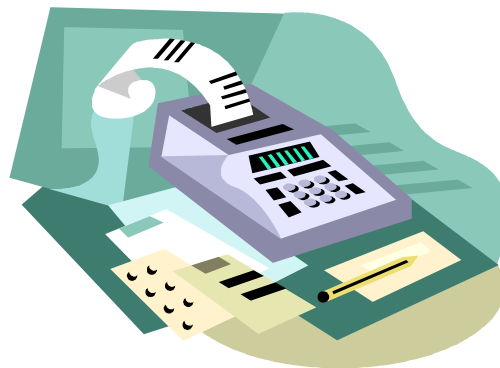




The City of Rye, New York  
Department of Finance

# 2003 Annual Report to the City Manager



Prepared January 31, 2004  
Michael A. Genito, City Comptroller



The finance department is pleased to submit its 2003 annual report to the city manager:

### **Programs and Functional Units**

Following is a brief description of the programs and functional units (sometimes known as “cost centers”) of the finance department. All provide support services to internal and external customers of the finance department and the city:

#### **Finance Administration**

Finance Administration provides coordination and supervision of all finance department activities, and determines the priorities and scheduling of finance activities in coordination with the city manager’s office.

#### **General Accounting**

General Accounting coordinates the flow of financial information from subsidiary systems to the general ledgers, and provides various financial reports and analyses as required or desired by law, charter, or management.

#### **Accounts Payable**

Accounts Payable audits all purchase requisitions, purchase orders, and claims for payment or reimbursement submitted by vendors and city personnel, and issues vendor checks against the claims approved by management.

#### **Treasury**

Treasury provides cash management and investment services for all city funds, property tax billing and collection, accounts receivable, cash receipts, and miscellaneous billings.

#### **Traffic Violations Bureau**

The Traffic Violations Bureau provides the accounting for parking violations, including the entry of violations, dispositions, and collections into the city’s financial system, and the distribution of various parking violation reports.

#### **Payroll**

Payroll audits payroll information submitted by departments, processes and distributes payroll checks and deposits, inputs payroll summary data into the city’s financial system, and provides financial information and reports concerning salaries, wages, and benefits.

#### **Management Information Systems (“MIS”)**

Management Information Systems (“MIS”) Department provides technology-related services, mostly computer hardware and software services, to other departments of the city.

### **Staffing**

Staffing of the finance department in 2003 consisted of the city comptroller, a deputy city comptroller, an accountant, a junior accountant, and three senior account clerks. One coordinator

of computer services and one junior network specialist staff the MIS department. All of these positions are full-time positions.

The junior accountant position was vacant from January through July of 2003, and one of the senior account clerk positions was vacated in September 2003, remaining vacant through the end of the year.

### **The Year in Review**

Fiscal 2003 was a challenge, especially in light of the fact that the finance department was not at full staffing for almost the entire year. However, a significant set of goals was accomplished.

#### **GASB 34 Implementation**

The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for state and local governments. Statement Number 34 (commonly referred to as “GASB 34”) is a recently adopted standard that requires monumental changes in governmental financial reporting. The financial statements for fiscal 2002 were published in compliance with this new standard one year earlier than required. In recognition of this accomplishment, the City of Rye was awarded a *Certificate of Recognition for Early Implementation of GASB 34* from the Chair of the GASB.

#### **2002 CAFR Award**

The City was awarded the Government Finance Officers Association (GFOA) *Certificate for Excellence in Financial Reporting* for our fiscal 2002 comprehensive annual financial report (“CAFR”), making it the seventh consecutive year since 1996 that we have received this award. This prestigious award is presented to those state and local governments that produce annual financial reports exhibiting full and fair disclosure by meeting strict national specifications established by the GFOA.

#### **2002 Budget Award**

The City was awarded the GFOA *Distinguished Budget Presentation Award* for our fiscal 2002 Annual Budget Document. This award represents a significant achievement by the City, reflecting our commitment to meeting the highest principles of governmental budgeting. In order to receive the award we had to meet nationally recognized guidelines for effective budget presentation, designed to assess how well our annual budget document served as a policy document, a financial plan, an operations guide, and a communications device.

#### **Internet Parking Violations Payment Acceptance**

In fiscal 2003 we implemented a system that allows those receiving parking violations the ability to pay the associated fines via the Internet. The payor can use any popular credit or debit card, and receipt of the funds is almost immediate. This convenient service is available 24 hours a day, 7 days a week.

#### **Records Management**

Each year the finance department microfilms some 30 to 40 cubic feet of paper records, preserving the integrity of those records and minimizing efforts required to locate and reproduce

them as needed. New York State requires that most of these records be retained for at least six years, and many of them (such as payroll and property tax records) must be retained permanently. In fiscal 2003 we microfilmed our fiscal 2002 records, completing a project that began in 2001 to microfilm all paper records from prior fiscal years. Since we have microfilmed all paper records since 1997 we can now dispose of any records from prior fiscal years remaining in paper form in storage at city hall.

#### Online Cash Management

In fiscal 2003 we initiated online bank statements with our lead bank for our disbursement (accounts payable) account and our payroll account. This service now allows us to receive our monthly bank statements electronically, and to view or print online copies of cancelled checks. In addition to the benefits associated with electronic search and retrieval of documents, this eliminates the need for physical storage of paper-based statements and checks. Copies of the cancelled checks may be viewed and printed for 90 days and are available through special order for up to 7 years.

#### Electronic Budget Process

The fiscal 2004 budget was prepared in fiscal 2003 almost entirely electronically. Departments were given special training in the use of the budget preparation system and entered their 2003 estimates, 2004 requests, and notes specific to line items to itemize or emphasize the need for the requested amount. The electronic process required less work and eliminated a great amount of confusion that was created in the previous year's paper-based budget process, thus allowing departments, the finance office, and the city manager to focus on major budget issues rather than reconciling information contained on several documents.

#### Departmental Assistance

In fiscal 2003 the finance department assisted other departments in the implementation of new standards or service requirements. Implementation of the new mooring fees required a tremendous coordinated effort on the part of finance, the boat basin, and the marine patrol. Other major project implementations included assisting the city manager's office in developing the budgets for the Blind Brook Estuary Project and the All-Hazard Mitigation Grant.

#### Information Systems

In fiscal 2003 the City of Rye was asked by the Office of State Comptroller to participate in a study, in the form of a voluntary audit, of computer and Internet security in local government. The State had selected the City and the County of Westchester to represent two "downstate" local governments based on our respective reputations of implementing state-of-the-art technology. The City did participate in the study, offering several suggestions and recommendations that ultimately resulted in the Office of State Comptroller publication entitled *Security Over Local Government Computer Systems*. While the publication does not acknowledge the local governments that participated in the study, it is flattering that the City was a participant.

Other 2003 activities of MIS included the formalization of policies and procedures for printer maintenance, hardware and software support, and inventory control of technology. MIS documented installation, maintenance and support procedures for all third party applications. The

City's Automated Systems Policy and disaster recovery procedures were updated, and an automated network management/inventory control system was implemented.

**Statistics**

Following are some selected statistics concerning regular activities of the finance department:

<u>Number of:</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Cash Receipts Processed	9,425	9,342	9,682	9,849	11,602
Purchase Orders Processed	606	574	599	662	594
Accounts Payable Processed	8,209	8,646	9,602	9,511	8,942
Checks Processed	4,699	5,057	4,963	5,002	5,652
City Tax Bills	4,820	4,830	4,687	4,697	4,699
County Tax Bills	4,820	4,830	4,814	4,843	4,822
School Tax Bills	846	844	830	832	834
Regular Payrolls	26	26	26	26	27
Local Pension Payrolls	24	24	24	24	24
Special Payrolls	5	2	1	3	1

Respectfully submitted,

Michael A. Genito  
City Comptroller