,027	8,399	46,836
Total revenues	<u>544,443</u>	<u>17,017</u>	<u>23,047</u>	<u>26,740</u>	<u>47,218</u>	<u>658,465</u>
EXPENDITURES						
Current:						
General government	161,912	—	—	10	8,767	170,689
Neighborhood business development	7,713	—	—	19,279	413	27,405
Environmental services	23,151	—	—	—	13,259	36,410
Transportation	3,913	—	—	—	115	4,028
Emergency communications	14,515	—	—	—	—	14,515
Police department	99,173	—	—	—	453	99,626
Fire department	56,498	—	—	—	555	57,053
Library	—	—	—	—	11,944	11,944
Recreation and human services	10,770	—	—	—	1,963	12,733
Education	119,100	—	—	—	—	119,100
Debt service:						
Principal retirement	11,540	—	—	—	841	12,381
Interest	2,738	—	—	—	205	2,943
Administrative charges	1	—	—	—	—	1
Capital outlay:						
General government	—	25,425	1,028	—	990	27,443
Neighborhood business development	—	332	—	—	100	432
Environmental services	—	1,057	—	—	—	1,057
Transportation	—	8,867	30,679	—	—	39,546
Emergency communications	—	97	—	—	—	97
Police department	—	721	—	—	—	721
Fire department	—	4,462	—	—	—	4,462
Library	—	20	—	—	1,987	2,007
Recreation and human services	—	2	—	—	1,600	1,602
Total expenditures	<u>511,024</u>	<u>40,983</u>	<u>31,707</u>	<u>19,289</u>	<u>43,192</u>	<u>646,195</u>
Excess (deficiency) of revenues over expenditures	<u>33,419</u>	<u>(23,966)</u>	<u>(8,660)</u>	<u>7,451</u>	<u>4,026</u>	<u>12,270</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	17,642	23,419	6,410	—	3,329	50,800
Transfers out	(38,604)	(331)	(7,275)	—	(10,566)	(56,776)
Total other financing sources (uses)	<u>(20,962)</u>	<u>23,088</u>	<u>(865)</u>	<u>—</u>	<u>(7,237)</u>	<u>(5,976)</u>
Net change in fund balances	12,457	(878)	(9,525)	7,451	(3,211)	6,294
Fund balances (deficit) - beginning	99,568	12,243	(28,639)	11,465	37,930	132,567
Fund balances (deficit) - ending	<u>\$ 112,025</u>	<u>\$ 11,365</u>	<u>\$ (38,164)</u>	<u>\$ 18,916</u>	<u>\$ 34,719</u>	<u>\$ 138,861</u>

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

THE CITY OF ROCHESTER, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022 (000's Omitted)

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

Net change in fund balances - total governmental funds	\$ 6,294
Change in net position of internal service fund reported in governmental activities	(5,417)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Governmental funds report capital outlays of \$30,225 net of disposals, as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense of \$30,957 This is the amount by which depreciation in the current period exceeded capital outlays.	(732)
Change in accrual of interest payable on notes and bonds payable	(259)
Change in accrual of unrestricted governmental aid	(122)
Change in accrual of property tax	(718)
Change in accrual of sales tax	1,633
Change in pollution remediation liability	(3,814)
Change in lease receivable (net of deferred outflow of resources)	74

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

Debt proceeds and principal payment	12,382
Premium liability	955
Lease liability	(9,725)

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

Workers' compensation	(954)
Compensated absences	(376)
Retirement amortization	1,136
Net pension expense and net deferred outflow and inflows of resources	29,765
OPEB expense	36,794
Retainage	(440)

Change in net position of governmental activities	<u>\$ 66,476</u>
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The notes to financial statements are an integral part of this statement.

THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022 (000's Omitted)

	Business-type Activities						Governmental	
	Water	Parking	War Memorial	Refuse	Cemetery	Public Market	Total Enterprise Funds	Internal Service Funds
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 18,209	\$ 3,362	\$ 375	\$ 22,687	\$ 3,588	\$ 1,400	\$ 49,621	\$ 68,750
Receivables (net of allowance for uncollectibles)	16,557	3,862	341	2,621	756	—	24,137	—
Due from other funds	2,210	1,153	15	1,496	850	45	5,769	15,163
Cash and equivalents - restricted	3,403	2,544	128	227	88	304	6,694	—
Due from other governments - restricted	6	—	—	—	—	—	6	—
Lease receivable	—	275	—	—	—	—	275	—
Total current assets	40,385	11,196	859	27,031	5,282	1,749	86,502	83,913
Noncurrent assets:								
Capital assets:								
Land	572	8,916	165	30	139	717	10,539	—
Buildings	46,259	116,240	56,906	508	7,878	11,544	239,335	—
Machinery, equipment, and vehicles	9,692	1,747	5,884	29,813	2,325	176	49,637	—
Improvements other than buildings	297,666	2,055	68	671	4,134	3,186	307,780	—
Construction in progress	856	81	76	—	25	—	1,038	—
Less accumulated depreciation	(204,216)	(85,341)	(31,598)	(22,185)	(7,287)	(6,356)	(356,983)	—
Right to use - real estate	—	1,019	—	—	—	—	1,019	—
Accumulated amortization - leases	—	(60)	—	—	—	—	(60)	—
Lease receivable	—	5,496	—	—	—	—	5,496	—
Net pension asset	793	170	—	744	135	40	1,882	—
Total noncurrent assets	151,622	50,323	31,501	9,581	7,349	9,307	259,683	—
Total assets	192,007	61,519	32,360	36,612	12,631	11,056	346,185	83,913
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows of resources - pension	1,504	322	—	1,409	255	75	3,565	—
Total deferred outflows of resources	1,504	322	—	1,409	255	75	3,565	—
Total assets and deferred outflows of resources	\$ 193,511	\$ 61,841	\$ 32,360	\$ 38,021	\$ 12,886	\$ 11,131	\$ 349,750	\$ 83,913

Continued

THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022 (000's Omitted)

	Business-type Activities						Governmental	
	Water	Parking	War Memorial	Refuse	Cemetery	Public Market	Total Enterprise Funds	Internal Service Funds
LIABILITIES								
Current liabilities:								
Accounts payable and other accrued liabilities	\$ 3,649	\$ 547	\$ 108	\$ 2,690	\$ 203	\$ 122	\$ 7,319	\$ 30,047
Retainage payable	682	81	—	—	25	—	788	—
Accrued interest payable	723	158	84	36	4	44	1,049	—
Workers' compensation, current portion	545	138	—	1,237	49	3	1,972	—
Bond anticipation notes payable	21,511	4,951	1,596	2,000	—	745	30,803	—
Bonds payable	5,440	2,013	843	—	106	341	8,743	—
Due to other funds	842	1,181	3,677	1,675	27	432	7,834	—
Due to other governments	268	55	—	213	32	11	579	—
Unearned revenue	—	73	—	—	149	—	222	—
Lease payable - current	—	33	—	—	—	—	33	—
Total current liabilities	33,660	9,230	6,308	7,851	595	1,698	59,342	30,047
Noncurrent liabilities:								
Workers' compensation	2,128	541	—	4,835	192	11	7,707	—
Bonds payable	24,013	4,414	3,532	—	218	2,140	34,317	—
Due to other governments	59	15	—	50	6	3	133	—
OPEB liability	44,399	10,327	—	35,265	4,335	1,087	95,413	—
Lease payable - noncurrent	—	955	—	—	—	—	955	—
Total noncurrent liabilities	70,599	16,252	3,532	40,150	4,751	3,241	138,525	—
Total liabilities	104,259	25,482	9,840	48,001	5,346	4,939	197,867	30,047
DEFERRED INFLOWS OF RESOURCES								
Deferred inflow of resources - OPEB	17,046	3,965	—	13,539	1,664	417	36,631	—
Deferred inflow - leases	—	5,745	—	—	—	—	5,745	—
Deferred inflows of resources - pension	2,730	584	—	2,559	464	137	6,474	—
Total deferred inflows of resources	19,776	10,294	—	16,098	2,128	554	48,850	—
NET POSITION (DEFICIT)								
Net investment in capital assets	102,586	34,754	25,658	7,065	6,952	6,344	183,359	—
Restricted for:								
Capital projects	—	—	—	1,416	1,567	—	2,983	—
Debt service	2,319	854	35	66	23	112	3,409	—
Health insurance	—	—	—	—	—	—	—	32,506
Dental insurance	—	—	—	—	—	—	—	141
Unrestricted (deficit)	(35,429)	(9,543)	(3,173)	(34,625)	(3,130)	(818)	(86,718)	21,219
Total net position (deficit)	69,476	26,065	22,520	(26,078)	5,412	5,638	103,033	53,866
Total liabilities, deferred inflows of resources and net position (deficit)	\$ 193,511	\$ 61,841	\$ 32,360	\$ 38,021	\$ 12,886	\$ 11,131	\$ 349,750	\$ 83,913

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

THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022 (000's Omitted)

	Business-type Activities						Governmental Activities	
	Water	Parking	War Memorial	Refuse	Cemetery	Public Market	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES								
Charges for services	\$ 40,949	\$ 8,557	\$ 1,128	\$ 28,835	\$ 2,245	\$ 892	\$ 82,606	\$ 79,112
Total operating revenues	40,949	8,557	1,128	28,835	2,245	892	82,606	79,112
OPERATING EXPENSES								
Personnel services	7,841	1,642	—	7,157	1,367	361	18,368	—
Supplies and materials	24,765	5,432	983	13,743	1,099	737	46,759	—
Employee benefits	16,130	2,025	25	8,595	1,486	248	28,509	—
Claims settlement	—	—	—	—	—	—	—	95,789
Depreciation	7,888	2,932	989	2,426	490	598	15,323	—
Lease amortization	—	60	—	—	—	—	60	—
Total operating expenses	56,624	12,091	1,997	31,921	4,442	1,944	109,019	95,789
Operating (loss)	(15,675)	(3,534)	(869)	(3,086)	(2,197)	(1,052)	(26,413)	(16,677)
NONOPERATING REVENUES (EXPENSES)								
Real property tax	—	299	322	—	1,363	815	2,799	—
Other taxes	—	—	905	—	—	—	905	—
Interest and penalties	922	167	—	—	3	—	1,092	—
Interest on investments	15	5	1	17	16	1	55	23
Federal aid	1,768	5,000	—	—	—	—	6,768	—
Local sources and other	390	80	27	38	—	10	545	—
Interest expense	(1,067)	(338)	(268)	(42)	(1)	(86)	(1,802)	—
Total nonoperating revenues (expenses)	2,028	5,213	987	13	1,381	740	10,362	23
Income (loss) before contributions and transfers	(13,647)	1,679	118	(3,073)	(816)	(312)	(16,051)	(16,654)
Capital contributions	243	170	304	—	—	—	717	—
Transfers in	—	—	—	—	190	—	190	11,237
Transfers out	(5,451)	—	—	—	—	—	(5,451)	—
Change in net position	(18,855)	1,849	422	(3,073)	(626)	(312)	(20,595)	(5,417)
Net position (deficit) - beginning	88,331	24,216	22,098	(23,005)	6,038	5,950	123,628	59,283
Net position (deficit) - ending	\$ 69,476	\$ 26,065	\$ 22,520	\$ (26,078)	\$ 5,412	\$ 5,638	\$ 103,033	\$ 53,866

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

THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022 (000's Omitted)

	Business-type Activities						Governmental Activities	
	Water	Parking	War Memorial	Refuse	Cemetery	Public Market	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers	\$ 38,709	\$ 8,778	\$ 788	\$ 29,220	\$ 2,047	\$ 892	\$ 80,434	\$ 79,112
Payments to suppliers	(23,517)	(5,886)	(1,294)	(13,823)	(1,261)	(706)	(46,487)	(89,370)
Payments to employees	(13,265)	(2,898)	(26)	(12,985)	(1,961)	(563)	(31,698)	—
Net cash provided by (used for) operating activities	1,927	(6)	(532)	2,412	(1,175)	(377)	2,249	(10,258)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Real property taxes and other taxes	—	299	1,227	—	1,363	815	3,704	—
Transfers from other funds	—	—	—	—	190	—	190	11,237
Transfers to other funds	(5,451)	—	—	—	—	—	(5,451)	—
Interfund loans	(1,046)	(1,783)	128	696	(23)	(389)	(2,417)	1,100
Operating grants	1,768	5,000	—	—	—	—	6,768	—
Net cash provided by (used for) noncapital financing activities	(4,729)	3,516	1,355	696	1,530	426	2,794	12,337
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Proceeds from sales of bonds and notes	7,262	1,825	70	—	—	—	9,157	—
Capital contributions	243	170	304	—	—	—	717	—
Principal paid on bonds and notes	(6,186)	(3,642)	(942)	(1,000)	(95)	(405)	(12,270)	—
Interest expense paid on bonds and notes	(970)	(395)	(255)	(24)	(14)	(100)	(1,758)	—
Acquisition and construction of capital assets	(875)	(342)	(239)	(549)	11	—	(1,994)	—
Proceeds from sale of fixed assets	19	—	—	—	—	—	19	—
Deferred inflow of lease payments	—	5,745	—	—	—	—	5,745	—
Proceeds from lease receivable	—	(5,771)	—	—	—	—	(5,771)	—
Net cash used for capital and related financing activities	(507)	(2,410)	(1,062)	(1,573)	(98)	(505)	(6,155)	—
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest received from investments and customers	936	172	1	17	20	1	1,147	22
Net cash provided by investing activities	936	172	1	17	20	1	1,147	22
Net increase (decrease) in cash and cash equivalents	(2,373)	1,272	(238)	1,552	277	(455)	35	2,101
Cash and cash equivalents at beginning of year	23,985	4,634	741	21,362	3,399	2,159	56,280	66,649
Cash and cash equivalents at end of year	\$ 21,612	\$ 5,906	\$ 503	\$ 22,914	\$ 3,676	\$ 1,704	\$ 56,315	\$ 68,750
Cash and cash equivalents -unrestricted	\$ 18,209	\$ 3,362	\$ 375	\$ 22,687	\$ 3,588	\$ 1,400	\$ 49,621	\$ 68,750
Cash and cash equivalents -restricted	\$ 3,403	\$ 2,544	\$ 128	\$ 227	\$ 88	\$ 304	\$ 6,694	—
Reconciliation of operating loss to net cash provided by (used for) operating activities:								
Operating (loss)	\$ (15,675)	\$ (3,534)	\$ (869)	\$ (3,086)	\$ (2,197)	\$ (1,052)	\$ (26,413)	\$ (16,677)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation and lease amortization expense	7,888	2,993	989	2,426	490	598	15,384	—
(Increase) decrease in customer receivables	(2,240)	221	(340)	385	(264)	—	(2,238)	—
Increase (decrease) in accounts payable - supplier	1,248	(454)	(312)	(81)	(96)	9	314	6,419
Increase (decrease) in compensated absences	14	15	—	202	(17)	3	217	—
Decrease in other operating receivables	(794)	(170)	—	(743)	(135)	(40)	(1,882)	—
Increase in salaries & benefits payable	11,486	923	—	3,309	1,044	105	16,867	—
Total adjustments	17,602	3,528	337	5,498	1,022	675	28,662	6,419
Net cash provided by (used for) operating activities	\$ 1,927	\$ (6)	\$ (532)	\$ 2,412	\$ (1,175)	\$ (377)	\$ 2,249	\$ (10,258)

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

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022 (000's Omitted)**

	<u>Private-Purpose Trust Funds</u>	<u>Custodial Funds</u>
ASSETS		
Cash and cash equivalents	\$ 546	\$ 18,663
Investments	2,843	—
Receivables (net of allowance for uncollectibles)	—	324
Total assets	<u>3,389</u>	<u>18,987</u>
LIABILITIES		
Accounts payable and other accrued liabilities	<u>14</u>	<u>778</u>
Total liabilities	<u>14</u>	<u>778</u>
NET POSITION		
Restricted for:		
Employees	—	7,023
Foreclosure	—	2,411
Community programs	—	2,659
Seizure funds	—	3,445
Escrow	—	2,671
Trust and other purposes	<u>3,375</u>	<u>—</u>
Total net position	<u>\$ 3,375</u>	<u>\$ 18,209</u>

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

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Private-Purpose Trust Funds</u>	<u>Custodial Funds</u>
ADDITIONS		
Contributions:		
Employees	\$ —	\$ 8,007
Gifts and bequests	222	—
Interest on investments	124	—
Community programs	—	7,607
Seizure funds	—	1,222
Escrow	—	258
Total contributions	<u>346</u>	<u>—</u>
Less investment costs:		
Loss on investment	<u>(480)</u>	<u>—</u>
Net investment earnings	<u>(480)</u>	<u>—</u>
Total additions	(134)	17,094
DEDUCTIONS		
Community services	416	—
Payments on behalf of employees	—	10,566
Foreclosure	—	14
Community programs	—	44
Seizure funds	—	1,226
Escrow	—	259
Total deductions	<u>416</u>	<u>12,109</u>
Change in net position	(550)	4,985
Net position - beginning, as restated	<u>3,925</u>	<u>13,224</u>
Net position - ending	<u>\$ 3,375</u>	<u>\$ 18,209</u>

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

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

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

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

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

D. NEW ACCOUNTING PRONOUNCEMENTS

During the fiscal year ended June 30, 2022, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The primary objective of Statement No. 87 is to better meet the needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability and consistency of information about the leasing activities of governments.

The City has evaluated the provisions of Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*; Statement No. 92, *Omnibus 2020*; Statement No. 93, *Replacement of Interbank Offered Rates*; and Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32* and determined that they have no significant impact on the City's financial statements.

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

- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending June 30, 2023.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for the year ending June 30, 2023.
- Statement No. 96, *Subscription-Based Information Technology Arrangements* which will be effective for the year ending June 30, 2023.
- Statement No. 99, *Omnibus 2022*, which will be effective based on individual applications. Earlier implementation is encouraged and permitted.
- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, which will be effective for the year ending June 30, 2024.
- Statement No. 101, *Compensated Absences*, which will be effective for the year ending June 30, 2025.

E. USE OF ESTIMATES

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

F. REAL PROPERTY TAX

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

The City is permitted by the Constitution of New York State to levy taxes up to 2% of the five-year average full-assessed valuation for general governmental services other than the payment of debt service and capital expenditures. The City utilizes a full value system, assessing all properties at 100% of full market value. For the year ended June 30, 2022, the City had a legal margin of \$36,632,000.

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

1. Cash and Cash Equivalents, Deposits and Investments

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

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

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

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

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

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

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

2. Restricted Assets

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

3. Capital Assets

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

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

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

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

4. Deferred Outflows/Inflows of Resources

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

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

5. Unearned Revenue

Unearned revenue is a liability for resources obtained prior to revenue recognition. The unearned revenue of \$207,010,000 in the City's General Fund relates primarily to American Rescue Plan Act of 2021 (ARPA) funds, and property taxes that will not be collected within sixty days, \$422,000 in the General Capital Fund relates to future rent from a lease agreement, \$47,891,000 in the City's Special Revenue Community Development Fund relates to loan repayments for programs, \$149,000 in the City's Cemetery Fund relates primarily to charges for future care of grave sites, and \$73,000 in the City's Parking Fund relates primarily to prepaid monthly parking fees.

The District also received cash in advance of expenditures in the amount of \$2,155,000 for Special Aid fund projects during fiscal year 2021-22. These funds represent receipts for various grants that were not fully spent as of June 30, 2022. As the funds are spent during fiscal year 2022-23, revenue will be recorded.

6. Compensated Absences

It is the City's policy to pay employees for unused vacation and compensatory time when there is a separation from service. Employees have a vacation bank cap based on their start of service date with the City. Therefore, it is estimated that the prior fiscal year compensated absences balance is fully liquidated by the end of the next fiscal year. For Governmental activities, the current portion of this liability is accrued in the appropriate fund and for Business-type activities, the full liability is recognized at both the fund and entity-wide level. As of June 30, 2022, the liability for Governmental Activities was \$19,332,000 and \$1,340,000 for Business-type Activities, and \$4,239,000 for the District.

7. Long-term Obligations

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

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

8. Net Position Flow Assumption

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

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

9. Fund Balances — Flow Assumptions and Policies

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

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

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

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

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

10. Encumbrances & Commitments

Encumbrances are recorded at the time a purchase order, construction contract or service agreement is finalized. In governmental funds, commitments are encumbered and reported as either assigned or committed fund balances since they do not constitute expenditures or liabilities. Total encumbrances in the General fund were \$11,184,000 at year end. These were substantially for environmental services purposes including \$1,150,000 for utilities, maintenance, fuel and security systems and general government purposes were \$6,294,000 which included recreation programs, medical services, and employee training.

11. Prepaid items

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

The District utilizes the consumption method to record prepaid expenditures. As of June 30, 2022, the General Fund recorded prepaid expenditures in the amount of \$17,426,000 for charter schools and subscriptions. Additionally, prepayments of \$5,000 recorded in the RJSCB fund were primarily for prepaid insurance. These prepayments will be recorded as expenditures during fiscal year 2022-23. Prepayments are classified as nonspendable to signify that portion of fund balance that is not in a spendable form.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

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

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

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

During the year, City Council passed budget amendments which increased total appropriations for operating budgets by \$8,725,000. Estimated revenues increased by \$16,018,000, transfers to other funds increased by \$7,900,000 and transfers from other funds increased by \$107,000. Appropriation of fund balance increased by \$500,000.

B. DEFICIT FUND EQUITY

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

III. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

1. Deposits

At year-end, the total carrying amount of the City's deposits net of outstanding checks, including certificates of deposit, was \$509,115,000 and the bank balance was \$513,380,000. These deposits, which are above the level insured by FDIC, were collateralized at 102% with U.S. Government securities held by a third-party.

At year-end, the District's cash balance, both restricted and non-restricted, was \$148,623,000. These deposits, which are above the level insured by FDIC, were collateralized at 102% with U.S. Government securities held by a third-party.

2. Cash Equivalents

At year-end, the City had cash equivalents of \$218,792,000 with \$55,000,000 held in money markets, and \$163,792,000 held in NYCLASS investments. These cash equivalents were collateralized at 102% with U.S. Government securities held by a third-party.

At year-end, the District had cash equivalents of \$100,337,000 with \$199,000 held in money markets and \$100,138,000 in NYCLASS investments. These cash equivalents were collateralized at 102% with U.S. Government securities held by a third-party.

3. Investments

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

Level 1:

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

Level 2:

Inputs to the valuation methodology include:

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

Level 3:

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

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

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

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

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

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

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

At year end, the City had \$2,843,000 of Library trust funds invested. The Library's investments were measured at fair value on a recurring basis at June 30, 2022 and were all considered Level 1:

Library Investments (000's omitted)

Cash and cash equivalent	\$	31
Exchange Traded Products		
Equity ETPs		1,704
Fixed income ETPs		426
Total Exchange Traded Products		<u>2,130</u>
Mutual funds:		
Stocks		158
Bonds		512
Total mutual funds		<u>670</u>
Asset backed securities		
Financial/Investment		12
Total Asset backed securities		<u>12</u>
Total	\$	<u>2,843</u>

B. RECEIVABLES AND PAYABLES

The Primary Government had \$88,149,000 in accounts receivable at year-end. A significant receivable in the governmental activities was \$47,868,000 in economic development and housing loans made from the Community Development Special Revenue Fund. Significant business-type receivables were \$16,557,000 in the Water Fund, \$2,621,000 in the Refuse Fund, \$756,000 in the Cemetery Fund, \$341,000 in the War Memorial Fund and \$3,862,000 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 taxes (\$17,945,000), Water Fund (\$2,936,000) and Refuse Fund (\$4,512,000).

The amount due from other governments to the City, as presented in the governmental fund level statements as of June 30, 2022, was \$77,266,000. This was comprised of the following items: \$6,224,000 from New York State, \$61,462,000 from Monroe County, \$6,238,000 from the Federal Government, and \$3,342,000 from others.

The amount due from other governments including the primary government to the District as of June 30, 2022 was \$160,292,000. This was comprised of the following items: \$106,095,000 from New York State, \$43,168,000 from the Federal Government and \$11,029,000 from local sources. As of year ended June 30, 2022, District management believes the following accounts receivable to be fully collectible within the subsequent fiscal year:

The Primary Government had \$110,696,000 in accounts payable and accrued liabilities at year-end. This amount also includes compensated absences (See Note I.G.6), as well as invoices expensed but not yet disbursed and payroll liability not yet disbursed, both due to the normal lag in processing such transactions.

The District had \$94,819,000 in accounts payable and accrued liabilities at year-end. This was principally made up of vouchers expensed but not yet disbursed and payroll liability not yet disbursed, both due to the normal lag in processing such transactions.

C. CAPITAL ASSETS

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

Class	Balance			Balance June 30, 2022
	July 1, 2021	Increases	Decreases	
Capital assets, not being depreciated:				
Land	\$ 27,186	—	—	\$ 27,186
Construction in progress	11,431	8,127	1,627	17,931
Total capital assets, not being depreciated	38,617	8,127	1,627	45,117
Capital assets, being depreciated:				
Buildings	270,958	1,138	2,339	269,757
Improvements other than buildings	92,704	3,500	—	96,204
Machinery, equipment, and vehicles	127,796	8,202	2,835	133,163
Infrastructure	718,789	2,735	—	721,524
Total capital assets being depreciated	1,210,247	15,575	5,174	1,220,648
Less accumulated depreciation for:				
Buildings	148,199	7,289	63	155,425
Improvements other than buildings	41,550	3,288	(63)	44,901
Machinery, equipment, and vehicles	93,186	6,813	2,797	97,202
Infrastructure	230,240	12,573	—	242,813
Total accumulated depreciation	513,175	29,963	2,797	540,341
Total capital assets, being depreciated, net	697,072	(14,388)	2,377	680,307
Right to use assets being amortized:				
Real Estate	—	10,175	—	10,175
Equipment	—	352	—	352
Total Leased Assets being amortized	—	10,527	—	10,527
Less: accumulated amortization for:				
Real Estate	—	915	—	\$ 915
Equipment	—	79	—	79
Total Accumulated amortization	—	994	—	994
Total right to use assets being amortized, net	—	9,533	—	9,533
Governmental activities capital assets, net	\$ 735,689	\$ 3,272	\$ 4,004	\$ 734,957

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

Class	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 10,539	—	—	\$ 10,539
Construction in progress	3,338	1,168	3,468	1,038
Total capital assets, not being depreciated	<u>13,877</u>	<u>1,168</u>	<u>3,468</u>	<u>11,577</u>
Capital assets, being depreciated:				
Buildings	235,920	3,415	—	239,335
Improvements other than buildings	307,780	—	—	307,780
Machinery, equipment, and vehicles	50,731	871	1,965	49,637
Total capital assets being depreciated	<u>594,431</u>	<u>4,286</u>	<u>1,965</u>	<u>596,752</u>
Less accumulated depreciation for:				
Buildings	139,533	5,587	—	145,120
Improvements other than buildings	169,286	6,347	—	175,633
Machinery, equipment, and vehicles	34,771	3,389	1,930	36,230
Total accumulated depreciation	<u>343,590</u>	<u>15,323</u>	<u>1,930</u>	<u>356,983</u>
Total capital assets, being depreciated, net	<u>250,841</u>	<u>(11,037)</u>	<u>35</u>	<u>239,769</u>
Right to use assets being amortized:				
Real Estate	—	1,019	—	1,019
Equipment	—	—	—	—
Total leased assets being amortized	<u>—</u>	<u>1,019</u>	<u>—</u>	<u>1,019</u>
Less accumulated amortization for:				
Real Estate	—	60	—	60
Equipment	—	—	—	—
Total accumulated amortization:	<u>—</u>	<u>60</u>	<u>—</u>	<u>60</u>
Total right to use assets being amortized, net	<u>—</u>	<u>959</u>	<u>—</u>	<u>959</u>
Business-type activities capital assets, net	<u>\$ 264,718</u>	<u>\$ (8,910)</u>	<u>\$ 3,503</u>	<u>\$ 252,305</u>

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

Governmental activities:	
General Government	\$ 2,356
Police	1,708
Fire	2,299
Emergency Communications	231
Transportation	12,570
Environmental Services	6,682
Recreation & Human Services	2,490
Library	990
Neighborhood & Business Development (NBD)	637
Total depreciation expense - governmental	<u>\$ 29,963</u>
Business-type activities:	
Water	\$ 7,888
Parking	989
War Memorial	2,932
Refuse	490
Cemetery	598
Public Market	2,426
Total depreciation expense - business-type	<u>\$ 15,323</u>
Total depreciation - Primary Government	<u><u>\$ 45,286</u></u>

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

Governmental activities:	
General government	\$ 587
Police	219
Library	16
Neighborhood & Business Development	172
Total amortization expense - governmental	<u>\$ 994</u>
Business-type activities:	
Parking	60
Total amortization expense - business type	<u>\$ 60</u>
Total amortization - Primary Government	<u><u>\$ 1,054</u></u>

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

Class	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 18,562	\$ —	\$ 10	\$ 18,552
Construction in progress	186,113	29,028	199,601	15,540
Total capital assets, not being depreciated	<u>204,675</u>	<u>29,028</u>	<u>199,611</u>	<u>34,092</u>
Capital assets, being depreciated:				
Buildings and improvements	1,132,528	199,772	31,694	1,300,606
Equipment and other	57,068	5,552	3,247	59,373
Total capital assets being depreciated	<u>1,189,596</u>	<u>205,324</u>	<u>34,941</u>	<u>1,359,979</u>
Less accumulated depreciation for:				
Buildings and improvements	445,862	44,665	21,662	468,865
Equipment and other	43,361	4,866	3,051	45,176
Total accumulated depreciation	<u>489,223</u>	<u>49,531</u>	<u>24,713</u>	<u>514,041</u>
Total capital assets, being depreciated, net:	<u>700,373</u>	<u>155,793</u>	<u>10,228</u>	<u>845,938</u>
Right to use assets:				
Land improvements		259	—	259
Buildings		1,153	—	1,153
Equipment		1,883	—	1,883
Total right to use assets being amortized	<u>—</u>	<u>3,295</u>	<u>—</u>	<u>3,295</u>
Less accumulated amortization:				
Land improvements		75	—	75
Buildings		989	—	989
Equipment		1,166	—	1,166
Total accumulated amortization		<u>2,230</u>	<u>—</u>	<u>2,230</u>
Total right to use assets being amortized, net		<u>1,065</u>	<u>—</u>	<u>1,065</u>
District capital assets, net	<u>\$ 905,047</u>	<u>\$ 185,885</u>	<u>\$ 209,838</u>	<u>\$ 881,094</u>

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

Instructional teaching regular school	\$ 45,085
General support central services	5,216
Pupil transportation	1,397
Community services	<u>63</u>
	<u>\$ 51,761</u>

D. CURRENT DEBT RELATED LIABILITIES

The following tables summarize changes in the City's current debt related liabilities for the year ended June 30, 2022:

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

	Balance July 1, 2021	New Issues/ Additions	Maturities/ Reductions	Balance June 30, 2022	Due Within One Year
Bond Anticipation Notes					
Public improvement	\$ 57,289	\$ 28,411	\$ (6,691)	\$ 79,009	\$ 79,009
Library	3,851	2,277	(128)	6,000	6,000
Local Works	2,995	280	(580)	2,695	2,695
Total Bond Anticipation Notes	<u>\$ 64,135</u>	<u>\$ 30,968</u>	<u>\$ (7,399)</u>	<u>\$ 87,704</u>	<u>\$ 87,704</u>

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

	Balance July 1, 2021	New Issues/ Additions	Maturities/ Reductions	Balance June 30, 2022	Due Within One Year
Bond Anticipation Notes					
Water	\$ 14,992	\$ 7,262	\$ (743)	\$ 21,511	\$ 21,511
Parking	4,312	1,825	(1,186)	4,951	4,951
War Memorial	1,573	70	(47)	1,596	1,596
Public Market	835	—	(90)	745	745
Refuse	3,000	—	(1,000)	2,000	2,000
Total Bond Anticipation Notes	<u>\$ 24,712</u>	<u>\$ 9,157</u>	<u>\$ (3,066)</u>	<u>\$ 30,803</u>	<u>\$ 30,803</u>

As of June 30, 2022, the City had two Bond Anticipation Notes, one for \$132,352,000 at 2.00% maturing August 3, 2022 and one for \$46,020,000 at 2.5% maturing March 1, 2023. These BANS were the combined short term financing for capital projects in governmental activities, business-type activities and for the District.

The following table summarizes changes in the District's current debt related liabilities for the year ended June 30, 2022:

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

	Balance July 1, 2021	New Issues/ Additions	Maturities/ Reductions	Balance June 30, 2022	Due Within One Year
Bond Anticipation Notes					
Rochester City School District	\$ 51,278	\$ 15,400	\$ (6,813)	\$ 59,865	\$ 59,865
Total Bond Anticipation Notes	<u>\$ 51,278</u>	<u>\$ 15,400</u>	<u>\$ (6,813)</u>	<u>\$ 59,865</u>	<u>\$ 59,865</u>

E. LONG-TERM LIABILITIES

The following tables summarize changes in the City's long-term liabilities for the year ended June 30, 2022:

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

	Balance July 1, 2021	New Issues/ Additions	Maturities/ Reductions	Balance June 30, 2022	Due Within One Year
General Obligation Bonds					
Public improvement	\$ 48,323	\$ —	\$ (11,541)	\$ 36,782	\$ 9,865
Library	411	—	(106)	305	85
Local Works	1,665	—	(735)	930	335
Premium	6,379	—	(955)	5,424	914
Total General Obligation Bonds	56,778	—	(13,337)	43,441	11,199
Other Noncurrent Liabilities					
Promissory Note Payable****	451	—	(29)	422	32
Workers' Compensation	15,406	4,192	(3,238)	16,360	3,334
Pollution Remediation	18,186	6,345	(2,531)	22,000	—
OPEB Liability	1,627,446	134,577	(709,887)	1,052,136	—
Net Pension Liability**	55,625	—	(37,528)	18,097	—
Due to Other Governments - Pension Amortization*	2,313	—	(1,136)	1,177	—
Lease Liability	—	10,616	(891)	9,725	1,185
Due to Other Governments - HUD 108 Loan***	15,144	—	(1,030)	14,114	1,051
Total Other Noncurrent Liabilities	1,734,571	155,730	(756,270)	1,134,031	5,602
TOTAL NONCURRENT LIABILITIES	\$ 1,791,349	\$ 155,730	\$ (769,607)	\$ 1,177,472	\$ 16,801

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

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

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

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

The Chief Executive Officer of REDCO certifies that it has substantially reduced its workforce and no longer requires the space at 55-57 St Paul Street to operate its business or REDCO substantially increases its space requirements, and the City is unable to provide additional space at St Paul. Upon early termination of the lease, the remaining balance of funds due for the purchase of 448 Smith Street will be due to REDCO on or before the 1st day of the last month of the Term. At June 30, 2022 the balance of this note was \$422,000.

Fiscal Year Ending June 30	Principal Payments	Interest	Total Lease Payments	Balance
2023	\$ 31,715	\$ 8,147	\$ 39,862	\$ 389,918
2024	34,523	7,487	42,010	355,395
2025	37,505	6,770	44,275	317,890
2026	40,671	5,991	46,662	277,219
2027	44,030	5,147	49,177	233,189
2028	47,593	4,234	51,827	185,596
2029	51,373	3,248	54,621	134,223
2030	55,381	2,184	57,565	78,842
2031	59,630	1,038	60,668	19,212
2032	19,212	76	19,288	—
Total	\$ 421,633	\$ 44,322	\$ 465,955	

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

	Balance July 1, 2021	New Issues/ Additions	Maturities/ Reductions	Balance June 30, 2022	Due Within One Year
General Obligation Bonds					
Water	\$ 32,437	\$ —	(5,444)	\$ 26,993	\$ 5,101
Parking	8,131	—	(2,456)	5,675	1,906
War Memorial	5,250	—	(895)	4,355	840
Cemeteries	390	—	(95)	295	95
Public Market	2,605	—	(315)	2,290	320
Premium	3,932	—	(480)	3,452	481
Total General Obligation Bonds	52,745	—	(9,685)	43,060	8,743
Other Noncurrent Liabilities					
Workers' Compensation	9,639	2,065	(2,025)	9,679	1,972
OPEB Liability	126,347	10,448	(41,382)	95,413	—
Net Pension Liability**	23	—	(23)	—	—
Due to Other Governments - Pension Amortization*	262	—	(129)	133	—
Lease Liability	—	1,019	(31)	988	33
Total Other Noncurrent Liabilities	136,271	13,532	(43,590)	106,213	2,005
TOTAL NONCURRENT LIABILITIES	\$ 189,016	\$ 13,532	\$ (53,275)	\$ 149,273	\$ 10,748

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

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

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

The following table summarizes changes in the District's noncurrent and debt-related liabilities for the year ended June 30, 2022 :

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

	<u>Balance July 1, 2021</u>	<u>New Issues/ Additions</u>	<u>Maturities/ Reductions</u>	<u>Balance June 30, 2022</u>	<u>Due Within One Year</u>
General Obligation and Revenue Bonds					
District Serial Bonds	\$ 87,112	\$ —	\$ (14,859)	\$ 72,253	\$ 13,299
Premium	8,089	—	(1,273)	6,816	985
School Facilities Revenue Bonds					
FMP Revenue Bonds	496,025	—	(32,490)	463,535	30,050
Premium	73,969	—	(6,323)	67,646	6,323
TOTAL GENERAL OBLIGATION AND REVENUE BONDS	665,195	—	(54,945)	610,250	50,657
Other Noncurrent Liabilities					
Compensated Absences	4,474	6,336	(6,572)	4,238	4,239
Claims Payable:					
Worker's Compensation	26,878	4,906	(4,050)	27,734	4,321
TRS Incentive	5,250	—	(1,750)	3,500	1,750
Legal Contingencies	—	2,000	—	2,000	—
Other Post Employment Benefits	1,158,687		(232,155)	926,532	—
Due to Other Governments:					
NYS Lottery Advance	43,167	—	(1,833)	41,334	9,833
NYS TRS Loan	2,695	—	(2,695)	—	—
NYS ERS Loan	2,512	—	(2,512)	—	—
ERS Pension Liability	219	—	(219)	—	—
TRS Pension Liability	43,662	—	(43,662)	—	—
Capital Leases	—	3,295	(2,230)	1,065	611
Total Other Noncurrent Liabilities	1,287,544	16,537	(297,678)	1,006,403	20,754
TOTAL NONCURRENT and DEBT RELATED LIABILITIES	\$ 1,952,739	\$ 16,537	\$ (352,623)	\$ 1,616,653	\$ 71,411

Compensated absences paid in fiscal year 2021-22 totaled approximately \$6.1 million, excluding payroll taxes. This amount is reflected in the maturities/reductions along with any balance remaining from fiscal year 2021-22. The new issues/additions reflect the new long-term liability at June 30, 2022. The General fund is typically used to liquidate all long-term liabilities, as well as debt related liabilities.

Debt Service Requirements

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

Fiscal year Ending June 30	General Obligation Debt						Total
	Governmental Activities		Business-Type Activities		District		
	Principal	Interest	Principal	Interest	Principal	Interest	
2023	10,285	1,289	8,261	1,415	13,299	2,296	\$ 36,845
2024	8,892	880	7,539	1,102	11,429	1,910	31,752
2025	6,925	599	6,937	820	7,828	1,601	24,710
2026	3,370	391	5,209	580	7,140	1,353	18,043
2027	2,400	279	4,372	386	6,522	1,102	15,061
2028-2032	6,135	437	7,240	482	22,960	2,516	39,770
2033-2034	10	0	50	1	3,075	110	3,246
Total	<u>\$38,017</u>	<u>\$ 3,875</u>	<u>\$39,608</u>	<u>\$ 4,786</u>	<u>\$72,253</u>	<u>\$10,888</u>	<u>\$ 169,427</u>

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

Outstanding Bond Issues - June 30, 2022

Issue	Rate(%)	Principal Balance	Final Maturity	Original Balance	Capital Project Fund Categories
General Obligation-1994, Series A	5.000	305,000	8/15/2022	63,577,000	G,L,P,R,S,W,Sch
General Obligation-1996, Series A	5.000	60,000	9/15/2023	70,690,000	G,L,P,S,W,Sch
General Obligation-1996, Series B (Taxable)	6.750	960,000	9/15/2024	9,380,000	Parking only
General Obligation Serial Bonds-1997	5.000	1,090,000	10/1/2025	55,960,000	G,L,P,S,W,Sch
General Obligation Serial Bonds-1999	5.250	3,645,000	10/1/2026	69,575,000	G,W,S,L,WM,Sch
General Obligation Serial Bonds-2001, Series A	4.500	270,000	10/15/2027	29,275,000	G,L,S,W,Sch
General Obligation Serial Bonds-2001, Series B	5.000	710,000	2/15/2028	35,350,000	G,S,PM,WM,W,Sch
General Obligation Serial Bonds-2009, Series C3 (Taxable)	6.989	410,000	2/10/2024	1,830,000	G,W,P
School Refunding Bonds-2012, Series III	2.250	1,135,000	2/15/2025	9,640,000	School only
Refunding Bonds-2012, Series IV	4.000	3,430,000	10/15/2031	14,655,000	G,S,W,Sch
Refunding Bonds-2012, Series V	2.375	1,835,000	2/15/2031	19,390,000	G,S,W,P,Sch
General Obligation Serial Bonds-2013, Series I	5.000	8,560,000	2/1/2025	29,150,000	G,LW,P,C
General Obligation Serial Bonds-2013, Series II	3.000	14,470,000	2/1/2029	67,470,000	G,W,P,Sch
General Obligation Serial Bonds-2015, Series I	5.000	26,360,000	8/1/2030	59,620,000	G,L,W,WM,P,Sch
General Obligation Refunding (Serial) Bonds-2016, Series I	4.000	4,580,000	10/15/2024	20,200,000	G,S,W,Sch
General Obligation Serial Bonds-2018, Series I	4.000	13,520,000	2/15/2032	35,140,000	G,L,LW,W,WM,P,PM
General Obligation Serial Bonds-2018, Series II	4.000	48,740,000	8/1/2033	70,914,000	G,L,LW,W,P,PM,Sch
General Obligation Refunding Serial Bonds-2020, Series I	1.270	<u>19,800,000</u>	8/1/2027	40,370,000	G,S,L,W,P,Sch
		<u>\$149,880,000</u>			

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

General obligation bonds are direct obligations for which the full faith and credit of the City are pledged. Bonds are generally issued as serial bonds for a period equivalent to one-half of the period of probable usefulness for each improvement as defined by the New York State Local Finance Law. The interest rates on long-term debt range from 1.27% to 6.989% with maturity dates through fiscal year 2034. Bonds authorized but unissued as of June 30, 2022 amounted to \$74,073,000. The debt-contracting margin of the City as of June 30, 2022, was \$386,956,000.

The City is in compliance with Internal Revenue Service regulations regarding arbitrage restrictions on tax-exempt bonds. No arbitrage rebate payments were due or made for the year ended 2022.

F. POLLUTION REMEDIATION

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

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

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

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

During the fiscal year, the City recognized estimated additional liabilities of \$6,345,000 and spent \$2,531,000 in pollution remediation obligation related activities. At June 30, 2022, the City had an outstanding pollution remediation liability of \$22,000,000.

G. LEASES

City as Lessee

The City is a lessee for non-cancelable leases of equipment (i.e., copiers) and real estate (i.e., office). The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual annual value of \$1,000 or more for equipment, property, plant and infrastructure leases.

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

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

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

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the leased asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The total of the City's lease assets is recorded at a cost of \$11,546,000, less accumulated amortization of \$1,054,000

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

Maturity Analysis - Leases	Principal	Interest	Total
2023	\$1,218	\$394	\$1,612
2024	1,141	378	1,519
2025	795	364	1,159
2026	733	348	1,081
2027	666	331	997
2027 - 2032	2,965	1,383	4,348
2032 - 2037	1,702	979	2,681
2037 - 2042	1,202	409	1,611
2042 - 2047	96	126	222
2047 - 2052	173	59	232
2052 - 2057	22	0	23
Total	\$ 10,713	\$4,771	\$15,485

City as Lessor

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

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

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

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

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

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

The total amount of inflows of resources, including lease revenue of \$701,405 and interest revenue of \$139,645, recognized during the fiscal year was \$841,050.

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

<u>Maturity Analysis - Leases</u>	<u>Revenue</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 718	\$ 130	\$ 848
2024	674	119	793
2025	663	108	771
2026	573	98	671
2027	486	91	577
2027 -2032	2091	375	2466
2032 - 2037	1297	280	1577
2037 - 2042	867	208	1075
2042 - 2047	625	168	793
2047 - 2052	441	145	586
2052 - 2057	394	129	523
2057 - 2062	347	115	462
2062 - 2067	347	102	449
2067 - 2072	347	88	435
2072 - 2077	347	74	421
2077 - 2082	347	59	406
2082 - 2087	347	44	391
2087 - 2092	347	28	375
2092 - 2097	347	11	358
2097 - 2102	52		52
Total	\$ 11,657	\$ 2,372	\$ 14,029

Master License Agreements/Leases

Currently, the City is facing lawsuits by three telecommunications companies that challenge some of the fees charged under the City's Telecommunications Code and the Master License Agreements. As a result of these suits, some entities that have entered into Master License Agreements with the City, and have not made payments pursuant to those agreements. We expect that the litigation will continue for at least the next six months.

H. FUND BALANCES - GOVERNMENTAL FUNDS

As of June 30, 2022, fund balances of the governmental funds are classified as follows:

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

The Assigned category includes funds encumbered for contract services and purchase orders that were open as of June 30, 2022.

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

As of June 30, 2022, governmental fund balances were classified as follows (000's omitted):

	<u>Capital Projects</u>			<u>Special Revenue</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>General</u>	<u>Transportation</u>	<u>Community Development</u>	<u>Nonmajor Governmental</u>	
Restricted:						
Debt service	\$ —	\$ —	\$ —	\$ —	\$ 2,767	\$ 2,767
Community development	491	—	—	5,822	—	6,313
Opioid settlement	79	—	—	—	—	79
Federal projects	—	—	—	—	5,508	5,508
State projects	—	—	—	—	2,175	2,175
Committed:						
Retirement costs	29,429	—	—	—	—	29,429
Property tax relief	25,274	—	—	—	—	25,274
Capital projects	—	11,302	—	—	—	11,302
Federal block grant	—	—	—	13,094	—	13,094
Cemetery perpetual care	—	—	—	—	5,324	5,324
Economic development	—	—	—	—	1,634	1,634
Assigned:						
Open purchase orders and contracts:						
General government	6,294	—	—	—	—	6,294
Police	761	—	—	—	—	761
Fire	409	—	—	—	—	409
Emergency communications	239	—	—	—	—	239
Environmental services	1,150	—	—	—	—	1,150
Recreation & human services	495	—	—	—	—	495
Neighborhood & business development	1,836	—	—	—	—	1,836
Subsequent year's expenditures	5,943	—	—	—	—	5,943
Retirement costs	7,931	—	—	—	—	7,931
Property tax relief	12,889	—	—	—	—	12,889
Postemployment benefits	4,977	—	—	—	—	4,977
Debt service	—	—	—	—	5,756	5,756
Capital projects	5,000	63	—	—	—	5,063
Animal control	—	—	—	—	711	711
Library	—	—	—	—	1,549	1,549
Local works	—	—	—	—	13,473	13,473
Downtown programs	—	—	—	—	2,250	2,250
Unassigned (deficit)						
Capital projects fund - Transportation	—	—	(38,164)	—	—	(38,164)
Capital projects fund - Cultural and Recreation	—	—	—	—	(6,428)	(6,428)
General fund	8,828	—	—	—	—	8,828
Totals	<u>\$112,025</u>	<u>\$ 11,365</u>	<u>\$ (38,164)</u>	<u>\$ 18,916</u>	<u>\$ 34,719</u>	<u>\$ 138,861</u>

IV. OTHER INFORMATION

A. RISK MANAGEMENT

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

At June 30, 2022, the amount of these liabilities was \$50,883,000. Liability estimates are based on the valuations of the insurance companies administering the programs. Changes in the reported liability since June 30, 2020 resulted from the following (000's Omitted):

	Workers' Compensation	General Liability	Total
Estimated claims June 30, 2020	\$ 24,841	\$ 12,795	\$ 37,636
Claims incurred 2020-21	5,107	13,538	18,645
Payments 2020-21	(4,903)	(8,018)	(12,921)
Estimated claims June 30, 2021	\$ 25,045	\$ 18,315	\$ 43,360
Claims incurred 2021-22	6,257	14,481	20,738
Payments 2021-22	(5,263)	(7,951)	(13,214)
Estimated claims June 30, 2022	\$ 26,039	\$ 24,845	\$ 50,884

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

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

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

	Workers' Compensation
Estimated claims June 30, 2020	\$ 23,220
Claims incurred 2020-21	8,968
Payments 2020-21	(5,310)
Estimated claims June 30, 2021	\$ 26,878
Claims incurred 2021-22	5,767
Payments 2021-22	(4,911)
Estimated claims June 30, 2022	\$ 27,734

B. CONTINGENT LIABILITIES

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

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

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

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

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

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

City and District Employees covered by benefit terms

At June 30, 2022, the following employees were covered by the benefit terms.

	City	District
Inactive employees or beneficiaries currently receiving benefit payments	3,419	3,184
Inactive employees entitled to but not yet receiving benefit payments	—	781
Active employees	2,782	5,370
Total	6,201	9,335

Total OPEB Liability

The City's total OPEB liability of \$1,147,549,000 was measured as of June 30, 2022 and was determined based on an actuarial valuation as of July 1, 2021.

The District's total OPEB liability of \$926,532,000 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions and Other Inputs

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

Retiree share of benefit-related cost: Range of 0%-25% of premium cost
 Salary increase: 3.0% average salary increase used for Entry Age Normal (EAN)
 Discount rate: 3.77%
 Healthcare Cost Trend rates: Year 1 trend January 1, 2023 7% both Pre 65, and Post 65
 Ultimate trend January 1, 2033 and later 4.5% both Pre 65 and Post 65
 Grading per year .25% both Pre 65 and Post 65.

The discount rate was based on the prescribed discount interest rate methodology under GASB 75 based on an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO - 3.54%, S&P Municipal Bond 20 Year High Grade Rate Index - 4.09%, and Fidelity GAAA 20 Years - 3.69%) as of June 30, 2022.

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

The valuation uses assumptions and inputs provided for the July 1, 2021 valuation.

The District's total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increase: 3.0% average, including inflation
 Discount rate: 3.77%
 Healthcare Cost Trend rates: 7.0% for 2023 with a reduction of 0.25% per year and an ultimate rate of 4.5% in 2033 and years thereafter.

The discount rate was based on the prescribed discount interest rate methodology under GASB 75 based on an average of three 20-year bond indices as of June 30, 2022.

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

The actuarial assumptions used in the City's July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2022.

Changes Total OPEB Liability	<u>City</u>	<u>District</u>
Balance as of 6/30/2021	\$ 1,753,792,904	\$1,158,687,062
Changes for the year		
Service cost	17,511,355	20,004,692
Interest	65,404,838	43,074,238
Changes of benefit terms	—	—
Differences between expected and actual experience	—	—
Changes in assumptions or other inputs	(651,327,234)	(262,965,613)
Benefits payments	<u>(37,833,123)</u>	<u>(32,268,645)</u>
Net changes	<u>(606,244,164)</u>	<u>(232,155,328)</u>
Balance 6/30/2022	<u>\$ 1,147,548,740</u>	<u>\$ 926,531,734</u>

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.77 percent) or 1-percentage point higher (4.77 percent) than the current discount rate.

	Discount Rate 1% Decrease <u>(2.77%)</u>	Discount Rate <u>(3.77%)</u>	Discount Rate 1% Increase <u>(4.77%)</u>
Total OPEB Liability \$	1,385,183,761 \$	1,147,548,740 \$	969,276,072

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.77%) or one percentage point higher (4.77%) than the current discount rate.

	Discount Rate 1% Decrease <u>(2.77%)</u>	Discount Rate <u>(3.77%)</u>	Discount Rate 1% Increase <u>(4.77%)</u>
Total OPEB Liability \$	1,111,277,700 \$	926,531,734 \$	786,064,962

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

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

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

	Discount Rate 1% Decrease <u>(6.0% decreasing to 3.5%)</u>	Healthcare Cost Trend Rate <u>(7.0% decreasing to 4.5%)</u>	Discount Rate 1% Increase <u>(8.0% decreasing to 5.5%)</u>
Total OPEB Liability \$	955,570,006 \$	1,147,548,740 \$	1,405,775,478

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

	Discount Rate 1% Decrease <u>(6.0% decreasing to 3.5%)</u>	Healthcare Cost Trend Rate <u>(7.0% decreasing to 4.5%)</u>	Discount Rate 1% Increase <u>(8.0% decreasing to 5.5%)</u>
Total OPEB Liability \$	770,914,137 \$	926,531,734 \$	1,134,018,380

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$17,184,000. At June 30, 2022 the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ —	\$ —
Changes in assumptions	—	440,570,000
Net difference between projected and actual earnings on OPEB plan investments	<u>—</u>	<u>—</u>
Total	<u>\$ —</u>	<u>\$ 440,570,000</u>

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

Year ended June 30:

2023	\$ (65,732,000)
2024	(65,732,000)
2025	(65,732,000)
2026	(65,732,000)
2027	(70,510,000)
2028	(86,412,000)
2029	(20,720,000)

For the year ended June 30, 2022, the District recognized OPEB expense of \$65,431,706. A summary of deferred inflows and outflows for the 2021 plan year valuation is as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ —	\$ —
Changes in assumptions	—	(70,291,045)
Net difference between projected and actual earnings on OPEB plan investments	<u>—</u>	<u>—</u>
Total	<u>\$ —</u>	<u>\$ (70,291,045)</u>

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

Year ended June 30:

2023	\$ 2,352,776
2024	2,352,776
2025	2,352,776
2026	(4,197,376)
2027	(26,916,284)
2028	(36,121,650)
2029	(10,114,063)

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 \$209,000 for the City in fiscal year 2022, cannot be projected as a reduction to the actuarial accrued liability.

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

Effective January 1, 2002, the District established a Medical Reimbursement Account (MRA) for qualified retirees per the collective bargaining agreement between the District and Association of Supervisors and Administrators of Rochester for an attendance incentive. During fiscal year 2021-22, MRA claims totaling \$26,086 were paid by the District and at June 30, 2022, there were thirty-five active participants.

D. PENSION OBLIGATIONS

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

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

Funding policy. All participating employers in each System are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees except certain part-time, temporary and provisional employees, participate in the Systems. The Systems are contributory except for Tier I and II employees who joined the Employees' Retirement System or the Teachers' Retirement System before July 27, 1976. The contribution rate for ERS Tier III, IV, and V employees is 3% of salary. Tier III and Tier IV employees contribute only during the first 10 years of service. The contribution rate for ERS and PFRS Tier VI employees which started April 1, 2012, is between 3% and 6%, dependent upon their salary for their entire working career. For ERS the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

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

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

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

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

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

At June 30, 2022, the City reported the following asset/(liability) for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of March 31, 2022 for ERS and PFRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation.

Measurement Date	ERS		PFRS	
	March 31, 2022		March 31, 2022	
Net Pension Asset (Liability)	\$	24,958,266	\$	(18,096,698)
City's portion of the plan's total net pension asset/ liability		0.3053154 %		3.1857887%
Change in proportionate share since prior measurement date		(0.0055449)		(0.0014347)

At June 30, 2022, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined.

Measurement Date	ERS		TRS	
	March 31, 2022		June 30, 2021	
Net Pension Asset	\$	15,368,289	\$	250,344,437
District's portion of the Plan's total net pension liability		0.188001%		1.444652%
Change in proportionate share since prior measurement date		(0.0319400)		(0.135438)

At year end June 30, 2022, the City recognized ERS pension expenses of \$1,121,000. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 1,890,124	\$ 2,451,598
Changes of Assumptions	41,652,547	702,841
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	—	81,727,863
Changes in Proportion and differences between Employer Contributions and Proportionate Share of Contributions	537,656	974,043
Total	\$ 44,080,327	\$ 85,856,345

The City's contributions subsequent to the measurement date for ERS amounted to \$3,203,000.

At year end June 30, 2022, the City recognized PFRS pension expenses of \$16,726,000.

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

	PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 9,756,063	\$ —
Changes of Assumptions	108,312,662	—
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	—	152,059,540
Changes in Proportion and differences between Employer Contributions and Proportionate Share of Contributions	1,085,159	2,983,022
Total	\$ 119,153,884	\$ 155,042,562

The City's contributions subsequent to the measurement date for PFRS amounted to \$8,393,000.

At year end June 30, 2022, the District's ERS recognized pension expenses of \$1,464,482 and for TRS \$(12,901,367) net of deferrals. At June 30, 2021, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions arose from the following sources:

	District	
	ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 1,163,862	\$ 1,509,595
Changes of Assumptions	25,647,951	432,781
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	—	50,324,708
Changes in Proportion and differences between Employer Contributions and Proportionate Share of Contributions	3,505,818	3,406,442
Total	\$ 30,317,631	\$ 55,673,526

At year end June 30, 2022, the District recognized \$2,031,054 in contributions to ERS subsequent to the measurement date.

	District	
	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 34,507,325	\$ 1,300,646
Changes of Assumptions	82,343,518	14,581,825
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	—	262,011,355
Changes in Proportion and differences between Employer Contributions and Proportionate Share of Contributions	11,500,403	3,599,907
Total	\$ 128,351,246	\$ 281,493,733

At year end June 30, 2022, the District recognized \$24,726,806 in contributions to TRS subsequent to the measurement date.

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

Fiscal year ending June 30,	ERS	PFRS
2023	\$ (6,472,916)	\$ (7,976,527)
2024	(9,372,602)	(12,527,259)
2025	(21,403,976)	(35,770,975)
2026	(4,526,524)	19,896,944
2027	—	489,139
Thereafter	—	—

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

Year Ended June 30,	ERS	TRS
2023	\$ (3,507,826)	\$ (30,865,643)
2024	(5,525,753)	(36,584,899)
2025	(13,330,664)	(46,904,611)
2026	(2,991,652)	(61,531,246)
2027	—	13,719,697
Thereafter	—	9,024,215

Actuarial Assumptions

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

	ERS	PFRS	TRS
Measurement Date	March 31, 2022	March 31, 2022	June 30, 2021
Actuarial Valuation Date	April 1, 2021	April 1, 2021	June 30, 2020
Interest Rate	5.9%	5.9%	6.95%
Salary Scale	4.4%	6.2%	1.95% - 5.18%
Decrement Tables	04/01/15-03/31/20 System's Experience	04/01/15-03/31/20 System's Experience	07/01/15-06/30/20 System's Experience
Inflation Rate	2.7%	2.7%	2.4%
Cost of Living Adjustments	1.4%	1.4%	1.3%

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

For ERS and PFRS, the actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

For TRS, the actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

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

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

CITY AND DISTRICT	Target Allocation		Long-Term Expected Real Rate of Return	
	TRS	ERS and PFRS	TRS	ERS and PFRS
Measurement Date	June 30, 2021	March 31, 2022	June 30, 2021	March 31, 2022
Asset Class:				
Domestic equities	33.0%	32.0%	6.8%	3.3%
International equities	16.0	15.0	7.6	5.9
Global equities	4.0	—	7.1	—
Real estate	11.0	9.0	6.5	5.00
Private equity	8.0	10.0	10.0	6.50
Private debt	1.0	—	5.9	—
Real estate debt	7.0	—	3.3	—
Domestic fixed income securities	16.0	—	1.3	—
Global bonds	2.0	—	0.8	—
High yield bonds	1.0	—	3.8	—
Opportunistic portfolio	—	3.0	—	4.10
Absolute return strategies	—	4.0	—	3.78
Real assets	—	3.0	—	5.58
Bond and mortgages	—	—	—	—
Fixed Income	—	23.0	—	—
Cash equivalents	1.0	1.0	(0.2)	(1.00)
Inflation-indexed bonds	—	—	—	—
Total	<u>100.0%</u>	<u>100.0%</u>		

Discount Rate

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

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

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

		1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
CITY - ERS	Employer's proportionate share of the Net Pension asset/(liability)	\$ (64,242,304)	\$ 24,958,266	\$ 99,570,239
CITY - PFRS	Employer's proportionate share of the Net Pension asset/(liability)	\$ (201,297,849)	\$ (18,096,698)	\$ 133,545,212
DISTRICT-ERS	Employer's proportionate share of the Net Pension asset/(liability)	\$ (39,557,809)	\$ 15,368,289	\$ 61,311,320
		1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
DISTRICT-TRS	Employer's proportionate share of the Net Pension asset/(liability)	\$ 26,269,998	\$ 250,344,437	\$ 438,662,743

Pension Plan Fiduciary Net Position

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

	ERS	PFRS	TRS
	(Dollars in Thousands)		
Measurement Date	3/31/2022	3/31/2022	6/30/2021
Employers' total pension liability	\$ 223,874,888	\$ 42,237,292	\$ 130,819,415
Fiduciary net position	232,049,473	41,669,250	148,148,457
Employers' net pension asset/(liability)	\$ 8,174,585	\$ (568,042)	\$ 17,329,042
Ratio of Plan net position to the employers' total pension asset/(liability)	103.65%	98.66%	113.25%

Payables to the Pension Plan

For the City's ERS and PFRS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2022 based on 25% of the City's ERS and PFRS estimated bill. The City's accrued retirement contributions as of June 30, 2022 for ERS amounted to \$3,203,000 and PFRS amounted to \$8,393,000.

For the District, ERS employer contributions are paid annually based on the System's fiscal year which ends March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on ERS wages multiplied by the contribution rate by tier. Accrued employer retirement contributions were approximately \$2,031,000 and \$438,000 for employee contributions, and an employee accrued retirement contributions were \$196,000 as of June 30, 2022.

For the District's TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a State Aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on TRS wages multiplied by the employer's contribution rate of 9.8%, as calculated by the TRS as the actuarially required rate. Employer accrued retirement contributions as of June 30, 2022 were \$24,726,000 and employee accrued retirement contributions were \$2,462,000.

E. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

To improve cash management, all City disbursements are made from a consolidated account in the general fund. Also, the cash balances of certain capital funds are consolidated to maximize investment return. Both these cash management practices, as well as normal delays in processing interfund transfers and reimbursements, including those that occur at year end such as allocation of fringe benefits and workers compensation expenses as well as the allocation of tax collections, are the primary reasons why interfund receivables and payables exist. These receivables and payables are short term in nature and are typically repaid in less than one year. The following schedule summarizes individual fund interfund receivables and payables at June 30, 2022 (000's Omitted):

Due to:	Due From:								
	General	General Capital	Transportation Capital	Nonmajor Governmental Debt	Nonmajor Governmental Special Revenue	Nonmajor Governmental Capital Projects	Internal Service	Proprietary	Total
General	\$ —	\$ 49,062	\$ 1,394	\$ 15	\$ 2,453	\$ 202	\$ 15,163	\$ 4,643	\$ 72,932
General Capital	8,359	—	—	—	1	—	—	—	8,360
Transportation Capital	7,491	1,095	—	—	—	—	—	—	8,586
Community Development	894	—	—	—	10	—	—	—	904
Nonmajor Capital Projects	436	—	—	—	—	—	—	—	436
Nonmajor Special Revenue	4,581	277	6,047	—	—	3,034	—	1,126	15,065
Proprietary	7,793	—	—	—	41	—	—	—	7,834
Total	\$ 29,554	\$ 50,434	\$ 7,441	\$ 15	\$ 2,505	\$ 3,236	\$ 15,163	\$ 5,769	\$ 114,117

Transfers among funds are provided for as part of the annual budget process. They facilitate annual contributions from the operating budget to capital project funds. They also facilitate the contribution of enterprise earnings to the general fund and maintain our general liability fund balance. Interfund transfers for the fiscal year ending June 30, 2022, which were routine in nature, were as follows (000's Omitted):

Transfer Out:	Transfer In:								
	General	Nonmajor Debt Service	General Capital	Transportation Capital	Nonmajor Governmental Special Revenue	Nonmajor Governmental Capital Projects	Internal Service	Proprietary	Total
General	\$ —	\$ —	\$ 23,366	\$ 3,641	\$ 50	\$ 310	\$ 11,237	\$ —	\$ 38,604
Nonmajor Debt Service	3,500	—	—	—	179	—	—	—	3,679
General Capital	200	131	—	—	—	—	—	—	331
Transportation Capital	6,747	528	—	—	—	—	—	—	7,275
Nonmajor Capital Projects	—	11	—	—	—	—	—	—	11
Nonmajor Special Revenue	1,744	—	53	2,769	—	2,120	—	190	6,876
Proprietary	5,451	—	—	—	—	—	—	—	5,451
Total	\$ 17,642	\$ 670	\$ 23,419	\$ 6,410	\$ 229	\$ 2,430	\$ 11,237	\$ 190	\$ 62,227

F. TAX ABATEMENTS

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

Program	NYS Real Property Tax Law	Purpose of Program		Real Property Taxes being abated
COMIDA - CHOICE*	RPTL 412-a & General Municipal Law 874	Promote new residential owner occupied units in the Center City District		\$ 310,580
Criteria to be eligible to receive abatement	Owner occupied housing	Center City District		
*Core Housing Owner Incentive Exemption		(Homestead Tax Rate)		
COMIDA	RPTL 412-a & General Municipal Law 874	Job Growth		\$ 16,809,771
		(Non-Homestead Tax Rate)		
CUE	RPTL 485-a	Converted to mixed-use from under utilized commercial buildings		\$ 2,178,561
Conversion Urban Exemption		(Residential & Commercial Non-Homestead Tax Rate)		
421-f Capital Improvements to Residential Buildings	Real Property Tax Law 421-f	Capital Improvements to residential properties		\$ 48,716
Criteria to be eligible to receive abatement	Owner occupied housing	Center City District		
		(Homestead Tax Rate)		
485-b Business Improvement Exemption	RPTL 485-b	Improvements to Commercial & Industrial properties		\$ 302,255
		(Non-Homestead Tax Rate)		
Rochester Housing Authority	Public Housing Law Section 52(3) 52(5) 52(6)	Municipal Housing Authority	(NH Non-Homestead)	\$ 1,235,381
			(H Homestead)	\$ 299,196
Sub Totals				\$ 1,534,577
Housing Development Fund Companies	Private Housing Finance Law Section 577 (3)	Low Income Housing	(NH Non-Homestead)	\$ 9,900,870
			(H Homestead)	\$ 419,411
Sub Totals				\$ 10,320,281
Redevelopment Company Housing Projects	Private Housing Finance Law Sections 125, 127	Low Income Housing	(NH Non-Homestead)	\$ 210,446
			(H Homestead)	\$ 5,150
Sub Totals				\$ 215,596
Total Housing				\$ 12,070,454
Total All Programs				\$ 31,720,337

G. SUBSEQUENT EVENTS

On August 2, 2022, the City of Rochester issued General Obligation Serial Bonds 2022 Series II in the amount of \$80,465,000. The proceeds of the bonds and a majority of the premium were used to redeem bond anticipation notes maturing on August 3, 2022. The City received a net interest rate of 2.976%. Also on August 2, 2022, the City issued Bond Anticipation Notes, 2022 Series III in the amount of \$73,840,000. A portion of the proceeds (\$31,329,000) were used to redeem Bond Anticipation Notes maturing on August 3, 2022 and the remaining (\$42,511,000) provided original financing. The City received a net interest rate of 2.205% on the BANs

On September 1, 2022, the City of Rochester received the executed contract securing \$3,500,000 in grant funds through the Dormitory Authority of the State of New York (DASNY). This grant was obtained for a renovation and addition to the Blue Cross Arena beginning in 2020 and completed in fiscal year 2022. The City is expecting to receive these funds in the 3rd quarter of fiscal year 2023.

In October, 2022, the City of Rochester reached settlement of the lawsuit arising from the March 2020 detention and later death of Daniel Prude. That suit, *McFarland v. City of Rochester, et al.*, settled for \$12 million, inclusive of all costs, fees and disbursements.

Management has evaluated subsequent events through December 22, 2022, which is the date the financial statements are available for issuance, and have determined except as disclosed above, there are no subsequent events that require disclosure under generally accepted accounting principles.

The City of Rochester, New York

Required Supplemental Information

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

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

NON-GAAP BUDGET BASIS

FOR THE YEAR ENDED JUNE 30, 2022 (000's Omitted)

(continued)

	General Fund		Special Revenue Funds		Proprietary Funds		Total			
	Final	Actual	Final	Actual	Final	Actual	Original	Final	Actual	Variance
REVENUES										
Real property tax	\$ 166,801	\$ 168,313	\$ 10,591	\$ 10,738	\$ 27,838	\$ 28,491	\$ 205,229	\$ 205,230	\$ 207,542	\$ 2,312
Sales taxes	164,441	192,530	—	—	—	—	161,776	164,441	192,530	28,089
Other taxes	25,155	29,300	—	—	905	905	26,060	26,060	30,205	4,145
Charges for services	22,917	20,854	22,288	22,100	52,874	57,041	96,893	98,079	99,995	1,916
Use of money and property	150	440	29	14	265	221	444	444	675	231
Interest and penalties	2,120	3,826	—	—	855	925	2,975	2,975	4,751	1,776
Licenses and permits	3,246	3,186	39	62	—	—	3,295	3,285	3,248	(37)
Federal aid	17,978	8,073	—	—	1	1	6,387	17,979	8,074	(9,905)
State aid	105,568	105,626	1,036	979	35	—	106,546	106,639	106,605	(34)
Local sources and other	23,958	23,081	7,079	7,095	243	275	31,194	31,280	30,451	(829)
Total revenues	532,334	555,229	41,062	40,988	83,016	87,859	640,799	656,412	684,076	27,664
EXPENDITURES										
Council and clerk	7,128	4,546	—	—	—	—	7,128	7,128	4,546	2,582
Administration	14,147	12,962	—	—	—	—	13,515	14,147	12,962	1,185
Information technology	7,719	7,521	—	—	—	—	8,084	7,719	7,521	198
Finance	5,575	5,408	—	—	5,930	5,113	11,442	11,505	10,521	984
Neighborhood development	15,667	12,726	—	—	—	—	11,350	15,667	12,726	2,941
Environmental services	28,236	27,850	14,299	13,407	48,318	47,435	91,717	90,853	88,692	2,161
Library	—	—	12,416	12,108	—	—	12,416	12,416	12,108	308
Police	100,178	100,249	—	—	—	—	90,803	100,178	100,249	(71)
Fire	57,107	57,367	—	—	—	—	54,212	57,107	57,367	(260)
Emergency communications	15,292	14,531	—	—	—	—	15,292	15,292	14,531	761
Recreation and human services	18,649	12,611	1,777	1,602	1,032	1,006	17,346	21,458	15,219	6,239
Undistributed	134,893	143,990	9,162	8,772	14,052	13,131	161,094	158,107	165,893	(7,786)
Contingency	—	—	—	—	—	—	8,452	—	—	—
Debt services	20,961	20,961	1,755	1,754	14,512	5,294	37,228	37,228	28,009	9,219
Total expenditures	425,552	420,722	39,409	37,643	83,844	71,979	540,079	548,805	530,344	18,461
Excess of revenues over expenditures	106,782	134,507	1,653	3,345	(828)	15,880	100,720	107,607	153,732	9,203

The City of Rochester, New York

Required Supplemental Information

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

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

NON-GAAP BUDGET BASIS

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

	General Fund		Special Revenue Funds		Proprietary Funds		Total			
	Final	Actual	Final	Actual	Final	Actual	Original	Final	Actual	Variance
OTHER FINANCING SOURCES (USES)										
Transfers from other funds	\$ 11,124	\$ 11,080	\$ 179	\$ 179	\$ 1,327	\$ —	\$ 12,958	\$ 12,630	\$ 11,259	\$ (1,371)
Transfers (to) other funds	(20,626)	(25,547)	(4,234)	(4,234)	(3,828)	(3,828)	(20,788)	(28,688)	(33,609)	—
Transfers (to) component unit	(119,100)	(119,100)	—	—	—	—	(119,100)	(119,100)	(119,100)	—
Total other financing uses	(128,602)	(128,646)	(4,055)	(4,055)	(2,501)	(3,828)	(126,930)	(135,158)	(136,529)	(1,371)
Appropriation of prior year fund balance	21,820	—	2,402	—	3,329	—	20,941	27,551	—	(27,551)
Excess (deficiency) of revenues and other sources over expenditures and other uses- Budget Basis	—	5,861	—	(710)	—	12,052	(5,269)	—	17,203	17,203
Encumbrances included in actual		10,118		665		1,433			12,216	
Excess (deficiency) of revenues and other sources over expenditures, encumbrances and other uses		15,979		(45)		13,485			29,419	
Expenditures of prior years' encumbrances		(3,522)		(299)		(243)			(4,064)	
Excess(deficiency) of revenues and other sources over expenditures and other uses		12,457		(344)		13,728			33,483	
Net proprietary capital expense		—		—		(19,460)			(19,460)	
Depreciation expense		—		—		(15,384)			(15,384)	
Debt service cash basis		—		—		12,271			12,271	
Contribution to reserve for capital projects		—		—		3,637			3,637	
Other post employment benefits		—		—		(16,145)			(16,145)	
Capital and debt reimbursement		—		—		(185)			(185)	
Capital contribution		—		—		717			717	
Aggregate net pension expense		—		—		945			945	
Fund Balance/Net Position - beginning as restated		99,568		16,077		123,628			239,273	
Fund Balance/Net Position - ending		<u>\$ 112,025</u>		<u>\$ 15,733</u>		<u>\$ 103,752</u>			<u>\$ 231,510</u>	

The City of Rochester, New York

Required Supplemental Information

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

LAST TEN FISCAL YEARS* (000's Omitted)

	Year Ended June 30				
	2018	2019	2020	2021	2022
Total OPEB Liability					
Service cost	\$ 13,985	\$ 14,405	\$ 29,129	\$ 33,769	\$ 17,510
Interest cost	50,478	51,477	36,615	32,881	65,405
Changes of benefit terms	—	—	—	—	—
Differences between expected and actual experience	—	—	—	—	—
Changes in assumptions or other inputs	—	—	43,032	132,325	(651,328)
Benefit payments	(35,414)	(36,524)	(35,532)	(36,817)	(37,833)
Net changes in total OPEB liability	29,049	29,358	73,244	162,158	(606,246)
Total OPEB Liability - beginning	\$ 1,459,985	\$ 1,489,034	\$ 1,518,392	\$ 1,591,636	\$ 1,753,794
Total OPEB liability - ending	\$ 1,489,034	\$ 1,518,392	\$ 1,591,636	\$ 1,753,794	\$ 1,147,548
Covered employee payroll	\$ 226,033	\$ 241,678	\$ 236,695	\$ 236,207	\$ 246,751
Total OPEB liability as a percentage of covered employee payroll	658.77 %	628.27 %	672.44 %	742.48 %	465.06 %

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

The City of Rochester, New York

Required Supplemental Information

SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS

NYSERS AND NYSPFRS PENSION PLAN

LAST TEN FISCAL YEARS (000's Omitted)

		Year Ended June 30									
		EMPLOYEES' RETIREMENT SYSTEM									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution		\$ 14,581	\$ 10,634	\$ 17,665	\$ 15,473	\$ 14,271	\$ 14,185	\$ 13,650	\$ 13,570	\$ 13,733	\$ 14,721
Contributions in relation to the contractually required contribution		14,581	10,634	17,665	15,473	14,271	14,185	13,650	13,570	13,733	14,721
Contribution deficiency (excess)		\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
City's covered payroll		\$ 83,963	\$ 86,121	\$ 88,861	\$ 90,559	\$ 89,172	\$ 91,092	\$ 95,339	\$ 99,649	\$ 92,510	\$ 97,124
Contributions as a percentage of covered payroll		17%	12%	20%	17%	17%	15%	14%	14%	15%	15%

		Year Ended June 30									
		POLICE AND FIRE RETIREMENT SYSTEM									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution		\$ 32,003	\$ 21,218	\$ 27,261	\$ 25,610	\$ 28,374	\$ 27,647	\$ 27,171	\$ 29,519	\$ 30,745	\$ 35,538
Contributions in relation to the contractually required contribution		32,003	21,218	27,261	25,610	28,374	27,647	27,171	29,519	30,745	35,538
Contribution deficiency (excess)		\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
City's covered payroll		\$ 104,186	\$ 103,393	\$ 111,485	\$ 111,504	\$ 115,196	\$ 116,417	\$ 130,412	\$ 125,631	\$ 126,299	\$ 131,596
Contributions as a percentage of covered payroll		31%	21%	24%	23%	25%	24%	21%	23%	24%	27%

The City of Rochester, New York

Required Supplemental Information

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

NYSERS AND NYSPFRS PENSION PLAN

LAST TEN FISCAL YEARS* (000's Omitted)

Year Ended June 30
EMPLOYEES' RETIREMENT SYSTEM

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

The City of Rochester, New York

Required Supplemental Information

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

NYSERS AND NYSPFRS PENSION PLAN

LAST TEN FISCAL YEARS* (000's Omitted)

Continued

Year Ended June 30

POLICE AND FIRE RETIREMENT SYSTEM

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

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

I. BUDGETARY INFORMATION

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

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

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

II. OTHER POST EMPLOYMENT BENEFITS

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

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

<u>Year Ended June 30</u>	<u>Salary Scale</u>	<u>Single Discount Rate</u>	<u>Ultimate Healthcare Cost Trend Rate</u>
2022	3.0%	3.77%	4.5%
2021	3.0%	2.09%	4.5%
2020	3.0%	2.4%	4.5%
2019	3.0%	3.5%	5.0%
2018	3.0%	3.5%	5.0%

III. RETIREMENT SYSTEM

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

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

Nonmajor Governmental Funds

Debt Funds

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

Capital Funds

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

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

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

Special Revenue Funds

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

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

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

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

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

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

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

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

THE CITY OF ROCHESTER, NEW YORK
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022 (000's Omitted)

	Capital Projects			Special Revenue							Total Nonmajor Governmental Funds	
	Debt Service	Economic Assistance	Cultural and Recreation	Animal Control	Library	Local Works	Federal Projects	State Projects	Cemetery Perpetual Care	Other		
ASSETS												
Cash and cash equivalents	\$ 6,109	\$ —	\$ —	\$ 918	\$ 1,068	\$ 21,027	\$ 6,001	\$ 1,846	\$ 6,068	\$ 3,124	\$ 46,161	
Receivables (net of allowance for uncollectibles)												
Accounts	—	—	—	14	780	—	—	—	—	—	794	
Taxes	—	—	—	—	—	282	—	—	—	—	282	
Due from other funds	15	202	3,034	220	969	1,222	2	10	6	76	5,756	
Due from other governments	—	662	—	—	3,256	—	259	1,067	—	—	5,244	
Cash and cash equivalents - restricted	2,402	1,915	912	—	—	—	—	—	—	—	5,229	
Total assets	\$ 8,526	\$ 2,779	\$ 3,946	\$ 1,152	\$ 6,073	\$ 22,531	\$ 6,262	\$ 2,923	\$ 6,074	\$ 3,200	\$ 63,466	
LIABILITIES												
Accounts payable and other accrued liabilities	\$ —	\$ 900	\$ 598	\$ 117	\$ 904	\$ 279	\$ 179	\$ 196	\$ —	\$ 24	\$ 3,197	
Bond anticipation notes payable	—	205	9,380	—	—	—	—	—	—	—	9,585	
Due to other funds	—	40	396	288	3,352	8,622	575	552	750	926	15,501	
Due to other governments	—	—	—	36	268	157	—	—	—	—	461	
Due to component units	3	—	—	—	—	—	—	—	—	—	3	
Total liabilities	3	1,145	10,374	441	4,524	9,058	754	748	750	950	28,747	
FUND BALANCES (DEFICIT)												
Restricted	2,767	—	—	—	—	—	5,508	2,175	—	—	10,450	
Committed	—	1,634	—	—	—	—	—	—	5,324	—	6,958	
Assigned	5,756	—	—	711	1,549	13,473	—	—	—	2,250	23,739	
Unassigned (deficit)	—	—	(6,428)	—	—	—	—	—	—	—	(6,428)	
Total fund balances (deficit)	8,523	1,634	(6,428)	711	1,549	13,473	5,508	2,175	5,324	2,250	34,719	
Total liabilities and fund balances (deficit)	\$ 8,526	\$ 2,779	\$ 3,946	\$ 1,152	\$ 6,073	\$ 22,531	\$ 6,262	\$ 2,923	\$ 6,074	\$ 3,200	\$ 63,466	

THE CITY OF ROCHESTER, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022 (000's Omitted)

	Capital Projects			Special Revenue						Total Nonmajor Governmental Funds	
	Debt Service	Economic Assistance	Cultural and Recreation	Animal Control	Library	Local Works	Federal Projects	State Projects	Cemetery Perpetual Care		Other
REVENUES											
Real property tax	\$ —	\$ —	\$ —	\$ 2,072	\$ 7,075	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 9,147
Departmental	—	—	—	438	2,398	20,934	—	—	—	—	23,770
Use of money and property	1,546	—	—	1	—	13	2	—	—	—	1,562
Federal aid	—	202	—	—	—	—	901	840	—	—	1,943
State aid	—	52	—	—	901	78	182	1,184	—	—	2,397
Local sources and other	—	—	—	—	7,079	—	82	3	124	1,111	8,399
Total revenues	<u>1,546</u>	<u>254</u>	<u>—</u>	<u>2,511</u>	<u>17,453</u>	<u>21,025</u>	<u>1,167</u>	<u>2,027</u>	<u>124</u>	<u>1,111</u>	<u>47,218</u>
EXPENDITURES											
Current:											
General government	—	—	—	639	4,168	3,954	—	—	—	6	8,767
Neighborhood business development	—	—	—	—	—	—	130	283	—	—	413
Environmental services	—	—	—	—	—	13,213	46	—	—	—	13,259
Transportation	—	—	—	—	—	—	—	—	—	115	115
Police department	—	—	—	4	—	—	—	449	—	—	453
Fire department	—	—	—	—	—	—	—	555	—	—	555
Library	—	—	—	—	11,944	—	—	—	—	—	11,944
Recreation and human services	—	—	—	1,602	—	—	360	—	—	1	1,963
Debt service:											
Principal retirement	—	—	—	—	106	735	—	—	—	—	841
Interest	—	—	—	—	92	113	—	—	—	—	205
Capital outlay:											
General government	—	990	—	—	—	—	—	—	—	—	990
Neighborhood business development	—	100	—	—	—	—	—	—	—	—	100
Library	—	—	1,987	—	—	—	—	—	—	—	1,987
Recreation and human services	—	—	1,600	—	—	—	—	—	—	—	1,600
Total expenditures	<u>—</u>	<u>1,090</u>	<u>3,587</u>	<u>2,245</u>	<u>16,310</u>	<u>18,015</u>	<u>536</u>	<u>1,287</u>	<u>—</u>	<u>122</u>	<u>43,192</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,546</u>	<u>(836)</u>	<u>(3,587)</u>	<u>266</u>	<u>1,143</u>	<u>3,010</u>	<u>631</u>	<u>740</u>	<u>124</u>	<u>989</u>	<u>4,026</u>
OTHER FINANCING SOURCES (USES)											
Transfers in	670	5	2,425	—	58	121	—	—	—	50	3,329
Transfers out	(3,679)	—	(11)	(53)	(2,120)	(2,769)	(646)	(168)	(190)	(930)	(10,566)
Total other financing source (uses)	<u>(3,009)</u>	<u>5</u>	<u>2,414</u>	<u>(53)</u>	<u>(2,062)</u>	<u>(2,648)</u>	<u>(646)</u>	<u>(168)</u>	<u>(190)</u>	<u>(880)</u>	<u>(7,237)</u>
Net change in fund balances	(1,463)	(831)	(1,173)	213	(919)	362	(15)	572	(66)	109	(3,211)
Fund balances (deficit) - beginning	9,986	2,465	(5,255)	498	2,468	13,111	5,523	1,603	5,390	2,141	37,930
Fund balances (deficit) - ending	<u>\$ 8,523</u>	<u>\$ 1,634</u>	<u>\$ (6,428)</u>	<u>\$ 711</u>	<u>\$ 1,549</u>	<u>\$ 13,473</u>	<u>\$ 5,508</u>	<u>\$ 2,175</u>	<u>\$ 5,324</u>	<u>\$ 2,250</u>	<u>\$ 34,719</u>

STATISTICAL SECTION

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

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	106
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	111
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	117
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>	124
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>	127

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

THE CITY OF ROCHESTER, NEW YORK

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

(000's Omitted)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 547,613	\$ 597,794	\$ 602,559	\$ 626,977	\$ 642,707	\$ 648,630	\$ 644,067	\$ 639,146	\$ 627,321	\$ 612,195
Restricted	168,975	120,328	83,436	66,658	40,619	58,170	55,167	27,248	21,450	27,439
Unrestricted	<u>(157,296)</u>	<u>(229,839)</u>	<u>(240,753)</u>	<u>(315,517)</u>	<u>(371,720)</u>	<u>(1,282,903)</u>	<u>(1,299,337)</u>	<u>(1,380,299)</u>	<u>(1,398,424)</u>	<u>(1,322,811)</u>
Total governmental activities net position	<u>\$ 559,292</u>	<u>\$ 488,283</u>	<u>\$ 445,242</u>	<u>\$ 378,118</u>	<u>\$ 311,606</u>	<u>\$(576,103)</u>	<u>\$(600,103)</u>	<u>\$ (713,905)</u>	<u>\$ (749,653)</u>	<u>\$ (683,177)</u>
Business-type activities										
Net investment in capital assets	\$ 187,190	\$ 211,529	\$ 207,285	\$ 205,542	\$ 199,698	\$ 194,635	\$ 193,621	\$ 197,327	\$ 195,736	\$ 183,358
Restricted	18,456	16,722	16,417	17,126	9,442	13,122	8,649	5,955	5,365	6,392
Unrestricted	<u>11,781</u>	<u>5,770</u>	<u>1,640</u>	<u>(1,184)</u>	<u>2,084</u>	<u>(64,109)</u>	<u>(67,423)</u>	<u>(71,376)</u>	<u>(77,473)</u>	<u>(86,717)</u>
Total business-type activities net position	<u>\$ 217,427</u>	<u>\$ 234,021</u>	<u>\$ 225,342</u>	<u>\$ 221,484</u>	<u>\$ 211,224</u>	<u>\$ 143,648</u>	<u>\$ 134,847</u>	<u>\$ 131,906</u>	<u>\$ 123,628</u>	<u>\$ 103,033</u>
Primary government										
Net investment in capital assets	\$ 734,803	\$ 809,323	\$ 809,844	\$ 832,519	\$ 842,405	\$ 843,265	\$ 837,688	\$ 836,473	\$ 823,057	\$ 795,553
Restricted	187,431	137,050	99,853	83,784	50,061	71,292	63,816	33,203	26,815	33,831
Unrestricted	<u>(145,515)</u>	<u>(224,069)</u>	<u>(239,113)</u>	<u>(316,701)</u>	<u>(369,635)</u>	<u>(1,347,012)</u>	<u>(1,366,760)</u>	<u>(1,451,675)</u>	<u>(1,475,897)</u>	<u>(1,409,528)</u>
Total primary government net position	<u>\$ 776,719</u>	<u>\$ 722,304</u>	<u>\$ 670,584</u>	<u>\$ 599,602</u>	<u>\$ 522,831</u>	<u>\$(432,455)</u>	<u>\$(465,256)</u>	<u>\$ (581,999)</u>	<u>\$ (626,025)</u>	<u>\$ (580,144)</u>

Note: Prior years' information not available on accrual basis

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

(000's Omitted)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 119,387	\$ 154,138	\$ 136,679	\$ 166,709	\$ 177,758	\$ 145,574	\$ 176,535	\$ 174,924	\$ 182,621	\$ 145,868
Neighborhood business development	41,888	43,480	38,195	25,883	31,641	33,522	67,776	36,384	39,377	29,278
Environmental services	43,419	45,366	45,209	42,010	50,473	44,742	4,350	43,238	53,498	45,570
Transportation	4,094	8,982	22,674	24,987	24,743	36,007	29,659	41,553	43,685	53,641
Emergency communications	23,218	22,853	23,141	24,369	25,752	22,993	20,867	36,003	26,496	16,195
Police department	143,722	143,880	147,566	157,406	163,702	155,441	155,314	147,567	168,899	148,749
Fire department	82,560	78,226	79,577	85,311	87,741	82,995	82,340	108,534	92,644	79,369
Library	13,958	13,878	14,003	15,739	15,705	14,017	13,626	18,391	18,042	23,697
Recreation and human services	18,818	18,069	18,954	20,361	19,039	17,935	17,835	19,365	15,997	13,256
Education	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100
Interest on long-term debt	3,664	4,596	4,483	4,535	4,295	4,032	4,125	3,904	2,447	2,530
Total governmental activities expenses	<u>613,828</u>	<u>652,568</u>	<u>649,581</u>	<u>686,410</u>	<u>719,949</u>	<u>676,358</u>	<u>691,527</u>	<u>748,963</u>	<u>762,806</u>	<u>677,253</u>
Business-type activities:										
Water	33,206	31,348	36,081	33,076	34,549	35,973	37,721	35,413	43,538	57,691
Parking	7,580	17,039	15,466	15,595	29,238	15,115	15,099	14,426	13,425	12,429
War Memorial	2,696	2,526	2,443	2,068	2,449	2,632	2,543	1,756	5,616	2,265
Refuse	27,383	26,850	29,703	28,978	29,986	30,777	31,388	27,869	26,536	31,963
Cemetery	3,016	2,679	3,025	3,565	3,522	3,264	3,617	4,018	3,664	4,443
Public Market	789	899	1,065	1,101	2,012	1,842	1,909	2,035	2,064	2,030
Total business-type activities expenses	<u>74,670</u>	<u>81,341</u>	<u>87,783</u>	<u>84,383</u>	<u>101,756</u>	<u>89,603</u>	<u>92,277</u>	<u>85,517</u>	<u>94,843</u>	<u>110,821</u>
Total primary government expenses	<u>\$ 688,498</u>	<u>\$ 733,909</u>	<u>\$ 737,364</u>	<u>\$ 770,793</u>	<u>\$ 821,705</u>	<u>\$ 765,961</u>	<u>\$ 783,804</u>	<u>\$ 834,480</u>	<u>\$ 857,649</u>	<u>\$ 788,074</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 40,648	\$ 69,563	\$ 71,570	\$ 74,205	\$ 80,035	\$ 83,268	\$ 90,683	\$ 88,470	\$ 95,143	\$ 90,125
Neighborhood business development	3,740	3,681	7,080	6,497	5,990	5,653	5,762	6,391	4,960	4,329
Environmental services	19,058	19,552	20,351	20,291	20,687	21,059	20,773	20,636	20,680	21,159
Transportation	940	1,048	946	1,106	1,392	1,045	1,102	1,010	1,179	1,225
Emergency communications	17,220	16,474	17,337	17,528	17,269	18,060	18,228	18,923	18,572	19,550
Police department	10,961	6,470	7,059	8,412	6,426	5,018	4,564	3,805	3,537	4,878
Fire department	1,860	2,185	2,066	1,960	2,799	2,646	2,830	2,463	2,507	1,913
Library	2,729	2,455	2,730	2,658	2,529	2,585	2,606	2,583	2,598	2,445
Recreation and human services	1,243	1,196	1,717	1,044	1,163	1,508	1,509	1,612	1,730	2,035
Operating grants and contributions	70,831	38,495	43,486	33,289	38,226	36,161	35,446	30,320	47,265	50,265
Capital grants and contributions	30,137	19,769	16,065	18,166	37,791	35,019	18,083	21,712	31,532	35,171
Total governmental activities program revenues	<u>199,367</u>	<u>180,888</u>	<u>190,407</u>	<u>185,156</u>	<u>214,307</u>	<u>212,022</u>	<u>201,586</u>	<u>197,925</u>	<u>229,703</u>	<u>233,095</u>

Continued

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

	Continued									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities:										
Charges for services:										
Water	\$ 37,705	\$ 36,579	\$ 36,925	\$ 37,298	\$ 39,022	\$ 39,156	\$ 36,962	\$ 37,485	\$ 40,722	\$ 40,949
Parking	10,899	11,823	12,704	11,553	17,033	11,578	11,854	8,895	7,667	8,557
War Memorial	1,586	1,342	913	994	932	128	1,036	1,126	639	1,128
Refuse	25,534	25,675	26,196	27,317	27,843	28,572	27,919	28,380	28,092	28,835
Cemetery	1,767	1,557	1,532	1,467	1,531	1,395	1,512	1,478	2,161	2,245
Public Market	774	824	789	819	724	935	954	694	865	892
Operating grants and contributions	—	115	—	—	—	—	—	2	51	—
Capital grants and contributions	—	20,578	1,374	1,433	4,160	278	1,325	628	6,700	717
Total business-type activities program revenues	<u>78,265</u>	<u>98,493</u>	<u>80,433</u>	<u>80,881</u>	<u>91,245</u>	<u>82,042</u>	<u>81,562</u>	<u>78,688</u>	<u>86,897</u>	<u>83,323</u>
Total primary government program revenues	<u>\$ 277,632</u>	<u>\$ 279,381</u>	<u>\$ 270,840</u>	<u>\$ 266,037</u>	<u>\$ 305,552</u>	<u>\$ 294,064</u>	<u>\$ 283,148</u>	<u>\$ 276,613</u>	<u>\$ 316,600</u>	<u>\$ 316,418</u>
Net (expense)/revenue										
Governmental activities	\$ (414,461)	\$ (471,680)	\$ (459,174)	\$ (501,252)	\$ (505,642)	\$ (464,336)	\$ (489,941)	\$ (551,038)	\$ (533,103)	\$ (444,158)
Business-type activities	3,595	17,152	(7,350)	(3,502)	(10,511)	(7,561)	(10,715)	(6,829)	(7,946)	(27,498)
Total primary government net expense	<u>\$ (410,866)</u>	<u>\$ (454,528)</u>	<u>\$ (466,524)</u>	<u>\$ (504,754)</u>	<u>\$ (516,153)</u>	<u>\$ (471,897)</u>	<u>\$ (500,656)</u>	<u>\$ (557,867)</u>	<u>\$ (541,049)</u>	<u>\$ (471,656)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 147,218	\$ 148,913	\$ 152,593	\$ 152,921	\$ 154,506	\$ 159,165	\$ 168,603	\$ 159,415	\$ 172,414	176,328
Sales taxes	136,409	140,551	139,782	144,945	148,263	153,971	159,719	159,903	174,006	194,164
Payment in-lieu of tax	4,672	11,525	10,928	11,238	12,367	13,600	14,589	14,307	14,384	15,780
Other taxes	12,691	8,527	8,410	7,619	8,354	8,937	9,868	8,358	10,526	13,934
Governmental aid - (unrestricted)	120,271	104,821	108,673	103,420	101,269	99,677	99,011	81,264	114,189	96,377
Investment earnings	4	1,401	1,476	1,576	1,819	1,831	2,762	3,853	991	2,124
Miscellaneous	12,846	4,845	5,923	7,035	7,178	5,202	6,101	5,590	5,343	6,666
Transfers	3,697	5,374	5,374	5,374	5,374	5,217	5,288	4,546	5,451	5,261
Total governmental activities	<u>437,808</u>	<u>425,957</u>	<u>433,159</u>	<u>434,128</u>	<u>439,130</u>	<u>447,600</u>	<u>465,941</u>	<u>437,236</u>	<u>497,304</u>	<u>510,634</u>
Business-type activities:										
Taxes										
Property taxes	1,998	2,224	2,635	2,641	3,366	2,890	4,585	3,177	2,647	2,799
Other taxes	905	905	906	905	905	905	905	905	905	905
Governmental aid	7	433	5	5	60	77	15	2,454	41	6,768
Investment earnings	57	174	389	238	325	398	668	807	16	55
Miscellaneous	1,091	1,080	975	1,229	969	1,233	1,029	—	1,510	1,637
Transfers	(5,374)	(5,374)	(5,374)	(5,374)	(5,374)	(5,217)	(5,288)	(4,546)	(5,451)	(5,261)
Total business-type activities	<u>(1,316)</u>	<u>(558)</u>	<u>(464)</u>	<u>(356)</u>	<u>251</u>	<u>286</u>	<u>1,914</u>	<u>2,797</u>	<u>(332)</u>	<u>6,903</u>
Total primary government	<u>\$ 436,492</u>	<u>\$ 425,399</u>	<u>\$ 432,695</u>	<u>\$ 433,772</u>	<u>\$ 439,381</u>	<u>\$ 447,886</u>	<u>\$ 467,855</u>	<u>\$ 440,033</u>	<u>\$ 496,972</u>	<u>\$ 517,537</u>
Change in Net Position										
Governmental activities	\$ 25,024	\$ (45,723)	\$ (26,015)	\$ (67,124)	\$ (66,512)	\$ (16,736)	\$ (24,000)	\$ (113,802)	\$ (35,799)	66,476
Business-type activities	2,279	16,594	(7,814)	(3,858)	(10,260)	(7,275)	(8,801)	(2,941)	(8,278)	(20,595)
Total primary government	<u>\$ 27,303</u>	<u>\$ (29,129)</u>	<u>\$ (33,829)</u>	<u>\$ (70,982)</u>	<u>\$ (76,772)</u>	<u>\$ (24,011)</u>	<u>\$ (32,801)</u>	<u>\$ (116,743)</u>	<u>\$ (44,077)</u>	<u>\$ 45,881</u>

Note: Prior years' information not available on accrual basis

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Property tax	\$149,216	\$151,137	\$155,228	\$155,562	\$154,506	\$159,165	\$168,603	\$159,415	\$172,414	176,328
Sales tax	136,409	140,551	139,782	144,945	148,263	153,971	159,719	159,903	174,006	194,164
Payment in-lieu of tax	4,672	11,525	10,928	11,238	12,367	13,600	14,589	14,307	14,384	15,780
Other taxes	13,596	9,432	9,316	8,524	8,354	8,937	9,868	8,358	10,526	13,934
Total taxes	<u>\$303,893</u>	<u>\$312,645</u>	<u>\$315,254</u>	<u>\$320,269</u>	<u>\$323,490</u>	<u>\$335,673</u>	<u>\$352,779</u>	<u>\$341,983</u>	<u>\$371,330</u>	<u>\$400,206</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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Nonspendable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 23	\$ 11	570
Committed	35,223	47,835	50,155	41,636	47,835	47,874	50,204	48,904	39,950	54,703
Assigned	28,540	27,923	30,753	39,939	37,029	37,731	32,035	21,753	53,664	47,924
Unassigned	4,870	5,152	5,030	5,672	5,670	5,700	5,803	1	5,943	8,828
Total general fund	<u>68,633</u>	<u>80,910</u>	<u>85,938</u>	<u>87,247</u>	<u>90,534</u>	<u>91,305</u>	<u>88,042</u>	<u>70,681</u>	<u>99,568</u>	<u>112,025</u>
Restricted, reported in:										
Debt service funds	11,653	8,689	5,070	8,274	4,606	5,063	5,198	3,060	2,819	2,767
Capital projects funds	1,066	—	—	—	—	—	—	—	—	—
Special revenue/Community development funds	9,051	4,798	4,667	3,901	3,241	3,477	3,866	2,232	4,792	5,822
Other governmental funds	4,737	4,389	4,989	5,394	6,641	6,711	7,920	8,004	7,126	7,683
Committed, reported in:										
Capital projects funds	119,042	81,463	69,865	42,605	28,139	34,780	33,367	26,941	12,189	11,302
Special revenue/Community development funds	5,372	5,473	411	872	3,905	4,314	6,335	8,577	9,138	14,728
Other governmental funds	11,143	8,824	8,495	8,771	8,064	8,459	8,562	5,220	5,390	5,324
Assigned, reported in:										
Debt service funds	15,281	15,615	15,780	15,979	16,262	12,515	11,994	9,637	7,167	5,756
Capital projects funds	859	677	606	563	39	29	36	45	54	63
Other governmental funds	11,173	10,970	11,006	13,110	14,632	13,897	13,846	15,071	18,218	17,983
Unassigned, reported in:										
Capital projects funds	—	—	(16,181)	(8,967)	(17,726)	(4,843)	(7,881)	(22,022)	(28,639)	(38,164)
Other governmental funds	—	—	—	—	(548)	(920)	(416)	(1,116)	(5,255)	(6,428)
Total all other governmental funds	<u>189,377</u>	<u>140,898</u>	<u>104,708</u>	<u>90,502</u>	<u>67,255</u>	<u>83,482</u>	<u>82,827</u>	<u>55,649</u>	<u>32,999</u>	<u>26,836</u>
Total all governmental funds	<u>\$258,010</u>	<u>\$221,808</u>	<u>\$190,646</u>	<u>\$177,749</u>	<u>\$157,789</u>	<u>\$174,787</u>	<u>\$170,869</u>	<u>\$126,330</u>	<u>\$132,567</u>	<u>\$138,861</u>

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Real property tax	\$ 149,507	\$ 148,791	\$ 153,969	\$ 155,756	\$ 158,343	\$ 161,231	\$ 162,331	\$ 163,762	\$ 174,546	\$ 177,046
Sales tax	136,332	140,227	139,816	144,550	147,978	153,510	159,242	159,852	172,917	192,530
Other taxes	17,363	20,052	19,338	18,857	20,721	22,537	24,457	22,665	24,910	29,714
Departmental	44,367	43,371	49,225	47,801	48,155	47,156	47,791	49,507	44,803	44,786
Interest on investments	3	—	—	—	—	—	—	—	—	—
Use of money and property	9,121	766	821	3,409	1,001	901	1,646	2,071	986	2,010
Licenses and permits	3,141	3,384	3,175	3,894	3,420	3,496	3,783	3,405	3,309	3,350
Federal aid	49,122	37,067	35,610	23,265	37,205	42,201	24,966	18,918	47,451	39,412
State aid	133,952	115,867	120,854	119,449	123,733	115,515	116,339	101,631	139,585	122,781
Local sources and other	37,444	32,771	36,186	38,114	40,807	37,502	36,859	37,809	37,279	46,836
Total revenues	580,352	542,296	558,994	555,095	581,363	584,049	577,414	559,620	645,786	658,465
Expenditures										
General government	135,018	124,930	144,892	160,000	169,152	151,510	155,259	153,451	158,463	170,689
Neighborhood business development	33,489	37,985	39,104	25,280	22,107	24,347	24,840	23,068	28,598	27,405
Environmental services	25,262	28,498	30,708	29,345	34,003	33,666	33,460	33,133	33,145	36,410
Transportation	5,311	5,211	8,858	22,286	31,140	4,374	4,405	3,907	3,916	4,028
Emergency communications	14,853	12,906	12,810	11,621	13,443	13,520	13,754	14,351	14,273	14,515
Police	85,061	87,439	87,908	89,431	93,955	95,115	97,341	99,007	99,646	99,626
Fire	48,212	46,560	46,363	47,298	49,861	50,775	51,677	52,075	53,251	57,053
Library	10,708	11,030	11,122	12,929	12,761	11,629	11,718	11,072	11,147	11,944
Recreation & human services	9,489	11,394	11,412	11,303	11,031	10,843	10,486	9,559	9,717	12,733
Education (Allocation to the District)	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100	119,100
Debt service:										
Principal retirement	12,450	17,389	17,875	14,765	15,893	14,426	17,476	16,623	14,769	12,381
Interest	3,247	4,715	4,522	4,548	4,400	4,009	4,198	3,964	3,606	2,943
Administrative charges	124	16	11	7	14	4	2	10	1	1
Capital outlay	70,061	75,044	58,567	39,477	29,861	65,577	53,135	69,220	80,963	77,367
Total expenditures	572,385	582,217	593,252	587,390	606,721	598,895	596,851	608,540	630,595	646,195
Excess of revenues over (under) expenditures	7,967	(39,921)	(34,258)	(32,295)	(25,358)	(14,846)	(19,437)	(48,920)	15,191	12,270
Other financing sources (uses)										
Payment to refunded bond escrow agent	(11,055)	—	—	—	—	—	—	(4,915)	—	—
Premium on bond issued	708	—	—	—	170	1,876	977	—	—	—
Issuance of debt	81,154	—	—	20,622	1,424	25,833	11,414	5,033	—	—
Refunding bonds issued	10,450	—	—	—	—	—	—	—	—	—
Transfers in	55,011	35,378	60,110	41,428	45,110	45,370	53,601	48,205	36,514	50,800
Transfers out	(54,497)	(31,704)	(57,014)	(42,652)	(39,815)	(41,235)	(50,473)	(44,050)	(45,519)	(56,776)
Capital Contributions	—	45	—	—	(1,490)	—	—	—	—	—
Total other financing sources (uses)	81,771	3,719	3,096	19,398	5,399	31,844	15,519	4,273	(9,005)	(5,976)
Net change in fund balances	89,738	(36,202)	(31,162)	(12,897)	(19,959)	16,998	(3,918)	(44,647)	6,186	6,294
Debt service as a percentage of noncapital expenditures	3.15%	4.36%	4.19%	3.53%	3.52%	3.46%	3.99%	3.82%	3.34%	2.69%

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Property tax	\$149,507	\$148,791	\$153,969	\$155,756	\$158,343	\$161,231	\$162,331	\$163,763	\$ 174,546	\$177,046
Sales tax	136,332	140,227	139,816	144,550	147,978	153,510	159,242	159,852	172,917	192,530
Other taxes	<u>17,363</u>	<u>20,052</u>	<u>19,338</u>	<u>18,857</u>	<u>20,721</u>	<u>22,537</u>	<u>24,457</u>	<u>22,665</u>	<u>24,910</u>	<u>29,714</u>
Total taxes	<u>\$303,202</u>	<u>\$309,070</u>	<u>\$313,123</u>	<u>\$319,163</u>	<u>\$327,042</u>	<u>\$337,278</u>	<u>\$346,030</u>	<u>\$346,280</u>	<u>\$ 372,373</u>	<u>\$399,290</u>

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

Fiscal Year	Assessed Value Municipal Purposes	Veterans Exemption (1)	Assessed Value School Purposes	Estimated Actual Value Municipal Purposes	Estimated Actual Value School Purposes	Assessed Value as a Percentage of Actual Value (2)	Total Direct Rate Applied to Base	Total Direct Homestead Rate Per Thousand	Total Direct Nonhomestead Rate Per Thousand
2013	5,860,653	50,339	5,910,992	6,076,364	6,128,302	96.45 %	2.85 %	19.32	42.98
2014	5,882,907	48,443	5,931,350	5,976,135	6,024,586	98.45 %	2.84 %	19.65	42.04
2015	5,927,413	46,532	5,973,945	6,207,365	6,250,507	95.58 %	2.90 %	20.05	42.86
2016	5,980,615	12,247	5,992,862	6,194,319	6,207,003	96.55 %	2.88 %	20.15	41.92
2017	6,482,549	11,501	6,494,050	6,673,408	6,680,286	97.21 %	2.69 %	19.21	37.76
2018	6,450,304	10,231	6,460,535	6,650,484	6,661,032	96.99 %	2.70 %	18.33	39.45
2019	6,395,261	1,634	6,396,895	6,569,349	6,571,027	97.35 %	2.79 %	18.86	41.15
2020	6,457,508	2,166	6,459,674	6,794,516	6,796,795	95.04 %	2.77 %	19.43	39.46
2021	7,548,863	1,962	7,550,825	8,446,753	8,448,948	89.37 %	2.49 %	17.57	35.83
2022	7,548,687	1,754	7,550,441	7,973,684	7,975,537	94.67 %	2.49 %	17.17	36.50

Notes:

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

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

Fiscal Year	City of Rochester			Overlapping Rate	Total Direct & Overlapping Rate	
	General Municipal Purposes	District Purposes	Total Direct Rate	Monroe County (1)		
2013	Homestead	5.61	13.71	19.32	9.20	28.52
	Nonhomestead	12.36	30.62	42.98	9.20	52.18
2014	Homestead	5.70	13.95	19.65	9.20	28.85
	Nonhomestead	12.09	29.95	42.04	9.20	51.24
2015	Homestead	6.22	13.83	20.05	9.22	29.27
	Nonhomestead	13.17	29.69	42.86	9.22	52.08
2016	Homestead	6.21	13.94	20.15	9.22	29.37
	Nonhomestead	12.88	29.03	41.91	9.22	51.13
2017	Homestead	6.11	13.10	19.21	9.17	28.38
	Nonhomestead	11.98	25.78	37.76	9.17	46.93
2018	Homestead	5.83	12.50	18.33	9.17	27.50
	Nonhomestead	12.52	26.93	39.45	9.17	48.62
2019	Homestead	6.29	12.58	18.86	9.21	28.08
	Nonhomestead	13.71	27.43	41.15	9.21	50.36
2020	Homestead	6.48	12.95	19.43	9.64	29.07
	Nonhomestead	13.15	26.31	39.46	9.64	49.10
2021	Homestead	6.42	11.15	17.57	8.76	26.33
	Nonhomestead	13.09	22.74	35.83	8.76	44.59
2022	Homestead	6.27	10.89	17.17	9.79	26.95
	Nonhomestead	13.33	23.17	36.50	9.79	46.29

1) Source: Monroe County Treasury

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

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Cancellations and/or Adjustments to Tax Levy (3)	Outstanding Delinquent Taxes (Cumulative)	Percentage of Outstanding Delinquent Taxes to Total Tax Levy
		Amount	Percentage of Levy		Amount (2)	Percentage of Levy			
2013	206,013	190,291	92.37 %	11,597	201,888	98.00 %	1,347	17,596	8.54 %
2014	206,188	191,616	92.93 %	11,307	202,923	98.42 %	697	21,197	10.28 %
2015	213,694	198,289	92.79 %	11,838	210,127	98.33 %	1,568	24,043	11.25 %
2016	213,823	198,982	93.06 %	11,252	210,234	98.32 %	1,860	25,849	12.09 %
2017	217,466	203,176	93.43 %	11,880	215,056	98.89 %	3,211	23,558	10.83 %
2018	219,298	205,190	93.57 %	12,030	217,220	99.05 %	427	23,471	10.70 %
2019	224,642	209,139	93.10 %	11,614	220,753	98.27 %	2,154	23,597	10.50 %
2020	224,736	209,033	93.01 %	11,181	220,214	97.99 %	1,378	28,807	12.82 %
2021	233,630	219,473	93.94 %	9,066	228,539	97.82 %	2,451	30,917	13.23 %
2022	234,136	220,524	94.19 %	N/A	220,524	94.19 %	174	29,313	12.52 %

Notes:

- 1) Tax exempt properties with an assessed value of \$831,729,050 made payments in lieu of taxes amounting to \$15,055,410 for the fiscal year ending June 30, 2022. If these properties had been fully taxable, total revenues would have increased by \$14,140,688. The properties, upon expiration of their agreements will become fully taxable.
- 2) The City begins foreclosure action on properties after taxes are past due for one year. The City provides tax installment agreements of up to five years to taxpayers demonstrating financial hardship if the property is in compliance with City codes.
- 3) Cancellations are chiefly the result of foreclosure by the City and adjustments made for erroneous assessments.

THE CITY OF ROCHESTER, NEW YORK
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR
June 30, 2022
(000's Omitted)

	2022			2013		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Rochester Gas and Electric	\$1,058,553	1	14.02%	\$613,723	1	10.47%
Buckingham Properties	79,946	2	1.06%	43,456	4	0.74%
Eastman Kodak Co.	48,996	3	0.65%	70,868	3	1.21%
Frontier Telephone Corp.	43,462	4	0.58%	75,600	2	1.29%
CSX (Conrail)	33,241	5	0.44%	24,813	5	0.42%
Clinton Asset Holding	25,000	6	0.33%	—	—	—
Maguire Family Properties	22,172	7	0.29%	20,499	6	0.35%
Anthony Dimarzo	19,226	8	0.25%	—	—	—
Maison Properties	16,974	9	0.22%	—	—	—%
Gallina Development	15,299	10	0.20%	—	—	—%
JP Morgan/Chase (Chase Manhattan)	—	—	—	18,621	7	0.32%
NK-TCC Property LLC	—	—	—	16,296	8	0.28%
AP/AIM Rochester Hotel, LLC	—	—	—	14,800	9	0.25%
Xerox	—	—	—	14,800	10	0.25%
Totals	<u>\$1,362,869</u>		<u>18.04%</u>	<u>\$913,476</u>		<u>15.58%</u>

Note:

1) The total taxable assessed value of \$7,548,686,850 was used for fiscal year 2021-22 taxes.

2) The total taxable assessed value of \$5,860,652,793 was used for fiscal year 2012-13 taxes.

Source: Assessment Roll of the City of Rochester

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

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation			General Obligation				
	Bonds	Leases	Notes	Bonds	Leases			
2013	130,780	—	—	87,291	—	218,071	2.15%	1,037
2014	112,686	—	—	78,000	—	190,686	1.98%	908
2015	94,107	—	—	68,605	—	162,712	1.62%	776
2016	101,754	—	—	82,096	—	183,850	1.83%	880
2017	85,018	—	—	72,073	—	157,091	1.48%	755
2018	97,307	—	—	72,566	—	169,873	1.56%	823
2019	91,039	—	—	77,511	—	168,550	1.49%	819
2020	72,508	—	—	64,811	—	137,319	1.11%	650
2021	56,778	—	451	52,745	—	109,974	N/A	520
2022	43,441	9,725	422	43,060	988	97,636	N/A	N/A

Note:

- 1) Population figures from US Census Bureau (www.quickfacts.census.gov). Figure for 2021 not available yet.
- 2) Per Capita Personal Income figures for Monroe County from US Dept. of Commerce Bureau of Economic Analysis (www.bea.gov).

**THE CITY OF ROCHESTER, NEW YORK
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

(000's Omitted, except per capita amount)

Fiscal Year	Total Primary Government General Obligation Bonds	Less: Amounts Available for Debt	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita (1)
2013	218,071	34,725	183,346	3.13%	871
2014	190,686	27,977	162,709	2.77%	775
2015	162,712	24,644	138,068	2.33%	658
2016	169,384	28,048	141,336	2.36%	677
2017	157,091	24,188	132,903	2.05%	639
2018	169,873	20,782	149,091	2.31%	723
2019	168,550	20,394	148,156	2.32%	720
2020	137,319	15,946	121,373	1.88%	574
2021	109,523	13,388	96,135	1.27%	455
2022	97,636	11,932	85,704	0.99%	354

Notes:

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

THE CITY OF ROCHESTER, NEW YORK
DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2022
(000's Omitted)

Jurisdiction	Debt Outstanding	Percentage Applicable to City of Rochester	Amount Applicable to City of Rochester
City of Rochester	\$43,441	100%	\$43,441
County of Monroe (1)	442,721	15.04%	66,585
Total	\$486,162		\$110,026

1) Source: County of Monroe Finance Department

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$529,709	\$532,221	\$542,837	\$544,119	\$551,650	\$571,293	\$578,783	\$594,865	\$640,541	\$665.382
Total net debt applicable to limit	<u>331,979</u>	<u>323,825</u>	<u>312,336</u>	<u>313,593</u>	<u>301,104</u>	<u>288,152</u>	<u>287,721</u>	<u>285,591</u>	<u>277,699</u>	<u>278.426</u>
Legal debt margin	<u>\$197,730</u>	<u>\$208,396</u>	<u>\$230,501</u>	<u>\$230,526</u>	<u>\$250,546</u>	<u>\$283,141</u>	<u>\$291,062</u>	<u>\$309,274</u>	<u>\$362,842</u>	<u>\$386.956</u>
Total net debt applicable to the limit as a percentage of debt limit	62.67%	60.84%	57.54%	57.63%	54.58%	50.44%	49.71%	48.01%	43.35%	41.84%

Legal Debt Margin Calculation for Fiscal Year 2022

Indebtedness		
Borrowings (Bonds and Notes)	\$ 328,252	(1)
Contract liabilities	—	(2) \$ 328,252
Deductions and Exclusions		
Water Bonds and Notes	48,505	(3)
Sanitary Sewer Bonds and Notes	—	(3)
Appropriation	—	(4)
Cash and cash equivalents	1,321	(5) <u>(49,826)</u>
Net indebtedness		278,426
Debt limit (9% of five-year average full valuation)		<u>665,382</u>
Debt Contracting Margin		<u>\$386,956</u>

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

Continued

Notes:

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Population (1)	210,358	209,983	209,802	208,880	208,046	206,284	205,695	211,328	210,626	210,606
Total Personal Income Monroe County (2)	\$33,730,384	\$34,179,862	\$35,847,022	\$36,057,927	\$38,050,420	\$39,314,982	\$40,822,554	\$43,193,802	\$43,193,802	N/A
Per Capital Personal Income Monroe County (2)	\$44,952	\$45,568	\$47,857	\$48,223	\$50,894	\$52,951	\$55,034	\$58,299	\$58,299	N/A
District Enrollment (3)	29,197	29,103	28,401	27,611	26,984	26,611	25,690	25,109	23,360	21,408
Unemployment Rate (4)	9.6%	8.1%	6.9%	6.5%	6.9%	6.8%	5.5%	8.7%	11.4%	6.1%
Employed (4)	85,500	84,500	85,400	85,200	83,600	84,600	84,900	82,200	81,200	84.3

Source:

- (1) 2013 - 2021 figures from US Census Bureau (www.factfinder.census.org). Current year data unavailable, 2021 population used for 2022.
- (2) US Dept. of Commerce Bureau of Economic Analysis (www.bea.gov). Total personal income in thousands of dollars 2021 and 2022 data unavailable, 2020 personal income used for 2021.
- (3) Rochester City School District (www.rcsdk12.org).
- (4) www.labor.state.ny.us (Average rates computed through June 2022) for City of Rochester.

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

	2022			2013		
	Employees (1)	Rank	Percentage of Total Employment (2)	Employees (1)	Rank	Percentage of Total Employment (2)
University of Rochester/Strong Memorial Hospital	32,211	1	6.03 %	20,340	1	3.81 %
Rochester Regional Health System (3)	17,565	2	3.29 %	—	—	— %
Wegmans Food Markets Inc.	13,178	3	2.47 %	13,976	2	2.62 %
Paychex Inc.	4,796	4	0.90 %	3,712	7	0.70 %
Rochester Institute of Technology	3,976	5	0.74 %	3,299	9	0.62 %
L3Harris Technologies Inc.	3,958	6	0.74 %	—	—	— %
Heritage Christian Services Inc.	2,221	7	0.42 %	—	—	— %
Lifetime Healthcare Cos. Inc.	2,098	8	0.39 %	3,584	8	0.67 %
Tops Markets LLC	1,988	9	0.37 %	—	—	— %
Lifetime Assistance Inc.	1,723	10	0.32 %	—	—	— %
Rochester General Health System (ViaHealth)	—	—	— %	7,600	3	1.42 %
Eastman Kodak Company	—	—	— %	5,129	6	0.96 %
Xerox Corporation	—	—	— %	6,116	4	1.15 %
Unity Health System	—	—	— %	5,472	5	1.02 %
YMCA of Greater Rochester	—	—	— %	2,732	10	0.51 %

(1) Source: Rochester Business Journal The Lists - 2022 Edition.

(2) Employment source: www.labor.state.ny.us employment data as of 6/30/22 Includes Monroe, Genesee, Livingston, Ontario, Orleans, Wayne and Wyoming counties.

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City Council and Clerk	23.1	23.1	23.1	23.8	23.3	23.2	23.1	26.4	28.2	29.0
Administration	92.9	93.5	97.4	107.1	110.1	107.9	110.6	124.5	123.7	120.4
Information Technology	49.6	54.2	54.8	54.8	55.2	54.8	55.4	41.4	38.0	44.2
Finance	102.6	106.9	110.9	110.5	109.8	103.7	113.1	111.6	103.1	103.7
Neighborhood & Business Development	137.6	138.2	138.7	136.0	136.9	137.4	137.6	141.6	139.0	140.3
Environmental Services	679.2	682.1	721.1	728.3	731.6	731.6	730.7	741.2	751.3	761.9
Emergency Communications	231.6	231.7	233.9	233.1	230.4	228.1	226.7	231.1	231.1	224.2
Police	940.0	939.0	905.4	903.6	939.1	939.9	941.7	938.2	914.7	869.4
Fire	518.2	527.2	523.5	525.3	532.6	520.8	521.5	518.8	515.7	519.2
Library	146.2	142.2	140.4	138.8	139.5	133.4	132.8	134.3	131.2	132.5
Recreation & Human Services	188.0	198.1	202.2	201.5	211.3	209.8	193.3	194.6	182.7	225.6
Total	3,109.0	3,136.2	3,151.4	3,162.8	3,219.8	3,190.6	3,186.5	3,203.7	3,158.7	3,170.4

Full-time Employees
Last Ten Fiscal Years

City	2,703	2,714	2,723	2,734	2,747	2,736	2,745	2,763	2,742	2,756
District	5,365	5,221	5,618	5,740	6,022	6,315	6,552	6,011	5,522	5,584
Total	8,068	7,935	8,341	8,474	8,769	9,051	9,297	8,774	8,264	8,340

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Estimated										
Emergency Communications										
Calls received	1,140,707	1,125,130	1,150,976	1,178,101	1,204,047	1,092,679	1,026,433	1,034,557	1,050,000	1,060,000
Police										
Calls for service	357,076	341,567	358,239	351,012	339,630	333,918	318,859	321,553	321,980	309,461
Reported crimes	31,638	25,890	22,398	22,907	22,204	21,310	20,384	20,751	20,827	20,421
Fire										
Unit responses	43,440	42,366	44,977	46,283	44,162	44,150	46,042	45,352	45,850	45,850
Refuse										
Residential accounts	52,446	51,277	51,519	51,773	51,351	51,444	51,430	51,429	51,681	51,804
Commercial accounts	2,386	2,393	2,464	2,552	2,614	2,689	2,703	2,720	2,740	2,701
Total tonnage	97,606	99,201	106,450	106,839	107,109	107,471	99,917	101,490	107,965	107,941
Water										
Millions of gallons per day:										
Filtration plant production	37.6	37.4	37.5	36.3	36.7	37.9	36.2	35.3	34.87	36.2
City water demand	27.8	28.2	29.8	28.5	27.0	26.8	27.3	26.1	26.15	26.4
Library										
Total circulation	1,436,899	1,362,970	1,312,304	1,238,353	1,184,341	1,439,832	1,410,567	1,110,679	633,380	826,934
Door Count/Visits	1,830,930	1,859,661	1,697,882	1,517,576	1,465,962	1,354,314	1,310,650	888,604	246,350	644,528
Computer Use Sessions	396,752	373,830	340,972	297,738	279,942	247,569	230,137	108,974	16,631	57,420
Wireless Sessions	—	—	—	—	—	135,755	127,878	96,974	47,692	84,366
Parking(1)										
Total parking spaces	10,642	10,642	12,260	12,260	12,260	10,572	10,572	10,572	8,074	8,074
Annual car counts	2,569,680	2,571,280	2,571,644	2,574,170	2,569,640	2,310,223	2,553,605	2,035,896	648,431	1,181,549
Parks and Recreation(2)										
Convention Center attendance	226,176	255,000	250,000	251,305	207,941	209,925	190,452	141,047	63,500	60,730
War Memorial/Blue Cross Arena(3)										
Total attendance	624,456	399,000	380,000	386,682	441,428	383,110	360,319	183,265	—	193,593

Source: City of Rochester Budget & Departments

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

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

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Miles of streets	532	532	532	533	533	533	533	533	533	533
Parking garages	8	8	9	9	8	8	8	8	8	8
Libraries	11	11	11	11	11	11	11	11	11	11
Fire houses	15	16	16	16	16	16	16	16	16	16
City-owned street lights (1)	27,949	28,110	28,110	28,191	28,185	28,340	28,345	28,436	28,489	28,472
Fire hydrants	7,634	7,638	7,655	7,654	7,662	7,642	7,691	7,647	7,672	7,659

Source: City of Rochester Budget & Departments

FEDERAL AWARDS



**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**

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rochester, New York (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 22, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Freed Maxick CPAs, P.C.

Rochester, New York
December 22, 2022





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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

We have audited the City of Rochester, New York's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the City as of and for the year ended June 30, 2022, and have issued our report thereon dated December 22, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as whole.

Freed Maxick CPAs, P.C.

Rochester, New York
December 22, 2022



THE CITY OF ROCHESTER, NEW YORK
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Passed through NYS Bureau of School Management Program				
Child Nutrition Cluster Summer Food Service Program for Children	10.559	36-079500	\$ —	\$ 255,040
Total Child Nutrition Cluster			—	255,040
Total U.S. Department of Agriculture			—	255,040
U.S. Department of Housing and Urban Development				
Direct Program				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/ Entitlement Grants	14.218	N/A	485,415	8,863,826
CARES Act - Community Development Block Grants/Entitlement Grants	14.218	N/A	607,971	841,532
Total CDBG - Entitlement Grants Cluster			1,093,386	9,705,358
Emergency Solutions Grants Program CARES Act - Emergency Solutions Grants Program	14.231	N/A	451,375	618,205
	14.231	N/A	1,728,398	1,944,069
Total Emergency Solutions Grant			2,179,773	2,562,274
Home Investment Partnerships Program Housing Opportunities for Persons with Aids (HOPWA)	14.239	N/A	—	2,898,381
	14.241	N/A	770,062	1,153,588
CARES Act - Housing Opportunities for Persons with AIDS (HOPWA)	14.241	N/A	35,103	35,103
Total HOPWA Grant			805,165	1,188,691
Lead Hazard Reduction Demonstration	14.905	N/A	—	1,629,521
Total U.S. Department of Housing and Urban Development			4,078,324	17,984,225
U.S. Department of Justice				
Direct Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	—	151,847
Bureau of Justice Assistance Coronavirus	16.034	N/A	—	112,506
Community Oriented Policing	16.710	N/A	—	57,915
Equitable Sharing Program	16.922	N/A	—	319,472
Passed through NYS Office of Victims Services				
Crime Victims Assistance	16.575	C11053GG	—	258,941
Passed through Division of Criminal Justice Services				
Violence Against Women Formula Grants	16.588	C00270GG	—	26,224
Passed Through Monroe County				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2017-WE-AX-0050	—	17,827
Total U.S. Department of Justice			—	944,732
U.S. Department of Transportation				
Passed through NYS Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction (DOT- Pass Through)	20.205	D34268; D35003; D35409; D35465; D35467; D35650; D35651; D35673; D35674; D35768; D036027; D36152; D036225; D036398; D40322	—	14,339,341
Total Highway Planning and Construction Cluster			—	14,339,341
Total U.S. Department of Transportation			—	14,339,341

THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED JUNE 30, 2022

			Continued	
	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
U.S. Department of the Treasury				
Direct Program				
Equitable Sharing Program	21.016	N/A	—	325,817
Coronavirus Relief Funds	21.207	N/A	—	4,706,565
Total U.S. Department of the Treasury			—	<u>5,032,382</u>
U.S. Environmental Protection Agency				
Direct Program				
Brownfields Job Training Cooperative Agreements	66.815	N/A	—	39,175
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	—	48,820
Total U.S. Environmental Protection Agency			—	<u>87,995</u>
U.S. Department of Health & Human Services				
Passed through NYS Governor's Department of Health				
Medicaid Cluster				
Medical Assistance Program (Community Adolescent Pregnancy Prevention)	93.778	DOH01-C32108GG	—	196,514
Total Medicaid Cluster			—	<u>196,514</u>
Maternal and Child Health Services Block Grant to the States	93.994	DOH01-C32108GG	—	89,628
Title V State Sexual Risk Avoidance Education Program	93.235	DOH01-C34619GG	—	219,819
Total U.S. Department of Health & Human Services			—	<u>505,961</u>
Corporation for National and Community Service				
Passed through NYS Commission on National & Community Service				
AmeriCorps	94.006	C028383; C236234	—	439,438
Total Corporation for National and Community Service			—	<u>439,438</u>
U.S. Department of Homeland Security				
Passed through New York State Division of Homeland Security and Management Services:				
Homeland Security Grant Program	97.067	WM19163390; WM18163380	—	81,650
Homeland Security Grant Program	97.067	WM18163389; WM19163389	—	83,583
Homeland Security Grant Program	97.067	WM21163311; WM18153780; WM19153790	—	60,976
Homeland Security Grant Program	97.067	WM20163300	—	114,214
Total Homeland Security Grant Program			—	<u>340,423</u>
Preparing for Emerging Threats and Hazards	97.133	WM16834411	—	16,712
Passed through New York State Division of Homeland Security and Management Services and Monroe County:				
Preparing for Emerging Threats and Hazards	97.133	G240800022.1820	—	3,637
Total U.S. Department of Homeland Security			—	<u>360,772</u>
Total Federal Expenditures			\$ 4,078,324.00	<u>\$ 39,949,886</u>

THE CITY OF ROCHESTER, NEW YORK

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of federal awards (the Schedule) includes the federal grant activity of the City of Rochester, New York (the City) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

NOTE 2 - BASIS OF ACCOUNTING

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

NOTE 3 - ASSET CONTROL AREA AGREEMENT ("ACA")

Participating in this program (Federal Assistance Listing #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 \$108,000 in the 2022 program year. 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 (Federal Assistance Listing #14.218) and the Home Program (Federal Assistance Listing #14.239). The combined acquisition and rehabilitation costs of these properties exceed the final sale prices.

NOTE 4 - INDIRECT COST RATE

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

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

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

Noncompliance material to the financial statements noted?

 Yes X No

Federal Awards

Internal control over major federal programs:

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

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

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.231	Emergency Solutions Grant Program
14.239	Home Improvement Partnership Program
21.027	Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,198,497

Auditee qualified as low-risk auditee? X Yes No

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings noted for the year ended June 30, 2022.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs noted for the year ended June 30, 2022.

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF PRIOR YEARS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

I. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings noted for the year ended June 30, 2021.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs noted for the year ended June 30, 2021.

STATE TRANSPORTATION AWARDS



REPORT ON COMPLIANCE FOR EACH MAJOR NEW YORK STATE TRANSPORTATION ASSISTANCE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH DRAFT PART 43 OF NYCRR

INDEPENDENT AUDITOR'S REPORT

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

Report On Compliance For Each Major New York State Transportation Assistance Program

We have audited the City of Rochester, New York's (the City) compliance with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that could have a direct and material effect on each major New York State transportation assistance program for the year ended June 30, 2022. The City's major New York State transportation assistance program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for New York State Transportation Assistance Expended.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major New York State transportation assistance programs for the year ended June 30, 2022.

Basis for Opinion on Each Major New York State Transportation Assistance Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of preliminary Draft Part 43 of the NYCRR. Our responsibilities under those standards and the preliminary Draft Part 43 of the NYCRR are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the preliminary Draft Part 43 of the NYCRR will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major New York State transportation assistance program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the preliminary Draft Part 43 of the NYCRR, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the preliminary Draft Part 43 of the NYCRR, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

Freed Maxick CPAs, P.C.
Rochester, New York
December 22, 2022



**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
YEAR ENDED JUNE 30, 2022**

	Grant Number	NYS DOT Expenditures
STATE OF NEW YORK:		
DEPARTMENT OF TRANSPORTATION:		
Snow & Ice Control	D005375	\$ 78,264
Waring Road	D033327	4,257,514
Dewey/Driving Park Realignment	D034268	881
Mt. Hope Ave Phase 2	D035003	363,074
Asphalt Maint and Repair (Hudson/St Paul)	D035409	656
Asphalt Maint and Repair (Alexander/Scio)	D035465	4,986
Asphalt Maint and Repair (Upper Falls/St Paul)	D035467	1,110
Asphalt Maint and Repair (Lyell)	D035650	1,247
East Main Street Reconstruction	D035651	780,162
State Street	D036027	55,834
Asph M&R 2021 TIP PM NW Group 12 Emerson/Jay/Driving park	D036398	465,915
ROC riverway -Running Track Bridge	D036456	163,891
ROC riverway- Pont de Rennes Bridge	D036457	343,605
ROC Riverway - Brewery Line Trail	D036458	438,645
Aqueduct Reimagined Phase I	D036460	527,018
Inner Loop North Study	D040129	554,563
M&R 2023 TIP PM 1 East-Culver-South-University	D040322	42,322
Consolidated Street & Highway Improvements		5,606,951
Extreme Winter Recovery (EWR)		972,476
PAVE-NY		1,196,582
Total NYS DOT expenditures		<u>\$ 15,855,696</u>

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

**THE CITY OF ROCHESTER, NEW YORK
NOTES TO THE SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 - BASIS OF PRESENTATION

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

NOTE 2 - BASIS OF ACCOUNTING

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

**THE CITY OF ROCHESTER, NEW YORK
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR
 STATE TRANSPORTATION ASSISTANCE EXPENDED
 FOR THE YEAR ENDED JUNE 30, 2022**

I. SUMMARY OF AUDITOR'S RESULTS

Internal control over New York State Transportation Assistance Expended:

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

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

Unmodified

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

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

Name of New York State Transportation Assistance Program

Consolidated Local Street and Highway Improvement Program (CHIPs)