

THE CITY OF ROCHESTER, NEW YORK
Comprehensive Annual Financial Report
Year Ended June 30, 2002

Prepared by:
Department of Finance

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ANNUAL FINANCIAL REPORT
Year Ended June 30, 2002
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City of Rochester



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Mayor

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November 30, 2002

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, 2002. The financial statements have been audited by the accounting firm selected by City Council, Deloitte & Touche LLP. The auditors' unqualified opinion is included in this report.

In each of the past eighteen 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 2002 financial report continues to meet the requirements of the Certificate of Achievement Program.

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

Respectfully submitted,

William A. Johnson, Jr.
Mayor





City of Rochester



Department of Finance

Office of the Director
City Hall, Room 109-A
30 Church Street
Rochester, NY 14614

November 30, 2002

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

I am pleased to submit the Comprehensive Annual Financial Report of the City of Rochester for the fiscal year ended June 30, 2002. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

The Comprehensive Annual Financial Report is presented in five sections: introductory, financial, statistical, single audit, and New York State and other awards. The introductory section includes the transmittal letters, the City's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements, combining and individual fund and account group financial statements and schedules, and the independent accountants' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

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

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

REPORTING ENTITY

Rochester was 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. The City of Rochester also has a nine-member City Council which is responsible for the legislative affairs of the City government. Council members are elected biennially for staggered four-year terms, four by districts representing approximately one quarter of the City's area, and five by a city-wide vote. The members of the 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.

This report includes all funds and account groups that are administered by City Council. The City's major operations include police and fire protection, environmental services, recreation, community services, community development, economic development and general administrative services. In addition, the City has seven enterprise operations including: Water, Parking, War Memorial, Refuse, Cemeteries, Public Market, and Port of Rochester.

The City School District is also included in the financial statements as a discretely presented component unit. Although a separately elected School Board governs the operations of the District, the District is financially dependent on the City,

ECONOMIC STATUS

Many consider Rochester to be the "economic jewel" of the state. It has been able to maintain a strong economy even though our major employers have gone through significant downsizing. Spending is still on the rise and the unemployment rate is currently 5.8%. In 2001, Rochester had another significant year for exporting goods, and continued to have one of the highest export volumes per capita in the country. Rochester is the second largest exporting area in the State (New York City is the largest). Exports totaled over \$13 billion. Although Rochester's exports are high, they are not significantly affected by Southeast Asia's economic instability because Rochester's exports to that region are one-third less than the percentage of state-wide exports to that region.

Some factors that will help Rochester are:

- the Rochester area designated by the Governor as a "Center of Excellence" for optics and photonics. Forty-five million of the \$75 million needed from private industry to require state aid has already been pledged. It is anticipated that the Center for Excellence could bring hundreds of millions in research dollars and creating a hub of high-tech jobs and industries.
- unemployment rate for the United States in July was reported to be 5.9%. Low unemployment translates into more dollars for products, many supplied by Rochester companies.
- non-farm productivity rose 4.8% in the second quarter of 2002. If this trend continues in 2002 it will suggest stable prices on U.S.- and Rochester-made products.
- the U.S. inflation rate was reported to be 2.86 through December of 2001 versus 3.38% for 2000.
- New York State has a fiscally healthier economy compared to prior years, and this may benefit Rochester.
- 2002 is likely to be a more stable year for the Rochester economy; keep in mind that Rochester has not experienced the significant dips that other areas have.

YEAR 2002 ECONOMIC FORECAST

Rochester's early entry in the national slowdown will probably be matched with a slower recovery, concludes the Chamber's Business Trends Committee. Employment at the community's "brand name" firms (particularly Kodak and Xerox) will continue to weaken while the service sector is expected to record a year of very slow growth. Total employment in 2002 is expected to decline to 549,000 from an estimated 552,000 in 2001. This assumes that manufacturing will lose 5,000 positions with non-manufacturing growing slightly over the year.

Real GDP (gross domestic product) for the nation declined 1.1 percent in the third quarter as business investment plummeted. Investment nationally peaked during the second quarter of 2000 and declined at an 8.2% average annual rate since. During the same time, both personal consumption and government consumption each averaged growth of less than 3.0% per year. The good news is that while output in the fourth quarter will fall again, the decline will not be as sharp as last quarter's.

Recovery should begin early next year, if recent trends are any indication. Personal spending and new durable goods orders each had strong growth in October, although November's retail sales figures showed some weakness. Auto sales accounted for most of the personal spending gain. The increase in durable goods orders is good news as inventory levels have declined steadily; this could signal an increase in production shortly. The Federal Reserve, through 11 interest rate cuts, has primed the economic pump for next year. Already, the stock markets have been responding to the increased liquidity in the economy. As a result, calendar year 2002 is expected to end showing gains in economic growth.

Rochester's large manufacturing companies continue to shed jobs. In 1981, manufacturing employment accounted for nearly two-fifths of all non-farm employment. That ratio is now about one-fifth. Both Kodak and Xerox are in the midst of further job reductions locally.

Weakness in manufacturing drove Rochester's weakness in 2001 and will account for Rochester's relatively slow economy. Kodak's latest announcement of a cut of 3,500 jobs will likely push its Rochester employment below the 20,000 level by the end of next year. Xerox is pruning its payrolls in the face of increased competition. Xerox job cuts will likely amount to approximately 1,500 positions this year. Unlike prior years,

**The Mayor
Rochester, New York**

the rest of the manufacturing sector suffered slow growth as a result of a national manufacturing recession. Corning suffered from an economy-wide investment goods retrenchment and a dramatic slowdown in the telecommunications industry.

Fortunately, Rochester's telecommunications service firms (PaeTec, Choice One and Frontier/Citizens) have either grown or held their own during the year.

On the other hand, preliminary information from the International Business Council's year-end survey indicates that many Rochester Area exporters have had a much better year than anticipated. From early responses received, over one-third of Rochester's exporters have reported all-time records in their overseas sales. Many have commented on the very slow domestic economy, however, firms exporting to China, Western Europe, Canada, Mexico and Israel have reported significant increases in export sales.

Most recently, both China and Taiwan have just been admitted into the World Trade Organization. The benefit to the Rochester area is that companies concerned about having unauthorized duplication of products from unscrupulous manufacturers, will now be able to take another look at both of these markets because of protections built through the WTO.

Although it is too soon to draw any final conclusions, due to the Rochester area's strong dependence on international business, the pressures from the United States recession will be mitigated and the Rochester economy will fair far better than first anticipated, and far better than other upstate economies.

The Federal Reserve's efforts to revive the economy via numerous interest rate cuts may be causing consumers to pull future purchases into the present. Automobile sales, spurred on by zero percent financing, recorded their strongest October in over 12 years in Rochester. Auto sales slowed nationally in November from the red-hot October pace. Some analysts are calling for weaker sales next year and into 2003 as a result of people taking advantage of the current promotions. Auto sales trends will also influence prospects for Valeo's Rochester operation. Valeo Electrical Systems filed for Chapter 11 bankruptcy in December after estimating that its Rochester plant will lose \$70 million this year. The plant currently employs about 2,600 workers.

Low mortgage rates have helped the housing market. Although the Greater Rochester Area Realtors report that the number of homes listed for sale during the first 11 months was down 5.3 percent, the number of homes sold was down only marginally over that same period. The median price of an existing single family home in Rochester rose ten percent between the third quarter of 2000 and the third quarter of 2001 to \$97,800 (National Association of Realtors). Interest rates are expected to rise next year, which may dampen the demand for housing.

Rochester's fortunes are heavily tied to national and international economies. Our reduced dependence on the traditional large manufacturing base will continue to cause disruptions in our local economy. We are not and will not be immune to the negative force of September 11 and most likely will follow closely the return to prosperity of the national economy. Significant efforts need to be undertaken to attract and retain companies that fit our economic profile. Our technology base is deep and our economy is broad, but we will need in-migration to assure economic growth at a rate that will satisfy the Rochester/Monroe County community.

**FORECAST FOR 2002 OF ECONOMIC INDICATORS FOR ROCHESTER
METROPOLITAN STATISTICAL AREA**

	2000 Average	2001 Actual YTD	Percent Change	2002 Forecast	Percent Change
Nonagricultural employment (000)	555.0	553.2	-0.3%	549.0	-0.8%
Manufacturing employment (000)	113.7	109.1	-4.0%	104.0	-4.7%
Nonmanufacturing employment (000)	441.3	444.1	0.6%	445.0	0.2%
Weekly hours in manufacturing	42.1	40.4	-4.0%	41.0	1.5%
Monroe County unemployment rate	3.8%	4.1%	0.3%	4.9%	0.8%
Single family buiding permits	1,552	1,404	-9.5%	1,500	6.8%
Payroll (\$2000 billion)	\$ 18.4	\$ 18.3	-0.5%	\$ 17.2	-6.0%
New Car Sales (000) SA	\$ 42.8	\$ 41.0	-4.2%	\$ 41.0	0.0%
UsedCar Sales (000) SA	\$ 23.5	\$ 23.9	1.7%	\$ 23.9	0.0%

Source: *Economic Review Letter*, January, 2002, Greater Rochester Metro Chamber of Commerce, Business Trends Committee, Dec. 2001

MAJOR INITIATIVES

Central Business District

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.

Over \$700 million in public and private funds have been invested in the Center City since 1982 to ensure that the area meets the needs of citizens, businesses and visitors. These improvements have included major streets, a new convention center, new parking garages, a new Hyatt Regency Hotel, and renovation of two downtown hotels, the Four Points/Sheraton Inn and the Crowne Plaza Hotel. The world renowned Eastman School of Music also completed major renovations including construction of a high rise dormitory and an office/music library building. Construction of a new office building for the Appellate Court adjacent to the Metro Center has been completed. New corporate headquarters buildings were built for Bausch & Lomb and Frontier Corporation. The Blue Cross and Blue Shield of the Rochester Area has moved into a new 200,000 square foot corporate headquarters. Several major general tenant office buildings were built or had major renovations completed including Clinton Square, the Edwards Building, the Powers Building, One City Centre, the Riedman Building, and the Cutler Building. Strong interest in older historic buildings has emerged evidenced by the successful renovation of two former industrial buildings in the Cascade District for mixed use occupancy.

Demand for new residential units in Downtown is strong, with seven units of upper income housing at Symphony Terrace quickly selling out. Similarly, seventy-seven units of rental at the former Hallman's Auto site were quickly leased, and competition is increasing for other developable sites and buildings.

Additional cultural, entertainment, educational, and recreational improvements include completion of renovation and expansion of the War Memorial Auditorium, home of the Rochester Americans professional hockey and Knighthawks Lacrosse teams, Frontier Field, home of the Rochester Red Wings professional baseball team and Rochester Rattlers Outdoor Lacrosse team as well as the interim home for the Rochester Raging Rhinos professional soccer team, a new Metro YMCA, a new Rochester Public Library, continuing expansion for GeVa, a professional theater company, renovation and expansion of the Little Theater from two screens to five screens, expansion of the Strong Museum (a major children/family attraction), and renovation of the Sibley Building that serves as downtown campus for the Monroe Community College and SUNY Brockport.

Working in cooperation with several major Rochester businesses, the City has completed a major entertainment facility at the 90 foot High Falls of the Genesee River. The area is near Frontier Field, and features specialty restaurants including the Empire Brewing Company, Jillian's, the Center at High Falls nightclub, the Triphammer Grill, as well as an Urban Cultural Park Interpretive Center, a world class laser light show projected on the river wall of the Genesee, and a public plaza area that serves as the City's festival site.

Attendance at High Falls attractions continues to increase. This area, along with the East End and St. Paul Quarter, is making the Center City a premier entertainment district.

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

Industrial Development

Development of readily buildable industrial land has been a goal of the City for several years. Toward fulfillment of that goal, six industrial parks have been developed:

1. The 27 acre Cumberland Industrial Park is 90% developed with one site available. To date, the project has generated new investment of nearly \$13 million and the creation or retention of 790 jobs.
2. The 26 acre High Falls Business Park also offers fully improved industrial sites enhanced by \$2.9 million in infrastructure improvements. The park is 50% developed and has to date retained or created approximately 636 jobs and added \$4 million to the City of Rochester's tax base. Total private investment in plant and equipment in the industrial park is over \$8 million.
3. The 38 acre Rochester Science Park is a high technology, campus-style office and research facility located in southeast Rochester. The City constructed the access road and utilities, and 65% of the park is occupied. To date Rochester Science Park has created or retained 580 permanent jobs. Private investment in land purchase, plant facilities, machinery and equipment is estimated at approximately \$16.5 million.
4. The 40 acre Holleder Technology Park is fully occupied by seven companies: Advent Tool & Mold Company, Inc., Apollo Tool & Die, Inc., Crucible Materials Corp., Mercury Print Production, Inc., Monro Muffler Brake, Electronic Media Solutions, and AJL Manufacturing. Total investment in plant and equipment for the Holleder Technology Park is in excess of \$31 million and with 893 jobs created or retained.
5. Improvements are complete for the City's newest development areas, the 11 acre 14621 and 54 acre Outer Loop Industrial Parks. They have received \$5 million in infrastructure and landscape improvements and have already attracted two companies providing jobs for 200 employees and investments of over \$7 million.

Since 1981, the City of Rochester's Economic Development Department has arranged for over \$350 million in financing for small, medium and large sized firms. Total investment in industrial and commercial projects is over \$1 billion.

The City has been designated as an Empire Zone by New York State and has received a Renewal Community Zone Designation by the Federal government, and a Federal Hub Zone too.

Investment in Residential Areas

In addition to investments in business development, the City is devoting the major share of its Community Development Block Grant (CDBG) to the improvement of residential neighborhoods. According to the table following, the City has allocated \$229.1 million, or 66% of total federal allocations and program income, to the City's residential areas since the inception of the CDBG Program in 1975.

**COMMUNITY DEVELOPMENT BLOCK GRANT/CONSOLIDATED PROGRAM
(IN MILLIONS)**

 Through June 30, 2003
Residential neighborhoods	\$ 229.1
Business development	58.4
Urban renewal completion	12.6
Planning, management and administration	45.1
TOTAL	<u>\$ 345.2</u>

Rochester's Consolidated Community Development Program, which began in July, 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 1974 and revised in 1995 to incorporate all housing related plans and programs in a 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 2002-03 Program is based on the "Neighbors Building Neighborhoods" and the "Rochester 2010 - Renaissance Plan" planning processes. As a result of these planning processes, and many community meetings, a vision for Rochester in the 21st Century was developed envisioning the City as experiencing a "Renaissance of Responsibility, Opportunity and Community."

The goals of the 2002-03 Program focus on the provision of decent housing, a suitable living environment and expanded economic opportunities for all our citizens.

In support of these goals, the objectives and dollar allocations of the \$19 million program are:

1. Support the Neighbors Building Neighborhoods process engaging citizens in renewing our community and implementing the Renaissance Plan (\$950,000).
2. 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 (\$3,679,000).
3. Improve the housing stock and general property conditions through rehabilitation assistance and new home construction, primarily for low and moderate income owner-occupants and renters, as well as property code enforcement and blight removal (\$11,324,000).
4. 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 the homeless, early childhood education, neighborhood safety and effective use of community facilities (\$2,380,000).

The allocation for administrative expenses included in the program is \$625,400.

An example of the impact of these investments is represented by the Housing Occupancy Initiative, funded by the CDBG and HOME Program, which was developed in response to concern over the growing number of vacant residential properties in the City and the declining number of owner-occupied homes. Since its inception in 1993, this initiative has:

- 1) addressed 2,471 vacant houses through either demolition (1,012) or rehabilitation/reoccupation programs (1,459), and
- 2) created 354 new single-family homes for owner-occupants.

Since June 1994, there have been 775 affordable rental units added to the inventory and an additional 551 units have been renovated with these two sources of funding.

Tourism

The economic health of the City is tied to that of Monroe County and the Genesee/Finger Lakes Region. Both the City and the County have undertaken steps to encourage the retention and creation of jobs in the area through the development of tourism.

Major tourism projects that have impacted the growth of jobs in the City, and will encourage the creation of new jobs in the future, include:

- Continuous development of the "High Falls, St. Paul Quarter and East End Entertainment Districts" with the opening of a micro-brewery, restaurants, coffee shops, entertainment businesses, and office buildings, new housing and community festivals adjacent to the Falls and on the streets of the East End;
- Continued waterfront development with completion of a major navigation improvement project by the U. S. Army Corps of Engineers at the Charlotte River Harbor, and finalized plans for over \$40 million in area improvements with road and parking lot construction underway;
- Continued progress towards implementing a fast ferry auto/passenger service between Rochester and Toronto;
- Continued success of the Frontier Field outdoor sports facility adjacent to Downtown and the High Falls District hosting professional baseball, soccer, lacrosse and other events;
- Completion of a \$37.5 million renovation to the Blue Cross Arena at the War Memorial expanding its attractiveness to professional hockey and lacrosse as well as major touring events;
- Construction underway by the City, the State Thruway Authority, and a private developer of a \$15 million canal harbor improvement project and residential/commercial center adjacent to Downtown on the Erie Canal, known as the "Cornhill Landing" development.

An estimated 1,410,000 visitors traveled to Rochester and Monroe County in the year 2001. This indicates the strong draw of the area as a destination for corporate travel, and attendance at scheduled meetings, conventions, and tourist attractions. During their stay, they spent \$226 million in area hotels, restaurants, museums event venues, and retail stores. In recent years Rochester has hosted such events as the 2000 World Canal Conference and the American Association of Physics Teachers Convention. Upcoming events will include the NYS School Boards and NYS Nurses Associations as well as the Optical Fabricators and Amway Group conventions. It also continues its highly regarded reputation for well-run and attended national major golf events including the annual Rochester International LPGA Tour stop, and the PGA Championship scheduled in 2003.

The Rochester Riverside Convention Center continues to play a vital role in encouraging the growth of tourism locally. The Convention Center was host to 358 conventions, trade shows and other events in fiscal year 2001-2002 with an estimated economic impact of \$25 million.

Future Plans

The City of Rochester's Comprehensive Plan – Rochester 2010: The Renaissance Plan – was adopted by City Council on April 13, 1999. It is the product of a community-based planning process and is structured around eleven integrated "Renaissance Campaigns" which are: 1. Involved Citizens, 2. Educational Excellence, 3. Health, Safety, and Responsibility, 4. Environmental Stewardship, 5. Regional Partnership, 6. Economic Vitality, 7. Quality Service, 8. Tourism Destination, 9. Healthy Urban Neighborhoods, 10. Center City, and 11. Arts & Culture. Through strategies and priorities updated every twenty-four months, the Renaissance 2010 Plan guides the direction of the City's budget and development activities. (More information on the Renaissance 2010 Plan is available on the City's web site at www.ci.rochester.ny.us)

Major initiatives outlined in the Renaissance Plan Campaign for the next two years include:

- Development of a new Master Plan for the Center City.

- Continuing expansion of market rate new housing development opportunities in the Center City and neighborhoods.
- Collaboration with the Housing Authority on the upgrading of obsolete and vacant public housing sites.
- Establishment of a Community Design Center to support citizen initiatives to plan for preserving and upgrading the character of their neighborhoods.
- Expanding waterfront revitalization opportunities along the South River Corridor and Erie Canal.
- Collaborating with the University of Rochester to capture new business development opportunities emerging from their world class research facilities.
- Expanding collaborative partnerships with adjoining municipalities to market/promote shared assets and to share municipal services.
- Collaboration with the business community in a major campaign to market and promote the Region (and City) is a desirable place for living and business.

FINANCIAL INFORMATION

Accounting and Budgetary Controls

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The City's financial management believes its internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. An evaluation of the internal accounting controls during the City's annual independent audit disclosed no material weakness in the internal control structure.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with provisions embodied in the annual budget adopted by City Council. A total expenditure budget is appropriated based on projected revenues, and all non-capital appropriations lapse at fiscal year end. The budget is adopted on a departmental basis and expenditures may not exceed appropriations on a departmental level. Budgetary control is maintained by the encumbrance of funds prior to the release of purchase orders to vendors.

Financial Position

The ***Management Discussion and Analysis*** section included as part of the Financial Section of this report provides a narrative introduction, overview, and analysis of the June 30, 2002 financial statements of the City of Rochester. The information provided includes a discussion of the basic financial statements, condensed comparative data, overall analysis, fund analysis, highlights of major revenue and expense variances, a summary of capital assets and long-term debt activity, and infrastructure data.

Debt Administration

The City of Rochester 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.

As of June 30, 2002, the City and the School District had \$224,715,000 of authorized, outstanding general obligation bonds and \$120,666,000 of outstanding bond anticipation notes. The City's authorized but unissued general obligation bonds amounted to \$21.6 million.

The ratio of net bonded debt to assessed valuation and the amount of net bonded debt per capita are useful indicators of the City's debt position. As of June 30, 2002, the City had \$243,016,100 of net bonded debt. The ratio of net bonded debt to assessed value was 5.07%, and the net bonded debt per capital equaled \$1,113.

The City has maintained its A2 rating on general obligation bond issues from Moody's Investors Service, Inc. and AA from Standard and Poor's Corporation.

Cash Management

The City of Rochester's investment policy is to maximize earnings from idle cash not immediately needed for expenditure, while ensuring liquidity and safety of investments. Types of investments are restricted by New York State law, and include time deposits, certificates of deposit, obligations of the U.S. Government and its agencies, and New York State and its municipalities. Earnings potential is enhanced by clearing all checks through a zero balance checking account, taking full advantage of the float on outstanding checks. The City also uses an on-line bank account reporting system to track the status of the City bank accounts.

Earnings on all investments of City and School District funds decreased from \$13.6 million in fiscal 2001 to \$7.0 million in fiscal 2002, primarily due to the decline in interest rates. The average yield on investments decreased from 5.43% in 2001 to 2.48% in 2002.

Risk Management

The City has been fully self-insured for all workers' compensation and general liability for over seventeen years. Workers' compensation claims are funded from a liability reserve in the General Fund. General liability claims are funded from yearly contributions made to a Claims Settlement Internal Service Fund. The amount available in the Claims Settlement Fund as of June 30, 2002 was \$14,456,000. The estimates of future reserves for both workers' compensation and general liability claims are determined by insurance companies administering the programs.

Workers' compensation loss control is managed by a Safety Committee comprised of City employees, and an independent contractor reporting to the Employee Safety Coordinator. An Advisory Committee of insurance industry representatives monitors the effectiveness of both the workers' compensation and general liability program. In addition, the City provides hospitalization, medical, dental, long-term disability, and life insurance through various insurance companies and these programs are administered by the Director of Human Resource Management.

INDEPENDENT AUDIT

The Charter of the City of Rochester, New York requires an independent audit of the books of accounts, records, and transactions of all administrative departments of the City by independent certified public accountants. The firm of Deloitte & Touche LLP was selected to conduct this audit. In addition, the audit was designed to meet the requirements of the Federal Single Audit Act of 1996. The report of independent accountants on the basic financial statements and combining and individual statements and schedules is included in the financial section of this report. The auditors' reports related to the single audit are included in the Single Audit Section.

REPORTING ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rochester for its comprehensive annual

financial report for the fiscal year ended June 30, 2001. This was the eighteenth consecutive year that the City has achieved this prestigious award.

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

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

ACKNOWLEDGMENTS

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

Respectfully submitted,



Vincent J. Caffagna
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rochester,
New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

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



President

Executive Director

CITY OF ROCHESTER, NEW YORK

MAYOR AND CITY COUNCIL OFFICIALS

William A. Johnson, Jr., Mayor

Lois J. Giess (East District), President

Gladys Santiago (At-Large), Vice-President

◇◇◇

Brian F. Curran (At-Large)

Benjamin L. Douglas (Northeast District)

Nancy K. Griswold (At-Large)

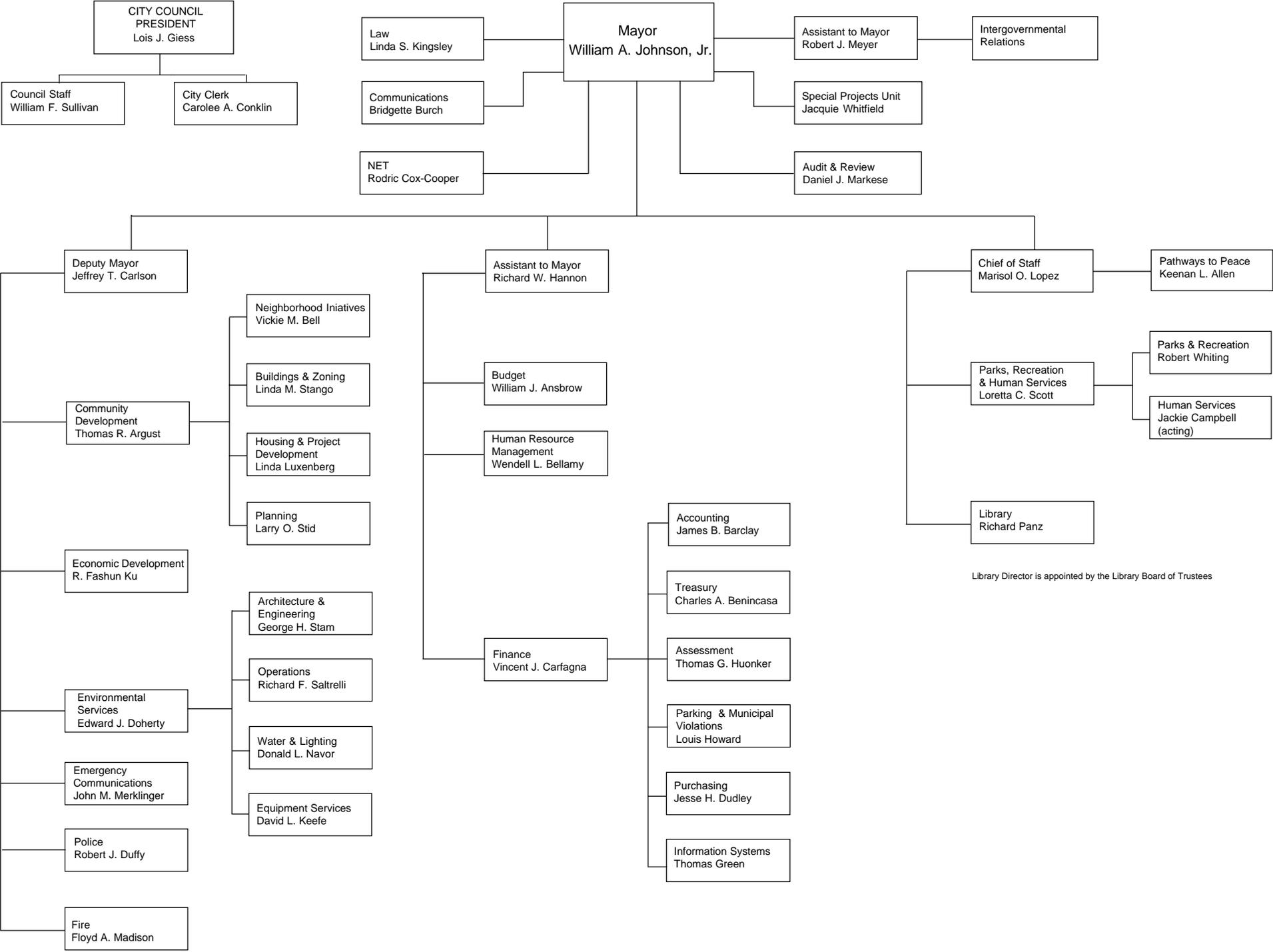
Tim O. Mains (At-Large)

Wade S. Norwood (At-Large)

Robert J. Stevenson (Northwest District)

Tony M. Thompson (South District)

MANAGEMENT CHART



Library Director is appointed by the Library Board of Trustees

CITY OF ROCHESTER, NEW YORK
LIST OF CITY DEPARTMENTS AND BUREAUS

Mayor.....	William A. Johnson, Jr.
Deputy Mayor	Jeffrey T. Carlson
Assistant to Mayor	Richard W. Hannon
Assistant to Mayor	Robert J. Meyer
City Clerk	Carolee A. Conklin
City Council Staff.....	William F. Sullivan
Audit and Review.....	Daniel J. Markese
Budget	William J. Ansbrow
Communications.....	Bridgette Burch
Chief of Staff.....	Marisol O. Lopez
Pathways to Peace.....	Keenan L. Allen
Neighborhood Empowerment Team (NET).....	Rodric Cox-Cooper
Special Projects Unit	Jacque Whitfield
Community Development	Thomas R. Argust
Neighborhood Initiatives.....	Vickie M. Bell
Buildings and Zoning	Linda M. Stango
Housing & Project Development.....	Linda Luxenberg
Planning.....	Larry O. Stid
Economic Development.....	R. Fashun Ku
Human Resource Management.....	Wendell L. Bellamy
Environmental Services.....	Edward J. Doherty
Engineering	George H. Stam
Equipment Services.....	David L. Keefe
Operations	Richard F. Saltrelli
Water.....	Donald L. Navor
Finance.....	Vincent J. Carfagna
Accounting.....	James B. Barclay
Assessment.....	Thomas G. Huonker
Data Processing	Thomas Green
Parking Violations.....	Louis Howard
Purchasing.....	Jesse H. Dudley
Treasury	Charles A. Benincasa
Fire	Floyd A. Madison
Law	Linda S. Kingsley
Library.....	Richard Panz
Office of Emergency Communications	John M. Merklinger
Parks, Recreation, and Human Services.....	Loretta C. Scott
Human Services	Jackie Campbell (Acting)
Parks & Recreation.....	Robert Whiting
Police.....	Robert J. Duffy

Financial Section



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rochester, New York, as of and for the year ended June 30, 2002, which collectively comprise the City's basic financial statements. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on the respective financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the respective financial statements referred to above present fairly, in all material respects, the respective statement of net assets or financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for the City of Rochester, New York, as of June 30, 2002, and the respective changes in financial position (and respective cash flows, where applicable) and its budgetary comparison thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note III.C., the beginning net assets of the component unit have been restated.

Management's Discussion and Analysis listed in the foregoing table of contents is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the City's basic financial statements taken as a whole. The combining fund statements listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the City of Rochester, New York. The accompanying schedule of expenditures of federal awards as listed in

the table of contents is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. These financial statements and schedules are also the responsibility of the management of the City of Rochester, New York. Such additional information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

The statistical data, the Schedule of Expenditures of NYS and Other Awards and Summary of Financial Assistance as listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the City of Rochester, New York. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2002, on our consideration of the City of Rochester's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

A handwritten signature in cursive script that reads "Deloitte & Touche LLP". The signature is written in black ink and is positioned above the date.

September 20, 2002

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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, 2002. In this section, all amounts are expressed in thousands of dollars, unless otherwise indicated.

For the management discussion and analysis for the Rochester City School District, please see the separately issued Comprehensive Annual Financial Report of the District for the year ended June 30, 2002.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$699,753 (*net assets*). Of this amount, \$47,926 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$33,930 primarily due to a \$30,644 increase in governmental capital assets funded from capital projects funds, and from state and federal grants.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$113,078, an decrease of \$16,268, in comparison with the prior year.
- At the end of the current fiscal year, undesignated fund balance for the general fund was \$3,624, or 1.6% of total general fund expenditures.
- The City's total debt (net of notes which have been refinanced but not yet matured) decreased by \$6,755 (3.5%) during the current fiscal 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 City of Rochester's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and budgetary comparison, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

The government-wide financial statements include not only the City of Rochester itself (known as the *primary government*), but also a legally separate school district for which the City of Rochester is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

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

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

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

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

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

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

Compliance with the City's annual operating budget for the year ended June 30, 2002, which includes the General Fund as well as certain special revenue and enterprise funds, is reported in the *Combined Statement of Revenues, Expenditures and Changes in Fund Equity – Budget and Actual* which is found in the Basic Financial Statements section.

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 and Refuse operations. 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, and Refuse 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. Data from the other three proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of *combining statements* elsewhere in this report.

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 and proprietary funds can be found in the section following the Basic Financial Statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceed liabilities by \$699,753 at the close of the most recent fiscal year.

By far, the largest portion of the City's net assets (72 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Certain 2001 accounts have been reclassified to facilitate more meaningful year-to-year comparisons.

City of Rochester's Net Assets

(000's Omitted)

	Governmental activities		Business-type activities		Total	
	2002	2001	2002	2001	2002	2001
Current and other assets	\$ 266,909	\$ 304,080	\$ 30,680	\$ 32,366	\$ 297,589	\$ 336,446
Capital assets	450,112	419,468	240,115	238,419	690,227	657,887
Total assets	717,021	723,548	270,795	270,785	987,816	994,333
Long-term liabilities outstanding	129,444	163,525	89,614	90,512	219,058	254,037
Other liabilities	64,959	70,607	4,046	3,866	69,005	74,473
Total liabilities	194,403	234,132	93,660	94,378	288,063	328,510
Net assets:						
Invested in capital assets, net of related debt	348,540	283,119	153,047	150,098	501,587	433,217
Restricted	131,239	172,185	19,001	19,315	150,240	191,500
Unrestricted	42,839	34,112	5,087	6,994	47,926	41,106
Total net assets	\$ 522,618	\$ 489,416	\$ 177,135	\$ 176,407	\$ 699,753	\$ 665,823

An additional portion of the City's net assets (21 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$47,926) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City's total net assets increased by \$33,930 primarily due to a \$30,644 increase in governmental capital assets (net of a \$1,152 increase in depreciation expense). This capitalization was funded with \$16,041 from capital projects funds, as well as with \$14,603 from state and federal grants. The net of other changes to net assets was \$3,286.

Governmental activities. Governmental activities increased the City's net assets by \$32,202, thereby accounting for 95 percent of the total growth in the net assets of the City. Key elements of this increase are as follows:

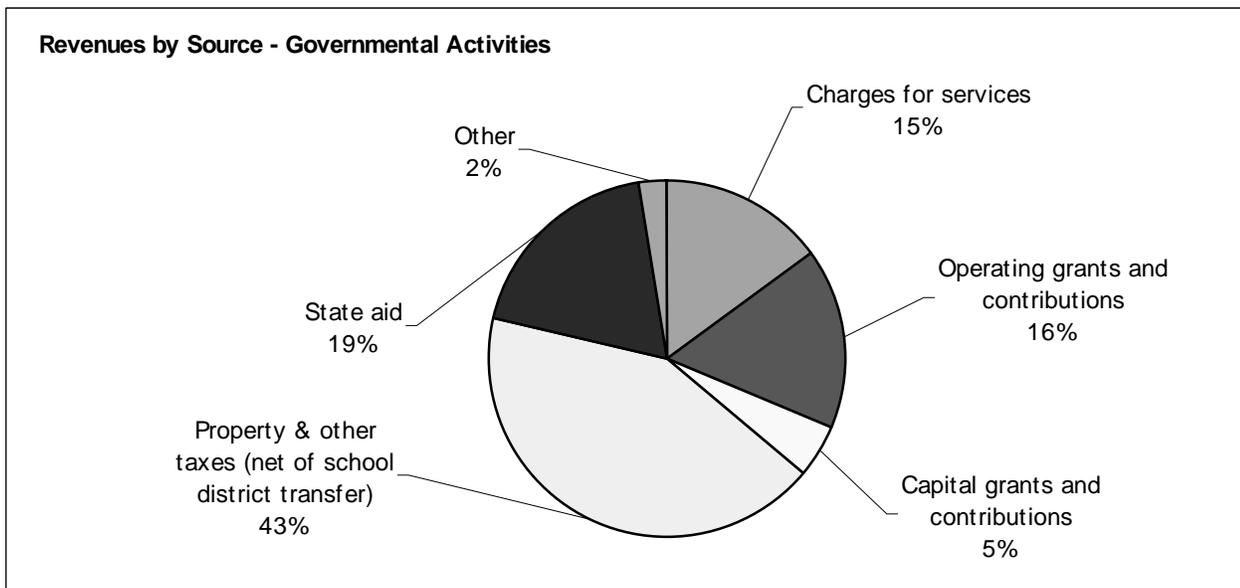
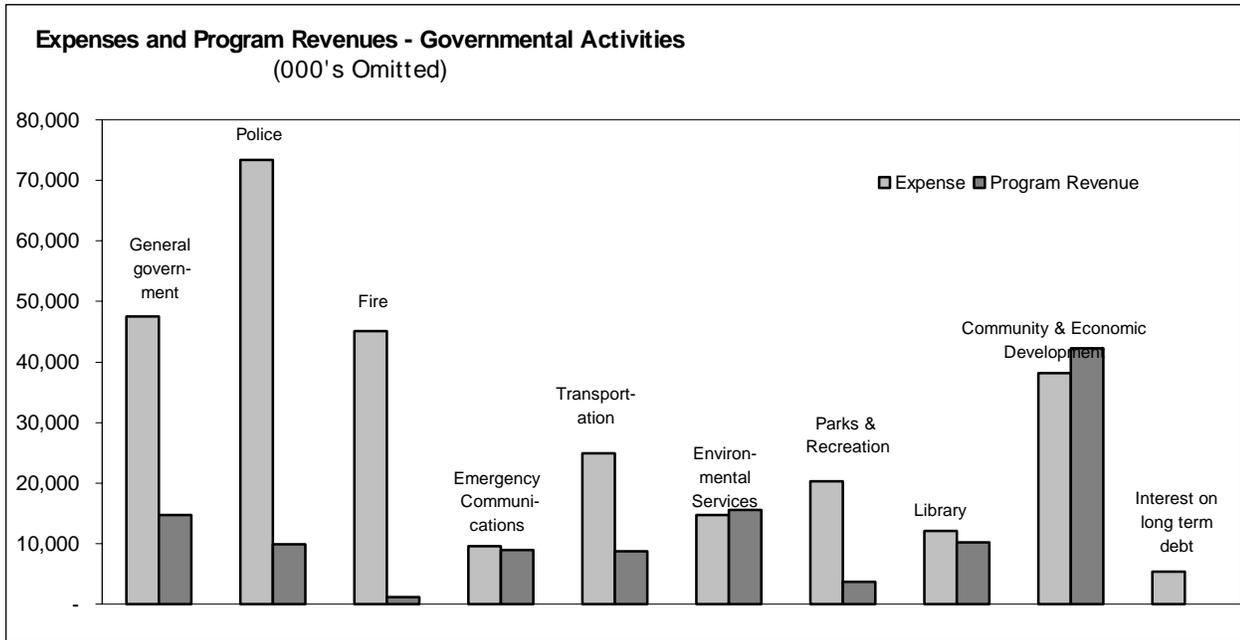
City of Rochester's Changes in Net Assets

(000's Omitted)

	Governmental activities		Business-type activities		Total	
	2002	2001	2002	2001	2002	2001
Revenues:						
Program revenues:						
Charges for services	\$ 47,831	\$ 46,943	\$ 57,978	\$ 57,448	\$ 105,809	\$ 104,391
Operating grants and contributions	52,713	38,997	-	-	52,713	38,997
Capital grants and contributions	14,782	15,493	160	266	14,942	15,759
General revenues:						
Property taxes	121,211	126,421	2,225	1,107	123,436	127,528
Sales and other taxes	142,006	139,703	846	919	142,852	140,622
State aid	60,803	57,001	-	-	60,803	57,001
Transfer to school district	(127,300)	(127,300)	-	-	(127,300)	(127,300)
Other	7,863	12,767	1,798	2,354	9,661	15,121
Total revenues	319,909	310,025	63,007	62,094	382,916	372,119
Expenses:						
General government	47,630	42,860	-	-	47,630	42,860
Police	73,383	71,400	-	-	73,383	71,400
Fire	45,151	42,191	-	-	45,151	42,191
Emergency communications	9,608	9,504	-	-	9,608	9,504
Transportation	24,922	26,302	-	-	24,922	26,302
Environmental services	14,693	16,143	-	-	14,693	16,143
Parks & recreation	20,353	20,683	-	-	20,353	20,683
Library	12,075	12,252	-	-	12,075	12,252
Community & economic development	38,200	30,963	-	-	38,200	30,963
Interest on long term debt	5,370	5,771	-	-	5,370	5,771
Water	-	-	24,354	21,979	24,354	21,979
War memorial	-	-	3,748	3,469	3,748	3,469
Parking	-	-	7,157	7,883	7,157	7,883
Cemetery	-	-	1,948	1,729	1,948	1,729
Public market	-	-	620	644	620	644
Refuse	-	-	19,766	19,562	19,766	19,562
Port	-	-	8	8	8	8
Total expenses	291,385	278,069	57,601	55,274	348,986	333,343
Excess of revenues over expenses	28,524	31,956	5,406	6,820	33,930	38,776
Transfers	4,678	4,154	(4,678)	(4,154)	-	-
Increase in net assets	33,202	36,110	728	2,666	33,930	38,776
Net assets - beginning	489,416	453,306	176,407	173,741	665,823	627,047
Net assets - ending	\$ 522,618	\$ 489,416	\$ 177,135	\$ 176,407	\$ 699,753	\$ 665,823

Revenue from operating grants and contributions for community and economic development projects increased by \$13,716. More specifically, this growth was composed of a \$2,021 increase in the Community Development Block Grant, a \$5,936 increase in the HUD 108 Loan Program, a \$3,948 increase in the HUD Owner Occupied Program, a \$1,624 increase in the Home Program, as well as other changes netting to \$187 increase.

The decrease in property tax revenue of \$5,210 is mainly due to the New York State STAR program which provides \$3,819 in offsetting state aid to promote a reduction in local property tax. Also, the transfer of \$1,118 of property tax revenues from governmental activities to business-type entities was the other major component of the decrease. The increases in transfers were as follows: \$403 to the War Memorial Fund, \$580 to the Cemetery Fund, and \$135 to the Public Market Fund. Other miscellaneous changes in property tax revenue netted to a \$273 decrease.



General government expenses increased by \$4,770 as a result of \$1,593 in demolition costs related to community and economic development projects and a \$1,826 increase in employee benefits, as well as other miscellaneous changes that net to \$1,351.

Expenses in the Police Department increased by \$1,983 as a result of \$1,731 in wage increases, a \$1,810 increase in employee benefit costs, a \$186 increase in depreciation expenses and other expense changes that net to \$356. These increases were partly offset by a \$2,100 increase in expense capitalization.

Expenses in the Fire Department increased by \$2,960 as a result of \$1,315 in wage increases, \$1,064 increase in employee benefit costs, \$359 lower capitalization of expense, \$232 for additional safety officers, a \$75 increase in depreciation expense. These increases are offset in part by other changes that net to a reduction of \$85.

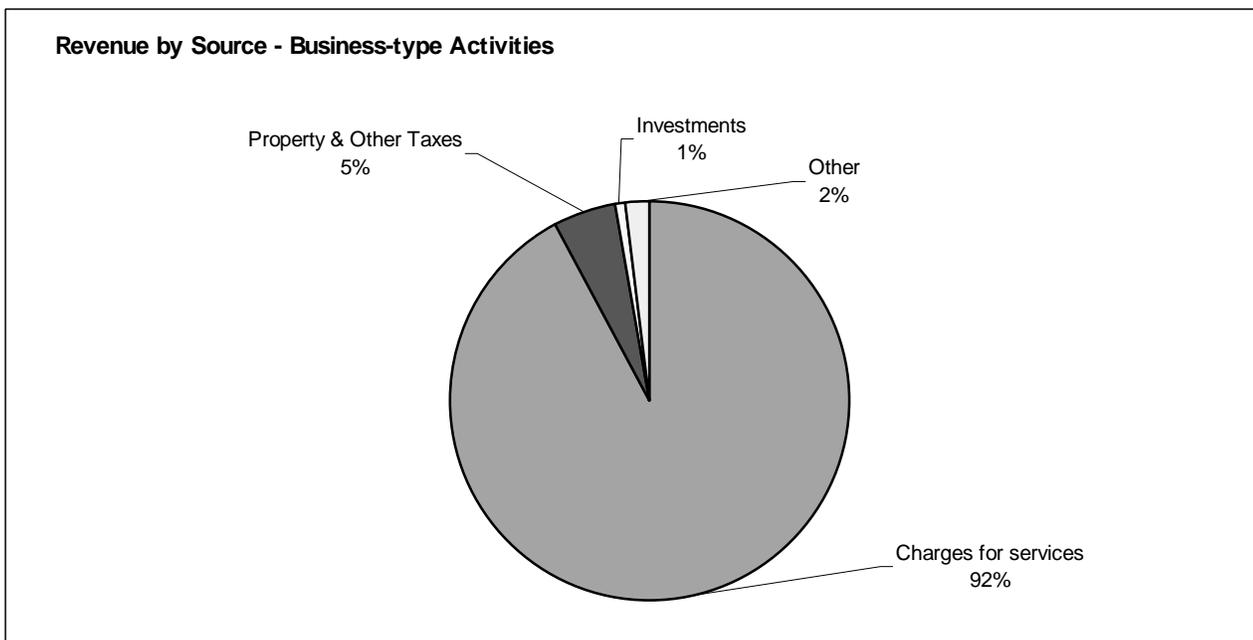
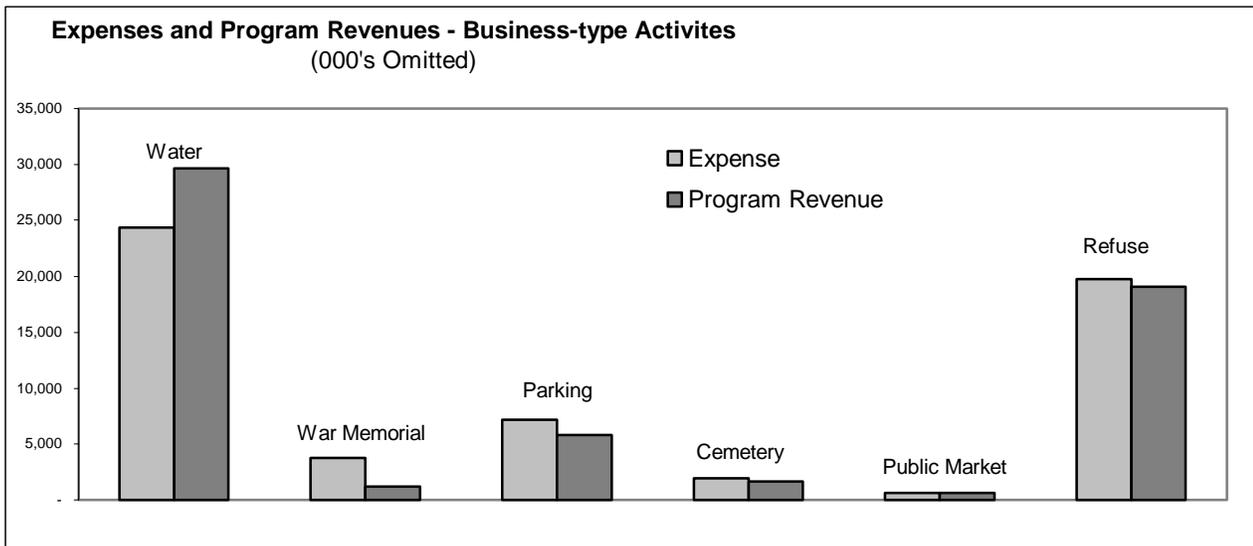
The above expense increases are partially offset by lower snow and ice control expenses because of a milder winter, which are reflected by a \$1,380 decrease in Transportation expenses, and a \$1,450 decrease in Environmental Services expenses.

Increased efforts with community and economic development projects are reflected by expense increases of \$7,237 in the following programs: \$3,404 in the HUD Owner Occupant Program, \$1,944 in the Community Development Block Grant, \$1,696 in the Home Program, and change in other programs netting to an increase of \$193.

Business-type activities. Business-type activities increased the City's net assets by \$728 accounting for 2.1 percent of the growth in the government's net assets.

Increases of \$1,118 in property tax transfers and \$530 in charges for services were partially offset by \$735 in other revenue declines.

Water fund expenses increased by \$2,375 as a result of a \$1,832 increase in purchased water (necessitated by a lower yield from the upland watershed), a \$456 increase in fringe benefit costs, and a \$211 increase in depreciation expense. The increases were partly offset by other expense changes which net to a reduction of \$124.



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 financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$113,078, a decrease of \$16,268 in comparison with the prior year. The reserved portion of fund balance, which is not available for new spending, is composed of the following commitments: 1) to liquidate contracts and purchase orders of the period — \$58,251, 2) to pay debt service — \$55,396, or 3) for a variety of other restricted purposes — \$2,835. The unreserved portion of fund balance includes: \$3,412 of general fund money designated for use in fiscal 2002-03, \$3,624 of general fund money available for use in fiscal 2003-04, \$2,850 for planned Community Development Block Grant programs, \$8,569 designated in special revenue funds, and \$5,348 in the cemetery perpetual care fund. However, these balances are offset by greater deficit balances in the capital projects funds which are short-term in nature and will be eliminated when Bond Anticipation Notes are converted to bonds. The result is a total unreserved fund deficit for all governmental funds — (\$3,404).

General fund. The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$7,036 while total fund balance reached \$16,763. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balances represent 3 percent of total fund expenditures, while total fund balance represents 7 percent of that same amount. The fund balance of the City's general fund increased by \$1,113 during the current fiscal year mainly due to reductions in contributions to capital funds.

Debt service fund. The debt service fund has a total fund balance of \$55,396, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$2,475. This increase was primarily the result of transfers from the General Fund of \$1,495 needed to finance the repayment of long term indebtedness.

General capital projects. The 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 \$24,804, of this \$18,735 was encumbered for contracts underway, and \$6,069 was designated for subsequent years' expenditures.

Transportation capital projects. The Transportation Capital Projects fund is used to account for road and bridge construction and reconstruction. At the end of the current fiscal year, the fund balance was (\$1,283). This negative fund balance is the result of \$18,316 encumbered for contracts underway less the \$19,599 of unreserved fund balance. Deficit fund balances in the capital project funds are eliminated when Bond Anticipation Notes are converted to bonds.

Community development special revenue fund. The Community Development Block Grant fund is a Special Revenue fund used to account for the programs and projects primarily funded by the U. S. Department of Housing and Urban Development. At the end of the current fiscal year, the fund balance was \$11,875. This is made up of \$9,025 encumbered for contracts underway, less the \$2,850 which is designated for subsequent year's expenditures.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net assets of the proprietary funds at the end of the current fiscal year totaled \$177,135. Changes in net assets between 2001 and 2002, which totaled \$728, were as follows: the water fund increased by \$2,108, the parking fund decreased by \$1,249, the war memorial fund decreased by \$316, the refuse fund decreased by \$571, and the nonmajor enterprise funds increased by \$756.

Unrestricted net assets of the major enterprise funds at the end of the year totaled \$5,087 and breakdown as follows: Water — \$2,031, Parking — \$371, War Memorial — (\$106), Refuse — \$2,245, and Nonmajor Funds — \$546.

Internal service fund. The internal service fund is used to account for entity-wide general liability. It is the City's reserve for self insurance. The total net assets at the end of the fiscal year were \$14,456. This represents an increase of \$283, which is primarily from the general fund transfer to provide for future claims.

Budgetary Highlights

The City's annual budget, which is prepared on an operating basis, includes estimated revenues and annual appropriations for the proprietary funds as well as the general fund. The animal control, library, and local works funds, which are Special Revenue funds, are also included in the annual operating budget. However, the Community Development special revenue fund is excluded from the annual operating budget. The multi year 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.

The City's 2001-02 operating budget decreased by \$3.6 million, or 1.5 percent, during the fiscal 2002. The appropriations reductions were made to bring expenditures into line with declining sales and other taxes. Comparing the amended budget with actual, the excess of revenues over expenditures was \$11,050. However, deducting transfers to other funds and the appropriation of prior year fund balance results in an excess of revenues and other sources over expenditures and other uses-budget basis of \$381.

Capital Assets and Debt Administration

Capital Assets. In accordance with GASB 34, the City has recorded depreciation expense associated with all of its capital assets, including infrastructure. The City's investment in capital assets for its governmental and business type activities as of June 30, 2002, amounted to \$690,227 (net of accumulated depreciation). This investment in capital assets, includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was 5 percent (a 7 percent increase for governmental activities and a 1 percent increase for business-type activities).

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

- Construction continued on the New Public Safety Building within the City. Construction is in progress as of the close of the fiscal year was \$18,640,
- Several projects for the construction and reconstruction of certain streets and water mains were begun during the past fiscal year,
- The project for the planning and implementing reconstruction of the Erie Harbor-East River Retaining Wall continued with construction in progress costs of \$4,347, and
- Recognition of \$26,766 of depreciation expense.

City of Rochester's Capital Assets						
Net of Depreciation (000's Omitted)						
	Governmental activities		Business-type activities		Total	
	2002	2001	2002	2001	2002	2001
Land	\$ 20,367	\$ 20,467	\$ 10,867	\$ 10,754	\$ 31,234	\$ 31,221
Buildings	75,418	77,808	113,080	117,228	188,498	195,036
Improvements other than buildings	3,167	3,492	92,843	92,477	96,010	95,969
Machinery and equipment	22,625	20,464	11,285	11,248	33,910	31,712
Infrastructure	305,230	288,142	-	-	305,230	288,142
Construction in progress	23,305	9,095	12,040	6,712	35,345	15,807
Total	\$ 450,112	\$ 419,468	\$ 240,115	\$ 238,419	\$ 690,227	\$ 657,887

Long-term debt. At the end of the current fiscal year, the City of Rochester had total bonded debt outstanding of \$188,640. This entire amount is backed by the full faith and credit of the City.

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

	Governmental activities		Business-type activities		Total	
	2002	2001	2002	2001	2002	2001
General obligation bonds	\$ 55,929	\$ 71,092	\$ 74,661	\$ 82,054	\$ 130,590	\$ 153,146
Bond anticipation notes	45,643	65,257	12,407	6,267	58,050	71,524
Total	101,572	136,349	87,068	88,321	188,640	224,670
Less: Notes refinanced as bonds which mature in the subsequent fiscal year	-	29,275	-	-	-	29,275
Outstanding debt, net of notes that have been refinanced	\$ 101,572	\$ 107,074	\$ 87,068	\$ 88,321	\$ 188,640	\$ 195,395

The City's outstanding debt (net of notes refinanced as bonds, which will mature in the subsequent fiscal year) on June 30, 2002 was \$188,640, a decrease of \$6,755 (or 3.5 percent) over the prior year. This reflects lower cash flow requirements of current capital projects in comparison with 2001 when the New Public Safety Building was under construction.

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

The New York State Constitution restricts the annual real property tax levy for operating expenses to 2 percent of the average full value of taxable City property over the last five years. For the year ended June 30, 2002, the City had a legal margin of approximately \$38.8 million. This limitation does not apply to taxes for debt service. The Constitution also imposes a limit of 9 percent of the most recent five-year average of full valuation of taxable real estate for capital purposes. This limit as of fiscal year end was \$428,504, which is well above the City's outstanding general obligation debt.

Economic Factors

Rochester has been able to maintain a strong economy even though its major employers have gone through significant downsizing. There are over 90 optics and imaging firms located in the Rochester area. There continues to be a strong concentration of manufacturing employment. Manufacturing accounts for 24% of total nonagricultural employment in the Rochester Metropolitan Area, as compared to the national level of 18%. Other major research, development and manufacturing in the area include automotive products, dental equipment, office duplicating and computing equipment, electrical equipment, measuring and controlling devices and heavy machinery.

Requests for Information

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

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Basic Financial Statements

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF NET ASSETS
JUNE 30, 2002 (000's Omitted)**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School District
ASSETS				
Cash and cash equivalents	\$ 132,251	\$ 7,754	\$ 140,005	\$ 22,648
Investments	598	-	598	-
Receivables (net of allowance for uncollectibles):				
Accounts	49,453	13,715	63,168	2,395
Taxes	14,541	-	14,541	-
Due from other governments	71,790	374	72,164	27,720
Due from primary government	-	-	-	60
Interfund balances	(1,724)	1,724	-	-
Inventory, at cost	-	-	-	352
Restricted assets:				
Cash and cash equivalents	-	7,113	7,113	-
Capital assets (net of accumulated depreciation):				
Land	20,367	10,867	31,234	17,318
Buildings	75,418	113,080	188,498	246,651
Machinery and equipment	22,625	11,285	33,910	7,661
Improvements other than buildings	3,167	92,843	96,010	-
Infrastructure	305,230	-	305,230	-
Construction in progress	23,305	12,040	35,345	69,645
Total assets	<u>717,021</u>	<u>270,795</u>	<u>987,816</u>	<u>394,450</u>
LIABILITIES				
Accounts payable and accrued liabilities	19,279	2,558	21,837	25,870
Accrued interest payable	1,693	1,356	3,049	-
Payable from restricted assets:				
Accounts payable	-	94	94	-
Due to other governments	15,547	-	15,547	11
Due to component unit	60	-	60	-
Deferred revenue	28,380	38	28,418	2,475
Noncurrent liabilities:				
Due within one year	68,502	20,857	89,359	99,205
Due within more than one year	60,942	68,757	129,699	110,125
Total liabilities	<u>194,403</u>	<u>93,660</u>	<u>288,063</u>	<u>237,686</u>
NET ASSETS				
Invested in capital assets, net of related debt	348,540	153,047	501,587	188,474
Restricted for:				
Capital projects	58,620	16,028	74,648	-
Debt service	55,396	2,973	58,369	-
Community development	11,875	-	11,875	-
Cemetery perpetual care	5,348	-	5,348	-
Unrestricted	42,839	5,087	47,926	(31,710)
Total net assets	<u>\$ 522,618</u>	<u>\$ 177,135</u>	<u>\$ 699,753</u>	<u>\$ 156,764</u>

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

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2002 (000's Omitted)**

Functions / Programs	Net (Expense) Revenue and Changes in Net Assets						Component Unit School District	
	Expenses	Program Revenues			Primary Government			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		Total
Primary government:								
Governmental activities:								
General government	\$ 47,630	\$ 7,783	\$ 203	\$ 6,772	\$ (32,872)	\$ -	\$ (32,872)	
Police	73,383	6,675	3,230	-	(63,478)	-	(63,478)	
Fire	45,151	767	428	-	(43,956)	-	(43,956)	
Emergency communications	9,608	8,914	-	-	(694)	-	(694)	
Transportation	24,922	768	-	7,938	(16,216)	-	(16,216)	
Environmental services	14,693	15,613	-	-	920	-	920	
Parks & recreation	20,353	2,134	1,599	-	(16,620)	-	(16,620)	
Library	12,075	1,842	8,374	-	(1,859)	-	(1,859)	
Community & economic development	38,200	3,335	38,879	72	4,086	-	4,086	
Interest on long-term debt	5,370	-	-	-	(5,370)	-	(5,370)	
Total governmental activities	291,385	47,831	52,713	14,782	(176,059)	-	(176,059)	
Business-type activities:								
Water	24,354	29,666	-	-	-	5,312	5,312	
War memorial	3,748	1,222	-	-	-	(2,526)	(2,526)	
Parking	7,157	5,842	-	-	-	(1,315)	(1,315)	
Cemetery	1,948	1,634	-	47	-	(267)	(267)	
Public market	620	527	-	113	-	20	20	
Refuse	19,766	19,078	-	-	-	(688)	(688)	
Port of Rochester	8	9	-	-	-	1	1	
Total business-type activities	57,601	57,978	-	160	-	537	537	
Total primary government	\$ 348,986	\$ 105,809	\$ 52,713	\$ 14,942	\$ (176,059)	\$ 537	\$ (175,522)	
Component unit:								
Public school system	\$ 519,395	\$ 16,814	\$ 103,521	\$ -	\$ -	\$ -	\$ (399,060)	
General revenues:								
Property taxes				\$ 121,211	\$ 2,225	\$ 123,436	\$ -	
Sales taxes				113,262	-	113,262	-	
Other taxes				28,744	846	29,590	-	
State aid				60,803	-	60,803	260,505	
Investment earnings				4,607	619	5,226	1,588	
Allocation to school district				(127,300)	-	(127,300)	127,300	
Miscellaneous				3,256	1,179	4,435	6,609	
Transfers				4,678	(4,678)	-	-	
Total general revenues and transfers				209,261	191	209,452	396,002	
Change in net assets				33,202	728	33,930	(3,058)	
Net assets-beginning (component unit, as restated)				489,416	176,407	665,823	159,822	
Net assets-ending				\$ 522,618	\$ 177,135	\$ 699,753	\$ 156,764	

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

**THE CITY OF ROCHESTER, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2002 (000's Omitted)**

	General	Debt Service	Capital Projects		Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
			General	Trans- portation	Community Development		
ASSETS							
Cash and cash equivalents	\$ 21,389	\$ 50,634	\$ 6,979	\$ 4,672	\$ 11,941	\$ 22,518	\$ 118,133
Investments	-	-	292	-	66	240	598
Receivables (net of allowance for uncollectibles):							
Accounts	3,658	-	554	-	43,393	1,590	49,195
Taxes	12,084	-	-	-	-	200	12,284
Due from other governments	50,299	-	4,438	2,218	217	5,199	62,371
Due from other funds	15,265	4,822	37,657	3,542	532	1,905	63,723
Total assets	<u>\$ 102,695</u>	<u>\$ 55,456</u>	<u>\$ 49,920</u>	<u>\$ 10,432</u>	<u>\$ 56,149</u>	<u>\$ 31,652</u>	<u>\$ 306,304</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued liabilities	\$ 22,371	\$ -	\$ 314	\$ 164	\$ 181	\$ 1,885	\$ 24,915
Notes payable	-	-	20,258	10,473	-	14,912	45,643
Due to other funds	52,774	-	4,544	1,078	818	8,712	67,926
Due to other governments	-	-	-	-	15,541	6	15,547
Due to component unit	-	60	-	-	-	-	60
Deferred revenue	10,787	-	-	-	27,734	614	39,135
Total liabilities	<u>85,932</u>	<u>60</u>	<u>25,116</u>	<u>11,715</u>	<u>44,274</u>	<u>26,129</u>	<u>193,226</u>
Fund balances:							
Reserved for encumbrances	6,892	-	18,735	18,316	9,025	5,283	58,251
Reserved for noncurrent receivable	2,835	-	-	-	-	-	2,835
Reserved for debt	-	55,396	-	-	-	-	55,396
Unreserved:							
Designated for subsequent years' expenditures	3,412	-	6,069	-	2,850	150	12,481
Undesignated, reported in:							
General fund	3,624	-	-	-	-	-	3,624
Special revenue fund	-	-	-	-	-	8,569	8,569
Capital projects fund	-	-	-	(19,599)	-	(13,827)	(33,426)
Permanent fund	-	-	-	-	-	5,348	5,348
Total fund balances	<u>16,763</u>	<u>55,396</u>	<u>24,804</u>	<u>(1,283)</u>	<u>11,875</u>	<u>5,523</u>	<u>113,078</u>
Total liabilities and fund balances	<u>\$ 102,695</u>	<u>\$ 55,456</u>	<u>\$ 49,920</u>	<u>\$ 10,432</u>	<u>\$ 56,149</u>	<u>\$ 31,652</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	450,112
Accrual of property and sales taxes to qualify as financial resources	22,431
Internal service fund transferred to governmental activities	14,456
Accrual of interest on bonds and notes payable	(1,693)
Bonds payable are not reported in the funds.	(55,929)
Other long-term liabilities are not reported in the funds	(19,837)
Net assets of governmental activities	<u>\$ 522,618</u>

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

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (000's Omitted)**

			Capital Projects		Special Revenue	Nonmajor	Total
	General	Debt Service	General	Transportation	Community Development	Governmental Funds	Governmental Funds
REVENUES							
Real property tax	\$ 113,970	\$ -	\$ -	\$ -	\$ -	\$ 5,653	\$ 119,623
Sales and other taxes	142,694	-	-	-	-	-	142,694
Departmental	18,506	-	-	-	-	14,403	32,909
Use of money and property	2,433	2,413	46	-	789	309	5,990
Licenses and permits	1,588	-	-	-	-	-	1,588
Federal aid	1,030	-	4,709	1,528	28,471	3,338	39,076
State aid	62,076	-	1,851	2,793	-	1,602	68,322
Local sources and other	12,850	236	166	3,617	2,856	15,610	35,335
Total revenues	355,147	2,649	6,772	7,938	32,116	40,915	445,537
EXPENDITURES							
Current:							
Council and clerk	1,331	-	-	-	-	-	1,331
Administration	8,891	-	-	-	-	-	8,891
Law	1,726	-	-	-	-	-	1,726
Finance	6,812	-	-	-	-	-	6,812
Community development	5,279	-	-	-	21,342	5,701	32,322
Economic development	1,843	-	-	-	-	-	1,843
Environmental services	21,819	-	-	-	-	6,306	28,125
Library	-	-	-	-	-	11,255	11,255
Police	57,160	-	-	-	-	1,382	58,542
Fire	35,463	-	-	-	-	79	35,542
Emergency communications	7,615	-	-	-	-	-	7,615
Parks, recreation and human services	13,885	-	-	-	-	1,050	14,935
Undistributed	45,676	-	-	-	-	3,612	49,288
Capital projects	-	-	41,199	11,148	-	5,875	58,222
Debt service:							
Principal	15,432	-	-	-	-	835	16,267
Interest	5,852	-	-	-	-	290	6,142
Total expenditures	228,784	-	41,199	11,148	21,342	36,385	338,858
Excess (deficiency) of revenues over expenditures	126,363	2,649	(34,427)	(3,210)	10,774	4,530	106,679
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	19,444	3,279	11,937	2,165	-	2,718	39,543
Transfers (to) other funds	(17,394)	(3,453)	(60)	(2,538)	(4,698)	(7,047)	(35,190)
Transfers (to) component unit	(127,300)	-	-	-	-	-	(127,300)
Total other financing sources (uses)	(125,250)	(174)	11,877	(373)	(4,698)	(4,329)	(122,947)
Net change in fund balances	1,113	2,475	(22,550)	(3,583)	6,076	201	(16,268)
Fund Balances - beginning of year	15,650	52,921	47,354	2,300	5,799	5,322	129,346
Fund Balances - end of year	\$ 16,763	\$ 55,396	\$ 24,804	\$ (1,283)	\$ 11,875	\$ 5,523	\$ 113,078

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

**THE CITY OF ROCHESTER, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2002 (000's Omitted)**

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

Net change in fund balances-total governmental funds	\$ (16,268)
Governmental funds report capital outlays as expenditures (\$46,141). However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense (\$15,496). This is the amount by which capital outlays exceeded depreciation in the current period.	30,645
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	1,672
Change in accrual of interest payable on notes and bonds payable from 2001 and 2002.	772
Change in net assets of the internal service fund reported in governmental activities between 2001 and 2002.	283
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. This amount represents solely the repayment of long-term debt. Neither transaction has an effect on net assets.	16,267
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(169)</u>
Change in net assets of governmental activities	<u>\$ 33,202</u>

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

**THE CITY OF ROCHESTER, NEW YORK
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND EQUITY - BUDGET AND ACTUAL - NON-GAAP BUDGET BASIS
 FOR THE YEAR ENDED JUNE 30, 2002 (000's Omitted)**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Real property tax	\$ 120,993	\$ 120,993	\$ 121,848	\$ 855
Sales and other taxes	145,422	140,391	143,540	3,149
Charges for services	90,443	90,281	89,713	(568)
Use of money and property	3,762	3,600	2,888	(712)
Interest and penalties	1,150	1,312	1,179	(133)
Licenses and permits	1,656	1,656	1,588	(68)
Federal aid	1,171	1,333	1,030	(303)
State aid	65,839	62,313	62,626	313
Local sources and other	20,637	20,737	20,753	16
Total revenues	<u>451,073</u>	<u>442,616</u>	<u>445,165</u>	<u>2,549</u>
EXPENDITURES				
Council and clerk	1,386	1,388	1,347	41
Administration	9,932	9,910	9,096	814
Law	1,793	1,788	1,762	26
Finance	7,195	7,180	6,929	251
Community development	5,590	5,582	5,357	225
Economic development	4,501	4,496	4,148	348
Environmental services	66,611	68,814	65,152	3,662
Library	11,579	11,641	11,210	431
Police	56,135	59,112	58,315	797
Fire	35,888	36,012	35,640	372
Emergency communications	7,930	7,967	7,675	292
Parks, recreation and human services	17,979	18,041	17,515	526
Undistributed	57,119	53,303	52,900	403
Contingency	5,486	270	-	270
Debt services	37,142	37,142	37,099	43
Total expenditures	<u>326,266</u>	<u>322,646</u>	<u>314,145</u>	<u>8,501</u>
Excess of revenues over expenditures	<u>124,807</u>	<u>119,970</u>	<u>131,020</u>	<u>11,050</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	20,167	21,089	20,257	(832)
Transfers (to) other funds	(23,506)	(20,801)	(23,596)	(2,795)
Transfers (to) component unit	(127,300)	(127,300)	(127,300)	-
Total other financing uses	<u>(130,639)</u>	<u>(127,012)</u>	<u>(130,639)</u>	<u>(3,627)</u>
Appropriation of prior year fund balance	<u>5,832</u>	<u>7,042</u>	<u>-</u>	<u>(7,042)</u>
Excess of revenues and other sources over expenditures and other uses-Budget Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 381</u>	<u>\$ 381</u>

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

THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2002 (000's Omitted)

	Business-type Activities- Enterprise Funds						Governmental Activities- Internal Service Fund
	Water	Parking	War Memorial	Refuse	Nonmajor Funds	Total Funds	
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 3,119	\$ 2,447	\$ -	\$ 2,013	\$ 175	\$ 7,754	\$ 14,118
Receivables (net of allowance for uncollectibles)	10,233	273	33	1,893	1,283	13,715	-
Due from other governments	350	-	-	-	24	374	-
Due from other funds	210	238	733	3,554	277	5,012	2,737
Total current assets	13,912	2,958	766	7,460	1,759	26,855	16,855
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	4,297	492	2,069	148	107	7,113	-
Capital assets:							
Land	453	9,130	165	30	1,089	10,867	-
Buildings	30,231	98,266	43,472	500	3,348	175,817	-
Improvements other than buildings	179,582	1,375	44	365	1,820	183,186	-
Equipment	5,646	908	3,935	16,935	1,371	28,795	-
Construction in progress	9,091	1,175	458	-	1,316	12,040	-
Less accumulated depreciation	(101,497)	(43,949)	(11,087)	(11,052)	(3,005)	(170,590)	-
Total capital assets (net of accumulated depreciation)	123,506	66,905	36,987	6,778	5,939	240,115	-
Total noncurrent assets	127,803	67,397	39,056	6,926	6,046	247,228	-
Total assets	141,715	70,355	39,822	14,386	7,805	274,083	16,855
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	1,619	193	56	3,064	165	5,097	2,399
Accrued interest payable	615	394	299	3	45	1,356	-
Notes payable	8,500	800	1,200	-	1,907	12,407	-
Bonds payable	4,946	1,361	765	59	43	7,174	-
Due to other funds	1,639	377	294	203	766	3,279	-
Due to other governments	4	-	-	3	-	7	-
Deferred revenue	-	38	-	-	-	38	-
Total current liabilities	17,323	3,163	2,614	3,332	2,926	29,358	2,399
Current liabilities payable from restricted assets:							
Accounts payable	9	-	4	81	-	94	-
Due to other funds	9	-	-	-	-	9	-
Total current liabilities payable from restricted assets	18	-	4	81	-	103	-
Noncurrent liabilities:							
Bonds payable	24,714	21,721	20,702	89	261	67,487	-
Total liabilities	42,055	24,884	23,320	3,502	3,187	96,948	2,399
NET ASSETS							
Invested in capital assets, net of related debt	85,346	43,023	14,320	6,630	3,728	153,047	-
Restricted for debt service	2,067	74	605	148	79	2,973	-
Restricted for capital projects	10,216	2,003	1,683	1,861	265	16,028	-
Unrestricted	2,031	371	(106)	2,245	546	5,087	14,456
Total net assets	\$ 99,660	\$ 45,471	\$ 16,502	\$ 10,884	\$ 4,618	\$ 177,135	\$ 14,456

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

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (000's Omitted)**

	Business-type Activities- Enterprise Funds					Total Funds	Governmental Activities- Internal Service Fund
	Water	Parking	War Memorial	Refuse	Nonmajor Funds		
Operating Revenues							
Charges for services	\$ 29,666	\$ 5,842	\$ 1,222	\$ 19,078	\$ 2,170	\$ 57,978	\$ -
Operating Expenses							
Personal services	5,436	554	90	5,118	1,116	12,314	-
Supplies and materials	10,236	1,669	1,216	10,305	816	24,242	-
Employee benefits	2,052	365	74	2,609	323	5,423	-
Depreciation	4,812	3,258	1,235	1,725	240	11,270	-
Claims settlement	-	-	-	-	-	-	401
Total operating expenses	22,536	5,846	2,615	19,757	2,495	53,249	401
Operating income(loss)	7,130	(4)	(1,393)	(679)	(325)	4,729	(401)
Nonoperating revenues (expenses)							
Real property taxes	-	-	1,336	-	889	2,225	-
Sales and use taxes	-	-	846	-	-	846	-
Interest and penalties	1,179	-	-	-	-	1,179	-
Interest on investments	295	66	28	117	113	619	359
Interest expense	(1,818)	(1,311)	(1,133)	(9)	(81)	(4,352)	-
Total nonoperating revenues (expenses)	(344)	(1,245)	1,077	108	921	517	359
Income (loss) before operating transfers	6,786	(1,249)	(316)	(571)	596	5,246	(42)
Capital contributions-state aid	-	-	-	-	47	47	-
Contributed capital	-	-	-	-	113	113	-
Transfers in	-	-	-	-	-	-	325
Transfers out	(4,678)	-	-	-	-	(4,678)	-
Change in net assets	2,108	(1,249)	(316)	(571)	756	728	283
Total net assets-beginning	97,552	46,720	16,818	11,455	3,862	176,407	14,173
Total net assets-ending	\$ 99,660	\$ 45,471	\$ 16,502	\$ 10,884	\$ 4,618	\$ 177,135	\$ 14,456

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

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (000's Omitted)**

	Business-type Activities- Enterprise Funds						Governmental
	Water	Parking	War Memorial	Refuse	Nonmajor Funds	Total Funds	Activities- Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$ 31,414	\$ 5,895	\$ 1,249	\$ 18,817	\$ 1,837	\$ 59,212	\$ -
Payments to suppliers	(11,765)	(1,991)	(1,294)	(12,485)	(1,200)	(28,735)	(338)
Payments to employees	(5,436)	(557)	(90)	(5,118)	(1,107)	(12,308)	-
Net cash provided (used) by operating activities	14,213	3,347	(135)	1,214	(470)	18,169	(338)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Real property taxes	-	-	1,336	-	889	2,225	-
Operating grants	-	-	846	-	136	982	-
Transfers from other funds	-	61	-	-	-	61	-
Transfers (to) other funds	(5,046)	-	(449)	(5,451)	(265)	(11,211)	-
Net cash provided by (used in) noncapital financing activities	(5,046)	61	1,733	(5,451)	760	(7,943)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from sales of bonds and notes	5,031	200	1,200	-	515	6,946	-
Principal paid on bonds and notes	(5,282)	(1,446)	(1,155)	(60)	(256)	(8,199)	-
Interest expense paid on bonds and notes	(1,969)	(1,337)	(1,147)	(11)	(89)	(4,553)	-
Payments to contractors	(9,091)	(1,307)	(108)	(1,716)	(769)	(12,991)	-
Proceeds from sale of capital assets	14	-	-	11	-	25	-
Net cash used in capital and related financing activities	(11,297)	(3,890)	(1,210)	(1,776)	(599)	(18,772)	-
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	295	66	28	117	113	619	359
Net increase (decrease) in cash and cash equivalents	(1,835)	(416)	416	(5,896)	(196)	(7,927)	21
Cash and cash equivalents at beginning of year	9,251	3,355	1,653	8,057	478	22,794	14,097
Cash and cash equivalents at end of year	\$ 7,416	\$ 2,939	\$ 2,069	\$ 2,161	\$ 282	\$ 14,867	\$ 14,118
Reconciliation of operating income (loss) to net cash provided by operating activities:							
Operating income (loss)	\$ 7,130	\$ (4)	\$ (1,393)	\$ (679)	\$ (325)	\$ 4,729	\$ (401)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	4,812	3,258	1,235	1,725	240	11,270	-
(Increase) decrease in accounts receivable	562	53	27	(261)	(333)	48	-
Decrease in intergovernmental receivables	7	-	-	-	-	7	-
Increase (decrease) in accounts payable	522	40	(4)	-	(52)	506	63
Increase in intergovernmental payables	1	-	-	429	-	430	-
Interest and penalties	1,179	-	-	-	-	1,179	-
Total adjustments	7,083	3,351	1,258	1,893	(145)	13,440	63
Net cash provided (used) by operating activities	\$ 14,213	\$ 3,347	\$ (135)	\$ 1,214	\$ (470)	\$ 18,169	\$ (338)

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

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2002 (000's Omitted)**

	Private Grants	Agency	Total Fiduciary Funds
ASSETS			
Cash and cash equivalents	\$ 565	\$ 8,388	\$ 8,953
Investments	763	-	763
Receivables (net of allowance for allowances)	-	39	39
Due from other funds	-	72	72
Total assets	<u>1,328</u>	<u>8,499</u>	<u>9,827</u>
LIABILITIES			
Liabilities			
Accounts payable and accrued liabilities	-	8,182	8,182
Due to other funds	167	163	330
Due to other governments	-	154	154
Total liabilities	<u>167</u>	<u>8,499</u>	<u>8,666</u>
NET ASSETS			
Held in trust and other purposes	<u>\$ 1,161</u>	<u>\$ -</u>	<u>\$ 1,161</u>

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

**THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (000's Omitted)**

	<u>Private Grants</u>
ADDITIONS	
Use of money and property	\$ (84)
Local sources and other	402
Total additions	<u>318</u>
DEDUCTIONS	
Community services	<u>447</u>
Change in net assets	(129)
Net assets-beginning of year	1,290
Net assets-end of year	<u>\$ 1,161</u>

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

Notes to the Financial Statements

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

The Rochester City School District is included in the 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 Assistant Superintendent for Business Services, Rochester City School District, 131 West Broad Street, Rochester New York 14614.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component unit 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The **General Capital Projects Fund** is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the Transportation Capital Projects Fund, Proprietary Funds and Trust 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 which produces and distributes water to City residents.

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

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

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

Additionally, the City reports the following fund types:

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

The **Private Grant Fund** is used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other Funds.

The **Agency Fund** is used to account for custodial transactions in which assets equal liabilities.

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

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

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

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

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

D. NEW ACCOUNTING PRINCIPLE

In May 2002, the Governmental Accounting Standards Board (GASB) issued Statement No. 39, *Determining Whether Certain Organizations Are Component Units An Amendment of GASB Statement 14*. This Statement amends GASB Statement No.14 to provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. Generally, it requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit. The City is required to adopt GASB Statement No. 39 in fiscal 2004. As of June 30, 2002, the City had not completed the process of evaluating the impact that will result from adopting this Statement.

E. USE OF ESTIMATES

The preparation of general purpose financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

F. REAL PROPERTY TAX

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

The City is permitted by the Constitution of New York State to levy taxes up to 2% of the five-year average full assessed valuation for general governmental services other than the payment of debt service and capital expenditures. The City utilizes a full value system, assessing all properties at 100% of full market value. For the year ended June 30, 2002, the City had a legal margin of approximately \$38.8 million.

G. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY**1. Deposits and Investments**

New York State General Municipal Law (Article 2 Section 11) governs the City's investment policies. The City is authorized to deposit or invest funds in banks or trust companies located and authorized to do business in New York State. City Council ordinance authorizes the specific banks or trust companies which 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 of an aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation. Securities that may be pledged as collateral are limited to obligations of the United States or any obligation fully insured as to interest and principal by the United States acting through an agency, and obligations of New York State or obligations of any municipal corporation, school district, or district corporation of the State of New York.

Cash equivalents include U. S. Government securities and U. S. Government securities purchased through repurchase agreements. All highly liquid investments, both restricted and unrestricted, with an original maturity of approximately three months or less are considered to be cash equivalents. Repurchase agreement securities are valued monthly to confirm that the fair value of the securities is equal to or greater than the value of the investment. The fair value includes accrued interest from unmatured coupons on U.S. Treasury securities. Interest earnings are recorded at maturity and generally allocated to the appropriate fund by outstanding balance.

The City, in accordance with Governmental Accounting Standards Board Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, reports investments at fair value in the balance sheet. In addition, income from investments associated with one fund is assigned to other funds because of legal or contractual provisions.

2. Restricted Assets

Certain assets are classified on the balance sheet as restricted because their use is limited. The proceeds of bonds and note sales can only be used for the stated purpose of the borrowing. Property taxes collected for debt service payments are legally restricted for that purpose. Community Development Block Grant funds must be used only for approved programs. Cemetery perpetual care funds cannot be expended. Though, the interest earnings can be spent for cemetery maintenance functions.

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight line method over the following estimated useful lives.

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

4. Compensated Absences

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

5. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, if any, are deposited in the debt service fund and used to retire debt in the respective funds. Bond issuance costs which are immaterial are charged as a general fund operating expense.

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

6. Fund Equity

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

7. Encumbrances & Commitments

Commitments are recorded at the time a purchase order, construction contract, or service agreement is finalized. In governmental funds, commitments are encumbered and reported as reservations of fund balances, since they do not constitute expenditures or liabilities. Total encumbrances for construction and other governmental fund capital projects as of June 30, 2002 were \$40.3 million. This was composed of \$18.7 million in General Government projects, \$18.3 million in Transportation projects, as well as \$3.3 million in other governmental fund capital projects. In addition, \$9.0 million was encumbered in the Special Revenue fund for Community Development projects.

In enterprise funds, commitments outstanding at the year end are included in Unrestricted Net Assets. Total commitments for construction and other enterprise fund capital projects as of June 30, 2002 were \$6.5 million. This was composed of \$3.3 million for Water Fund projects, \$.5 million for Parking Fund projects, \$1.3 million for Refuse Fund projects, and \$1.4 million for War Memorial Fund projects.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

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

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

During the year, City Council passed budget amendments which decreased total appropriations for operating budgets by \$3,620,000: estimated revenues decreased by \$8,457,000, transfers to other funds decreased by \$2,705,000, transfers from other funds increased by \$922,000, and appropriation of prior year fund balance increased by \$1,210,000.

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 cost for the City. Thus, the deficit fund balances in the Capital Project Funds will be eliminated once the Bond Anticipation Notes are converted to bonds. Individual deficit fund balances in the Capital Project Funds are as follows: Economic Assistance Fund (\$7,098,000), Cultural and Recreation Fund (\$2,512,000), Transportation (\$1,283,000), and Sewers (\$934,000).

III. DETAILED NOTES ON ALL FUNDS**A. DEPOSITS AND INVESTMENTS****1. Deposits**

At year end, the carrying amount of the City's deposits net of outstanding checks, including certificates of deposit, was \$130,121,000 and the bank balance was \$145,590,000. Of this, \$88,127,000 was insured or collateralized with securities held by the City or by its agent in the City's name, and \$57,463,000 was collateralized with securities held by the bank's trust department or its agent in the City's name.

The carrying amount for the School District's deposits net of outstanding checks, including certificates of deposit, was \$8,348,000 and the bank balance was \$12,879,800, all of which was collateralized with securities held by the City or its agent in the City's name.

2. Cash Equivalents

The City's and the School District's cash equivalents are categorized into one of three credit risk categories: Category 1 — insured or registered or for which the securities are held by the City or its agent in the City's name; or Category 2 — uninsured and unregistered for which the securities are held by the bank's trust department or agent in the City's name; or Category 3 — uninsured and unregistered for which the securities are held by the bank or by its trust department or agent but not in the City's name.

A summary of the City's cash equivalents follows (000's Omitted):

<u>Type of Cash Equivalent</u>	<u>Credit Risk Category 1</u>	<u>Credit Risk Category 2</u>	<u>Credit Risk Category 3</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Repurchase Agreement	\$ 25,950	\$ -	\$ -	\$ 25,950	\$ 26,459

A summary of the School District's cash equivalents follows (000's Omitted):

<u>Type of Cash Equivalent</u>	<u>Credit Risk Category 1</u>	<u>Credit Risk Category 2</u>	<u>Credit Risk Category 3</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Repurchase Agreement	\$ 14,300	\$ -	\$ -	\$ 14,300	\$ 14,586

3. Investments

<u>Type of Investment</u>	<u>Credit Risk Category 1</u>	<u>Credit Risk Category 2</u>	<u>Credit Risk Category 3</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Government Securities	\$ 532	\$ 310	\$ -	\$ 842	\$ 871
Library Trust Fund Stock	453	-	-	453	453
Development Partnership	-	-	66	66	66
	<u>\$ 985</u>	<u>\$ 310</u>	<u>\$ 66</u>	<u>\$ 1,361</u>	<u>\$ 1,390</u>

In accordance with certain contractual provisions, investment income of \$521,500 for fiscal year 2002, associated with the Capital Projects Fund, was assigned to the Debt Service Fund. In addition, investment income of \$114,100 for fiscal year 2002, associated with the Permanent Fund, was assigned to the Enterprise Fund.

B. RECEIVABLES AND PAYABLES

There were \$63,168,000 in accounts receivable. The major governmental receivable was \$43,393,000 in economic development and housing loans made from the Community Development Special Revenue Fund. The major business-type receivables were for the Water Fund (\$10,233,000) and the Refuse Fund (\$1,893,000).

Receivables are reported net of allowance for uncollectibles, which were established based on current collection experience. Allowances for uncollectibles for major revenues sources are as follows: General Fund property taxes (\$3,582,300), Water Fund (\$2,632,600), and Refuse Fund (\$1,588,400).

The amount due from other governments to the City as of June 30, 2002 was \$72.2 million. This was comprised of the following items: \$20.3 million from New York State, \$46.2 million from Monroe County, \$5.4 million from the Federal Government, and \$.3 million from the Monroe Water Authority.

The amount due from other governments to the School District as of June 30, 2002 was \$27.8 million. This was comprised of the following items: \$17.4 million from New York State, \$8.0 million from the Federal Government, \$1.8 million from Monroe County, and \$.6 million from other sources.

The \$21,837,000 in Accounts payable and accrued liabilities at year end 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**City Changes in the City's Governmental Activities Capital Assets (000's Omitted)**

Class	Balance			Balance June 30, 2002
	June 30, 2001	Additions	Deductions	
Capital assets, not being depreciated:				
Land	\$ 20,467	\$ -	\$ 100	\$ 20,367
Construction in progress	9,095	14,210	-	23,305
Total capital assets, not being depreciated	<u>\$ 29,562</u>	<u>\$ 14,210</u>	<u>\$ 100</u>	<u>\$ 43,672</u>
Capital assets, being depreciated:				
Buildings	\$ 121,688	\$ 799	\$ -	\$ 122,487
Improvements other than buildings	10,277	-	-	10,277
Machinery and equipment	64,127	7,744	6,642	65,229
Infrastructure	351,579	23,570	-	375,149
Total capital assets being depreciated	<u>547,671</u>	<u>32,113</u>	<u>6,642</u>	<u>573,142</u>
Less accumulated depreciation for:				
Buildings	43,880	3,189	-	47,069
Improvements other than buildings	6,785	325	-	7,110
Machinery and Equipment	43,663	5,500	6,559	42,604
Infrastructure	63,437	6,482	-	69,919
Total accumulated depreciation	<u>157,765</u>	<u>15,496</u>	<u>6,559</u>	<u>166,702</u>
Total capital assets, being depreciated, net:	<u>389,906</u>	<u>16,617</u>	<u>83</u>	<u>406,440</u>
Governmental activities capital assets, net:	<u>\$ 419,468</u>	<u>\$ 30,827</u>	<u>\$ 183</u>	<u>\$ 450,112</u>

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

Class	Balance June 30, 2001	Additions	Deductions	Balance June 30, 2002
Capital assets, not being depreciated:				
Land	\$ 10,754	\$ 113	\$ -	\$ 10,867
Construction in progress	6,712	5,328	-	12,040
Total capital assets, not being depreciated	<u>\$ 17,466</u>	<u>\$ 5,441</u>	<u>\$ -</u>	<u>\$ 22,907</u>
Capital assets, being depreciated:				
Buildings	\$ 174,614	\$ 1,209	\$ 6	\$ 175,817
Improvements other than buildings	179,553	3,633	-	183,186
Machinery and equipment	26,449	2,757	411	28,795
Total capital assets being depreciated	<u>380,616</u>	<u>7,599</u>	<u>417</u>	<u>387,798</u>
Less accumulated depreciation for:				
Buildings	57,386	5,357	6	62,737
Improvements other than buildings	87,076	3,267	-	90,343
Machinery and equipment	15,201	2,646	337	17,510
Total accumulated depreciation	<u>159,663</u>	<u>11,270</u>	<u>343</u>	<u>170,590</u>
Total capital assets, being depreciated, net:	<u>220,953</u>	<u>(3,671)</u>	<u>74</u>	<u>217,208</u>
Business-type activities capital assets, net:	<u>\$ 238,419</u>	<u>\$ 1,770</u>	<u>\$ 74</u>	<u>\$ 240,115</u>

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

Governmental activities:

General government	\$ 3,680
Police	1,408
Fire	1,120
Environmental services	1,196
Parks & recreation	1,529
Community & economic development	81
Infrastructure	6,482
Total depreciation expense - governmental activities	<u>\$ 15,496</u>

Business-type activities:

Water	\$ 4,812
Parking	3,258
War Memorial	1,235
Refuse	1,725
Cemetery	153
Public Market	79
Port	8
Total depreciation expense - business type activities	<u>\$ 11,270</u>

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

Class	Balance June 30, 2001	Additions	Deductions	Balance June 30, 2002
Capital assets, not being depreciated:				
Land	\$ 17,251	\$ 67	\$ -	\$ 17,318
Construction in progress	45,187	24,458	-	69,645
Total capital assets, not being depreciated	<u>\$ 62,438</u>	<u>\$ 24,525</u>	<u>\$ -</u>	<u>\$ 86,963</u>
Capital assets, being depreciated:				
Buildings	\$ 339,851	\$ 824	\$ -	\$ 340,675
Machinery and equipment	32,015	959	-	32,974
Total capital assets being depreciated	<u>371,866</u>	<u>1,783</u>	<u>-</u>	<u>373,649</u>
Less accumulated depreciation for:				
Buildings	85,032	8,992	-	94,024
Machinery and equipment	23,743	1,570	-	25,313
Total accumulated depreciation	<u>108,775</u>	<u>10,562</u>	<u>-</u>	<u>119,337</u>
Total capital assets, being depreciated, net:	<u>263,091</u>	<u>(8,779)</u>	<u>-</u>	<u>254,312</u>
School District capital assets, net:	<u>\$ 325,529</u>	<u>\$ 15,746</u>	<u>\$ -</u>	<u>\$ 341,275</u>

During the year ended June 30, 2002, the District discovered that during the early implementation of the provisions of GASB 34, in the prior year, it had not included in fixed assets certain amounts related to major renovation projects to District properties spanning several years. These projects were major betterments and did not constitute normal repairs and maintenance. As a result, the District has adjusted the fixed asset balances (net of accumulated depreciation) and net assets invested in capital assets in its entity-wide statements by \$178.4 million as of June 30, 2001.

D. NONCURRENT LIABILITIES

The following two tables summarize changes in the City's Noncurrent liabilities for the year ended June 30, 2002:

Changes in Noncurrent Liabilities – Governmental Activities (000's Omitted):

	Balance June 30, 2001	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2002	Due Within One Year
General Obligation Bonds					
Public improvement	\$ 54,834	\$ -	\$ 12,083	\$ 42,751	\$ 10,787
Sewer	10,504	-	2,244	8,260	1,370
Library	5,717	-	828	4,889	822
Local works	37	-	8	29	7
Total General Obligation Bonds	71,092	-	15,163	55,929	12,986
Bond Anticipation Notes					
Public improvement	34,793	11,336	1,830	44,299	44,299
Sewer	1,189	280	125	1,344	1,344
Library	-	-	-	-	-
Total Capital Project Funds	35,982	11,616	1,955	45,643	45,643
Debt Service Fund	29,275	-	29,275	-	-
Total Bond Anticipation Notes	65,257	11,616	31,230	45,643	45,643
Other Noncurrent liabilities:					
Municipal Bond Bank Agency Liability	11,912	-	1,106	10,806	1,153
Compensated Absences	10,716	811	-	11,527	4,708
Pension Liability	485	200	-	685	685
Workers' Compensation	4,063	791	-	4,854	3,327
Total Other Noncurrent liabilities	27,176	1,802	1,106	27,872	9,873
TOTAL NONCURRENT LIABILITIES	\$ 163,525	\$ 13,418	\$ 47,499	\$ 129,444	\$ 68,502

Changes in Noncurrent Liabilities – Business-type Activities (000's Omitted):

	Balance June 30, 2001	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2002	Due Within One Year
General Obligation Bonds					
Water	\$ 34,820	\$ -	\$ 5,160	\$ 29,660	\$ 4,946
War Memorial	22,232	-	765	21,467	765
Parking	24,448	-	1,366	23,082	1,361
Cemeteries	8	-	2	6	2
Public Market	338	-	40	298	41
Refuse	208	-	60	148	59
Total General Obligation Bonds	82,054	-	7,393	74,661	7,174
Bond Anticipation Notes					
Water	3,591	5,031	122	8,500	8,500
War Memorial	390	1,200	390	1,200	1,200
Parking	680	200	80	800	800
Public Market	1,606	515	214	1,907	1,907
Total Bond Anticipation Notes	6,267	6,946	806	12,407	12,407
Other Noncurrent liabilities:					
Compensated Absences	897	-	2	895	447
Pension Liability	7	-	-	7	7
Workers' Compensation	1,287	357	-	1,644	822
Total Other Noncurrent liabilities	2,191	357	2	2,546	1,276
TOTAL NONCURRENT LIABILITIES	\$ 90,512	\$ 7,303	\$ 8,201	\$ 89,614	\$ 20,857

The following table summarizes changes in the Component Unit's Noncurrent liabilities for the year ended June 30, 2002:

Changes in Noncurrent Liabilities – School District (000's Omitted):

	<u>Balance June 30, 2001</u>	<u>New Issues/ Additions</u>	<u>Maturities And/or Payments</u>	<u>Balance June 30, 2002</u>	<u>Due Within One Year</u>
General Obligation Bonds					
General Fund	\$ 116,530	\$ -	\$ 22,405	\$ 94,125	\$ 21,945
Bond Anticipation Notes					
Capital Projects Fund	41,433	23,001	1,818	62,616	62,616
Other Noncurrent Liabilities					
Municipal Bond Bank Agency	11,950	-	1,109	10,841	1,157
Due to Other Governments	6,500	6,889	-	13,389	-
Contract Payable	8,362	5,830	-	14,192	5,656
Claims Payable	6,947	2,452	-	9,399	3,762
Compensated Absences	2,579	3,758	2,579	3,758	3,758
Installment Purchase Debt	1,162	389	541	1,010	311
Total Other Noncurrent Liabilities	<u>37,500</u>	<u>19,318</u>	<u>4,229</u>	<u>52,589</u>	<u>14,644</u>
Total Noncurrent Liabilities	<u>\$ 195,463</u>	<u>\$ 42,319</u>	<u>\$ 28,452</u>	<u>\$ 209,330</u>	<u>\$ 99,205</u>

Bond Anticipation Notes with rates ranging from 2.50% to 3.25% have maturities which extend through March 2002.

In fiscal year 1992, permanent financing of \$35 million was arranged through the New York State Municipal Bond Bank Agency (MBBA) with the issuance of 20-year Special Program Revenue Bonds, which was used to repay the State for taxpayer refunds resulting from the City taxing in excess of its Constitutional tax limit from 1975 to 1978. In fiscal year 1999, these MBBA bonds were refinanced under lower interest rates for the same term, which is through March 2011. These bonds, which are collateralized by annual payments of the City pursuant to an agreement between MBBA and the City, are not debt of the State or the City, but rather of the MBBA. The principal balance of \$21,646,106 as of June 30, 2002 will be repaid by the City and School District. In fiscal year 2002, the City made interest payments of \$574,566, and the School District made interest payments of \$576,408. Annual principal and interest payments by the City and the School District will be \$3.6 million through fiscal year 2010.

During fiscal 2002 the City issued a \$56 million Revenue Anticipation Note (RAN) to address the cash flow requirements of the School District. This RAN was paid in full prior to June 30, 2002.

In compliance with Internal Revenue Service regulations regarding arbitrage restrictions on tax exempt bonds, the City remitted \$212,998 and the School District remitted \$22,383 to the Internal Revenue Service in fiscal year 2002 for arbitrage rebates.

The City and the Component Unit (School District) debt service requirements for general obligation bonds are payable during future years ended June 30 as follows (000's Omitted):

Fiscal Year Ending June 30	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Component Unit</u>		TOTAL
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2003	\$ 12,986	\$ 2,544	\$ 7,174	\$ 3,711	\$ 21,945	\$ 3,884	\$ 52,244
2004	11,646	1,927	6,779	3,352	18,780	2,950	45,434
2005	10,076	1,379	6,604	3,007	15,140	2,154	38,360
2006	7,691	921	6,334	2,672	9,855	1,567	29,040
2007	4,645	602	5,170	2,378	9,615	1,119	23,529
2008-2012	7,950	925	16,230	9,039	17,650	1,892	53,686
2013-2017	440	146	10,475	5,625	1,140	56	17,882
2018-2022	225	86	9,125	3,069	-	-	12,505
2023-2027	225	35	6,635	804	-	-	7,699
2028-2029	45	1	135	7	-	-	188
	<u>\$ 55,929</u>	<u>\$ 8,566</u>	<u>\$ 74,661</u>	<u>\$ 33,664</u>	<u>\$ 94,125</u>	<u>\$ 13,622</u>	<u>\$ 280,567</u>

General obligation bonds are direct obligations for which the full faith and credit of the City are pledged. Bonds are generally issued as serial bonds for a period equivalent to one-half of the period of probable usefulness for each improvement as defined by the New York State Local Finance Law. The interest rates on long-term debt range from 4.0% to 8.9% with maturity dates through fiscal 2028. Bonds authorized but unissued as of June 30, 2002, amounted to \$21.6 million. The debt contracting margin of the City as of June 30, 2002, was \$125.5 million.

E. DEFERRED REVENUE

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

Deferred revenue of \$10.8 million in the General Fund relates primarily to property taxes which will not be collected within sixty days. Deferred revenue of \$27.7 million in the Community Development Special Revenue Fund relates to long-term receivable balances from various community development programs.

Deferred revenue of \$2.5 million for the School District is composed of \$.7 million of prepaid Medicaid reimbursements, \$1.5 million for Special Aid Fund projects, and \$.3 million of other items.

F. LEASE OF SEWER AND WASTE DISPOSAL FACILITIES

The City has entered into a contract with the Monroe County Pure Waters District (MCPWD), under which MCPWD leases all of its sewer system and waste treatment facilities and assumes most of the related debt service costs on obligations incurred by the City in connection with these facilities. In fiscal year 2002, these debt service costs amounted to \$2,042,722 of which \$1,928,361 was reimbursed by MCPWD.

G. LEASE FROM NYS CANAL CORPORATION

The City has a 20 year operating lease with the New York Canal Commission for a strip of land which provides river front access to the Corn Hill Landing Project, a residential and commercial development. In accordance with the agreement, the City will make annual payments of \$203,275 during the second half of the lease, fiscal years 2012 through 2021. The lease has a renewable option for an additional 20 year term. In a related agreement, the City has provided for public access to the waterfront and adjacent areas with the purchase of a permanent easement from the Corn Hill Landing developer. For this purpose, \$2,219,000 was encumbered in 2002.

IV. OTHER INFORMATION**A. RISK MANAGEMENT**

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

At June 30, 2002, the amount of these liabilities was \$8.9 million. Liability estimates are based on the valuations of the insurance companies administering the programs. Changes in the reported liability since June 30, 2000 resulted from the following (000's Omitted):

	<u>Workers'</u> <u>Compensation</u>	<u>General Liability</u>	<u>Total</u>
Estimated claims June 30, 2000	\$ 4,132	\$ 2,195	\$ 6,327
Claims incurred 2000-01	4,321	1,345	5,666
Payments 2000-01	<u>(3,102)</u>	<u>(1,204)</u>	<u>(4,306)</u>
Estimated claims June 30, 2001	<u>\$ 5,351</u>	<u>\$ 2,336</u>	<u>\$ 7,687</u>
Claims incurred 2001-02	4,798	463	5,261
Payments 2001-02	<u>(3,651)</u>	<u>(400)</u>	<u>(4,051)</u>
Estimated claims June 30, 2002	<u>\$ 6,498</u>	<u>\$ 2,399</u>	<u>\$ 8,897</u>

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

The schedule below presents the changes in the School District's estimated claims at June 30, 2002 for workers' compensation and major medical programs. The estimated claims for workers' compensation represent claims which have occurred and are open, due to an actual or future final determination of benefit payout as prescribed by the New York State Workers' Compensation Board. The calculation is based on the present value of future payouts. The estimated claims for major medical represent an amount based on prior experience with actual payments of claims (000's Omitted):

	<u>Workers'</u> <u>Compensation</u>	<u>Major</u> <u>Medical</u>	<u>Total</u>
Estimated claims June 30, 2000	\$ 5,177	\$ 293	\$ 5,470
Claims incurred 2000-01	6,888	2,336	9,224
Payments 2000-01	<u>(5,118)</u>	<u>(2,371)</u>	<u>(7,489)</u>
Estimated claims June 30, 2001	<u>\$ 6,947</u>	<u>\$ 258</u>	<u>\$ 7,205</u>
Claims incurred 2001-02	4,784	2,432	7,216
Payments 2001-02	<u>(2,564)</u>	<u>(2,458)</u>	<u>(5,022)</u>
Estimated claims June 30, 2002	<u>\$ 9,167</u>	<u>\$ 232</u>	<u>\$ 9,399</u>

B. CONTINGENT LIABILITIES

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

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

C. POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the City provides certain health care and life insurance benefits for retired employees on a pay-as-you-go basis. The City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on the benefits paid during the year. The amount paid for the year ended June 30, 2002 for this purpose was approximately \$10,919,200. The number of eligible participants enrolled to receive such benefits was 2,319 retirees.

The School District finances its post-employment health care benefits on a pay-as-you-go basis. The expenditure recognized at June 30, 2002 for this purpose was \$5,116,600. The number of eligible participants enrolled to receive such benefits was 2,527 retirees.

D. EMPLOYEE RETIREMENT SYSTEMS**1. Description of Plans**

The City participates in the New York State and Local Employees' Retirement System (ERS), and the New York State and Local Police and Fire Retirement System (PFRS). The School District also participates in the New York State and Local Employees' Retirement System and in the New York State and the Local Teachers' Retirement System (TRS). These are cost sharing multiple public employer retirement systems (Systems). Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service.

All participating employers in each System are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Systems. The Systems are noncontributory except for employees who joined the Employees' Retirement System after July 27, 1976, or the Teachers' Retirement System after June 30, 1976, who contribute 3% of their salary during the first 10 years of service. Employee contributions are deducted by employers from employees' paychecks and are sent currently to the Retirement System.

The total payroll for all employees of the City for fiscal year 2002 was \$164.8 million of which \$75.7 million represented payroll costs for employees covered by ERS, \$77.4 million by PFRS, and \$11.7 million for nonparticipating employees. Contribution rates for fiscal year 2002 were .8% for ERS and 1.8% for PFRS. All full-time police officers and firefighters are mandatory members.

The total payroll for all employees of the School District for fiscal 2002 was \$290.8 million of which \$221.6 represented payroll costs for employees covered by TRS, \$52.2 million by ERS, and \$17.0 million for nonparticipating employees. Contribution rates for fiscal 2002 were 1.4% for TRS and .9% for ERS. All full-time teachers are mandatory members.

2. Contributions & Liabilities

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

Payments to the Teachers' Retirement System, which are made in accordance with funding requirements determined by the actuary of the System, are deducted from State Aid payments to the School District. The contributions for salaries paid for the year ended June 30, 2002 were made in three monthly installments starting in September of 2001.

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

Fiscal Year	Employees' Retirement System	Police and Fire Retirement System	Total Retirement Systems
2000	\$ 179	\$ 1,482	\$ 1,661
2001	246	1,260	\$ 1,506
2002	592	1,376	\$ 1,968

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

Fiscal Year	Employees' Retirement System	Teachers' Retirement System	Total Retirement Systems
2000	\$ 174	\$ 4,518	\$ 4,692
2001	163	4,496	\$ 4,659
2002	493	3,011	\$ 3,504

The total liability for the City and the School District as of June 30, 2002, included in Due to other governments at the fund level, is as follows (000's Omitted):

	Employees' Retirement System	Police and Fire Retirement System	Teachers' Retirement System	Total Retirement Systems
City	\$ 260	\$ 432	-	\$ 692
School District	389	-	3,179	\$ 3,568
Total of City and School District	\$ 649	\$ 432	\$ 3,179	\$ 4,260

The total liability as of June 30, 2002 includes the period of April 1 - June 30, 2002 for the Employees' and Police and Fire Retirement Systems; and the period July 1, 2001 - June 30, 2002 for the Teachers' System. It is the policy of the City and the School District to record pension costs on the modified accrual basis for governmental funds. Pension costs of the proprietary funds are recognized on the accrual basis.

The annual report containing financial statements and required supplemental information for the Employees' and the Police and Fire Retirement Systems, may be obtained from the New York State and Local Retirement Systems, Governor Smith State Building, Albany, NY 12244. The annual report for the New York State Teachers' Retirement System may be obtained by writing to 10 Corporate Woods Drive, Albany, NY 12211-2935.

3. Prior Plan

Prior to its participation in the New York State Police and Fire Retirement System, the City had a pension plan covering firemen, policemen and their widows. It is the policy of the City to provide for payments to the beneficiaries of this plan out of current operations. The City is not required to pay benefits under this plan and the beneficiaries do not have a vested right to benefits. During the year ended June 30, 2002, approximately \$153,400 was paid by the City. On June 30, 2002, there were 18 widows and 1 retired employee receiving payments under this plan. The pension benefit obligation of this plan is not significant to the City.

E. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

To improve cash management, all City disbursements are made from a consolidated account in the general fund. Also, the cash balances of certain capital funds are consolidated to maximize investment return. Both these cash management practices, as well as normal delays in processing interfund transfers and reimbursements, are the main reason why interfund receivables and payables exist. These receivables and payables are short term in nature and are typically repaid in less than one year. The following schedule summarizes individual fund interfund receivables and payables at June 30, 2002 (000's Omitted):

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	
General	General Capital	\$ 4,544	
	Transportation Capital	1,066	
	Community Development	818	
	Nonmajor governmental	5,221	
	Water	1,648	
	Parking	376	
	War Memorial	294	
	Refuse	203	
	Nonmajor proprietary	765	
	Fiduciary	330	
	Debt Service	General	4,822
	General Capital	General	37,641
		Transportation Capital	12
Nonmajor governmental		4	
Transportation Capital	General	533	
	Nonmajor governmental	3,009	
Community Development	General	532	
	Nonmajor governmental	1,425	
Nonmajor governmental	Nonmajor governmental	478	
	Parking	1	
	Nonmajor proprietary	1	
	Water	General	210
Parking	General	238	
War Memorial	General	733	
Refuse	General	3,554	
Nonmajor proprietary	General	277	
Internal Service	General	2,737	
Fiduciary	General	72	

Transfers among funds are provided for as part of the annual budget process. They facilitate annual contributions from the operating budget to capital project funds. They also facilitate the contribution of enterprise earnings to the general fund. Interfund transfers for the fiscal year ending June 30, 2002, which were routine in nature, were as follows (000's Omitted):

<u>Transfer out:</u>	<u>Transfer In:</u>							<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>General Capital</u>	<u>Transportation Capital</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Proprietary</u>	<u>Internal Service</u>	
General fund	\$ -	\$ 2,795	\$ 11,937	\$ 247	\$ 2,090	\$ -	\$ 325	\$ 17,394
Debt Service	3,429	-	-	-	24	-	-	3,453
General Capital	-	60	-	-	-	-	-	60
Transportation Capital	2,361	177	-	-	-	-	-	2,538
Community Development	4,698	-	-	-	-	-	-	4,698
Nonmajor Governmental	4,278	247	-	1,918	604	-	-	7,047
Water	4,678	-	-	-	-	-	-	4,678
	<u>\$ 19,444</u>	<u>\$ 3,279</u>	<u>\$ 11,937</u>	<u>\$ 2,165</u>	<u>\$ 2,718</u>	<u>\$ -</u>	<u>\$ 325</u>	<u>\$ 39,869</u>

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Nonmajor Governmental Funds

Capital Funds

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

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

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

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

Special Revenue Funds

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

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

Library Fund - This fund accounts for the revenues and expenditures of the City's central library and eleven 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 accounts for funds restricted by City Council for special projects.

Permanent Fund

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

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

**THE CITY OF ROCHESTER, NEW YORK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2002 (000's Omitted)**

	Capital Projects			Special Revenue					Permanent Fund	Total Nonmajor Governmental Funds	
	Economic Assistance	Cultural/ Recreation	Sewers	Animal Control	Library	Local Works	Federal Projects	State Projects	Other		Cemetery
ASSETS											
Cash and cash equivalents	\$ 1,124	\$ 1,988	\$ 411	\$ 439	\$ 4	\$ 5,474	\$ 3,964	\$ 1,964	\$ 1,802	\$ 5,348	\$ 22,518
Investments	240	-	-	-	-	-	-	-	-	-	240
Receivables (net of allowance for uncollectibles):											
Accounts	-	600	-	-	376	-	18	596	-	-	1,590
Taxes	-	-	-	-	-	200	-	-	-	-	200
Due from other governments	725	15	-	-	3,859	-	15	585	-	-	5,199
Due from other funds	-	409	-	7	72	1,002	-	2	413	-	1,905
Total assets	<u>\$ 2,089</u>	<u>\$ 3,012</u>	<u>\$ 411</u>	<u>\$ 446</u>	<u>\$ 4,311</u>	<u>\$ 6,676</u>	<u>\$ 3,997</u>	<u>\$ 3,147</u>	<u>\$ 2,215</u>	<u>\$ 5,348</u>	<u>\$ 31,652</u>
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts payable and accrued liabilities	\$ 6	\$ 12	\$ 1	\$ 77	\$ 1,024	\$ 613	\$ 151	\$ 1	\$ -	\$ -	\$ 1,885
Notes payable	8,126	5,442	1,344	-	-	-	-	-	-	-	14,912
Due to other funds	1,055	70	-	345	2,490	3,833	38	718	163	-	8,712
Due to other governments	-	-	-	-	4	2	-	-	-	-	6
Deferred revenue	-	-	-	-	-	-	18	596	-	-	614
Total liabilities	<u>9,187</u>	<u>5,524</u>	<u>1,345</u>	<u>422</u>	<u>3,518</u>	<u>4,448</u>	<u>207</u>	<u>1,315</u>	<u>163</u>	<u>-</u>	<u>26,129</u>
Fund balances:											
Reserved for encumbrances	939	1,521	823	24	91	166	771	496	452	-	5,283
Designated for subsequent years' expenditures	-	-	-	-	150	-	-	-	-	-	150
Undesignated	(8,037)	(4,033)	(1,757)	-	552	2,062	3,019	1,336	1,600	5,348	90
Total fund balances	<u>(7,098)</u>	<u>(2,512)</u>	<u>(934)</u>	<u>24</u>	<u>793</u>	<u>2,228</u>	<u>3,790</u>	<u>1,832</u>	<u>2,052</u>	<u>5,348</u>	<u>5,523</u>
Total liabilities and fund balances	<u>\$ 2,089</u>	<u>\$ 3,012</u>	<u>\$ 411</u>	<u>\$ 446</u>	<u>\$ 4,311</u>	<u>\$ 6,676</u>	<u>\$ 3,997</u>	<u>\$ 3,147</u>	<u>\$ 2,215</u>	<u>\$ 5,348</u>	<u>\$ 31,652</u>

**THE CITY OF ROCHESTER, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (000's Omitted)**

	Capital Projects			Special Revenue				Permanent Fund		Total Nonmajor Governmental Funds	
	Economic Assistance	Cultural/ Recreation	Sewers	Animal Control	Library	Local Works	Federal Projects	State Projects	Other		Cemetery
REVENUES											
Real property tax	\$-	\$-	\$-	\$811	\$4,842	\$-	\$-	\$-	\$-	\$-	\$5,653
Departmental	-	-	-	196	1,842	12,365	-	-	-	-	14,403
Use of money and property	-	-	-	12	-	147	59	60	31	-	309
Federal aid	72	-	-	-	-	-	1,244	2,022	-	-	3,338
State aid	-	-	-	-	471	32	382	594	123	-	1,602
Local sources and other	-	-	-	-	7,903	-	6,655	434	446	172	15,610
Total revenues	72	-	-	1,019	15,058	12,544	8,340	3,110	600	172	40,915
EXPENDITURES											
Current:											
Community development	-	-	-	-	-	-	5,312	375	14	-	5,701
Environmental services	-	-	-	-	-	6,306	-	-	-	-	6,306
Library	-	-	-	-	11,255	-	-	-	-	-	11,255
Police	-	-	-	866	-	-	280	148	88	-	1,382
Fire	-	-	-	-	-	-	-	4	75	-	79
Parks, recreation and human services	-	-	-	-	-	-	834	-	216	-	1,050
Undistributed	-	-	-	148	1,936	1,435	-	-	93	-	3,612
Capital projects	3,753	1,598	524	-	-	-	-	-	-	-	5,875
Debt service:											
Principal	-	-	-	-	828	7	-	-	-	-	835
Interest	-	-	-	-	288	2	-	-	-	-	290
Total expenditures	3,753	1,598	524	1,014	14,307	7,750	6,426	527	486	-	36,385
Excess (deficiency) of revenues over expenditures	(3,681)	(1,598)	(524)	5	751	4,794	1,914	2,583	114	172	4,530
OTHER FINANCING SOURCES (USES)											
Transfers from other funds	530	1,473	125	-	15	9	-	-	566	-	2,718
Transfers (to) other funds	(146)	(13)	(88)	-	(604)	(2,775)	(660)	(2,536)	(225)	-	(7,047)
Total other financing sources (uses)	384	1,460	37	-	(589)	(2,766)	(660)	(2,536)	341	-	(4,329)
Net change in fund balances	(3,297)	(138)	(487)	5	162	2,028	1,254	47	455	172	201
Fund Balances - beginning of year	(3,801)	(2,374)	(447)	19	631	200	2,536	1,785	1,597	5,176	5,322
Fund Balances - end of year	(\$7,098)	(\$2,512)	(\$934)	\$24	\$793	\$2,228	\$3,790	\$1,832	\$2,052	\$5,348	\$5,523

**THE CITY OF ROCHESTER, NEW YORK
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY-
 BUDGET AND ACTUAL- GENERAL, CERTAIN SPECIAL REVENUE AND ENTERPRISE FUNDS
 NON-GAAP BUDGET BASIS - FOR THE YEAR ENDED JUNE 30, 2002 (000's Omitted)**

	General Fund		Special Revenue Fund		Enterprise Funds		Total			
	Final	Actual	Final	Actual	Final	Actual	Original	Final	Actual	Variance
REVENUES										
Real property tax	\$ 113,931	\$ 113,970	\$ 5,847	\$ 5,653	\$ 1,215	\$ 2,225	\$ 120,993	\$ 120,993	\$ 121,848	\$ 855
Sales and other taxes	139,441	142,694	-	-	950	846	145,422	140,391	143,540	3,149
Charges for services	17,973	18,506	14,358	13,421	57,951	57,786	90,443	90,282	89,713	(569)
Use of money and property	2,796	2,433	331	113	473	342	3,762	3,600	2,888	(712)
Interest and penalties	-	-	-	-	1,312	1,179	1,150	1,312	1,179	(133)
Licenses and permits	1,656	1,588	-	-	-	-	1,656	1,656	1,588	(68)
Federal aid	1,332	1,030	-	-	-	-	1,171	1,332	1,030	(302)
State aid	61,707	62,076	560	503	47	47	65,839	62,314	62,626	312
Local sources and other	13,336	12,850	7,400	7,903	-	-	20,637	20,736	20,753	17
Total revenues	352,172	355,147	28,496	27,593	61,948	62,425	451,073	442,616	445,165	2,549
EXPENDITURES										
Council and clerk	1,388	1,347	-	-	-	-	1,386	1,388	1,347	41
Administration	9,910	9,096	-	-	-	-	9,932	9,910	9,096	814
Law	1,788	1,762	-	-	-	-	1,793	1,788	1,762	26
Finance	7,180	6,929	-	-	-	-	7,195	7,180	6,929	251
Community development	5,582	5,357	-	-	-	-	5,590	5,582	5,357	225
Economic development	2,183	2,035	-	-	2,313	2,113	4,501	4,496	4,148	348
Environmental services	24,225	23,301	8,271	6,295	36,318	35,556	66,611	68,814	65,152	3,662
Library	-	-	11,641	11,210	-	-	11,579	11,641	11,210	431
Police	58,142	57,438	970	877	-	-	56,135	59,112	58,315	797
Fire	36,012	35,640	-	-	-	-	35,888	36,012	35,640	372
Emergency communications	7,967	7,675	-	-	-	-	7,930	7,967	7,675	292
Parks, recreation and human services	15,196	14,629	-	-	2,845	2,886	17,979	18,041	17,515	526
Undistributed	43,757	43,663	4,007	3,519	5,539	5,718	57,119	53,303	52,900	403
Contingency	270	-	-	-	-	-	5,486	270	-	270
Debt services	23,281	23,239	1,110	1,109	12,751	12,751	37,142	37,142	37,099	43
Total expenditures	236,881	232,111	25,999	23,010	59,766	59,024	326,266	322,646	314,145	8,501
Excess of revenues over expenditures	\$ 115,291	\$ 123,036	\$ 2,497	\$ 4,583	\$ 2,182	\$ 3,401	\$ 124,807	\$ 119,970	\$ 131,020	\$ 11,050

continued

**THE CITY OF ROCHESTER, NEW YORK
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY-
 BUDGET AND ACTUAL- GENERAL, CERTAIN SPECIAL REVENUE AND ENTERPRISE FUNDS
 NON-GAAP BUDGET BASIS - FOR THE YEAR ENDED JUNE 30, 2002 (000's Omitted)**

(continued)

	General Fund		Special Revenue Fund		Enterprise Funds		Total			
	Final	Actual	Final	Actual	Final	Actual	Original	Final	Actual	Variance
OTHER FINANCING SOURCES (USES)										
Transfers from other funds	\$ 20,243	\$ 19,444	\$ 25	\$ 24	\$ 821	\$ 789	\$ 20,167	\$ 21,089	\$ 20,257	\$ (832)
Transfers (to) other funds	(11,753)	(14,548)	(2,522)	(2,522)	(6,526)	(6,526)	(23,506)	(20,801)	(23,596)	(2,795)
Transfers (to) component unit	(127,300)	(127,300)	-	-	-	-	(127,300)	(127,300)	(127,300)	-
Total other financing uses	<u>(118,810)</u>	<u>(122,404)</u>	<u>(2,497)</u>	<u>(2,498)</u>	<u>(5,705)</u>	<u>(5,737)</u>	<u>(130,639)</u>	<u>(127,012)</u>	<u>(130,639)</u>	<u>(3,627)</u>
Appropriation of prior year fund balance	3,519	-	-	-	3,523	-	5,832	\$ 7,042	\$ -	\$ (7,042)
Excess (deficiency) of revenues and other sources over expenditures and other uses-Budget Basis	<u>\$ -</u>	<u>632</u>	<u>\$ -</u>	<u>2,085</u>	<u>\$ -</u>	<u>(2,336)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 381</u>	<u>\$ 381</u>
Encumbrances included in actual		<u>3,912</u>		<u>247</u>		<u>469</u>				
Excess (deficiency) of revenues and other sources over expenditures, encumbrances and other uses		<u>4,544</u>		<u>2,332</u>		<u>(1,867)</u>				
Expenditures of prior years' encumbrances		<u>3,431</u>		<u>176</u>		<u>314</u>				
Excess (deficiency) of revenues and other sources over expenditures and other uses		<u>1,113</u>		<u>2,156</u>		<u>(2,336)</u>				
Net enterprise capital revenue		-		-		(428)				
Depreciation expense		-		-		(11,270)				
Debt service cash basis		-		-		8,441				
Local improvement ordinances		-		39		-				
Contribution to reserve for capital projects		-		-		6,526				
Contributed capital		-		-		113				
Capital and debt service interest		-		-		276				
Capital reimbursement		-		-		194				
State capital reimbursement		-		-		-				
Debt reserve transfer in		-		-		(788)				
Fund equity - beginning of year		<u>15,650</u>		<u>850</u>		<u>176,407</u>				
Fund equity - end of year		<u>\$ 16,763</u>		<u>\$ 3,045</u>		<u>\$ 177,135</u>				

Nonmajor Proprietary Funds

Enterprise Funds

Cemeteries Fund – This fund is used to account for the City's Mt. Hope and Riverside Cemeteries.

Public Market Fund – This fund is used to account for the revenues and expenses of the farmers' market which consists of several open sheds and one enclosed shed.

Port of Rochester Fund – This fund accounts for the rental of warehousing facilities at the Port of Rochester.

**THE CITY OF ROCHESTER, NEW YORK
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2002 (000's Omitted)**

	Business-type Activities-Enterprise Funds			
	Cemeteries	Public Market	Port of Rochester	Total Nonmajor Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 52	\$ 24	\$ 99	\$ 175
Receivables (net of allowance for uncollectibles)	1,278	5	-	1,283
Due from other governments	24	-	-	24
Due from other funds	239	38	-	277
Total current assets	1,593	67	99	1,759
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	6	101	-	107
Capital assets:				
Land	131	480	478	1,089
Buildings	1,202	1,730	416	3,348
Improvements other than buildings	1,065	726	29	1,820
Equipment	1,166	148	57	1,371
Construction in progress	3	1,313	-	1,316
Less accumulated depreciation	(1,800)	(739)	(466)	(3,005)
Total capital assets (net of accumulated depreciation)	1,767	3,658	514	5,939
Total noncurrent assets	1,773	3,759	514	6,046
Total assets	3,366	3,826	613	7,805
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	132	33	-	165
Accrued interest payable	-	45	-	45
Notes payable	-	1,907	-	1,907
Bonds payable	2	41	-	43
Due to other funds	734	32	-	766
Total current liabilities	868	2,058	-	2,926
Noncurrent liabilities:				
Bonds payable	4	257	-	261
Total liabilities	872	2,315	-	3,187
NET ASSETS				
Invested in capital assets, net of related debt	1,761	1,453	514	3,728
Restricted for debt service	6	73	-	79
Restricted for capital projects	199	28	38	265
Unrestricted	528	(43)	61	546
Total net assets	\$ 2,494	\$ 1,511	\$ 613	\$ 4,618

THE CITY OF ROCHESTER, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (000's Omitted)

	Business-type Activities-Enterprise Funds			
	Cemeteries	Public Market	Port of Rochester	Total Nonmajor Funds
Operating Revenues				
Charges for services	\$ 1,634	\$ 527	\$ 9	\$ 2,170
Operating Expenses				
Personal services	989	127	-	1,116
Supplies and materials	510	306	-	816
Employee benefits	296	27	-	323
Depreciation	153	79	8	240
Total operating expenses	1,948	539	8	2,495
Operating income(loss)	(314)	(12)	1	(325)
Nonoperating revenues (expenses)				
Real property taxes	580	309	-	889
Interest on investments	110	-	3	113
Interest expense	-	(81)	-	(81)
Total nonoperating revenues (expenses)	690	228	3	921
Income before operating transfers	376	216	4	596
Capital contributions-state aid	47	-	-	47
Contributed capital	-	113	-	113
Change in net assets	423	329	4	756
Total net assets-beginning	2,071	1,182	609	3,862
Total net assets-ending	\$ 2,494	\$ 1,511	\$ 613	\$ 4,618

**THE CITY OF ROCHESTER, NEW YORK
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (000's Omitted)**

	Business-type Activities-Enterprise Funds			
	Cemeteries	Public Market	Port of Rochester	Total Nonmajor Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,306	\$ 522	\$ 9	\$ 1,837
Payments to suppliers	(863)	(337)	-	(1,200)
Payments to employees	(979)	(128)	-	(1,107)
Net cash provided (used) by operating activities	(536)	57	9	(470)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Real property taxes	580	309	-	889
Operating grants	23	113	-	136
Transfers (to) other funds	(142)	(123)	-	(265)
Net cash provided by noncapital financing activities	461	299	-	760
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sales of bonds and notes	-	515	-	515
Principal paid on bonds and notes	(2)	(254)	-	(256)
Interest expense paid on bonds and notes	-	(89)	-	(89)
Payments to contractors	(138)	(631)	-	(769)
Net cash used in capital and related financing activities	(140)	(459)	-	(599)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	110	-	3	113
Net increase (decrease) in cash and cash equivalents	(105)	(103)	12	(196)
Cash and cash equivalents at beginning of year	163	228	87	478
Cash and cash equivalents at end of year	\$ 58	\$ 125	\$ 99	\$ 282
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (314)	\$ (12)	\$ 1	\$ (325)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	153	79	8	240
Increase in accounts receivable	(328)	(5)	-	(333)
Decrease in accounts payable	(47)	(5)	-	(52)
Total adjustments	(222)	69	8	(145)
Net cash provided (used) by operating activities	\$ (536)	\$ 57	\$ 9	\$ (470)

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Statistical Section

**THE CITY OF ROCHESTER, NEW YORK
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS
(000's Omitted)**

Fiscal Year	Public Safety	Public Works	General Government	Employee Benefits	Debt Service (2)	Component Unit (3)	Total
1993	\$ 72,768	\$ 19,143	\$ 35,610	\$ 32,111	\$ 17,357	\$ 259,747	\$ 436,736
1994	72,738	19,659	35,565	30,351	31,987	303,781	494,081
1995	76,359	19,085	33,587	32,384	20,003	289,551	470,969
1996	77,894	19,086	34,218	31,513	19,898	301,431	484,040
1997	81,326	19,955	36,591	32,750	19,626	301,065	491,313
1998	84,543	20,537	39,904	29,904	17,822	314,949	507,659
1999	88,677	21,747	41,310	30,351	19,361	340,934	542,380
2000	92,029	21,579	43,696	30,758	17,656	350,174	555,892
2001	96,360	21,968	43,049	36,505	18,573	396,287	612,742
2002	<u>100,238</u>	<u>21,819</u>	<u>44,630</u>	<u>40,813</u>	<u>21,284</u>	<u>410,739</u>	<u>639,523</u>

Notes:

- (1) Includes General, Special Revenue and Debt Service Funds for Fiscal Years 1993 through 1995 and General and Debt Service Funds for primary government and component unit for Fiscal Years 1996 through 2002.
- (2) Please see Note III D. to the General Purpose Financial Statements for further explanation.
- (3) Component Unit includes Employee Benefits, Debt Service and Administration for City School District

**GENERAL REVENUE BY SOURCE (1)
LAST TEN FISCAL YEARS
(000's Omitted)**

Fiscal Year	Taxes	Departmental Income	Inter-Governmental	Use of Money and Property	Other	Component Unit	Total
1993	\$ 101,182	\$ 20,523	\$ 28,330	\$ 3,456	\$ 7,241	\$ 264,028	\$ 424,760
1994	112,588	14,539	29,700	3,200	13,949	284,693	458,669
1995	120,008	14,900	30,412	4,522	12,996	299,551	482,389
1996	124,152	15,755	29,291	4,843	13,192	304,797	492,030
1997	128,849	16,446	32,548	4,766	13,631	313,061	509,301
1998	129,431	16,908	40,587	5,499	14,766	328,734	535,925
1999	135,979	17,452	44,375	5,269	14,692	354,327	572,094
2000	134,265	18,411	46,582	6,310	16,127	367,141	588,836
2001	132,001	18,743	59,750	9,161	14,773	378,908	613,336
2002	<u>129,364</u>	<u>18,506</u>	<u>63,106</u>	<u>4,846</u>	<u>14,674</u>	<u>411,309</u>	<u>641,805</u>

Note:

- (1) Includes General, Special Revenue and Debt Service Funds for Fiscal Years 1993 through 1995 and General and Debt Service Funds for primary government and component unit for Fiscal Years 1996 through 2002.

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections (2)	Percent of Total Tax Collections to Tax Levy	Cancellations and/or Adjustments to Taxes (3)	Outstanding Delinquent Taxes (Cumulative)	Percent of Outstanding Delinquent Taxes to Total Tax Levy
1993	\$ 131,466	\$ 122,699	93.3 %	\$ 6,824	\$ 129,523	98.5 %	\$ 695	\$ 12,501	9.5 %
1994	138,791	130,261	93.9	7,413	137,674	99.2	806	12,812	9.2
1995	141,313	132,631	93.9	6,019	138,650	98.1	1,780	13,695	9.7
1996	142,795	133,690	93.6	6,651	140,341	98.3	1,787	14,362	10.1
1997	143,509	134,253	93.6	7,254	141,507	98.6	1,825	14,539	10.1
1998	141,711	133,137	93.9	6,504	139,641	98.5	3,405	13,204	9.3
1999	135,394	127,269	94.0	6,834	134,103	99.0	1,292	13,203	9.8
2000	134,597	126,433	93.9	6,474	132,907	98.7	1,460	13,433	10.0
2001	128,842	120,391	93.4	4,803	125,194	97.2	3,746	13,335	10.3
2002	<u>123,826</u>	<u>115,264</u>	<u>93.1</u>	<u>6,564</u>	<u>121,828</u>	<u>98.4</u>	<u>1,645</u>	<u>13,688</u>	<u>11.1</u>

Notes:

- (1) Tax exempt properties with an assessed value of \$412,366,400 made payments in lieu of taxes amounting to \$11,669,591 for the fiscal year ending June 30, 2002. If these properties had been fully taxable, total revenues would have increased by \$5,829,590. 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 agreement: 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.

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(000's Omitted)**

Fiscal Year	Real Property		Ratio of Total Assessed to Total Estimated Actual Value (1)
	Assessed Value	Estimated Actual Value	
1993	\$ 5,645,848	\$ 5,904,464	95.62 %
1994	5,638,614	5,906,163	95.47
1995	5,590,260	6,153,286	90.85
1996	5,500,840	5,144,818	106.92
1997	5,202,935	5,076,529	102.49
1998	5,120,347	5,062,132	101.15
1999	5,072,605	5,108,363	99.30
2000	5,044,246	4,757,376	106.03
2001	4,802,407	4,751,565	101.07
2002	<u>4,789,488</u>	<u>4,664,934</u>	<u>102.67</u>

Notes:

- (1) Special Equalization Ratios established by New York State Office of Real Property Services.

**THE CITY OF ROCHESTER, NEW YORK
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS**

Fiscal Year	City of Rochester			Monroe County	Total
	General Municipal Purposes	School Purposes	Total		
1993	Homestead \$ 4.41	\$ 9.35	\$ 13.76	\$ 12.16	\$ 25.92
	Nonhomestead 12.17	26.65	38.82	12.16	50.98
1994	Homestead 4.55	9.66	14.21	12.03	26.24
	Nonhomestead 12.92	28.31	41.23	12.03	53.26
1995	Homestead 5.14	10.15	15.29	11.73	27.02
	Nonhomestead 13.67	27.83	41.50	11.73	53.23
1996	Homestead 5.55	10.63	16.18	11.48	27.66
	Nonhomestead 14.16	27.95	42.11	11.48	53.59
1997	Homestead 6.09	11.69	17.78	11.53	29.31
	Nonhomestead 14.62	28.86	43.48	11.53	55.01
1998	Homestead 5.94	11.84	17.78	11.72	29.50
	Nonhomestead 14.48	29.70	44.18	11.72	55.90
1999	Homestead 5.78	12.35	18.13	11.10	29.23
	Nonhomestead 13.36	29.28	42.64	11.10	53.74
2000	Homestead 6.07	12.36	18.43	10.49	28.92
	Nonhomestead 14.12	29.46	43.58	10.49	54.07
2001	Homestead 5.97	12.97	18.94	10.36	29.30
	Nonhomestead 13.59	30.27	43.86	10.36	54.22
2002	Homestead 6.01	13.46	19.47	10.04	29.51
	Nonhomestead <u>12.89</u>	<u>29.54</u>	<u>42.43</u>	<u>10.04</u>	<u>52.47</u>

**SPECIAL ASSESSMENT COLLECTION
LAST TEN FISCAL YEARS
(000's Omitted)**

Fiscal Year	Current Assessments Due	Current Assessments Collected	Ratio of Collections to Amount Due	Total Cumulative Outstanding Assessments Due
1993	\$ 8,647	\$ 8,087	93.5 %	\$ 833
1994	8,982	8,368	93.2	927
1995	8,958	8,353	93.2	1,025
1996	8,994	8,354	92.9	1,091
1997	9,342	8,639	92.5	1,250
1998	9,524	8,811	92.5	1,212
1999	9,490	8,760	92.3	1,324
2000	10,595	9,774	92.3	1,363
2001	11,305	10,367	91.7	1,508
2002	<u>12,928</u>	<u>11,873</u>	<u>91.8</u>	<u>1,715</u>

**THE CITY OF ROCHESTER, NEW YORK
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Assessed		Net Net BAN's	Net Bonds and BAN's (1)	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
		Value (000's Omitted)	Net Bonds						
1993	\$ 233,300	\$ 5,645,848	\$ 99,665,400	\$ 75,090,900	\$ 174,756,300	\$ 44,669,000	\$ 130,087,300	2.30 %	\$ 558
1994	233,300	5,638,614	175,364,600	59,062,000	234,426,600	36,269,000	198,157,600	3.51	849
1995	233,900	5,590,260	151,419,000	127,555,500	278,974,500	39,974,000	239,000,500	4.28	1,022
1996	228,500	5,500,840	203,831,000	68,927,000	272,758,000	36,820,000	235,938,000	4.29	1,033
1997	227,000	5,202,935	176,160,000	135,394,000	311,554,000	38,180,000	273,374,000	5.25	1,204
1998	218,400	5,120,347	201,110,000	110,045,000	311,155,000	53,569,000	257,586,000	5.03	1,179
1999	214,600	5,072,605	169,385,000	135,041,100	304,426,100	57,589,000	246,837,100	4.87	1,150
2000	215,900	5,044,246	203,510,000	90,607,300	294,117,300	61,300,000	232,817,300	4.62	1,078
2001	223,800	4,802,407	229,135,700	80,090,500	309,226,200	57,847,000	251,379,200	5.23	1,123
2002	218,300	4,789,488	190,820,134	112,165,000	302,985,134	59,969,000	243,016,134	5.07	1,113

Notes:

- (1) Excludes debt for water and some sewer. The debt service for some sewer debt is reimbursed by the Monroe County Pure Waters Agency. Water debt is excluded from net indebtedness by Section 136.00 of the Local Finance Law and is redeemed by revenues other than the property tax, i.e. user fees.

Bond Anticipation Notes (BAN's) are included because they are issued for the same purpose as bonds, have the same credit backing, are converted to bonds within the required statutory conversion period of five years.

**THE CITY OF ROCHESTER, NEW YORK
COMPUTATION OF CITY DEBT LIMIT
JUNE 30, 2002**

Computation of Debt Limit as of June 30, 2002		
Indebtedness		
Borrowings (Bonds and Notes)	\$ 345,380,000 (1)	
Contract Liabilities	25,949,351 (2)	\$ 371,329,351
Deductions and Exclusions		
Water Bonds and Notes	38,159,866 (3)	
Sanitary Sewer Bonds and Notes	4,235,000 (3)	
Housing Subsidy	71,102 (4)	
Cash and Cash Equivalents	<u>25,878,249 (5)</u>	<u>68,344,217</u>
Net Indebtedness		302,985,134
Debt Limit (9% of five-year average full valuation)		<u>428,503,806</u>
Debt Contracting Margin		<u>\$ 125,518,672</u>

Notes:

- (1) Represents all bond and note debt of the City, net of note liability in the Debt Service Fund, if any. Includes water and sewer debt -- listed above under "Deductions and Exclusions". Also includes bonds and bond anticipation notes issued by the City totaling \$4,235,000, the debt service on which is to be reimbursed to the City by the Rochester Pure Waters District pursuant to a lease of sewerage facilities to such district by the City.
- (2) Represents (a) amounts due pursuant to contracts for capital improvements or the acquisition of equipment and (b) amount of indebtedness of the Rochester Housing Authority 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) Excluded pursuant to Section 136.00 of the Local Finance Law, as indebtedness incurred under Article XVIII of State Constitution for housing and urban renewal purposes.
- (5) Represents cash on hand to pay principal of outstanding indebtedness not otherwise excluded, and investment of such cash at market value. The source of funds represents: (a) federal grants for projects already bonded; (b) proceeds of bonds and notes to pay outstanding contract liabilities; and (c) proceeds of notes available to pay principal of notes to the extent contracts to be financed with such proceeds were not consummated. The debt is excluded pursuant to Section 136.00 of Local Finance Law.

**THE CITY OF ROCHESTER, NEW YORK
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2002**

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to City of Rochester	Amount Applicable to City of Rochester
City of Rochester	\$ 345,380,000	100.00 %	\$ 345,380,000
County of Monroe	<u>459,608,394</u>	16.04	<u>73,721,186</u>
Total	<u>\$ 804,988,394</u>		<u>\$ 419,101,186</u>

**RATIO OF ANNUAL DEBT SERVICE FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS (000's Omitted)**

Fiscal Year	Principal	Interest	Total Debt Service (1)	Total General Expenditures (2)	Ratio of
					Debt Service to Total General Expenditures
1993	\$ 16,396	\$ 7,605	\$ 24,001	\$ 436,736	5.5 %
1994	17,805	8,836	26,641	494,081	5.4
1995	23,605	11,133	34,738	470,969	7.4
1996	28,646	12,442	41,088	484,040	8.5
1997	32,021	13,638	45,659	491,313	9.3
1998	32,788	12,469	45,257	507,659	8.9
1999	37,671	11,164	48,835	542,380	9.0
2000	38,264	11,081	49,345	555,892	8.9
2001	39,705	11,501	51,206	612,742	8.4
2002	<u>40,505</u>	<u>13,606</u>	<u>54,111</u>	<u>639,523</u>	<u>8.5</u>

Notes:

- (1) Includes principal and interest for Bonds and Bond Anticipation Notes and interest only for Revenue Anticipation Notes for City and Component Unit general funds and debt service funds.
- (2) Includes General and Debt Service Funds of primary government and component unit.

**CITY SCHOOL DISTRICT ENROLLMENT TRENDS
REGULAR PROGRAMS ONLY
LAST TEN FISCAL YEARS**

Year	Elementary	Percent Increase (Decrease)	Secondary	Percent Increase (Decrease)	Total	Percent
						Increase (Decrease)
1993	20,878	4.0 %	12,981	1.3 %	33,859	3.0 %
1994	21,159	1.3	13,241	2.0	34,400	1.6
1995	21,410	1.2	13,248	0.1	34,658	0.8
1996	21,730	1.5	13,883	4.8	35,613	2.8
1997	22,196	2.1	14,457	4.1	36,653	2.9
1998	22,434	1.1	14,230	(1.6)	36,664	0.0
1999	22,727	1.3	15,202	6.8	37,929	3.5
2000	21,178	(6.8)	15,705	3.3	36,883	(2.8)
2001	19,524	(7.8)	15,596	(0.7)	35,120	(4.8)
2002	<u>18,740</u>	<u>(4.0)</u>	<u>16,355</u>	<u>4.9</u>	<u>35,095</u>	<u>(0.1)</u>

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

Calendar Year	Population (1)	Per Capita Income for Monroe County (2)
1993	233,300	\$ 23,987
1994	233,300	24,632
1995	233,900	25,741
1996	228,500	26,779
1997	227,000	27,742
1998	218,400	29,994
1999	214,600	29,366
2000	215,900	30,391
2001	223,800	N/A
2002	<u>218,300</u>	<u>N/A</u>

Sources:

- (1) "Survey of Buying Power," 2002
Sales and Marketing Management Magazine
- (2) US Dept. of Commerce Bureau of Economic Analysis (www.bea.doc.gov)

**PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS
(000's Omitted)**

Fiscal Year	Value of Construction Permits Issued	Bank Deposits*	Estimated Property Value
1993	\$ 73,468	\$ N/A	\$ 5,904,464
1994	112,800	13,019,000	5,906,163
1995	124,900	12,067,000	6,153,286
1996	117,900	11,961,000	5,144,818
1997	181,800	12,365,000	5,076,529
1998	203,700	13,003,000	5,062,132
1999	143,500	13,135,000	5,108,363
2000	104,600	13,999,000	4,757,376
2001	143,300	14,886,000	4,751,565
2002	<u>99,000</u>	<u>N/A</u>	<u>4,664,934</u>

* Source: Federal Deposit Insurance Corporation. OTS Summary of Deposits for Rochester NY MSA - All Institutions. (www.fdic.gov)

**THE CITY OF ROCHESTER, NEW YORK
PRINCIPAL TAXPAYERS
JUNE 30, 2002
(000's Omitted)**

			Taxable Assessed Valuation Fiscal Year	Percentage of Total Taxable Assessed Valuation (1)
2002 Rank	Taxpayer	Type of Business	2001-2002	
1	Rochester Gas and Electric Corporation	Electric, gas, utility	\$ 351,192	7.33 %
2	Eastman Kodak Company	Photographic equipment and films	140,827	2.94
3	Frontier Telephone Corporation	Telephone, utility	55,287	1.15
4	Conrail	Railroads	27,809	0.58
5	Pioneer/City Center	Office buildings	23,000	0.48
6	Samloff/Glazer	Office buildings	21,972	0.46
7	Chase Manhattan Bank	Financial institution	21,730	0.45
8	Xerox Corporation	Copying & computer equipment	19,250	0.40
9	Farash, Jalyann Brighton Development	Office buildings	17,464	0.36
10	Midtown Rochester LLC	Retail, office building	17,407	0.36
11	Maguire Family Properties	Industrial Redevelopment	13,555	0.28
12	Robert Gordon	Financial institution, First Federal Plaza	12,398	0.26
13	Valeo (ITT Automotive)	Automotive parts	12,106	0.25
14	Michael Futerman	Commercial, industrial	11,536	0.24
15	HUD	Housing	11,119	0.23
			<u>\$ 756,652</u>	<u>15.80 %</u>

Note:

(1) The total taxable assessed value for fiscal year 2002 was \$4,789,487,838.

Source: Assessment Roll of the City of Rochester.

**TEN LARGEST INDUSTRIAL EMPLOYERS
IN THE ROCHESTER AREA
(FULL-TIME EMPLOYEES)**

Employment			
Rank	Company	Nature of Local Operations	2001
1	Eastman Kodak Company	Manufacture, marketing, and research and development of imaging products	24,640
2	University of Rochester/Strong Memorial Hospital	Education, research, health care	12,920
3	Xerox Corporation	Manufacture, sale and servicing of document-processing products and systems	11,500
4	ViaHealth	Health care	7,000
5	Wegmans Food	Supermarkets and home improvement stores	5,438
6	Excellus Inc.	Health insurance and health-related benefits	2,864
7	Unity Health System	Health care	2,809
8	Delphi Energy and Engine Management Systems	Design, develop and manufacture of fuel and emission control systems	2,700
9	Rochester Institute of Technology	Educational institute	2,546
10	RGS Energy Group	Energy and energy related services	2,260

Source: Rochester Business Journal, April 5, 2002.

**THE CITY OF ROCHESTER, NEW YORK
IN-REM FORECLOSURES AND DISPOSITION
LAST TEN FISCAL YEARS**

Fiscal Year	Number of Foreclosures	Number of Properties Sold at Auction or Negotiated Sale	Assessed Value of Properties Sold and Returned to Tax Rolls
1993	3	99	\$ 233,546
1994	71	101	474,928
1995	75	143	690,785
1996	118	159	356,623
1997	130	250	702,500
1998	223	112	365,106
1999	228	125	365,000
2000	227	130	360,000
2001	313	185	518,000
2002	<u>294</u>	<u>209</u>	<u>585,200</u>

Source: City of Rochester Bureau of Housing and Project Development.

**CONSTITUTIONAL PROPERTY TAX LIMIT
LAST TEN FISCAL YEARS**

Fiscal Year	Limit	City and School Current Tax Levy	Legal Margin
1993	\$ 147,702,327	\$ 96,724,156	\$ 50,978,171
1994	160,278,051	99,812,342	60,465,709
1995	153,694,935	93,420,870	60,274,065
1996	125,036,941	96,597,775	28,439,166
1997	123,743,096	79,065,001	44,678,095
1998	127,018,640	79,418,423	47,600,217
1999	131,836,106	64,461,526	67,374,580
2000	107,132,525	59,073,650	48,058,875
2001	99,609,567	51,975,217	47,634,350
2002	<u>97,037,612</u>	<u>58,253,768</u>	<u>38,783,844</u>

Notes: New York State law limits the property taxing authority of the City. The annual levy for current purposes cannot exceed 2% of the five-year average full value assessment.

**THE CITY OF ROCHESTER, NEW YORK
NUMBER OF CITY AND CITY SCHOOL DISTRICT FULL-TIME EMPLOYEES
LAST TEN FISCAL YEARS**

Fiscal Year	City	School	Total
1993	3,021	5,161	8,182
1994	3,022	5,266	8,288
1995	2,956	5,398	8,354
1996	2,955	5,384	8,339
1997	2,981	5,428	8,409
1998	3,033	5,594	8,627
1999	3,082	5,833	8,915
2000	3,096	6,023	9,119
2001	3,121	6,221	9,342
2002	3,151	6,303	9,454

**THE CITY OF ROCHESTER, NEW YORK
RESIDENT EMPLOYMENT STATUS
LAST TEN YEARS
(000's Omitted; not seasonally adjusted)**

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
LABOR FORCE										
Rochester MSA*	561.7	571.3	570.7	564.9	566.7	577.4	578.0	571.7	563.2	555.0
Monroe County	377.6	384.3	383.3	377.9	378.1	385.4	385.5	380.8	375.5	370.4
Rochester City	113.3	114.9	115.0	112.5	112.1	114.4	114.4	113.3	111.5	110.6
EMPLOYED										
Rochester MSA*	529.9	542.7	540.6	539.3	544.1	554.0	555.2	547.4	540.9	529.9
Monroe County	359.0	366.9	364.6	362.9	364.9	371.5	371.8	365.9	361.5	354.2
Rochester City	103.4	105.7	105.0	104.6	105.1	107.0	107.1	105.4	104.1	102.0
UNEMPLOYED										
Rochester MSA*	31.8	28.6	30.1	25.6	22.6	23.4	22.8	24.3	22.3	25.1
Monroe County	18.6	17.4	18.7	15.0	13.2	13.9	13.7	14.9	14.0	16.2
Rochester City	9.9	9.2	10.0	7.9	7.0	7.4	7.3	7.9	7.4	8.6
UNEMPLOYMENT RATE										
Rochester MSA*	5.7 %	5.0 %	5.3 %	4.5 %	4.0 %	4.1 %	3.9 %	4.3 %	4.0 %	4.5 %
Monroe County	4.9	4.5	4.9	4.0	3.5	3.6	3.6	3.9	3.7	4.4
Rochester City	8.7	8.0	8.7	7.0	6.2	6.5	6.4	7.0	6.6	7.8

Notes:

(1) Above figures are averages for the calendar year.

* Metropolitan Statistical Area

Source: New York State Department of Labor, Research & Statistics.

**NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY INDUSTRY
ROCHESTER (MSA)
LAST TEN YEARS
(000's Omitted)**

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
TOTAL MANUFACTURING										
Durable Goods	132.9	130.1	127.7	128.0	127.8	127.6	123.3	117.0	113.7	108.7
Primary and Fabricated Metals	102.0	100.4	99.0	99.2	99.2	99.3	94.9	88.6	85.6	81.9
Machinery (except electrical)	6.7	6.8	7.0	7.5	7.5	7.7	8.1	7.7	7.9	7.4
Electrical and Electronic Equipment	11.8	11.8	12.3	13.3	13.8	14.2	14.4	14.1	14.2	14.3
Instruments and Related Products	6.2	6.5	7.3	7.6	7.8	7.8	9.2	10.4	10.6	10.2
Nondurable Goods	63.4	62.1	59.1	57.2	57.3	57.2	52.8	48.1	44.8	42.1
Food and Kindred Products	30.9	29.8	28.7	28.8	28.5	28.3	28.4	28.5	28.1	26.8
Paper and Allied Products	6.4	6.0	5.7	6.0	6.6	6.6	6.7	6.7	6.8	6.8
Printing and Publishing	3.1	3.1	2.7	2.5	2.3	2.3	2.5	3.0	2.9	2.8
Chemicals and Allied Products	8.6	8.3	8.0	7.9	7.7	7.3	6.9	6.8	6.7	6.6
TOTAL NONMANUFACTURING	2.9	2.7	2.6	2.6	2.3	2.4	2.4	2.4	2.2	1.9
Mining	375.2	385.9	389.9	396.0	399.3	403.9	416.3	431.3	439.6	442.8
Construction	.8	.8	.8	.7	.6	.4	.4	.4	.4	.5
Transportation and Public Utilities	16.5	16.3	16.1	16.3	16.4	17.5	18.6	19.5	19.9	20.6
Wholesale and Retail Trade	16.5	16.7	16.6	16.9	17.7	16.6	17.4	18.4	19.2	19.9
Finance, Insurance and Real Estate	107.4	109.6	109.7	110.3	110.3	111.6	114.3	117.5	117.8	117.2
Services and Miscellaneous	23.5	24.0	24.2	23.4	22.9	21.3	21.0	21.0	21.3	21.6
Government	136.1	142.2	145.0	150.5	153.3	157.8	163.8	172.0	177.6	178.1
	74.4	76.3	77.5	77.9	78.1	78.7	80.8	82.4	83.3	84.9

Notes:

(1) Category totals and subtotals may not total exactly due to rounding in subcategories.

(2) Above figures are averages for the calendar year.

Source: New York State Department of Labor, Research & Statistics.

**THE CITY OF ROCHESTER, NEW YORK
BUILDING PERMIT ACTIVITY
LAST TEN FISCAL YEARS**

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
New Residential	53	46	82	107	75	44	52	47	38	44
New Nonresidential	101	131	112	144	130	139	125	136	113	119
Residential Remodeling	722	760	814	733	667	627	622	625	547	596
Commercial Remodeling	545	622	600	614	776	847	923	774	795	726
Demolition	151	203	163	209	248	209	239	250	319	307
Conversion	49	77	77	77	85	72	80	97	103	113
Other Structural	606	601	605	688	767	764	742	805	849	620
Plumbing	1,875	2,403	3,145	2,870	3,002	2,906	2,779	3,077	2,919	2,805
Electrical	838	1,867	1,858	1,671	1,757	1,838	2,007	2,190	2,133	2,302
TOTAL	4,940	6,710	7,456	7,113	7,507	7,446	7,569	8,001	7,816	7,632

**BUILDING PERMIT VALUE
LAST TEN FISCAL YEARS
(000'S Omitted)**

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
New Residential	\$ 2,536	\$ 3,200	\$ 4,800	\$ 7,800	\$ 4,500	\$ 6,200	\$ 11,400	\$ 2,800	\$ 6,400	\$ 3,300
New Nonresidential	23,683	41,600	32,200	23,900	28,500	93,700	13,200	16,000	17,300	11,900
Residential Remodeling	4,247	6,700	6,900	9,900	4,000	4,400	4,100	4,000	3,800	3,600
Commercial Remodeling	30,209	39,300	55,900	52,500	117,500	66,900	67,700	50,400	89,700	38,500
Demolition	123	-	-	-	-	-	2,400	4,800	3,700	3,300
Conversion	3,192	200	3,500	200	300	300	600	800	100	2,300
Other Structural	5,886	3,500	1,800	3,500	1,500	4,000	3,600	1,800	2,700	2,600
Plumbing	3,592	6,500	7,000	7,600	10,300	10,500	8,400	11,900	8,200	8,800
Electrical	3,600	11,800	12,800	12,500	15,200	17,700	32,100	12,100	11,400	24,700
TOTAL	\$ 77,068	\$ 112,800	\$ 124,900	\$ 117,900	\$ 181,800	\$ 203,700	\$ 143,500	\$ 104,600	\$ 143,300	\$ 99,000

**THE CITY OF ROCHESTER, NEW YORK
MISCELLANEOUS STATISTICS
JUNE 30, 2002**

Date of Incorporation: April 28, 1834

Form of Government: Mayor/Council

Area: 36.44 Square Miles

Miles of Streets: 539

Parcels of Property:

Homestead (one to three-family residential): 55,952

Nonhomestead: 11,412

Water System:

Miles of Water Mains: 598

Consumers: 61,320

Average Daily Production: 28.0 million gallons

Public Safety:

Police Sectors: 7

Police Officers: 708

Fire Stations: 16

Firefighters: 535

Recreation and Culture:

Recreation Centers: 41

Acres of Parks: 880

Libraries: 11

Library Materials Circulated: 1,774,521

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Single Audit Report



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED UPON THE AUDIT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the basic financial statements of the City of Rochester, New York ("the City"), as of and for the year ended June 30, 2002, and have issued our report thereon dated September 20, 2002 which included an explanatory paragraph regarding the restatement of the beginning net assets of the component unit and a disclaimer of opinion with respect to the statistical data, the Schedule of Expenditures of NYS and Other Awards and Summary of Financial Assistance as listed in the foregoing table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

September 20, 2002



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM

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

Compliance

We have audited the compliance of the City of Rochester, New York ("the City"), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of the City, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

A handwritten signature in black ink that reads "Deloitte + Touche LLP". The signature is written in a cursive, flowing style.

September 20, 2002

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2002**

	Grant Number	CFDA Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
				Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	
CITY GRANTS										
DEPT. OF HOUSING AND URBAN DEVELOPMENT:										
CDBG PY 1995	B-95-MC-36-0003	14.218	\$ 16,320,401	\$ 15,416,904	\$ 463,414	\$ 15,880,318	\$ 15,401,482	\$ 482,008	\$ 15,883,490	\$ (3,172)
CDBG PY 1996	B-96-MC-36-0003	14.218	18,710,449	17,501,203	458,917	17,960,120	17,465,887	486,167	17,952,054	8,066
CDBG PY 1997	B-97-MC-36-0003	14.218	12,846,000	13,416,297	420,448	13,836,745	13,415,148	418,855	13,834,003	2,742
CDBG PY 1998	B-98-MC-36-0003	14.218	12,890,500	12,099,440	503,323	12,602,763	12,071,524	518,095	12,589,619	13,144
CDBG PY 1999	B-99-MC-36-0003	14.218	12,699,000	11,292,840	2,435,284	13,728,124	11,270,657	2,457,288	13,727,945	179
CDBG PY 2000	B-00-MC-36-0003	14.218	12,999,000	7,991,578	3,832,897	11,824,475	7,681,369	3,555,017	11,236,386	588,089
CDBG PY 2001	B-01-MC-36-0003	14.218	13,516,000	-	8,614,329	8,614,329	-	8,647,329	8,647,329	(33,000)
Section 108 Loan Program	B-95-MC-36-0003	14.158	1,300,000	900,000	-	900,000	900,000	-	900,000	-
Section 108 Loan Program	B-99-MC-36-0003B	14.158	2,000,000	-	1,000,000	1,000,000	-	1,000,000	1,000,000	-
Section 108 Loan Program	B-00-MC-36-0003A	14.158	5,000,000	-	5,000,000	5,000,000	-	-	-	5,000,000
Section 108 EDI Program	B-92-ED-36-0003	14.158	700,000	700,000	-	700,000	560,000	-	560,000	140,000
Section 108 EDI Program	B-95-ED-36-0019	14.158	325,000	203,000	22,000	225,000	199,424	16,034	215,458	9,542
Section 108 EDI Program	B-99-BD-36-0017	14.158	500,000	-	250,000	250,000	-	250,000	250,000	-
Emergency Shelter	S-00-MC-36-0005	14.146	414,000	335,165	(20,700)	314,465	335,165	(20,700)	314,465	-
Emergency Shelter	S-01-MC-36-0005	14.146	413,000	-	349,303	349,303	-	352,739	352,739	(3,436)
Home Program 1992	M-92-MC-36-0504	14.239	2,913,000	2,889,005	-	2,889,005	2,889,005	-	2,889,005	-
Home Program 1993	M-93-MC-36-0504	14.239	1,922,000	1,913,659	3,026	1,916,685	1,913,659	3,026	1,916,685	-
Home Program 1994	M-94-MC-36-0504	14.239	2,678,000	2,672,313	-	2,672,313	2,672,313	-	2,672,313	-
Home Program 1995	M-95-MC-36-0504	14.239	2,879,000	2,849,357	2,536	2,851,893	2,849,357	2,536	2,851,893	-
Home Program 1996	M-96-MC-36-0504	14.239	3,090,000	2,962,554	79,599	3,042,153	2,962,554	79,599	3,042,153	-
Home Program 1997	M-97-MC-36-0504	14.239	3,139,000	2,784,334	194,503	2,978,837	2,725,241	253,596	2,978,837	-
Home Program 1998	M-98-MC-36-0504	14.239	3,413,000	1,872,272	1,011,127	2,883,399	1,872,272	1,011,127	2,883,399	-
Home Program 1999	M-99-MC-36-0504	14.239	3,710,000	1,985,353	411,593	2,396,946	1,980,890	416,056	2,396,946	-
Home Program 2000	M-00-MC-36-0504	14.239	3,882,000	175,128	2,096,788	2,271,916	175,128	2,100,524	2,275,652	(3,736)
Home Program 2001	M-01-MC-36-0504	14.239	4,148,000	-	412,279	412,279	-	412,279	412,279	-
Neighborhood Initiative Grant Program	B-01-NI-NY-RO-0007	14.227	1,000,000	-	365,900	365,900	-	437,605	437,605	(71,705)
HOPWA	NY06H00F003	14.241	491,000	34,436	455,033	489,469	34,436	455,033	489,469	-
HOPWA	NY06H01F003	14.241	536,000	-	82,866	82,866	-	82,866	82,866	-
Operation Exile	HM10-686	14.854	116,000	84,859	28,217	113,076	84,859	28,217	113,076	-
Operation Clean Spot	HM10-684	14.854	40,000	16,210	15,558	31,768	16,210	15,558	31,768	-
U.S. DEPARTMENT OF JUSTICE										
Law Enforcement Block Grant	99-LB-VX-8226	16.592	644,345	675,924	1,877	677,801	515,777	150,527	666,304	11,497
Law Enforcement Block Grant	00-LB-BX-2829	16.592	559,496	666,676	(84,106)	582,570	-	324,221	324,221	258,349
Law Enforcement Block Grant	98-LB-VX-3241	16.592	349,323	367,669	1,791	369,460	367,669	1,791	369,460	-
Law Enforcement Block Grant	01-LB-BX-2964	16.592	546,991	-	552,251	552,251	-	19,568	19,568	532,683
Weed & Seed FY 99	99-WS-QX-0079	16.595	175,000	88,221	67,404	155,625	88,081	67,544	155,625	-
Weed & Seed FY 98	98-WS-QX-0149	16.595	175,000	174,073	927	175,000	174,073	927	175,000	-
Weed & Seed FY 01	01-WS-QX-0020	16.595	175,000	-	75,716	75,716	-	75,716	75,716	-
Weed & Seed FY 01	01-WS-QX-0158	16.595	175,000	-	2,445	2,445	-	2,445	2,445	-
Weed & Seed FY 01	01-WS-QX-0191	16.595	175,000	-	3,852	3,852	-	3,852	3,852	-
Asset Forfeiture 99		16.595	50,000	29,378	2,904	32,282	29,378	2,904	32,282	-
Asset Forfeiture 98		16.595	100,000	97,810	2,190	100,000	97,810	2,190	100,000	-
Asset Forfeiture 00 (Livable Communities)		16.595	50,000	2,320	37,813	40,133	2,320	37,813	40,133	-
COPS MORE	99-CL-WX-0250	16.680	515,680	269,125	449,071	718,196	269,125	449,071	718,196	-
COPS 311	99-CK-WX-0027	16.680	383,900	234,674	140,870	375,544	234,674	140,870	375,544	-
COPS in Schools	99-SH-WX-0080	16.680	3,000,000	921,657	1,236,481	2,158,138	921,657	1,236,481	2,158,138	-
DEA/ATF		16.595	25,484	-	25,484	25,484	-	25,484	25,484	-
Bullet Proof Vests		16.607	14,219	-	14,219	14,219	-	14,219	14,219	-

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2002**

	Grant Number	CFDA Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
				Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	
U.S. DEPARTMENT OF TRANSPORTATION										
NYS DEPARTMENT OF TRANSPORTATION (Pass Through)										
Buffalo Road/West Avenue - 4512.19	D010729	20.205	3,814,400	3,355,224	-	3,355,224	3,355,224	-	3,355,224	-
Goodman Street - 4751.98	D010694	20.205	2,800,800	2,382,647	7,828	2,390,475	2,390,457	18	2,390,475	-
Broad Street Tunnel - 4751.87	D009279	20.205	1,166,400	377,158	-	377,158	377,158	-	377,158	-
Court Street Bridge - 4752.13	D010724	20.205	761,600	649,111	2,713	651,824	649,111	2,713	651,824	-
Ford Street Bridge - 4752.52	D011399	20.205	8,800,000	5,693,087	2,541,221	8,234,308	5,693,087	2,541,221	8,234,308	-
Lake Avenue - 4752.49	D011414	20.205	9,213,146	521,549	1,688,115	2,209,664	521,549	1,688,115	2,209,664	-
St. Paul Street/Inner Loop - 4752.34	D010735	20.205	360,800	357,813	18	357,831	357,813	18	357,831	-
Dewey Avenue	D011509	20.205	1,360,000	1,329,482	29	1,329,511	1,329,482	29	1,329,511	-
Port	D013858	20.205	5,527,200	697,792	1,587,341	2,285,133	697,792	1,607,690	2,305,482	(20,349)
Bicycle Parking/Genesee River Sign	D011511	20.205	95,200	-	88,201	88,201	78,703	9,498	88,201	-
West Ridge Road	D013560	20.205	1,353,600	63,706	479,733	543,439	63,706	479,733	543,439	-
Broad Street Bridge	D013824	20.205	240,000	-	1,947	1,947	-	1,947	1,947	-
University Avenue Artwalk	D017130	20.205	232,800	-	178,158	178,158	-	178,158	178,158	-
CBD Signs	D017579	20.205	6,975	-	1,109	1,109	-	1,109	1,109	-
Lexington Avenue	D017499	20.205	348,000	-	1,726	1,726	-	1,726	1,726	-
Chili Avenue	D014967	20.205	532,000	-	287,878	287,878	-	287,878	287,878	-
Elmwood Avenue Bridge	D013825	20.205	1,964,192	-	133,841	133,841	-	133,841	133,841	-
PL - 2001-02	D125071	20.205	73,522	-	53,522	53,522	-	53,522	53,522	-
U.S. ENVIRONMENTAL PROTECTION AGENCY										
Brownfield Grant	V992420-01	66.811	200,000	66,000	17,000	83,000	65,035	16,999	82,034	966
U.S. DEPARTMENT OF AGRICULTURE:										
Summer Food Service	36-079500	10.555	495,381	-	495,381	495,381	-	495,381	495,381	-
U.S. DEPARTMENT OF COMMERCE										
EDA Outer Loop Industrial Park	01-01-03833	11.300	877,800	877,800	(286,158)	591,642	591,642	-	591,642	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:										
Teen Pregnancy 97	88/CCU21236703	93.283	729,749	677,418	-	677,418	677,418	834	678,252	(834)
Teen Pregnancy 98	88/CCU21236704	93.283	678,456	649,470	-	649,470	649,470	4,772	654,242	(4,772)
Teen Pregnancy 99	88/CCU21236705	93.283	744,072	671,492	17,184	688,676	737,854	15,821	753,675	(64,999)
Teen Pregnancy 00	88/CCU21236706	93.283	764,901	436,959	362,295	799,254	419,312	321,534	740,846	58,408
Teen Pregnancy 01	88/CCU212367-7	93.283	764,901	436,959	300,770	737,729	419,312	294,249	713,561	24,168
Medical Response	282-000031	93.728	400,000	120,000	97,031	217,031	120,000	97,031	217,031	-
SUBTOTAL CITY GRANTS			\$ 196,010,683	\$ 122,987,101	\$ 39,076,312	\$ 162,063,413	\$ 121,371,269	\$ 34,250,314	\$ 155,621,583	\$ 6,441,830

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2002**

	Grant Number	CFDA Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue	
				Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002		
CITY SCHOOL DISTRICT GRANTS											
PROJECTS CLOSED AS OF JUNE 30, 2002											
DIRECT FEDERAL PROJECTS											
U.S. DEPARTMENT OF EDUCATION:											
IMPACT AID											
	G0820 Impact Aid	S041Z-2001-3427	84.040	19,052	-	31,390	31,390	15,149	16,241	31,390	-
OTHER DIRECT FEDERAL											
	G0335 Native American Resource Center	S060A000559	84.060A	41,221	37,238	10,730	47,968	57,919	(9,951)	47,968	-
	G0425 Drug & Violence Prevention	S184K000045	84.184K	790,307	241,316	539,234	780,550	360,162	420,388	780,550	-
	G0608-678 Federal Magnet Schools Assistance	S165A980003	84.165A	2,666,902	1,020,959	2,286,608	3,307,567	1,908,668	1,398,899	3,307,567	-
	G0741 National School To Work UROG	U-6378-7-00-88-60	17.249	234,063	127,594	106,469	234,063	212,197	21,866	234,063	-
	G0742 Rochester School to Work Event	34-TAT-001-96	17.257	8,300	-	6,317	6,317	6,292	25	6,317	-
FEDERAL FLOW THROUGH PROJECTS											
ECIA BLOCK GRANTS											
	G0130-140 Title VI	0002-01-1395	84.298A	620,750	415,109	113,421	528,530	513,111	15,419	528,530	-
	G0197 Title I Even Start	0024-01-1396	84.213C	218,400	100,433	70,137	170,570	66,219	104,351	170,570	-
	G0202 Title I Non-Public Services	0121-01-1395	84.216A	53,251	13,313	39,938	53,251	53,110	141	53,251	-
	G0203-298 Title I	0021-01-1395	84.010A	18,125,671	12,144,200	6,374,931	18,519,131	16,604,055	1,915,076	18,519,131	-
	G0299 Title I School Improvement	0122-00-2505	84.010A	2,500	2,377	-	2,377	2,323	54	2,377	-
SAFE & DRUG FREE SCHOOLS											
	G0450 Safe & Drug Free Schools & Communities	0180-01-1395	84.186A	457,632	257,368	138,021	395,389	257,771	137,618	395,389	-
ADULT BASIC EDUCATION											
	G0722 Adult Education Act	2338-01-4015	84.002A	298,507	59,701	238,806	298,507	309,262	(10,755)	298,507	-
	G0777 WIA, Title II, Workplace Literacy	2338-01-0133	84.002A	50,000	45,000	5,000	50,000	493	49,507	50,000	-
EDUCATION FOR HANDICAPPED											
	G0190 VESID Grant	0031-01-1200	84.027A	166,625	25,000	113,504	138,504	21,284	117,220	138,504	-
	G0305 Support Services Handicapped	0032-01-0370	84.027A	5,233,321	2,612,355	2,340,073	4,952,428	4,958,837	(6,409)	4,952,428	-
	G0310 SETRC	0031-01-9909	84.027A	453,842	370,211	(6,337)	363,874	353,112	10,762	363,874	-
	G0340 Pre-School Handicapped	0033-01-0370	84.173A	293,999	108,742	150,605	259,347	258,818	529	259,347	-
	G0390 Pre-School Administration	0232-01-0370	84.173A	170,520	114,696	4,641	119,337	142,470	(23,133)	119,337	-
	G0586 Medicaid Grant	0031-01-4016	84.027A	25,000	22,456	2,496	24,952	25,530	(578)	24,952	-
VOCATIONAL EDUCATION											
	G0707 VATEA / Secondary Formula	8000-01-0024	84.048A	500,370	334,725	118,103	452,828	456,990	(4,162)	452,828	-
	G0754 VATEA / Adult Formula	8000-01-9020	84.048A	419,780	348,418	(1,650)	346,768	346,768	0	346,768	-
OTHER FEDERAL FLOW THROUGH STATE											
	G0180 ESEA Title II DDW / Math-Science	0130-01-1395	84.281A	520,808	312,294	136,498	448,792	290,038	158,754	448,792	-
	G0185 Comprehensive School Reform Program	0223-01-1215	84.332A	537,210	483,489	49,126	532,615	523,705	8,910	532,615	-
	G0189 High Schools That Work	0223-01-5002	84.332A	106,880	61,990	31,332	93,322	69,089	24,233	93,322	-
	G0332 Goals 2000 - Professional Development	0275-01-6021	84.276A	700,000	468,317	168,432	636,749	408,829	227,920	636,749	-
	G0336-337 Learn & Serve America @ #36	0270-01-0040	94.001	24,000	19,184	7,442	26,626	19,598	7,028	26,626	-
	G0342 Title III Tech Literacy Challenge	0272-01-0030	84.318X	585,000	455,078	127,742	582,820	534,363	48,457	582,820	-
	G0346 Library Services	0070-01-0021	45.310	19,338	3,867	13,861	17,728	7,298	10,430	17,728	-
	G0360 Homeless Children	0212-01-1395	84.196A	50,000	25,000	25,000	50,000	16,553	33,447	50,000	-
	G0465 Refugee Children School Impact	0083-01-2011	93.576	67,073	38,250	23,758	62,008	27,702	34,306	62,008	-
	G0719 EDGE Welfare To Work	0298-02-9008	93.558	544,356	-	544,356	544,356	148,182	396,174	544,356	-
	G0740 School to Work Transition	0091-01-1395	84.278B	75,000	67,368	(38,445)	28,923	32,969	(4,046)	28,923	-
	G0791 EDGE After School Program	0098-02-6008	93.558	16,279	-	16,279	16,279	447	15,832	16,279	-
	G0792 EDGE Support Services	0098-02-6004	93.558	120,000	-	120,000	120,000	-	120,000	120,000	-
	G0794 EDGE Literacy/Work Preparedness, Pregnant Teens	0098-02-6003	93.558	102,247	-	102,247	102,247	32,931	69,316	102,247	-
	G0795 GED Outreach	0098-02-6009	93.558	27,992	-	27,992	27,992	15,351	12,642	27,992	-
	G0830 Federal Early Grade Class Size Reduction	0117-01-1395	84.340	2,566,527	1,684,956	786,650	2,471,606	2,443,591	28,015	2,471,606	-

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2002**

	Grant Number	CFDA Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
				Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	
OTHER INDIRECT FEDERAL										
G0705 Rochester Regional Transition Site	---		2,000	2,000	-	2,000	1,642	358	2,000	-
G0727 Refugee Assistance	---		58,500	15,252	31,080	46,332	45,174	1,158	46,332	-
G0731 MCC Tech Prep	---		32,500	32,534	-	32,534	30,835	1,699	32,534	-
G0734 JTPA Summer Law Preparation (City of Rochester)	---		3,226	-	986	986	-	986	986	-
G0744 JTPA Youth Development Program	---		50,000	-	40,639	40,639	-	40,639	40,639	-
G0746 Early Head Start	---		341,423	-	341,423	341,423	54,885	286,538	341,423	-
PROJECTS OPEN AS OF JUNE 30, 2002										
DIRECT FEDERAL PROJECTS										
U.S. DEPARTMENT OF EDUCATION:										
IMPACT AID										
J0820 Impact Aid	S0412023427	84.040	19,052	-	-	-	-	4,779	4,779	(4,779)
OTHER DIRECT FEDERAL										
J0335 Native American Resource Center	S060A012183	84.060A	54,806	-	35,436	35,436	-	44,769	44,769	(9,333)
J0426 Drug & Violence Prevention Middle Schools	S184K010027	84.184K	323,165	-	57,521	57,521	-	83,808	83,808	(26,287)
J0485-486 21st Century Community Learning Centers	S287A011690	84.287A	4,100,000	-	619,194	619,194	-	1,787,272	1,787,272	(1,168,078)
J0741 National School To Work UROG	U63787008860	17.249	121,348	-	71,195	71,195	-	127,614	127,614	(56,420)
FEDERAL FLOW THROUGH PROJECTS										
ECIA BLOCK GRANTS										
J0130-140 Title VI	0002-02-1395	84.298A	591,786	-	443,840	443,840	-	535,599	535,599	(91,759)
J0197 Title I Even Start	0024-02-1395	84.213C	484,560	-	436,104	436,104	-	307,385	307,385	128,719
J0202 Title I Non-Public Services	0121-02-1395	84.216A	53,251	-	47,925	47,925	-	-	-	47,925
J0203-298 Title I	0021-02-1395	84.010A	20,023,895	-	15,017,921	15,017,921	-	18,581,020	18,581,020	(3,563,099)
J0323 ESEA I Program Improvement	0122-02-2513	84.010A	2,500	-	500	500	-	337	337	163
SAFE & DRUG FREE SCHOOLS										
J450 Safe & Drug Free Schools/Communities	0180-02-1395	84.186A	465,651	-	349,238	349,238	-	344,034	344,034	5,204
WORKFORCE INVESTMENT ACT										
J0701 WIA, Title II, Incarcerated & Institutionalized	0138-02-0015	84.002A	48,600	-	43,740	43,740	-	49,265	49,265	(5,525)
J0722 WIA, Title II, Adult Education & Literacy	2338-02-0133	84.002A	299,507	-	268,656	268,656	-	298,420	298,420	(29,764)
J0777 WIA, Title II, Workplace Literacy	2338-02-4017	84.002A	50,000	-	30,000	30,000	-	7,020	7,020	22,980
INDIVIDUALS WITH DISABILITIES EDUCATION ACT										
J0305 Support Services Handicapped	0032-02-0370	84.027A	5,104,918	-	3,720,889	3,720,889	-	4,657,316	4,657,316	(936,427)
J0310 SETRC	0031-02-9909	84.027A	463,327	-	416,994	416,994	-	340,009	340,009	76,985
J0311 IDEA State Improvement Grant	0031-02-5305	84.027A	50,000	-	45,000	45,000	-	15,483	15,483	29,517
J0340 Pre-School Handicapped	0033-02-0370	84.173A	313,307	-	290,267	290,267	-	295,537	295,537	(5,270)
J0341 NYS Collaborative Preschool Review	0031-02-2707	84.173A	4,000	-	3,600	3,600	-	-	-	3,600
J0390 Pre-School Administration	0232-02-0370	84.173A	134,937	-	121,443	121,443	-	134,259	134,259	(12,816)
J0586 Medicaid Grant	0031-02-4016	84.027A	50,034	-	45,000	45,000	-	49,789	49,789	(4,789)
VOCATIONAL EDUCATION										
J707 VATEA / Secondary Formula	8000-00-0024	84.048A	515,510	-	463,959	463,959	-	491,186	491,186	(27,227)
J754 VATEA / Adult Formula	8000-00-9020	84.048A	474,778	-	427,300	427,300	-	541,872	541,872	(114,572)
OTHER FEDERAL FLOW THROUGH STATE										
J0166 Comprehensive School Reform Program @ #1	0223-02-1561	84.332A	110,000	-	22,000	22,000	-	88,703	88,703	(66,703)
J0167 Comprehensive School Reform Program @ #2	0223-02-1546	84.332A	110,000	-	99,000	99,000	-	94,362	94,362	4,638
J0168 Comprehensive School Reform Program @ #4	0223-02-1551	84.332A	110,000	-	99,000	99,000	-	109,985	109,985	(10,985)
J0169 Comprehensive School Reform Program @ #20	0223-02-1560	84.332A	110,000	-	99,000	99,000	-	84,328	84,328	14,672
J0170 Comprehensive School Reform Program @ #33	0223-02-1559	84.332A	110,000	-	99,000	99,000	-	103,020	103,020	(4,020)
J0171 Comprehensive School Reform Program @ #37	0223-02-1554	84.332A	110,000	-	99,000	99,000	-	93,768	93,768	5,232
J0172 Comprehensive School Reform Program @ #45	0223-02-1555	84.332A	110,000	-	99,000	99,000	-	100,125	100,125	(1,125)
J0173 Comprehensive School Reform Program @ #54	0223-02-1550	84.332A	110,000	-	99,000	99,000	-	109,977	109,977	(10,977)
J0174 Comprehensive School Reform Program @ #3	0223-02-1562	84.332A	110,000	-	22,000	22,000	-	101,785	101,785	(79,785)

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2002**

	Grant Number	CFDA Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
				Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	
OTHER FEDERAL FLOW THROUGH STATE (cont.)										
J0175 Comprehensive School Reform Program @ CMS	0223-02-1544	84.332A	110,000	-	99,000	99,000	-	96,230	96,230	2,770
J0176 Comprehensive School Reform Program @ MMS	0223-02-1557	84.332A	110,000	-	99,000	99,000	-	110,535	110,535	(11,535)
J0177 Comprehensive School Reform Program @ FTLC	0223-02-1558	84.332A	110,000	-	99,000	99,000	-	105,625	105,625	(6,625)
J0178 Comprehensive School Reform Program @ FHS	0223-02-1556	84.332A	110,000	-	99,000	99,000	-	109,451	109,451	(10,451)
J0180 ESEA Title II Eisenhower / Math-Science	0130-02-1395	84.281A	534,718	-	481,246	481,246	-	367,216	367,216	114,030
J0189 High Schools That Work	0223-02-5002	84.332A	106,138	-	21,227	21,227	-	98,622	98,622	(77,395)
J0300 Title I Improvement and Choice	0011-02-2019	84.348	1,100,000	-	825,000	825,000	-	373,835	373,835	451,165
J0330 Goals 2000 - ELA & Math Initiatives	0275-02-2069	84.276A	200,000	-	40,000	40,000	-	-	-	40,000
J0332 Goals 2000 - Professional Development	0275-02-6021	84.276A	747,000	-	547,500	547,500	-	212,579	212,579	334,921
J0336 Learn & Serve America @ #36	0270-02-0040	94.004	19,464	-	17,100	17,100	-	16,385	16,385	715
J0342 Title III Tech Literacy Challenge	0272-02-0030	84.318X	573,931	-	516,537	516,537	-	510,926	510,926	5,611
J0346 Library Services	0070-02-0053	45.310	25,165	-	22,648	22,648	-	10,539	10,539	12,109
J0360 Homeless Children	0212-02-0395	84.196A	50,000	-	30,000	30,000	-	22,729	22,729	7,271
J0465 Refugee Children School Impact	0083-02-2011	93.576	51,000	-	45,900	45,900	-	35,553	35,553	10,347
J0719 EDGE Welfare To Work	0298-02-9008	93.558	57,096	-	-	-	-	-	-	-
J0740 School to Work Transition	0091-02-1395	84.278B	117,949	-	106,154	106,154	-	118,159	118,159	(12,005)
J0786 Family, Adult and Workplace Literacy	0098-02-0008	93.558	249,567	-	200,494	200,494	-	238,423	238,423	(37,929)
J0791 EDGE After School Program	2267-02-6005	93.558	11,250	-	-	-	-	1,594	1,594	(1,594)
J0794 EDGE Literacy/Work Preparedness, Pregnant Teens	2267-02-6003	93.558	81,053	-	-	-	-	58,856	58,856	(58,856)
J0795 GED Outreach	0098-02-6009	93.558	19,236	-	3,154	3,154	-	14,890	14,890	(11,737)
J0830 Federal Early Grade Class Size Reduction	0117-02-1395	84.340A	3,067,610	-	2,760,849	2,760,849	-	2,886,905	2,886,905	(126,056)
OTHER INDIRECT FEDERAL										
J0348 Rochester Images (Rochester Public Library)	---		3,240	-	3,240	3,240	-	3,449	3,449	(209)
J0402 Mathematics Subs @ #28, Franklin (University of Roches	---		1,000	-	1,000	1,000	-	563	563	437
J0520 Douglass Learner Focused (Monroe #1 BOCES)	---		22,176	-	22,176	22,176	-	24,749	24,749	(2,573)
J0521 Schools in Need - Textbooks (Monroe #1 BOCES)	---		52,000	-	52,000	52,000	-	31,145	31,145	20,855
J0522 Schools in Need - Stipends (Monroe #1 BOCES)	---		14,394	-	14,394	14,394	-	11,189	11,189	3,205
J0523 Instructional Supplies Grade 9 (Monroe #1 BOCES)	---		67,500	-	67,500	67,500	-	25,524	25,524	41,976
J0524 Instructional Supplies Full-Day K (Monroe #1 BOCES)	---		32,500	-	32,500	32,500	-	18,359	18,359	14,141
J0525 Math Manipulatives and Charts (Monroe #1 BOCES)	---		15,718	-	15,718	15,718	-	15,857	15,857	(139)
J0526 Consultation, Level Text, Supplies (Monroe #1 BOCES)	---		63,328	-	63,328	63,328	-	25,155	25,155	38,173
J0705 Rochester Regional Transition Site (Monroe #1 BOCES)	---		2,000	-	4,000	4,000	-	440	440	3,560
J0710 Workforce Investment Board (Rochester Resource Allian	---		50,626	-	50,626	50,626	-	51,446	51,446	(820)
J0727 Refugee Assistance (Catholic Family Center)	---		58,700	-	-	-	-	62,372	62,372	(62,372)
J0731 MCC Tech Prep (Monroe Community College)	---		25,300	-	25,300	25,300	-	23,765	23,765	1,535
J0746 Early Head Start (Action for a Better Community)	---		371,930	-	19,639	19,639	-	43,841	43,841	(24,202)
J0749 New Citizenship Initiative (Oswego County BOCES)	---		15,608	-	-	-	-	159	159	(159)
J0761 GED Services Public Housing (Rochester Housing Authc	---		18,000	-	-	-	-	14,922	14,922	(14,922)
J0762 GED Services Healthy Start (Perinatal Network of Monro	---		3,165	-	-	-	-	-	-	-
J0765 GED Testing (Rochester Resource Alliance)	---		17,500	-	7,500	7,500	-	14,994	14,994	(7,494)
SCHOOL FOOD SERVICE FUND:										
U.S. DEPARTMENT OF AGRICULTURE	--	10.555	12,729,582	-	12,729,582	12,729,582	-	12,729,582	12,729,582	-
TOTAL SCHOOL DISTRICT GRANTS			93,154,748	22,070,791	58,053,869	80,124,660	31,633,723	53,745,293	85,379,016	(5,254,356)
TOTAL CITY GRANTS			196,010,683	122,987,101	39,076,312	162,063,413	121,371,269	34,250,314	155,621,583	6,441,830
GRAND TOTAL CITY GRANTS AND SCHOOL DISTRICT GRANTS			<u>\$ 289,165,431</u>	<u>\$ 145,057,892</u>	<u>\$ 97,130,181</u>	<u>\$ 242,188,073</u>	<u>\$ 153,004,992</u>	<u>\$ 87,995,607</u>	<u>\$ 241,000,599</u>	<u>\$ 1,187,474</u>

CITY OF ROCHESTER, NEW YORK

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2002

1. General - The accompanying Schedule of Expenditures of Federal Awards represents the activity of all federal programs of the City of Rochester, New York . The City of Rochester reporting entity is defined in Note 1 to the City's general purpose financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.
2. Basis of Accounting - The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 2 to the City's general purpose financial statements.
3. Relationship to Federal Financial Reports. Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.
4. Other. Negative revenues are a result of program closeout, or a reduction in the reserve for encumbrances.

CITY OF ROCHESTER, NEW YORK

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2002**

PART I – SUMMARY OF AUDITOR’S RESULTS

1. The independent auditors’ report on the financial statements expressed an unqualified opinion, with an explanatory paragraph regarding the restatement of the beginning net assets of the component unit, and a disclaimer of opinion with respect to the statistical data, the Schedule of Expenditures of NYS and Other Awards and Summary of financial Assistance as listed in the foregoing table of contents.
2. No instance of noncompliance considered material to the financial statements was disclosed by the audit.
3. The independent auditors’ report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
4. The audit disclosed no findings required to be reported by OMB Circular A-133.
5. The Organization’s major programs were:

Name of Federal Program Cluster	CFDA Number
U.S. Department of Housing and Urban Development	
Community Development Block Grant (CDBG)	14.218 14.239
U.S. Department of Transportation	
National School Lunch Program	10.555
U.S. Department of Education	
21 st Century Community Learning Center	84.287A

6. A threshold of \$2,639,868 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
7. The Organization qualified as a low-risk auditee as that term is defined in OMB A-133.

PART II – FINANCIAL STATEMENT FINDINGS SECTION

Reference Number	Findings	Questioned Costs
	No matters are reportable	

PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COST SECTION

Reference Number	Findings	Questioned Costs
	No matters are reportable	

CITY OF ROCHESTER, NEW YORK

**SCHEDULE OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2002**

There were no findings in the prior year.

New York State & Other Awards

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS
YEAR ENDED JUNE 30, 2002**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	
CITY GRANTS									
STATE OF NEW YORK:									
DIV. OF CRIMINAL JUSTICE SERVICE:									
JJAIBG Restorative Justice	C-520633	\$ 92,461	\$ -	\$ 47,336	\$ 47,336	\$ -	\$ 47,336	\$ 47,336	\$ -
JJAIBG Restorative Justice	C-520632	74,180	14,962	24,414	39,376	14,962	24,414	39,376	-
Juvenile Justice Administration	C-T429602	4,923	-	4,923	4,923	-	4,923	4,923	-
Juvenile Justice Administration	C-T429603	2,540	-	2,540	2,540	-	2,540	2,540	-
Motor Vehicle Theft	C-016703	50,000	-	-	-	-	-	-	-
Motor Vehicle Theft	C-016700	235,100	176,078	59,022	235,100	176,078	59,022	235,100	-
Stop Violence Against Women	C-554633	108,750	24,390	84,360	108,750	24,390	84,360	108,750	-
Stop Violence Against Women	C-554634	87,000	-	21,654	21,654	-	21,654	21,654	-
PAC-TAC	LG008397	25,000	-	8,920	8,920	-	8,920	8,920	-
PAC-TAC	NC99787232	21,179	-	5,865	5,865	-	5,865	5,865	-
PAC-TAC	NC99817130	48,821	-	27,492	27,492	-	27,492	27,492	-
DEPT. OF ENVIRONMENTAL CONSERVATION:									
Hazardous Waste Cleanup	C-300037	4,572,923	3,540,386	1,018,310	4,558,696	4,558,696	-	4,558,696	-
APCO Remediation	C-300441	142,500	138,370	4,130	142,500	142,500	-	142,500	-
APCO Cleanup	C-300944	1,490,969	232,718	163,201	395,919	395,919	-	395,919	-
Photech Cleanup	C-300947	123,800	113,328	10,472	123,800	123,800	-	123,800	-
DEPARTMENT OF TRANSPORTATION:									
Buffalo Road/West Avenue - 4512.19	C950401	600,000	324,182	-	324,182	324,182	-	324,182	-
Buffalo Road/West Avenue - 4512.19	D010729	715,200	627,513	-	627,513	627,513	-	627,513	-
Goodman Street - 4751.98	D010694	525,150	450,351	-	450,351	445,167	-	445,167	5,184
ADA Sidewalks - 4752.39	D009740	370,500	370,500	-	370,500	370,500	-	370,500	-
Broad Street Tunnel - 4751.87	D009279	191,250	69,817	129	69,946	69,817	129	69,946	-
Court Street Bridge - 4752.13	D010724	82,750	82,750	49,850	132,600	82,750	49,850	132,600	-
Ford Street Bridge - 4752.52	D011399	1,609,000	1,019,292	524,550	1,543,842	1,019,292	524,550	1,543,842	-
Lake Avenue - 4752.49	D011414	148,950	93,649	320,970	414,619	93,649	320,970	414,619	-
Plymouth Avenue - 4942.G2	D011368	3,157,500	2,954,688	10,977	2,965,665	2,954,688	10,977	2,965,665	-
St. Paul Street/ Inner Loop - 4752.34	D010735	67,650	50,640	-	50,640	-	-	50,640	-
Dewey Avenue	D011509	252,000	231,612	5	231,617	231,612	5	231,617	-
Port of Rochester	A334	1,000,000	355,132	91,699	446,831	355,132	91,699	446,831	-
Charlotte Port	A-218	1,000,000	-	-	-	-	-	-	-
Elmwood Bridge	D013825	41,675	-	25,001	25,001	-	25,001	25,001	-
Lower Falls Trail	A215	210,000	200,382	9,618	210,000	200,382	9,618	210,000	-
Chili Avenue	D014967	99,750	-	53,977	53,977	-	53,977	53,977	-
CBD Wayfinding Signs	D017579	6,975	-	208	208	-	208	208	-
Lexington Avenue	D017499	65,250	-	324	324	-	324	324	-
West Ridge Road	D013560	309,000	12,127	123,732	135,859	12,127	123,732	135,859	-
Port of Rochester	D013858	394,000	136,690	73,350	210,040	136,690	73,350	210,040	-

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS
YEAR ENDED JUNE 30, 2002**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	
DEPT. OF SOCIAL SERVICES:									
Adolescent Pregnancy 99-00	C008250	319,696	307,816	-	307,816	299,440	-	299,440	8,376
Adolescent Pregnancy 00-01	C008250	186,489	144,801	15,127	159,928	145,360	22,515	167,875	(7,947)
Adolescent Pregnancy 01-02	C008250	319,700	-	264,438	264,438	-	265,420	265,420	(982)
Adolescent Pregnancy 02-03	C008250	319,700	-	102,528	102,528	-	30,595	30,595	71,933
CRIME VICTIMS BOARD:									
Victims Assistance 01-02	C-207017	238,400	-	178,410	178,410	-	164,060	164,060	14,350
Victims Assistance 00-01	C-207017	294,750	235,800	58,950	294,750	223,505	71,245	294,750	-
DEPARTMENT OF MOTOR VEHICLES									
Seat Belt Enforcement	PT-2801033	33,096	-	25,907	25,907	-	25,907	25,907	-
Seat Belt Enforcement	PT-2801032	50,000	8,206	33,603	41,809	8,206	33,603	41,809	-
AFFORDABLE HOUSING CORP.:									
Affordable Housing	AHC-2B51	500,000	-	-	-	-	30,000	30,000	(30,000)
Affordable Housing	AHC-913-I	517,500	135,000	240,000	375,000	157,500	277,500	435,000	(60,000)
Affordable Housing	AHC-805-N	495,000	423,040	67,500	490,540	423,040	67,500	490,540	-
OFFICE OF CHILDREN AND FAMILY SERVICES									
Genesee Valley Ball Field	M000270	50,000	20,000	-	20,000	20,000	-	20,000	-
DEPARTMENT OF EDUCATION									
LGRMIF	0580021248	47,500	-	23,608	23,608	-	37,993	37,993	(14,385)
SUBTOTAL CITY GRANTS (EXCLUDING PASS THROUGH)		\$ 21,298,577	\$ 12,494,220	\$ 3,777,100	\$ 16,271,320	\$ 13,687,537	\$ 2,597,254	\$ 16,284,791	\$ (13,471)
CITY SCHOOL DISTRICT GRANTS									
PROJECTS CLOSED AS OF JUNE 30, 2002									
STATE OF NEW YORK:									
G0010 Teacher Support Aid	0646-01-1395	1,076,000	893,080	178,080	1,071,160	1,076,155	(4,995)	1,071,160	-
G0020 Improving Pupil Performance	0621-01-1395	6,950,000	5,768,500	1,055,464	6,823,964	6,671,175	152,789	6,823,964	-
G0023 Universal Pre-K	0409-01-1094	5,024,000	4,521,600	(153,551)	4,368,049	4,363,501	4,548	4,368,049	-
G0025 CIMS	0609-01-1395	40,625	20,312	14,300	34,612	33,900	712	34,612	-
G0031-035 Employee Preparation Education	---	7,952,414	1,697,443	1,575,040	3,272,483	7,609,652	(4,337,169)	3,272,483	-
G0038 State Magnet School Program	0634-01-1395	11,000,000	9,130,000	1,870,000	11,000,000	11,022,952	(22,952)	11,000,000	-
G0041 Incarcerated Youth	---	1,450,000	477,224	563,731	1,040,955	1,042,072	(1,117)	1,040,955	-
G0045 Categorical Reading	0629-01-1395	5,500,000	4,565,000	775,771	5,340,771	5,224,231	116,540	5,340,771	-
G0050-080 Summer Program	9000	2,809,935	1,999,626	461,252	2,460,878	3,521,309	(1,060,430)	2,460,878	-
G0055 Early Grade Class Size Reduction	0417-01-0092	5,254,672	3,612,909	739,994	4,352,903	4,847,608	(494,705)	4,352,903	-
G0085 NYS Experimental Pre-K Program	0400-01-1395	1,275,022	1,050,563	211,671	1,262,234	1,289,127	(26,893)	1,262,234	-
G0090 Minor Maintenance	---	447,089	-	447,089	447,089	459,620	(12,531)	447,089	-
G0124 Learning Technology Grant @ Wilson	0647-01-0110	49,991	44,991	3,454	48,445	48,444	1	48,445	-

(continued)

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS
YEAR ENDED JUNE 30, 2002**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	
STATE OF NEW YORK (continued):									
G0343 Post School Indicators Longitudinal Study	---	7,000	3,500	3,500	7,000	2,786	4,214	7,000	-
G0345 Rochester Teacher Center	0425-01-0081	457,463	227,804	207,957	435,761	435,761	0	435,761	-
G0347 Mentor Teacher Internship Program	0663-01-0033	311,000	207,500	103,500	311,000	318,962	(7,962)	311,000	-
G0350 Rochester School Library Systems	0365-01-0046 & 1046	97,698	102,646	(4,733)	97,913	97,698	215	97,913	-
G0351 Extended School Day & Violence Prevention	0640-01-1395	826,847	495,771	241,925	737,696	737,713	(17)	737,696	-
G0352 School Library System Aid for Automation	0364-01-0046 & 1046	15,610	26,673	(11,063)	15,610	15,610	-	15,610	-
G0353 School Library System Categorical Aid - Rollover	0365-00-0046 & 1046	4,693	4,693	-	4,693	4,835	(142)	4,693	-
G0354 School Library System Aid for Automation - Rollover	0364-00-0046 & 1046	120	120	-	120	330	(210)	120	-
G0365 Pre-K Health Grant	0400-01-7007	38,600	34,740	3,186	37,926	38,475	(549)	37,926	-
G0400 Youth at Risk	0610-01-1395	59,883	53,894	5,217	59,111	59,110	1	59,111	-
G0405 Bilingual Education	0635-01-1065	27,084	24,375	1,340	25,715	25,706	9	25,715	-
G0420 Child Abduction Prevention	0544-01-1395	24,790	22,311	1,836	24,147	24,147	(0)	24,147	-
G0421 Bilingual Education @ Jefferson	0635-01-1064	28,245	25,420	(11,083)	14,337	14,336	1	14,337	-
G0422 Bilingual Education @ School #22	0635-01-1507	29,951	26,955	428	27,383	27,383	(0)	27,383	-
G0460 Project STARS	0635-01-7001	60,000	54,000	(7,831)	46,169	46,168	1	46,169	-
G0464 Learning Technology Grant @ Edison	0647-01-0107	50,000	45,000	(4,147)	40,853	40,014	839	40,853	-
G0480 DeWitt-Wallace Urban Leadership Grant	---	100,000	-	100,000	100,000	-	100,000	100,000	-
G0490 SPED Secondary Transition Mini Grant	---	5,136	5,134	2,106	7,240	9,650	(2,410)	7,240	-
G0500 Targeted Instructional Staff Development	0423-01-0013	225,000	112,482	112,280	224,762	227,122	(2,360)	224,762	-
G0720 Welfare Education	2396-01-0133	18,280	16,452	1,650	18,102	20,149	(2,047)	18,102	-
G0724 Schools as Community Sites	0616-01-1395	200,000	166,000	11,005	177,005	177,211	(206)	177,005	-
G0750 SURR Grant @ Freddie Thomas	0436-01-0010	75,000	37,500	16,731	54,231	54,231	0	54,231	-
G0751 SURR Grant @ Lofton	0436-01-0007	75,000	61,431	-	61,431	64,006	(2,575)	61,431	-
G0764 ARSIP / Apprenticeship	0140-01-0024	163,010	163,010	-	163,010	152,313	10,697	163,010	-
G0796 Built on Pride	---	169,184	-	169,184	169,184	71,954	97,230	169,184	-
G0825 Teachers of Tomorrow	0644-01-0012	2,570,300	1,622,899	595,972	2,218,871	2,476,284	(257,413)	2,218,871	-
COUNTY PROJECTS:									
G0154 OASAS	---	26,205	13,102	11,543	24,645	15,408	9,237	24,645	-
G0315 Center Based Program	---	395,318	34,331	3,642	37,973	80,076	(42,103)	37,973	-
G0316 Diagnostic Outreach Team	---	433,891	94,272	83,061	177,333	142,527	34,806	177,333	-
G0317 Pre-School Integrated / Handicapped	---	1,001,907	795,200	316,434	1,111,635	913,629	198,005	1,111,635	-
G0370 Community Pre-School Related Services	---	539,681	292,990	286,251	579,241	431,283	147,958	579,241	-
G0375 Special Education / Itinerant Teachers	---	83,200	63,025	27,680	90,705	50,944	39,761	90,705	-
G0381 John Tiby Memorial Garden	---	1,000	-	997	997	-	997	997	-
G0391 Pre-School Administration / County	---	237,650	-	233,761	233,761	235,877	(2,116)	233,761	-
G0395 Education Specialist	---	63,526	-	62,446	62,446	31,102	31,344	62,446	-
G0725 Family Learning Center / Day Care	---	470,279	111,810	21,582	133,392	451,588	(318,196)	133,392	-
G0790 Learnfare	---	107,625	-	106,406	106,406	46,824	59,583	106,406	-

(continued)

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS
YEAR ENDED JUNE 30, 2002**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue		
			Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002			
PRIVATE PROJECTS:											
	G0150	Harcourt Brace Math Project	---	100,000	75,000	25,000	100,000	85,561	14,439	100,000	-
	G0165	American Sign Language - BOCES	---	9,000	9,000	-	9,000	9,547	(547)	9,000	-
	G0302	Parent Empowerment Program	---	8,073	8,073	(4,640)	3,433	1,904	1,529	3,433	-
	G0303	PMHP Support	---	7,000	-	7,000	7,000	7,477	(477)	7,000	-
	G0304	Rochester Early Enhancement Program	---	222,041	185,030	(4,244)	180,786	167,207	13,579	180,786	-
	G0313	School #12 United Way	---	35,828	35,828	-	35,828	53,528	(17,700)	35,828	-
	G0319	Urban Families and Reading	---	2,000	1,000	1,000	2,000	1,487	513	2,000	-
	G0321	Urban Families and Reading - NCTE	---	2,300	1,610	690	2,300	2,173	127	2,300	-
	G0322	Unitarian Universalist Partnership	---	2,000	2,000	-	2,000	1,931	69	2,000	-
	G0339	Secret Garden	---	2,000	-	2,000	2,000	2,000	-	2,000	-
	G0380	Youth Tobacco Initiative	---	4,775	4,775	-	4,775	2,988	1,787	4,775	-
	G0512	Primary Project / Resilience	---	28,656	19,507	9,149	28,656	28,914	(258)	28,656	-
	G0513	Primary Mental Health Project / #43 & 44	---	55,000	36,666	18,334	55,000	93,655	(38,655)	55,000	-
	G0514	PMHP Expansion / #25 & 29	---	15,600	10,000	4,364	14,364	14,364	0	14,364	-
	G0541	JCPenney Family Academy of Science	---	5,000	5,000	-	5,000	4,954	46	5,000	-
	G0585	Superintendent / Public Engagement	---	15,000	15,000	-	15,000	-	15,000	15,000	-
	G0703	Rochester General Hospital Foundation	---	240,000	24,584	91,900	116,483	60,027	56,456	116,483	-
	G0730	Chase Active Learning	---	15,000	16,184	(4,196)	11,988	9,040	2,948	11,988	-
	G0763	Citibank - Academies of Finance	---	9,500	8,000	1,500	9,500	-	9,500	9,500	-
	G0770	UAW Local 1097 Delphi	BU0901	81,204	-	3,526	3,526	-	3,526	3,526	-
	G0774	Workplace Literacy	---	151,900	103,026	95,505	198,530	217,275	(18,744)	198,530	-
	G0775	Rochester Industries / Workplace Literacy	---	259,000	155,922	33,907	189,829	254,084	(64,255)	189,829	-
	G0776	U of R. Strong Memorial Workplace Literacy	---	55,875	2,205	9,477	11,682	8,689	2,993	11,682	-
	G0783	MCC GED	---	12,000	-	15,000	15,000	8,759	6,241	15,000	-
	G0784	Remedial Education - ESOL	---	5,000	-	5,000	5,000	6,194	(1,194)	5,000	-
	G0787	Toyota Families in School Program	---	50,000	50,000	-	50,000	49,051	949	50,000	-
	G0789	TAG Program	---	25,000	13,425	-	13,425	838	12,587	13,425	-
	G0797	Good Grades Pay	---	134,845	-	127,344	127,344	-	127,344	127,344	-
	G0798	RIT Math/Engineering Camp	---	3,240	-	3,240	3,240	-	3,240	3,240	-
PROJECTS OPEN AS OF JUNE 30, 2002											
STATE OF NEW YORK:											
	J0010	Teacher Support Aid	0646-02-1395	1,076,000	-	968,400	968,400	-	1,079,194	1,079,194	(110,794)
	J0020	Improving Pupil Performance	0621-02-1395	6,950,000	-	6,255,000	6,255,000	-	6,847,734	6,847,734	(592,734)
	J0023	Universal Pre-K	0409-02-1094	5,106,634	-	4,595,970	4,595,970	-	5,047,373	5,047,373	(451,403)
	J0031-035	Employee Preparation Education	---	4,730,915	-	925,905	925,905	-	3,920,204	3,920,204	(2,994,299)
	J0038	State Magnet School Program	0634-02-1395	11,000,000	-	9,900,000	9,900,000	-	11,000,381	11,000,381	(1,100,381)
	J0041	Incarcerated Youth	---	1,317,791	-	569,205	569,205	-	993,821	993,821	(424,616)
	J0045	Categorical Reading	0629-02-1395	5,500,000	-	4,950,000	4,950,000	-	5,500,402	5,500,402	(550,402)
	J0050-080	Summer Program	---	2,809,935	-	3,411,031	3,411,031	-	3,928,565	3,928,565	(517,534)
	J0055	State Early Grade Class Size Reduction	0417-02-0092	4,894,784	-	4,405,305	4,405,305	-	4,953,562	4,953,562	(548,257)
	J0085	NYS Experimental Pre-K Program	0400-02-1395	1,275,022	-	1,147,519	1,147,519	-	1,239,163	1,239,163	(91,644)
	J0324	Learning Technology @ #50	0647-02-1070	44,948	-	40,453	40,453	-	42,014	42,014	(1,561)
	J0325	Learning Technology @ #36	0647-02-1069	33,417	-	30,075	30,075	-	33,302	33,302	(3,227)
	J0345	Rochester Teacher Center	0425-02-0082	458,000	-	412,200	412,200	-	407,491	407,491	4,709
	J0347	Mentor Teacher Internship Program	0663-02-0009	309,000	-	264,816	264,816	-	310,533	310,533	(45,717)

(continued)

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS
YEAR ENDED JUNE 30, 2002**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	
STATE OF NEW YORK (continued):									
J0350 Rochester School Library Systems	0365-02-1046	98,804	-	98,804	98,804	-	88,368	88,368	10,436
J0351 Extended School Day & Violence Prevention	0640-02-1395	739,865	-	665,878	665,878	-	666,804	666,804	(926)
J0352 School Library System Aid for Automation	0364-02-1046	9,880	-	9,880	9,880	-	9,594	9,594	286
J0353 School Library System Categorical Aid - Rollover	0365-01-0046 & 1046	11,063	-	11,063	11,063	-	10,991	10,991	71
J0354 School Library System Aid for Automation - Rollover	0364-01-0046 & 1046	4,733	-	4,733	4,733	-	4,616	4,616	117
J0355 School Library System Technology Project	7002-02-0224	3,080	-	2,310	2,310	-	3,074	3,074	(764)
J0365 Pre-K Health Grant	0400-02-7007	38,600	-	34,740	34,740	-	35,894	35,894	(1,154)
J0400 Youth at Risk	0610-02-1395	60,000	-	54,000	54,000	-	55,836	55,836	(1,836)
J0420 Child Abduction Prevention	0544-02-1395	23,614	-	21,252	21,252	-	22,331	22,331	(1,079)
J0460 Bilingual/ESL Staff Academy for Raising Standards	0635-02-7001	64,341	-	57,906	57,906	-	49,134	49,134	8,772
J0480 DeWitt-W allace Urban Leadership Grant	---	100,000	-	50,000	50,000	-	85,608	85,608	(35,608)
J0720 Welfare Education	2396-02-0133	18,280	-	16,452	16,452	-	18,315	18,315	(1,863)
J0724 Community Use of Schools	0616-02-1395	200,000	-	180,000	180,000	-	203,698	203,698	(23,698)
J0751 SURR Grant @ Lofton	0436-02-0005	74,981	-	67,482	67,482	-	75,127	75,127	(7,645)
J0753 SURR Grant @ Douglass, FTLC	0435-02-3002	18,839	-	4,709	4,709	-	13,532	13,532	(8,823)
J0764 ARSIP / Apprenticeship	0140-02-0024	172,279	-	161,331	161,331	-	166,101	166,101	(4,770)
J0796 Built on Pride	---	66,457	-	-	-	-	42,189	42,189	(42,189)
J0825 Teachers of Tomorrow	0644-02-0012	2,570,000	-	1,927,500	1,927,500	-	2,179,036	2,179,036	(251,536)
COUNTY PROJECTS:									
J0154 OASAS	---	26,205	-	11,124	11,124	-	8,483	8,483	2,641
J0156 Reality Check Youth Empowerment Initiative	---	4,000	-	3,975	3,975	-	3,127	3,127	848
J0316 Diagnostic Outreach Team	---	142,647	-	69,660	69,660	-	244,687	244,687	(175,027)
J0317 Pre-School Integrated / Handicapped	---	1,001,907	-	406,939	406,939	-	1,041,832	1,041,832	(634,893)
J0370 Community Pre-School Related Services	---	575,010	-	369,298	369,298	-	495,431	495,431	(126,133)
J0375 Special Education / Itinerant Teachers	---	83,200	-	52,400	52,400	-	82,074	82,074	(29,674)
J0391 Pre-School Administration / County	---	235,422	-	-	-	-	265,695	265,695	(265,695)
J0395 Education Specialist	---	34,026	-	-	-	-	32,734	32,734	(32,734)
J0725 Family Learning Center / Day Care	---	444,635	-	42,594	42,594	-	291,029	291,029	(248,435)
J0790 Learnfare	---	53,813	-	-	-	-	45,750	45,750	(45,750)

(continued)

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS
YEAR ENDED JUNE 30, 2002**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	Cumulative June 30, 2001	Current Year	Cumulative June 30, 2002	
PRIVATE PROJECTS:									
J0150 Harcourt Brace Math Project	---	100,000	-	50,000	50,000	-	55,534	55,534	(5,534)
J0153 Smoking Cessation @ East High	---	3,802	-	1,639	1,639	-	1,956	1,956	(317)
J0165 American Sign Language - BOCES	---	9,624	-	9,624	9,624	-	9,948	9,948	(324)
J0302 Parent Empowerment Program	---	7,899	-	2,633	2,633	-	7,740	7,740	(5,107)
J0303 PMHP Support	---	31,021	-	23,266	23,266	-	30,973	30,973	(7,707)
J0304 Rochester Early Enhancement Program	---	200,152	-	166,790	166,790	-	169,790	169,790	(3,000)
J0312 Closing the Gap - BOCES	---	22,548	-	22,548	22,548	-	17,546	17,546	5,002
J0313 School #12 United Way	---	35,058	-	30,946	30,946	-	37,483	37,483	(6,538)
J0314 Saturday School Program	---	9,784	-	7,735	7,735	-	7,548	7,548	187
J0318 GRSSC State Improvement Grant - Marshall	---	17,052	-	8,878	8,878	-	13,505	13,505	(4,627)
J0371 Gates Foundation @ Franklin Career Center	---	50,000	-	50,000	50,000	-	6,912	6,912	43,088
J0379 Tobacco Prevention - BOCES	---	4,038	-	4,038	4,038	-	824	824	3,214
J0380 Youth Tobacco Initiative	---	999	-	999	999	-	61	61	939
J0401 Rochester Community Asthma Network	---	30,000	-	30,000	30,000	-	23,488	23,488	6,512
J0427 Peace 2001 Jordan Foundation Grant	---	2,500	-	2,500	2,500	-	2,500	2,500	-
J0513 Primary Mental Health Project / #43 & 44	---	55,000	-	41,250	41,250	-	55,885	55,885	(14,635)
J0514 PMHP Expansion / #25 & 29	---	23,154	-	23,154	23,154	-	23,258	23,258	(104)
J0515 PMHP Expansion 2002	---	26,660	-	13,330	13,330	-	26,649	26,649	(13,319)
J0703 Rochester General Hospital Foundation	---	240,000	-	-	-	-	46,283	46,283	(46,283)
J0704 Work Experience Center - Transitional Service	---	2,366	-	2,366	2,366	-	240	240	2,126
J0730 Chase Active Learning	---	20,000	-	20,000	20,000	-	16,777	16,777	3,223
J0774 Workplace Literacy	---	200,000	-	60,887	60,887	-	156,305	156,305	(95,418)
J0775 Rochester Industries / Workplace Literacy	---	235,078	-	121,403	121,403	-	303,545	303,545	(182,142)
J0776 U of R Strong Memorial Workplace Literacy	---	55,875	-	3,862	3,862	-	14,951	14,951	(11,088)
J0783 MCC GED	---	18,000	-	18,000	18,000	-	17,282	17,282	718
J0784 Remedial Education - ESOL	---	6,000	-	5,887	5,887	-	1,911	1,911	3,976
J0788 M GED IPRT Family Service	---	2,000	-	2,000	2,000	-	2,029	2,029	(29)
J0797 Good Grades Pay	---	145,773	-	-	-	-	-	-	-
J0798 RIT Math/Engineering Camp	---	111,250	-	-	-	-	90,610	90,610	(90,610)
J0875 American Lung Association Open Airways	---	3,000	-	-	-	-	3,011	3,011	(3,011)
SCHOOL FOOD SERVICE FUND:									
N.Y.S. EDUCATION DEPARTMENT	---	578,433	-	578,433	578,433	-	578,433	578,433	-
CITY OF ROCHESTER	---	422,712	-	422,712	422,712	-	422,712	422,712	-
TOTAL SCHOOL DISTRICT GRANTS		114,438,666	39,508,123	54,800,701	94,308,825	55,842,603	48,231,952	104,074,555	(9,765,730)
TOTAL CITY GRANTS		21,298,577	12,494,220	3,777,100	16,271,320	13,687,537	2,597,254	16,284,791	(13,471)
GRAND TOTAL CITY GRANTS AND SCHOOL DISTRICT GRANTS		<u>\$ 135,737,243</u>	<u>\$ 52,002,343</u>	<u>\$ 58,577,801</u>	<u>\$ 110,580,145</u>	<u>\$ 69,530,140</u>	<u>\$ 50,829,206</u>	<u>\$ 120,359,346</u>	<u>\$ (9,779,201)</u>

Note:

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

**THE CITY OF ROCHESTER, NEW YORK
SUMMARY OF FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2002**

	<u>Budget</u>	<u>Cumulative June 30, 2000</u>	<u>Current Year</u>	<u>Cumulative June 30, 2001</u>	<u>Cumulative June 30, 2000</u>	<u>Current Year</u>	<u>Cumulative June 30, 2001</u>	<u>Net (Accrued) Deferred Revenue</u>
CITY GRANTS								
Schedule of Expenditures of Federal Awards *	\$ 196,010,683	\$ 122,987,101	\$ 39,076,312	\$ 162,063,413	\$ 121,371,269	\$ 34,250,314	\$ 155,621,583	\$ 6,441,830
Schedule of Expenditures of NYS and Other Awards	<u>21,298,577</u>	<u>12,494,220</u>	<u>3,777,100</u>	<u>16,271,320</u>	<u>13,687,537</u>	<u>2,597,254</u>	<u>16,284,791</u>	<u>(13,471)</u>
Subtotal City Grants	217,309,260	135,481,321	42,853,412	178,334,733	135,058,806	36,847,568	171,906,374	6,428,359
CITY SCHOOL DISTRICT GRANTS								
Schedule of Expenditures of Federal Awards *	93,154,748	22,070,791	58,053,869	80,124,660	31,633,723	53,745,293	85,379,016	(5,254,356)
Schedule of Expenditures of NYS and Other Awards	<u>114,438,666</u>	<u>39,508,123</u>	<u>54,800,701</u>	<u>94,308,825</u>	<u>55,842,603</u>	<u>48,231,952</u>	<u>104,074,555</u>	<u>(9,765,730)</u>
Subtotal School District Grants	207,593,414	61,578,914	112,854,570	174,433,484	87,476,326	101,977,245	189,453,571	(15,020,086)
GRAND TOTAL CITY GRANTS AND SCHOOL DISTRICT GRANTS	<u>\$ 424,902,674</u>	<u>\$ 197,060,235</u>	<u>\$ 155,707,982</u>	<u>\$ 352,768,217</u>	<u>\$ 222,535,132</u>	<u>\$ 138,824,813</u>	<u>\$ 361,359,945</u>	<u>\$ (8,591,727)</u>

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