

THE CITY OF ROCHESTER, NEW YORK
Comprehensive Annual Financial Report
Year Ended June 30, 2005

Prepared by:
Department of Finance

Vincent J. Carfagna
Director of Finance

James B. Barclay
Director of Accounting

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ANNUAL FINANCIAL REPORT
Year Ended June 30, 2005
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INTRODUCTORY SECTION



City of Rochester



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William A. Johnson, Jr.

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30 Church Street
Rochester, NY 14614-1284
(585) 428-7045

November 30, 2005

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, 2005. The accounting firm selected by City Council, Deloitte & Touche LLP, has audited the financial statements. The auditors' unqualified opinion is included in this report.

In each of the past twenty-one 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 2005 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



Phone (585) 428-7151
FAX (585) 428-7157

Department of Finance

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

November 30, 2005

**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, 2005. Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Deloitte & Touche LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Rochester's financial statements for the year ended June 30, 2005. The independent auditor's report is located at the front of the financial section of this report.

The Management Discussion and Analysis section (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

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

The New York State and other awards section 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.

PROFILE OF THE GOVERNMENT

The City, located in Monroe County on Lake Ontario, approximately midway between Buffalo and Syracuse, encompasses 36.44 square miles. Rochester was recorded as the third largest city in New York State by the 2000 census with a population of 219,773. It is divided into 67,054 real estate parcels (July 1, 2005 assessment roll), and serviced by 539 miles of public ways. Rochester is served by three bus lines; the New York Thruway; and twenty-one airlines (five major and sixteen regional) at the Greater Rochester International Airport. This airport also offers support facilities for private aircraft. Amtrak provides rail passenger service, and the Conrail and Chessie System provide railway freight service. Water transportation service is provided by the Erie Canal. The City maintains a port on Lake Ontario, which provides a fast ferry passenger service to and from Toronto.

Incorporated as a village in 1814, and as a city in 1834, Rochester is governed by a Mayor, who is directly elected by popular vote to a four-year term of office. As the chief executive officer and the administrative head of government, the Mayor is responsible for the administration of all City affairs, including the appointment of all department heads. The nine-member City Council is responsible for the legislative affairs of City government. Each Council member is elected to a four-year term; four by districts representing approximately one-quarter of the City's area, and five by a city-wide vote. The members of City Council elect a President, who presides at Council meetings and ceremonial occasions, and who provides the Council with leadership in the drafting and passing of legislation.

EEO/ADA Employer



The City provides a full range of municipal services, including police and fire protection; the construction and maintenance of highways, streets and other infrastructure; community and economic development programs; recreational and cultural activities; water production and distribution; and refuse collection. The City of Rochester is also financially accountable for a legally separate school district and a legally separate fast ferry service, both of which are reported separately within the City's financial statements. Additional information on these legally separate entities can be found in the notes to the financial statements (See Note 1.A).

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

LOCAL ECONOMY

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

In its early years, the City was an agricultural, trading, milling and transportation center. Rochester's economy turned to manufacturing in the early Twentieth Century, primarily through the manufacture of photographic, optical and precision equipment by the Eastman Kodak and Bausch & Lomb companies. Over 90 optics and imaging firms, plus the imaging-related divisions of several other large firms, are located in the Rochester area. Rochester continues to have a strong concentration of manufacturing employment. Manufacturing accounts for 21% of total nonagricultural employment in the Rochester Metropolitan Area, as compared to the national level of 18%.

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

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 6.3%. In 2004, 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 \$11.5 billion. Although Rochester's exports are high, it is less affected by Southeast Asia's economic instability because exports to that region are one third less than most state businesses. Kodak has recently announced that consistent with its plan to transition to digital products it will reduce employment by 20% over the next three years. This could mean a reduction of up to 5,000 jobs. Kodak presently provides 6% of the jobs in the Rochester region. Cuts at Kodak are not new. Kodak provided 60,400 in 1982 or 19% of the jobs in Monroe County. The worst of Kodak's downsizing is over.

Rochester's economy remained flat during 2004, reflecting continued sluggishness among national manufacturing and, in particular, significant workforce reductions at its largest employer. Confronting faster-than anticipated sales declines in its traditional products; Kodak has announced fairly rapid workforce reductions, which appear to be in force. Averaging 85,500 jobs during 2003, the manufacturing sector fell to a seasonally adjusted 79,800 in October. As jobs classified as manufacturing comprised 16% of the economy during 2003, their loss remains significant for Rochester. Although New York City lost roughly the same share of total manufacturing — 6% from October 2003 to October 2004 — manufacturing is barely more than 3% of its total employment.

Rochester's unemployment rate fell from an average of 7.2% in 2003 to 6.3% in 2005 (through September). While this appears to be good news, more careful analysis reveals that the total workforce was falling, as was total employment. As the workforce decline was greater than the loss in jobs, the share of the workforce unemployed also declined. Had Rochester's labor force remained at 2003 average levels, the unemployment during the year would actually have risen, topping seven percent during the summer.

LONG-TERM FINANCIAL PLANNING

Over the past 10 years, and before, the City has been able to maintain a stable unreserved, undesignated fund balance in the general fund at approximately one percent of total general fund revenues. In fiscal 2004-05 that balance was \$3,951,000.

As a planning tool for long-term financing, and the annual budget process, the City prepares a five-year capital improvement program. This document, which is updated annually, prioritizes capital projects by their funding source and timing. Bonded indebtedness is managed in coordination with debt repayment schedules to stay within legal debt limits and to maintain stable level of debt service. Also, the City Charter allocates the 9% New York State constitution debt limit between the City and the District — 5½% for municipal purposes and 3½% for educational purposes.

RELEVANT FINANCIAL POLICIES

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

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

MAJOR INITIATIVES

Center City

Rochester's Center City is continuing its growth and development as the hub of business, government, cultural, sports, entertainment, and educational activities for the entire region. This development follows the vision of an award winning Center City Master Plan, adopted in 2003.

The private market and public investment has responded with more than \$190 million of new investments in Center City being initiated in the last two years. Demand for new market-rate residential units in Downtown is strong.

World-class architect, Moshe Safdie Associates, was recently hired to develop detailed plans for Renaissance Square, which will be the largest development project in the history of Rochester. The \$200 million plus project, including a performing arts complex, transit center and urban college campus, will completely redevelop a two block area of the Center City and is anticipated to stimulate additional new business, retail and housing.

Strengthening The Industrial/Commercial Base

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 which have triggered private investment and job creation.

Since January 1, 1994, the City of Rochester's Economic Development Department has arranged for over \$57 million in financing for small, medium and large sized firms. Total investment in industrial and commercial projects in this period is over \$595 million.

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 \$255.9 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)

	Allocation Through 06/30/06
Residential neighborhoods	\$ 255.9
Business development	67.1
Urban renewal completion	12.6
Planning, management, and administration	49.9
	<u>\$ 385.5</u>

An example of the impact of these investments is represented by the Housing Occupancy Initiative, funded by the CDBG and HOME Program, which was developed in response to concern over the growing number of vacant residential properties in the City and the declining number of owner-occupied residences. Since its inception in 1993, this initiative has: 1) addressed 4,031 vacant houses through either demolition (1,741) or rehabilitation/ reoccupation programs (2,290), and 2) created 444 new single-family homes for owner-occupants.

Since June 1994, there have been 796 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.

An estimated 1,625,000 visitors traveled to Rochester and Monroe County in the year 2004. This represents a 4.5% increase over the previous year and indicates the strong draw of the area as a destination for leisure and corporate travel, and attendance at scheduled meetings, conventions, and tourist attractions. During their stay, they spent \$254 million (including \$26 million in taxes) in area hotels, restaurants, museums event venues, and retail stores.

The Rochester Riverside Convention Center continues to play a vital role in encouraging the growth of tourism locally. The Convention Center was host to 402 conventions, trade shows and other events in fiscal year 2004-2005, at which attendance totaled 325,006.

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, 2004. This was the twenty-first 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,

A handwritten signature in black ink, appearing to read "Vincent J. Carfagna". The signature is written in a cursive, flowing style.

Vincent J. Carfagna
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, 2004

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.



Nancy L. Zjella

President

Jeffrey R. Emor

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)

Tim O. Mains (At-Large)

Adam C. McFadden (South District)

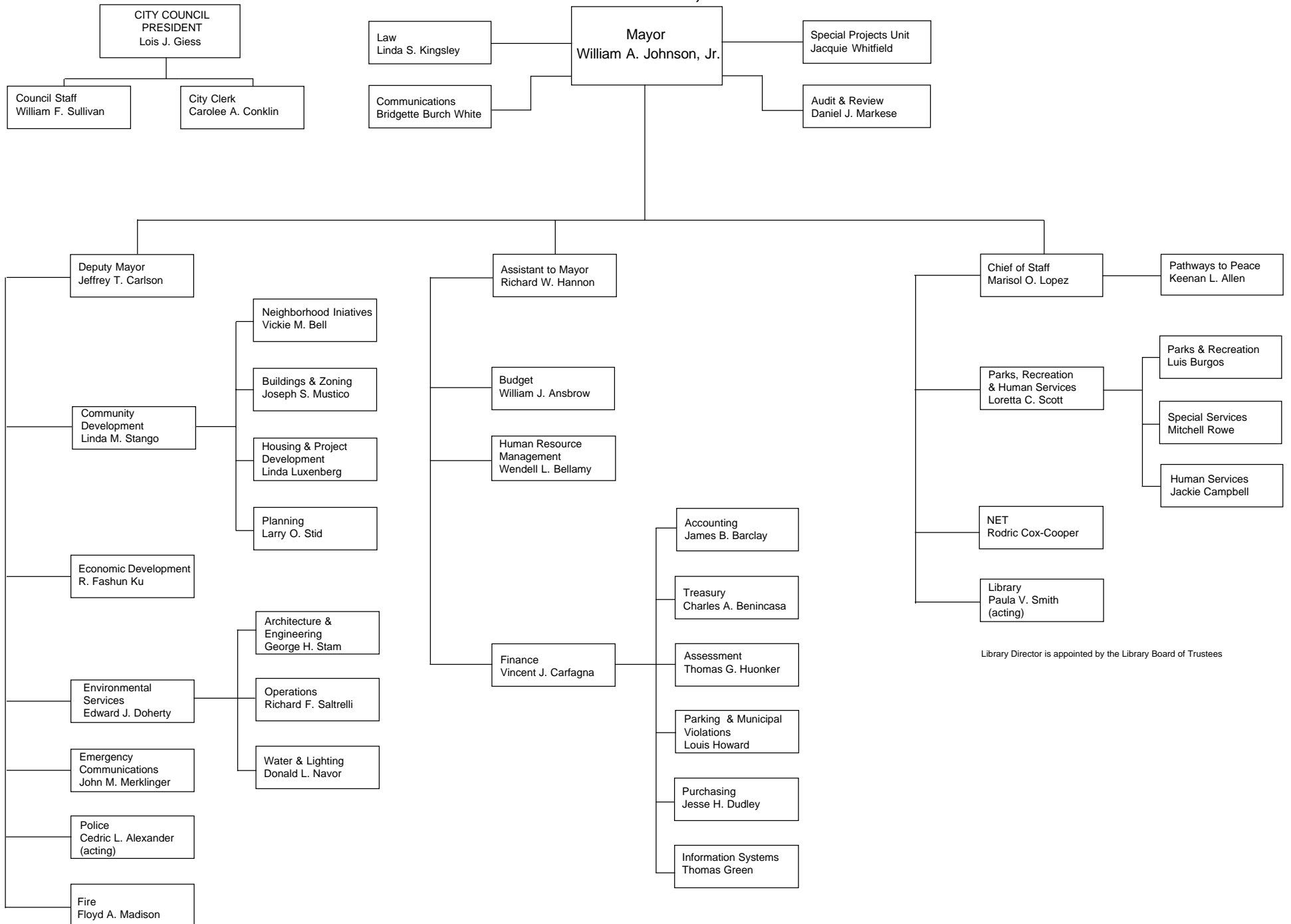
William F. Pritchard (At-Large)

Wade S. Norwood (At-Large)

Robert J. Stevenson (Northwest District)

MANAGEMENT CHART

Effective: June 30, 2005



Library Director is appointed by the Library Board of Trustees

CITY OF ROCHESTER, NEW YORK

LIST OF CITY DEPARTMENTS AND BUREAUS

Effective June 30, 2005

Mayor.....	William A. Johnson, Jr.
Deputy Mayor	Jeffrey T. Carlson
Assistant to Mayor	Richard W. Hannon
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
Human Resource Management.....	Wendell L. Bellamy
Pathways to Peace.....	Keenan L. Allen
Neighborhood Empowerment Team (NET)	Rodric Cox-Cooper
Special Projects Unit	Jacque Whitfield
Community Development	Linda M. Stango
Neighborhood Initiatives	Vickie M. Bell
Buildings and Zoning	Joseph S. Mustico
Housing & Project Development.....	Linda Luxenberg
Planning.....	Larry O. Stid
Economic Development.....	R. Fashun Ku
Environmental Services	Edward J. Doherty
Engineering	George H. Stam
Operations	Richard F. Saltrelli
Water	Donald L. Navor
Finance.....	Vincent J. Carfagna
Accounting.....	James B. Barclay
Assessment	Thomas G. Huonker
Information Systems.....	Thomas Green
Parking Violations	Louis Howard
Purchasing.....	Jesse H. Dudley
Treasury	Charles A. Benincasa
Fire	Floyd A. Madison
Law	Linda S. Kingsley
Library.....	Paula V. Smith (Acting)
Office of Emergency Communications	John M. Merklinger
Parks, Recreation, and Human Services.....	Loretta C. Scott
Human Services	Jackie Campbell
Parks & Recreation.....	Luis Burgos
Special Services	Mitchell Rowe
Police.....	Cedric L. Alexander (Acting)

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rochester, New York (the "City"), as of and for the year ended June 30, 2005, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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 financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information for the City of Rochester, New York, as of June 30, 2005, 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. H. to the basic financial statements, capital asset balances and net assets invested in capital assets in the City's entity-wide statements have been restated from the amounts previously reported to capitalize building costs that have previously been expensed.

Management's Discussion and Analysis and the Combined Schedules of Revenues, Expenditures and Changes in Fund Equity – Budget and Actual – Non-GAAP Budget Basis listed in the foregoing table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The supplementary information is the responsibility of the management of the City of Rochester, New York. 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 and individual 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 schedule 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, 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. This schedule and summary are also the responsibility of the management of the City of Rochester, New York. Such 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 16, 2005, 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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 black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

September 16, 2005

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, 2005. 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, 2005. For the management discussion and analysis for the Rochester Ferry Company LLC please request the separately issued financial report to be issued for the year ending December 31, 2005, when available. (Contact information is contained in Note I.A.)

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$778,841 (*net assets*). Of this amount, \$46,975 (*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 \$35,614 primarily due to increases 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 \$115,618, a decrease of \$3,753, in comparison with the prior year.
- At the end of the current fiscal year, undesignated fund balance for the general fund was \$3,951, or 1.0% of total general fund expenditures.
- The City's total outstanding debt (net of notes refinanced as bonds) decreased by \$3,446 (1.9%) 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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements, such as budgetary comparison.

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

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

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

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

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

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

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, 2005, which includes the General Fund as well as certain special revenue and enterprise funds, is reported in the *Combined Schedule of Revenues, Expenditures and Changes in Fund Equity – Budget and Actual* which is provided as Required Supplemental Information following the Basic Financial Statements.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Parking, War Memorial, 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 two 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 \$778,841 at the close of the most recent fiscal year.

By far, the largest portion of the City's net assets (75 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Rochester's Net Assets

(000's Omitted)

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 279,658	\$ 320,472	\$ 29,808	\$ 25,464	\$ 309,466	\$ 345,936
Capital assets	524,602	501,085	230,271	233,531	754,873	734,616
Total assets	804,260	821,557	260,079	258,995	1,064,339	1,080,552
Long-term liabilities outstanding	131,663	181,719	77,375	79,682	209,038	261,401
Other liabilities	73,338	72,636	3,122	3,288	76,460	75,924
Total liabilities	205,001	254,355	80,497	82,970	285,498	337,325
Net assets:						
Invested in capital assets, net of related debt	421,921	399,782	155,974	157,049	577,895	556,831
Restricted	136,012	124,241	17,959	15,871	153,971	140,112
Unrestricted	41,326	43,179	5,649	3,105	46,975	46,284
Total net assets	\$ 599,259	\$ 567,202	\$ 179,582	\$ 176,025	\$ 778,841	\$ 743,227

An additional portion of the City's net assets (20 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$46,975) may be used to meet the government's ongoing obligations to citizens and creditors.

Prior year capital asset balances and invested in capital assets, net of related debt have been restated. Consequently, the total net assets for 2004 are \$8,560 higher than previously reported. Please see note III. H. for further information.

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 \$35,614 as a result of the excess of revenues over expenses.

Governmental activities. Governmental activities increased the City's net assets by \$32,057, accounting for most of the increase in total net assets. 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	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 54,153	\$ 50,647	\$ 62,850	\$ 60,051	\$ 117,003	\$ 110,698
Operating grants and contributions	34,382	35,116	-	-	34,382	35,116
Capital grants and contributions	15,992	24,035	-	-	15,992	24,035
General revenues:						
Property taxes	131,917	130,602	2,024	1,895	133,941	132,497
Sales and other taxes	146,007	146,375	985	933	146,992	147,308
Government aid	77,604	62,097	34	31	77,638	62,128
Other	7,398	3,686	1,834	1,565	9,232	5,251
Total revenues	467,453	452,558	67,727	64,475	535,180	517,033
Expenses:						
General government	46,516	48,829	-	-	46,516	48,829
Police	90,509	84,091	-	-	90,509	84,091
Fire	57,330	51,688	-	-	57,330	51,688
Emergency communications	11,988	10,523	-	-	11,988	10,523
Transportation	27,618	26,161	-	-	27,618	26,161
Environmental services	21,204	20,376	-	-	21,204	20,376
Parks & recreation	20,815	20,144	-	-	20,815	20,144
Library	10,795	11,148	-	-	10,795	11,148
Community & economic development	29,907	30,039	-	-	29,907	30,039
Interest on long term debt	4,041	3,921	-	-	4,041	3,921
Allocation to school district	119,100	126,100	-	-	119,100	126,100
Water	-	-	25,654	24,950	25,654	24,950
War memorial	-	-	3,209	3,455	3,209	3,455
Parking	-	-	5,611	6,450	5,611	6,450
Cemetery	-	-	2,252	2,285	2,252	2,285
Public market	-	-	765	618	765	618
Refuse	-	-	22,252	23,424	22,252	23,424
Port	-	-	-	-	-	-
Total expenses	439,823	433,020	59,743	61,182	499,566	494,202
Excess of revenues over expenses	27,630	19,538	7,984	3,293	35,614	22,831
Transfers	4,427	5,284	(4,427)	(5,284)	-	-
Increase in net assets	32,057	24,822	3,557	(1,991)	35,614	22,831
Net assets - beginning (as restated)	567,202	542,380	176,025	178,016	743,227	720,396
Net assets - ending	\$ 599,259	\$ 567,202	\$ 179,582	\$ 176,025	\$ 778,841	\$ 743,227

Certain prior year expenses have been reclassified to facilitate more meaningful year-to-year comparison.

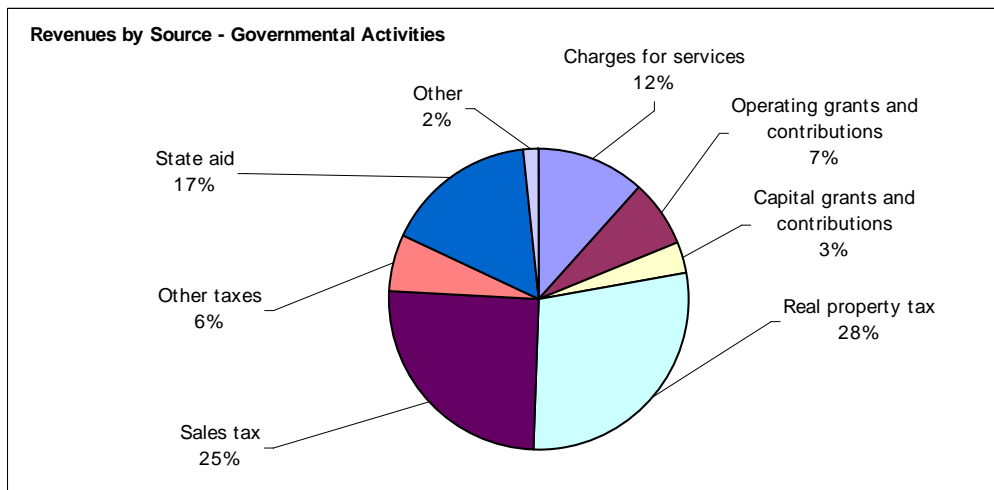
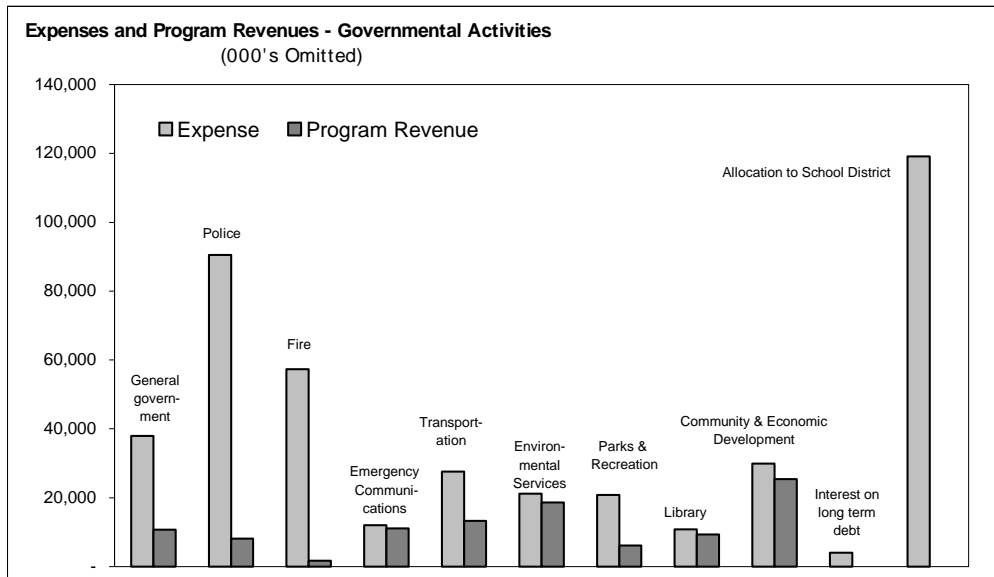
The \$3,506 revenue increase in charges for services is composed of the following increases: \$1,172 in the reimbursements for emergency communications services, \$545 in charges for local works services, \$572 in motor equipment chargebacks, \$674 in utility refunds, and \$306 for appraisal services. Additional changes netted to an increase of \$237.

Revenue from capital grants and contributions for community and economic development projects decreased \$8,043 primarily due to \$7,915 in reimbursements for the ferry terminal and port facilities, which were a one time event in fiscal 2004. Other revenue changes netted to \$128.

Government aid increased by \$15,507, principally due to a \$15,600 increase in New York State Supplemental Municipal Aid.

The increase of \$1,315 in governmental activities property taxes is due to an increase in the levy, net of uncollected.

The increase of \$3,712 in other general revenues included \$2,220 from abandoned funds held by the police property clerk and a \$1,039 increase in interest earnings. Additional changes netted to an increase of \$453.



General government expenses decreased by \$2,313 due to a \$1,839 decrease in the level of repair expenditures. Other miscellaneous reductions totaled \$474.

Expenses for the Police Department increased by \$6,418 primarily due to a \$5,697 increase in pension and other fringe benefits costs. Additional increases totaled \$721.

Expenses for the Fire Department increased by \$5,642 due to \$3,960 increase in pension and other employee fringe benefit costs, \$1,582 in raises, and \$100 in other increases.

Expenses for Emergency Communications increased by \$1,465 due to a \$912 increase in employee fringe benefit costs and \$553 in operating and other expenses.

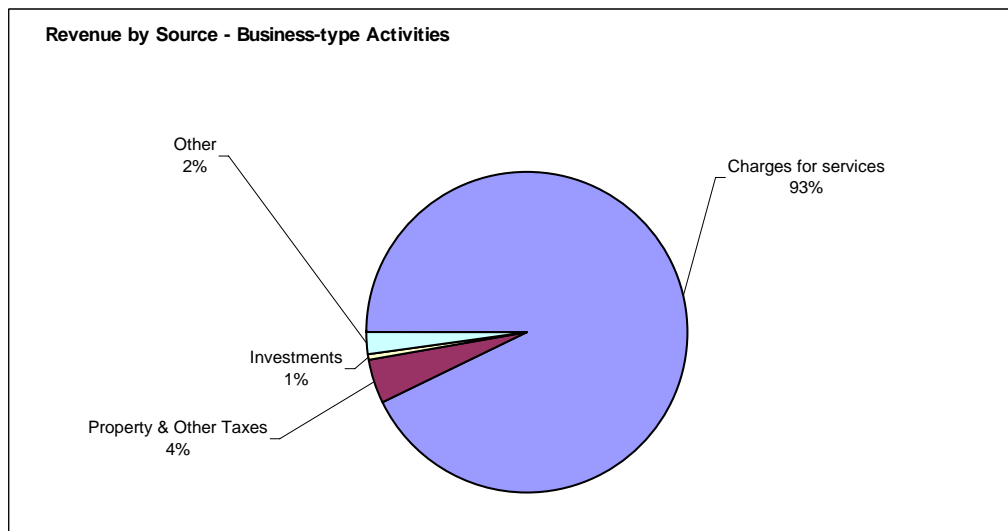
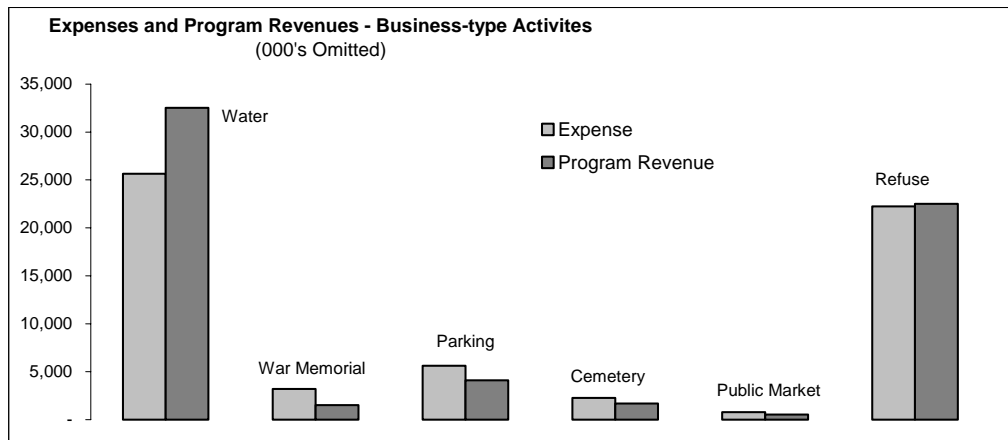
Expenses for Transportation increased by \$1,457 as a result of a \$1,056 increase in costs for street cleaning and snow and ice control expenses. Additional increases totaled \$401.

The Allocation to the School District was reduced by \$7,000 as a result of a City Charter change.

Business-type activities. Business-type activities increased the City's net assets by \$3,557, chiefly due to increase in excess of revenues over expense.

Revenue for all Business-type activities increased by \$3,252, mainly due to increased charges for services (\$1,917 in the Refuse fund, \$910 in the Water fund, and \$92 in the Cemetery fund). Other revenue changes netted to a \$333 increase.

Expenses in the Refuse fund decreased by \$1,172 because of a \$1,028 decrease in totter replacement costs, an expense not needed in 2005. Other expense reductions in this fund totaled \$144.



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 \$115,618, a decrease of \$3,753 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 — \$69,697, 2) to pay debt service — \$54,816, and 3) for a variety of other restricted purposes — \$3,624. The unreserved portion of fund balance includes: \$3,868 of general fund money designated for use in fiscal 2005-06, and \$3,951 of general fund money available for use in fiscal 2006-07, \$789 designated in special revenue funds, and \$5,860 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 surplus for all governmental funds — (\$12,519). This negative balance results from short-term borrowing in the capital projects funds and is further explained in the *Transportation capital projects* section below.

General fund. The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$7,819 while total fund balance reached \$18,757. 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 2 percent of total fund expenditures, while total fund balance represents 5 percent of that same amount. The fund balance of the City's general fund increased by \$740 during the current fiscal.

Debt service fund. The debt service fund has a total fund balance of \$54,816, all of which is reserved for the payment of debt service. The \$1,216 decrease in fund balance during the current year in the debt service fund resulted from interfund transfers needed to finance the repayment of long-term indebtedness, which netted to (\$3,276), plus \$1,636 in interest earnings, as well as \$424 in other revenues.

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 \$41,078, of this \$15,324 was encumbered for contracts underway, and \$25,754 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 (\$11,724). This negative fund balance is the result of \$26,040 encumbered for contracts underway less the (\$37,764) 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 of \$5,905 is the amount that can be encumbered for contracts underway, net of drawdowns to be made when eligible.

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 \$179,582. The change in net assets between 2004 and 2005, which totaled to a \$3,557 increase, were as follows: the water fund increased by \$3,823, the parking fund decreased by \$1,474, the war memorial fund decreased by \$203, the refuse fund increased by \$287, and the nonmajor enterprise funds increased by \$1,124.

Unrestricted net assets of the Major and Nonmajor enterprise funds at the end of the year totaled \$5,649 and breakdown as follows: Water — \$2,401, Parking — (\$175), War Memorial — \$40, Refuse — \$2,277, and Nonmajor Funds — \$1,106.

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 \$14,407. This represents a decrease of \$247, resulting from the settlement of claims against the City.

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.

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

Capital Assets and Debt Administration

Capital Assets. In accordance with GASB 34, the City has recorded depreciation expense associated with all of its capital assets, including infrastructure. The City's investment in capital assets for its governmental and business type activities as of June 30, 2005, amounted to \$754,873 (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 2.8 percent (a 4.7 percent increase for governmental activities and a 1.4 percent decrease for business-type activities).

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

- River Street waterfront improvement project at the Port of Rochester — \$2,271,
- Ferry terminal improvements — \$1,098,
- Various parks and recreations facility improvements — \$985,
- Municipal building renovations — \$798,
- Police computer upgrades — \$475,
- Several projects for the construction and reconstruction of certain streets and water mains were begun during the past fiscal year, and
- Recognition of \$29,729 depreciation expense.

Worthy of special mention in 2005, the Rochester Ferry Company, LLC (a component unit) purchased a high-speed ferry for \$32,000,000, in order to establish service between the Port of Rochester and the Port of Toronto.

City of Rochester's Capital Assets

Net of Depreciation (000's Omitted)

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 21,192	\$ 20,881	\$ 10,336	\$ 10,336	\$ 31,528	\$ 31,217
Buildings	102,413	87,811	99,983	103,502	202,396	191,313
Improvements other than buildings	13,600	5,136	104,028	101,855	117,628	106,991
Machinery and equipment	27,864	21,725	8,749	10,060	36,613	31,785
Infrastructure	354,997	339,440	-	-	354,997	339,440
Construction in progress	4,536	26,092	7,175	7,778	11,711	33,870
Total	\$ 524,602	\$ 501,085	\$ 230,271	\$ 233,531	\$ 754,873	\$ 734,616

Long-term debt. The City's outstanding debt (net of notes refinanced as bonds, which mature in the subsequent fiscal year) on June 30, 2005 was \$176,978, a decrease of \$3,446 (or 1.9%) over the prior year. This measure of debt declined in governmental activities by \$10,658 while it increased in Business-type activities by \$7,212.

City of Rochester's Outstanding Debt						
(000's Omitted)						
	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
General obligation bonds	\$ 52,694	\$ 66,260	\$ 62,672	\$ 70,104	\$ 115,366	\$ 136,364
Bond anticipation notes	49,987	82,043	11,625	6,378	61,612	88,421
Total	102,681	148,303	74,297	76,482	176,978	224,785
Less: Notes refinanced as bonds which mature in the subsequent fiscal year	-	34,964	-	9,397	-	44,361
Outstanding debt, net of notes that have been refinanced	\$ 102,681	\$ 113,339	\$ 74,297	\$ 67,085	\$ 176,978	\$ 180,424

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. This limitation does not apply to taxes for debt service. The Constitution also imposes a debt limit of 9 percent of the most recent five-year average of full valuation of taxable real estate. This limit, which applies to the combined City and school district debt, was \$450.3 million as of the fiscal year end, an amount that was \$152.7 million above the City's and the district's net indebtedness.

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

Economic Factors

Rochester has been able to maintain a strong economy even though its major employers have gone through significant downsizing. 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 18% of total nonagricultural employment in the Rochester Metropolitan Area, as compared to the national level of 13%. Other major research, development and manufacturing in the area include automotive products, dental equipment, office duplicating and computing equipment, electrical equipment, measuring and controlling devices and heavy machinery.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF NET ASSETS
JUNE 30, 2005 (000's Omitted)

	Primary Government			Component Unit	Component Unit
	Governmental Activities	Business-type Activities	Total	School District	Rochester Ferry Co. LLC.
ASSETS					
Cash and cash equivalents	\$ 136,911	\$ 10,298	\$ 147,209	\$ 101,631	\$ 1,677
Investments	66	-	66	-	4
Receivables (net of allowance for uncollectibles)					
Accounts	49,900	17,040	66,940	872	1,283
Taxes	17,393	-	17,393	-	-
Due from primary government	-	-	-	886	-
Due from other governments	72,622	-	72,622	51,648	-
Prepaid expense	-	-	-	828	546
Interfund balances	2,766	(2,766)	-	-	-
Inventory, at cost	-	-	-	479	-
Restricted assets:					
Cash and cash equivalents	-	5,232	5,232	-	-
Accounts receivable	-	4	4	-	-
Capital assets (net of accumulated depreciation)					
Land	21,192	10,336	31,528	17,528	-
Buildings	102,413	99,983	202,396	270,930	-
Machinery and equipment	27,864	8,749	36,613	11,187	33,365
Improvements other than buildings	13,600	104,028	117,628	-	-
Infrastructure	354,997	-	354,997	-	-
Construction in progress	4,536	7,175	11,711	80,805	-
Total assets	804,260	260,079	1,064,339	536,794	36,875
LIABILITIES					
Accounts payable and accrued liabilities:					
Accounts payable and accrued liabilities	19,020	1,981	21,001	34,174	650
Accrued interest payable	1,544	1,091	2,635	-	747
Due to other governments	23,517	-	23,517	14,082	-
Due to component unit	886	-	886	-	-
Unearned revenue	28,371	50	28,421	21,308	15
Noncurrent liabilities:					
Due within one year	80,237	20,513	100,750	68,162	-
Due within more than one year	51,426	56,862	108,288	179,340	37,500
Total liabilities	205,001	80,497	285,498	317,066	38,912
NET ASSETS					
Invested in capital assets, net of related debt	421,921	155,974	577,895	221,647	-
Restricted for:					
Capital projects	69,431	15,553	84,984	-	-
Debt service	54,816	2,406	57,222	-	-
Community development	5,905	-	5,905	-	-
Cemetery perpetual care non-expendable	5,860	-	5,860	-	-
Unrestricted	41,326	5,649	46,975	(1,919)	(2,037)
Total net assets	\$ 599,259	\$ 179,582	\$ 778,841	\$ 219,728	\$ (2,037)

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, 2005 (000's Omitted)**

Functions / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit School District	Component Unit Rochester Ferry Co., LLC
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government				
					Governmental Activities	Business-type Activities	Total		
Primary government:									
Governmental activities:									
General government	\$ 46,516	\$ 7,992	\$ 259	\$ 2,473	\$ (35,792)	\$ -	\$ (35,792)	\$ -	
Police	90,509	6,473	1,668	-	(82,368)	-	(82,368)	-	
Fire	57,330	1,100	638	-	(55,592)	-	(55,592)	-	
Emergency communications	11,988	11,074	-	-	(914)	-	(914)	-	
Transportation	27,618	818	-	12,454	(14,346)	-	(14,346)	-	
Environmental services	21,204	18,640	-	-	(2,564)	-	(2,564)	-	
Parks & recreation	20,815	2,067	3,718	347	(14,683)	-	(14,683)	-	
Library	10,795	2,365	6,984	-	(1,446)	-	(1,446)	-	
Community & economic development	29,907	3,624	21,115	718	(4,450)	-	(4,450)	-	
Interest on long-term debt	4,041	-	-	-	(4,041)	-	(4,041)	-	
Allocation to school district	119,100	-	-	-	(119,100)	-	(119,100)	-	
Total governmental activities	<u>439,823</u>	<u>54,153</u>	<u>34,382</u>	<u>15,992</u>	<u>(335,296)</u>	<u>-</u>	<u>(335,296)</u>	<u>-</u>	
Business-type activities:									
Water	25,654	32,513	-	-	-	6,859	6,859	-	
War memorial	3,209	1,515	-	-	-	(1,694)	(1,694)	-	
Parking	5,611	4,108	-	-	-	(1,503)	(1,503)	-	
Cemetery	2,252	1,665	-	-	-	(587)	(587)	-	
Public market	765	543	-	-	-	(222)	(222)	-	
Refuse	22,252	22,506	-	-	-	254	254	-	
Total business-type activities	<u>59,743</u>	<u>62,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,107</u>	<u>3,107</u>	<u>-</u>	
Total primary government	<u>\$ 499,566</u>	<u>\$ 117,003</u>	<u>\$ 34,382</u>	<u>\$ 15,992</u>	<u>\$ (335,296)</u>	<u>\$ 3,107</u>	<u>\$ (332,189)</u>	<u>\$ -</u>	
Component unit:									
Public school system	<u>\$ 540,386</u>	<u>\$ 15,881</u>	<u>\$ 117,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (407,154)</u>	
Component unit:									
Rochester Ferry Co., LLC	<u>\$ 2,068</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,038)</u>	
General revenues:									
Property taxes				\$ 131,917	\$ 2,024	\$ 133,941	\$ -	\$ -	
Sales taxes				118,000	-	118,000	-	-	
Other taxes				28,007	985	28,992	-	-	
Governmental aid (unrestricted)				77,604	34	77,638	297,806	-	
Investment earnings				3,126	426	3,552	2,771	1	
Allocation to school district (unrestricted)				-	-	-	119,100	-	
Miscellaneous				4,272	1,408	5,680	3,401	-	
Transfers				4,427	(4,427)	-	-	-	
Total general revenues and transfers				<u>367,353</u>	<u>450</u>	<u>367,803</u>	<u>423,078</u>	<u>1</u>	
Change in net assets				32,057	3,557	35,614	15,924	(2,037)	
Net assets-beginning (as restated)				567,202	176,025	743,227	203,804	0	
Net assets-ending				<u>\$ 599,259</u>	<u>\$ 179,582</u>	<u>\$ 778,841</u>	<u>\$ 219,728</u>	<u>\$ (2,037)</u>	

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, 2005 (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	\$ 20,094	\$ 49,978	\$ 5,180	\$ 6,112	\$ 7,473	\$ 32,675	\$ 121,512
Investments	-	-	-	-	66	-	66
Receivables (net of allowance for uncollectibles)							
Accounts	4,238	-	52	-	45,066	631	49,987
Taxes	11,273	-	-	-	-	1,066	12,339
Due from other governments	49,098	-	2,387	4,964	93	6,265	62,807
Due from other funds	16,141	5,724	39,476	5,257	-	839	67,437
Total assets	<u>\$ 100,844</u>	<u>\$ 55,702</u>	<u>\$ 47,095</u>	<u>\$ 16,333</u>	<u>\$ 52,698</u>	<u>\$ 41,476</u>	<u>\$ 314,148</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued liabilities	\$ 17,292	\$ -	\$ 43	\$ -	\$ 19	\$ 1,400	\$ 18,754
Notes payable	-	-	3,665	25,624	-	20,698	49,987
Due to other funds	50,453	-	2,309	2,433	1,181	11,382	67,758
Due to other governments	5,111	-	-	-	18,078	328	23,517
Due to component unit	-	886	-	-	-	-	886
Deferred revenue	9,231	-	-	-	27,515	882	37,628
Total liabilities	<u>82,087</u>	<u>886</u>	<u>6,017</u>	<u>28,057</u>	<u>46,793</u>	<u>34,690</u>	<u>198,530</u>
Fund balances:							
Reserved for encumbrances	7,314	-	15,324	26,040	10,708	10,311	69,697
Reserved for noncurrent receivable	3,624	-	-	-	-	-	3,624
Reserved for debt	-	54,816	-	-	-	-	54,816
Unreserved:							
Designated for subsequent years' expenditures, reported in:							
General fund	3,868	-	-	-	-	-	3,868
Special revenue fund	-	-	-	-	-	1,119	1,119
Capital projects fund	-	-	25,754	-	-	-	25,754
Undesignated, reported in:							
General fund	3,951	-	-	-	-	-	3,951
Special revenue fund	-	-	-	-	(4,803)	5,592	789
Capital projects fund	-	-	-	(37,764)	-	(16,096)	(53,860)
Permanent fund	-	-	-	-	-	5,860	5,860
Total fund balances	<u>18,757</u>	<u>54,816</u>	<u>41,078</u>	<u>(11,724)</u>	<u>5,905</u>	<u>6,786</u>	<u>115,618</u>
Total liabilities and fund balances	<u>\$ 100,844</u>	<u>\$ 55,702</u>	<u>\$ 47,095</u>	<u>\$ 16,333</u>	<u>\$ 52,698</u>	<u>\$ 41,476</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	524,602
Accrual of property and sales taxes to qualify as financial resources	24,126
Internal service fund transferred to governmental activities	14,407
Accrual of interest on bonds and notes payable	(1,544)
Long-term liabilities, including bonds payable, are not reported in the funds	(77,950)
Net assets of governmental activities	<u>\$ 599,259</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, 2005 (000's Omitted)

	General	Debt Service	Capital Projects		Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
			General	Trans- portation	Community Development		
REVENUES							
Real property tax	\$ 126,125	\$ -	\$ -	\$ -	\$ -	\$ 5,599	\$ 131,724
Sales and other taxes	147,468	-	-	-	-	-	147,468
Departmental	20,382	-	-	-	-	16,096	36,478
Use of money and property	1,441	1,636	79	-	102	375	3,633
Licenses and permits	2,269	-	-	-	-	-	2,269
Federal aid	1,191	-	1,719	7,263	17,256	4,950	32,379
State aid	78,605	267	620	4,279	-	1,230	85,001
Local sources and other	15,930	157	55	912	2,567	9,247	28,868
Total revenues	<u>393,411</u>	<u>2,060</u>	<u>2,473</u>	<u>12,454</u>	<u>19,925</u>	<u>37,497</u>	<u>467,820</u>
EXPENDITURES							
Current:							
Council and clerk	1,478	-	-	-	-	-	1,478
Administration	9,043	-	-	-	-	-	9,043
Law	1,816	-	-	-	-	-	1,816
Finance	7,198	-	-	-	-	-	7,198
Community development	5,622	-	-	-	14,563	1,726	21,911
Economic development	1,482	-	-	-	-	-	1,482
Environmental services	22,031	-	-	-	-	7,639	29,670
Library	-	-	-	-	-	9,894	9,894
Police	61,859	-	-	-	-	1,343	63,202
Fire	39,312	-	-	-	-	4	39,316
Emergency communications	8,360	-	-	-	-	-	8,360
Parks, recreation and human services	14,039	-	-	-	-	1,992	16,031
Undistributed	72,227	-	-	-	-	5,356	77,583
Allocation to School District	119,100	-	-	-	-	-	119,100
Capital projects	-	-	22,143	19,821	-	5,805	47,769
Debt service:							
Principal	13,995	-	-	-	-	824	14,819
Interest	3,928	-	-	-	-	154	4,082
Total expenditures	<u>381,490</u>	<u>-</u>	<u>22,143</u>	<u>19,821</u>	<u>14,563</u>	<u>34,737</u>	<u>472,754</u>
Excess (deficiency) of revenues over expenditures	11,921	2,060	(19,670)	(7,367)	5,362	2,760	(4,934)
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	25,439	5,729	24,835	4,992	-	2,073	63,068
Transfers (to) other funds	(36,620)	(9,005)	(3)	(2,358)	(5,212)	(8,689)	(61,887)
Total other financing sources (uses)	<u>(11,181)</u>	<u>(3,276)</u>	<u>24,832</u>	<u>2,634</u>	<u>(5,212)</u>	<u>(6,616)</u>	<u>1,181</u>
Net change in fund balances	740	(1,216)	5,162	(4,733)	150	(3,856)	(3,753)
Fund Balances - beginning of year	<u>18,017</u>	<u>56,032</u>	<u>35,916</u>	<u>(6,991)</u>	<u>5,755</u>	<u>10,642</u>	<u>119,371</u>
Fund Balances - end of year	<u>\$ 18,757</u>	<u>\$ 54,816</u>	<u>\$ 41,078</u>	<u>\$ (11,724)</u>	<u>\$ 5,905</u>	<u>\$ 6,786</u>	<u>\$ 115,618</u>

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

THE CITY OF ROCHESTER, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2005 (000's Omitted)

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

Net change in fund balances-total governmental funds	\$ (3,753)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	23,517
Revenues in the statement of activities that do not provide current financial resource: and are not reported as revenues in the funds	(367)
Change in accrual of interest payable on notes and bonds payable	41
Change in net assets of the internal service fund reported in governmental activities	(247)
The repayment of the principal of long-term debt consumes the current financial resource of governmental funds. This transaction has an effect on net assets.	14,819
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:	
Compensated absences:	(2,196)
Pension liability:	5,781
Workers' compensation:	(5,538)
Change in net assets of governmental activities	<u>\$ 32,057</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, 2005 (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	\$ 2,443	\$ 1,261	\$ 563	\$ 5,714	\$ 317	\$ 10,298	\$ 15,399
Receivables (net of allowance for uncollectibles)	13,025	302	17	2,004	1,692	17,040	-
Due from other funds	117	253	48	317	358	1,093	3,000
Cash and cash equivalents - restricted	4,589	556	41	30	16	5,232	-
Accounts receivable - restricted	4	-	-	-	-	4	-
Due from other funds - restricted	-	-	-	-	250	250	-
Total current assets	20,178	2,372	669	8,065	2,633	33,917	18,399
Capital assets:							
Land	453	9,077	165	30	611	10,336	-
Buildings	29,702	100,079	44,160	500	2,997	177,438	-
Improvements other than buildings	187,213	1,447	59	378	3,269	192,366	-
Equipment	5,413	819	5,347	16,803	1,172	29,554	-
Construction in progress	6,541	537	71	-	26	7,175	-
Less accumulated depreciation	(101,855)	(53,448)	(14,685)	(13,590)	(3,020)	(186,598)	-
Total noncurrent assets (net of accumulated depreciation)	127,467	58,511	35,117	4,121	5,055	230,271	-
Total assets	147,645	60,883	35,786	12,186	7,688	264,188	18,399
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	1,164	108	44	3,163	174	4,653	3,992
Accrued interest payable	468	339	270	1	13	1,091	-
Notes payable	10,849	300	-	-	476	11,625	-
Bonds payable	5,007	1,111	955	30	43	7,146	-
Due to other funds	3,041	18	-	175	875	4,109	-
Due to other governments	188	12	2	184	20	406	-
Deferred revenue	-	50	-	-	-	50	-
Total current liabilities	20,717	1,938	1,271	3,553	1,601	29,080	3,992
Noncurrent liabilities:							
Bonds payable	17,201	19,035	19,065	-	225	55,526	-
Total liabilities	37,918	20,973	20,336	3,553	1,826	84,606	3,992
NET ASSETS							
Invested in capital assets, net of related debt	94,410	38,065	15,097	4,091	4,311	155,974	-
Restricted for debt service	2,156	167	40	30	13	2,406	-
Restricted for capital projects	10,760	1,853	273	2,235	432	15,553	-
Unrestricted	2,401	(175)	40	2,277	1,106	5,649	14,407
Total net assets	\$ 109,727	\$ 39,910	\$ 15,450	\$ 8,633	\$ 5,862	\$ 179,582	\$ 14,407

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, 2005 (000's Omitted)

	Business-type Activities- Enterprise Funds						Governmental Activities- Internal Service Fund
	Water	Parking	War Memorial	Refuse	Nonmajor Funds	Total Funds	
Operating Revenues							
Charges for services	\$ 32,513	\$ 4,108	\$ 1,515	\$ 22,506	\$ 2,208	\$ 62,850	\$ -
Operating Expenses							
Personal services	6,168	349	61	5,961	1,207	13,746	-
Supplies and materials	10,597	758	821	10,996	1,132	24,304	-
Employee benefits	2,723	165	18	3,518	360	6,784	-
Depreciation	4,898	3,217	1,277	1,775	291	11,458	-
Claims settlement	-	-	-	-	-	-	3,753
Total operating expenses	24,386	4,489	2,177	22,250	2,990	56,292	3,753
Operating income(loss)	8,127	(381)	(662)	256	(782)	6,558	(3,753)
Nonoperating revenues (expenses)							
Real property taxes	-	-	494	-	1,530	2,024	-
Sales and use taxes	-	-	985	-	-	985	-
Federal aid	10	-	-	-	-	10	-
State aid	-	-	-	-	24	24	-
Interest and penalties	1,402	-	-	-	6	1,408	-
Interest on investments	230	29	12	33	122	426	260
Interest expense	(1,268)	(1,122)	(1,032)	(2)	(27)	(3,451)	-
Total nonoperating revenues (expenses)	374	(1,093)	459	31	1,655	1,426	260
Income (loss) before operating transfers	8,501	(1,474)	(203)	287	873	7,984	(3,493)
Transfers in	-	-	-	-	251	251	3,246
Transfers out	(4,678)	-	-	-	-	(4,678)	-
Change in net assets	3,823	(1,474)	(203)	287	1,124	3,557	(247)
Total net assets-beginning	105,904	41,384	15,653	8,346	4,738	176,025	14,654
Total net assets-ending	\$ 109,727	\$ 39,910	\$ 15,450	\$ 8,633	\$ 5,862	\$ 179,582	\$ 14,407

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, 2005 (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	\$ 33,057	\$ 4,234	\$ 1,569	\$ 22,481	\$ 2,137	\$ 63,478	\$ -
Payments to suppliers	(13,354)	(872)	(838)	(14,533)	(1,479)	(31,076)	(2,263)
Payments to employees	(6,291)	(358)	(63)	(6,047)	(1,224)	(13,983)	-
Net cash provided (used) by operating activities	13,412	3,004	668	1,901	(566)	18,419	(2,263)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Real property taxes	-	-	494	-	1,530	2,024	-
Operating grants	346	-	985	-	24	1,355	-
Transfers (to) from other funds	(3,324)	139	(49)	3,999	(271)	494	3,246
Net cash provided by (used in) noncapital financing activities	(2,978)	139	1,430	3,999	1,283	3,873	3,246
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from sales of bonds and notes	5,512	300	-	-	-	5,812	-
Principal paid on bonds and notes	(5,375)	(1,110)	(996)	(29)	(487)	(7,997)	-
Interest expense paid on bonds and notes	(1,300)	(1,135)	(1,044)	(2)	(32)	(3,513)	-
Payments to contractors	(6,542)	(700)	(32)	(1,068)	(215)	(8,557)	-
Proceeds from sale of capital assets	150	1	-	199	9	359	-
Net cash used in capital and related financing activities	(7,555)	(2,644)	(2,072)	(900)	(725)	(13,896)	-
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	230	29	12	33	122	426	260
Net increase (decrease) in cash and cash equivalents	3,109	528	38	5,033	114	8,822	1,243
Cash and cash equivalents at beginning of year	3,923	1,289	566	711	219	6,708	14,156
Cash and cash equivalents at end of year	\$ 7,032	\$ 1,817	\$ 604	\$ 5,744	\$ 333	\$ 15,530	\$ 15,399
Reconciliation of operating income (loss) to net cash provided by operating activities:							
Operating income (loss)	\$ 8,127	\$ (381)	\$ (662)	\$ 256	\$ (782)	\$ 6,558	\$ (3,753)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	4,898	3,217	1,277	1,775	291	11,458	-
(Increase) decrease in accounts receivable	(858)	126	54	(25)	(101)	(804)	-
Decrease in intergovernmental receivables	-	-	-	-	24	24	-
Increase (decrease) in accounts payable	(158)	37	(2)	(105)	(4)	(232)	1,490
Increase in intergovernmental payables	1	-	1	-	-	2	-
Increase in deferred revenue	-	5	-	-	-	5	-
Interest and penalties	1,402	-	-	-	6	1,408	-
Total adjustments	5,285	3,385	1,330	1,645	216	11,861	1,490
Net cash provided (used) by operating activities	\$ 13,412	\$ 3,004	\$ 668	\$ 1,901	\$ (566)	\$ 18,419	\$ (2,263)

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, 2005 (000's Omitted)**

	<u>Private Grants</u>	<u>Agency</u>
ASSETS		
Cash and cash equivalents	\$ 723	\$ 9,012
Investments	587	-
Receivables (net of allowance for uncollectibles)	-	52
Due from other funds	-	207
Total assets	<u>1,310</u>	<u>9,271</u>
LIABILITIES		
Accounts payable and accrued liabilities	-	9,151
Due to other funds	-	120
Total liabilities	<u>-</u>	<u>9,271</u>
NET ASSETS		
Held in trust and other purposes	<u>\$ 1,310</u>	<u>\$ -</u>

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

**THE CITY OF ROCHESTER, NEW YORK
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005 (000's Omitted)**

	<u>Private Grants</u>
ADDITIONS	
Use of money and property	\$ 46
Local sources and other	219
Total additions	<u>265</u>
DEDUCTIONS	
Community services	<u>244</u>
Change in net assets	21
Net assets-beginning of year	<u>1,289</u>
Net assets-end of year	<u>\$ 1,310</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; Law; Library; Parks, Recreation, and Human Services; Police, Fire and Emergency Communications. The City owns and operates six enterprise activities: a water system, parking, War Memorial, refuse, cemeteries, and public market.

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

The Rochester Ferry Company, LLC is included in these financial statements as a discretely presented component unit, a Business-type activity. This entity was formed in March 2005 by the City of Rochester to operate a fast ferry service between the Port of Rochester, NY and the Port of Toronto, Canada. An eleven-member board, appointed by City Council, manages the operation. Because this entity has a fiscal year ending December 31, and has yet to complete the first year of operation, only interim statements can be reported for June 30, 2005. Annual financial statements for the year ended December 31, 2005 (when available) may be requested from the Rochester Ferry Company, LLC, 30 Church St., Room 109A, Rochester, NY 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 the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 Special Revenue Funds.

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

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

The City reports the following major proprietary funds:

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

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

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

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

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, and then unrestricted resources as they are needed.

D. NEW ACCOUNTING PRINCIPLES

In November of 2003, the GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. The City plans to adopt this statement in fiscal 2006, as required.

In June of 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for reporting on non-pension postemployment benefits, such as health care premiums for retirees. The City would be required to adopt this statement in fiscal 2008. As of June 30, 2005 the City has not completed the process of evaluating the impact that will result from adopting this statement.

In December of 2004, the GASB issued Technical Bulletin No. 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers*. The City has complied with the GASB requirements as clarified by this bulletin.

In December of 2004, the GASB issued Statement No. 46, *Net Assets Restricted by Enabling Legislation*. The City plans to adopt this statement in fiscal 2006, as required.

E. USE OF ESTIMATES

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

F. REAL PROPERTY TAX

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

The City is permitted by the Constitution of New York State to levy taxes up to 2% of the five-year average full assessed valuation for general governmental services other than the payment of debt service and capital expenditures. The City utilizes a full value system, assessing all properties at 100% of full market value. For the year ended June 30, 2005, the City had a legal margin of \$14,753,600.

G. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

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

Deposits include demand deposits and certificates of deposit. Deposits are collateralized with eligible securities 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 bond and note sales can only be used for the stated purpose of the borrowing. Property taxes collected for debt service payments are legally restricted for that purpose. Community Development Block Grant funds must be used only for approved programs. Cemetery perpetual care funds cannot be expended. However, the interest earnings can be spent for cemetery maintenance functions.

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure acquired prior to fiscal 1980 is not reported. The City defines capital assets as assets with an initial, individual cost of more than \$2,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight line method over the 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 that are immaterial are charged as a general fund operating expense.

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

6. Fund Equity

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

7. 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, 2005 were \$47,550,000. This was composed of \$15,324,000 in General Government projects, \$26,040,000 in

Transportation projects, as well as \$6,186,000 in nonmajor governmental fund capital projects. In addition, \$10,708,000 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, 2005 were \$9,582,000. This was composed of \$7,912,000 for Water Fund projects, \$810,000 for Refuse Fund projects, \$804,000 for Parking Fund projects, \$29,000 for War Memorial projects, and \$27,000 for non-major enterprise fund projects.

At year-end the School District had total encumbrances of \$17,396,800 in their capital projects fund.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

Since the adopted budget is on a departmental basis, rather than a fund basis, legal compliance cannot be reported as part of the Basic Statements. Therefore, in compliance with GASB 41 (*Budgetary Comparison Schedules – Perspective Differences*), a non-GAAP budget-to-actual schedule is presented as Required Supplemental Information after Basic Financial Statements. An administrative level budget-to-actual schedule is presented as Other Supplemental Information following the combining and individual fund statements and schedules.

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

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

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

During the year, City Council passed budget amendments which increased total appropriations for operating budgets by \$586,000: estimated revenues increased by \$5,133,000, transfers to other funds increased by \$8,169,000, and transfers from other funds increased by \$2,249,000.

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: Transportation (\$11,724,000), Economic Assistance Fund (\$10,064,000), and Sewers (\$1,314,000).

III. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

By charter the City Treasurer is delegated the authority to establish and control uniform cash management policies that apply to the City and the School District. The Rochester Ferry Company, LLC is also managed under the same policies. Thus, the following risk assessments apply to cash, cash equivalents, and investments of the primary government and the component units.

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

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

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

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

1. Deposits

At year-end, the carrying amount of the City's deposits net of outstanding checks, including certificates of deposit, was \$123,064,000 and the bank balance was \$171,735,700. Of this bank balance, \$500,000 is FDIC insured. The uninsured portion was collateralized at 102% with U.S. Government securities held by a third-party.

At year-end, the carrying amount of the School District's deposits net of outstanding checks, including certificates of deposit, was \$32,104,700 and the bank balance was \$34,854,500. These deposits, which are above the level insured by FDIC, were collateralized at 102% with U.S. Government securities held by a third-party.

At year-end, the carrying amount and bank balance of the Rochester Ferry Company, LLC was \$1,677,139.

2. Cash Equivalents

At year-end, the City had cash equivalents of \$39,112,000. The fair value of repurchase agreements was \$10,950,000, and the fair value of money market accounts was \$28,162,000. These cash equivalents were collateralized at 102% with U.S. Government securities held by a third-party.

At year-end, the School District had cash equivalents of \$69,525,300. The fair value of money market accounts was \$57,225,300 and the fair value of repurchase agreements was \$12,300,000. These cash equivalents were collateralized at 102% with U.S. Government securities held by a third-party.

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

3. Investments

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

		<u>Fair Value</u>
Library Trust Fund:	U.S. Government Securities	\$ 379
	Equities	208
Development Partnership		<u>66</u>
		<u>\$ 653</u>

Library trust fund investments, which derive from private contributions, constitute only .4% of the City's deposits and investment. These funds, which provide resources for restricted purposes, are managed separately under the control of an independent library board, rather than under the City Treasurer's cash management policies described above. Approximately half of this portfolio is invested in U.S. Treasury and agency obligations. The other half is invested in stocks and mutual funds for which ratings are unavailable. These equities have been characterized as 50% growth investments and 50% value investments. Since this portfolio is not protected by the City's collateral agreements and has exposure to cyclical markets, there is greater custodial and credit risk.

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

In accordance with certain contractual provisions, investment income of \$356,800 for fiscal year 2005, associated with the Capital Projects Fund, was assigned to the Debt Service Fund. In addition, investment income of \$97,500 for fiscal year 2005, associated with the Permanent Fund, was assigned to the Cemetery Enterprise Fund.

B. RECEIVABLES AND PAYABLES

There were \$66,940,000 in accounts receivables. The major governmental receivable was \$45,066,000 in economic development and housing loans made from the Community Development Special Revenue Fund. The major business-type receivables were \$13,025,000 in the Water Fund and \$2,004,000 in the Refuse Fund.

Receivables are reported net of allowance for uncollectibles, which were established based on current collection experience. Allowances for uncollectibles for major revenue sources are as follows: General Fund property taxes (\$3,085,500), Water Fund (\$3,458,800), and Refuse Fund (\$1,805,500).

The amount due from other governments to the City as of June 30, 2005 was \$72,622,000. This was comprised of the following items: \$14,836,000 from New York State, \$50,113,000 from Monroe County, \$6,897,000 from the Federal Government, and \$776,000 from others.

The amount due from other governments to the School District as of June 30, 2005 was \$52,534,000. This was comprised of the following items: \$41,595,000 from New York State, \$6,854,000 from the Federal Government, and \$4,085,000 from other sources.

As of June 30, 2005 the Rochester Ferry Company, LLC had a receivable of \$1,200,000 related to a claims settlement.

The \$21,001,000 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

Changes in Governmental Activities Fixed Assets (000's Omitted)

Class	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
Capital assets, not being depreciated:				
Land	\$ 20,881	\$ 350	\$ 39	\$ 21,192
Construction in progress*	26,092	3,965	25,521	4,536
Total capital assets, not being depreciated	<u>\$ 46,973</u>	<u>\$ 4,315</u>	<u>\$ 25,560</u>	<u>\$ 25,728</u>
Capital assets, being depreciated:				
Buildings*	\$ 141,525	\$ 23,152	\$ 5,016	\$ 159,661
Improvements other than buildings	12,336	11,636	2,458	21,514
Machinery and equipment	63,268	14,580	7,994	69,854
Infrastructure	423,457	23,122	-	446,579
Total capital assets being depreciated	<u>640,586</u>	<u>72,490</u>	<u>15,468</u>	<u>697,608</u>
Less accumulated depreciation for:				
Buildings	53,714	3,883	349	57,248
Improvements other than buildings	7,200	797	83	7,914
Machinery and equipment	41,543	6,026	5,579	41,990
Infrastructure	84,017	7,565	-	91,582
Total accumulated depreciation	<u>186,474</u>	<u>18,271</u>	<u>6,011</u>	<u>198,734</u>
Total capital assets, being depreciated, net:	<u>454,112</u>	<u>54,219</u>	<u>9,457</u>	<u>498,874</u>
Governmental activities capital assets, net:	<u>\$ 501,085</u>	<u>\$ 58,534</u>	<u>\$ 35,017</u>	<u>\$ 524,602</u>

*See Note III. H.

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

Class	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
Capital assets, not being depreciated:				
Land	\$ 10,336	\$ -	\$ -	\$ 10,336
Construction in progress	7,778	701	1,304	7,175
Total capital assets, not being depreciated	<u>\$ 18,114</u>	<u>\$ 701</u>	<u>\$ 1,304</u>	<u>\$ 17,511</u>
Capital assets, being depreciated:				
Buildings	\$ 176,320	\$ 1,693	\$ 575	\$ 177,438
Improvements other than buildings	186,456	5,917	7	192,366
Machinery and equipment	29,575	1,623	1,644	29,554
Total capital assets being depreciated	<u>392,351</u>	<u>9,233</u>	<u>2,226</u>	<u>399,358</u>
Less accumulated depreciation for:				
Buildings	72,818	5,063	426	77,455
Improvements other than buildings	84,601	3,745	8	88,338
Machinery and equipment	19,515	2,650	1,360	20,805
Total accumulated depreciation	<u>176,934</u>	<u>11,458</u>	<u>1,794</u>	<u>186,598</u>
Total capital assets, being depreciated, net:	<u>215,417</u>	<u>(2,225)</u>	<u>432</u>	<u>212,760</u>
Business-type activities capital assets, net:	<u>\$ 233,531</u>	<u>\$ (1,524)</u>	<u>\$ 1,736</u>	<u>\$ 230,271</u>

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

Governmental activities:	
General government	\$ 2,118
Police	1,488
Fire	1,199
Emergency communications	172
Transportation	7,565
Environmental services	2,492
Parks & recreation	1,603
Library	901
Community development	733
Total depreciation expense - governmental activities	<u>\$ 18,271</u>
Business-type activities:	
Water	\$ 4,898
Parking	3,217
War memorial	1,277
Refuse	1,775
Cemetery	142
Public market	149
Total depreciation expense - business type activities	<u>\$ 11,458</u>

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

Class	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
Capital assets, not being depreciated:				
Land	\$ 17,471	\$ 57	\$ -	\$ 17,528
Construction in progress	70,251	25,956	15,402	80,805
Total capital assets, not being depreciated	<u>\$ 87,722</u>	<u>\$ 26,013</u>	<u>\$ 15,402</u>	<u>\$ 98,333</u>
Capital assets, being depreciated:				
Buildings	380,513	15,208	-	395,721
Machinery and equipment	31,136	4,453	-	35,589
Total Capital assets being depreciated	<u>411,649</u>	<u>19,661</u>	<u>-</u>	<u>431,310</u>
Less accumulated depreciation for:				
Buildings	113,798	10,993	-	124,791
Machinery and equipment	22,585	1,817	-	24,402
Total accumulated depreciation	<u>136,383</u>	<u>12,810</u>	<u>-</u>	<u>149,193</u>
Total capital assets, being depreciated, net:	<u>275,266</u>	<u>6,851</u>	<u>-</u>	<u>282,117</u>
School District capital assets, net:	<u>\$ 362,988</u>	<u>\$ 32,864</u>	<u>\$ 15,402</u>	<u>\$ 380,450</u>

The only capital asset of the Rochester Ferry Company, LLC is the vessel, which has a book value of \$33,365,000. As of June 30, 2005 no depreciation had been charged since the vessel was not in service.

D. NONCURRENT AND DEBT RELATED LIABILITIES

The following tables summarize changes in the City's Noncurrent and debt related liabilities for the year ended June 30, 2005:

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

	Balance June 30, 2004	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2005	Due Within One Year
General Obligation Bonds					
Public improvement	\$ 56,136	\$ -	\$ 11,572	\$ 44,564	\$ 9,295
Sewer	6,860	-	1,170	5,690	1,095
Library	3,249	-	817	2,432	807
Local works	15	-	7	8	7
Total General Obligation Bonds	66,260	-	13,566	52,694	11,204
Bond Anticipation Notes					
Public improvement	33,573	17,492	2,759	48,306	48,306
Sewer	1,470	321	110	1,681	1,681
Total Capital Projects Funds	35,043	17,813	2,869	49,987	49,987
Debt Service Fund	47,000	-	47,000	-	-
Total Bond Anticipation Notes	82,043	17,813	49,869	49,987	49,987
Other Noncurrent liabilities:					
Municipal Bond Bank Agency Liability	8,450	-	1,253	7,197	1,308
Compensated Absences	12,647	12,401	12,647	12,401	12,401
Pension Liability	5,781	-	5,781	-	-
Workers' Compensation	6,538	6,747	3,901	9,384	5,337
Total Other Noncurrent liabilities	33,416	19,148	23,582	28,982	19,046
TOTAL NONCURRENT LIABILITIES	\$ 181,719	\$ 36,961	\$ 87,017	\$ 131,663	\$ 80,237

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

	Balance June 30, 2004	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2005	Due Within One Year
General Obligation Bonds					
Water	\$ 27,449	\$ -	\$ 5,241	\$ 22,208	\$ 5,007
War Memorial	21,016	-	996	20,020	955
Parking	21,256	-	1,110	20,146	1,111
Cemeteries	3	-	1	2	2
Public Market	321	-	55	266	41
Refuse	59	-	29	30	30
Total General Obligation Bonds	70,104	-	7,432	62,672	7,146
Bond Anticipation Notes					
Water	5,471	5,512	134	10,849	10,849
War Memorial	-	-	-	-	-
Parking	-	300	-	300	300
Public Market	907	-	431	476	476
Total Bond Anticipation Notes	6,378	5,812	565	11,625	11,625
Other Noncurrent liabilities:					
Compensated Absences	977	948	977	948	474
Pension Liability	406	407	406	407	407
Workers' Compensation	1,817	1,468	1,562	1,723	861
Total Other Noncurrent liabilities	3,200	2,823	2,945	3,078	1,742
TOTAL NONCURRENT LIABILITIES	\$ 79,682	\$ 8,635	\$ 10,942	\$ 77,375	\$ 20,513

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

The following table summarizes changes in the Component Unit's Noncurrent liabilities for the year ended June 30, 2005:

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

	Balance June 30, 2004	New Issues/ Additions	Maturities And/or Payments	Balance June 30, 2005	Due Within One Year
General Obligation Bonds					
General Fund	\$ 133,017	\$ -	\$ 18,790	\$ 114,227	\$ 13,552
Bond Anticipation Notes					
Capital Projects Fund	33,314	16,232	1,004	\$ 48,542	48,542
Other Noncurrent Liabilities					
Municipal Bond Bank Agency	8,477	-	1,257	7,220	1,313
NYS Education Department	12,947	-	173	12,774	-
NYS Special Purpose Bonds - 2003	11,135	-	528	10,607	1,089
NYS Lottery Advance	-	20,000	-	20,000	667
Claims Payable	5,061	9,934	6,157	8,838	-
Compensated Absences	6,281	3,014	6,281	3,014	1,399
Installment Purchase Debt	14,698	9,031	1,449	22,280	1,600
Total Other Noncurrent Liabilities	<u>58,599</u>	<u>41,979</u>	<u>15,845</u>	<u>84,733</u>	<u>6,068</u>
Total Noncurrent Liabilities	<u>\$ 224,930</u>	<u>\$ 58,211</u>	<u>\$ 35,639</u>	<u>\$ 247,502</u>	<u>\$ 68,162</u>

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

Bond Anticipation Notes with rates ranging from 3.0% to 3.5% have maturities that extend through March 2006.

In fiscal year 1992, permanent financing of \$34,650,000 was arranged through the New York State Municipal Bond Bank Agency (MBBA) with the issuance of 20-year Special Program Revenue Bonds, which was used to repay the State for taxpayer refunds resulting from the City taxing in excess of its Constitutional tax limit from 1975 to 1978. In fiscal year 1999, these MBBA bonds were refinanced under lower interest rates for the same term, which is through March 2011. These bonds, which are collateralized by annual payments of the City pursuant to an agreement between MBBA and the City, are not debt of the State or the City, but rather of the MBBA. The principal balance of \$14,416,100, as of June 30, 2005, will be repaid by the City and School District. In fiscal year 2005, the City made interest payments of \$429,180, and the School District made interest payments of \$430,556. Annual principal and interest payments by the City and the School District are approximately \$3,500,000 through fiscal year 2011.

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

In March 2005, the Rochester Ferry Company, LLC purchased an Australian-built ferry for \$32,000,000, in order to establish service between the Port of Rochester and the Port of Toronto. The purchase price of the ferry, plus up to \$8,000,000 in startup costs, are financed by the Australian Export Finance Insurance Corp. (EFIC). This loan will be repaid by the Rochester Ferry Company, LLC. In the event that the Rochester Ferry Company, LLC is unable to service the debt, repayment is guaranteed by the City of Rochester. At year-end this debt outstanding totaled \$37,500,000. The interest rate, which is variable, is based on the 3-month LIBOR, plus one percent. Interest only payments will be paid quarterly through February 2007, followed by quarterly principal and interest payments through 2020.

In compliance with Internal Revenue Service regulations regarding arbitrage restrictions on tax-exempt bonds, the City remitted \$103,200 and the School District remitted \$17,400 to the Internal Revenue Service in fiscal year 2005 for arbitrage rebates.

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

Fiscal Year Ending June 30	Governmental Activities		Business-type Activities		School District		TOTAL
	Principal	Interest	Principal	Interest	Principal	Interest	
2006	\$ 11,205	\$ 1,920	\$ 7,182	\$ 2,927	\$ 13,553	\$ 4,278	\$ 41,065
2007	8,159	1,501	6,021	2,608	13,844	3,763	35,896
2008	6,625	1,194	4,675	2,355	12,112	3,284	30,245
2009	4,485	964	4,265	2,148	8,112	2,907	22,881
2010	3,100	800	4,070	1,954	6,721	2,623	19,268
2011-2015	7,805	2,848	15,917	7,265	27,688	9,802	71,325
2016-2020	3,805	1,872	10,121	4,094	24,042	4,642	48,576
2021-2025	3,350	1,198	8,441	1,624	8,155	774	23,542
2026-2030	3,310	526	1,980	119	-	-	5,935
2031-2032	850	29	-	-	-	-	879
	<u>\$ 52,694</u>	<u>\$ 12,852</u>	<u>\$ 62,672</u>	<u>\$ 25,094</u>	<u>\$ 114,227</u>	<u>\$ 32,073</u>	<u>\$ 299,612</u>

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

Outstanding Bond Issues - June 30, 2005

Issue	Interest Rates	Amount	Final Maturity
General Obligation Serial Bonds-1980	6.5-7.5%	\$ 1,020,000	2009
General Obligation Serial Bonds-1982	8.75-8.9%	1,450,000	2011
General Obligation-1992, Series A	5.25-5.7%	2,715,000	2006
General Obligation-1993, Series A	4.70%	1,926,025	2006
General Obligation-1993, Series B (Taxable)	6.05%	1,275,000	2005
General Obligation-1994, Series A	4.625-5.0%	9,375,579	2022
General Obligation-1994, Series B (Taxable)	6.4-6.5%	1,425,000	2007
General Obligation-1996, Series A	4.25-4.5%	5,676,722	2023
General Obligation-1996, Series B (Taxable)	6.7-6.75%	6,455,000	2024
General Obligation Serial Bonds-1997	4.0-5.0%	14,144,799	2025
General Obligation Serial Bonds-1999	5-5.25%	29,992,231	2026
General Obligation Serial Bonds-2001, Series A	4-4.5%	14,245,000	2027
General Obligation Serial Bonds-2001, Series B	4.0-5.0%	9,706,879	2028
Dormitory Authority 2002	4.0-5.0%	26,400,000	2025
General Obligation Serial Bonds-2003, Series I	2.8-3.0%	9,800,000	2007
General Obligation Serial Bonds-2004, Series A	2.75-4.0%	43,385,000	2031
General Obligation Serial Bonds-2004, Series B	3.0-4.0%	50,600,000	2031
Total		<u>\$ 229,592,235</u>	

General obligation bonds are direct obligations for which the full faith and credit of the City are pledged. Bonds are generally issued as serial bonds for a period equivalent to one-half of the period of probable usefulness for each improvement as defined by the New York State Local Finance Law. The interest rates on long-term debt range from 2.75% to 8.9% with maturity dates through fiscal 2031. Bonds authorized but unissued as of June 30, 2005, amounted to \$33,396,800. The debt-contracting margin of the City as of June 30, 2005, was \$145,653,300.

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 \$9,231,000 in the General Fund relates primarily to property taxes that will not be collected within sixty days. Deferred revenue of \$27,515,000 in the Community Development Special Revenue Fund relates to long-term receivable balances from various community development programs.

Deferred revenue of \$1,308,000 for the School District is composed of \$781,000 of prepaid Medicaid reimbursements and \$527,000 related to Special Aid Fund projects.

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 2005, these debt service costs amounted to \$1,696,300 of which \$710,300 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 that 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.

H. RESTATEMENT OF CAPITAL ASSET BALANCES AND NET ASSETS INVESTED IN CAPITAL ASSETS

Subsequent to the issuance of the City's June 30, 2004 financial statements, the City discovered that \$8,560,000 of costs, which were incurred primarily from fiscal 2001-2003 for the construction of a building in the governmental activities funds, had been inadvertently expensed rather than capitalized. As a result, capital asset balances and net assets invested in capital assets in the City's entity-wide statements have been restated from the amounts previously reported to appropriately capitalize the building costs. Capital assets (net of accumulated depreciation) as previously reported at June 30, 2004 were \$492,525,000 and as restated were \$501,085,000. Beginning net assets as previously reported at June 30, 2004 were \$558,642,000 and as restated were \$567,202,000.

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

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

At June 30, 2005, the amount of these liabilities was \$15,100,000. Liability estimates are based on the valuations of the insurance companies administering the programs. Changes in the reported liability since June 30, 2003 resulted from the following (000's Omitted):

	Workers'		
	Compensation	General Liability	Total
Estimated claims June 30, 2003	\$ 6,256	\$ 1,852	\$ 8,108
Claims incurred 2003-04	6,076	4,851	10,927
Payments 2003-04	(3,977)	(4,201)	(8,178)
Estimated claims June 30, 2004	<u>\$ 8,355</u>	<u>\$ 2,502</u>	<u>\$ 10,857</u>
Claims incurred 2004-05	6,654	5,243	11,897
Payments 2004-05	(3,901)	(3,753)	(7,654)
Estimated claims June 30, 2005	<u>\$ 11,108</u>	<u>\$ 3,992</u>	<u>\$ 15,100</u>

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

The schedule below presents the changes in the School District's estimated claims since June 30, 2003 for workers' compensation and major medical programs. The estimated claims for workers' compensation represent claims that have occurred and are open, due to an actual or future final determination of benefit payout as prescribed by the New York State Workers' Compensation Board. The calculation is based on the present value of future payouts. The estimated claims for major medical represent an amount based on prior experience with actual payments of claims (000's Omitted):

	Workers' Compensation	Major Medical	Total
Estimated claims June 30, 2003	\$ 10,087	\$ 177	\$ 10,264
Claims incurred 2003-04	845	2,711	3,556
Payments 2003-04	(2,134)	(2,623)	(4,757)
Estimated claims June 30, 2004	<u>\$ 8,798</u>	<u>\$ 265</u>	<u>\$ 9,063</u>
Claims incurred 2004-05	12,046	3,239	15,285
Payments 2004-05	(8,722)	(3,205)	(11,927)
Estimated claims June 30, 2005	<u><u>\$ 12,122</u></u>	<u><u>\$ 299</u></u>	<u><u>\$ 12,421</u></u>

B. CONTINGENT LIABILITIES

Amounts received or receivables from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the 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, 2005 for this purpose was approximately \$13,718,800. The number of eligible participants enrolled to receive such benefits was 2,587 retirees.

The School District finances its post-employment health care benefits on a pay-as-you-go basis. The expenditure recognized at June 30, 2005 for this purpose was \$8,789,000. The number of eligible participants enrolled to receive such benefits was 3,448 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). The New York State Retirement and Social Security Law govern obligations of employers and employees to contribute and benefits to employees. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after 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 2005 was \$174,211,100 of which \$81,035,400 represented payroll costs for employees covered by ERS, \$85,247,500 by PFRS, and \$7,928,200 for nonparticipating employees. Average contribution rates for fiscal year 2005 were 12.1% for ERS and 17.2% for PFRS. All full-time police officers and firefighters are mandatory members.

The total payroll for all employees of the School District for fiscal 2005 was \$277,582,600 of which \$209,076,900 represented payroll costs for employees covered by TRS, \$55,663,100 by ERS, and \$12,842,600 for nonparticipating employees. Average contribution rates for fiscal 2005 were 2.5% for TRS and 11.8% 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, 2005 were made in three monthly installments starting in September of 2004.

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
2003	\$ 1,041	\$ 1,755	\$ 2,796
2004	3,869	5,294	9,163
2005	9,831	14,683	24,514

Contributions for the Retirement Systems made by the School District over the past three fiscal years, which were equal to the required contributions (including special payments made to the Teachers' Retirement System in 2004 which were related to early retirement incentives), were as follows (000's Omitted):

Fiscal Year	Employees' Retirement System	Teachers' Retirement System	Total Retirement Systems
2003	\$ 775	784	\$ 1,559
2004	4,314	15,767	20,081
2005	6,560	5,205	11,765

The total unbilled liability for the City and the School District as of June 30, 2005, 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	\$ 2,112	\$ 3,734	\$ -	\$ 5,846
School District	1,552	-	14,598	\$ 16,150
Total of City and School District	<u>\$ 3,664</u>	<u>\$ 3,734</u>	<u>\$ 14,598</u>	<u>\$ 21,996</u>

The total liability as of June 30, 2005 includes the period of April 1 - June 30, 2005 for the Employees' and Police and Fire Retirement Systems; and the period July 1, 2004 - June 30, 2005 for the Teachers' System. These amounts represent a portion of the estimated billings of the New York State retirement systems for fiscal 2005-06. It is the policy of the City and the School District to record pension costs on the modified accrual basis for governmental funds. Pension costs of the proprietary funds are recognized on the accrual basis.

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

3. Prior Plan

Prior to its participation in the New York State Police and Fire Retirement System, the City had a pension plan that covered firemen, policemen and their widows. It is the policy of the City to provide for payments to the beneficiaries of this plan out of current operations. The City is not required to pay benefits under this plan and the beneficiaries do not have a vested right to benefits. During the year ended June 30, 2005, the City paid approximately \$62,000. On June 30, 2005, there were 6 widows and no retired employees receiving payments under this plan. The pension benefit obligation of this plan is not significant to the City.

E. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

To improve cash management, all City disbursements are made from a consolidated account in the general fund. Also, the cash balances of certain capital funds are consolidated to maximize investment return. Both these cash management practices, as well as normal delays in processing interfund transfers and reimbursements, are the main reason why interfund receivables and payables exist. These receivables and payables are short term in nature and are typically repaid in less than one year. The following schedule summarizes individual fund interfund receivables and payables at June 30, 2005 (000's Omitted):

Receivable Fund	Payable Fund	Amount	
General	General Capital	\$ 2,297	
	Transportation Capital	2,384	
	Community Development	1,181	
	Nonmajor governmental	6,050	
	Water	3,041	
	Parking	18	
	Refuse	175	
	Nonmajor proprietary	875	
	Fiduciary	120	
	Debt Service	5,724	
	General Capital	General	39,423
		Transportation Capital	49
		Nonmajor governmental	4
	Transportation Capital	General	604
General Capital		12	
Nonmajor governmental		4,641	
Nonmajor governmental	General	164	
	Nonmajor governmental	675	
Water	General	117	
Parking	General	253	
War Memorial	General	36	
	Nonmajor governmental	12	
Refuse	General	317	
Nonmajor proprietary	General	608	
Internal Service	General	3,000	
Fiduciary	General	207	
		<u>\$ 71,987</u>	

Transfers among funds are provided for as part of the annual budget process. They facilitate annual contributions from the operating budget to capital project funds. They also facilitate the contribution of enterprise earnings to the general fund. Interfund transfers for the fiscal year ending June 30, 2005, which were routine in nature, were as follows (000's Omitted):

Transfer In:								
Transfer out:	General	Debt Service	General Capital	Transportation Capital	Nonmajor Governmental	Nonmajor Proprietary	Internal Service	Total
General fund	\$ -	\$ 5,705	\$ 24,835	\$ 1,416	\$ 1,168	\$ 250	\$ 3,246	\$ 36,620
Debt Service	8,983	-	-	-	21	1	-	9,005
General Capital	3	-	-	-	-	-	-	3
Transportation Capital	2,358	-	-	-	-	-	-	2,358
Community Development	5,212	-	-	-	-	-	-	5,212
Nonmajor Governmental	4,205	24	-	3,576	884	-	-	8,689
Water	4,678	-	-	-	-	-	-	4,678
	<u>\$ 25,439</u>	<u>\$ 5,729</u>	<u>\$ 24,835</u>	<u>\$ 4,992</u>	<u>\$ 2,073</u>	<u>\$ 251</u>	<u>\$ 3,246</u>	<u>\$ 66,565</u>

The City of Rochester, New York
Required Supplemental Information

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, 2005 (000's Omitted)

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Real property tax	\$ 132,207	\$ 131,912	\$ 133,748	\$ 1,836
Sales and other taxes	144,915	144,919	148,453	3,534
Charges for services	95,629	96,306	98,021	1,715
Use of money and property	1,490	1,491	1,882	391
Interest and penalties	1,167	1,166	1,408	242
Licenses and permits	1,991	1,991	2,269	278
Federal aid	884	1,845	1,201	(644)
State aid	78,366	79,694	79,003	(691)
Local sources and other	19,278	21,736	22,550	814
Total revenues	<u>475,927</u>	<u>481,060</u>	<u>488,535</u>	<u>7,475</u>
EXPENDITURES				
Council and clerk	1,474	1,514	1,491	23
Administration	9,692	9,800	9,126	674
Law	1,826	1,861	1,854	7
Finance	7,441	7,516	7,261	255
Community development	5,853	5,942	5,654	288
Economic development	2,818	2,837	2,414	423
Environmental services	69,923	70,382	67,923	2,459
Library	9,972	10,015	9,933	82
Police	63,513	65,001	64,277	724
Fire	36,957	39,891	39,494	397
Emergency communications	8,326	8,451	8,446	5
Parks, recreation and human services	17,664	18,112	17,857	255
Undistributed	85,318	86,009	82,079	3,930
Contingency	5,970	1	-	1
Debt services	30,444	30,445	30,393	52
Total expenditures	<u>357,191</u>	<u>357,777</u>	<u>348,202</u>	<u>9,575</u>
Excess of revenues over expenditures	<u>118,736</u>	<u>123,283</u>	<u>140,333</u>	<u>17,050</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	24,799	27,048	26,169	(879)
Transfers (to) other funds	(29,877)	(38,046)	(46,751)	(8,705)
Transfers (to) component unit	(119,100)	(119,100)	(119,100)	-
Total other financing uses	<u>(124,178)</u>	<u>(130,098)</u>	<u>(139,682)</u>	<u>(9,584)</u>
Appropriation of prior year fund balance	<u>5,442</u>	<u>6,815</u>	<u>-</u>	<u>(6,815)</u>
Excess of revenues and other sources over expenditures and other uses-Budget Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 651</u>	<u>\$ 651</u>
Encumbrances included in actua			5,249	
Excess of revenues and other sources over expenditures, encumbrances and other uses			5,900	
Expenditures of prior years' encumbrances			3,882	
Excess of revenues and other sources over expenditures and other uses			2,018	
Net enterprise capital revenue			(1,174)	
Depreciation expense			(11,458)	
Debt service cash basis			8,061	
Local improvement ordinances			68	
Contribution to reserve for capital projects			5,671	
Capital transfers			250	
Capital and debt service interest			214	
Capital reimbursement			268	
Debt reserve transfer in			(708)	
Fund equity - beginning of year			<u>199,221</u>	
Fund equity - end of year			<u>\$ 202,431</u>	
General fund			18,757	
Special revenue func			4,092	
Enterprise fund			<u>179,582</u>	
Total			<u>\$ 202,431</u>	

Nonmajor Governmental Funds

Capital Funds

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

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

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

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

Special Revenue Funds

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

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

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

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

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

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

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

Permanent Fund

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

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

**THE CITY OF ROCHESTER, NEW YORK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005 (000's Omitted)**

	Capital Projects		Sewers	Animal Control	Library	Local Works	Special Revenue		Other	Permanent Fund Cemetery	Total Nonmajor Governmental Funds
	Economic Assistance	Cultural/ Recreation					Federal Projects	State Projects			
ASSETS											
Cash and cash equivalents	\$ 6,481	\$ 1,541	\$ 367	\$ 368	\$ 673	\$ 9,877	\$ 2,336	\$ 1,988	\$ 3,184	\$ 5,860	\$ 32,675
Receivables (net of allowance for uncollectibles)	-	-	-	-	-	-	-	-	-	-	-
Accounts	-	240	-	-	-	-	11	-	380	-	631
Taxes	-	-	-	-	-	195	-	871	-	-	1,066
Due from other governments	1,767	347	-	-	3,697	-	23	431	-	-	6,265
Due from other funds	-	675	-	8	77	79	-	-	-	-	839
* Total assets	<u>\$ 8,248</u>	<u>\$ 2,803</u>	<u>\$ 367</u>	<u>\$ 376</u>	<u>\$ 4,447</u>	<u>\$ 10,151</u>	<u>\$ 2,370</u>	<u>\$ 3,290</u>	<u>\$ 3,564</u>	<u>\$ 5,860</u>	<u>\$ 41,476</u>
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts payable and accrued liabilities:	\$ -	\$ -	\$ -	\$ 50	\$ 478	\$ 832	\$ 2	\$ 38	\$ -	\$ -	\$ 1,400
Notes payable	18,092	925	1,681	-	-	-	-	-	-	-	20,698
Due to other funds	220	410	-	159	3,356	5,679	91	1,120	347	-	11,382
Due to other governments	-	-	-	22	183	123	-	-	-	-	328
Deferred revenue	-	-	-	-	-	-	11	871	-	-	882
* Total liabilities	<u>18,312</u>	<u>1,335</u>	<u>1,681</u>	<u>231</u>	<u>4,017</u>	<u>6,634</u>	<u>104</u>	<u>2,029</u>	<u>347</u>	<u>-</u>	<u>34,690</u>
Fund balances:											
Reserved for encumbrances	3,981	1,935	270	51	123	174	1,107	1,164	1,506	-	10,311
Unreserved:											
Designated for subsequent years' expenditures	-	-	-	-	232	887	-	-	-	-	1,119
Undesignated, reported in:											
Special revenue fund	-	-	-	94	75	2,456	1,159	97	1,711	-	5,592
Capital projects fund	(14,045)	(467)	(1,584)	-	-	-	-	-	-	-	(16,096)
Permanent fund	-	-	-	-	-	-	-	-	-	5,860	5,860
Total fund balances	<u>(10,064)</u>	<u>1,468</u>	<u>(1,314)</u>	<u>145</u>	<u>430</u>	<u>3,517</u>	<u>2,266</u>	<u>1,261</u>	<u>3,217</u>	<u>5,860</u>	<u>6,786</u>
Total liabilities and fund balances	<u>\$ 8,248</u>	<u>\$ 2,803</u>	<u>\$ 367</u>	<u>\$ 376</u>	<u>\$ 4,447</u>	<u>\$ 10,151</u>	<u>\$ 2,370</u>	<u>\$ 3,290</u>	<u>\$ 3,564</u>	<u>\$ 5,860</u>	<u>\$ 41,476</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, 2005 (000's Omitted)**

	Capital Projects			Special Revenue					Permanent Fund	Total Nonmajor	
	Economic Assistance	Cultural/ Recreation	Sewers	Animal Control	Library	Local Works	Federal Projects	State Projects	Other Cemetery	Governmental Funds	
REVENUES											
Real property tax	\$ -	\$ -	\$ -	\$ 917	\$ 4,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,599
Departmental	-	-	-	262	2,365	13,469	-	-	-	-	16,096
Use of money and property	-	-	-	16	-	230	55	24	50	-	375
Federal aid	685	347	-	-	-	-	194	3,724	-	-	4,950
State aid	33	-	-	-	364	34	261	538	-	-	1,230
Local sources and other	-	-	-	-	6,620	-	847	642	962	176	9,247
Total revenues	718	347	-	1,195	14,031	13,733	1,357	4,928	1,012	176	37,497
EXPENDITURES											
Current:											
Community development	-	-	-	-	-	-	1,348	362	16	-	1,726
Environmental services	-	-	-	-	-	7,639	-	-	-	-	7,639
Library	-	-	-	-	9,894	-	-	-	-	-	9,894
Police	-	-	-	949	-	-	114	277	3	-	1,343
Fire	-	-	-	-	-	-	-	4	-	-	4
Parks, recreation and human services	-	-	-	-	-	-	166	1,719	107	-	1,992
Undistributed	-	-	-	271	2,569	2,428	-	-	88	-	5,356
Capital projects	3,822	1,640	343	-	-	-	-	-	-	-	5,805
Debt service:											
Principal	-	-	-	-	817	7	-	-	-	-	824
Interest	-	-	-	-	153	1	-	-	-	-	154
Total expenditures	3,822	1,640	343	1,220	13,433	10,075	1,628	2,362	214	-	34,737
Excess (deficiency) of revenues over expenditures:	(3,104)	(1,293)	(343)	(25)	598	3,658	(271)	2,566	798	176	2,760
OTHER FINANCING SOURCES (USES)											
Transfers from other funds	650	1,292	110	-	13	8	-	-	-	-	2,073
Transfers (to) other funds	-	(13)	(11)	-	(884)	(4,455)	(917)	(2,062)	(347)	-	(8,689)
Total other financing sources (uses)	650	1,279	99	-	(871)	(4,447)	(917)	(2,062)	(347)	-	(6,616)
Net change in fund balances	(2,454)	(14)	(244)	(25)	(273)	(789)	(1,188)	504	451	176	(3,856)
Fund Balances - beginning of year	(7,610)	1,482	(1,070)	170	703	4,306	3,454	757	2,766	5,684	10,642
Fund Balances - end of year	\$ (10,064)	\$ 1,468	\$ (1,314)	\$ 145	\$ 430	\$ 3,517	\$ 2,266	\$ 1,261	\$ 3,217	\$ 5,860	\$ 6,786

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.

**THE CITY OF ROCHESTER, NEW YORK
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2005 (000's Omitted)**

	Business-type Activities-Enterprise Funds		
	Cemeteries	Public Market	Total Nonmajor Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 215	\$ 102	\$ 317
Receivables (net of allowance for uncollectibles)	1,692	-	1,692
Due from other funds	338	20	358
Cash and cash equivalents - restricted	2	14	16
Due from other funds - restricted	-	250	250
Total current assets	2,247	386	2,633
Capital assets:			
Land	131	480	611
Buildings	1,215	1,782	2,997
Improvements other than buildings	1,174	2,095	3,269
Equipment	1,149	23	1,172
Construction in progress	-	26	26
Less accumulated depreciation	(2,017)	(1,003)	(3,020)
Total noncurrent (net of accumulated depreciation)	1,652	3,403	5,055
Total assets	3,899	3,789	7,688
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	129	45	174
Accrued interest payable	-	13	13
Notes payable	-	476	476
Bonds payable	2	41	43
Due to other funds	835	40	875
Due to other governments	17	3	20
Total current liabilities	983	618	1,601
Noncurrent liabilities:			
Bonds payable	-	225	225
Total liabilities	983	843	1,826
NET ASSETS			
Invested in capital assets, net of related debt	1,650	2,661	4,311
Restricted for debt service	2	11	13
Restricted for capital projects	165	267	432
Unrestricted	1,099	7	1,106
Total net assets	\$ 2,916	\$ 2,946	\$ 5,862

**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, 2005 (000's Omitted)**

	<u>Business-type Activities-Enterprise Funds</u>		
	<u>Cemeteries</u>	<u>Public Market</u>	<u>Total Nonmajor Funds</u>
Operating Revenues			
Charges for services	\$ 1,665	\$ 543	\$ 2,208
Operating Expenses			
Personal services	1,065	142	1,207
Supplies and materials	723	409	1,132
Employee benefits	322	38	360
Depreciation	142	149	291
Claims settlement	-	-	-
Total operating expenses	2,252	738	2,990
Operating income(loss)	(587)	(195)	(782)
Nonoperating revenues (expenses)			
Real property taxes	1,006	524	1,530
State aid	-	24	24
Interest and penalties	6	-	6
Interest on investments	115	7	122
Interest expense	-	(27)	(27)
Total nonoperating revenues (expenses)	1,127	528	1,655
Income (loss) before operating transfers	540	333	873
Transfers in	-	251	251
Change in net assets	540	584	1,124
Total net assets-beginning	2,376	2,362	4,738
Total net assets-ending	\$ 2,916	\$ 2,946	\$ 5,862

**THE CITY OF ROCHESTER, NEW YORK
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005 (000's Omitted)**

	Business-type Activities-Enterprise Funds		
	Cemeteries	Public Market	Total Nonmajor Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,594	\$ 543	\$ 2,137
Payments to suppliers	(1,064)	(415)	(1,479)
Payments to employees	(1,080)	(144)	(1,224)
Net cash (used) by operating activities	<u>(550)</u>	<u>(16)</u>	<u>(566)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Real property taxes	1,006	524	1,530
Operating grants	-	24	24
Transfers (to) from other funds	(352)	81	(271)
Net cash provided by noncapital financing activities	<u>654</u>	<u>629</u>	<u>1,283</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on bonds and notes	(1)	(486)	(487)
Interest expense paid on bonds and notes	-	(32)	(32)
Payments to contractors	(152)	(63)	(215)
Proceeds from sale of capital assets	5	4	9
Net cash used in capital and related financing activities	<u>(148)</u>	<u>(577)</u>	<u>(725)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	115	7	122
Net increase in cash and cash equivalents	71	43	114
Cash and cash equivalents at beginning of year	146	73	219
Cash and cash equivalents at end of year	<u>\$ 217</u>	<u>\$ 116</u>	<u>\$ 333</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (587)	\$ (195)	\$ (782)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	142	149	291
(Increase) in accounts receivable	(101)	-	(101)
(Increase) in intergovernmental receivables	24	-	24
Increase in accounts payable	(34)	30	(4)
Interest and penalties	6	-	6
Total adjustments	<u>37</u>	<u>179</u>	<u>216</u>
Net cash provided (used) by operating activities	<u>\$ (550)</u>	<u>\$ (16)</u>	<u>\$ (566)</u>

THE CITY OF ROCHESTER, NEW YORK
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005 (000's Omitted)

	Balance				Balance
	June 30, 2004	Additions	Deductions		June 30, 2005
ASSETS					
Cash and cash equivalents	\$ 11,230	\$ 12,669	\$ 14,887		\$ 9,012
Receivables (net of allowance for uncollectibles)	37	15	-		52
Due from other funds	125	336	254		207
Total assets	<u>\$ 11,392</u>	<u>\$ 13,020</u>	<u>\$ 15,141</u>		<u>\$ 9,271</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 11,143	\$ 12,965	\$ 14,957		\$ 9,151
Due to other funds	249	56	185		120
Total liabilities	<u>\$ 11,392</u>	<u>\$ 13,021</u>	<u>\$ 15,142</u>		<u>\$ 9,271</u>

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

The City of Rochester, New York

Other Supplemental Information

**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, 2005 (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	\$ 124,540	\$ 126,125	\$ 5,703	\$ 5,599	\$ 1,669	\$ 2,024	\$ 132,207	\$ 131,912	\$ 133,748	\$ 1,836
Sales and other taxes	143,995	147,468	-	-	924	985	144,915	144,919	148,453	3,534
Charges for services	19,577	20,382	15,402	15,068	61,327	62,571	95,629	96,306	98,021	1,715
Use of money and property	1,215	1,441	73	204	203	237	1,490	1,491	1,882	391
Interest and penalties	-	-	-	-	1,166	1,408	1,167	1,166	1,408	242
Licenses and permits	1,991	2,269	-	-	-	-	1,991	1,991	2,269	278
Federal aid	1,845	1,191	-	-	-	10	884	1,845	1,201	(644)
State aid	79,223	78,605	471	398	-	-	78,366	79,694	79,003	(691)
Local sources and other	15,116	15,930	6,620	6,620	-	-	19,278	21,736	22,550	814
Total revenues	387,502	393,411	28,269	27,889	65,289	67,235	475,927	481,060	488,535	7,475
EXPENDITURES										
Council and clerk	1,514	1,491	-	-	-	-	1,474	1,514	1,491	23
Administration	9,800	9,126	-	-	-	-	9,692	9,800	9,126	674
Law	1,861	1,854	-	-	-	-	1,826	1,861	1,854	7
Finance	7,516	7,261	-	-	-	-	7,441	7,516	7,261	255
Community development	5,942	5,654	-	-	-	-	5,853	5,942	5,654	288
Economic development	1,618	1,512	-	-	1,219	902	2,818	2,837	2,414	423
Environmental services	23,892	23,147	8,413	7,526	38,077	37,250	69,923	70,382	67,923	2,459
Library	-	-	10,015	9,933	-	-	9,972	10,015	9,933	82
Police	63,944	63,324	1,057	953	-	-	63,513	65,001	64,277	724
Fire	39,891	39,494	-	-	-	-	36,957	39,891	39,494	397
Emergency communications	8,451	8,446	-	-	-	-	8,326	8,451	8,446	5
Parks, recreation and human services	15,091	14,843	-	-	3,021	3,014	17,664	18,112	17,857	255
Undistributed	73,430	69,599	5,017	5,287	7,562	7,193	85,318	86,009	82,079	3,930
Contingency	1	-	-	-	-	-	5,970	1	-	1
Debt services	17,964	17,923	968	968	11,513	11,502	30,444	30,445	30,393	52
Total expenditures	270,915	263,674	25,470	24,667	61,392	59,861	357,191	357,777	348,202	9,575
Excess of revenues over expenditures	\$ 116,587	\$ 129,737	\$ 2,799	\$ 3,222	\$ 3,897	\$ 7,374	\$ 118,736	\$ 123,283	\$ 140,333	\$ 17,050

continued

The City of Rochester, New York

Other Supplemental Information

**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, 2005 (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	\$ 26,291	\$ 25,439	\$ 21	\$ 21	\$ 736	\$ 709	\$ 24,799	\$ 27,048	\$ 26,169	\$ (879)
Transfers (to) other funds	(27,915)	(36,620)	(4,460)	(4,460)	(5,671)	(5,671)	(29,877)	(38,046)	(46,751)	(8,705)
Transfers (to) component unit	(119,100)	(119,100)	-	-	-	-	(119,100)	(119,100)	(119,100)	-
Total other financing uses	<u>(120,724)</u>	<u>(130,281)</u>	<u>(4,439)</u>	<u>(4,439)</u>	<u>(4,935)</u>	<u>(4,962)</u>	<u>(124,178)</u>	<u>(130,098)</u>	<u>(139,682)</u>	<u>(9,584)</u>
Appropriation of prior year fund balance	4,137	-	1,640	-	1,038	-	5,442	\$ 6,815	\$ -	\$ (6,815)
Deficiency of revenues and other sources over expenditures and other uses-Budget Basis	<u>\$ -</u>	<u>(544)</u>	<u>\$ -</u>	<u>(1,217)</u>	<u>\$ -</u>	<u>2,412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 651</u>	<u>\$ 651</u>
Encumbrances included in actual		<u>4,540</u>		<u>270</u>		<u>439</u>				
Excess (deficiency) of revenues and other sources over expenditures, encumbrances and other uses		3,996		(947)		2,851				
Expenditures of prior years' encumbrances		<u>3,256</u>		<u>208</u>		<u>418</u>				
Excess (deficiency) of revenues and other sources over expenditures and other uses		740		(1,155)		2,433				
Net enterprise capital revenue		-		-		(1,174)				
Depreciation expense		-		-		(11,458)				
Debt service cash basis		-		-		8,061				
Local improvement ordinances		-		68		-				
Contribution to reserve for capital projects		-		-		5,671				
Capital transfers		-		-		250				
Capital and debt service interest		-		-		214				
Capital reimbursement		-		-		268				
Debt reserve transfer in		-		-		(708)				
Fund equity - beginning of year		<u>18,017</u>		<u>5,179</u>		<u>176,025</u>				
Fund equity - end of year		<u>\$ 18,757</u>		<u>\$ 4,092</u>		<u>\$ 179,582</u>				

STATISTICAL SECTION

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

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	66
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	73
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	77
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	82
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	113

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

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

	2001	2002	2003	2004	2005
Governmental activities					
Invested in capital assets, net of related debt	\$ 283,119	\$ 348,540	\$ 372,737	\$ 391,222	\$ 421,921
Restricted	106,928	131,239	122,987	124,241	136,012
Unrestricted	99,369	42,839	46,656	43,179	41,326
Total governmental activities net assets	<u>\$ 489,416</u>	<u>\$ 522,618</u>	<u>\$ 542,380</u>	<u>\$ 558,642</u>	<u>\$ 599,259</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 150,098	\$ 153,047	\$ 157,992	\$ 157,049	\$ 155,974
Restricted	19,315	19,001	14,851	15,871	17,959
Unrestricted	6,994	5,087	5,173	3,105	5,649
Total business-type activities net assets	<u>\$ 176,407</u>	<u>\$ 177,135</u>	<u>\$ 178,016</u>	<u>\$ 176,025</u>	<u>\$ 179,582</u>
Primary government					
Invested in capital assets, net of related debt	\$ 433,217	\$ 501,587	\$ 530,729	\$ 548,271	\$ 577,895
Restricted	126,243	150,240	137,838	140,112	153,971
Unrestricted	106,363	47,926	51,829	46,284	46,975
Total primary government net assets	<u>\$ 665,823</u>	<u>\$ 699,753</u>	<u>\$ 720,396</u>	<u>\$ 734,667</u>	<u>\$ 778,841</u>

Note: Prior years' information not available on accrual basis

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

Continued

	2001	2002	2003	2004	2005
Expenses					
Governmental activities:					
General government	\$ 42,860	\$ 47,630	\$ 45,146	\$ 60,241	\$ 46,516
Police	71,400	73,383	76,955	84,091	90,509
Fire	42,191	45,151	49,210	51,688	57,330
Emergency communications	9,504	9,608	9,834	10,523	11,988
Transportation	26,302	24,922	26,265	24,937	27,618
Environmental services	16,143	14,693	18,496	20,376	21,204
Parks & recreation	20,683	20,353	18,958	18,516	20,815
Library	12,252	12,075	11,356	11,148	10,795
Community & economic development	30,963	38,200	43,275	30,039	29,907
Interest on long-term debt	5,771	5,370	4,162	3,921	4,041
Allocation to school district	127,300	127,300	126,100	126,100	119,100
Total governmental activities expenses	405,369	418,685	429,757	441,580	439,823
Business-type activities expenses					
Water	21,979	24,354	23,583	24,950	25,654
War memorial	3,469	3,748	3,426	3,455	3,209
Parking	7,883	7,157	6,821	6,450	5,611
Cemetery	1,729	1,948	2,060	2,285	2,252
Public market	644	620	672	618	765
Refuse	19,562	19,766	20,322	23,424	22,252
Port of Rochester	8	8	8	-	-
Total business-type activities expenses	55,274	57,601	56,892	61,182	59,743
Total primary government expenses	\$ 460,643	\$ 476,286	\$ 486,649	\$ 502,762	\$ 499,566
Program Revenues					
Governmental activities:					
Charges for services:					
General government	8,601	7,783	7,400	7,248	7,992
Police	6,089	6,675	6,275	6,829	6,473
Fire	566	767	1,057	888	1,100
Emergency communications	8,875	8,914	9,290	9,902	11,074
Transportation	812	768	759	844	818
Environmental services	15,068	15,613	16,446	16,989	18,640
Parks & recreation	2,425	2,134	2,136	2,117	2,067
Library	1,711	1,842	2,536	2,207	2,365
Community & economic development	2,796	3,335	2,913	3,623	3,624
Operating grants and contributions	38,997	52,713	44,557	35,116	34,382
Capital grants and contributions	15,493	14,782	16,204	24,035	15,992
Total governmental activities program revenues	101,433	115,326	109,573	109,798	104,527

Continued

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

Continued

	2001	2002	2003	2004	2005
Business-type activities:					
Charges for services:					
Water	28,833	29,666	29,658	31,603	32,513
War memorial	1,632	1,222	1,389	1,595	1,515
Parking	6,346	5,842	4,987	4,156	4,108
Cemetery	1,336	1,634	1,522	1,573	1,665
Public market	436	527	498	533	543
Refuse	18,854	19,078	20,519	20,589	22,506
Port of Rochester	11	9	7	2	-
Capital grants and contributions	266	160	18	-	-
Total business-type activities program revenues	57,714	58,138	58,598	60,051	62,850
Total primary government program revenues	<u>\$ 159,147</u>	<u>\$ 173,464</u>	<u>\$ 168,171</u>	<u>\$ 169,849</u>	<u>\$ 167,377</u>
Net (expense)/revenue					
Governmental activities	(303,936)	(303,359)	(320,184)	(331,782)	(335,296)
Business-type activities	2,440	537	1,706	(1,131)	3,107
Total primary government net expense	<u>\$ (301,496)</u>	<u>\$ (302,822)</u>	<u>\$ (318,478)</u>	<u>\$ (332,913)</u>	<u>\$ (332,189)</u>
General Revenues and Other Changes in					
Net Assets					
Governmental activities:					
Taxes					
Property taxes	126,421	121,211	125,895	130,602	131,917
Sales taxes	110,526	113,262	111,442	115,501	118,000
Other taxes	29,177	28,744	31,717	30,874	28,007
Governmental aid	57,001	60,803	61,699	62,097	77,604
Investment earnings	8,947	4,607	2,292	2,087	3,126
Miscellaneous	3,820	3,256	2,223	1,599	4,272
Transfers	4,154	4,678	4,678	5,284	4,427
Total governmental activities	<u>340,046</u>	<u>336,561</u>	<u>339,946</u>	<u>348,044</u>	<u>367,353</u>
Business-type activities:					
Taxes					
Property taxes	1,107	2,225	1,410	1,895	2,024
Other taxes	919	846	844	933	985
Governmental aid	-	-	117	31	34
Investment earnings	1,162	619	315	242	426
Miscellaneous	1,192	1,179	1,168	1,323	1,408
Transfers	(4,154)	(4,678)	(4,678)	(5,284)	(4,427)
Total business-type activities	<u>226</u>	<u>191</u>	<u>(824)</u>	<u>(860)</u>	<u>450</u>
Total primary government	<u>\$ 340,272</u>	<u>\$ 336,752</u>	<u>\$ 339,122</u>	<u>\$ 347,184</u>	<u>\$ 367,803</u>
Change in Net Assets					
Governmental activities	36,110	33,202	19,762	16,262	32,057
Business-type activities	2,666	728	882	(1,991)	3,557
Total primary government	<u>\$ 38,776</u>	<u>\$ 33,930</u>	<u>\$ 20,644</u>	<u>\$ 14,271</u>	<u>\$ 35,614</u>

Note: Prior years' information not available on accrual basis

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

	2001	2002	2003	2004	2005
Property Tax	\$ 127,528	\$ 123,436	\$ 127,305	\$ 132,497	\$ 133,941
Sales Tax	110,526	113,262	111,442	115,501	118,000
Other Taxes	<u>30,096</u>	<u>29,590</u>	<u>32,561</u>	<u>31,807</u>	<u>28,992</u>
Total Taxes	<u>\$ 268,150</u>	<u>\$ 266,288</u>	<u>\$ 271,308</u>	<u>\$ 279,805</u>	<u>\$ 280,933</u>

Note: Prior years' information not available on accrual basis

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

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General fund										
Reserved	\$ 8,163	\$ 7,016	\$ 6,416	\$ 7,766	\$ 8,883	\$ 9,119	\$ 9,727	\$ 10,098	\$ 10,412	\$ 10,938
Unreserved	5,335	5,843	5,947	12,493	6,227	6,531	7,036	7,361	7,605	7,819
Total general fund	<u>\$ 13,498</u>	<u>\$ 12,859</u>	<u>\$ 12,363</u>	<u>\$ 20,259</u>	<u>\$ 15,110</u>	<u>\$ 15,650</u>	<u>\$ 16,763</u>	<u>\$ 17,459</u>	<u>\$ 18,017</u>	<u>\$ 18,757</u>
All other governmental funds										
Reserved	N/A	N/A	N/A	N/A	N/A	\$ 105,627	\$ 106,755	\$ 102,013	\$ 92,542	\$ 117,199
Unreserved, reported in:										
Special revenue funds	N/A	N/A	N/A	N/A	N/A	2,013	11,569	9,106	6,647	1,908
Capital projects funds	N/A	N/A	N/A	N/A	N/A	880	(27,357)	(35,594)	(3,519)	(28,106)
Permanent funds	N/A	N/A	N/A	N/A	N/A	5,176	5,348	5,536	5,684	5,860
Total all other governmental funds	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 113,696</u>	<u>\$ 96,315</u>	<u>\$ 81,061</u>	<u>\$ 101,354</u>	<u>\$ 96,861</u>
Total all governmental funds	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 129,346</u>	<u>\$ 113,078</u>	<u>\$ 98,520</u>	<u>\$ 119,371</u>	<u>\$ 115,618</u>

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

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

	2001	2002	2003	2004	2005
Revenues					
Real property tax	\$ 124,475	\$ 119,623	\$ 124,861	\$ 129,517	\$ 131,724
Sales and other taxes	140,142	142,694	144,022	147,213	147,468
Departmental	31,584	32,909	33,556	34,788	36,478
Use of money and property	10,540	5,990	2,974	2,536	3,633
Licenses and permits	1,567	1,588	1,569	2,069	2,269
Federal aid	30,292	39,076	34,842	40,512	32,379
State aid	68,258	68,322	76,509	69,512	85,001
Local sources and other	28,107	35,335	25,546	25,310	28,868
Total revenues	<u>434,965</u>	<u>445,537</u>	<u>443,879</u>	<u>451,457</u>	<u>467,820</u>
Expenditures					
Council and clerk	1,316	1,331	1,330	1,431	1,478
Administration	8,444	8,891	9,243	9,349	9,043
Law	1,663	1,726	1,653	1,763	1,816
Finance	6,776	6,812	6,806	7,228	7,198
Community development	24,739	32,322	38,926	25,539	21,911
Economic development	1,868	1,843	1,536	1,655	1,482
Environmental services	29,810	28,125	30,531	29,373	29,670
Library	11,335	11,255	10,448	10,267	9,894
Police	56,112	58,542	59,417	62,983	63,202
Fire	34,092	35,542	37,288	37,734	39,316
Emergency communications	7,634	7,615	7,651	7,881	8,360
Parks, recreation and human services	16,096	14,935	14,439	16,375	16,031
Undistributed	43,716	49,288	50,127	60,193	77,583
Allocation to school district	127,300	127,300	126,100	126,100	119,100
Capital projects	47,867	58,222	47,788	52,344	47,769
Debt service:					
Principal	14,559	16,267	14,139	12,849	14,819
Interest	5,208	6,142	4,458	3,733	4,082
Total expenditures	<u>438,535</u>	<u>466,158</u>	<u>461,880</u>	<u>466,797</u>	<u>472,754</u>
Excess of revenues over (under) expenditures	(3,570)	(20,621)	(18,001)	(15,340)	(4,934)
Other financing sources (uses)					
Transfers in	53,642	39,543	57,531	59,029	63,068
Transfers out	(52,445)	(35,190)	(54,088)	(57,802)	(61,887)
Proceeds of general obligation debt	19,141	-	-	34,964	-
Total other financing sources (uses)	<u>20,338</u>	<u>4,353</u>	<u>3,443</u>	<u>36,191</u>	<u>1,181</u>
Net change in fund balances	<u>\$ 16,768</u>	<u>\$ (16,268)</u>	<u>\$ (14,558)</u>	<u>\$ 20,851</u>	<u>\$ (3,753)</u>
Debt service as a percentage of noncapital expenditures	5.33%	5.81%	4.70%	4.17%	4.65%

Note: Prior years' information not available on accrual basis

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

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Property Tax	\$ 136,195	\$ 136,595	\$ 133,943	\$ 127,137	\$ 125,424	\$ 124,475	\$ 119,623	\$ 142,861	\$ 129,517	\$ 131,724
Sales and Other Tax	<u>112,721</u>	<u>118,254</u>	<u>122,788</u>	<u>136,142</u>	<u>136,141</u>	<u>140,142</u>	<u>142,694</u>	<u>144,022</u>	<u>147,213</u>	<u>147,468</u>
Total Taxes	<u>\$ 248,916</u>	<u>\$ 254,849</u>	<u>\$ 256,731</u>	<u>\$ 263,279</u>	<u>\$ 261,565</u>	<u>\$ 264,617</u>	<u>\$ 262,317</u>	<u>\$ 286,883</u>	<u>\$ 276,730</u>	<u>\$ 279,192</u>

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

Fiscal Year	Assessed Value Municipal Purposes	Veterans Exemption (1)	Assessed Value School Purposes	Estimated Actual Value School Purposes	Assessed Value as a Percentage of Actual Value (2)
1996	\$ 5,403,091	\$ 97,749	\$ 5,500,840	\$ 5,144,818	106.92%
1997	5,111,770	91,165	5,202,935	5,076,529	102.49%
1998	5,031,843	88,504	5,120,347	5,062,132	101.15%
1999	4,988,153	84,452	5,072,605	5,108,363	99.30%
2000	4,968,557	75,689	5,044,246	4,757,376	106.03%
2001	4,730,800	71,607	4,802,407	4,751,565	101.07%
2002	4,722,309	67,179	4,789,488	4,750,062	100.83%
2003	4,717,404	64,714	4,782,118	4,738,368	100.92%
2004	4,674,521	60,813	4,735,334	5,068,865	93.42%
2005	5,042,828	62,979	5,105,807	5,183,560	98.50%

Notes:

(1) Subject to School Purposes but not General Municipal Purposes

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

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

Fiscal Year	City of Rochester			Overlapping Rate	TOTAL DIRECT & OVERLAPPING RATE
	General Municipal Purposes	School Purposes	Total	Monroe County (1)	
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	12.89	29.54	42.43	10.04	52.47
2003 Homestead	6.33	14.19	20.52	9.93	30.45
Nonhomestead	13.38	30.66	44.04	9.93	53.97
2004 Homestead	6.52	14.64	21.16	10.46	31.62
Nonhomestead	14.26	32.68	46.94	10.46	57.40
2005 Homestead	6.34	13.78	20.12	11.99	32.11
Nonhomestead	13.77	30.55	44.32	11.99	56.31

(1) Source: Monroe County Treasury

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

**THE CITY OF ROCHESTER, NEW YORK
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR
JUNE 30, 2005
(000's Omitted)**

	2005			1996		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Rochester Gas and Electric	\$ 394,582	1	7.82%	\$ 336,185	1	6.11%
Eastman Kodak Co.	119,113	2	2.36%	240,386	2	4.37%
Frontier Telephone Corp.	77,023	3	1.53%	56,398	3	1.03%
Samloff, Glazer	26,838	4	0.53%	-	-	-
Pioneer/City Center	23,081	5	0.46%	-	-	-
Chase Manhattan	21,709	6	0.43%	28,565	4	0.52%
Xerox	17,250	7	0.34%	19,500	6	0.35%
CSX	15,415	8	0.31%	-	-	-
Maguire Family Properties	14,101	9	0.28%	-	-	-
Landsman Development Corp.	13,796	10	0.27%	-	10	-
Farash, Jalynn Brighton Development	-	-	-	26,623	5	0.48%
Conrail	-	-	-	17,814	7	0.32%
First Federal Savings and Loan	-	-	-	15,881	8	0.29%
ITT Automotive	-	-	-	13,855	9	0.25%
Seneca Office Building Corp.	-	-	-	11,600	10	0.21%
Totals	<u>\$ 722,908</u>		<u>14.34%</u>	<u>\$ 766,807</u>		<u>13.94%</u>

Note:

- 1) The total taxable assessed value of \$5,042,828,000 was used for fiscal year 2004-05 taxes.
- 2) The total taxable assessed value of \$5,403,091,000 was used for fiscal year 1995-96 taxes.

Source: Assessment Roll of the City of Rochester

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1996	\$ 175,508	\$ 161,775	92.18%	\$ 9,969	\$ 171,744	97.86%
1997	176,468	162,563	92.12%	9,873	172,436	97.72%
1998	174,624	161,363	92.41%	9,233	170,596	97.69%
1999	169,604	156,623	92.35%	8,621	165,244	97.43%
2000	168,683	155,449	92.15%	9,064	164,513	97.53%
2001	163,894	149,749	91.37%	9,777	159,526	97.33%
2002	160,732	146,155	90.93%	9,428	155,583	96.80%
2003	166,991	152,270	91.18%	9,298	161,568	96.75%
2004	173,145	158,479	91.53%	7,425	165,904	95.82%
2005	178,380	163,293	91.54%	N/A	163,293	91.54%

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

Fiscal Year	Government Activities		Business-Type Activities		Bond Proceeds for Note Redemption	Total Primary Government	Component Unit Activities		Total Entity	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Bond Anticipation Notes	General Obligation Bonds	Bond Anticipation Notes			General Obligation Bonds	Bond Anticipation Notes			
1996	N/A	N/A	N/A	N/A	\$ (58,510)	\$ 195,880	\$ 113,799	\$ 26,733	\$ 336,412	5.53%	\$ 1,472
1997	N/A	N/A	N/A	N/A	-	211,645	98,460	61,012	371,117	6.14%	1,635
1998	N/A	N/A	N/A	N/A	-	210,084	105,235	53,777	369,096	6.35%	1,690
1999	N/A	N/A	N/A	N/A	-	198,407	87,590	70,907	356,904	6.25%	1,663
2000	\$ 65,446	\$ 29,960	\$ 81,389	\$ 11,124	-	187,919	98,885	55,480	342,284	5.96%	1,585
2001	71,092	65,257	82,054	6,267	(29,275)	195,395	116,530	41,433	353,358	5.93%	1,579
2002	55,929	45,643	74,661	12,407	-	188,640	94,125	62,616	345,381	5.94%	1,582
2003	42,942	54,452	67,488	13,339	-	178,221	77,759	79,805	335,785	5.79%	1,540
2004	66,260	82,043	70,104	6,378	(47,000)	177,785	133,017	33,314	344,116	N/A	1,599
2005	52,694	49,987	62,672	11,625	-	176,978	114,227	48,542	339,747	N/A	1,592

Note:

- 1) Population figures from "Survey of Buying Power" Sales and Marketing Management Magazine
- 2) Per Capita Personal Income figures for Monroe County from US Dept. of Commerce Bureau of Economic Analysis (www.bea.doc.gov)
- 3) The split of debt between Governmental Activities and Business-Type Activities is not available prior to fiscal year 2000, when GASB 34 was implemented.

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

Fiscal Year	Total Entity General Obligation Debt	Less: Amounts Available for Debt	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
1996	\$ 336,412	\$ 37,670	\$ 298,742	5.53%	\$ 1,307
1997	371,117	45,256	325,861	6.37%	1,436
1998	369,096	49,052	320,044	6.36%	1,465
1999	356,904	55,377	301,527	6.04%	1,405
2000	342,284	61,300	280,984	5.66%	1,301
2001	353,358	57,847	295,511	6.25%	1,320
2002	345,381	59,969	285,412	6.04%	1,307
2003	335,785	62,520	273,265	5.79%	1,254
2004	344,116	61,354	282,762	6.05%	1,314
2005	339,747	57,222	282,525	5.60%	1,324

Note:

1) Population figures from "Survey of Buying Power" Sales and Marketing Management Magazine

THE CITY OF ROCHESTER, NEW YORK
 DIRECT AND OVERLAPPING DEBT
 AS OF JUNE 30, 2005
 (000's Omitted)

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to City of Rochester	Amount Applicable to City of Rochester
City of Rochester	\$ 339,747	100.00%	\$ 339,747
County of Monroe	<u>439,277</u>	15.55%	<u>68,308</u>
Total	<u>\$ 779,024</u>		<u>\$ 408,055</u>

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

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Debt Limit	\$ 556,844	\$ 571,486	\$ 593,260	\$ 482,083	\$ 448,240	\$ 436,660	\$ 428,504	\$ 420,086	\$ 431,025	\$ 450,269
Total net debt applicable to limit	\$ 274,431	\$ 313,011	\$ 312,395	\$ 305,454	\$ 294,923	\$ 309,800	\$ 302,985	\$ 301,442	\$ 308,620	\$ 304,616
Legal debt margin	\$ 282,413	\$ 258,475	\$ 280,865	\$ 176,629	\$ 153,317	\$ 126,860	\$ 125,519	\$ 118,644	\$ 122,405	\$ 145,653
Total net debt applicable to the limit as a percentage of debt limit	49.28%	54.77%	52.66%	63.36%	65.80%	70.95%	70.71%	71.76%	71.60%	67.65%

Legal Debt Margin Calculation for Fiscal Year 2005

Indebtedness

Borrowings (Bonds and Notes)	\$ 339,747	(1)	
Contract Liabilities	38,798	(2)	\$ 378,545
Deductions and Exclusions			
Water Bonds and Notes	33,026	(3)	
Sanitary Sewer Bonds and Notes	2,105	(3)	
Housing Subsidy	55	(4)	
Cash and Cash Equivalents	38,743	(5)	73,929
Net Indebtedness			304,616
Debt Limit (9% of five-year average full valuation)			450,269
Debt Contracting Margin			<u>\$ 145,653</u>

Continued

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

Continued

Notes:

- (1) Represents all bond and note debt of the City, 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 \$2,470,000, the debt service on which is to be reimbursed to the City by the Rochester Pure Waters District of the County, pursuant to a lease of sewerage facilities to such district by the City.
- (2) Represents (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
DEMOGRAPHIC ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Population ⁽¹⁾	228,500	227,000	218,400	214,600	215,900	223,800	218,300	218,000	215,200	213,400
Per Capita Personal Income Monroe County ⁽²⁾	\$ 26,619	\$ 27,817	\$ 29,091	\$ 29,740	\$ 31,134	\$ 32,215	\$ 32,335	\$ 33,272	N/A	N/A
School District Enrollment ⁽³⁾	36,196	37,153	37,254	38,261	37,159	35,435	35,095	34,526	33,832	33,035
Unemployment Rate ⁽⁴⁾	N/A	N/A	N/A	N/A	4.5	5.5	7.1	7.2	6.9	6.3
Employed ⁽⁴⁾	N/A	N/A	N/A	N/A	95,100	93,300	91,400	90,200	90,400	90,200

Source:

1) Population figures from "Survey of Buying Power" Sales and Marketing Management Magazine

2) U.S. Dept of Commerce Bureau of Economic Analysis (www.bea.doc.gov)

3) Rochester City School District's Department of Research and Evaluation

4) www.labor.state.ny.us (Average rates computed through September 2005)

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

	2005		1996	
	Employees	Rank	Employees	Rank
University of Rochester/Strong Memorial Hospital	16,565	1	8,966	3
Eastman Kodak Company	16,300	2	34,000	1
Wegmans Food Markets Inc.	14,897	3	4,945	4
Xerox Corporation	8,325	4	13,300	2
ViaHealth	6,565	5	-	-
Unity Health System	4,716	6	-	-
Lifetime Healthcare Cos. Inc.	3,642	7	-	-
Rochester Institute of Technology	2,802	8	2,149	10
Delphi Corporation	2,350	9	4,000	5
Tops Markets LLC	2,307	10	-	-
ITT Automotive Electrical Systems	-	-	3,770	6
Bausch & Lomb	-	-	3,300	7
Frontier, a Citizens Communications Company	-	-	2,800	8
Rochester General Hospital	-	-	2,510	9

Source: Rochester Business Journal

Includes Monroe, Genesee, Livingston, Ontario, Orleans and Wayne counties.

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

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
City Council and Clerk	31.7	28.3	28.2	27.5	27.4	27.3	27.3	27.3	27.2	27.2
Administration	124.5	123.3	175.2	203.8	191.8	190.6	206.2	200.4	200.9	191.1
Finance	133.8	132.9	135.1	139.3	141.7	137.4	141.1	140.3	142.2	138.3
Community Development	135.2	137.8	114.9	103.3	101.0	101.6	104.2	102.2	100.7	98.5
Economic Development	27.7	27.4	28.9	28.9	28.3	41.7	42.2	27.2	26.2	25.7
Environmental Services	746.7	745.4	751.7	759.4	754.9	751.3	765.1	758.5	749.4	733.3
Emergency Communications	183.0	185.2	182.5	186.6	191.9	189.7	186.8	182.7	181.6	182.9
Police	864.8	863.3	875.7	883.9	876.6	916.0	932.5	922.6	915.0	912.1
Fire	564.5	572.6	580.8	593.2	595.3	579.4	584.7	578.1	569.6	568.3
Library	215.6	220.3	231.4	233.0	229.5	231.7	231.6	219.4	192.4	182.0
Parks, Recreation & Human Services	288.6	298.3	310.1	335.4	349.6	337.6	335.4	313.5	301.3	295.2
Total	<u>3,316.1</u>	<u>3,334.8</u>	<u>3,414.5</u>	<u>3,494.3</u>	<u>3,488.0</u>	<u>3,504.3</u>	<u>3,557.1</u>	<u>3,472.2</u>	<u>3,406.5</u>	<u>3,354.6</u>

Full-time Employees
Last Ten Fiscal Years

City	2,955	2,981	3,033	3,082	3,096	3,121	3,151	3,100	3,054	3,003
School District	5,384	5,428	5,594	5,833	6,023	6,221	6,303	6,068	6,013	5,864
Total	<u>8,339</u>	<u>8,409</u>	<u>8,627</u>	<u>8,915</u>	<u>9,119</u>	<u>9,342</u>	<u>9,454</u>	<u>9,168</u>	<u>9,067</u>	<u>8,867</u>

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

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Estimated 2005
Emergency Communications										
Calls received	1,172,445	1,134,381	1,160,107	1,177,490	1,206,034	1,157,877	1,103,665	1,148,108	1,127,659	1,166,236
Police										
Calls for service	426,724	429,655	437,081	449,552	443,307	465,568	475,341	455,290	424,851	429,737
Reported crimes	52,079	47,964	46,657	42,215	40,698	38,996	41,045	38,543	39,344	35,316
Fire										
Unit responses	33,353	36,852	41,730	47,056	43,623	43,025	43,990	45,257	45,765	45,985
Refuse										
Residential accounts	54,350	53,799	53,730	53,675	53,541	53,328	52,987	52,766	52,673	52,476
Commercial accounts	3,096	3,126	2,750	2,660	2,972	2,830	2,767	2,730	2,660	2,640
Total tonnage	105,580	109,228	111,661	115,583	118,850	117,285	116,618	117,277	120,939	119,700
Residential cost per ton	\$93.10	\$104.56	\$98.96	\$99.22	\$102.63	\$99.72	\$100.05	\$101.33	\$101.93	\$105.14
Commercial cost per ton	\$143.49	\$141.40	\$147.87	\$121.29	\$128.46	\$126.16	\$133.90	\$154.11	\$157.69	\$151.81
Water										
Millions of gallons per day										
Filtration plant production	33.70	36.34	35.58	36.50	32.93	38.59	28.27	35.64	37.35	36.38
City water demand	32.63	30.23	29.25	30.42	30.25	29.46	30.08	33.71	32.15	30.15
Library										
Total circulation	1,552,192	1,558,780	1,617,183	1,526,673	1,539,099	1,612,279	1,788,621	1,680,872	1,667,529	1,666,410
Parking										
Total parking spaces	13,557	14,192	14,131	13,855	13,838	12,695	12,695	12,589	11,948	11,934
Annual car counts	3,539,185	3,740,558	3,738,026	3,859,536	3,758,619	3,031,900	3,178,500	2,918,164	2,993,264	2,929,724
Parks and Recreation										
Convention Center attendance	239,351	275,446	307,349	269,364	280,363	275,702	260,804	279,528	312,680	325,006
War Memorial										
Total attendance	666,129	573,139	558,423	560,914	605,200	629,727	557,531	410,547	573,678	536,238

Note: Above data is from City of Rochester Budget, with the exception of Water figures which were provided by the City of Rochester Water Bureau.

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

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Miles of streets	537	537	537	537	539	539	539	539	539	539
Parking garages	8	8	8	8	8	8	8	8	8	8
Libraries	11	11	11	11	11	11	11	11	11	11
Fire houses	16	16	16	16	16	16	16	16	16	16
City owned street lights	10,107	10,400	10,500	10,974	11,512	11,961	11,540	11,326	11,841	12,383
Fire hydrants	7,254	7,254	7,254	7,254	7,456	7,468	7,287	7,287	7,287	7,287

Source: City of Rochester Budget

SINGLE AUDIT REPORTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The 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, 2005, and have issued our report thereon dated September 16, 2005, which included a disclaimer of opinion with respect to the Schedule of Expenditures of New York State and Other Awards and Summary of Financial Assistance on pages 58–64 and an emphasis of a matter for the restatement of capital asset balances and net assets invested in capital assets in the City's entity-wide financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting 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 reportable 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 caused by error or fraud 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.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely 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.



September 16, 2005

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, 2005. The City's major federal programs are identified in the summary of auditors' 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, 2005.

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 reportable 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 caused by error fraud 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.

Deloitte & Touche LLP

November 9, 2005

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005**

	Grant Number	CFDA Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
				Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	
CITY GRANTS										
DEPT. OF HOUSING AND URBAN DEVELOPMENT:										
CDBG PY 1995	B-95-MC-36-0003	14.218	\$ 16,320,401	\$ 16,020,912	\$ 144,500	\$ 16,165,412	\$ 16,020,879	\$ 143,162	\$ 16,164,041	\$ 1,371
CDBG PY 1996	B-96-MC-36-0003	14.218	18,710,449	18,210,142	111,864	18,322,006	18,210,140	111,868	18,322,008	(2)
CDBG PY 1997	B-97-MC-36-0003	14.218	12,846,000	14,026,059	112,918	14,138,977	14,026,047	112,790	14,138,837	140
CDBG PY 1998	B-98-MC-36-0003	14.218	12,890,500	12,668,056	-	12,668,056	12,649,765	-	12,649,765	18,291
CDBG PY 1999	B-99-MC-36-0003	14.218	12,699,000	14,392,713	52,129	14,444,842	14,388,732	55,633	14,444,365	477
CDBG PY 2000	B-00-MC-36-0003	14.218	12,999,000	13,263,240	283,861	13,547,101	13,252,950	294,282	13,547,232	(131)
CDBG PY 2001	B-01-MC-36-0003	14.218	13,516,000	11,852,273	625,761	12,478,034	11,878,696	599,626	12,478,322	(288)
CDBG PY 2002	B-02-MC-36-0003	14.218	13,863,000	9,776,538	1,867,112	11,643,650	9,842,046	1,811,796	11,653,842	(10,192)
CDBG PY 2003	B-03-MC-36-0003	14.218	13,295,000	9,687,065	1,945,830	11,632,895	9,532,019	1,909,099	11,441,118	191,777
CDBG PY 2004	B-04-MC-36-0003	14.218	13,707,000	-	7,592,807	7,592,807	-	7,582,477	7,582,477	10,330
Section 108 Loan Program	B-95-MC-36-0003	14.158	1,300,000	1,300,000	-	1,300,000	1,090,000	-	1,090,000	210,000
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 EDI Program	B-95-ED-36-0019	14.158	475,000	422,500	-	422,500	422,500	-	422,500	-
Section 108 EDI Program	B-99-ED-36-0017	14.158	500,000	250,000	-	250,000	250,000	-	250,000	-
Section 108 EDI Program	B-00-ED-36-0003	14.158	1,925,000	1,500,000	-	1,500,000	1,500,000	-	1,500,000	-
Emergency Shelter	S-02-MC-36-0005	14.146	412,000	359,382	1,714	361,096	361,096	-	361,096	-
Emergency Shelter	S-03-MC-36-0005	14.146	465,000	401,738	51,568	453,306	399,604	53,702	453,306	-
Emergency Shelter	S-04-MC-36-0005	14.146	431,454	-	385,125	385,125	-	381,765	381,765	3,360
Home Program 1992	M-92-MC-36-0504	14.239	2,913,000	2,912,230	-	2,912,230	2,912,230	-	2,912,230	-
Home Program 1993	M-93-MC-36-0504	14.239	1,922,000	1,921,999	-	1,921,999	1,921,999	-	1,921,999	-
Home Program 1994	M-94-MC-36-0504	14.239	2,678,000	2,678,000	-	2,678,000	2,678,000	-	2,678,000	-
Home Program 1995	M-95-MC-36-0504	14.239	2,879,000	2,878,862	-	2,878,862	2,878,862	-	2,878,862	-
Home Program 1996	M-96-MC-36-0504	14.239	3,090,000	3,087,975	-	3,087,975	3,087,975	-	3,087,975	-
Home Program 1997	M-97-MC-36-0504	14.239	3,139,000	3,078,585	5,095	3,083,680	3,078,585	5,095	3,083,680	-
Home Program 1998	M-98-MC-36-0504	14.239	3,413,000	3,238,472	40,000	3,278,472	3,238,472	40,000	3,278,472	-
Home Program 1999	M-99-MC-36-0504	14.239	3,710,000	3,314,584	199,236	3,513,820	3,314,584	199,236	3,513,820	-
Home Program 2000	M-00-MC-36-0504	14.239	3,882,000	3,577,356	212,461	3,789,817	3,577,356	212,461	3,789,817	-
Home Program 2001	M-01-MC-36-0504	14.239	4,148,000	2,853,681	546,245	3,399,926	2,853,681	546,245	3,399,926	-
Home Program 2002	M-02-MC-36-0504	14.239	3,917,000	1,917,981	799,298	2,717,279	1,799,821	917,458	2,717,279	-
Home Program 2003	M-03-MC-36-0504	14.239	3,793,619	436,982	264,197	701,179	436,982	264,197	701,179	-
Home Program 2004	M-04-MC-36-0504	14.239	4,115,135	-	726,430	726,430	-	552,488	552,488	173,942
Lead Hazard Demonstration	NYLHD0003-03	14.905	2,568,248	20,142	294,173	314,315	20,142	294,173	314,315	-
Lead Hazard Control	NYLHB0240-03	14.905	2,918,423	63,210	395,170	458,380	65,978	392,323	458,301	79
Neighborhood Initiative Grant Program	B-01-NI-NY-RO-0007	14.227	1,000,000	948,910	50,690	999,600	948,910	50,690	999,600	-
HOPWA	NY06H02F004	14.241	597,000	-	548,132	548,132	-	548,132	548,132	-
DEPARTMENT OF HOMELAND SECURITY										
Hurricane Frances	1564-DR-NY	97.036	3,276	-	3,276	3,276	-	3,276	3,276	-
Debris Removal	1534-DR-NY	97.036	9,628	-	9,628	9,628	-	9,628	9,628	-
Medical Response	EMW2004GR0743	97.071	1,041,480	-	159,386	159,386	-	159,386	159,386	-
Fire Act Grant	EMW2003FG15898	97.071	50,200	-	50,200	50,200	-	50,200	50,200	-
U.S. DEPARTMENT OF EDUCATION										
PASS THROUGH (From NYS Dept. of Education)										
21st Century Grant (03-04)	0187041010	84.287	2,300,000	1,978,792	286,932	2,265,724	2,000,010	265,714	2,265,724	-
21st Century Grant (04-05)	0187052018	84.287	2,500,000	82,178	2,246,877	2,329,055	29,521	2,254,035	2,283,556	45,499

(continued)

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005**

	Grant Number	CFDA Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
				Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	
U.S. DEPARTMENT OF JUSTICE										
Law Enforcement Block Grant	02-LB-BX-2679	16.592	425,702	425,702	-	425,702	312,349	113,353	425,702	-
Law Enforcement Block Grant	03-LB-BX-2070	16.592	289,730	289,730	-	289,730	-	101,064	101,064	188,666
Law Enforcement Block Grant	04-LB-BX-2070	16.592	122,013	-	122,013	122,013	-	27,363	101,064	94,650
COPS MORE 2001	2001-CL-WX-0005	16.680	232,500	-	232,500	232,500	-	232,500	232,500	-
Weed & Seed 05	01-WS-QX-0020	16.595	175,000	167,260	7,740	175,000	167,260	7,740	175,000	-
Weed & Seed 06&07	01-WS-QX-0158	16.595	450,000	316,290	84,483	400,773	309,974	90,799	400,773	-
Weed & Seed 06&07	01-WS-QX-0191	16.595	450,000	320,706	81,182	401,888	320,706	81,182	401,888	-
Weed & Seed 08	2004-WS-SQ-0135	16.595	225,000	-	67,001	67,001	-	67,001	67,001	-
Weed & Seed 08	2004-WS-SQ-0136	16.595	225,000	-	68,361	68,361	-	68,361	68,361	-
DEA/ATF		16.595	50,463	-	50,463	50,463	-	50,463	50,463	-
Homeland Security	2003-OL-WX-0013	16.710	492,741	227,179	172,391	399,570	227,179	172,391	399,570	-
Safe Neighborhoods	2006-GP-CX-0559	16.609	250,000	44,163	106,189	150,352	44,163	106,189	150,352	-
Nunn-Luger	2002-TE-CX-0034	16.007	280,000	134,217	143,272	277,489	134,217	143,272	277,489	-
Safe Start		16.730	79,167	74,610	21,591	96,201	74,610	21,591	96,201	-
PASS THROUGH (FROM DCJS)										
Impact		16.579	67,297	-	67,297	67,297	-	67,297	67,297	-
Youth Violence	C-521980	16.523	239,320	-	74,384	74,384	-	74,384	74,384	-
JJAIBG Restorative Justice	C-520636	16.523	53,970	-	18,063	18,063	-	18,063	18,063	-
JJAIBG Restorative Justice	C-520635	16.523	79,778	21,362	58,416	79,778	21,362	58,416	79,778	-
Stop Violence Against Women	C-554636	16.588	113,100	-	75,055	75,055	-	75,055	75,055	-
In School Youth Violence	C-821630	16.579	42,000	-	41,860	41,860	-	41,860	41,860	-
U.S. DEPARTMENT OF TRANSPORTATION										
NYS DEPARTMENT OF TRANSPORTATION (Pass Through)										
Buffalo Road/West Avenue - 4512.1	D010729	20.205	3,814,400	3,348,474	-	3,348,474	3,348,474	-	3,348,474	-
Goodman Street - 4751.9	D010694	20.205	2,800,800	2,390,475	78,213	2,468,688	2,390,475	78,213	2,468,688	-
Broad Street Tunnel - 4751.87	D009279	20.205	1,166,400	475,307	70,895	546,202	475,307	70,895	546,202	-
Court Street Bridge - 4752.13	D010724	20.205	761,600	651,824	52,125	703,949	651,824	52,125	703,949	-
Ford Street Bridge - 4752.52	D011399	20.205	8,800,000	8,415,775	967	8,416,742	8,415,775	967	8,416,742	-
Lake Avenue - 4752.4	D011414	20.205	9,909,146	8,120,822	1,011,282	9,132,104	8,120,822	1,011,282	9,132,104	-
St. Paul Street/Inner Loop - 4752.3	D010735	20.205	360,800	357,831	(1,128)	356,703	357,831	(1,128)	356,703	-
Dewey Avenue	D011509	20.205	1,360,000	1,329,511	(93,441)	1,236,070	1,329,511	(93,441)	1,236,070	-
Port	D013858	20.205	18,887,000	16,908,013	1,281,723	18,189,736	16,908,013	1,281,723	18,189,736	-
Bicycle Parking/Genesee River Sigr	D011511	20.205	95,200	92,972	-	92,972	-	92,972	92,972	-
West Ridge Road	D013560	20.205	20,037,600	4,087,761	2,596,520	6,684,281	4,087,761	2,596,520	6,684,281	-
Broad Street Bridge	D013824	20.205	240,000	10,304	4,083	14,387	10,304	4,083	14,387	-
CBD Signs	D017579	20.205	114,400	34,684	-	34,684	34,684	-	34,684	-
Lexington Avenue	D017499	20.205	503,200	458,969	1,954,802	2,413,771	458,969	1,954,802	2,413,771	-
Chili Avenue	D014967	20.205	5,887,800	2,718,646	3,027,061	5,745,707	2,718,646	3,027,061	5,745,707	-
Elmwood Avenue Bridge	D013825	20.205	2,300,000	1,930,137	185,732	2,115,869	1,930,137	185,732	2,115,869	-
Mt. Hope Ave. & E. Henrietta Roac	D022408	20.205	480,000	-	24,135	24,135	-	24,135	24,135	-
PL - 2003-04	D125071	20.205	71,780	-	17,500	17,500	-	17,500	17,500	-
U.S. ENVIRONMENTAL PROTECTION AGENCY										
Brownfield Grant	V992420-01	66.811	200,000	185,692	14,244	199,936	184,263	15,673	199,936	-
Brownfield Grant	BF98298403	66.811	280,000	-	54,847	54,847	-	54,312	54,312	535
Brownfield Grant	BF97298603	66.811	480,000	-	3,010	3,010	-	3,010	3,010	-
U.S. DEPARTMENT OF AGRICULTURE:										
Summer Food Service	36-07950C	10.555	345,308	-	345,308	345,308	-	345,308	345,308	-

(continued)

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005**

	Grant Number	CFDA Number	Budget	REVENUES		EXPENDITURES			Net (Accrued) Deferred Revenue	
				Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	Cumulative June 30, 2004	Current Year		Cumulative June 30, 2005
U.S. DEPARTMENT OF COMMERCE										
EDA Outer Loop Industrial Park	01-01-03833	11.300	877,800	614,372	1,032	615,404	614,372	1,032	615,404	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:										
Teen Pregnancy PY 7 (04-385)	88/CCU212367-7	93.283	1,300,000	1,284,594	-	1,284,594	1,278,032	-	1,278,032	6,562
Medical Response	282-000031	93.728	880,000	650,000	230,000	880,000	607,140	131,570	738,710	141,290
SUBTOTAL CITY GRANTS			\$ 291,238,828	\$ 216,207,939	\$ 32,363,786	\$ 248,571,725	\$ 215,294,714	\$ 32,200,655	\$ 247,495,365	\$ 1,076,356
CITY SCHOOL DISTRICT GRANTS										
PROJECTS OPEN AS OF JUNE 30, 2005										
DIRECT FEDERAL PROJECTS										
U.S. DEPARTMENT OF EDUCATION:										
IMPACT AID										
J0820 Impact Aid	S041B20053427	84.040	15,185	-	15,185	15,185	-	7,904	7,904	7,281
OTHER DIRECT FEDERAL										
J0335 Native American Resource Center	S060A042183	84.060A	71,535	-	64,411	64,411	-	69,215	69,215	(4,804)
J0383 Safer School Initiative - Solid Waste Management	X97288305C	66.808	46,000	-	8,182	8,182	-	45,999	45,999	(37,817)
J0385 Surv. Study, Invest & Special Purposes	X897290504	66.606	24,000	-	6,163	6,163	-	2,982	2,982	3,181
J0477 USDE Tch Amer Hist Prj Pride	U215X040285	84.215X	333,335	-	265,209	265,209	-	279,796	279,796	(14,587)
FEDERAL FLOW THROUGH PROJECTS										
ESEA TITLE										
J0202-298 Title I	0021-05-1395	84.010A	32,030,260	-	23,834,485	23,834,485	-	25,882,120	25,882,120	(2,047,635)
ESEA TITLE II INNOVATIVE PROGRAM STRATEGIES										
J0207-298 V -No Child Left Behind	0002-05-1395	84.298A	737,470	-	262,466	262,466	-	303,901	303,901	(41,435)
ESEA TITLE IV SAFE & DRUG-FREE SCHOOLS										
J0450 Safe & Drug Free Schools & Communities	0180-05-1395	84.186A	572,507	-	209,865	209,865	-	373,892	373,892	(164,027)
INDIVIDUALS WITH DISABILITIES EDUCATION ACT										
J0305 Support Services Handicapped	0032-05-0370	84.027A	11,297,324	-	8,342,290	8,342,290	-	10,114,672	10,114,672	(1,772,382)
J0310 SETRC	0000-75-2005	84.027A	454,176	-	245,370	245,370	-	389,986	389,986	(144,616)
J0311 IDEA State Improvement Grant	0031-05-5305	84.027A	64,582	-	31,295	31,295	-	47,615	47,615	(16,320)
J0340 Pre-School Handicapped	0033-05-0370	84.173A	944,621	-	390,570	390,570	-	583,103	583,103	(192,533)
J0361 Special Education Quality Assurance Process	0031-05-2707	84.027A	15,000	-	7,551	7,551	-	15,700	15,700	(8,149)
J0362 Special Education Quality Assurance Implementation	0031-05-2855	84.027A	100,000	-	58,484	58,484	-	98,170	98,170	(39,686)
J0390 Pre-School Administrator	0232-05-0370	84.173A	103,615	-	93,253	93,253	-	100,794	100,794	(7,541)
J0586 Medicaid Grant	0031-05-4016	84.027A	54,000	-	47,485	47,485	-	52,719	52,719	(5,234)
VOCATIONAL EDUCATION										
J0707 VATEA / Secondary Formula	8000-05-0024	84.048A	573,242	-	393,038	393,038	-	571,696	571,696	(178,658)
J0754 VATEA / Adult Formula	8000-05-9020	84.048A	285,342	-	256,807	256,807	-	284,939	284,939	(28,132)
J0767 Perkins 3 Tech Prep Planning	8080-05-3002	84.243A	190,000	-	171,000	171,000	-	191,321	191,321	(20,321)
WORKFORCE INVESTMENT ACT										
J0701 WIA, Title II, Incarcerated & Institutionalized	0138-05-0015	84.002A	57,817	-	48,847	48,847	-	57,006	57,006	(8,159)
J0722 WIA, Title II, Adult Education & Literacy	2338-05-1053	84.002A	391,170	-	352,053	352,053	-	391,441	391,441	(39,388)
J0777 WIA, Title II, Workplace Literacy	2338-05-4017	84.002A	50,000	-	45,000	45,000	-	49,848	49,848	(4,848)
J0748 WIA, Title II, One Stop Center	2338-05-3105	84.002A	85,064	-	76,557	76,557	-	84,401	84,401	(7,844)
J0768 WIA, Title II, Family Literacy	2338-05-5011	84.002A	159,495	-	143,545	143,545	-	160,192	160,192	(16,647)

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**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005**

	Grant Number	CFDA Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
				Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	
OTHER FEDERAL FLOW THROUGH STATE										
J0120 Title II-D - Technology	0292-05-1395	84.318X	775,707	-	602,954	602,954	-	626,121	626,121	(23,167)
J0155 Comprehensive School Reform Prog CO/School Imp	0223-05-4155	84.332A	80,000	-	64,844	64,844	-	68,518	68,518	(3,674)
J0156 Comprehensive School Reform Program @ #2	0223-05-4122	84.332A	135,000	-	115,746	115,746	-	91,447	91,447	24,299
J0158 Comprehensive School Reform Program @ #3	0223-05-4135	84.332A	110,000	-	99,000	99,000	-	96,716	96,716	2,284
J0159 Comprehensive School Reform Program @ #3	0223-05-4139	84.332A	110,000	-	99,000	99,000	-	98,052	98,052	948
J0160 Comprehensive School Reform Program @ #4	0223-05-4142	84.332A	110,000	-	99,000	99,000	-	108,777	108,777	(9,777)
J0161 Comprehensive School Reform Program @ #4	0223-05-4143	84.332A	110,000	-	99,000	99,000	-	95,422	95,422	3,578
J0162 Comprehensive School Reform Program @ #5	0223-05-415C	84.332A	110,000	-	89,519	89,519	-	82,591	82,591	6,928
J0163 Comprehensive School Reform Program @ #5	0223-05-4152	84.332A	110,000	-	99,000	99,000	-	90,779	90,779	8,221
J0164 Comprehensive School Reform Program @ #5	0223-05-4157	84.332A	85,000	-	76,500	76,500	-	77,326	77,326	(826)
J0179 Comprehensive School Reform Program @ Marshal	0223-05-4174	84.332A	110,000	-	98,400	98,400	-	103,974	103,974	(5,574)
J0181 Comprehensive School Reform Program @ SWW	0223-05-4181	84.332A	110,000	-	22,000	22,000	-	80,327	80,327	(58,327)
J0182 CSRD America's Choice No. 34	0223-05-5025	84.332A	148,750	-	119,252	119,252	-	106,824	106,824	12,428
J0184 CSRD America's Choice Jeffersn	0223-05-502E	84.332A	148,750	-	132,033	132,033	-	125,059	125,059	6,974
J0185 CSRD America's Choice No. 3C	0223-05-5027	84.332A	148,750	-	120,267	120,267	-	117,325	117,325	2,942
J0186 CSRD America's Choice No. 1E	0223-05-502E	84.332A	148,750	-	132,975	132,975	-	120,184	120,184	12,791
J0187 CSRD Exped Learning OB No. 5E	0223-05-5029	84.332A	148,750	-	112,129	112,129	-	104,569	104,569	7,560
J0188 CSRD America's Choice No. 1E	0223-05-503C	84.332A	148,750	-	133,875	133,875	-	134,061	134,061	(186)
J0199 Title III - Bilingual Educator	0293-05-1395	84.365A	912,133	-	481,434	481,434	-	521,524	521,524	(40,090)
J0200 Title II -No Child Left Behinc	0147-05-1395	84.367A	5,135,490	-	3,843,150	3,843,150	-	4,261,849	4,261,849	(418,699)
J0300 Title I Improvement and Choice	0011-05-201E	84.348A	1,374,223	-	437,534	437,534	-	636,245	636,245	(198,711)
J0336 Learn & Serve America @ #3	0270-05-004C	94.004	18,000	-	9,942	9,942	-	13,572	13,572	(3,630)
J0360 Homeless Children	0212-05-391E	84.196A	49,000	-	25,390	25,390	-	47,980	47,980	(22,590)
J0364 Reading First	0243-05-002E	84.196A	1,800,000	-	778,619	778,619	-	1,039,721	1,039,721	(261,102)
J0719 EDGE Welfare To Work	C009756	93.558	190,400	-	-	-	-	113,506	113,506	(113,506)
PROJECTS CLOSED AS OF JUNE 30, 2005										
DIRECT FEDERAL PROJECTS										
U.S. DEPARTMENT OF EDUCATION:										
IMPACT AID										
G0820 Impact Aid	S041B20043427	84.040	34,322	43,654	-	43,654	29,072	14,581	43,654	-
OTHER DIRECT FEDERAL										
G0335 Native American Resource Center	S060A032183	84.060A	72,802	60,760	10,083	70,843	70,340	503	70,843	-
G0426 Drug & Violence Prevention Middle Schools	S184K010027-03	84.184K	171,873	128,311	13,442	141,753	138,752	3,001	141,753	-
FEDERAL FLOW THROUGH PROJECTS										
ESEA TITLE										
G0196 Title I Even Start #2	0024-04-135E	84.213C	270,000	177,014	82,409	259,423	191,546	67,877	259,423	-
G0197 Title I Even Star	0024-04-135E	84.213C	270,000	179,287	73,725	253,012	183,487	69,525	253,012	-
G0202-298 Title	0021-04-1395	84.010A	35,263,171	26,082,047	3,216,650	29,298,697	27,026,230	2,272,467	29,298,697	-
ESEA TITLE VI INNOVATIVE PROGRAM STRATEGIES										
G0201 Title V - No Child Left Behinc	0002-04-1395	84.298A	671,321	604,188	-	604,188	600,247	3,941	604,188	-
ESEA TITLE IV SAFE & DRUG-FREE SCHOOLS										
G0450 Safe & Drug Free Schools & Communities	0180-04-1395	84.186A	665,687	276,786	313,978	590,764	335,770	254,994	590,764	-

(continued)

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005**

	Grant Number	CFDA Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
				Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	
INDIVIDUALS WITH DISABILITIES EDUCATION AC										
G0305 Support Services Handicapped	0032-04-0370	84.027A	8,293,608	7,464,247	469,826	7,934,073	7,513,916	420,157	7,934,073	-
G0310 SETRC	0031-04-9909	84.027A	454,176	237,459	133,399	370,858	365,934	4,924	370,858	-
G0311 IDEA State Improvement Gran	0031-04-5305	84.027A	50,000	37,594	(5,244)	32,350	31,280	1,070	32,350	-
G0333 Preschool Data Collection Assistanc	0031-04-3410	84.027A	500	-	500	500	429	71	500	-
G0340 Pre-School Handicapped	0033-04-0370	84.173A	514,896	431,026	(15,804)	415,222	372,427	42,795	415,222	-
G0361 Special Education Quality Assurance Proces	0031-04-2707	84.027A	7,500	2,402	844	3,246	3,240	6	3,246	-
G0362 Special Education Quality Assurance Implementatio	0031-04-2855	84.027A	100,000	20,000	26,696	46,696	88,784	(42,088)	46,696	-
G0390 Pre-School Administrator	0232-04-0370	84.173A	115,851	102,179	(53,765)	48,414	101,219	(52,805)	48,414	-
G0586 Medicaid Grant	0031-04-4016	84.027A	54,000	48,600	5,400	54,000	53,616	384	54,000	-
VOCATIONAL EDUCATION										
G0707 VATEA / Secondary Formul	8000-04-0024	84.048A	647,769	582,992	63,829	646,821	637,417	9,404	646,821	-
G0754 VATEA / Adult Formula	8000-04-9020	84.048A	358,253	322,427	27,159	349,586	362,117	(12,531)	349,586	-
G0767 Perkins 3 Tech Prep Plannin	8080-04-3002	84.243A	199,806	179,825	13,130	192,955	196,290	(3,335)	192,955	-
WORKFORCE INVESTMENT ACT										
G0701 WIA, Title II, Incarcerated & Institutionalizer	0138-04-0015	84.002A	57,817	52,035	5,782	57,817	59,519	(1,702)	57,817	-
G0722 WIA, Title II, Adult Education & Literac	2338-04-1053	84.002A	380,245	342,220	36,494	378,714	377,341	1,373	378,714	-
G0748 WIA - One Stop Center	2338-04-3105	84.002A	80,000	62,440	10,687	73,127	73,651	(524)	73,127	-
G0768 WIA-Family Literacy	2338-04-5011	84.002A	150,000	135,000	3,956	138,956	146,498	(7,542)	138,956	-
G0777 WIA, Title II, Workplace Literacy	2338-04-4017	84.002A	50,000	43,999	5,638	49,637	48,857	780	49,637	-
OTHER FEDERAL FLOW THROUGH STATE										
G0120 Title II-D - Technology	0292-04-1395	84.318X	1,000,363	658,880	299,162	958,042	918,251	39,791	958,042	-
G0155 Comprehensive School Reform CO/School Im	0223-04-4155	84.332A	80,000	72,000	715	72,715	79,042	(6,327)	72,715	-
G0156 Comprehensive School Reform Program @ # 2	0223-04-4122	84.332A	135,000	121,500	23	121,523	99,406	22,117	121,523	-
G0158 Comprehensive School Reform Program @ # 3	0223-04-4135	84.332A	110,000	99,000	6,471	105,471	103,835	1,636	105,471	-
G0159 Comprehensive School Reform Program @ # 3	0223-04-4139	84.332A	110,000	99,000	8,375	107,375	100,865	6,510	107,375	-
G0160 Comprehensive School Reform Program @ # 4	0223-04-4142	84.332A	110,000	99,000	8,311	107,311	99,816	7,495	107,311	-
G0161 Comprehensive School Reform Program @ # 4	0223-04-4143	84.332A	110,000	99,000	4,971	103,971	95,589	8,382	103,971	-
G0162 Comprehensive School Reform Program @ # 5	0223-04-4150	84.332A	110,000	94,121	10,998	105,119	100,521	4,598	105,119	-
G0163 Comprehensive School Reform Program @ # 5	0223-04-4152	84.332A	110,000	99,000	3,630	102,630	102,483	147	102,630	-
G0164 Comprehensive School Reform Program @ # 5	0223-04-4157	84.332A	85,000	76,500	6,936	83,436	77,625	5,811	83,436	-
G0166 Comprehensive School Reform Program @ # 1	0223-04-1561	84.332A	110,000	99,000	9,931	108,931	103,313	5,618	108,931	-
G0167 Comprehensive School Reform Program @ # 2	0223-04-1546	84.332A	110,000	99,000	7,699	106,699	105,994	705	106,699	-
G0168 Comprehensive School Reform Program @ # 4	0223-04-1551	84.332A	110,000	99,000	1,203	100,203	99,391	812	100,203	-
G0169 Comprehensive School Reform Program @ # 2	0223-04-1560	84.332A	110,000	99,000	8,349	107,349	96,036	11,313	107,349	-
G0170 Comprehensive School Reform Program @ # 3	0223-04-1559	84.332A	110,000	99,000	8,475	107,475	104,603	2,872	107,475	-
G0171 Comprehensive School Reform Program @ # 3	0223-04-1554	84.332A	110,000	99,000	8,893	107,893	95,436	12,457	107,893	-
G0172 Comprehensive School Reform Program @ # 4	0223-04-1555	84.332A	110,000	99,000	10,657	109,657	107,536	2,121	109,657	-
G0173 Comprehensive School Reform Program @ # 5	0223-04-1550	84.332A	110,000	99,000	10,548	109,548	93,335	16,213	109,548	-
G0174 Comprehensive School Reform Program @ # 1	0223-04-1562	84.332A	110,000	99,000	8,728	107,728	106,000	1,728	107,728	-
G0175 Comprehensive School Reform Program @ CME	0223-04-1544	84.332A	110,000	99,000	9,254	108,254	107,447	807	108,254	-
G0176 Comprehensive School Reform Program @ MME	0223-04-1557	84.332A	110,000	22,000	82,128	104,128	24,177	79,951	104,128	-
G0177 Comprehensive School Reform Program @ FTLC	0223-04-1558	84.332A	110,000	99,000	9,823	108,823	108,124	699	108,823	-
G0178 Comprehensive School Reform Program @ FHS	0223-04-1556	84.332A	110,000	99,000	9,322	108,322	106,215	2,107	108,322	-
G0179 Comprehensive School Reform Program @ Marshal	0223-04-4174	84.332A	110,000	99,000	6,769	105,769	104,167	1,602	105,769	-
G0181 Comprehensive School Reform Program @ SWW	0223-04-4181	84.332A	110,000	71,438	29,469	100,907	83,676	17,231	100,907	-
G0182 Comprehensive School Reform Program @ # 3	0223-05-5025	84.332A	148,750	133,875	12,675	146,550	138,924	7,626	146,550	-
G0183 Comprehensive School Reform Program @ Loftor	0223-04-5024	84.332A	148,750	133,875	(7,285)	126,590	126,422	168	126,590	-
G0184 Comprehensive School Reform Program @ Jeffersor	0223-05-5026	84.332A	148,750	133,875	5,018	138,893	131,918	6,975	138,893	-
G0185 Comprehensive School Reform Program @ # 3	0223-05-5027	84.332A	148,750	133,875	8,474	142,349	133,126	9,223	142,349	-
G0186 Comprehensive School Reform Program @ # 1	0223-05-5028	84.332A	148,750	133,875	10,343	144,218	123,260	20,958	144,218	-
G0187 Comprehensive School Reform Program @ # 5	0223-05-5029	84.332A	148,750	133,875	13,740	147,615	135,336	12,279	147,615	-
G0188 Comprehensive School Reform Program @ # 1	0223-05-5030	84.332A	148,750	133,875	5,744	139,619	138,576	1,043	139,619	-

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**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005**

	Grant Number	CFDA Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
				Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	
OTHER FEDERAL FLOW THROUGH STATE (continued)										
G0198 Title III Immigrant Aic	0149-04-0210	84.365A	51,646	10,329	(5,470)	4,859	512	4,347	4,859	-
G0199 Title III Bilingua	0293-04-0210	84.365A	575,316	114,185	52,759	166,944	72,772	94,172	166,944	-
G0200 Title II -No Child Left Behinc	0147-04-1395	84.367A	6,388,574	4,774,631	718,120	5,492,751	4,951,692	541,059	5,492,751	-
G0300 Title I Improvement and Choicc	0011-04-2016	84.348A	1,105,000	994,500	50,853	1,045,353	933,646	111,707	1,045,353	-
G0336 Learn & Serve America @ #3f	0270-04-0040	94.004	20,863	7,511	4,490	12,001	11,500	501	12,001	-
G0344 Reading Excellence Act Gran	1001-04-0021	84.338A	450,450	321,753	106,888	428,641	348,188	80,453	428,641	-
G0346 Books to Bytes	0070-04-0013	45.310	12,489	11,240	1,007	12,247	7,274	4,973	12,247	-
G0360 Homeless Children	0212-04-3919	84.196A	100,000	20,000	71,977	91,977	14,879	77,098	91,977	-
G0364 Reading First	0243-04-0028	84.357A	1,800,000	360,000	1,284,638	1,644,638	151,789	1,492,848	1,644,638	-
G0384 Tutorial Assistance-Reading	1000-04-2015	84.338A	399,980	79,996	160,580	240,576	38,814	201,763	240,576	-
G0396 School Renovation, IDEA and Technolog	0206-03-0106	84.352A	1,974,953	781,709	1,017,451	1,799,160	1,235,731	563,429	1,799,160	-
G0398 Technology	0208-03-0107	84.352A	1,042,798	938,518	103,548	1,042,066	1,042,041	25	1,042,066	-
G0540 NCLB - Parent Involement Innovatio	0122-04-3009	84.010A	19,997	3,999	13,878	17,877	287	17,590	17,877	-
G0719 EDGE Welfare To Work	0298-04-9008	93.558	264,180	47,600	210,460	258,060	194,925	63,135	258,060	-
OTHER INDIRECT FEDERAL										
G0522 Schools in Need - Stipends (Monroe #1 BOCES			3,500	3,500	-	3,500	1,924	1,576	3,500	-
G0734 JTPA-Summer Law Preparation (City of Rochester			14,051	12,997	-	12,997	12,985	12	12,997	-
G0745 WIA-Youth Work Readiness Initiative	C010539		45,000	-	26,803	26,803	26,622	181	26,803	-
G0746 Early Head Start (Action for a Better Community			177,029	31,098	140,241	171,339	65,845	105,494	171,339	-
G0749 New Citizenship Initiative (Oswego County BOCES			47,330	-	47,352	47,352	29,818	17,534	47,352	-
G0762 GED Services Healthy Start (Perinatal Network of Monroe County			8,000	8,000	-	8,000	8,751	(751)	8,000	-
G0778 Family, Adult, and Workplace Literacy (FAWL)	C010647		103,000	-	16,500	16,500	42,669	(26,169)	16,500	-
SCHOOL FOOD SERVICE FUND:										
U.S. DEPARTMENT OF AGRICULTURE	---	10.555	11,477,226	-	11,477,226	11,477,226	-	11,477,226	11,477,226	-
TOTAL SCHOOL DISTRICT GRANTS			140,649,784	49,973,621	63,818,337	113,791,958	52,351,083	67,302,085	119,653,168	(5,861,210)
TOTAL CITY GRANTS			291,238,828	216,207,939	32,363,786	248,571,725	215,294,714	32,200,655	247,495,368	1,076,356
GRAND TOTAL CITY GRANTS AND SCHOOL DISTRICT GRANTS			\$ 431,888,612	\$ 266,181,560	\$ 96,182,123	\$ 362,363,683	\$ 267,645,797	\$ 99,502,740	\$ 367,148,537	\$ (4,784,854)

See "Notes to Schedule of Expenditures of Federal Awards.

(concluded)

CITY OF ROCHESTER, NEW YORK

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

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”). The City reporting entity is defined in Note 1 to the City’s basic 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 1.c. to the City’s basic 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.
5. **Asset Control Area Agreement (ACA)**—Participating in this program (CFDA# 14.311), the City purchased houses from the Department of Housing and Urban Development at a discount. In turn, to revitalize the City’s housing stock, these units are rehabilitated and resold to low and moderate-income families. The value of these discounts was \$1,517,989 and \$2,112,952 in the 2005 and 2004 program years, respectively. While the cost of the property purchases and the revenue from sales are reported in the City’s financial statements, the expenses for rehabilitation are reported in the Schedule of Expenditures of Federal Awards under the CDBG Program (CFDA# 14.218) and the Home Program (CFDA# 14.239). The combined acquisition and rehabilitation costs of these properties exceed the final sale prices.

CITY OF ROCHESTER, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2005

PART I—SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued:			Unqualified
Internal control over financial reporting:			
1. Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
2. Reportable condition(s) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A	
3. Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

Federal Awards:

Internal control over major programs:			
4. Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
5. Reportable condition(s) identified not considered to be material weakness(es)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A	
Type of auditors' report issued on compliance for major programs:			Unqualified
6. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
7. The Authority's major programs were:			

Name of Federal Program or Cluster	CFDA Number
Community Development Block Grant	14.218
NYS Department of Transportation (pass through)	20.205
ESEA Block Grant Cluster:	
Title 1 - Grant to Local Educational Agencies	84.010
Special Education Cluster:	
Special Education Grants to States (IDEA Part B):	
VEDIS Grant, Support Services for the Handicapped, SETRC, IDEA State Improvement Grant	84.027
Special Education Preschool Grants (IDEA Preschool):	
Preschool Handicapped and Administration	84.173
8. Dollar threshold used to distinguish between Type A and Type B programs?	<u>\$ 3,000,000</u>
9. Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

CITY OF ROCHESTER, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2005

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 FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2005

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, 2005**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	
CITY GRANTS									
STATE OF NEW YORK:									
DIV. OF CRIMINAL JUSTICE SERVICE:									
Motor Vehicle Theft	C-016703	\$ 50,000	\$ 47,511	\$ 2,489	\$ 50,000	\$ 47,511	\$ 2,489	\$ 50,000	\$ -
Motor Vehicle Theft	C-016704	50,000	6,019	43,981	50,000	6,019	43,981	50,000	-
DEPT. OF ENVIRONMENTAL CONSERVATION:									
Former Photech	C-300947	166,857	113,328	51,843	165,171	165,171	-	165,171	-
1200 East Main Street	C-301806	184,500	112,387	38,842	151,229	112,387	38,842	151,229	-
DEPARTMENT OF TRANSPORTATION:									
Buffalo Road/West Avenue - 4512.1E	C950401	600,000	324,177	-	324,177	324,177	-	324,177	-
Buffalo Road/West Avenue - 4512.1E	D010729	715,200	627,789	-	627,789	627,789	-	627,789	-
Goodman Street - 4751.9E	D010694	525,150	450,351	12,153	462,504	445,167	17,336	462,503	1
Broad Street Tunnel - 4751.87	D009279	191,250	89,120	13,292	102,412	89,120	13,292	102,412	-
Court Street Bridge - 4752.13	D010724	132,600	132,600	(703)	131,897	132,600	(703)	131,897	-
Ford Street Bridge - 4752.52	D011399	1,650,000	1,586,248	66	1,586,314	1,586,248	66	1,586,314	-
Lake Avenue - 4752.4E	D011414	1,719,965	1,522,654	85,499	1,608,153	1,522,654	85,499	1,608,153	-
Plymouth Avenue - 4942.G2	D011368	3,157,500	3,012,944	100	3,013,044	3,012,944	100	3,013,044	-
St. Paul Street/ Inner Loop - 4752.3E	D010735	67,650	50,640	-	50,640	50,640	-	50,640	-
Dewey Avenue	D011509	252,000	231,617	-	231,617	231,617	146	231,763	(146)
Port of Rochester	A332	100,000	-	-	-	-	-	-	-
Port of Rochester	A334	1,000,000	567,000	-	567,000	567,000	-	567,000	-
Charlotte Port	A-218	1,000,000	-	-	-	-	-	-	-
South Ave./Byron-Gregory	A-741	300,000	-	180,226	180,226	-	180,226	180,226	-
Broad Street Bridge	D013824	66,000	1,932	766	2,698	1,932	766	2,698	-
Elmwood Bridge	D013825	369,200	261,423	107,777	369,200	261,423	107,777	369,200	-
Chili Avenue	D014967	1,153,818	509,746	-	509,746	509,746	-	509,746	-
CBD Wayfinding Signs	D017579	6,975	6,503	5,047	11,550	6,503	5,047	11,550	-
Lexington Avenue	D017499	817,035	65,250	-	65,250	65,250	-	65,250	-
West Ridge Road	D013560	5,255,400	1,021,942	649,129	1,671,071	1,021,942	649,129	1,671,071	-
Port of Rochester	D013858	1,063,975	1,078,970	(15,629)	1,063,341	1,078,970	(15,629)	1,063,341	-
Snow & Ice Control	D005375	-	-	33,956	33,956	-	34,083	34,083	(127)
Consolidated Street & Highway Improvements	-	-	-	2,349,811	2,349,811	-	2,349,811	2,349,811	-
Riverfront Promenade	C006148	150,000	-	150,000	150,000	-	150,000	150,000	-
South Avenue	A741	300,000	-	189,873	189,873	-	189,873	189,873	-
Trail Signage	C006148	50,000	-	7,033	7,033	-	7,033	7,033	-
DEPARTMENT OF EDUCATION:									
LGRMIF	058002124E	47,500	23,608	-	23,608	37,993	-	37,993	(14,385)
LGRMIF	0580055542	74,000	-	73,813	73,813	-	73,813	73,813	-
LGRMIF	058005559C	35,000	-	35,000	35,000	-	35,000	35,000	-
Library Construction	031004004C	10,000	5,000	-	5,000	5,000	-	5,000	-
DEPARTMENT OF PARKS, RECREATION AND HISTORIC PRESERVATION:									
Genesee Valley Park	PKS-03-GE-038	30,000	-	30,000	30,000	-	30,000	30,000	-

(continued)

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS
YEAR ENDED JUNE 30, 2005**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	
OFFICE OF CHILDREN AND FAMILY SERVICES									
Adolescent Pregnancy 03-04	C008250	330,000	328,910	-	328,910	304,970	23,940	328,910	-
Adolescent Pregnancy 04-05	C008250	350,000	79,925	261,192	341,117	10,577	229,792	240,369	100,748
DEPARTMENT OF STATE									
Trail Signage III	C006349	50,000	-	7,033	7,033	-	7,033	7,033	-
Riverfront Promenade	C006148	150,000	-	150,000	150,000	-	150,000	150,000	-
CRIME VICTIMS BOARD:									
Victims Assistance 03-04	C-301137	233,500	175,025	58,475	233,500	164,755	68,288	233,043	457
Victims Assistance 04-05	C-304137	233,500	-	175,025	175,025	-	172,841	172,841	2,184
DEPARTMENT OF MOTOR VEHICLES									
Seat Belt Enforcement	PT-2801035	22,995	18,424	4,571	22,995	18,424	4,571	22,995	-
Seat Belt Enforcement	PT-2801036	23,799	-	11,860	11,860	-	11,860	11,860	-
Aggressive Driving	PT-2801072	23,640	6,085	17,555	23,640	6,085	17,555	23,640	-
Aggressive Driving	PT-2801073	24,834	-	5,657	5,657	-	5,657	5,657	-
TRACS	TR-2801091	305,152	-	305,152	305,152	-	305,152	305,152	-
AFFORDABLE HOUSING CORP.:									
Affordable Housing	AHC-2B51	500,000	270,000	130,000	400,000	290,000	110,000	400,000	-
Affordable Housing	AHC-2C19	300,000	242,503	57,497	300,000	220,845	37,875	258,720	41,280
Affordable Housing	AHC-2D21	500,000	-	195,000	195,000	-	195,000	195,000	-
Affordable Housing	AHC-2DD08	300,000	-	109,178	109,178	-	17,330	17,330	91,848
SUBTOTAL CITY GRANTS (EXCLUDING PASS THROUGH)		\$ 24,638,995	\$ 12,969,631	\$ 5,532,559	\$ 18,502,190	\$ 12,925,459	\$ 5,354,871	\$ 18,280,330	\$ 221,860
CITY SCHOOL DISTRICT GRANTS									
PROJECTS CLOSED AS OF JUNE 30, 2005									
STATE OF NEW YORK:									
G0010 Teacher Support Aid	0646-04-1395	1,076,000	968,400	107,600	1,076,000	1,076,453	(453)	1,076,000	-
G0020 Improving Pupil Performance	0621-04-1395	6,950,000	6,255,000	695,000	6,950,000	6,940,099	9,901	6,950,000	-
G0023 Universal Pre-K	0409-04-1094	7,060,000	6,175,457	725,328	6,900,785	6,870,095	30,690	6,900,785	-
G0031-035 Employee Preparation Educator	---	2,068,316	470,343	1,518,111	1,988,454	2,068,249	(79,795)	1,988,454	-
G0038 State Magnet School Program	0634-04-1395	11,000,000	9,900,000	1,100,000	11,000,000	11,044,705	(44,705)	11,000,000	-
G0041 Incarcerated Youth	---	1,417,636	591,154	843,293	1,434,447	1,423,801	10,646	1,434,447	-
G0045 Categorical Reading	0629-04-1395	5,500,000	4,950,000	550,000	5,500,000	5,498,210	1,790	5,500,000	-
G0050-080 Summer Program	---	3,395,982	2,984,210	(51,628)	2,932,582	2,808,470	124,112	2,932,582	-
G0055 State Early Grade Class Size Reductio	0417-04-0092	5,254,672	4,729,204	466,524	5,195,728	5,184,593	11,135	5,195,728	-
G0085 NYS Experimental Pre-K Program	0400-04-1395	1,313,622	1,182,259	131,363	1,313,622	1,310,139	3,483	1,313,622	-
G0090 Minor Maintenance	---	432,253	302,910	-	302,910	422,846	(119,936)	302,910	-
G0126 Learning Technology - SWWW	0647-04-0089	48,611	24,305	23,839	48,144	47,452	692	48,144	-
G0345 Rochester Teacher Center	0425-04-0083	498,000	334,330	162,327	496,657	496,973	(316)	496,657	-
G0347 Mentor Teacher Internship Program	0663-04-0043	188,000	162,900	22,712	185,612	190,777	(5,165)	185,612	-
G0350 Rochester School Library Systems	0365-04-0046	98,804	98,804	(361)	98,443	100,022	(1,579)	98,443	-
G0351 Extended School Day & Violence Preventio	0640-04-1395	739,865	566,554	147,773	714,327	708,825	5,502	714,327	-
G0352 School Library System Aid for Automatio	0364-04-0046	9,880	9,880	(1,709)	8,171	6,250	1,921	8,171	-
G0353 School Library System Categorical Aid - Rollove	0365-04-0046 & 104E	935	935	-	935	905	30	935	-
G0354 School Library System Aid for Automation - Rollove	0364-04-0046 & 104E	1,082	1,082	-	1,082	1,073	9	1,082	-
G0407 NYS Bilingual Excel - Monroe	0635-04-1502	30,000	26,979	1,911	28,890	28,841	49	28,890	-

(continued)

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS
YEAR ENDED JUNE 30, 2005**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	
STATE OF NEW YORK (continued):									
G0449 Harvard Principals' Consortium	0122-03-2328	16,888	16,888	-	16,888	16,888	-	16,888	-
G0455 Edward Byrne Narcotics Contro	---	42,000	-	41,861	41,861	41,861	-	41,861	-
G0720 Welfare Education	2396-04-1053	72,117	64,905	7,212	72,117	73,304	(1,187)	72,117	-
G0755 SJRR Lofton/Thomas/Douglas	0436-04-0005	100,000	62,360	35,087	97,447	83,788	13,659	97,447	-
G0764 ARSIP / Apprenticeship	0140-04-0024	96,383	-	79,773	79,773	96,417	(16,644)	79,773	-
G0825 Teachers of Tomorrow	0644-04-0012	2,086,300	1,043,150	45,268	1,088,418	1,112,929	(24,511)	1,088,418	-
COUNTY PROJECTS:									
G0154 OASAS	---	26,991	11,780	14,265	26,045	13,589	12,456	26,045	-
G0316 Diagnostic Outreach Team	---	193,498	107,410	45,056	152,466	170,341	(17,875)	152,466	-
G0317 Pre-School Integrated / Handicapped	---	1,052,268	247,202	214,490	461,692	1,013,241	(551,549)	461,692	-
G0370 Community Pre-School Related Services	---	468,088	115,500	68,125	183,625	424,143	(240,518)	183,625	-
G0375 Special Education / Itinerant Teacher	---	132,611	20,832	41,958	62,790	126,065	(63,275)	62,790	-
G0391 Pre-School Administration / County	---	235,422	-	-	-	124,054	(124,054)	-	-
PRIVATE PROJECTS:									
G0153 Smoking Cessation @ East High	---	4,466	517	647	1,164	1,164	-	1,164	-
G0302 Parent Empowerment Program	---	5,000	-	4,841	4,841	4,841	-	4,841	-
G0304 Rochester Early Enhancement Program	---	185,808	154,840	28,241	183,081	172,022	11,059	183,081	-
G0313 School #12 United Way	---	34,005	20,113	12,506	32,619	32,526	93	32,619	-
G0314 Saturday School Program	---	2,558	2,558	-	2,558	1,413	1,145	2,558	-
G0371 Gates Foundation @ Franklin Career Center - Rollove	---	451,957	181,957	211,120	393,077	115,555	277,522	393,077	-
G0377 BOCES Teacher Sub Reimbursemen	---	3,395	3,395	(1,637)	1,758	851	907	1,758	-
G0378 BOCES - Student Support Center - Monro	---	6,337	6,337	-	6,337	-	6,337	6,337	-
G0401 Rochester Community Asthma Networl	---	25,000	25,000	-	25,000	24,984	16	25,000	-
G0403 Staples/NYSUT	---	4,000	4,000	-	4,000	-	4,000	4,000	-
G0424 Urban Families and Reading	---	3,000	1,350	1,650	3,000	1,311	1,689	3,000	-
G0428 100 Book Challenge	---	3,000	3,000	-	3,000	1,000	2,000	3,000	-
G0445 Teachers As Learners	---	11,500	11,500	-	11,500	-	11,500	11,500	-
G0446 Teachers as Leaders Quality Projec	---	2,300	2,300	(1,941)	359	358	1	359	-
G0452 El Yucayeque Professional Learning Circle for Bilingua	---	6,650	2,000	2,537	4,537	4,266	271	4,537	-
G0453 BOCES I TCS	---	2,000	2,000	-	2,000	1,917	83	2,000	-
G0480 Dewitt-Wallace Urban Leadership Grant	---	100,000	50,000	50,000	100,000	100,000	-	100,000	-
G0509 Monroe 1 - BOCES	---	3,000	3,000	-	3,000	2,120	880	3,000	-
G0513 Primary Mental Health Project / #43 & 4-	---	55,000	55,000	-	55,000	46,640	8,360	55,000	-
G0514 PMHP Expansion / #25 & 2	---	44,000	44,000	-	44,000	40,327	3,673	44,000	-
G0517 PMHP Project - Believe Smal	---	15,720	15,720	-	15,720	18,678	(2,958)	15,720	-
G0521 GRSCC Administrator Curriculum	---	4,000	4,000	-	4,000	-	4,000	4,000	-
G0523 GRSCC - Math Professional Development	---	6,396	4,160	2,235	6,395	663	5,732	6,395	-
G0525 GRSCC - Math	---	27,228	27,228	-	27,228	15,317	11,911	27,228	-
G0527 GRSCC - Looking at Student Work	---	6,980	6,980	-	6,980	6,938	42	6,980	-
G0529 GRSCC - Admin Mentoring Manual	---	1,100	-	1,100	1,100	761	339	1,100	-
G0530 GRSCC - Teachers Subs for Scoring	---	39,900	-	39,900	39,900	32,747	7,153	39,900	-
G0700 Virtual Enterprise - Membership	---	14,500	14,500	-	14,500	13,542	958	14,500	-
G0703 Rochester General Hospital Foundator	---	186,000	4,342	69,693	74,035	40,166	33,869	74,035	-
G0715 RACF Student workers - Community	---	2,060	-	-	-	-	-	-	-
G0730 Chase Active Learning	---	5,000	5,000	-	5,000	4,543	457	5,000	-
G0738 Action for a Better Community	---	1,928	1,925	1	1,926	1,926	-	1,926	-
G0743 MCC Stage	---	37,553	37,553	-	37,553	28,252	9,301	37,553	-
G0744 Edison Tech Summer Youth Developmen	---	55,110	37,787	-	37,787	40,322	(2,535)	37,787	-
G0761 Rochester Housing Authority - GEC	---	9,831	6,031	3,800	9,831	6,715	3,116	9,831	-

(continued)

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS
YEAR ENDED JUNE 30, 2005**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	
PRIVATE PROJECTS (continued)									
G0763 Citibank Academies of Finance	---	-	-	-	-	-	-	-	-
G0770 UAW Local 1097 Reg 9 Delph	---	2,100	2,100	-	2,100	-	2,100	2,100	-
G0774 Workplace Literacy	---	62,149	46,031	-	46,031	67,249	(21,218)	46,031	-
G0775 Rochester Industries / Workplace Literacy	---	137,851	4,000	101,425	105,425	100,080	5,345	105,425	-
G0776 U of R Strong Memorial Workplace Literacy	---	190,000	31,733	6,697	38,430	44,545	(6,115)	38,430	-
G0783 MCC GED	---	55,875	21,448	36,269	57,717	32,227	25,490	57,717	-
G0784 Remedial Education - ESOL	---	12,000	10,882	-	10,882	10,331	551	10,882	-
G0797 Good Grades Pay	---	3,000	3,411	1	3,412	4,097	(685)	3,412	-
		136,427	-	83,395	83,395	21,633	61,762	83,395	-
PROJECTS OPEN AS OF JUNE 30, 2005									
STATE OF NEW YORK:									
J0010 Teacher Support Aid	0646-05-1395	1,076,000	-	968,400	968,400	-	1,076,149	1,076,149	(107,749)
J0020 Improving Pupil Performance	0621-05-1395	6,950,000	-	6,255,000	6,255,000	-	6,983,936	6,983,936	(728,936)
J0023 Universal Pre-K	0409-05-1094	7,060,000	-	5,986,963	5,986,963	-	7,043,595	7,043,595	(1,056,632)
J0031-032 Employee Preparation Educator	---	2,200,000	-	513,309	513,309	-	2,145,811	2,145,811	(1,632,502)
J0038 State Magnet School Program	0634-05-1395	11,000,000	-	9,900,000	9,900,000	-	10,941,189	10,941,189	(1,041,189)
J0041 Incarcerated Youth	---	1,411,260	-	685,801	685,801	-	1,549,885	1,549,885	(864,084)
J0045 Categorical Reading	0629-05-1395	5,669,403	-	4,950,000	4,950,000	-	5,699,375	5,699,375	(749,375)
J0050-080 Summer Program	---	4,195,982	-	912,958	912,958	-	4,119,064	4,119,064	(3,206,106)
J0055 State Early Grade Class Size Reductior	0417-05-0092	5,254,672	-	4,729,205	4,729,205	-	5,222,896	5,222,896	(493,691)
J0085 NYS Experimental Pre-K Program	0400-05-1395	1,313,622	-	1,182,259	1,182,259	-	1,313,015	1,313,015	(130,756)
J0090 Minor Maintenance	---	429,419	-	193,824	193,824	-	424,160	424,160	(230,336)
J0123 Learning Technology - No. 1	0647-05-0030	49,956	-	24,978	24,978	-	56,413	56,413	(31,435)
J0124 Learning Technology - Monroe County Special Educatio	0647-05-0043	49,983	-	24,991	24,991	-	39,294	39,294	(14,303)
J0338 Urban Forum	0020-05-8000	23,341	-	10,708	10,708	-	23,202	23,202	(12,494)
J0345 Rochester Teacher Center	0425-05-0083	498,000	-	264,862	264,862	-	453,395	453,395	(188,533)
J0347 Mentor Teacher Internship Program	0663-05-0006	298,500	-	248,436	248,436	-	296,962	296,962	(48,526)
J0348 LSTA-NOVEL	0070-04-1062	10,000	-	2,000	2,000	-	10,009	10,009	(8,009)
J0350 Rochester School Library System	0365-05-0046	94,071	-	93,864	93,864	-	92,071	92,071	1,793
J0351 Extended School Day & Violence Prevention	0640-05-1395	728,410	-	500,096	500,096	-	676,764	676,764	(176,668)
J0352 School Library System Aid Jor Automator	0364-05-0046	9,407	-	9,407	9,407	-	8,081	8,081	1,326
J0353 School Library System Categorical Aid - Rollove	---	1,709	-	1,709	1,709	-	1,595	1,595	114
J0354 School Library System Aid Jor Automation - Rollove	---	361	-	568	568	-	306	306	262
J0708 Dept of Labor TANF English Language Tes	C010844	150,000	-	93,000	93,000	-	137,110	137,110	(44,110)
J0709 US Dept of Labor WIA Securing Prosperity	C011035	90,000	-	-	-	-	81,307	81,307	(81,307)
J0720 Welfare Education	2396-05-1053	72,117	-	57,951	57,951	-	71,872	71,872	(13,921)
J0755 SURR Lofton/Thomas/Douglass	0436-05-0005	100,000	-	43,820	43,820	-	94,641	94,641	(50,821)
J0764 ARSIP / Apprenticeship	0140-05-0024	79,773	-	-	-	-	62,141	62,141	(62,141)
J0778 FAWL Workplace Literacy	C010304	11,650	-	-	-	-	3,099	3,099	(3,099)
J0825 Teachers of Tomorrow	0644-05-0012	2,066,300	-	1,033,150	1,033,150	-	718,755	718,755	314,395

(continued)

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS
YEAR ENDED JUNE 30, 2005**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	
COUNTY PROJECTS:									
J0154 OASAS	---	26,991	-	6,748	6,748	-	13,796	13,796	(7,048)
J0316 Diagnostic Outreach Team	---	193,498	-	-	-	-	-	-	-
J0317 Pre-School Integrated / Handicapped	---	1,052,268	-	217,528	217,528	-	893,284	893,284	(675,756)
J0370 Community Pre-School Related Services	---	468,088	-	154,385	154,385	-	355,111	355,111	(200,726)
J0375 Special Education / Itinerant Teachers	---	132,611	-	21,560	21,560	-	94,484	94,484	(72,924)
J0391 Pre-School Administration / County	---	235,422	-	-	-	-	81,928	81,928	(81,928)
PRIVATE PROJECTS:									
J0111 WC Foundation	---	15,299	-	15,299	15,299	-	14,439	14,439	860
J0153 Smoking Cessation @ East High	---	4,211	-	-	-	-	-	-	-
J0304 Rochester Early Enhancement Program	---	186,000	-	155,000	155,000	-	167,660	167,660	(12,660)
J0313 School #12 United Way	---	34,005	-	26,678	26,678	-	35,589	35,589	(8,911)
J0334 Jordan Fundamentals, Nike Foundation	---	5,000	-	5,000	5,000	-	4,550	4,550	450
J0372 Arts & Cultural Council	---	3,725	-	3,488	3,488	-	3,142	3,142	346
J0373 SAP Schools Arts Partnership	---	2,500	-	2,192	2,192	-	2,500	2,500	(308)
J0382 Future Fisherman Foundation	---	5,000	-	5,000	5,000	-	4,743	4,743	257
J0428 100 Book Challenge	---	11,100	-	11,100	11,100	-	2,702	2,702	8,398
J0445 Teachers As Learners	---	11,500	-	11,500	11,500	-	-	-	11,500
J0446 Teachers as Leaders Quality Project	---	1,941	-	1,941	1,941	-	1,215	1,215	726
J0509 BOCES #1 Trans Mini Grant	---	2,125	-	3,188	3,188	-	320	320	2,868
J0513 Primary Mental Health Project / #43 & 44	---	55,500	-	46,281	46,281	-	67,764	67,764	(21,483)
J0514 PMHP Expansion / #25 & 29	---	45,282	-	25,355	25,355	-	36,298	36,298	(10,943)
J0528 GRSSC School Based Staff Development	---	32,200	-	13,714	13,714	-	27,704	27,704	(13,990)
J0542 RACF - RCSD Fathers Initiative	---	5,557	-	5,557	5,557	-	3,804	3,804	1,753
J0544 Wilson NCLB Parent Campaign	---	5,000	-	5,000	5,000	-	-	-	5,000
J0575 Douglass Alternative Suspension	---	15,000	-	15,000	15,000	-	6,375	6,375	8,625
J0700 Virtual Enterprise Membership	---	20,500	-	16,000	16,000	-	16,372	16,372	(372)
J0703 Rochester General Hospital Foundation	---	186,000	-	38,763	38,763	-	47,009	47,009	(8,246)
J0723 TANF - Summer Youth Employment	---	13,956	-	12,066	12,066	-	12,066	12,066	-
J0730 Chase Active Learning	---	5,000	-	5,000	5,000	-	3,148	3,148	1,852
J0732 NCFL - UPS Family Literacy Vol Acad	---	13,850	-	5,000	5,000	-	4,977	4,977	23
J0734 JTPA-Summer Law Preparation (City of Rochester)	---	27,232	-	24,691	24,691	-	24,691	24,691	-
J0739 Good Grades - Summer Law Prep	---	7,000	-	6,850	6,850	-	6,850	6,850	-
J0749 New Citizenship Initiative (Oswego County BOCES)	---	32,918	-	-	-	-	20,326	20,326	(20,326)
J07691 Rochester Housing Authority - GED	---	13,616	-	12,016	12,016	-	9,444	9,444	2,572
J0762 GED Services Healthy Start (Perinatal Network of Monroe County)	---	8,000	-	8,000	8,000	-	7,682	7,682	318
J0743 MCC Stage	---	38,285	-	19,233	19,233	-	35,219	35,219	(15,986)
J0770 UAW Local 1097 Reg 9 Delphi	---	105,415	-	66,732	66,732	-	84,802	84,802	(18,070)
J0774 Workplace Literacy	---	89,500	-	2,200	2,200	-	4,972	4,972	(2,772)
J0775 Rochester Industries / Workplace Literacy	---	50,000	-	9,243	9,243	-	27,889	27,889	(18,646)
J0776 U o J R Strong Memorial Workplace Literacy	---	61,000	-	33,398	33,398	-	60,333	60,333	(26,935)
J0797 Good Grades Pay	---	116,978	-	-	-	-	7,188	7,188	(7,188)
J0800-04 Rochester Area Community/Gates Foundation	---	3,883,200	-	-	-	-	93,633	93,633	(93,633)

(continued)

**THE CITY OF ROCHESTER, NEW YORK
SCHEDULE OF EXPENDITURES OF NEW YORK STATE AND OTHER AWARDS
YEAR ENDED JUNE 30, 2005**

	Grant Number	Budget	REVENUES			EXPENDITURES			Net (Accrued) Deferred Revenue
			Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	Cumulative June 30, 2004	Current Year	Cumulative June 30, 2005	
SCHOOL FOOD SERVICE FUND:									
N.Y.S. EDUCATION DEPARTMENT	---	537,870	-	537,870	537,870	-	537,870	537,870	-
CITY OF ROCHESTER	---	326,674	-	326,674	326,674	-	326,674	326,674	-
TOTAL SCHOOL DISTRICT GRANTS		112,552,661	42,282,431	48,250,167	90,532,598	50,567,425	51,897,309	102,464,734	(11,932,136)
TOTAL CITY GRANTS		24,638,995	12,969,631	5,532,559	18,502,190	12,925,459	5,354,871	18,280,330	221,860
GRAND TOTAL CITY GRANTS AND SCHOOL DISTRICT GRANTS		<u>\$ 137,191,656</u>	<u>\$ 55,252,062</u>	<u>\$ 53,782,726</u>	<u>\$ 109,034,788</u>	<u>\$ 63,492,884</u>	<u>\$ 57,252,180</u>	<u>\$ 120,745,064</u>	<u>\$ (11,710,276)</u>

Note:

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

(concluded)

**THE CITY OF ROCHESTER, NEW YORK
SUMMARY OF FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2005**

	<u>Budget</u>	<u>Cumulative June 30, 2004</u>	<u>Current Year</u>	<u>Cumulative June 30, 2005</u>	<u>Cumulative June 30, 2004</u>	<u>Current Year</u>	<u>Cumulative June 30, 2005</u>	<u>Net (Accrued) Deferred Revenue</u>
CITY GRANTS								
Schedule of Expenditures of Federal Awards	\$ 291,238,828	\$ 216,207,939	\$ 32,363,786	\$ 248,571,725	\$ 215,294,714	\$ 32,200,655	\$ 247,495,369	\$ 1,076,356
Schedule of Expenditures of NYS and Other Awards	24,638,995	12,969,631	5,532,559	18,502,190	12,925,456	5,354,871	18,280,330	221,860
Subtotal City Grants	315,877,823	229,177,570	37,896,345	267,073,915	228,220,170	37,555,526	265,775,699	1,298,216
CITY SCHOOL DISTRICT GRANTS								
Schedule of Expenditures of Federal Awards	140,649,784	49,973,621	63,818,337	113,791,958	52,351,083	67,302,085	119,653,168	(5,861,210)
Schedule of Expenditures of NYS and Other Awards	112,552,661	42,282,431	48,250,167	90,532,598	50,567,425	51,897,309	102,464,734	(11,932,136)
Subtotal School District Grants	253,202,445	92,256,052	112,068,504	204,324,556	102,918,508	119,199,394	222,117,902	(17,793,346)
GRAND TOTAL CITY GRANTS AND SCHOOL DISTRICT GRANTS	<u>\$ 569,080,268</u>	<u>\$ 321,433,622</u>	<u>\$ 149,964,849</u>	<u>\$ 471,398,471</u>	<u>\$ 331,138,681</u>	<u>\$ 156,754,920</u>	<u>\$ 487,893,601</u>	<u>\$ (16,495,130)</u>

* Includes federal pass through grants received through New York State