

CITY OF RYE

NOTICE

There will be a regular meeting of the City Council of the City of Rye on Wednesday, May 22, 2013, at 8:00 p.m. in Council Chambers at City Hall. *The meeting will be preceded by an Audit Committee Meeting beginning at 7:30 p.m. in the Mayor's Conference room.*

AGENDA

1. Pledge of Allegiance.
2. Roll Call.
3. General Announcements.
4. Draft unapproved minutes of the regular meeting of the City Council held May 8, 2013.
5. Mayor's Management Report
 - Presentation of the City of Rye Stormwater Management Program 2012 Annual Report
 - Capital Projects Update
 - Legal Update
6. Presentation on City Financials by Scott Oling of the auditing firm of O'Connor Davies, LLP.
7. Consideration to set a Public Hearing for June 12, 2013 to establish the 2014 Budgeted Fees and Charges.
8. Discussion of the Report from the Rye Golf Club Strategic Committee.
9. Discussion and Update on a Conflict of Interest form.
10. Consideration to set a Public Hearing for June 12, 2013 to amend local law Chapter 15, "Code of Ethics", to reflect the addition of the Conflict of Interest form.
11. Resolution for the City Council adoption of a community-wide Civility Statement.
12. Residents may be heard on matters for Council consideration that do not appear on the agenda.
13. Miscellaneous communications and reports.
14. Old Business.
15. New Business.
16. Adjournment.

* * * * *

The next regular meeting of the City Council will be held on Wednesday, June 12, 2013 at 8:00 p.m.

** City Council meetings are available live on Cablevision Channel 75, Verizon Channel 39, and on the City Website, indexed by Agenda item, at www.ryeny.gov under "RyeTV Live".

* Office Hours of the Mayor by appointment by emailing dfrench@ryeny.gov.



CITY COUNCIL AGENDA

NO. 4

DEPT.: City Clerk

DATE: May 22, 2013

CONTACT: Dawn Nodarse

AGENDA ITEM Draft unapproved informal minutes of the regular meeting of the City Council held May 8, 2013, as attached.

FOR THE MEETING OF:

May 22, 2013

RYE CITY CODE,

CHAPTER

SECTION

RECOMMENDATION: That the Council approve the draft minutes.

IMPACT: Environmental Fiscal Neighborhood Other:

BACKGROUND:

Approve the minutes of the regular meeting of the City Council held May 8, 2013, as attached.

DRAFT UNAPPROVED MINUTES of the
Regular Meeting of the City Council of the City of
Rye held in City Hall on May 8, 2013 at 8:00 P.M.

PRESENT:

DOUGLAS FRENCH Mayor
LAURA BRETT
RICHARD FILIPPI
PETER JOVANOVIK
JULIE KILLIAN
CATHERINE F. PARKER
JOSEPH A. SACK
Councilmembers

ABSENT: None

The Council convened at 7:10 p.m. Councilman Filippi made a motion, seconded by Councilman Jovanovich and unanimously carried to immediately adjourn into executive session to discuss personnel matters related to the City Manager's Office. Councilwoman Brett arrived at 7:45 p.m. Councilman Sack made a motion, seconded by Councilwoman Killian and unanimously carried, to adjourn the executive session at 8:02 p.m. The ceremonial portion of the meeting held at the Square House convened at 8:10 p.m.

The ceremonial portion of the meeting was held in the Square House. Jeanine Scott of the Rye Historical Society welcomed everyone to the building which was once Rye's City Hall. Sheri Jordan, Director of the Square House said that the Square House is about to open an exhibit on World War II and showed one of the artifacts from the exhibit that she said was found in the basement.

Mayor French said this was one of his favorite events because it is an opportunity to celebrate the City's volunteers, staff and the Council and Manager form of government. He said that his desire to serve the City of Rye was inspired by others in the room who preceded him.

City Manager Pickup acknowledged the members of City staff who were present. He said he appreciates their hard work and that they do not always get recognition for it. Staff members present included:

Joseph Fazzino	Acting City Comptroller
Maureen Eckman	Building Inspector
Nicole Levitsky	Cable Access Coordinator
Noreen Whitty	City Assessor
Dawn Nodarse	City Clerk
Ryan Coyne	City Engineer
Eleanor Militana	Assistant to the City Manager
Christian Miller	City Planner
Kristen Wilson	Corporation Counsel

Kurt Tietjen	Fire Lieutenant
William Connors	Police Commissioner
Sally Rogol	Superintendent of Recreation

Mayor French echoed the City Manager's praise of staff and added that City Manager Pickup does a terrific job. Councilman Jovanovich said it is not the Council but the staff that make things run. Councilwoman Parker said everyone who attends this meeting is here because they love Rye and everyone pulls together for the good of the community. Councilwoman Brett said it was a great night for the Council to renew their commitment to the community by seeing those who came before. Councilman Sack said the evening was similar to baseball's opening day or a high school reunion. Councilwoman Killian said she enjoys being on the Council and appreciates the support of the boards, commissions and staff. Councilman Filippi thanked everyone who had served on the Council in the past and said they were part of what attracted him to Rye.

Mayor French then asked former Mayors and Councilmembers and Judges and current members of Boards and Commissions to speak:

Former Mayor John Carey read a version of Rudyard Kipling's poem *If* that he had written regarding serving on the City Council. Former Mayor and current State Assemblyman Steve Otis called the evening close to a "civic/religious" event and spoke of the bond between the Village and City of Rye and of all who have served over the years.

Former Judge and Councilman John Alfano said he liked this traditional meeting and wished everyone the best. He also extended greetings on behalf of former Mayor Ted Dunn who could not be present. Former Councilman and Current City Court Judge Joseph Latwin said the Courthouse is still standing and justice is being served in Rye. Former Councilman and current State Senator George Latimer noted that the actions of some of his colleagues on the State level were embarrassing to him but said that no one who has served on the City Council has ever embarrassed the City of Rye with their actions. Former Councilman Bob Cypher spoke about the level of base and personal criticism being directed at Council members. He said Council's can be criticized for their results but personal attacks must stop because it will be difficult to get good people to serve, which will be everyone's loss. Former Councilman Jim Burke thanked the Council for serving and said the community realizes what they do.

Several representatives of Boards and Committees also spoke. Jack Zahringer of the Landmarks Advisory Committee said the agenda of his Committee was to "Keep Historical Rye, Rye". Joseph Murphy of the Senior Advocacy Committee said that changes from this board would be coming to the Council and thanked Recreation Superintendent Sally Rogol for all of her support. Bertrand de Frondeville of the Finance Committee thanked Councilwoman Killian for her support of the Committee and City Manager Pickup and Acting Comptroller Fazzino for their help. Elinore White of the Rye Town Park Advisory Committee said the Committee was a true testament to what neighbors can do to make a difference. Steve Fairchild said the Rye Cable and Communications Committee was a fun committee because they work with young and old and praised the work of Cable Access Coordinator Levitsky. Scott Beechert of the Board of Appeals said volunteers make Rye fabulous and offered thanks to Building Inspector Eckman

and the City Clerk for their help. Lisa Urban of the Traffic and Pedestrian Safety Committee said it was an active committee with a lot going on and they were trying to make the City safe. Bernie Althoff of the Flood Advisory Committee commented on the help the Committee received from staff and the support of the Council.

Mayor French thanked the Historical Society for hosting this portion of the meeting, which adjourned at 8:50 p.m. The Council reconvened at 9:05 p.m. in Council Chambers for the regular meeting.

1. Pledge of Allegiance

Mayor French called the meeting to order and invited the Council to join in the Pledge of Allegiance.

2. Roll Call

Mayor French asked the City Clerk to call the roll; a quorum was present to conduct official city business.

3. General Announcements

The sale of 1037 Boston Post Road is final. The closing took place on May 3rd for a price of \$5.6 million. The County will be offering free minnows to the public for use in controlling West Nile disease in ornamental ponds. They will also be starting their larvacide program this month. The State Comptroller has announced that more communities are expected to override the property tax cap. There were also announcements made regarding various activities and events of interest to the community.

4. Draft unapproved minutes of the informal minutes of the Joint Meeting of the City Council and Board of Education held April 13, 2013 and the regular meeting of the City Council held April 17, 2013

Councilwoman Brett made a motion, seconded by Councilwoman Parker and unanimously carried, to approve the informal minutes of the Joint Meeting of the City Council and Board of Education held on April 13, 2012, as submitted.

Councilman Jovanovich made a motion, seconded by Councilwoman Brett and unanimously carried, to approve the minutes of the regular meeting of the City Council held on April 17, 2013, as submitted.

5. Mayor's Management Report

- Update on the City of Rye 2012 Result of Operations

City Manager Pickup said that the auditors will be coming on May 22nd to speak to the Audit Committee and City Council. Acting Comptroller Joseph Fazzino provided an overview of 2012 results. General fund revenues exceeded general fund operating expenditures by \$1,824,000. Actual revenues realized for 2012 exceeded the amount budgeted by \$2,173,000. State aid and revenue sharing remained flat for 2012, which is over what had been budgeted. The City received about \$628,000 in disaster reimbursement aid. Actual expenditures for 2012 were \$400,430 less than anticipated. At the end of 2012 the General Fund's unassigned fund balance was \$4,982,000 or 16.4% of 2012 General Fund appropriations. Contributing to this number was the removal of \$700,000 in reserved fund balance for the advance to the building and vehicle fund for 1037 Boston Post Road. The sale of 1037 Boston Post Road will be reflected in the 2013 building and vehicle results. The Boat Basin's end of year unrestricted fund balance was up \$168,000 from 2011 and the Golf Club's unrestricted fund balance was down \$94,000 from 2011.

- Update from the Landmarks Advisory Committee

Jack Zahringer, Maurio Sax and Richard Hourahan gave an update on the following activities that the Landmarks Committee is focusing on: (1) landmarking the Rye Meeting House and the Bird House; (2) the historic significance of the milestones and the need to landmark, restore and preserve them, which they hope can begin over the summer; (3) creation of historic districts in the Central Business District and throughout the City; and (4) encouraging the Council to consider passing legislation similar to the "Ithaca" law in order to grant tax relief to owners who landmark their properties. There was also a discussion with the Council regarding amending the law placing a moratorium on banks in the Central Business District.

- Legal Update

There was nothing reported under this item.

- Capital Projects Update

City Manager Pickup reported on the following projects:

- Central Avenue Bridge – The contractors have been communicative with the neighbors and so far, there have been no complaints from the neighbors in connection with this project. The project is on schedule.
- Dredging Project – The project is underway and loads have been removed to the disposal site. Approximately 5,000 of the 20,000 cubic yards of this project have been removed so far.
- Rye Free Reading Room Bond Projects – A viewpoint had been put together about how the process should work since the building is not owned by the City.
- Sluice Gate – A ribbon cutting event should be scheduled for June 3rd or 4th.

6. Discussion and Update on a Financial Disclosure and Conflict of Interest form

Corporation Counsel Wilson said that significant changes to the Code of Ethics have been worked on. A draft law will be before the Council at the next meeting in order to set a public hearing for the June 12th meeting. The appropriate time to adopt the Financial Disclosure and Conflict of Interest form would be when the changes to the Code are adopted. The Board of

Ethics had raised some questions in connection with the form. It was suggested that language could be added to the Oath card that members of the Boards and Commissions would sign to indicate that they are aware of their responsibilities under the Code of Ethics. The City Manager was asked to get feedback from City staff on the draft form.

7. Discussion of City Council support for a community-wide Civility Statement

Mayor French said that the statement was put together by the Rye Youth Council. City Manager Pickup said that principal organizations have been asked to review the proposal with a goal of having the Council adopt the statement. The item was adjourned to the May 22nd meeting.

8. Discussion regarding the possible sale of a City-owned unit at The Ives at Rye Condominium located at 234 North Street

Corporation Counsel Wilson said the unit in question is Unit J on a previously approved Site Plan of the Ives. The unit was never built. The City foreclosed on it several years ago and has paid out approximately \$136,000 to \$137,000 to the County and School District. The City has the right to take title through a Comptroller's Deed, which has not been filed. Ms. Wilson has been in contact with Tom Grace, President of The Ives Board, and their attorney. There is a pending Declaratory Judgment action filed by The Ives alleging that the City owes back common charges. She recommended that if the Council would like to discuss in further detail the ways it can dispose of the property that it should be done in executive session. City Manager Pickup said that if the Council wants to pursue a transaction with The Ives, they would need to discuss the process and the parameters. Tom Grace and George Grossman said that the residents of The Ives would like to find a way to keep the property undeveloped and believe that the members of the Condominium Association have also been damaged financially.

9. Authorization of a Special Permit Application submitted by United Water Westchester, Inc. for the installation of towers and telecommunications equipment to collect billing information

City Manager Pickup said this application grew out of the rate increase discussions that required United Water to find more efficient ways to capture lost water. They are looking to invest in their system to capture that data as well as additional data. Christopher Graziano, Paul Cabral and Lynda DiMenna presented. The proposal is to put in advanced metering infrastructure which will capture data transmitted from the radio frequency meters that are located in 99% of homes. This will allow United Water to know how much water goes into and is used in zones in order to pick out where there is a leak or unauthorized usage. There was a discussion about how this could affect water rates.

Councilman Jovanovich made a motion, seconded by Councilman Filippi, to adopt the following Resolution:

RESOLVED, that the City Council of the
City of Rye hereby approves the Special Permit

Application submitted by United Water Westchester, Inc. for the installation of towers and telecommunications equipment to collect billing information.

ROLL CALL:

AYES: Mayor French, Councilmembers Brett, Filippi, Jovanovich,
Killian, Parker and Sack
NAYS: None
ABSENT: None

The Resolution was adopted by a 7-0 vote

10. Resolution to establish a temporary Technology Committee

Councilman Filippi said that everyone relies on technology today and the idea is to bring some additional expertise in order to create a long term vision to the City's technology needs.

Councilman Filippi made a motion, seconded by Councilman Jovanovich, to adopt the following Resolution:

WHEREAS, the Rye City Council has decided to appoint an independent, five-member temporary Technology Committee to explore how technology can enhance services to residents; and

WHEREAS, it is proposed that the Committee will expand the use of the existing City listserv to broadcast important notifications to Rye residents; and

WHEREAS, the Committee will explore how social media can be used to provide information and services; and

WHEREAS, the Committee will investigate the establishment of a City WiFi network providing open access to the Internet at select areas within Rye; and

WHEREAS, the Committee will make recommendations on user experience with the City website; and

WHEREAS, the Committee will identify technology trends that are happening with other local governments and within the industry; and

WHEREAS, the Committee shall work in partnership with City staff in moving new technologies and services forward;

NOW, THEREFORE, BE IT RESOLVED, that the City of Rye Technology Committee is hereby established; and be it further

RESOLVED, that the Committee is temporary in nature and shall function and report to the Council independently; and be it further

RESOLVED, that the members of the Technology Committee shall be appointed by the Mayor with approval of the City Council.

ROLL CALL:

AYES: Mayor French, Councilmembers Brett, Filippi, Jovanovich, Killian and Parker
NAYS: None
ABSENT: Councilman Sack

The Resolution was adopted by a 6-0 vote

11. Three appointments to the Technology Committee for a three-year term, by the Mayor with Council approval

Councilman Filippi made a motion, seconded by Councilman Jovanovich and unanimously carried, to appoint Peter Esler, John Mayo-Smith and Edmund Szamborski to the Technology Committee for three-year terms expiring on January 1, 2016.

12. Two appointments to the Landmarks Advisory Committee to fill a term expiring January 1, 2014 and a term expiring January 1, 2015, by the Mayor with Council approval

Councilman Jovanovich made a motion, seconded by Councilman Killian and unanimously carried, to appoint Jerome Coleman to the Landmarks Advisory Committee to fill a term expiring on January 1, 2015 and to appoint Joan Steere to the Landmarks Advisory Committee to fill a term expiring on January 1, 2014.

13. Residents may be heard on matters for Council consideration that do not appear on the agenda

John Carolin, 66 Milton Road, spoke about an application pending before the Planning Commission related to parking for residents of Blind Brook Lodge (66 Milton Road) who will no longer be able to park in the lot located at the Methodist Church. He said he believed there will be traffic safety issues created for the residents of Blind Brook Lodge due to the need to cross Milton Road to access the additional parking spaces that will be created in the lot owned by the condominium at 75 Milton Road. Councilwoman Killian noted that the issue was on the agenda of the Traffic and Pedestrian Safety Committee.

14. Miscellaneous Communications and Reports

Mayor French said the annual forum for Rye Town Park was held at Rye Recreation with a primary focus on the capital plan around the building. They are looking for a potential partner;

similar to what was done with Playland. Councilwoman Parker said that area residents are concerned about giving up control of the park, if the Town of Rye issues an RFP for running the park. Councilman Jovanovich said it was important to know what the goal of the Town of Rye is in issuing an RFP. Councilwoman Brett said there should be a long-term plan for the use of the building at Rye Town Park. Ms. Parker noted that the landscaping company being utilized at the park is using pesticides, which had not been the practice in the past; that the parking lot has been closed in the morning; and that a specific type of paint should be used to paint the building in order to slow the deterioration of the building.

15. Old Business

Mayor French noted that at the joint meeting with the School Board there was discussion of reissuing the Joint Resolution on Mandate Relief. He asked the City Manager to recirculate the resolution to both boards so it can be resubmitted to the State Legislators.

16. New Business

There was nothing discussed under this agenda item.

17. Adjournment

There being no further business to discuss Councilman Filippi made a motion, seconded by Councilman Jovanovich and unanimously carried, to adjourn the meeting at 11.25 p.m.

Respectfully submitted,

Dawn F. Nodarse
City Clerk



CITY COUNCIL AGENDA

NO. 5

DEPT.: City Council

DATE: May 22, 2013

CONTACT: Mayor Douglas French

AGENDA ITEM: Mayor's Management Report

FOR THE MEETING OF:

May 22, 2013

RYE CITY CODE,

CHAPTER

SECTION

RECOMMENDATION: That the City Manager provide a report on requested topics.

IMPACT: Environmental Fiscal Neighborhood Other:

BACKGROUND: The Mayor has requested an update from the City Manager on the following:

- Presentation of the City of Rye Stormwater Management Program 2012 Annual Report
- Legal Update
- Capital Projects Update

MS4 Municipal Compliance Certification(MCC) Form

MCC form for period ending March 9,

Name of MS4

SPDES ID

Section 2 - Contact Information

Important Instructions - Please Read

Contact information must be provided for ***each*** of the following positions as indicated below:

1. Principal Executive Officer, Chief Elected Official or other qualified individual (per GP-0-08-002 Part VI.J).
2. Duly Authorized Representative (Information for this contact must only be submitted if a Duly Authorized Representative is signing this form)
3. The Local Stormwater Public Contact (required per GP-0-08-002 Part VII.A.2.c & Part VIII.A.2.c).
4. The Stormwater Management Program (SWMP) Coordinator (Individual responsible for coordination/implementation of SWMP).
5. Report Preparer (Consultants may provide company name in the space provided).

A separate sheet must be submitted for each position listed above unless more than one position is filled by the same individual. If one individual fills multiple roles, provide the contact information once and check all positions that apply to that individual.

If a new Duly Authorized Representative is signing this report, their contact information must be provided and a signature authorization form, signed by the Principal Executive Officer or Chief Elected Official must be attached.

For each contact, select all that apply:

- Principal Executive Officer/Chief Elected Official
- Duly Authorized Representative
- Local Stormwater Public Contact
- Stormwater Management Program (SWMP) Coordinator
- Report Preparer

First Name MI Last Name

Title

Address

City State Zip -

eMail

Phone () - County

MS4 Annual Report Form

This report is being submitted for the reporting period ending March 9,

If submitting this form as part of a joint report on behalf of a coalition leave SPDES ID blank.

Name of MS4/Coalition SPDES ID

4.a. If this report was made available on the internet, what date was it posted?

Leave blank if this report was not posted on the internet.

/ /

4.b. For how many days was/will this report be posted?

If submitting a report for single MS4, answer 5.a.. If submitting a joint report, answer 5.b..

5.a. Was an Annual Report public meeting held in this reporting period?

Yes No

If Yes, what was the date of the meeting?

/ /

If No, is one planned?

Yes No

5.b. Was an Annual Report public meeting held for all MS4s contributing to this report during this reporting period?

Yes No

If No, is one planned for each?

Yes No

6. Were comments received during this reporting period?

Yes No

If Yes, attach comments, responses and changes made to SWMP in response to comments to this report.

MS4 Annual Report Form

This report is being submitted for the reporting period ending March 9,

If submitting this form as part of a joint report on behalf of a coalition leave SPDES ID blank.

Name of MS4/Coalition

SPDES ID

Minimum Control Measure 3. Illicit Discharge Detection and Elimination

The information in this section is being reported (check one):

- On behalf of an individual MS4
- On behalf of a coalition

How many MS4s contributed to this report?

1. Enter the number and approx. percent of outfalls mapped: # %

2. How many of these outfalls have been screened for dry weather discharges during this reporting period (outfall reconnaissance inventory)?

3.a. What types of generating sites/sewersheds were targeted for inspection during this reporting period?

- Auto Recyclers
- Building Maintenance
- Churches
- Commercial Carwashes
- Commercial Laundry/Dry Cleaners
- Construction Vehicle Washouts
- Cross-Connections
- Distribution Centers
- Food Processing Facilities
- Garbage Truck Washouts
- Hospitals
- Improper RV Waste Disposal
- Industrial Process Water
- Other:
- Landscaping (Irrigation)
- Marinas
- Metal Plateing Operations
- Outdoor Fluid Storage
- Parking Lot Maintenance
- Printing
- Residential Carwashing
- Restaurants
- Schools and Universities
- Septic Maintenance
- Swimming Pools
- Vehicle Fueling
- Vehicle Maint./Repair Shops
- None

Sewersheds:

MS4 Annual Report Form

This report is being submitted for the reporting period ending March 9,

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If submitting this form as part of a joint report on behalf of a coalition leave SPDES ID blank.

Name of MS4/Coalition

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SPDES ID

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12. Evaluating Progress Toward Measurable Goals MCM 3

Use this page to report on your progress and project plans toward achieving measurable goals identified in your Stormwater Management Program Plan (SWMPP), including requirements in Part III.C.1. Submit additional pages as needed.

A. Briefly summarize the Measurable Goal identified in the SWMPP in this reporting period.

B. Briefly summarize the observations that indicated the overall effectiveness of this Measurable Goal.

C. How many times was this observation measured or evaluated in this reporting period?

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(ex.: samples/participants/events)

D. Has your MS4 made progress toward this measurable goal during this reporting period?

Yes No

E. Is your MS4 on schedule to meet the deadline set forth in the SWMPP?

Yes No

F. Briefly summarize the stormwater activities planned to meet the goals of this MCM during the next reporting cycle (including an implementation schedule).

MS4 Annual Report Form

This report is being submitted for the reporting period ending March 9,

If submitting this form as part of a joint report on behalf of a coalition leave SPDES ID blank.

Name of MS4/Coalition

SPDES ID

Minimum Control Measures 4 and 5.
Construction Site and Post-Construction Control

The information in this section is being reported (check one):

- On behalf of an individual MS4
 On behalf of a coalition

How many MS4s contributed to this report?

1a. Has each MS4 contributing to this report adopted a law, ordinance or other regulatory mechanism that provides equivalent protection to the NYS SPDES General Permit for Stormwater Discharges from Construction Activities? Yes No

1b. Has each Town, City and/or Village contributing to this report documented that the law is equivalent to a NYSDEC Sample Local Law for Stormwater Management and Erosion and Sediment Control through either an attorney certification or using the NYSDEC Gap Analysis Workbook? Yes No NT

If Yes, Towns, Cities and Villages provide date of equivalent NYS Sample Local Law.

09/2004 03/2006 NT

2. Does your MS4/Coalition have a SWPPP review procedure in place? Yes No

3. How many Construction Stormwater Pollution Prevention Plans (SWPPPs) have been reviewed in this reporting period?

4. Does your MS4/Coalition have a mechanism for receipt and consideration of public comments related to construction SWPPPs? Yes No NT

If Yes, how many public comments were received during this reporting period?

5. Does your MS4/Coalition provide education and training for contractors about the local SWPPP process? Yes No

6. Identify which of the following types of enforcement actions you used during the reporting period for construction activities, indicate the number of actions, or note those for which you do not have authority:

- Notices of Violation #

--	--	--	--	--	--

 ○ No Authority
- Stop Work Orders #

--	--	--	--	--	--

 ○ No Authority
- Criminal Actions #

--	--	--	--	--	--

 ○ No Authority
- Termination of Contracts #

--	--	--	--	--	--

 ○ No Authority
- Administrative Fines #

--	--	--	--	--	--

 ○ No Authority
- Civil Penalties #

--	--	--	--	--	--

 ○ No Authority
- Administrative Orders #

--	--	--	--	--	--

 ○ No Authority
- Enforcement Actions or Sanctions #

--	--	--	--	--	--

 ○ No Authority
- Other #

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 ○ No Authority

MS4 Annual Report Form

This report is being submitted for the reporting period ending March 9,

If submitting this form as part of a joint report on behalf of a coalition leave SPDES ID blank.

Name of MS4/Coalition

SPDES ID

Minimum Control Measure 4. Construction Site Stormwater Runoff Control

The information in this section is being reported (check one):

- On behalf of an individual MS4
- On behalf of a coalition

How many MS4s contributed to this report?

1. **How many construction projects have been authorized for disturbances of one acre or more during this reporting period?**

 2. **How many construction projects disturbing at least one acre were active in your jurisdiction during this reporting period?**

 3. **What percent of active construction sites were inspected during this reporting period?** NT %

 4. **What percent of active construction sites were inspected more than once?** NT %

 5. **Do all inspectors working on behalf of the MS4s contributing to this report use the NYS Construction Stormwater Inspection Manual?** Yes No NT

 6. **Does your MS4/Coalition provide public access to Stormwater Pollution Prevention Plans (SWPPPs) of construction projects that are subject to MS4 review and approval?** Yes No NT
- If your MS4 is Non-Traditional, are SWPPPs of construction projects made available for public review?** Yes No

If Yes, use the following page to identify location(s) where SWPPPs can be accessed.

MS4 Annual Report Form

This report is being submitted for the reporting period ending March 9,

If submitting this form as part of a joint report on behalf of a coalition leave SPDES ID blank.

Name of MS4/Coalition

SPDES ID

6. con't.:

Submit additional pages as needed.

MS4/Coalition Office

Department

Address

City

Zip

 -

Phone

() -

Library

Address

City

Zip

 -

Phone

() -

Other

Address

City

Zip

 -

Phone

() -

Web Page URL(s): Please provide specific address where SWPPPs can be accessed - not home page.

URL

URL

MS4 Annual Report Form

This report is being submitted for the reporting period ending March 9,

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If submitting this form as part of a joint report on behalf of a coalition leave SPDES ID blank.

Name of MS4/Coalition

SPDES ID

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7. Evaluating Progress Toward Measurable Goals MCM 4

Use this page to report on your progress and project plans toward achieving measurable goals identified in your Stormwater Management Program Plan (SWMPP), including requirements in Part III.C.1. Submit additional pages as needed.

A. Briefly summarize the Measurable Goal identified in the SWMPP in this reporting period.

B. Briefly summarize the observations that indicated the overall effectiveness of this Measurable Goal.

C. How many times was this observation measured or evaluated in this reporting period?

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(ex.: samples/participants/events)

D. Has your MS4 made progress toward this measurable goal during this reporting period?

Yes No

E. Is your MS4 on schedule to meet the deadline set forth in the SWMPP?

Yes No

F. Briefly summarize the stormwater activities planned to meet the goals of this MCM during the next reporting cycle (including an implementation schedule).

MS4 Annual Report Form

This report is being submitted for the reporting period ending March 9,

If submitting this form as part of a joint report on behalf of a coalition leave SPDES ID blank.

Name of MS4/Coalition

SPDES ID

Minimum Control Measure 5. Post-Construction Stormwater Management

The information in this section is being reported (check one):

- On behalf of an individual MS4
- On behalf of a coalition

How many MS4s contributed to this report?

1. How many and what type of post-construction stormwater management practices has your MS4/Coalition inventoried, inspected and maintained in this reporting period?

	# Inventoried	# Inspections	# Times Maintained
<input type="radio"/> Alternative Practices	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="radio"/> Filter Systems	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="radio"/> Infiltration Basins	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="radio"/> Open Channels	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="radio"/> Ponds	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="radio"/> Wetlands	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="radio"/> Other	<input type="text"/>	<input type="text"/>	<input type="text"/>

2. Do you use an electronic tool (e.g. GIS, database, spreadsheet) to track post-construction BMPs, inspections and maintenance?

Yes No

3. What types of non-structural practices have been used to implement Low Impact Development/Better Site Design/Green Infrastructure principles?

- Building Codes Municipal Comprehensive Plans
- Overlay Districts Open Space Preservation Program
- Zoning Local Law or Ordinance
- None Land Use Regulation/Zoning
- Watershed Plans Other Comprehensive Plan

Other:

MS4 Annual Report Form

This report is being submitted for the reporting period ending March 9,

If submitting this form as part of a joint report on behalf of a coalition leave SPDES ID blank.

Name of MS4/Coalition

SPDES ID

4a. Are the MS4s contributing to this report involved in a regional/watershed wide planning effort?

Yes No

4b. Does the MS4 have a banking and credit system for stormwater management practices?

Yes No

4c. Do the SWMP Plans for each MS4 contributing to this report include a protocol for evaluation and approval of banking and credit of alternative siting of a stormwater management practice?

Yes No

4d. How many stormwater management practices have been implemented as part of this system in this reporting period?

5. What percent of municipal officials/MS4 staff responsible for program implementation attended training on Low Impace Development (LID), Better Site Design (BSD) and other Green Infrastructure principles in this reporting period?

%

MS4 Annual Report Form

This report is being submitted for the reporting period ending March 9,

If submitting this form as part of a joint report on behalf of a coalition leave SPDES ID blank.

Name of MS4/Coalition

SPDES ID

Minimum Control Measure 6. Stormwater Management for Municipal Operations

The information in this section is being reported (check one):

- On behalf of an individual MS4
- On behalf of a coalition

How many MS4s contributed to this report?

1. Choose/list each municipal operation/facility that contributes or may potentially contribute Pollutants of Concern to the MS4 system. For each operation/facility indicate whether the operation/facility has been addressed in the MS4's/Coalition's Stormwater Management Program(SWMP) Plan and whether a self-assessment has been performed during the reporting period. A self-assessment is performed to: 1) determine the sources of pollutants potentially generated by the permittee's operations and facilities; 2) evaluate the effectiveness of existing programs and 3) identify the municipal operations and facilities that will be addressed by the pollution prevention and good housekeeping program, if it's not done already.

<u>Operation/Activity/Facility</u>	<u>Addressed in SWMP?</u>		<u>Self-Assessment Operation/Activity/Facility performed within the past 3 years?</u>	
	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Yes	<input type="radio"/> No
Street Maintenance.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bridge Maintenance.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Winter Road Maintenance.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Salt Storage.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Solid Waste Management.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New Municipal Construction and Land Disturbance..	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Right of Way Maintenance.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Marine Operations.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hydrologic Habitat Modification.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Parks and Open Space.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Municipal Building.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stormwater System Maintenance.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vehicle and Fleet Maintenance.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

MS4 Annual Report Form

This report is being submitted for the reporting period ending March 9,

If submitting this form as part of a joint report on behalf of a coalition leave SPDES ID blank.

Name of MS4/Coalition

SPDES ID

2. Provide the following information about municipal operations good housekeeping programs:

- Parking Lots Swept (Number of acres X Number of times swept) # Acres
 - Streets Swept (Number of miles X Number of times swept) # Miles
 - Catch Basins Inspected and Cleaned Where Necessary #
 - Post Construction Control Stormwater Management Practices Inspected and Cleaned Where Necessary #
 - Phosphorus Applied In Chemical Fertilizer # Lbs.
 - Nitrogen Applied In Chemical Fertilizer # Lbs.
 - Pesticide/Herbicide Applied # Acres .
- (Number of acres to which pesticide/herbicide was applied X Number of times applied to the nearest tenth.)

3. How many stormwater management trainings have been provided to municipal employees during this reporting period?

4. What was the date of the last training? / /

5. How many municipal employees have been trained in this reporting period?

6. What percent of municipal employees in relevant positions and departments receive stormwater management training? %

MS4 Annual Report Form

This report is being submitted for the reporting period ending March 9,

--	--	--	--

If submitting this form as part of a joint report on behalf of a coalition leave SPDES ID blank.

Name of MS4/Coalition

--

SPDES ID

--	--	--	--	--	--	--	--	--	--

7. Evaluating Progress Toward Measurable Goals MCM 6

Use this page to report on your progress and project plans toward achieving measurable goals identified in your Stormwater Management Program Plan (SWMPP), including requirements in Part III.C.1. Submit additional pages as needed.

A. Briefly summarize the Measurable Goal identified in the SWMPP in this reporting period.

B. Briefly summarize the observations that indicated the overall effectiveness of this Measurable Goal.

C. How many times was this observation measured or evaluated in this reporting period?

--	--	--	--	--

(ex.: samples/participants/events)

D. Has your MS4 made progress toward this measurable goal during this reporting period?

Yes No

E. Is your MS4 on schedule to meet the deadline set forth in the SWMPP?

Yes No

F. Briefly summarize the stormwater activities planned to meet the goals of this MCM during the next reporting cycle (including an implementation schedule).

MS4 Annual Report Form

This report is being submitted for the reporting period ending March 9,

If submitting this form as part of a joint report on behalf of a coalition leave SPDES ID blank.

Name of MS4/Coalition

SPDES ID

Additional Watershed Improvement Strategy Best Management Practices

The information in this section is being reported (check one):

- On behalf of an individual MS4
- On behalf of a coalition

How many MS4s contributed to this report?

MS4s must answer the questions or check NA as indicated in the table below.

MS4 Description	Answer	Check NA	(POC)
NYC EOH Watershed			
Traditional Land Use	1,2,3,4,5,6,7a-d,8a,8b,9	10,11,12	Phosphorus
Traditional Non-Land Use	1,2,3,4,7a-d,8a,8b,9	5,10,11,12	Phosphorus
Non-Traditional	1,2,77a-d,8a,8b,9	3,4,5,10,11,12	Phosphorus
Onondaga Lake Watershed			
Traditional Land Use	1,6,7a-d,8a,9	2,3,4,5,8b,10,11,12	Phosphorus
Traditional Non-Land Use	1,6,7a-d,8a,9	2,3,4,5,8b,10,11,12	Phosphorus
Non-Traditional	1,6,7a-d,8a,9	2,3,4,5,8b,10,11,12	Phosphorus
Greenwood Lake Watershed			
Traditional Land Use	1,4,6,7a-d,8a,9	2,3,5,8b,10,11,12	Phosphorus
Traditional Non-Land Use	1,4,6,7a-d,8a,9	2,3,5,8b,10,11,12	Phosphorus
Non-Traditional	1,4,6,7a-d,8a,9	2,3,5,8b,10,11,12	Phosphorus
Oyster Bay			
Traditional Land Use	1,4,7a-d,9,10,11,12	2,3,5,6,8a,8b	Pathogens
Traditional Non-Land Use	1,4,7a-d,9,10,11,12	2,3,5,6,8a,8b	Pathogens
Non-Traditional	1,4,7a-d,9	2,3,4,5,8a,8b,10,11,12	Pathogens
Peconic Estuary			
Traditional Land Use	1,4,7a-d,8a,9,10,11,12	2,3,5,6,8b	Pathogens and Nitrogen
Traditional Non-Land Use	1,4,7a-d,8a,9,10,11,12	2,3,5,6,8b	Pathogens and Nitrogen
Non-Traditional	1,4,7a-d,8a,9	2,3,4,5,8b,10,11,12	Pathogens and Nitrogen
Oscawana Lake Watershed			
Traditional Land Use	1,4,6,7a-d,8a,9	2,3,5,8b,10,11,12	Phosphorus
Traditional Non-Land Use	1,4,6,7a-d,8a,9	2,3,5,8b,10,11,12	Phosphorus
Non-Traditional	1,4,6,7a-d,8a,9	2,3,5,8b,10,11,12	Phosphorus
LI 27 Embayments			
Traditional Land Use	1,2,3,4,7a-d,9,10,11,12	5,6,8a,8b	Pathogens
Traditional Non-Land Use	1,2,3,4,7a-d,9,10,11,12	5,6,8a,8b	Pathogens
Non-Traditional	1,2,3,4,7a-d,9	5,6,8a,8b,10,11,12	Pathogens

1. Does your MS4/Coalition have an education program addressing impacts of phosphorus/nitrogen/pathogens on waterbodies? Yes No N/A

2. Has 100% of the MS4/Coalition conveyance system been mapped in GIS? Yes No N/A

If N/A, go to question 3.

If No, estimate what percentage of the conveyance system has been mapped so far. %

Estimate what percentage was mapped in this reporting period. %

MS4 Annual Report Form

This report is being submitted for the reporting period ending March 9,

--	--	--	--

If submitting this form as part of a joint report on behalf of a coalition leave SPDES ID blank.

Name of MS4/Coalition

--

SPDES ID

--	--	--	--	--	--	--	--	--	--

9. Has your MS4/Coalition developed and implemented a program of native planting?
 Yes No N/A

10. Has your MS4/Coalition enacted a local law prohibiting pet waste on municipal properties and prohibiting goose feeding?
 Yes No N/A

11. Does your MS4/Coalition have a pet waste bag program?
 Yes No N/A

12. Does your MS4/Coalition have a program to manage goose populations?
 Yes No N/A



CITY COUNCIL AGENDA

NO. 6

DEPT.: Finance

DATE: May 22, 2013

CONTACT: Joseph S. Fazzino, Acting City Comptroller

AGENDA ITEM: Presentation on City Financials by Scott Oling of the auditing firm of O'Connor Davies LLP.

FOR THE MEETING OF:

May 22, 2013

RYE CITY CODE,

CHAPTER

SECTION

RECOMMENDATION:

IMPACT: Environmental Fiscal Neighborhood Other:

BACKGROUND:

A presentation will be made by Scott Oling of the auditing firm of O'Connor Davies, LLP on City Financials.

See attached documents: 2012 Comprehensive Financial Annual Report (CAFR)
2012 Management letter



***CITY OF RYE, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012***

***Prepared by the
Department of Finance
Joseph S. Fazzino Jr., Acting City Comptroller***



CITY SEAL

The official City Seal displays the three significant dates in Rye history:

1660 - when the community was first settled, illustrated by a peace pipe,
1904 - the year Rye became a village, showing a torch of progress, and
1942 - the date Rye became a City.

The ship in the center is copied from the seal of Rye, England.

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City of Rye, New York

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2012
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STATISTICAL SECTION (Unaudited)
--

This part of the City'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 reveals about the City's overall financial health.

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City of Rye, New York

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2012

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

FEDERAL AWARDS

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INTRODUCTORY SECTION

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City of Rye, New York
List of Elected and Appointed Officials
December 31, 2012

Elected Officials

Douglas French, Mayor

Laura Brett, Council Member

Richard Filippi, Council Member

Peter Jovanovich, Council Member

Julie Killian, Council Member

Catherine Parker, Council Member

Joseph Sack, Council Member

Appointed Officials

Scott D. Pickup, City Manager

Joseph S. Fazzino, Acting City Comptroller

Kristen Wilson Esq., Corporation Counsel

Ryan Coyne, City Engineer

Dawn Nodarse, City Clerk

Noreen Whitty, City Assessor

Christian Miller, City Planner

Maureen Eckman, Assistant Building Inspector

William R. Connors, Police Commissioner

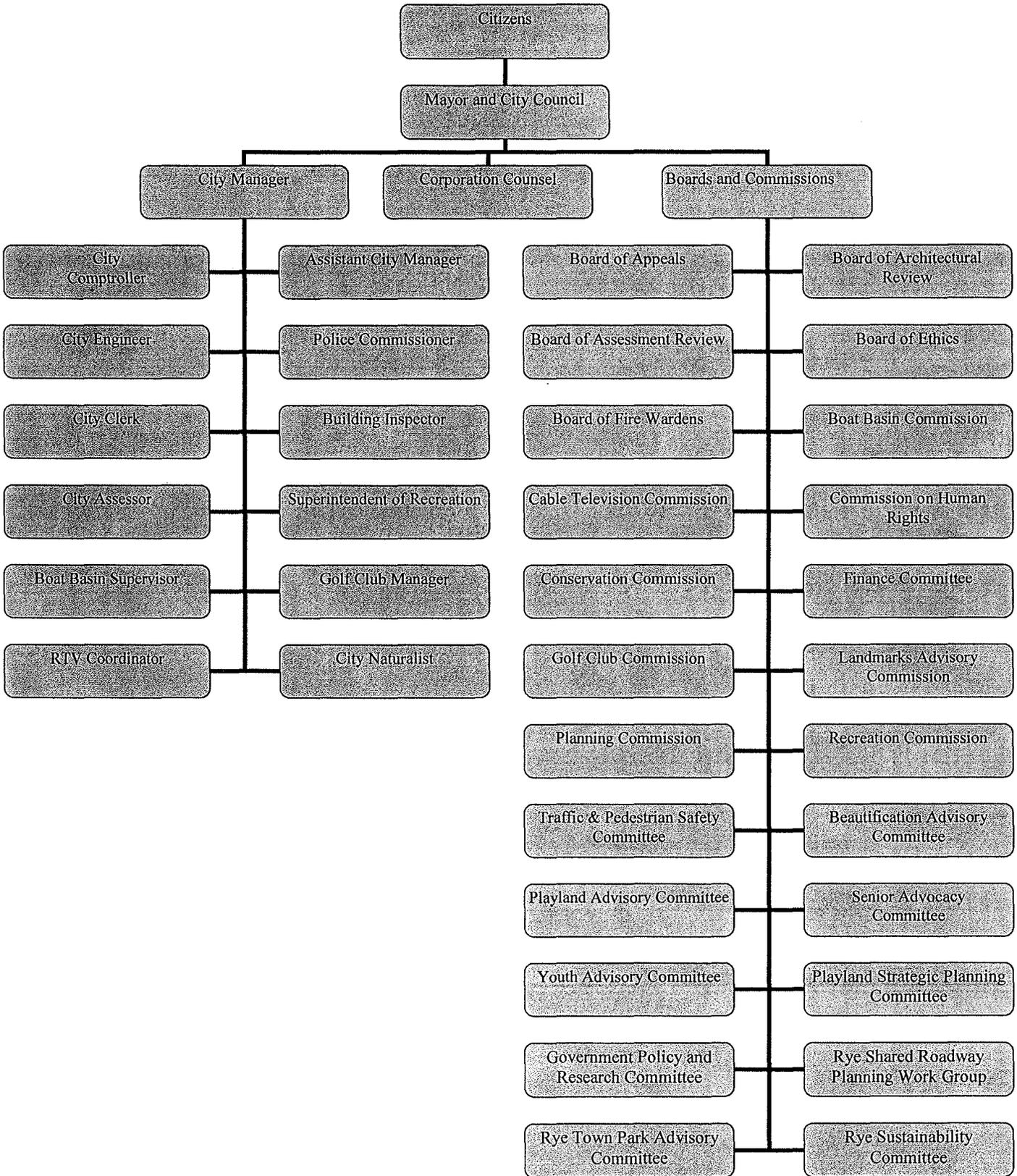
Michael Taylor, Fire Chief

Sally Rogol, Superintendent of Recreation

Peter Fox, Boat Basin Supervisor

Nicole Levitsky, RTV Coordinator

City of Rye, New York Organizational Chart





Joseph S. Fazzino Jr.
Acting City Comptroller
1051 Boston Post Road
Rye, New York 10580-2945

CITY OF RYE
Department of Finance

Tel: (914) 967-7303
Fax: (914) 967-7370
E-mail: jfazzino@ryeny.gov
<http://www.ryeny.gov>

May 8, 2013

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Rye, New York:

Submitted herewith is the comprehensive annual financial report of the City of Rye, New York ("City") as of and for the year ended December 31, 2012.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this comprehensive annual financial report is complete and reliable in all material respects.

The City's financial statements have been audited by O'Connor Davies LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2012 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2012, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Profile of the City of Rye, New York

The City is located in Westchester County, New York, on the Long Island Sound, approximately twenty-five miles north of New York City. Founded in 1660, it became a village in 1904, and was incorporated as a city in 1942. The City's gentle and sophisticated country setting, conveniently located near a major metropolis, has earned it the reputation of being a highly desirable place to

live. The City consistently makes the list of *Worth Magazine's* "250 Richest Towns", and its amenities have been featured in *The New York Times*.

The City maintains 71 miles of streets and roads, 53 miles of sanitary sewer lines; 6 pump stations, and 30 miles of storm drains within the borders of its six square miles. City-owned buildings include city hall, a police station, two firehouses, recreation facilities including a recreation center and other buildings, public works facilities consisting of offices, garages, and material storage buildings, a museum, a nature center, an arts center, marina offices and garages, and several buildings belonging to our golf club, including a historic "castle" (circa 1858) overlooking the golf course and Long Island Sound. The City prides itself in its maintenance and preservation of open space, with several parks and playgrounds for both passive and active recreation.

The United States Census Bureau's *American Community Survey* (2006-2010) reports that the City has a per capita income of \$94,207 and a median household income of \$149,973. The median family income is \$209,149. The City's population count was reported at 15,834.

On November 3, 1959 an amendment to the City Charter was approved by public referendum to create the position of City Manager. Since that time, the City has operated under the Council-Manager form of government. Policy-making and legislative authority are vested in the City Council, which consists of the Mayor and six other members. The City Council appoints the City Manager and the Corporation Counsel; supervises the work of all boards, commissions and officers appointed by the City Council, and awards all contracts for public works requiring competitive bidding. The Mayor serves as head of the City government; appoints City judges subject to approval by the City Council; designates chairpersons of boards and commissions, and unless otherwise provided by law or the City Council, executes deeds, contracts and other documents. City Council members, including the Mayor, each serve a four-year term of office, and are elected to office by registered voters authorized to vote in City elections.

The City Manager is the chief administrative officer of the City, and is responsible for all city affairs placed in his or her charge. The City Manager appoints all department heads and their subordinates, with the exception of the Corporation Counsel, firefighters, and police officers. With the advice and assistance of the City Comptroller, the City Manager prepares and submits to the City Council the annual tentative budget. The City Manager has control and supervision over purchasing, except for competitive bidding as required by law. The City Manager serves at the pleasure of the City Council for an indefinite term.

The City Comptroller serves at the pleasure of the City Manager for an indefinite term. All other department heads and employees serve terms subject to various laws, employment contracts, labor agreements and/or the provisions of Civil Service Law.

The City provides a full range of services. General government services include vital statistics (birth and death certificates); business and occupational licenses, and a variety of other permits and licenses required under state or local law. Public safety is provided through a full-time police department; a fire department comprised of paid and volunteer firefighters, an ambulance/EMS services contracted through a local volunteer ambulance corps and building inspections provided by the building department. Transportation services include engineering, street maintenance and administration, snow removal, street lighting, and off-street parking. Recreational services include recreation activities (camps, athletics, tennis, youth and adult activities), parks and playgrounds, marina services, a golf course, a municipal pool, and a nature center. Home and community services includes community planning, conservation,

emergency disaster, maintenance of sewers and drains, street cleaning, solid waste and recycling, community beautification and shade tree maintenance. Cultural services include library services contracted through a local library, an art center owned by the City but operated by an independent not-for-profit organization, and two government access cable television channels operated by the City.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriations, revenue estimates for the forthcoming year, and a forecast of current year revenues and expenditures to the City Comptroller, on or before August 31 of each year. The City Comptroller reviews these submissions with the departments to ensure that the current forecasts are reasonable, and that the forthcoming year's appropriation requests and revenue estimates are clearly understood. The finance department, under the direction of the City Comptroller, completes the forecasts, appropriations, and revenue estimates for those items not specifically associated with a department, such as general revenues, internal service fund charges, interfund charges, and debt service requirements. When all of this information has been compiled and reviewed, the City Comptroller submits the entire set of requests and estimates to the City Manager, usually within the second week of September. The City Manager will meet with departments and the City Comptroller throughout the months of September and October to review the submissions, making adjustments as required or desired to meet the objectives that may have been expressed or implied by the City Council.

In accordance with §C21-2 of the City Charter, the City Manager must present a tentative budget to the City Council on the first Wednesday in November after Election Day. Prior to a public hearing on the tentative budget, the City Council may make any changes to the tentative budget by a vote of at least four council members. After considering the tentative budget, the City Council publishes a notice of public hearing on the tentative budget to be held no later than the first Wednesday in December of the current year, and with at least ten days' notice. After the public hearing, the City Council may adopt the budget without amendment, or, may continue to amend the budget, except for those items required by law or for debt service. Amendments that would increase the estimated revenues or total appropriations require five affirmative votes of the City Council. The City Council must adopt the budget and set the property tax rate for the forthcoming year on or before December 31 of the current year. If the City Council fails to adopt the budget by December 31, the tentative budget as amended by the City Council becomes the adopted budget. If no amendments to the tentative budget had been made by the City Council, the tentative budget as submitted by the City Manager becomes the adopted budget.

Throughout the year, the City Manager is authorized to make amendments between any accounts within a fund, provided that the amendments do not increase total estimated revenues or total appropriations. Amendments between funds or those that would increase total estimated revenues or appropriations must be made by resolution of the City Council. The original budget; the budget as amended by fiscal year end; actual results, and variances between the amended budget and actual results for the governmental funds are presented in the governmental funds subsection of this report. It should be noted that multi-year, rather than annual budgets, are adopted for the Capital Projects Fund. This report includes a project-length schedule for all projects within the Capital Projects Fund, including project budget, current year revenues and expenditures, project inception-to-date revenues and expenditures, and available project balance remaining at the end of the current fiscal year.

The Governmental Accounting Standards Board (“GASB”) issued its Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, in February 2009. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows:

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government’s highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government’s highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government’s General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when it is considered in light of the specific environment in which the City operates.

Local Economy

In 2012, the City’s revenues continued to rebound. In 2012, General Fund revenues were roughly \$1,900,000 greater than 2011 revenues. Property tax revenues increased about \$562,000. Building department revenues increased about \$324,000, or 28.6%, over 2011. Mortgage tax revenue increased almost \$135,000, or 11.6%, in 2012 as compared to 2011. Sales and use tax revenue increased \$25,000. The City received over \$628,000 in Federal and State emergency aid for Hurricane Irene and Superstorm Sandy. There was no emergency aid in 2011. The City continues to be cautiously optimistic that revenues will continue to increase in

future years, although not at the rates experienced this year from Building department revenue. Operational and capital project expenditures continue to be funded minimally, and some City staff positions continue to remain open after they become vacant.

Taxable assessments declined for the third consecutive year, only slightly, decreasing 0.68% (from \$138,681,692 to \$137,736,733), and our tax base is not dependent upon any single industry or taxpayer. The top ten principal taxpayers of the City represent roughly 7.6% of the tax roll, with public utilities representing 2.9%, commercial establishments 1.3%, and residential properties representing the remaining 3.4%.

Residential home sales reflect the upscale nature of our community. The City Assessor reported that 201 homes in the City were sold in 2012. Of these, 69% sold for \$1 million or more and 31% sold for \$2 million or more. The median home sales price decreased slightly, from \$1,449,000 in 2011 to \$1,440,000 in 2012, and the average home sales price experienced an increase from \$1,846,000 to \$1,869,000. The highest 2012 sales price reported for a single-family home was \$12,700,000.

Major employers with facilities located in the City enhance its economic strength by providing a wide variety of industries, including business services, electric and gas utilities, social services, primary metal industries, educational services, insurance services, investment banking and miscellaneous retail operations. The distribution of the assessment roll for the current fiscal year, five years' and ten years' previous demonstrates a relative economic stability of the City over time:

Assessment Roll Classification

<u>Class</u>	<u>2012</u>	<u>2007</u>	<u>2003</u>
Residential	72.81 %	71.18 %	69.31 %
Business	12.37	13.12	14.10
Other	14.82	15.70	16.59
Total	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

Note: Residential includes one to three-family homes, condominiums, cooperative apartments, and apartments. Business includes commercial, industrial, and recreational facilities. Other includes agriculture, vacant land, community service, utility, wetland and parkland, most of which is exempt from property taxes.

Access to employment in New York City is readily available by car or mass transit (train or bus), with Interstate Route 95, Interstate Route 287, U.S. Route 1, and the Metro-North commuter train line intersecting in the City. Westchester County Airport is a short drive from the City. Two major international airports (John F. Kennedy and LaGuardia) are located within 30 miles and Newark International Airport lies within 45 miles of the City.

Economic data for the City from the United States Census Bureau's *American Community Survey* (2006-2010) compares quite favorably against the Westchester County, New York State, and national figures:

Data Item	City of Rye	Westchester County	New York State	United States
Per Capita	\$ 94,207	\$47,814	\$30,948	\$27,344
Median Household	\$149,973	\$79,619	\$55,603	\$51,914
Median Family	\$216,810	\$100,893	\$67,405	\$62,982

The 2012 unemployment rate for the City was 6.2% and continues to remain favorable against the 2012 rates for New York State (8.2%) and the United States (8.1%).

Long-term Financial Planning

The City publishes documents that assist in its long-term financial planning, including a five-year *Capital Improvement Plan*. This document is available for review in City Hall, in the Rye Free Reading Room, and on the City's website (<http://www.ryeny.gov>). The City's Finance Committee is currently working on a 4 Year General Fund Plan.

Building department revenues reached a high point compared to the last five years and sales tax revenues have returned to levels prior to the recession. Mortgage taxes have slowly started to increase. This shows signs of some stabilization in the economy.

Over the past year, the Federal Funds rate has maintained a low point of less than one percent. This, combined with lower cash balances, will continue to have a significant impact on the City's interest earnings.

While State aid for the time being is projected to remain flat, it may also be further reduced as the State attempts to close its own budget shortfalls. The volatility of commodity markets could mean that broad and sweeping changes in our assumed costs of materials and supplies could increase our costs. Market liquidity, interest rates, and consumer confidence could have a profound effect on our outlook for sales and use taxes, mortgage taxes, and building permit revenues. We believe that 2013 is a year that requires responsible planning for 2014 and beyond, with an eye towards evaluating and possibly reducing core services, while preserving capital for future needs.

Relevant Financial Policies

The City has adopted a *Comprehensive Financial Policy Document*, which is available in City Hall, the Rye Free Reading Room, and on the City's website. This document contains all of the City's adopted financial policies, including budget, cash management and investment, capital assets, debt management, revenues and expenditures, operating position, and procurement/purchasing. This document is reviewed at least annually and as needed to incorporate applicable recommended practices.

The City prepares its budgets, capital improvement plans, and forecasts with the various financial policies in mind, and operates in compliance with the policies. The City does not foresee any issues with its ability to comply with the current policies in the implementation of its near and long-term initiatives.

Major Initiatives

Two (2) major flood mitigation and transportation projects began in 2012. These included the reconstruction and improved floodway clearance of the Central Avenue Bridge and the construction of the Bowman Avenue Sluice Gate. The reconstruction of the retaining wall along Theodore Fremd Avenue is expected to be delayed until 2014. This structure, along with the Central Avenue Bridge, were destroyed in the Nor'easter of April 15, 2007. It is anticipated that each project will approach or exceed \$1 million in costs, a majority of which will be reimbursed with Federal, State and County grants.

The City passed a bond referendum in 2012. Infrastructure improvements to be financed with the proceeds of this bond include: major safety improvements to the Smith/Elm/Purchase streets intersection, reconstruction of portions of Smith Street to address a dangerous "sinkhole" beneath the paved surface, rebuilding a portion of the retaining wall along the Boston Post Road between Thistle Lane and Purdy Street, replacing an old and decaying sewer siphon on Locust Avenue and an assortment of sidewalk and pedestrian safety improvements city-wide, primarily around school zones.

Awards and Acknowledgements

The Government Finance Officers Association ("GFOA") awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City for its Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended December 31, 2011. This was the sixteenth consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

The City also received the GFOA's *Distinguished Budget Presentation Award* for its fiscal 2012 annual budget document, making it the twelfth consecutive year that the City received the award. In order to qualify for this award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the dedicated services of the entire finance department staff and the assistance of all City departments concerning information specific to their operations. We thank our City Manager for his support and guidance in helping us achieve the goals and objectives of the City. Our gratitude is extended to our Mayor and City Council, who continuously strive to enhance the quality of life for our citizens. We appreciate the input from our independent auditor, O'Connor Davies, LLP and we commend them on their timely and professional completion of our audit.

Most importantly, our thanks go to the citizens and residents, for giving us the opportunity to serve our fine City.

Respectfully submitted,



Joseph S. Fazzino, Jr.
Acting City Comptroller

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rye
New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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.



Christopher P. Morill
President

Jeffrey R. Emer
Executive Director

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FINANCIAL SECTION

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Independent Auditors' Report

The Honorable Mayor and City Council of the City of Rye, New York

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rye, New York ("City") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

O'CONNOR DAVIES, LLP

500 Mamaroneck Avenue, Suite 301, Harrison, NY 10528 | Tel: 914.381.8900 | Fax: 914.381.8910 | www.odpkf.com

O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133 Audits of State, Local Governments and Non-Profit Organizations and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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* in considering the City's internal control over financial reporting and compliance.

Report on Comparative Information

We have previously audited the City's December 31, 2011 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 20, 2012. In our opinion, the comparative information presented herein as of and for the year ended December 31, 2011 is consistent, in all material respects, with the audited financial statements from which it has been derived.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
May 7, 2013

Management's Discussion and Analysis ("MD&A")

As management of the City of Rye, New York ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the beginning of this report.

Financial Highlights

- ❖ On the government-wide financial statements, the assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$60,092,419. Of this amount, the unrestricted portion for governmental activities is a deficit of \$7,386,797. This deficit results primarily from the accrual of certain operating liabilities pursuant to Governmental Accounting Standards Board ("GASB") Statement No. 34, which will be satisfied in future years, including tax certiorari claims, compensated absences and the accrual of the City's annual other post employment benefit cost in accordance with the provisions of GASB Statement No. 45.
- ❖ The City's total net position decreased by \$1,288,951.
- ❖ Excluding the Capital Projects Fund, the City's governmental funds reported combined ending fund balances of \$11,710,437, of which \$4,982,632 is unassigned and available for spending at the City's discretion.
- ❖ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,982,632, or 16.4%, of total General Fund expenditures, up from \$3,779,938, or 12.0% of expenditures in the prior year.
- ❖ The City's total bonded debt decreased 7.1% from \$20,845,000 to \$19,360,000 during the current fiscal year, representing \$1,485,000 in principal payments made during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: government-wide financial statements; fund financial statements, and notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

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

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

The statement of activities presents information showing changes in the City's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result

in cash flows in future fiscal periods (for example, uncollected taxes, earned but unused vacation leave and other post employment benefit obligations).

Both of the government-wide financial statements distinguish functions of the City that are governmental activities (those principally supported by taxes and revenues from other governments) and functions of the City that are business-type activities (those that are intended to recover all or a significant portion of their costs through user fees and charges). The governmental activities of the City include general government, public safety, transportation, culture and recreation, and home and community services. The business-type activities of the City include the DePauw Municipal Boat Basin and the Rye Golf Club. The government-wide financial statements can be found on the pages immediately following this MD&A.

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, 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 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 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 City'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 maintains five individual governmental funds: the General Fund, the Cable TV Special Revenue Fund, the K.T. Woods Permanent Fund, the Debt Service Fund and the Capital Projects Fund. 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 and the Capital Projects Fund, both of which are considered to be major funds. Information from the other nonmajor governmental funds is combined into a single, aggregated presentation. Individual information on each of these funds is provided in the form of combining statements and schedules found elsewhere in this report. The City adopts annual budgets for the General Fund, Cable TV Fund, K.T. Woods Permanent Fund and Debt Service Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with their budgets. Multi-year budgets are adopted for the Capital Projects Fund, and a project-length schedule that provides information concerning these projects and their budgets is included elsewhere in this report.

Proprietary Funds

The City maintains two types of proprietary funds – enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its marina (the DePauw Municipal Boat Basin) and golf course (the Rye Golf Club) operations. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its general liability insurance coverage (the Risk Retention Fund), and the acquisition, operation, maintenance and disposition of its buildings and vehicles (the Building and Vehicle Maintenance Fund). These services have been classified as governmental activities in the government-wide financial statements because they predominantly benefit governmental, rather than business-type, functions.

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 Boat Basin Fund and the Golf Club Fund, both of which are considered to be major funds of the City. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements are presented in 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 City programs. The City maintains only one type of fiduciary fund that is known as an agency fund. The City holds resources in this fund purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization, or government. The agency fund financial statements are presented in this report.

Notes to Financial Statements

The notes to financial statements are an integral part of those statements and provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

The combining statements referred to earlier in connection with the nonmajor governmental funds and the two internal service funds are presented immediately following the basic financial statements. Combining and individual fund statements and schedules can be found elsewhere in this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

	Net Position					
	December 31, 2012			December 31, 2011		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	\$ 20,259,951	\$ 2,199,665	\$ 22,459,616	\$ 17,441,527	\$ 2,207,739	\$ 19,649,266
Capital Assets	<u>70,529,430</u>	<u>11,333,866</u>	<u>81,863,296</u>	<u>71,110,633</u>	<u>12,198,411</u>	<u>83,309,044</u>
Total Assets	<u>90,789,381</u>	<u>13,533,531</u>	<u>104,322,912</u>	<u>88,552,160</u>	<u>14,406,150</u>	<u>102,958,310</u>
Current Liabilities	5,289,224	286,851	5,576,075	4,604,740	533,134	5,137,874
Long-term Liabilities	<u>35,439,295</u>	<u>3,215,123</u>	<u>38,654,418</u>	<u>33,036,685</u>	<u>3,402,381</u>	<u>36,439,066</u>
Total Liabilities	<u>40,728,519</u>	<u>3,501,974</u>	<u>44,230,493</u>	<u>37,641,425</u>	<u>3,935,515</u>	<u>41,576,940</u>
Net Position						
Net Investment in						
Capital Assets	54,209,854	9,097,824	63,307,678	54,629,581	9,637,370	64,266,951
Restricted	3,237,805	-	3,237,805	2,630,318	-	2,630,318
Unrestricted	<u>(7,386,797)</u>	<u>933,733</u>	<u>(6,453,064)</u>	<u>(6,349,164)</u>	<u>833,265</u>	<u>(5,515,899)</u>
Total Net Position	<u>\$ 50,060,862</u>	<u>\$ 10,031,557</u>	<u>\$ 60,092,419</u>	<u>\$ 50,910,735</u>	<u>\$ 10,470,635</u>	<u>\$ 61,381,370</u>

For the City, assets exceeded liabilities by \$60,092,419 at the close of the most recent fiscal year. Of this amount, \$63,307,678 reflects the City's investment in capital assets (land, buildings, improvements, machinery and equipment, construction-in-progress, and infrastructure), net of depreciation and any related outstanding debt. 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 the debt.

An additional portion of the City's net position of \$3,237,805 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$6,453,064. This deficit does not mean that the City does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including claims payable of \$1.1 million, compensated absences of \$1.5 million and OPEB obligations of \$16.5 million that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payment will be made.

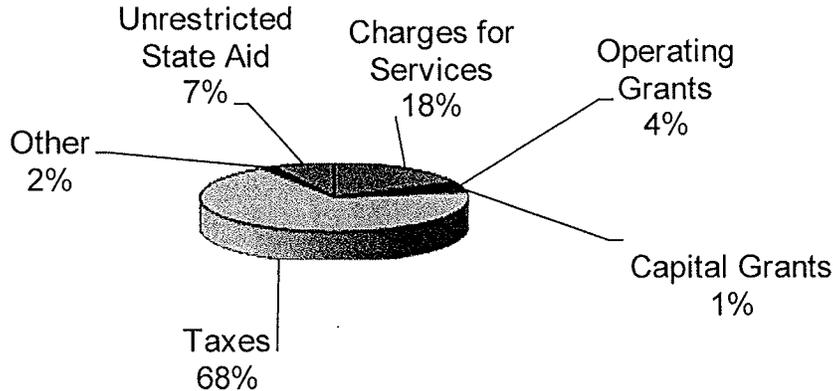
Governmental Activities

Governmental activities decreased the City's net position by \$849,873. Major revenues received included:

- ❖ \$20,433,026 in real property taxes

- ❖ \$2,076,364 in sales and use taxes
- ❖ \$155,534 in hotel occupancy taxes
- ❖ \$380,553 in utilities gross receipts taxes
- ❖ \$43,420 from interest and investment income, and rental of property and
- ❖ \$2,496,256 in state aid not restricted to specific programs.

Revenues by Source - Governmental Activities



Revenues from charges for services were \$5,962,787. Governmental programs received \$1,429,372 in operating grants, and \$267,288 in capital grants.

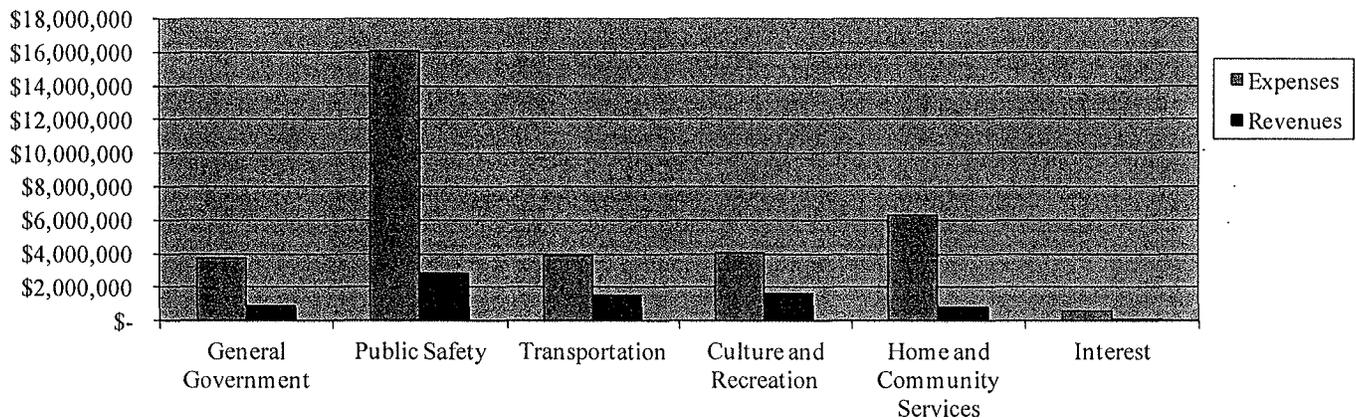
	Changes in Net Position					
	Year Ended December 31, 2012			Year Ended December 31, 2011		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
REVENUES						
Program Revenues						
Charges for Services	\$ 5,962,787	\$ 7,400,656	\$ 13,363,443	\$ 5,486,778	\$ 7,151,205	\$ 12,637,983
Operating Grants and Contributions	1,429,372	28,718	1,458,090	234,853	-	234,853
Capital Grants and Contributions	267,288	-	267,288	278,881	-	278,881
General Revenues						
Real Property Taxes	20,433,026	-	20,433,026	19,726,762	-	19,726,762
Non-Property Taxes	2,612,451	-	2,612,451	2,620,377	-	2,620,377
Unrestricted Use of Money and Property	43,420	1,963	45,383	51,907	1,378	53,285
Unrestricted State Aid	2,496,256	-	2,496,256	2,361,583	-	2,361,583
Other General Revenues	538,610	-	538,610	539,311	-	539,311
Total Revenues	33,783,210	7,431,337	41,214,547	31,300,452	7,152,583	38,453,035
EXPENSES						
General Government	3,733,393	-	3,733,393	3,847,034	-	3,847,034
Public Safety	16,093,285	-	16,093,285	15,873,630	-	15,873,630
Transportation	3,858,783	-	3,858,783	4,422,582	-	4,422,582
Culture and Recreation	4,055,710	-	4,055,710	4,326,087	-	4,326,087
Home and Community Services	6,302,729	-	6,302,729	5,417,700	-	5,417,700
Interest	589,183	-	589,183	618,037	-	618,037
Boat Basin	-	1,018,739	1,018,739	-	904,632	904,632
Golf Club	-	6,851,676	6,851,676	-	7,028,025	7,028,025
Total Expenses	34,833,083	7,870,415	42,503,498	34,505,070	7,932,657	42,437,727
Change in Net Position	(849,873)	(439,078)	(1,288,951)	(3,204,618)	(780,074)	(3,984,692)
Net Position - Beginning	50,910,735	10,470,635	61,381,370	54,115,353	11,250,709	65,366,062
Net Position - Ending	\$ 50,060,862	\$ 10,031,557	\$ 60,092,419	\$ 50,910,735	\$ 10,470,635	\$ 61,381,370

The \$2,482,758 increase in total governmental activities revenues from the prior year is the result of the combination of the following factors:

- ❖ Increases in operating grants and contributions of \$1,194,519, resulting from Federal and State funds received in 2012 for Hurricane Irene and Superstorm Sandy.
- ❖ Charges for services increased by \$476,009, led by increases in building permit revenue of \$323,630, fees in lieu of parkland \$46,383, parking meter revenue of \$41,868, recreation program fees of \$34,657 parking permit revenue of \$30,087.
- ❖ Non-property taxes decreased \$7,926 due to an increase in sales and use tax of \$25,110, offset by decreases in utility taxes of \$29,569 and hotel occupancy taxes of \$3,467.
- ❖ Unrestricted state aid increased \$134,673, which can be attributed to an increase in mortgage taxes, as State revenue sharing remained flat

Governmental activities expenses increased by \$128,013. This increase is attributable to the changes in General Fund expenditures as described in the sections that follow.

Expenses and Program Revenues - Governmental Activities



Business-type Activities

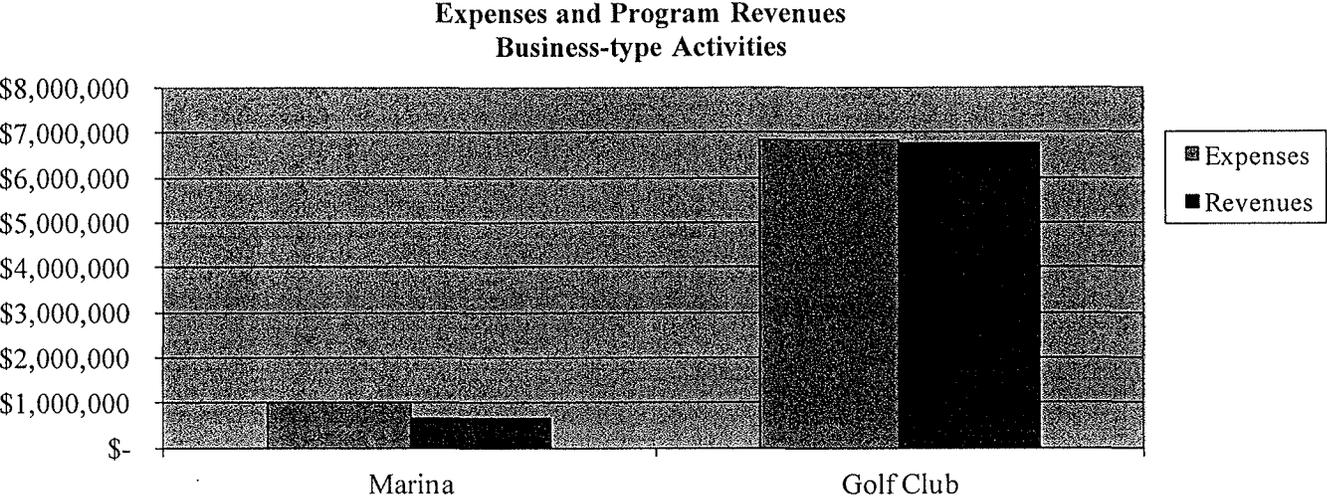
Business-type activities decreased the City's net position by \$439,078.

Revenues from charges for services were \$640,518 from marina operations and \$6,760,138 from golf club operations. Combined, the business-type activities earned \$1,963 in interest and investment income.

Offsetting these revenues were expenses of \$1,018,739 for marina operations and \$6,851,676 for golf club operations.

Total business-type activities revenues increased from the prior year by \$278,754, while expenses decreased by \$62,242. The increase in revenues is a result of an increase in golf recreation concessions and an increase in service fees at the golf club. Decreased expenses were a result of increased boat basin depreciation expenses of \$174,900 (due to the depreciation write-off of the 2000 dredging project) and golf seasonal salaries, being offset by

reductions in Boat Basin OPEB expenses and golf club expenses, depreciation, building repairs and maintenance, and miscellaneous service contracts.



Financial Analysis of the City's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Excluding the Capital Projects Fund, the City's governmental funds reported combined ending fund balances of \$11,710,437, an increase of \$1,981,675 (20.4%) from the prior year. Approximately 43% (\$4,982,632) of the total ending fund balance constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is classified as nonspendable, restricted or assigned in accordance with the provisions of GASB Statement No. 54.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$4,982,632, representing 45% of the total General Fund balance of \$11,081,765. Two useful measures of liquidity are the percentage of unassigned fund balance to total expenditures and total fund balance to total expenditures. At the end of the current fiscal year, the General Fund showed a 16.4% unassigned fund balance to total expenditures and other financing uses and a 36.5% total fund balance to total expenditures and other financing uses.

The General Fund's fund balance increased by \$1,824,003 during the current fiscal year. Of this amount, transfers out of the General Fund exceeded transfers in by \$239,216. The transfers out were as follows: \$261,896 to the Debt Service Fund for long-term debt principal and interest requirements and \$12,320 to the Capital Projects Fund for infrastructure projects. \$35,000 was

transferred in from the Building and Vehicle Maintenance Fund to cover personnel costs in the engineering department. Operating revenues of the General Fund exceeded operating expenditures of that fund by \$2,063,219. Major changes in specific revenues and expenditures in comparison to the prior year are as follows:

- ❖ Real property tax revenues increased \$606,602 (3.1%) from \$19,639,210 to \$20,245,812, which reflects our tax rate increase, offset by refunds to taxpayers due to tax certiorari and small claims assessment review settlements and increases in penalties collected on delinquent tax payments.
- ❖ Non-property taxes decreased \$7,926 (0.3%) from \$2,620,377 to \$2,612,451, due to an increase in sales and use tax of \$25,110, offset by decreases in utility taxes of \$29,569 and hotel occupancy taxes of \$3,467.
- ❖ Charges for services increased \$173,446 (10.6%) from \$1,636,476 to \$1,809,922, attributable to increases in fees in lieu of parkland \$46,383, parking meter revenue of \$41,868, recreation program fees of \$34,657, site plan review fees \$23,529 and subdivision review fees \$14,391.
- ❖ Interest and investment income decreased \$8,247 from \$50,722 to \$42,475 due to a further decrease in interest rates, coupled with lower cash balances available for investment.
- ❖ Licenses and permit revenues increased \$367,917 (18.9%) from \$1,943,221 to \$2,311,138 which can be attributed predominantly to increases in building permit revenue of \$323,630 and parking permit revenue of \$30,087.
- ❖ Fines and forfeitures remained relatively the same, \$609,247, with increased vehicle and traffic fines of \$22,810 offsetting decreased parking violations of \$27,436.
- ❖ Miscellaneous revenues decreased \$89,647 (27.3%) from \$328,484 to \$238,837, due to a decrease in refunds of prior year expenditures of \$96,759, as a result of changing workers' compensation insurance carriers.
- ❖ Police overtime reimbursements were up \$105,448, related to numerous Con Edison projects. Workers compensation recoveries increased \$32,225 (43.2%) from \$74,633 to \$106,858.
- ❖ Mortgage tax revenues increased \$134,673 (11.7%) from \$1,153,559 to \$1,288,232. State revenue sharing remained flat.
- ❖ Federal aid and State emergency disaster aid received in 2012 was \$628,032 reflecting FEMA payments to reimburse expenses related to Hurricane Irene and Super-storm Sandy.
- ❖ Salaries and wages decreased \$84,990 (0.7%) from \$12,109,630 to \$12,024,640, reflecting the continued retirement/resignation of full-time employees, who have not been replaced by year-end and less overtime expenditure paid for snow removal in 2012, offset by increases of part-time and seasonal employee salaries, police overtime expenditures (which were partially reimbursed, as mentioned above) and year-end salary accruals for multiple bargaining units with expired contracts.
- ❖ Equipment purchases of \$230,943 remained flat.
- ❖ Materials and supplies decreased \$1,486,375 from \$3,460,524 to \$1,974,149. This can be attributed to decreases in tax certiorari payments of \$1,386,145 (largely as a result of the Osborn settlement payment of \$1,330,850 and the Rye Colony Apartments settlement of \$72,335) and by decreases in sand, salt and deicing costs of \$157,507, uniforms and accessories of \$22,368, parking meter repairs and maintenance of \$21,984, and asphalt and concrete costs of \$20,860, offset by debris removal costs due to Super-storm Sandy of \$129,008.
- ❖ Contractual costs increased \$228,968 (3.1%) from \$7,476,493 to \$7,705,461, with increases in legal services of \$240,677 and miscellaneous service contracts of \$226,014

offset by decreases in the Building and Vehicle Maintenance Fund inter-fund service fund charges of \$170,114, appraisal services \$26,550 and taxes on City property \$20,129 (due to a reduction of assessed value on the City's Bowman avenue property).

- ❖ Employee benefits and taxes increased \$578,449 (7.7%) from \$7,534,869 to \$8,113,318. Increases in retirement costs of \$262,907 due to sharply higher contribution rates and of hospitalization and medical costs of \$208,357 (5.6%) and workers' compensation costs \$139,364 (due to a large settlement in 2011) contributed to the increase.

The Capital Projects Fund closed the fiscal year with a fund balance of \$1,687,253. Capital Projects Fund revenues of \$899,861, expenditures of \$1,279,195 and other financing sources and uses of \$12,320 (net) represent only the current fiscal year's portion of total project activity. An itemized project-length schedule of all projects is presented elsewhere in this report.

Proprietary Funds

The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in greater detail.

Total net position of the Boat Basin Fund at year-end was \$2,093,489, a decrease of \$350,925 from the prior year. The net investment in capital assets was \$1,785,748 and unrestricted net position of \$307,741 represented the balance of net position. The operating loss of the Boat Basin Fund was \$380,118 (operating revenues of \$640,518 offset by \$1,020,636 of operating expenses). Interest income of \$475 and state and federal aid of \$28,718 made up the balance of total net income.

Total net position of the Golf Club Fund at year-end was \$8,037,962, a decrease of \$114,437 from the prior year. The net investment in capital assets was \$7,312,076 with unrestricted net position of \$725,886 representing the balance of net position. Golf Club Fund operating expenses of \$6,779,590 offset operating revenues of \$6,760,138 to arrive at an operating loss of \$19,452. Interest income of \$1,488 offset by \$96,473 of interest expense related to long-term debt made up the balance of total net income.

General Fund Budgetary Highlights

There was a difference between the original and final amended budget for the General Fund estimated operating revenues of \$36,500. This amount represents \$35,000 that was transferred in from the Building and Vehicle Maintenance Fund to cover personnel costs in the engineering department and police and fire department donations of \$1,500. The actual revenues realized for the year ended December 31, 2012 exceeded the anticipated amount in the final budget by \$2,172,957. The most significant were as follows: additional sales and use tax revenues, increased building permit revenues, recreation program fees, fees in lieu of parkland, police overtime reimbursement, workers' compensation recoveries, State revenue sharing, mortgage tax revenue and Federal and State emergency disaster aid.

The difference between the operating appropriations originally budgeted and the final amended budget for the General Fund was \$785,886 (\$29,937,271 vs. \$30,723,157), a change of 2.6%. This can be attributed to the appropriation of restricted funds for workers' compensation expenditures of \$210,000, prior year encumbrances carried forward of \$254,742, \$283,742 in carry forward balances of recreation special event and surcharges from the end of 2011, and the aforementioned adjustments to the revenue budget. The actual expenditures realized for

the year ended December 31, 2012 were \$400,432 less than anticipated in the final budget. These savings were generated in a variety of areas of operations.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for governmental and business-type activities at December 31, 2012, net of \$49,320,018 of accumulated depreciation, was \$81,863,296. This investment in capital assets includes land, buildings, improvements, machinery and equipment, construction-in-progress, and infrastructure.

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

- ❖ General vehicle and equipment purchases totaled \$58,578, including the purchase of a police vehicle for \$29,708 and a building inspector SUV for \$28,870.
- ❖ Federally funded improvements were added to various City streets in the amount of \$820,332.
- ❖ 2 Taxpayer funded sewer districts were added to the infrastructure in the amount of \$557,892.

Asset	Capital Assets					
	December 31, 2012			December 31, 2011		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 6,571,814	\$ 1,700,408	\$ 8,272,222	\$ 6,571,814	\$ 1,700,408	\$ 8,272,222
Construction in progress	1,899,998	38,670	1,938,668	2,699,874	-	2,699,874
Buildings	19,832,889	11,759,480	31,592,369	19,703,882	11,759,480	31,463,362
Improvements	4,636,167	6,747,374	11,383,541	4,379,794	6,747,374	11,127,168
Machinery and equipment	10,044,263	1,239,325	11,283,588	9,985,685	1,239,325	11,225,010
Infrastructure	66,712,926	-	66,712,926	65,334,702	-	65,334,702
Less - accumulated depreciation	(39,168,627)	(10,151,391)	(49,320,018)	(37,565,118)	(9,248,176)	(46,813,294)
Total (net of depreciation)	<u>\$ 70,529,430</u>	<u>\$ 11,333,866</u>	<u>\$ 81,863,296</u>	<u>\$ 71,110,633</u>	<u>\$ 12,198,411</u>	<u>\$ 83,309,044</u>

Additional information on the City's capital assets can be found in Note 3, C in the notes to financial statements.

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$19,360,000. As required by New York State Law, all bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. As a policy, principal and interest on debt issued by the enterprise funds must be repaid solely from revenues of those funds. Of the \$19,360,000 bonded debt outstanding at fiscal year end, \$2,210,000 represented debt of the Golf Club Enterprise Fund.

Known as the "constitutional debt limit", and pursuant to New York State Local Finance Law §104, the City must limit total outstanding long-term debt to no more than 7% of the five-year average full valuation of real property. At December 31, 2012, the City had exhausted 3.75% of its constitutional debt limit, providing an available debt margin of 96.25% with the authority to issue an additional \$458 million of general obligation long-term debt.

City Charter §C21-9 specifies the amount of debt that can be authorized solely on the adoption of a resolution by the City Council; the amount that can be raised by resolution of the City Council but subject to permissive referendum, and the amount requiring a mandatory referendum. At December 31, 2012, the amount of debt that could be authorized by City Council resolution alone was \$200,745 and the amount that could be authorized by City Council resolution subject to a permissive referendum was \$1,925,162. The authorization of all other long-term debt, unless otherwise specifically exempt by law, requires a mandatory referendum.

In 2010 (when the City last issued debt), Moody's Investor Service assigned its highest credit rating ("Aaa") to all City debt.

Additional information on the City's long-term debt can be found in Note 3,G in the notes to financial statements.

Economic Factors and Next Year's Budgets and Rates

According to the United States Bureau of Labor Statistics, the 2012 unemployment rate for the City of Rye was 6.2%. This compares favorably with the rate of 8.2% for New York State and the 8.1% national unemployment rate. The slight increase in the Consumer Price Index, not seasonally adjusted, for the area (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA) from 2011 to 2012 was roughly the same compared to the increase recorded for the U.S. city average for the same period.

Home financing and refinancing rates continued to be low in fiscal 2012 and as a result there was still increased revenue from mortgage taxes. Taxable assessed value of real property in the City showed a marginal decrease of 0.68% (from \$138,681,692 in 2011 to \$137,736,733 in 2012).

The median home sales price had a minimal decrease from \$1,448,750 in 2011 to \$1,440,000 in 2012 and the average home sales price increased slightly from \$1,846,120 in 2011 to \$1,869,159 in 2012 (1.2%).

City management has taken the approach that 2013 will continue to be a transitional period in City budgeting. Expenditures such as health insurance and employee pension contributions continue to increase by double-digit percentage increases each year since 2010. Although revenues other than property taxes have returned to pre-recession levels, we cannot expect these revenues to continue to increase at these levels.

The City appropriated the use of \$485,347 of fund balance from the General Fund for spending in fiscal 2013 to fund the acquisition of capital assets and equipment. This is an increase of \$485,347, when compared to 2012, as there was no budgeted appropriation of fund balance. The use of this fund balance was within the City's policy of maintaining an unassigned General Fund fund balance of at least 5% of annual appropriations. Combined with all other revenue sources, the fiscal 2012 real property tax rate of \$148.91 per \$1,000 of taxable assessed value provides funding for all General Fund appropriations. The tax rate increase from 2012 to 2013 is 2.70% (\$144.99 to \$148.91).

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in those finances. Questions and comments concerning any of the information provided in this report should be addressed to Joseph S. Fazzino, Acting City Comptroller, City of Rye, 1051 Boston Post Road, Rye, New York 10580.

BASIC FINANCIAL STATEMENTS

City of Rye, New York

Statement of Net Position

December 31, 2012

(With Comparative Amounts for 2011)

	2012		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and equivalents	\$ 14,932,898	\$ 2,031,215	\$ 16,964,113
Investments	-	-	-
Taxes receivable	1,169,675	-	1,169,675
Accounts receivable	896,247	2,264	898,511
Deposits	28,500	-	28,500
Due from other governments	1,856,409	323,850	2,180,259
Internal balances	230,437	(230,437)	-
Prepaid expenses	1,084,210	56,040	1,140,250
Deferred charges	61,575	16,733	78,308
Capital assets			
Not being depreciated	8,471,812	1,739,078	10,210,890
Being depreciated, net	62,057,618	9,594,788	71,652,406
Total Assets	<u>90,789,381</u>	<u>13,533,531</u>	<u>104,322,912</u>
LIABILITIES			
Accounts payable	1,275,498	198,561	1,474,059
Accrued liabilities	1,943,164	25,438	1,968,602
Accrued interest payable	115,251	28,462	143,713
Retainage payable	189,814	-	189,814
Deposits	585,726	-	585,726
Due to other governments	615,030	34,390	649,420
Unearned revenues	564,741	-	564,741
Non-current liabilities			
Due within one year	1,564,363	341,700	1,906,063
Due in more than one year	33,874,932	2,873,423	36,748,355
Total Liabilities	<u>40,728,519</u>	<u>3,501,974</u>	<u>44,230,493</u>
NET POSITION			
Net investment in capital assets	54,209,854	9,097,824	63,307,678
Restricted for			
Capital projects	2,122,425	-	2,122,425
Permanent fund			
Expendable	141	-	141
Nonexpendable	20,000	-	20,000
Special purposes	409,920	-	409,920
Debt service	54,643	-	54,643
Risk retention	630,676	-	630,676
Unrestricted	(7,386,797)	933,733	(6,453,064)
Total Net Position	<u>\$ 50,060,862</u>	<u>\$ 10,031,557</u>	<u>\$ 60,092,419</u>

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

2011		
Governmental Activities	Business-type Activities	Total
\$ 8,334,068	\$ 2,050,576	\$ 10,384,644
5,500,040	29,021	5,529,061
1,115,094	-	1,115,094
521,843	2,951	524,794
28,500	-	28,500
1,085,809	317,500	1,403,309
238,401	(238,401)	-
547,778	26,146	573,924
69,994	19,946	89,940
9,271,688	1,700,408	10,972,096
61,838,945	10,498,003	72,336,948
<u>88,552,160</u>	<u>14,406,150</u>	<u>102,958,310</u>
1,000,986	463,794	1,464,780
1,602,428	2,150	1,604,578
113,059	31,672	144,731
209,989	-	209,989
522,187	-	522,187
643,291	35,518	678,809
512,800	-	512,800
1,511,920	331,300	1,843,220
31,524,765	3,071,081	34,595,846
<u>37,641,425</u>	<u>3,935,515</u>	<u>41,576,940</u>
54,629,581	9,637,370	64,266,951
1,816,358	-	1,816,358
128	-	128
20,000	-	20,000
397,012	-	397,012
6,465	-	6,465
390,355	-	390,355
(6,349,164)	833,265	(5,515,899)
<u>\$ 50,910,735</u>	<u>\$ 10,470,635</u>	<u>\$ 61,381,370</u>

City of Rye, New York

Statement of Activities
 Year Ended December 31, 2012
 (With Comparative Amounts for 2011)

2012							
Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities							
General government	\$ 3,733,393	\$ 899,551	\$ 1,458	\$ -	\$ (2,832,384)	\$ -	\$ (2,832,384)
Public safety	16,093,285	2,129,247	681,077	-	(13,282,961)	-	(13,282,961)
Transportation	3,858,783	1,264,716	-	267,196	(2,326,871)	-	(2,326,871)
Culture and recreation	4,055,710	1,457,025	145,750	-	(2,452,935)	-	(2,452,935)
Home and community services	6,302,729	212,248	601,087	-	(5,489,394)	-	(5,489,394)
Interest	589,183	-	-	92	(589,091)	-	(589,091)
Total Governmental Activities	34,633,083	5,962,787	1,429,372	267,288	(26,973,636)	-	(26,973,636)
Business-type activities							
Boat basin	1,018,739	640,518	28,718	-	-	(349,503)	(349,503)
Golf club	6,851,676	6,760,138	-	-	-	(91,538)	(91,538)
Total Business-type Activities	7,870,415	7,400,656	28,718	-	-	(441,041)	(441,041)
Total	\$ 42,503,498	\$ 13,363,443	\$ 1,458,090	\$ 267,288	(26,973,636)	(441,041)	(27,414,677)
General revenues							
Real property taxes and related items					20,433,026	-	20,433,026
Non-property taxes							
Sales and use taxes					2,076,364	-	2,076,364
Hotel occupancy taxes					155,534	-	155,534
Utilities gross receipts taxes					380,553	-	380,553
Unrestricted use of money and property					43,420	1,963	45,383
Gain on sale of equipment					-	-	-
Governmental aid not restricted to specific programs					2,496,256	-	2,496,256
Other revenues					538,610	-	538,610
Total General Revenues					26,123,763	1,963	26,125,726
Change in Net Position					(849,873)	(439,078)	(1,288,951)
Net Position - Beginning					50,910,735	10,470,635	61,381,370
Net Position - Ending					\$ 50,060,862	\$ 10,031,557	\$ 60,092,419

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

2011

Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
	\$ 3,847,034	\$ 917,026	\$ 1,457	\$ -	\$ (2,928,551)	\$ -
15,873,630	1,819,013	49,049	-	(14,005,568)	-	(14,005,568)
4,422,582	1,200,047	-	278,624	(2,943,911)	-	(2,943,911)
4,326,087	1,422,633	175,467	-	(2,727,987)	-	(2,727,987)
5,417,700	128,059	8,880	-	(5,280,761)	-	(5,280,761)
618,037	-	-	257	(617,780)	-	(617,780)
<u>34,505,070</u>	<u>5,486,778</u>	<u>234,853</u>	<u>278,881</u>	<u>(28,504,558)</u>	<u>-</u>	<u>(28,504,558)</u>
904,632	646,459	-	-	-	(258,173)	(258,173)
7,028,025	6,504,746	-	-	-	(523,279)	(523,279)
7,932,657	7,151,205	-	-	-	(781,452)	(781,452)
<u>\$ 42,437,727</u>	<u>\$ 12,637,983</u>	<u>\$ 234,853</u>	<u>\$ 278,881</u>	<u>(28,504,558)</u>	<u>(781,452)</u>	<u>(29,286,010)</u>
				19,726,762	-	19,726,762
				2,051,254	-	2,051,254
				159,001	-	159,001
				410,122	-	410,122
				51,907	1,378	53,285
				23,438	-	23,438
				2,361,583	-	2,361,583
				515,873	-	515,873
				<u>25,299,940</u>	<u>1,378</u>	<u>25,301,318</u>
				(3,204,618)	(780,074)	(3,984,692)
				54,115,353	11,250,709	65,366,062
				<u>\$ 50,910,735</u>	<u>\$ 10,470,635</u>	<u>\$ 61,381,370</u>

City of Rye, New York

Balance Sheet

Governmental Funds

December 31, 2012

(With Comparative Amounts for 2011)

	2012			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 8,484,821	\$ 2,215,829	\$ 572,990	\$ 11,273,640
Investments	-	-	-	-
Receivables				
Taxes receivable	1,169,675	-	-	1,169,675
Accounts receivable	556,891	-	84,305	641,196
Due from other funds	3,506,595	56,872	5,017	3,568,484
Advances to other funds	-	-	-	-
Due from other governments	1,076,517	735,003	-	1,811,520
Prepaid expenditures	957,958	-	4,900	962,858
Total Assets	<u>\$ 15,752,457</u>	<u>\$ 3,007,704</u>	<u>\$ 667,212</u>	<u>\$ 19,427,373</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,047,904	\$ 55,294	\$ 10,544	\$ 1,113,742
Accrued liabilities	1,384,294	-	922	1,385,216
Retainage payable	-	30,589	-	30,589
Deposits	585,726	-	-	585,726
Due to other funds	287,912	1,233,474	25,072	1,546,458
Due to other governments	611,934	1,094	2,002	615,030
Unearned revenues	752,922	-	-	752,922
Total Liabilities	<u>4,670,692</u>	<u>1,320,451</u>	<u>38,540</u>	<u>6,029,683</u>
Fund balances				
Nonspendable	1,501,991	-	24,900	1,526,891
Restricted	1,938,058	726,792	62,836	2,727,686
Assigned	2,659,084	960,461	540,936	4,160,481
Unassigned	4,982,632	-	-	4,982,632
Total Fund Balances	<u>11,081,765</u>	<u>1,687,253</u>	<u>628,672</u>	<u>13,397,690</u>
Total Liabilities and Fund Balances	<u>\$ 15,752,457</u>	<u>\$ 3,007,704</u>	<u>\$ 667,212</u>	<u>\$ 19,427,373</u>

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

2011

General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 7,581,409	\$ 285,999	\$ 315,633	\$ 8,183,041
96,417	2,185,124	144,008	2,425,549
1,115,094	-	-	1,115,094
308,301	-	80,126	388,427
1,980,034	175	622	1,980,831
708,702	-	-	708,702
773,938	272,639	-	1,046,577
453,106	-	4,227	457,333
<u>\$ 13,017,001</u>	<u>\$ 2,743,937</u>	<u>\$ 544,616</u>	<u>\$ 16,305,554</u>
\$ 639,926	\$ 180,075	\$ 43,410	\$ 863,411
897,199	-	256	897,455
907	50,512	-	51,419
522,187	-	-	522,187
358,785	457,989	24,685	841,459
636,932	1,094	5,265	643,291
703,303	-	-	703,303
<u>3,759,239</u>	<u>689,670</u>	<u>73,616</u>	<u>4,522,525</u>
1,647,837	-	24,227	1,672,064
2,141,634	1,706,064	17,782	3,865,480
1,688,353	348,203	428,991	2,465,547
3,779,938	-	-	3,779,938
<u>9,257,762</u>	<u>2,054,267</u>	<u>471,000</u>	<u>11,783,029</u>
<u>\$ 13,017,001</u>	<u>\$ 2,743,937</u>	<u>\$ 544,616</u>	<u>\$ 16,305,554</u>

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City of Rye, New York

Reconciliation of Governmental Funds Balance Sheet to
 The Government-Wide Statement of Net Position - Governmental Activities
 December 31, 2012
 (With Comparative Amounts for 2011)

	<u>2012</u>	<u>2011</u>
Fund Balances - Total Governmental Funds	<u>\$ 13,397,690</u>	<u>\$ 11,783,029</u>
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>42,589,581</u>	<u>42,048,652</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Real property taxes	<u>188,181</u>	<u>190,503</u>
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Deferred charges	<u>7,300</u>	<u>8,189</u>
Internal service funds are used by management to charge the costs of building maintenance, vehicle maintenance, and risk to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	<u>16,511,469</u>	<u>16,468,531</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds		
Accrued liabilities	(203,133)	(292,751)
Bonds payable	(5,381,162)	(5,629,085)
Claims payable	(1,145,813)	(1,036,599)
Accrued interest payable	(33,016)	(26,325)
Compensated absences	(1,326,166)	(1,318,204)
Other postemployment benefit obligations payable	<u>(14,544,069)</u>	<u>(11,285,205)</u>
	<u>(22,633,359)</u>	<u>(19,588,169)</u>
Net Position of Governmental Activities	<u>\$ 50,060,862</u>	<u>\$ 50,910,735</u>

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

City of Rye, New York

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2012
 (With Comparative Amounts for 2011)

	2012			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Real property taxes and related items	\$ 20,245,812	\$ -	\$ 189,536	\$ 20,435,348
Non-property taxes	2,612,451	-	326,183	2,938,634
Charges for services	1,809,922	-	-	1,809,922
Intergovernmental charges	81,095	-	-	81,095
Use of money and property	338,017	-	552	338,569
Licenses and permits	2,311,138	33,425	-	2,344,563
Fines and forfeitures	609,247	-	-	609,247
Sale of property and compensation for loss	119,983	-	-	119,983
Interfund revenues	441,634	-	-	441,634
State aid	2,630,308	284,502	-	2,914,810
Federal aid	549,679	45,854	-	595,533
Miscellaneous	362,442	536,080	52,023	950,545
Total Revenues	<u>32,111,728</u>	<u>899,861</u>	<u>568,294</u>	<u>33,579,883</u>
EXPENDITURES				
Current				
General government	3,622,160	-	-	3,622,160
Public safety	14,340,455	-	-	14,340,455
Transportation	2,972,934	-	-	2,972,934
Culture and recreation	3,616,440	-	269,172	3,885,612
Home and community services	5,496,520	-	-	5,496,520
Debt service				
Principal	-	-	246,918	246,918
Interest	-	-	156,428	156,428
Capital outlay				
Public safety	-	-	-	-
Transportation	-	293,946	-	293,946
Home and community services	-	985,249	-	985,249
Total Expenditures	<u>30,048,509</u>	<u>1,279,195</u>	<u>672,518</u>	<u>32,000,222</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,063,219</u>	<u>(379,334)</u>	<u>(104,224)</u>	<u>1,579,661</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	35,000	194,943	261,896	491,839
Transfers out	<u>(274,216)</u>	<u>(182,623)</u>	-	<u>(456,839)</u>
Total Other Financing Sources (Uses)	<u>(239,216)</u>	<u>12,320</u>	<u>261,896</u>	<u>35,000</u>
Net Change in Fund Balances	1,824,003	(367,014)	157,672	1,614,661
Fund Balances - Beginning of Year	<u>9,257,762</u>	<u>2,054,267</u>	<u>471,000</u>	<u>11,783,029</u>
Fund Balances - End of Year	<u>\$ 11,081,765</u>	<u>\$ 1,687,253</u>	<u>\$ 628,672</u>	<u>\$ 13,397,690</u>

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

2011

General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 19,639,210	\$ -	\$ 101,521	\$ 19,740,731
2,620,377	-	329,624	2,950,001
1,636,476	-	-	1,636,476
95,651	-	-	95,651
341,755	-	414	342,169
1,943,221	32,375	-	1,975,596
617,282	-	-	617,282
95,641	-	-	95,641
441,634	-	-	441,634
2,425,241	278,624	-	2,703,865
-	-	-	-
346,641	-	51,548	398,189
<u>30,203,129</u>	<u>310,999</u>	<u>483,107</u>	<u>30,997,235</u>
4,772,526	-	-	4,772,526
13,835,912	-	-	13,835,912
3,430,714	-	-	3,430,714
3,850,847	-	351,094	4,201,941
4,924,690	-	-	4,924,690
-	-	221,721	221,721
-	-	187,171	187,171
-	230,062	-	230,062
-	529,405	-	529,405
-	445,430	-	445,430
<u>30,814,689</u>	<u>1,204,897</u>	<u>759,986</u>	<u>32,779,572</u>
<u>(611,560)</u>	<u>(893,898)</u>	<u>(276,879)</u>	<u>(1,782,337)</u>
-	687,257	252,544	939,801
(625,835)	(398,966)	-	(1,024,801)
<u>(625,835)</u>	<u>288,291</u>	<u>252,544</u>	<u>(85,000)</u>
(1,237,395)	(605,607)	(24,335)	(1,867,337)
10,495,157	2,659,874	495,335	13,650,366
<u>\$ 9,257,762</u>	<u>\$ 2,054,267</u>	<u>\$ 471,000</u>	<u>\$ 11,783,029</u>

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City of Rye, New York

Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds to the Statement of Activities
 Year Ended December 31, 2012
 (With Comparative Amounts for 2011)

	<u>2012</u>	<u>2011</u>
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because		
Net Change in Fund Balances - Total Governmental Funds	<u>\$ 1,614,661</u>	<u>\$ (1,867,337)</u>
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 expense in the current period. This amount is less than the total capital outlay since capital outlay includes amounts that are under the capitalization threshold or were repairs and maintenance and, therefore, were not capitalized.		
Capital outlay expenditures capitalized	937,461	673,534
Depreciation expense	<u>(396,532)</u>	<u>(382,114)</u>
	<u>540,929</u>	<u>291,420</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds -		
Real property taxes	<u>(2,322)</u>	<u>(13,969)</u>
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Principal paid on bonds	246,918	221,721
Amortization of issuance costs, loss on refunding bonds and issuance premium	116	116
	<u>247,034</u>	<u>221,837</u>
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:		
Self-insured health benefits	89,618	(115,730)
Claims	(109,214)	1,088,217
Accrued interest	(6,691)	12,534
Compensated absences	(7,962)	(38,568)
Other postemployment benefit obligations payable	<u>(3,258,864)</u>	<u>(3,047,033)</u>
	<u>(3,293,113)</u>	<u>(2,100,580)</u>
Internal service funds are used by management to charge the costs of building maintenance, vehicle maintenance and risk to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	42,938	264,011
Change in Net Position of Governmental Activities	<u>\$ (849,873)</u>	<u>\$ (3,204,618)</u>

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

City of Rye, New York

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2012

(With Comparative Amounts for 2011)

2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes and related items	\$ 20,266,310	\$ 20,266,310	\$ 20,245,812	\$ (20,498)
Non-property tax	2,295,365	2,295,365	2,612,451	317,086
Charges for services	1,633,530	1,633,530	1,809,922	176,392
Intergovernmental charges	88,245	88,245	81,095	(7,150)
Use of money and property	345,542	345,542	338,017	(7,525)
Licenses and permits	1,718,705	1,718,705	2,311,138	592,433
Fines and forfeitures	613,200	613,200	609,247	(3,953)
Sale of property and compensation for loss	44,100	44,100	119,983	75,883
Interfund revenues	446,409	446,409	441,634	(4,775)
State aid	2,318,623	2,318,623	2,630,308	311,685
Federal aid	-	-	549,679	549,679
Miscellaneous	167,242	168,742	362,442	193,700
Total Revenues	29,937,271	29,938,771	32,111,728	2,172,957
EXPENDITURES				
General government				
City Council	75,623	252,977	252,977	-
City Manager	558,921	548,921	540,125	8,796
Finance Administration	239,741	180,939	147,186	33,753
General Accounting	385,438	357,173	295,705	61,468
Accounts Payable	93,367	93,367	88,383	4,984
Payroll	129,586	138,896	138,895	1
Treasury	227,926	262,495	248,032	14,463
Parking Violation Bureau	39,303	35,821	35,119	702
Assessor	398,860	385,360	359,063	26,297
City Clerk	337,554	359,389	338,207	21,182
Records Management	53,705	47,705	46,385	1,320
Parking Administration	50,538	50,538	48,254	2,284
Law	284,381	259,546	258,399	1,147
Human Resources	324,180	329,486	329,486	-
Elections	36,232	36,232	34,017	2,215
City Hall Annex	179,919	179,919	179,919	-
Information Technology	292,177	284,077	282,008	2,069
Contingent Account	300,000	-	-	-
Total General Government	4,007,451	3,802,841	3,622,160	180,681

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 19,831,725	\$ 19,831,725	\$ 19,639,210	\$ (192,515)
2,280,000	2,280,000	2,620,377	340,377
1,551,880	1,551,880	1,636,476	84,596
84,745	84,745	95,651	10,906
366,033	366,033	341,755	(24,278)
1,677,470	1,677,470	1,943,221	265,751
593,200	593,200	617,282	24,082
76,860	76,860	95,641	18,781
446,409	446,409	441,634	(4,775)
2,363,868	2,363,868	2,425,241	61,373
-	-	-	-
146,650	146,650	346,641	199,991
<u>29,418,840</u>	<u>29,418,840</u>	<u>30,203,129</u>	<u>784,289</u>
79,046	79,046	77,789	1,257
562,514	436,761	432,290	4,471
237,496	219,305	216,933	2,372
382,231	367,567	285,327	82,240
87,110	82,193	80,132	2,061
148,815	107,097	103,206	3,891
222,278	1,690,334	1,667,058	23,276
85,974	132,232	129,770	2,462
410,782	380,125	371,456	8,669
328,774	324,698	321,720	2,978
56,008	48,038	46,786	1,252
49,603	47,053	45,743	1,310
314,751	253,271	246,822	6,449
336,244	272,480	271,461	1,019
39,852	34,652	32,016	2,636
170,434	170,434	170,434	-
287,427	277,927	273,583	4,344
300,000	-	-	-
<u>4,099,339</u>	<u>4,923,213</u>	<u>4,772,526</u>	<u>150,687</u>

(Continued)

City of Rye, New York

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)

Year Ended December 31, 2012

(With Comparative Amounts for 2011)

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Public safety				
Police Administration	\$ 1,351,744	\$ 1,357,509	\$ 1,355,537	\$ 1,972
Police Patrol	5,773,058	6,184,469	6,156,246	28,223
Police Investigations	793,165	793,253	793,252	1
Police Marine Patrol	138,924	131,435	130,187	1,248
Police Youth Services	-	-	-	-
Parking Enforcement	281,739	255,891	255,017	874
School Crossing Guards	136,274	119,139	118,741	398
Traffic Control	218,913	180,258	179,063	1,195
Fire Prevention and Suppression	4,593,028	4,749,810	4,726,596	23,214
Animal Control	23,307	33,063	23,398	9,665
Building	363,393	379,129	378,643	486
Ambulance Service	223,775	223,775	223,775	-
Total Public Safety	<u>13,897,320</u>	<u>14,407,731</u>	<u>14,340,455</u>	<u>67,276</u>
Transportation				
Public Works Administration	1,224,024	1,154,058	1,151,488	2,570
Engineering	294,834	360,127	328,058	32,069
Street Maintenance	780,123	711,874	706,974	4,900
Snow Removal	353,044	233,594	161,640	71,954
Street Lighting	334,469	350,987	350,986	1
Off-Street Parking	284,078	273,878	273,788	90
Total Transportation	<u>3,270,572</u>	<u>3,084,518</u>	<u>2,972,934</u>	<u>111,584</u>
Culture and recreation				
Recreation Administration	361,902	353,220	352,490	730
Parks and Playgrounds	575,799	480,444	479,916	528
Recreation Center	292,790	241,811	241,811	-
Recreation Programs	168,009	150,861	150,860	1
Camps	451,650	490,588	488,671	1,917
Athletics	223,389	211,600	209,631	1,969
Tennis	93,952	100,542	100,542	-
Special Events	119,093	132,570	130,225	2,345
Adult Recreation	132,548	117,111	117,099	12
Rye Youth Council	40,000	42,100	42,099	1
Rye Town Park	75,000	53,100	53,018	82
Southeast Consortium	20,558	22,128	21,343	785
Rye Free Reading Room	1,080,000	1,087,066	1,087,066	-
Square House Museum	107,413	90,613	90,189	424
Rye Arts Center	5,526	5,526	5,526	-
Special Facilities Administration	14,204	14,204	14,204	-
Rye Nature Center	31,750	31,750	31,750	-
Total Culture and Recreation	<u>3,793,583</u>	<u>3,625,234</u>	<u>3,616,440</u>	<u>8,794</u>

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,282,003	\$ 1,375,001	\$ 1,370,891	\$ 4,110
5,500,558	5,954,367	5,908,524	45,843
767,324	790,759	787,653	3,106
114,098	96,239	95,546	693
-	590	590	-
334,753	251,351	250,713	638
137,227	126,564	125,786	778
231,271	222,086	219,597	2,489
4,409,903	4,472,462	4,463,657	8,805
23,104	23,104	22,896	208
355,922	372,126	366,322	5,804
223,737	223,737	223,737	-
<u>13,379,900</u>	<u>13,908,386</u>	<u>13,835,912</u>	<u>72,474</u>
1,037,048	919,616	910,535	9,081
305,513	315,534	287,139	28,395
889,143	899,464	862,839	36,625
717,242	780,206	767,405	12,801
330,913	342,829	341,347	1,482
337,892	265,312	261,449	3,863
<u>3,617,751</u>	<u>3,522,961</u>	<u>3,430,714</u>	<u>92,247</u>
436,374	407,485	402,637	4,848
508,209	561,901	553,368	8,533
286,637	289,761	287,271	2,490
209,913	169,913	166,387	3,526
456,686	489,572	488,698	874
217,272	214,102	210,667	3,435
103,001	101,501	99,408	2,093
86,295	158,795	155,008	3,787
142,548	137,648	134,800	2,848
38,100	40,470	40,470	-
25,000	49,000	48,913	87
20,879	20,879	20,591	288
1,080,000	1,083,715	1,083,712	3
111,380	102,665	101,279	1,386
5,596	5,596	5,596	-
19,121	19,121	19,121	-
32,921	32,921	32,921	-
<u>3,779,932</u>	<u>3,885,045</u>	<u>3,850,847</u>	<u>34,198</u>

(Continued)

City of Rye, New York

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Concluded)

Year Ended December 31, 2012

(With Comparative Amounts for 2011)

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Home and community services				
Planning	\$ 274,623	\$ 260,902	\$ 257,052	\$ 3,850
Sanitary Sewers	347,066	351,376	339,624	11,752
Storm Drains	200,724	166,730	153,404	13,326
Refuse and Garbage	2,064,094	2,195,473	2,195,473	-
Recycling	820,784	789,513	788,496	1,017
Street Cleaning	59,879	61,825	60,846	979
Community Beautification	649,647	677,673	677,673	-
Rodent and Insect Control	9,657	9,657	9,472	185
Shade Tree Maintenance	531,048	621,855	621,005	850
Conservation	3,669	3,669	3,532	137
Emergency Disaster	-	389,944	389,943	1
Total Home and Community Services	<u>4,961,191</u>	<u>5,528,617</u>	<u>5,496,520</u>	<u>32,097</u>
Total Expenditures	<u>29,930,117</u>	<u>30,448,941</u>	<u>30,048,509</u>	<u>400,432</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7,154</u>	<u>(510,170)</u>	<u>2,063,219</u>	<u>2,573,389</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	35,000	35,000	-
Transfers out	(261,896)	(274,216)	(274,216)	-
Total Other Financing Uses	<u>(261,896)</u>	<u>(239,216)</u>	<u>(239,216)</u>	<u>-</u>
Net Change in Fund Balance	<u>(254,742)</u>	<u>(749,386)</u>	<u>1,824,003</u>	<u>2,573,389</u>
Fund Balance - Beginning of Year	254,742	749,386	9,257,762	8,508,376
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,081,765</u>	<u>\$ 11,081,765</u>

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

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 271,311	\$ 256,862	255,795	\$ 1,067
435,938	413,019	410,607	2,412
242,221	198,426	189,714	8,712
2,035,710	1,991,878	1,988,328	3,550
787,919	738,091	735,803	2,288
98,276	100,106	99,102	1,004
443,991	575,084	571,666	3,418
14,564	11,649	9,630	2,019
495,294	524,098	516,918	7,180
3,919	3,919	3,843	76
41,750	145,750	143,284	2,466
<u>4,870,893</u>	<u>4,958,882</u>	<u>4,924,690</u>	<u>34,192</u>
<u>29,747,815</u>	<u>31,198,487</u>	<u>30,814,689</u>	<u>383,798</u>
<u>(328,975)</u>	<u>(1,779,647)</u>	<u>(611,560)</u>	<u>1,168,087</u>
-	-	-	-
<u>(482,544)</u>	<u>(625,835)</u>	<u>(625,835)</u>	-
<u>(482,544)</u>	<u>(625,835)</u>	<u>(625,835)</u>	-
<u>(811,519)</u>	<u>(2,405,482)</u>	<u>(1,237,395)</u>	<u>1,168,087</u>
<u>811,519</u>	<u>2,405,482</u>	<u>10,495,157</u>	<u>8,089,675</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,257,762</u>	<u>\$ 9,257,762</u>

City of Rye, New York

Statement of Net Position

Proprietary Funds

December 31, 2012

(With Comparative Amounts for 2011)

	2012			Governmental Activities - Internal Service Funds
	Business-type Activities - Enterprise Funds		Totals	
	Boat Basin Fund	Golf Club Fund		
ASSETS				
Current assets				
Cash and equivalents	\$ 347,309	\$ 1,683,906	\$ 2,031,215	\$ 3,659,258
Investments	-	-	-	-
Accounts receivable	950	1,314	2,264	255,051
Deposits	-	-	-	28,500
Due from other funds	-	-	-	231,286
Due from other governments	323,850	-	323,850	44,889
Prepaid expenses	11,970	44,070	56,040	121,352
Total Current Assets	<u>684,079</u>	<u>1,729,290</u>	<u>2,413,369</u>	<u>4,340,336</u>
Noncurrent assets				
Deferred charges	-	16,733	16,733	54,275
Capital assets				
Land	408	1,700,000	1,700,408	6,571,814
Buildings	341,930	11,417,550	11,759,480	19,832,889
Improvements	3,312,704	3,434,670	6,747,374	4,636,167
Machinery and equipment	73,388	1,165,937	1,239,325	9,958,189
Construction in progress	-	38,670	38,670	169,118
Less - Accumulated depreciation	<u>(1,942,682)</u>	<u>(8,208,709)</u>	<u>(10,151,391)</u>	<u>(13,228,328)</u>
Total Capital Assets (net of accumulated depreciation)	<u>1,785,748</u>	<u>9,548,118</u>	<u>11,333,866</u>	<u>27,939,849</u>
Total Noncurrent Assets	<u>1,785,748</u>	<u>9,564,851</u>	<u>11,350,599</u>	<u>27,994,124</u>
Total Assets	<u>2,469,827</u>	<u>11,294,141</u>	<u>13,763,968</u>	<u>32,334,460</u>

2011

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Boat Basin Fund	Golf Club Fund	Totals	
\$ 374,026	\$ 1,676,550	\$ 2,050,576	\$ 151,027
2,354	26,667	29,021	3,074,491
950	2,001	2,951	133,416
-	-	-	28,500
-	-	-	358,610
317,500	-	317,500	39,232
6,252	19,894	26,146	90,445
<u>701,082</u>	<u>1,725,112</u>	<u>2,426,194</u>	<u>3,875,721</u>
-	19,946	19,946	61,805
408	1,700,000	1,700,408	6,571,814
341,930	11,417,550	11,759,480	19,703,882
3,312,704	3,434,670	6,747,374	4,379,794
73,388	1,165,937	1,239,325	9,899,611
-	-	-	528,231
<u>(1,423,203)</u>	<u>(7,824,973)</u>	<u>(9,248,176)</u>	<u>(12,021,351)</u>
<u>2,305,227</u>	<u>9,893,184</u>	<u>12,198,411</u>	<u>29,061,981</u>
<u>2,305,227</u>	<u>9,913,130</u>	<u>12,218,357</u>	<u>29,123,786</u>
<u>3,006,309</u>	<u>11,638,242</u>	<u>14,644,551</u>	<u>32,999,507</u>

(Continued)

City of Rye, New York

Statement of Net Position (Continued)
 Proprietary Funds
 December 31, 2012
 (With Comparative Amounts for 2011)

	2012			Governmental Activities - Internal Service Funds
	Business-type Activities - Enterprise Funds		Totals	
	Boat Basin Fund	Golf Club Fund		
LIABILITIES				
Current liabilities				
Accounts payable	1,446	197,115	198,561	161,756
Accrued liabilities	4,223	21,215	25,438	354,815
Accrued interest payable	-	28,462	28,462	82,235
Retainage payable	-	-	-	159,225
Due to other funds	22,043	108,500	130,543	2,122,769
Due to other governments	1,223	33,167	34,390	-
Advances from other funds	-	-	-	-
Compensated absences	3,000	8,700	11,700	7,200
Bonds payable	-	330,000	330,000	941,728
Total Current Liabilities	<u>31,935</u>	<u>727,159</u>	<u>759,094</u>	<u>3,829,728</u>
Noncurrent liabilities				
Bonds payable, less current portion	-	1,922,775	1,922,775	10,892,319
Compensated absences, less current portion	27,098	79,178	106,276	65,127
Other postemployment benefit obligations	317,305	527,067	844,372	1,135,711
Total Noncurrent Liabilities	<u>344,403</u>	<u>2,529,020</u>	<u>2,873,423</u>	<u>12,093,157</u>
Total Liabilities	<u>376,338</u>	<u>3,256,179</u>	<u>3,632,517</u>	<u>15,922,885</u>
NET POSITION				
Net investment in capital assets	1,785,748	7,312,076	9,097,824	16,994,135
Unrestricted	307,741	725,886	1,033,627	(582,560)
Total Net Position	<u>\$ 2,093,489</u>	<u>\$ 8,037,962</u>	10,131,451	<u>\$ 16,411,575</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(99,894)</u>	
Net Position of Business-type Activities			<u>\$ 10,031,557</u>	

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

2011

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Boat Basin Fund	Golf Club Fund	Totals	
204,534	259,260	463,794	137,575
2,150	-	2,150	412,222
-	31,672	31,672	86,734
-	-	-	158,570
27,139	85,084	112,223	1,385,759
1,120	34,398	35,518	-
-	-	-	708,702
3,100	8,200	11,300	7,600
-	320,000	320,000	918,082
<u>238,043</u>	<u>738,614</u>	<u>976,657</u>	<u>3,815,244</u>
-	2,260,987	2,260,987	11,841,950
27,971	73,697	101,668	68,517
<u>295,881</u>	<u>412,545</u>	<u>708,426</u>	<u>931,443</u>
<u>323,852</u>	<u>2,747,229</u>	<u>3,071,081</u>	<u>12,841,910</u>
<u>561,895</u>	<u>3,485,843</u>	<u>4,047,738</u>	<u>16,657,154</u>
2,305,227	7,332,143	9,637,370	17,668,260
139,187	820,256	959,443	(1,325,907)
<u>\$ 2,444,414</u>	<u>\$ 8,152,399</u>	<u>10,596,813</u>	<u>\$ 16,342,353</u>

(126,178)

\$ 10,470,635

City of Rye, New York

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 Year Ended December 31, 2012
 (With Comparative Amounts for 2011)

	2012			Governmental Activities - Internal Service Funds
	Business-type Activities - Enterprise Funds			
	Boat Basin Fund	Golf Club Fund	Totals	
OPERATING REVENUES				
Charges for services	\$ 640,518	\$ 6,756,049	\$ 7,396,567	\$ 4,433,349
Sale of property and compensation for loss	-	2,233	2,233	-
Miscellaneous	-	1,856	1,856	454,026
Total Operating Revenues	<u>640,518</u>	<u>6,760,138</u>	<u>7,400,656</u>	<u>4,887,375</u>
OPERATING EXPENSES				
Salaries and wages	193,867	1,134,711	1,328,578	660,102
Employee benefits	122,915	680,031	802,946	634,464
Materials and supplies	75,433	1,784,827	1,860,260	1,011,914
Contractual costs	108,942	2,793,072	2,902,014	836,042
Depreciation and amortization	519,479	386,949	906,428	1,214,507
Total Operating Expenses	<u>1,020,636</u>	<u>6,779,590</u>	<u>7,800,226</u>	<u>4,357,029</u>
Operating Income (Loss)	<u>(380,118)</u>	<u>(19,452)</u>	<u>(399,570)</u>	<u>530,346</u>
NON-OPERATING REVENUES (EXPENSES)				
State and federal aid	28,718	-	28,718	-
Gain on sale of equipment	-	-	-	-
Interest income	475	1,488	1,963	945
Interest expense	-	(96,473)	(96,473)	(427,069)
Total Non-Operating Revenues (Expenses)	<u>29,193</u>	<u>(94,985)</u>	<u>(65,792)</u>	<u>(426,124)</u>
Income (Loss) Before Transfers	<u>(350,925)</u>	<u>(114,437)</u>	<u>(465,362)</u>	<u>104,222</u>
Transfers in	-	-	-	-
Transfers out	-	-	-	(35,000)
Change in Net Position	<u>(350,925)</u>	<u>(114,437)</u>	<u>(465,362)</u>	<u>69,222</u>
Net Position - Beginning of Year	2,444,414	8,152,399	10,596,813	16,342,353
Net Position - End of Year	<u>\$ 2,093,489</u>	<u>\$ 8,037,962</u>	<u>\$ 10,131,451</u>	<u>\$ 16,411,575</u>
Change in Net Position			\$ (465,362)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>26,284</u>	
Change in Net Position of Business-type Activities			<u>\$ (439,078)</u>	

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

2011

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Boat Basin Fund	Golf Club Fund	Totals	
\$ 646,459	\$ 6,502,609	\$ 7,149,068	\$ 4,678,221
-	-	-	-
-	2,137	2,137	497,715
<u>646,459</u>	<u>6,504,746</u>	<u>7,151,205</u>	<u>5,175,936</u>
209,350	1,049,972	1,259,322	661,890
179,248	646,578	825,826	611,892
61,015	1,818,573	1,879,588	1,070,934
109,778	2,950,511	3,060,289	991,187
344,578	446,934	791,512	1,250,275
<u>903,969</u>	<u>6,912,568</u>	<u>7,816,537</u>	<u>4,586,178</u>
<u>(257,510)</u>	<u>(407,822)</u>	<u>(665,332)</u>	<u>589,758</u>
-	-	-	-
-	-	-	23,438
284	1,094	1,378	1,185
-	(107,085)	(107,085)	(444,405)
<u>284</u>	<u>(105,991)</u>	<u>(105,707)</u>	<u>(419,782)</u>
<u>(257,226)</u>	<u>(513,813)</u>	<u>(771,039)</u>	<u>169,976</u>
-	-	-	85,000
-	-	-	-
<u>(257,226)</u>	<u>(513,813)</u>	<u>(771,039)</u>	<u>254,976</u>
<u>2,701,640</u>	<u>8,666,212</u>	<u>11,367,852</u>	<u>16,087,377</u>
<u>\$ 2,444,414</u>	<u>\$ 8,152,399</u>	<u>\$ 10,596,813</u>	<u>\$ 16,342,353</u>
		\$ (771,039)	
		(9,035)	
		<u>\$ (780,074)</u>	

City of Rye, New York

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2012
 (With Comparative Amounts for 2011)

	2012			Governmental Activities - Internal Service Funds
	Business-type Activities - Enterprise Funds			
	Boat Basin Fund	Golf Club Fund	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 640,518	\$ 6,705,662	\$ 7,346,180	\$ 4,383,381
Cash payments to employees	(294,258)	(1,673,024)	(1,967,282)	(1,079,495)
Cash payments to vendors	(398,174)	(4,590,961)	(4,989,135)	(1,139,017)
Other operating revenues	-	4,089	4,089	454,026
Net Cash from Operating Activities	<u>(51,914)</u>	<u>445,766</u>	<u>393,852</u>	<u>2,618,895</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
State and federal aid	22,368	-	22,368	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(35,000)
Net Cash from Non-Capital Financing Activities	<u>22,368</u>	<u>-</u>	<u>22,368</u>	<u>(35,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Advances from other funds	-	-	-	(708,702)
Acquisition and construction of capital assets	-	(38,670)	(38,670)	(84,845)
Principal paid on capital debt	-	(320,000)	(320,000)	(918,082)
Interest paid on capital debt	-	(107,895)	(107,895)	(439,471)
Proceeds from sale of capital assets	-	-	-	-
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>(466,565)</u>	<u>(466,565)</u>	<u>(2,151,100)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	475	1,488	1,963	945
Purchase of investments	-	-	-	-
Sale of investments	2,354	26,667	29,021	3,074,491
Net Cash from Investing Activities	<u>2,829</u>	<u>28,155</u>	<u>30,984</u>	<u>3,075,436</u>
Net Change in Cash and Equivalents	(26,717)	7,356	(19,361)	3,508,231
Cash and Equivalents - Beginning of Year	374,026	1,676,550	2,050,576	151,027
Cash and Equivalents - End of Year	<u>\$ 347,309</u>	<u>\$ 1,683,906</u>	<u>\$ 2,031,215</u>	<u>\$ 3,659,258</u>

2011

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Boat Basin Fund	Golf Club Fund	Totals	
\$ 646,459	\$ 6,560,588	\$ 7,207,047	\$ 5,945,844
(315,111)	(1,570,456)	(1,885,567)	(1,033,660)
(173,375)	(4,796,659)	(4,970,034)	(2,464,967)
-	2,137	2,137	497,715
<u>157,973</u>	<u>195,610</u>	<u>353,583</u>	<u>2,944,932</u>
-	-	-	-
-	-	-	85,000
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>85,000</u>
-	-	-	(625,481)
(286,624)	-	(286,624)	(618,195)
-	(310,000)	(310,000)	(870,653)
-	(118,295)	(118,295)	(479,678)
-	-	-	23,438
<u>(286,624)</u>	<u>(428,295)</u>	<u>(714,919)</u>	<u>(2,570,569)</u>
284	1,094	1,378	1,185
(40,030)	(770,207)	(810,237)	(5,025,673)
42,236	768,679	810,915	4,356,631
<u>2,490</u>	<u>(434)</u>	<u>2,056</u>	<u>(667,857)</u>
(126,161)	(233,119)	(359,280)	(208,494)
500,187	1,909,669	2,409,856	359,521
<u>\$ 374,026</u>	<u>\$ 1,676,550</u>	<u>\$ 2,050,576</u>	<u>\$ 151,027</u>

(Continued)

City of Rye, New York

Statement of Cash Flows (Continued)
 Proprietary Funds
 Year Ended December 31, 2012
 (With Comparative Amounts for 2011)

	2012			Governmental Activities - Internal Service Funds
	Business-type Activities - Enterprise Funds			
	Boat Basin Fund	Golf Club Fund	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (380,118)	\$ (19,452)	\$ (399,570)	\$ 530,346
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation and amortization expense	519,479	386,949	906,428	1,214,507
Changes in assets and liabilities				
Accounts receivable	-	687	687	(49,968)
Due from other funds	-	-	-	50,000
Prepaid expenses	(5,718)	(24,176)	(29,894)	(30,907)
Accounts payable	(203,088)	(62,145)	(265,233)	24,181
Accrued liabilities	2,073	21,215	23,288	(57,407)
Retainage payable	-	-	-	655
Due to other funds	(5,096)	23,416	18,320	737,010
Due to other governments	103	(1,231)	(1,128)	-
Other post employment benefit obligations	21,424	114,522	135,946	204,268
Compensated absences	(973)	5,981	5,008	(3,790)
Total Adjustments	<u>328,204</u>	<u>465,218</u>	<u>793,422</u>	<u>2,088,549</u>
Net Cash from Operating Activities	<u>\$ (51,914)</u>	<u>\$ 445,766</u>	<u>\$ 393,852</u>	<u>\$ 2,618,895</u>

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

2011

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Boat Basin Fund	Golf Club Fund	Totals	
\$ (257,510)	\$ (407,822)	\$ (665,332)	\$ 589,758
344,578	446,934	791,512	1,250,275
-	907	907	1,267,623
-	992	992	(50,000)
(1,368)	(4,266)	(5,634)	(8,234)
(2,524)	39,603	37,079	40,118
1,206	-	1,206	(31,778)
-	-	-	4,345
1,777	1,047	2,824	(357,075)
(467)	(7,879)	(8,346)	-
76,460	122,107	198,567	248,386
(4,179)	3,987	(192)	(8,486)
<u>415,483</u>	<u>603,432</u>	<u>1,018,915</u>	<u>2,355,174</u>
<u>\$ 157,973</u>	<u>\$ 195,610</u>	<u>\$ 353,583</u>	<u>\$ 2,944,932</u>

City of Rye, New York

Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2012
(With Comparative Amounts for 2011)

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and equivalents	\$ 316,383	\$ 108,125
Accounts receivable	3,253	2,752
Total Assets	<u>\$ 319,636</u>	<u>\$ 110,877</u>
LIABILITIES		
Accounts payable	\$ 293,529	\$ 84,192
Employee payroll deductions	26,107	26,685
Total Liabilities	<u>\$ 319,636</u>	<u>\$ 110,877</u>

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

Note 1 - Summary of Significant Accounting Policies

The City of Rye, New York ("City") was incorporated in 1942 and operates in accordance with its Charter and the various other applicable laws of the State of New York. The City functions under a City Council/Manager form of government. The City Council is the legislative body responsible for overall operation. The City Manager serves as the chief administrative officer and the City Comptroller serves as the chief financial officer. The City provides the following services to its residents: public safety, transportation, culture and recreation, home and community services and general and administrative support.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government which is the City, b) organizations for which the City is financially accountable and c) other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the City's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities that would be included in the financial statements.

The City participates in a joint venture for the operation of the Rye Town Park ("Park"). The Park was established in 1907 by the New York State Legislature pursuant to Chapter 711 of the Laws of 1907. The Park provides recreational activities to the public, and is governed by a Commission, which has full charge and supervision over the capital improvements, operations, and maintenance of the Park. The Commission consists of six members: the Supervisor of the Town of Rye, the Mayor of the City of Rye, the Mayor of the Village of Port Chester, the Mayor of the Village of Rye Brook, one Commissioner appointed by the City Council of the City of Rye, and one Commissioner appointed by the Town Board of the Town of Rye. The City of Rye does not have an equity interest in the Park. The City has an ongoing financial responsibility in that the annual income or loss resulting from the Park's activities is shared proportionally by the City of Rye and the Town of Rye, using a calculation based on their equalized assessed valuation. The City's share of the Park's loss reflected in the City's 2012 financial statements is \$53,018. Complete separate financial statements for the Park may be obtained from the Town of Rye, 10 Pearl Street, Port Chester, New York 10573.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the City as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the financial position of the City at the end of its fiscal year. The Statement of Activities demonstrates the degree to which 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 or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The City does not allocate indirect expenses to functions in the Statement of Activities.

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 individual enterprise funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Enterprise Funds and the Internal Service Funds are charges to customers for services. Operating expenses for the Enterprise Funds and the Internal Service Funds include the cost of services, administrative expenses, depreciation costs and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

C. Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The City maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. The City maintains internal service and fiduciary funds, which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The City's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles, as follows:

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the City's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the City and is used to account for and report all financial resources not accounted for and reported in another fund.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds.

The City also reports the following non-major governmental funds:

Cable TV Special Revenue Fund – The Cable TV Special Revenue Fund is used to account for the receipt and use of revenues received from the franchise holder for public access cable television programming.

K.T. Woods Permanent Fund - The K.T. Woods Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs, namely the funding of certain expenditures in the Rye Nature Center.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

- b. Proprietary Funds - Proprietary funds include enterprise and internal service funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. Internal service funds are used to account for operations that provide services to other departments or agencies of the government, or other governments, on a cost reimbursement basis. The operations of the Boat Basin and Golf Club funds are recorded as major enterprise funds. The City has established its Risk Retention and Building and Vehicle Maintenance funds as internal service funds. The City applies all applicable Financial Accounting Standards Board ("FASB") pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise operations.

Note 1 - Summary of Significant Accounting Policies (Continued)

- c. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the City in an agency capacity on behalf of others. The Agency Fund is used to account for employee payroll tax withholdings and various other deposits that are payable to other jurisdictions or individuals.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements and the proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax revenues to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims, compensated absences and other post-employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balances

Deposits and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

Note 1 - Summary of Significant Accounting Policies (Continued)

State statutes govern the City's deposit and investment policies. The City has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The City is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions and, accordingly, the City's policy provides for no credit risk on investments.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The City has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

The City utilizes a pooled investment concept for governmental and proprietary funds to facilitate its investment program. Investment income from this pooling is allocated to the respective funds based upon the sources of funds invested.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the City's name. The City's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2012.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property when levied. City property taxes are levied by the City on February 1st and collected by the City in one installment in February, and are due and payable without penalty during the month of February. County property taxes are levied by the County on April 1st and collected by the City in one installment in May, and are due and payable without penalty during the month of May. Rye Neck Union Free School District property taxes are levied by the school district on September 1st and collected by the City in two installments: the taxes for the period July 1st to June 30th are due on September 1st, with the first half payable without penalty until September 30th, and the second half payable without penalty until November 30th. The Rye City School District is responsible for the levy and collection of Rye City School District taxes until July 1st of the following year, after which collection becomes the responsibility of the City. In accordance with Westchester County Finance Law, the City guarantees the full payment of the County, Rye City School District and Rye Neck Union Free School District warrants, and assumes the responsibility for uncollected taxes. The City also has the responsibility for conducting in-rem foreclosure proceedings.

The City functions in both a fiduciary and guarantor relationship with the County of Westchester and the school districts with respect to the collection and payment of real property taxes levied by such jurisdictions. The County Charter provides for the City to collect County taxes. The City must remit to the County sixty percent (60%) of the amount levied by May 25th, and the balance of forty percent (40%) on October 15th. With respect to school district taxes, New York State law and the County Charter provide that the City satisfy the warrant of the school districts by July 1st of the fiscal year for which such taxes were levied. Thus, the City's fiduciary responsibility for school districts taxes is from the date of the levy until the respective due dates, at which time the

Note 1 - Summary of Significant Accounting Policies (Continued)

City must satisfy its obligations to the school districts, regardless of the amounts collected. Since the County tax warrant must be paid in full by October 15th, uncollected County taxes have been accounted for in a manner similar to City taxes. The collection of school districts taxes is deemed a financing transaction until the warrants are satisfied.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the City. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the City has numerous transactions between funds to finance operations, provide services and construct assets. Balances of interfund amounts receivable or payable have been recorded in the fund financial statements to the extent that certain transactions between funds had not been paid or received as of December 31st. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of employee retirement, workers' compensation insurance and other costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the City. Purchases of inventoriable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Deferred Charges - Deferred charges in the government-wide and proprietary fund financial statements represent the unamortized portion of the cost of issuance of bonds. These costs are being amortized over the term of the respective bond issue.

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. The City defines capital assets as assets with an initial, individual cost of more than \$15,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure are depreciated using the straight line method over the following estimated useful lives:

Asset	Life in Years	
	Prior to January 1, 1995	Subsequent to January 1, 1995
Buildings	45	50
Improvements	20	5 - 20
Machinery and equipment	5 - 15	5 - 10
Infrastructure	20	25 - 50

The costs associated with the acquisition or construction of capital assets is shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City has reported unearned revenues of \$188,181 for real property taxes and \$564,741 for parking permit fees received in advance in the General Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

As of December 31, 2012, no amounts were required to be reported as deferred outflows/inflows of resources.

Long-term Liabilities - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized

Note 1 - Summary of Significant Accounting Policies (Continued)

over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide and proprietary fund financial statements as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Position - Net position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position include net investment in capital assets, restricted for capital projects, permanent fund, special purposes, debt service and risk retention. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The City Council is the highest level of decision making authority for the City that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless

Note 1 - Summary of Significant Accounting Policies (Continued)

the City removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the City Council.

Assigned fund balance, in the General Fund, will represent amounts constrained either by the City Council for amounts assigned for balancing the subsequent year's budget or the City Comptroller for amounts assigned for purchases on order, police purposes, fire purposes, parks, recreation programs, WWI memorial and tax certiorari. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, Special Revenue and Capital Projects funds. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is May 7, 2013.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The City generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) On or before the seventh day of November, the City Manager submits to the City Council a tentative budget presenting a financial plan for conducting the affairs of the City for the ensuing fiscal year.
- b) Upon receipt of the Manager's tentative budget and prior to a public hearing, the City Council may, by a vote of at least four members of the City Council, make changes in the tentative budget.
- c) After considering the tentative budget, but not later than the first Wednesday in December and with a public notice published ten days in advance, the City Council holds a public hearing on the proposed budget.
- d) After the public hearing, but not later than December 31st, the City Council adopts the budget presented at the public hearing as submitted or amended. Amendments made between the time of the public hearing and the date of adoption, which increase total estimated revenues or total appropriations, require an affirmative vote of at least five members of the City Council.
- e) Formal budgetary integration is employed during the year as a management control device for General, Special Revenue and Debt Service funds.
- f) Budgets for General, Special Revenue and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Proprietary funds.
- g) The City Manager may, at any time during the fiscal year, transfer part or all of any unencumbered appropriation balance among programs or accounts within a department, office or agency under his/her supervision, and such transfers are reported to the Council at or prior to the next City Council meeting. The City Council may, by resolution, transfer part or all of any unencumbered appropriation balance among programs or accounts of a board or commission or within a department, office or agency, or from one board, commission, department, office or agency to another. No appropriation for debt service may be reduced or transferred, and no appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the unencumbered balance thereof.
- h) Appropriations in General, Special Revenue and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the City Council. Individual amendments for the current year were not material in relation to the original appropriations that were amended.

Note 2 - Stewardship, Compliance and Accountability (Continued)

B. Property Tax Limitation

The City is not limited as to the maximum amount of real property taxes which may be raised. However, on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a City in a particular year, beginning with the 2012 year. It expires on June 16, 2016.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the City to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The City is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the City, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the City. The City Council may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the City Council first enacts, by a vote of at least sixty percent of the total voting power of the City Council, a local law to override such limit for such coming fiscal year.

C. Application of Accounting Standards

For the year ended December 31, 2012, the City implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" ("GASB Statement No. 63"). This statement provides financial reporting guidance for these elements first introduced in GASB Concept Statement No. 4, "Elements of Financial Statements". Previous financial reporting standards did not include guidance for reporting these financial statement elements, which are distinct from assets and liabilities.

D. Capital Projects Fund Project Deficits

The following capital projects reflect deficits at December 31, 2012 because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

2009 ARRA Projects	\$	26,967
Kirby Lane Sanitary Sewer		405,555
Annual Sewer Drainage Improvement Program		2,650

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2012 consisted of the following:

City taxes - Current	\$ 73,305
City taxes - Delinquent	808,858
School district taxes - Current	<u>287,512</u>
	<u><u>\$ 1,169,675</u></u>

School district taxes are offset by liabilities to the school district, which will be paid no later than July 1, 2013. Taxes receivable are also partially offset in the fund financial statements by unearned tax revenues of \$188,181, which represents an estimate of the receivable that will not be collected within the first sixty days of the subsequent year. School and County taxes receivable in the amount of \$544,033 are also classified as nonspendable fund balance in the fund financial statements, which represents an estimate of taxes receivable that will not be collected within the subsequent year.

B. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2012 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Cable TV Fund	\$ 18,750
	Capital Projects Fund	1,228,457
	Debt Service Fund	6,322
	Boat Basin Fund	21,797
	Golf Club Fund	108,500
	Building and Vehicle Maintenance Fund	<u>2,122,769</u>
		<u>3,506,595</u>
Capital Projects Fund	General Fund	<u>56,872</u>
Debt Service Fund	Capital Projects Fund	<u>5,017</u>
Building and Vehicle Maintenance Fund	General Fund	231,040
	Boat Basin Fund	<u>246</u>
		<u>231,286</u>
		<u><u>\$ 3,799,770</u></u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

City of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

C. Capital Assets

Changes in the City's capital assets are as follows:

Class	Balance at January 1, 2012	Additions	Deletions	Balance at December 31, 2012
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 6,571,814	\$ -	\$ -	\$ 6,571,814
Construction-in-progress	2,699,874	957,987	1,757,863	1,899,998
Total Capital Assets, not being depreciated	\$ 9,271,688	\$ 957,987	\$ 1,757,863	\$ 8,471,812
Capital Assets, being depreciated:				
Buildings	\$ 19,703,882	\$ 129,007	\$ -	\$ 19,832,889
Improvements	4,379,794	256,373	-	4,636,167
Machinery and Equipment	9,985,685	58,578	-	10,044,263
Infrastructure	65,334,702	1,378,224	-	66,712,926
Total Capital Assets, being depreciated	99,404,063	1,822,182	-	101,226,245
Less Accumulated Depreciation for:				
Buildings	3,129,106	441,967	-	3,571,073
Improvements	2,174,406	210,351	-	2,384,757
Machinery and Equipment	6,769,483	571,874	-	7,341,357
Infrastructure	25,492,123	379,317	-	25,871,440
Total Accumulated Depreciation	37,565,118	1,603,509	-	39,168,627
Total Capital Assets, being depreciated, net	\$ 61,838,945	\$ 218,673	\$ -	\$ 62,057,618
Governmental Activities Capital Assets, net	\$ 71,110,633	\$ 1,176,660	\$ 1,757,863	\$ 70,529,430

City of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Class	Balance at January 1, 2012	Additions	Deletions	Balance at December 31, 2012
Business-type Activities:				
Capital Assets, not being depreciated:				
Land	\$ 1,700,408	\$ -	\$ -	\$ 1,700,408
Construction-in-progress	-	38,670	-	38,670
Total Capital Assets, not being depreciated	<u>\$ 1,700,408</u>	<u>\$ 38,670</u>	<u>\$ -</u>	<u>\$ 1,739,078</u>
Capital Assets, being depreciated:				
Buildings	\$ 11,759,480	\$ -	\$ -	\$ 11,759,480
Improvements	6,747,374	-	-	6,747,374
Machinery and Equipment	1,239,325	-	-	1,239,325
Total Capital Assets, being depreciated	<u>19,746,179</u>	<u>-</u>	<u>-</u>	<u>19,746,179</u>
Less Accumulated Depreciation for:				
Buildings	4,674,817	205,809	-	4,880,626
Improvements	3,369,219	665,014	-	4,034,233
Machinery and Equipment	1,204,140	32,392	-	1,236,532
Total Accumulated Depreciation	<u>9,248,176</u>	<u>903,215</u>	<u>-</u>	<u>10,151,391</u>
Total Capital Assets, being depreciated, net	<u>10,498,003</u>	<u>(903,215)</u>	<u>-</u>	<u>9,594,788</u>
Business-type Activities Capital Assets, net	<u>\$ 12,198,411</u>	<u>\$ (864,545)</u>	<u>\$ -</u>	<u>\$ 11,333,866</u>

Note 3 - Detailed Notes on All Funds (Continued)

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

Governmental Activities:		
Public Safety		\$ 25,182
Transportation		124,852
Recreation		17,215
Home and Community Services		229,283
Capital assets held by the government's internal service fund are charged to the various functions based on their usage of the assets		<u>1,206,977</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 1,603,509</u>
Business-type Activities:		
Boat Basin		\$ 519,479
Golf Club		<u>383,736</u>
Total Depreciation Expense - Business-Type Activities		<u>\$ 903,215</u>

Construction Commitments

The City has active construction projects as of December 31, 2012. These projects include new construction and renovations to existing properties. At year-end, the City had \$960,461 in construction encumbrances.

D. Accrued Liabilities

Accrued liabilities at December 31, 2012 were as follows:

	Governmental Activities	Business- Type Activities	Total
Payroll and employee benefits	\$ 1,400,031	\$ 25,438	\$ 1,425,469
Claims	<u>543,133</u>	<u>-</u>	<u>543,133</u>
Total Accrued Liabilities	<u>\$ 1,943,164</u>	<u>\$ 25,438</u>	<u>\$ 1,968,602</u>

E. Unpaid Claim Liabilities

The Risk Retention Fund reflects general liability claim liabilities. The government-wide statement of net position reflects health benefit claim liabilities. The liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not

Note 3 - Detailed Notes on All Funds (Continued)

necessarily result in an exact amount. Using a variety of actuarial and statistical techniques, claim liabilities are recomputed periodically to produce current estimates. These estimates reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities is as follows:

	Year Ended December 31, 2012		Year Ended December 31, 2011	
	General Liability	Health Benefits	General Liability	Health Benefits
Balance - Beginning of Year	\$ 412,000	\$ 292,751	\$ 444,000	\$ 203,209
Provision for Claims and Claims Adjustment Expenses	7,448	2,252,209	83,826	2,497,309
Claims and Claims Adjust- ment Expenses Paid	(79,448)	(2,341,827)	(115,826)	(2,407,767)
Balance - End of Year	\$ 340,000	\$ 203,133	\$ 412,000	\$ 292,751

The liability for health claims is reflected in the government-wide financial statements within accrued liabilities. In the fund financial statements, payments in excess of deposits by the claims administrator have been reflected as accrued liabilities.

F. Pension 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") ("Systems"). These Systems are cost-sharing multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Contributions required of employers and employees, and benefits to employees, are governed by the New York State Retirement and Social Security Law. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions are certified by the State Comptroller and are expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plans' year's ended March 31, 2013 are as follows:

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan/Option</u>	<u>Rate</u>
ERS	2 75I/41J	23.2 %
	3 A14/41J	18.6
	4 A15/41J	18.6
	5 A15/41J	15.1
	5 A15/41J2	10.1
PFRS	2 384D	25.1 %
	5 384D	20.1
	6 384D	14.6

Contributions made to the Systems for the current and two preceding years were as follows:

	<u>ERS</u>	<u>PFRS</u>
2012	\$ 1,146,257	\$ 1,232,738
2011	982,882	1,052,604
2010	720,647	856,552

These contributions were equal to the 100% of the actuarially required contributions for each respective fiscal year.

The current ERS contribution for the City was charged to various departments within the funds identified below. The current PFRS contribution was charged to the General Fund.

<u>Fund</u>	<u>Amount</u>
General	\$ 894,527
Cable TV	18,260
Boat Basin	22,087
Golf Club	101,878
Building and Vehicle Maintenance	109,505
	<u>\$ 1,146,257</u>

The City also provides benefits to those police officers that retired from service prior to the inception of PFRS. Benefits are calculated pursuant to Section 192 of the Retirement and Social Security Law. It is the policy of the City to fund any benefits from the General Fund Police Department budget. These pension costs for the year ended December 31, 2012 were \$2,918. The pension benefit obligation of this plan is not significant to the City.

Note 3 - Detailed Notes on All Funds (Continued)

G. Long-Term Liabilities

The changes in the City's long-term liabilities for the year ended December 31, 2012 were as follows:

	Balance January 1, 2012	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2012	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 18,315,000	\$ -	\$ 1,165,000	\$ 17,150,000	\$ 1,195,000
Deferred Amounts on Refunding	74,117	-	8,908	65,209	-
	<u>18,389,117</u>	<u>-</u>	<u>1,173,908</u>	<u>17,215,209</u>	<u>1,195,000</u>
Other Non-current Liabilities:					
Claims Payable	1,036,599	316,534	207,320	1,145,813	229,163
Compensated Absences	1,394,321	143,772	139,600	1,398,493	140,200
Other Post-Employment Benefit Obligations Payable	12,216,648	5,076,461	1,613,329	15,679,780	-
Total Other Non-Current Liabilities	<u>14,647,568</u>	<u>5,536,767</u>	<u>1,960,249</u>	<u>18,224,086</u>	<u>369,363</u>
Governmental Activities Long-Term Liabilities	<u>\$ 33,036,685</u>	<u>\$ 5,536,767</u>	<u>\$ 3,134,157</u>	<u>\$ 35,439,295</u>	<u>\$ 1,564,363</u>
Business-type Activities:					
Bonds Payable	\$ 2,530,000	\$ -	\$ 320,000	\$ 2,210,000	\$ 330,000
Deferred Amounts on Refunding	50,987	-	8,212	42,775	-
	<u>2,580,987</u>	<u>-</u>	<u>328,212</u>	<u>2,252,775</u>	<u>330,000</u>
Other Non-current Liabilities:					
Compensated Absences	112,968	16,308	11,300	117,976	11,700
Other Post-Employment Benefit Obligations Payable	708,426	277,064	141,118	844,372	-
Total Other Non-Current Liabilities	<u>821,394</u>	<u>293,372</u>	<u>152,418</u>	<u>962,348</u>	<u>11,700</u>
Business-type Activities Long-Term Liabilities	<u>\$ 3,402,381</u>	<u>\$ 293,372</u>	<u>\$ 480,630</u>	<u>\$ 3,215,123</u>	<u>\$ 341,700</u>

The liability for compensated absences and other post-employment benefit obligations is liquidated by the General, Cable TV, Boat Basin, Golf and Building and Vehicle Maintenance funds. The General Fund liquidates claims liabilities. The City's governmental fund indebtedness for bonds is satisfied by the Debt Service Fund, which is funded by the General Fund.

Note 3 - Detailed Notes on All Funds (Continued)

Bonds Payable

Bonds payable at December 31, 2012 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2012
Golf Club Improvements (Taxable)	1998	\$ 1,743,000	September, 2018	6.2 to 6.300 %	\$ 785,000
EFC - Land Acquisition	2004	1,708,013	August, 2024	3.931 to 4.964	1,105,000
Public Improvements	2005	6,428,000	December, 2025	3.875 to 4.000	4,755,000
Refunding Bonds	2010	8,965,000	September, 2021	3.0 to 4.000	7,250,000
Public Improvements	2010	3,534,000	September, 2030	2.0 to 4.000	3,305,000
EFC - Kirby Lane Sewer	2010	2,373,374	April, 2039	1.054 to 4.603	2,160,000
					<u>\$ 19,360,000</u>

Interest expenditure/expense of \$156,428 and \$427,069 was recorded in the fund financial statements in the Debt Service Fund and the Internal Service Fund, respectively. Interest expense of \$589,183 was recorded in the government-wide financial statements for governmental activities. Interest expense of \$96,473 was recorded in the fund financial and government-wide financial statements for the business-type activities - Golf Club Fund.

Payments to Maturity

The annual requirements to amortize all bonded and installment purchase contract debt outstanding, including interest of \$4,941,551 as of December 31, 2012 is as follows:

Year	Bonds					
	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 1,195,000	\$ 568,791	\$ 330,000	\$ 97,085	\$ 1,525,000	\$ 665,876
2014	1,235,000	534,339	345,000	83,665	1,580,000	618,004
2015	1,280,000	498,378	360,000	69,415	1,640,000	567,793
2016	1,310,000	460,701	375,000	54,490	1,685,000	515,191
2017	1,365,000	421,457	390,000	38,785	1,755,000	460,242
2018-2022	6,070,000	1,358,760	410,000	19,850	6,480,000	1,378,610
2023-2027	2,960,000	521,358	-	-	2,960,000	521,358
2028-2032	1,120,000	160,711	-	-	1,120,000	160,711
2033-2037	435,000	50,435	-	-	435,000	50,435
2038-2039	180,000	3,331	-	-	180,000	3,331
	<u>\$ 17,150,000</u>	<u>\$ 4,578,261</u>	<u>\$ 2,210,000</u>	<u>\$ 363,290</u>	<u>\$ 19,360,000</u>	<u>\$ 4,941,551</u>

Note 3 - Detailed Notes on All Funds (Continued)

The above general obligation bonds are direct obligations of the City for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the City.

Claims Payable

Claims payable reflects a liability of \$1,145,813 for tax certiorari refunds, which were not due and payable at year-end. This amount represents likely tax certiorari refunds based upon proceedings pending against the City to reduce assessments upon which taxes had been levied. This amount has been recorded as an expense in the government-wide financial statements.

Compensated Absences

Vacation time is generally taken in the year subsequent to the year in which it is earned, although employees may be granted permission to carry over unused vacation time beyond one year. Employees may be paid up to 36 days of unused vacation time upon separation of service. Full-time administrative employees, and full-time employees who are members of the Civil Service Employees Association ("CSEA") Clerical Unit hired prior to January 1, 1977 may accrue a maximum of 365 sick leave days, and those hired on or after January 1, 1977 may accrue a maximum of 250 sick leave days. Full-time employees who are members of the CSEA Public Works Unit hired prior to January 1, 1977 may accrue a maximum of 365 sick leave days, and those hired on or after January 1, 1977 may accrue a maximum 200 sick leave days. The City will pay accrued sick time to all full-time administrative employees at the daily rate of pay for each day of accrued sick leave in excess of 165 days, to a maximum of 35 days. The City will pay accrued sick time to all full-time CSEA Clerical Unit employees who have 20 years of service with the City at the daily rate of pay for each day of accrued sick leave in excess of 165 days, to a maximum of 35 days. The City will pay accrued sick time to police officers who retire and have accumulated sick leave in excess of 220 days, in an amount equal to two day's pay per year of service to a maximum of 40 days. There is no payment of accrued sick time upon retirement to firefighters. The value of the compensated absences has been reflected as a liability in the government-wide and proprietary fund financial statements, and as restricted fund balance in the governmental fund financial statements.

Other Post-Employment Benefit Obligations Payable

In addition to providing pension benefits, the City provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the City may vary according to the length of service. The cost of providing post employment health care benefits is shared between the City and the retired employee. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. The cost of retiree health care benefits is recognized as expenditure as claims are paid in the fund financial statements. The City has recognized revenues and expenditures of \$66,114 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

The City's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance.

Note 3 - Detailed Notes on All Funds (Continued)

As a result, reporting of expenses and liabilities will no longer be done under the “pay-as-you-go” approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a “normal cost”, an “actuarial accrued liability”, and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The City is required to accrue on the government-wide and proprietary fund financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rates of increase in postretirement benefits are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Healthcare</u> <u>Cost</u> <u>Trend Rate</u>
2013	8.00 %
2014	7.00
2015	6.00

The amortization basis is the level dollar method with an open amortization approach with 25 years remaining in the amortization period. The actuarial assumptions also include a 4% investment rate of return, a 2.5% inflation rate and a 2.5% annual payroll growth rate. The City currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of December 31, 2012 was as follows:

Active Employees	145
Retired Employees	<u>120</u>
	<u><u>265</u></u>

City of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

	Governmental Funds	Enterprise Funds	Total
Amortization Component:			
Actuarial Accrued Liability as of January 1, 2012	\$ 61,487,522	\$ 3,829,466	\$ 65,316,988
Assets at Market Value	-	-	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 61,487,522</u>	<u>\$ 3,829,466</u>	<u>\$ 65,316,988</u>
Funded Ratio	0.00%	0.00%	0.00%
Covered Payroll (Active plan members)	<u>\$ 9,897,881</u>	<u>\$ 755,647</u>	<u>\$ 10,653,528</u>
UAAL as a Percentage of Covered Payroll	621.22%	506.78%	613.10%
Annual Required Contribution	\$ 5,160,385	\$ 281,931	\$ 5,442,316
Interest on Net OPEB Obligation	488,666	28,337	517,003
Adjustment to Annual Required Contribution	<u>(572,590)</u>	<u>(33,204)</u>	<u>(605,794)</u>
Annual OPEB Cost	5,076,461	277,064	5,353,525
Contributions Made	<u>(1,613,329)</u>	<u>(141,118)</u>	<u>(1,754,447)</u>
Increase in Net OPEB Obligation	3,463,132	135,946	3,599,078
Net OPEB Obligation - Beginning of Year	<u>12,216,648</u>	<u>708,426</u>	<u>12,925,074</u>
Net OPEB Obligation - End of Year	<u>\$ 15,679,780</u>	<u>\$ 844,372</u>	<u>\$ 16,524,152</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and two preceding years is as follows:

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 5,353,525	32.77 %	\$ 16,524,152
2011	5,380,584	35.06	12,925,074
2010	4,919,938	35.45	9,431,088

The schedule of funding progress for the OPEB plan immediately following the notes to financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

Note 3 - Detailed Notes on All Funds (Continued)

H. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets (such as cash or goods and services) between funds of the City without equivalent flows of assets in return and without a requirement for repayment. Interfund transfers for the fiscal year ended December 31, 2012 were as follows:

Transfers Out	Transfers In			Total
	General	Capital Projects	Non-Major Governmental	
General	\$ -	\$ 12,320	\$ 261,896	\$ 274,216
Capital Projects	-	182,623	-	182,623
Internal Service	35,000	-	-	35,000
	<u>\$ 35,000</u>	<u>\$ 194,943</u>	<u>\$ 261,896</u>	<u>\$ 491,839</u>

Transfers are used to 1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due and 2) move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

I. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Restricted for Permanent Fund - the component of net position that reports the difference between the assets and liabilities of the non-expendable trust with constraints placed on their use by an external party.

Restricted for Special Purposes - the component of net position that reports the difference between assets and liabilities of certain police department, fire department, parks, recreation and WWI memorial programs with constraints placed on their use by external parties.

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Debt Service - the component of net position that reports the difference between the assets and liabilities of the Debt Service Fund with constraints placed on their use by New York State Local Finance Law.

Restricted for Risk Retention - the component of net position that provides for the payment of self-insured general and liability claims pursuant to New York State Law.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

City of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

	2012				2011			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:								
Prepaid expenditures	\$ 957,958	\$ -	\$ 4,900	\$ 962,858	\$ 453,106	\$ -	\$ 4,227	\$ 457,333
Long-term receivables	544,033	-	-	544,033	486,029	-	-	486,029
Advances	-	-	-	-	708,702	-	-	708,702
Permanent Fund	-	-	20,000	20,000	-	-	20,000	20,000
Total Nonspendable	1,501,991	-	24,900	1,526,891	1,647,837	-	24,227	1,672,064
Restricted:								
Compensated absences	1,313,658	-	12,508	1,326,166	1,307,234	-	10,968	1,318,202
Workers' compensation	624,400	-	300	624,700	834,400	-	300	834,700
Capital projects	-	726,792	-	726,792	-	1,706,064	-	1,706,064
Permanent Fund	-	-	141	141	-	-	128	128
Debt service	-	-	49,887	49,887	-	-	6,389	6,389
Total Restricted	1,938,058	726,792	62,836	2,727,686	2,141,634	1,706,064	17,785	3,865,483
Assigned:								
Purchases on order:								
General government support	104,282	-	-	104,282	111,000	-	-	111,000
Public safety	64,776	17,724	-	82,500	60,355	18,329	-	78,684
Transportation	109,246	450,831	-	560,077	73,940	82,116	-	156,056
Culture and recreation	5,100	-	16,280	21,380	9,447	-	18,609	28,056
Home and community services	24,600	491,906	-	516,506	-	247,758	-	247,758
	308,004	960,461	16,280	1,284,745	254,742	348,203	18,609	621,554
Other:								
Subsequent year's expenditures	795,347	-	4,756	800,103	-	-	46,023	46,023
Police purposes	8,709	-	-	8,709	9,459	-	-	9,459
Fire purposes	2,000	-	-	2,000	-	-	-	-
Parks	99,659	-	-	99,659	99,659	-	-	99,659
Recreation programs	295,401	-	-	295,401	283,743	-	-	283,743
WWI memorial	4,151	-	-	4,151	4,151	-	-	4,151
Tax certiorari	1,145,813	-	-	1,145,813	1,036,599	-	-	1,036,599
Cable TV	-	-	519,900	519,900	-	-	364,356	364,356
Total Assigned	2,659,084	960,461	540,936	4,160,481	1,688,353	348,203	428,988	2,465,544
Unassigned	4,982,632	-	-	4,982,632	3,779,938	-	-	3,779,938
Total Fund Balances	\$ 11,081,765	\$ 1,687,253	\$ 628,672	\$ 13,397,690	\$ 9,257,762	\$ 2,054,267	\$ 471,000	\$ 11,783,029

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures represents workers' compensation insurance, retirement and other costs paid in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Long-Term Receivables have been classified as nonspendable to indicate the long-term nature of taxes receivable collected for other governments. These funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Amounts restricted for Compensated Absences represents funds set aside for the payment of accumulated vacation and sick leave in accordance with various collective bargaining agreements and the General Municipal Law of the State of New York. These funds are not "available" for appropriation or expenditure.

Amounts restricted for Workers' Compensation represents funds set aside to be used for a specific purpose in accordance with Section 6-j of the General Municipal Law of the State of New York.

Purchases on order are assigned and represent the City's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transactions.

Other assignments of fund balance are not legally required segregations but represent intended use for a specific purpose. At December 31, 2012, the City Council has assigned the above amounts to be appropriated for the ensuing year's budget, police purposes, fire purposes, the acquisition and/or embellishment of parks and playgrounds, recreational programs, WWI memorial and tax certiorari settlements.

Unassigned fund balance in the General Fund represent amounts not classified as nonspendable, restricted or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The City, in common with other municipalities, receives numerous notices of claims for money damages occurring from false arrest, malicious prosecution, and defamation of character or personal injury. The filing of such claims commences a statutory period for initiating judicial action. Currently, the City is defendant in numerous actions that may exceed insurance limits, or are not covered by applicable insurance. Such actions are being defended and no opinion is expressed as to the merits or possible outcome of each case. Payments that may be required as a result of these actions have been included in the assessment and calculation of liabilities in the Risk Retention Fund.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The City is a defendant in an action seeking damage of approximately \$880,000 for breach of contract by failing to pay for additional work performed by a contractor and for delay damages. The City's insurance carrier has disclaimed coverage on this matter. The City intends to vigorously defend. No provision for loss has been reflected in the financial statements.

The City is also defendant in numerous pending tax certiorari proceedings, the results of which cannot be determined at this time. Any refunds resulting from adverse settlements will be funded in the year in which the payments are made.

B. Contingencies

The City participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures/expenses that may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, to be immaterial.

C. Risk Management

The City purchases various conventional insurance policies to reduce its exposure to loss. The general liability, law enforcement and public officials policies maintained provide coverage up to \$1 million per occurrence and \$2 million in the aggregate, with a self insured retention level of \$50,000 per occurrence. The City also maintains an umbrella liability policy which provides coverage up to \$10 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Accrued liabilities in the Risk Retention Fund include provisions for claims reported and claims incurred but not reported (IBNR's).

The City, along with other municipal entities, participates in the Municipal Employee Benefits Consortium ("MEBCO"). MEBCO is a public entity risk pool currently operating as a common risk management and health insurance program for its members. MEBCO was formed in April 1988 pursuant to an act of the Board of Legislators of the County of Westchester. This act provided cities and villages throughout Westchester County with an opportunity to participate in a cooperative program for providing health benefits to municipal employees by entering into an intermunicipal agreement pursuant to Article 5-G of the General Municipal Law of the State of New York. The purpose of the pool is to stabilize the cost of medical benefits provided to employees (see unpaid claim liabilities). MEBCO functions primarily as a claims service whereby each participating municipality retains its own risk. MEBCO does not transfer risk since charges to each municipality are ultimately determined by their individual claims/loss experience. The City pays the pool an annual provision for its health coverage.

Workers' compensation insurance is secured with statutory coverage. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

D. Subsequent Events

The City, on March 6, 2013, entered into an agreement to sell City owned property in the amount of \$5,600,000.

* * * * *

City of Rye, New York

Required Supplementary Information - Schedule of Funding Progress
 Other Postemployment Benefits
 Last Three Fiscal Years

Fiscal Year Ended December 31,	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
2010	\$ -	\$ 59,721,315	\$ 59,721,315	- %	\$ 11,306,689	528.19 %
2011	-	62,651,652	62,651,652	-	11,589,356	540.60
2012	-	65,316,988	65,316,988	-	10,653,528	613.10

**CAPITAL PROJECTS FUND
PROJECT-LENGTH SCHEDULE**

City of Rye, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project Through December 31, 2012

Project Number	Project Title	Year Authorized	Project Budget	Expenditures and Other Financing Uses			Unexpended Balance
				Prior Years	Current Year	Total	
533025/032	Signal Purchase/Ridge Street Roundabout	2007/2010	\$ 787,400	\$ 218,550	\$ -	\$ 218,550	\$ 568,850
533026	CBD Traffic Signals	2007	350,000	337,626	-	337,626	12,374
533030	2009 ARRA Projects	2009	898,792	808,012	12,320	820,332	78,460
551061	Peck Avenue Intersection	2007	400,000	219,500	-	219,500	180,500
551070	Central Avenue Bridge Reconstruction	2007	2,248,600	329,178	62,441	391,619	1,856,981
551077	Boston Post Road Rock Stabilization	2008	78,200	75,000	3,200	78,200	-
551082	SRS - Boston Post Road	2010	131,400	92,264	-	92,264	39,136
551083	Manursing Way Guiderail	2010	25,000	-	-	-	25,000
551084	Pay Station Shelter	2010	40,000	31,550	-	31,550	8,450
551087	Annual Street Resurfacing Program	2012	493,724	-	284,826	284,826	208,898
554117	Annual Sidewalk Replacement Program	2012	60,298	-	60	60	60,238
571041	Recreation Master Plan	2001	75,409	68,245	-	68,245	7,164
581201B	Kirby Lane Sewer	2003	2,466,774	2,449,014	-	2,449,014	17,760
581206	Upper Dogwood Lane Sewer	2007	150,000	135,022	-	135,022	14,978
581219	Hewlett Avenue Pump Station	2007	690,866	304,140	3,253	307,393	383,473
581227	Cedar Place Sewer	2009	135,000	2,900	-	2,900	132,100
581229	Kirby Lane Sanitary Sewer	2010	17,315	312,971	109,899	422,870	(405,555)
581427	Annual Sewer Drainage Improvement Program	2010	66,548	66,548	2,650	69,198	(2,650)
581428	Old Milton Road Drainage	2010	210,000	4,950	800	5,750	204,250
585403	Theo Fremd Retaining Wall	2007	1,758,660	118,192	-	118,192	1,640,468
585405	Bowman Avenue Sluice Gate	2008	2,095,822	201,093	745,550	946,643	1,149,179
585407	Dearborn Seawall Construction	2012	28,576	-	-	-	28,576
551085	Annual Street Resurfacing Program	2011	560,750	390,099	169,124	559,223	1,527
551086	Midland Palisades Improvements	2011	17,500	5,921	-	5,921	11,579
554116	Annual Sidewalk Replacement Program	2011	68,258	31,336	36,922	68,258	-
581429	Annual Sewer Drainage Improvement Program	2011	159,773	89,901	30,773	120,674	39,099
			<u>\$ 14,014,665</u>	<u>\$ 6,292,012</u>	<u>\$ 1,461,818</u>	<u>\$ 7,753,830</u>	<u>\$ 6,260,835</u>

Revenues and Other Financing Sources			Fund Balance (Deficit)
Prior Years	Current Year	Total	at December 31, 2012
\$ 287,400	\$ -	\$ 287,400	\$ 68,850
350,000	-	350,000	12,374
809,761	(16,396)	793,365	(26,967)
400,000	-	400,000	180,500
996,159	34,584	1,030,743	639,124
75,000	3,200	78,200	-
131,400	-	131,400	39,136
25,000	-	25,000	25,000
40,000	-	40,000	8,450
-	493,724	493,724	208,898
-	10,298	10,298	10,238
75,409	-	75,409	7,164
2,456,978	-	2,456,978	7,964
150,000	-	150,000	14,978
477,866	-	477,866	170,473
90,000	45,000	135,000	132,100
17,315	-	17,315	(405,555)
66,548	-	66,548	(2,650)
210,000	-	210,000	204,250
431,864	-	431,864	313,672
475,563	471,080	946,643	-
-	28,576	28,576	28,576
559,223	-	559,223	-
17,500	-	17,500	11,579
68,258	-	68,258	-
135,035	24,738	159,773	39,099
<u>\$ 8,346,279</u>	<u>\$ 1,094,804</u>	<u>\$ 9,441,083</u>	<u>\$ 1,687,253</u>

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Cable TV Special Revenue Fund is used to account for the receipt and use of revenues received from the franchise holder for public access cable television programming.

PERMANENT FUND

The K.T. Woods Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

DEBT SERVICE FUND

The Debt Service Fund is provided to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

City of Rye, New York

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2012
 (With Comparative Amounts for 2011)

	2012			
	Cable TV Fund	KT Woods Permanent Fund	Debt Service Fund	Total
ASSETS				
Cash and equivalents	\$ 496,901	\$ 20,141	\$ 55,948	\$ 572,990
Investments	-	-	-	-
Accounts receivable	84,305	-	-	84,305
Due from other funds	-	-	5,017	5,017
Prepaid expenditures	4,900	-	-	4,900
Total Assets	\$ 586,106	\$ 20,141	\$ 60,965	\$ 667,212
LIABILITIES				
Accounts payable	\$ 10,544	\$ -	\$ -	\$ 10,544
Accrued liabilities	922	-	-	922
Due to other funds	18,750	-	6,322	25,072
Due to other governments	2,002	-	-	2,002
Total Liabilities	32,218	-	6,322	38,540
FUND BALANCES				
Nonspendable	4,900	20,000	-	24,900
Restricted	12,808	141	49,887	62,836
Assigned	536,180	-	4,756	540,936
Total Fund Balances	553,888	20,141	54,643	628,672
Total Liabilities and Fund Balances	\$ 586,106	\$ 20,141	\$ 60,965	\$ 667,212

2011

Cable TV Fund	KT Woods Permanent Fund	Debt Service Fund	Total
\$ 315,633	\$ -	\$ -	\$ 315,633
111,715	20,128	12,165	144,008
80,126	-	-	80,126
-	-	622	622
4,227	-	-	4,227
<u>\$ 511,701</u>	<u>\$ 20,128</u>	<u>\$ 12,787</u>	<u>\$ 544,616</u>
\$ 43,410	\$ -	\$ -	\$ 43,410
256	-	-	256
18,363	-	6,322	24,685
5,265	-	-	5,265
<u>67,294</u>	<u>-</u>	<u>6,322</u>	<u>73,616</u>
4,227	20,000	-	24,227
11,268	128	6,386	17,782
428,912	-	79	428,991
<u>444,407</u>	<u>20,128</u>	<u>6,465</u>	<u>471,000</u>
<u>\$ 511,701</u>	<u>\$ 20,128</u>	<u>\$ 12,787</u>	<u>\$ 544,616</u>

City of Rye, New York

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended December 31, 2012
 (With Comparative Amounts for 2011)

	2012			
	Cable TV Fund	KT Woods Permanent Fund	Debt Service Fund	Total
REVENUES				
Real property taxes and related items	\$ -	\$ -	\$ 189,536	\$ 189,536
Non-property taxes	326,183	-	-	326,183
Use of money and property	447	13	92	552
Miscellaneous	52,023	-	-	52,023
Total Revenues	<u>378,653</u>	<u>13</u>	<u>189,628</u>	<u>568,294</u>
EXPENDITURES				
Current				
Culture and recreation				
Salaries and wages	125,390	-	-	125,390
Equipment	37,558	-	-	37,558
Materials and supplies	8,195	-	-	8,195
Contractual costs	35,676	-	-	35,676
Employee benefits	62,353	-	-	62,353
	<u>269,172</u>	<u>-</u>	<u>-</u>	<u>269,172</u>
Debt service				
Principal	-	-	246,918	246,918
Interest	-	-	156,428	156,428
Total Expenditures	<u>269,172</u>	<u>-</u>	<u>403,346</u>	<u>672,518</u>
Excess (Deficiency) of Revenues Over Expenditures	109,481	13	(213,718)	(104,224)
OTHER FINANCING SOURCES				
Transfers in	-	-	261,896	261,896
Net Change in Fund Balances	109,481	13	48,178	157,672
Fund Balances - Beginning of Year	444,407	20,128	6,465	471,000
Fund Balances - End of Year	<u>\$ 553,888</u>	<u>\$ 20,141</u>	<u>\$ 54,643</u>	<u>\$ 628,672</u>

2011

Cable TV Fund	KT Woods Permanent Fund	Debt Service Fund	Total
\$ -	\$ -	\$ 101,521	\$ 101,521
329,624	-	-	329,624
147	10	257	414
51,548	-	-	51,548
<u>381,319</u>	<u>10</u>	<u>101,778</u>	<u>483,107</u>
141,093	-	-	141,093
98,507	-	-	98,507
17,587	-	-	17,587
11,322	-	-	11,322
82,585	-	-	82,585
<u>351,094</u>	<u>-</u>	<u>-</u>	<u>351,094</u>
-	-	221,721	221,721
-	-	187,171	187,171
<u>351,094</u>	<u>-</u>	<u>408,892</u>	<u>759,986</u>
30,225	10	(307,114)	(276,879)
-	-	252,544	252,544
30,225	10	(54,570)	(24,335)
414,182	20,118	61,035	495,335
<u>\$ 444,407</u>	<u>\$ 20,128</u>	<u>\$ 6,465</u>	<u>\$ 471,000</u>

City of Rye, New York

Cable TV Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2012
 (With Comparative Amounts for 2011)

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Non-property taxes	\$ 300,000	\$ 300,000	\$ 326,183	\$ 26,183
Use of money and property	200	200	447	247
Miscellaneous	50,640	50,640	52,023	1,383
Total Revenues	<u>350,840</u>	<u>350,840</u>	<u>378,653</u>	<u>27,813</u>
EXPENDITURES				
Current				
Culture and recreation				
Salaries and wages	150,572	150,572	125,390	25,182
Equipment	66,735	66,735	37,558	29,177
Materials and supplies	19,819	19,819	8,195	11,624
Contractual costs	55,777	55,777	35,676	20,101
Employee benefits	122,490	122,490	62,353	60,137
Total Expenditures	<u>415,393</u>	<u>415,393</u>	<u>269,172</u>	<u>146,221</u>
Excess (Deficiency) of Revenues Over Expenditures	(64,553)	(64,553)	109,481	174,034
Fund Balance - Beginning of Year	64,553	64,553	444,407	379,854
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 553,888</u>	<u>\$ 553,888</u>

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 260,000	\$ 260,000	\$ 329,624	\$ 69,624
400	400	147	(253)
50,850	50,850	51,548	698
<u>311,250</u>	<u>311,250</u>	<u>381,319</u>	<u>70,069</u>
151,140	151,365	141,093	10,272
63,600	102,979	98,507	4,472
18,495	22,379	17,587	4,792
34,802	41,637	11,322	30,315
54,674	86,544	82,585	3,959
<u>322,711</u>	<u>404,904</u>	<u>351,094</u>	<u>53,810</u>
(11,461)	(93,654)	30,225	123,879
11,461	93,654	414,182	320,528
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 444,407</u>	<u>\$ 444,407</u>

City of Rye, New York

K.T. Woods Permanent Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2012

(With Comparative Amounts for 2011)

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ 15	\$ 15	\$ 13	\$ (2)
EXPENDITURES				
Current - Culture and recreation	-	-	-	-
Excess of Revenues Over Expenditures	15	15	13	(2)
Fund Balance (Deficit) - Beginning of Year	(15)	(15)	20,128	20,143
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,141</u>	<u>\$ 20,141</u>

2011

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ 40	\$ 40	\$ 10	\$ (30)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
40	40	10	(30)
(40)	(40)	20,118	20,158
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,128</u>	<u>\$ 20,128</u>

City of Rye, New York

Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2012

(With Comparative Amounts for 2011)

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes and related items	\$ 141,373	\$ 141,373	\$ 189,536	\$ 48,163
Use of money and property	-	-	92	92
Total Revenues	<u>141,373</u>	<u>141,373</u>	<u>189,628</u>	<u>48,255</u>
EXPENDITURES				
Debt service				
Principal	246,918	246,918	246,918	-
Interest	156,430	156,430	156,428	2
Total Expenditures	<u>403,348</u>	<u>403,348</u>	<u>403,346</u>	<u>2</u>
Deficiency of Revenues Over Expenditures	(261,975)	(261,975)	(213,718)	48,257
OTHER FINANCING SOURCES				
Transfers in	<u>261,896</u>	<u>261,896</u>	<u>261,896</u>	<u>-</u>
Net Change in Fund Balance	(79)	(79)	48,178	48,257
Fund Balance - Beginning of Year	79	79	6,465	6,386
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,643</u>	<u>\$ 54,643</u>

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ 101,521	\$ 101,521	\$ -
-	-	257	257
-	101,521	101,778	257
142,176	205,119	221,721	(16,602)
131,544	170,122	187,171	(17,049)
273,720	375,241	408,892	(33,651)
(273,720)	(273,720)	(307,114)	(33,394)
252,544	252,544	252,544	-
(21,176)	(21,176)	(54,570)	(33,394)
21,176	21,176	61,035	39,859
\$ -	\$ -	\$ 6,465	\$ 6,465

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The internal service funds of the City are as follows:

- The Risk Retention Fund is used to account for general liability insurance and risk management activities.
- The Building and Vehicle Maintenance Fund is used to account for the acquisition, operation, maintenance and disposition of the City's buildings and vehicles which are not otherwise accounted for in other funds.

City of Rye, New York

Internal Service Funds
 Combining Statement of Net Position
 December 31, 2012
 (With Comparative Amounts for 2011)

	2012		
	Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
ASSETS			
Current assets			
Cash and equivalents	\$ 644,141	\$ 3,015,117	\$ 3,659,258
Investments	-	-	-
Accounts receivable, net	251,138	3,913	255,051
Deposits	28,500	-	28,500
Due from other funds	-	231,286	231,286
Due from other governments, net	-	44,889	44,889
Prepaid expenses	71,779	49,573	121,352
Total Current Assets	995,558	3,344,778	4,340,336
Noncurrent assets			
Deferred charges	-	54,275	54,275
Capital assets			
Land	-	6,571,814	6,571,814
Buildings	-	19,832,889	19,832,889
Improvements	-	4,636,167	4,636,167
Machinery and equipment	-	9,958,189	9,958,189
Construction in progress	-	169,118	169,118
Less - Accumulated depreciation	-	(13,228,328)	(13,228,328)
Total Capital Assets (net of accumulated depreciation)	-	27,939,849	27,939,849
Total Noncurrent Assets	-	27,994,124	27,994,124
Total Assets	995,558	31,338,902	32,334,460

2011		
Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
\$ -	\$ 151,027	\$ 151,027
591,502	2,482,989	3,074,491
130,255	3,161	133,416
28,500	-	28,500
50,000	308,610	358,610
-	39,232	39,232
68,204	22,241	90,445
<u>868,461</u>	<u>3,007,260</u>	<u>3,875,721</u>
-	61,805	61,805
-	6,571,814	6,571,814
-	19,703,882	19,703,882
-	4,379,794	4,379,794
-	9,899,611	9,899,611
-	528,231	528,231
-	(12,021,351)	(12,021,351)
-	29,061,981	29,061,981
-	29,123,786	29,123,786
<u>868,461</u>	<u>32,131,046</u>	<u>32,999,507</u>

(Continued)

City of Rye, New York

Internal Service Funds
 Combining Statement of Net Position (Continued)
 December 31, 2012
 (With Comparative Amounts for 2011)

	2012		
	Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
LIABILITIES			
Current liabilities			
Accounts payable	24,882	136,874	161,756
Accrued liabilities	340,000	14,815	354,815
Accrued interest payable	-	82,235	82,235
Retainage payable	-	159,225	159,225
Due to other funds	-	2,122,769	2,122,769
Advances from other funds	-	-	-
Compensated absences	-	7,200	7,200
Bonds payable	-	941,728	941,728
Total Current Liabilities	<u>364,882</u>	<u>3,464,846</u>	<u>3,829,728</u>
Noncurrent liabilities			
Bonds payable, less current portion	-	10,892,319	10,892,319
Compensated absences, less current portion	-	65,127	65,127
Other postemployment benefit obligations	-	1,135,711	1,135,711
Total Noncurrent Liabilities	<u>-</u>	<u>12,093,157</u>	<u>12,093,157</u>
Total Liabilities	<u>364,882</u>	<u>15,558,003</u>	<u>15,922,885</u>
NET POSITION			
Net investment in capital assets	-	16,994,135	16,994,135
Unrestricted	630,676	(1,213,236)	(582,560)
Total Net Position	<u>\$ 630,676</u>	<u>\$ 15,780,899</u>	<u>\$ 16,411,575</u>

2011		
Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
66,106	71,469	137,575
412,000	222	412,222
-	86,734	86,734
-	158,570	158,570
-	1,385,759	1,385,759
-	708,702	708,702
-	7,600	7,600
-	918,082	918,082
<u>478,106</u>	<u>3,337,138</u>	<u>3,815,244</u>
-	11,841,950	11,841,950
-	68,517	68,517
-	931,443	931,443
-	12,841,910	12,841,910
<u>478,106</u>	<u>16,179,048</u>	<u>16,657,154</u>
-	17,668,260	17,668,260
390,355	(1,716,262)	(1,325,907)
<u>\$ 390,355</u>	<u>\$ 15,951,998</u>	<u>\$ 16,342,353</u>

City of Rye, New York

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

Year Ended December 31, 2012

(With Comparative Amounts for 2011)

	2012		
	Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
OPERATING REVENUES			
Charges for services	\$ 712,286	\$ 3,721,063	\$ 4,433,349
Miscellaneous	127,040	326,986	454,026
Total Operating Revenues	<u>839,326</u>	<u>4,048,049</u>	<u>4,887,375</u>
OPERATING EXPENSES			
Salaries and wages	-	660,102	660,102
Employee benefits	-	634,464	634,464
Materials, supplies and equipment	-	1,011,914	1,011,914
Contractual costs	599,431	236,611	836,042
Depreciation and amortization	-	1,214,507	1,214,507
Total Operating Expenses	<u>599,431</u>	<u>3,757,598</u>	<u>4,357,029</u>
Operating Income	<u>239,895</u>	<u>290,451</u>	<u>530,346</u>
NON-OPERATING REVENUES (EXPENSES)			
Gain on sale of equipment	-	-	-
Interest income	426	519	945
Interest expense	-	(427,069)	(427,069)
Total Non-Operating Revenues (Expenses)	<u>426</u>	<u>(426,550)</u>	<u>(426,124)</u>
Income (Loss) Before Transfers	240,321	(136,099)	104,222
Transfers in	-	-	-
Transfers out	-	(35,000)	(35,000)
Change in Net Position	<u>240,321</u>	<u>(171,099)</u>	<u>69,222</u>
Net Position - Beginning of Year	<u>390,355</u>	<u>15,951,998</u>	<u>16,342,353</u>
Net Position - End of Year	<u>\$ 630,676</u>	<u>\$ 15,780,899</u>	<u>\$ 16,411,575</u>

2011

Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
\$ 743,069	\$ 3,935,152	\$ 4,678,221
196,832	300,883	497,715
<u>939,901</u>	<u>4,236,035</u>	<u>5,175,936</u>
-	661,890	661,890
-	611,892	611,892
-	1,070,934	1,070,934
782,851	208,336	991,187
-	1,250,275	1,250,275
<u>782,851</u>	<u>3,803,327</u>	<u>4,586,178</u>
<u>157,050</u>	<u>432,708</u>	<u>589,758</u>
-	23,438	23,438
193	992	1,185
-	(444,405)	(444,405)
<u>193</u>	<u>(419,975)</u>	<u>(419,782)</u>
157,243	12,733	169,976
-	85,000	85,000
-	-	-
<u>157,243</u>	<u>97,733</u>	<u>254,976</u>
233,112	15,854,265	16,087,377
<u>\$ 390,355</u>	<u>\$ 15,951,998</u>	<u>\$ 16,342,353</u>

City of Rye, New York

Combining Statement of Cash Flows
 Internal Service Funds
 Year Ended December 31, 2012
 (With Comparative Amounts for 2011)

	2012		
	Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from charges to other funds	\$ 591,403	\$ 3,791,978	\$ 4,383,381
Cash payments to employees	-	(1,079,495)	(1,079,495)
Cash payments to vendors	(666,230)	(472,787)	(1,139,017)
Other operating revenues	127,040	326,986	454,026
Net Cash from Operating Activities	<u>52,213</u>	<u>2,566,682</u>	<u>2,618,895</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	-	-
Transfers out	-	(35,000)	(35,000)
Net Cash from Noncapital Financing Activities	<u>-</u>	<u>(35,000)</u>	<u>(35,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Advances from other funds	-	(708,702)	(708,702)
Acquisition and construction of capital assets	-	(84,845)	(84,845)
Principal paid on capital debt	-	(918,082)	(918,082)
Interest paid on capital debt	-	(439,471)	(439,471)
Proceeds from sale of capital assets	-	-	-
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>(2,151,100)</u>	<u>(2,151,100)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	426	519	945
Purchase of investments	-	-	-
Sale of investments	591,502	2,482,989	3,074,491
Net Cash from Investing Activities	<u>591,928</u>	<u>2,483,508</u>	<u>3,075,436</u>
Net Change in Cash and Equivalents	644,141	2,864,090	3,508,231
Cash and Equivalents - Beginning of Year	-	151,027	151,027
Cash and Equivalents - End of Year	<u>\$ 644,141</u>	<u>\$ 3,015,117</u>	<u>\$ 3,659,258</u>

2011		
Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
\$ 713,771	\$ 5,232,073	\$ 5,945,844
-	(1,033,660)	(1,033,660)
(825,925)	(1,639,042)	(2,464,967)
196,832	300,883	497,715
84,678	2,860,254	2,944,932
-	85,000	85,000
-	-	-
-	85,000	85,000
-	(625,481)	(625,481)
-	(618,195)	(618,195)
-	(870,653)	(870,653)
-	(479,678)	(479,678)
-	23,438	23,438
-	(2,570,569)	(2,570,569)
193	992	1,185
(863,790)	(4,161,883)	(5,025,673)
778,919	3,577,712	4,356,631
(84,678)	(583,179)	(667,857)
-	(208,494)	(208,494)
-	359,521	359,521
\$ -	\$ 151,027	\$ 151,027

(Continued)

City of Rye, New York

Combining Statement of Cash Flows (continued)
 Internal Service Funds
 Year Ended December 31, 2012
 (With Comparative Amounts for 2011)

	2012		
	Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES			
Operating Income	\$ 239,895	\$ 290,451	\$ 530,346
Adjustments to reconcile operating income to net cash from operating activities			
Depreciation and amortization expense	-	1,214,507	1,214,507
Changes in assets and liabilities			
Accounts receivable	(120,883)	70,915	(49,968)
Due from other funds	50,000	-	50,000
Prepaid expenses	(3,575)	(27,332)	(30,907)
Accounts payable	(41,224)	65,405	24,181
Accrued liabilities	(72,000)	14,593	(57,407)
Retainage payable	-	655	655
Due to other funds	-	737,010	737,010
Other post employment benefit obligations	-	204,268	204,268
Compensated absences	-	(3,790)	(3,790)
Total Adjustments	(187,682)	2,276,231	2,088,549
 Net Cash from Operating Activities	 \$ 52,213	 \$ 2,566,682	 \$ 2,618,895

2011		
<u>Risk Retention Fund</u>	<u>Building and Vehicle Maintenance Fund</u>	<u>Total</u>
\$ 157,050	\$ 432,708	\$ 589,758
-	1,250,275	1,250,275
(29,298)	1,296,921	1,267,623
(50,000)	-	(50,000)
(4,816)	(3,418)	(8,234)
43,742	(3,624)	40,118
(32,000)	222	(31,778)
-	4,345	4,345
-	(357,075)	(357,075)
-	248,386	248,386
-	(8,486)	(8,486)
<u>(72,372)</u>	<u>2,427,546</u>	<u>2,355,174</u>
<u>\$ 84,678</u>	<u>\$ 2,860,254</u>	<u>\$ 2,944,932</u>

City of Rye, New York

Statement of Changes in Assets and Liabilities
 Fiduciary Funds - Agency Fund
 Year Ended December 31, 2012

	Balance January 1, 2012	Increases	Decreases	Balance December 31, 2012
ASSETS				
Cash and equivalents	\$ 108,125	\$ 15,945,310	\$ 15,737,052	\$ 316,383
Accounts receivable	2,752	14,932,349	14,931,848	3,253
Prepaid expenditures	-	54,611	54,611	-
	<u>\$ 110,877</u>	<u>\$ 30,932,270</u>	<u>\$ 30,723,511</u>	<u>\$ 319,636</u>
LIABILITIES				
Accounts payable	\$ 84,192	\$ 794,318	\$ 584,981	\$ 293,529
Employee payroll deductions	26,685	4,754,094	4,754,672	26,107
	<u>\$ 110,877</u>	<u>\$ 5,548,412</u>	<u>\$ 5,339,653</u>	<u>\$ 319,636</u>

**CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL
FUNDS**

City of Rye, New York

Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2012

	<u>2012</u>
Governmental Funds' Capital Assets	
Machinery and Equipment	\$ 86,074
Infrastructure	66,712,926
Construction in Progress	<u>1,730,880</u>
Investment in Governmental Funds' Capital Assets by Source - Capital Projects Fund	68,529,880
Less - Accumulated depreciation	<u>(25,940,299)</u>
 Net Book Value	 <u><u>\$ 42,589,581</u></u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, capital assets of internal service funds are included as governmental activities in the statement of net assets.

Note - The schedule reflects the retroactive reporting of infrastructure capital assets as required under the provisions of Governmental Accounting Standards Board Statement No. 34.

City of Rye, New York

Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 December 31, 2012

<u>Function and Activity</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
PUBLIC SAFETY						
Traffic signals	\$ -	\$ 1,398,999	\$ -	\$ 1,398,999	\$ (341,943)	\$ 1,057,056
COMMUNITY ENVIRONMENT						
Rights of way	-	21,301,087	-	21,301,087	-	21,301,087
Streets	-	14,317,140	58,950	14,376,090	(9,409,854)	4,966,236
Streetlights	-	441,162	-	441,162	(303,790)	137,372
Sidewalks	-	976,585	-	976,585	(786,711)	189,874
Bridges	-	456,605	372,702	829,307	(379,500)	449,807
Sanitary sewers	-	12,040,254	-	12,040,254	(7,153,988)	4,886,266
Pump stations	-	1,392,648	67,839	1,460,487	(373,114)	1,087,373
Storm sewers	-	11,197,386	1,231,389	12,428,775	(7,122,540)	5,306,235
Total Community Environment	-	62,122,867	1,730,880	63,853,747	(25,529,497)	38,324,250
CULTURE AND RECREATION						
Cable TV equipment	86,074	-	-	86,074	(68,859)	17,215
Parks and playgrounds	-	3,191,060	-	3,191,060	-	3,191,060
Total Culture and Recreation	86,074	3,191,060	-	3,277,134	(68,859)	3,208,275
Total Governmental Funds Capital Assets	\$ 86,074	\$ 66,712,926	\$ 1,730,880	\$ 68,529,880	\$ (25,940,299)	\$ 42,589,581

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, capital assets of internal service funds are included as governmental activities in the statement of net assets.

Note - The schedule reflects the retroactive reporting of infrastructure capital assets as required under the provisions of Governmental Accounting Standards Board Statement No. 34.

City of Rye, New York

Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity
 Year Ended December 31, 2012

Function and Activity	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	January 1	Additions	Deletions	December 31
PUBLIC SAFETY				
Traffic signals	\$ 1,398,999	\$ -	\$ -	\$ 1,398,999
COMMUNITY ENVIRONMENT				
Rights of way	21,301,087	-	-	21,301,087
Streets	14,360,570	15,520	-	14,376,090
Streetlights	441,162	-	-	441,162
Sidewalks	976,585	-	-	976,585
Bridges	766,866	62,441	-	829,307
Sanitary sewers	11,930,355	109,899	-	12,040,254
Pump stations	1,457,234	3,253	-	1,460,487
Storm sewers	11,682,427	746,348	-	12,428,775
Total Community Environment	62,916,286	937,461	-	63,853,747
CULTURE AND RECREATION				
Cable TV equipment	86,074	-	-	86,074
Parks and playgrounds	3,191,060	-	-	3,191,060
Total Culture and Recreation	3,277,134	-	-	3,277,134
Total Governmental Funds Capital Assets	\$ 67,592,419	\$ 937,461	\$ -	\$ 68,529,880

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, capital assets of internal service funds are included as governmental activities in the statement of net position.

Note - The schedule reflects the retroactive reporting of infrastructure capital assets as required under the provisions of Governmental Accounting Standards Board Statement No. 34.

**STATISTICAL SECTION
(UNAUDITED)**

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules include:

Net Position by Component

Changes in Net Position

Fund Balances, Governmental Funds

Changes in Fund Balances, Governmental Funds

Tax Revenues by Source, Governmental Funds

City of Rye, New York

Net Position by Component
Last Ten Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006(1)</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 11,563,341	\$ 9,480,762	\$ 13,348,301	\$ 44,227,627
Restricted	1,304,649	1,224,450	1,762,703	1,660,467
Unrestricted	<u>5,409,766</u>	<u>10,418,032</u>	<u>9,079,270</u>	<u>11,059,645</u>
Total Governmental Activities Net Position	<u>18,277,756</u>	<u>21,123,244</u>	<u>24,190,274</u>	<u>56,947,739</u>
Business-Type Activities				
Net Investment in Capital Assets	8,100,157	8,403,111	8,450,054	8,450,126
Unrestricted	<u>2,171,508</u>	<u>2,499,439</u>	<u>3,265,525</u>	<u>3,723,916</u>
Total Business-Type Activities Net Position	<u>10,271,665</u>	<u>10,902,550</u>	<u>11,715,579</u>	<u>12,174,042</u>
Primary Government				
Net Investment in Capital Assets	19,663,498	17,883,873	21,798,355	52,677,753
Restricted	1,304,649	1,224,450	1,762,703	1,660,467
Unrestricted	<u>7,581,274</u>	<u>12,917,471</u>	<u>12,344,795</u>	<u>14,783,561</u>
Total Primary Government Net Position	<u>\$ 28,549,421</u>	<u>\$ 32,025,794</u>	<u>\$ 35,905,853</u>	<u>\$ 69,121,781</u>

(1) Includes a cumulative effect of change in accounting principle adjustment of \$30,977,163, representing the retroactive reporting of infrastructure assets.

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 45,961,185	\$ 48,067,286	\$ 52,236,195	\$ 52,620,335	\$ 54,629,581	\$ 54,209,854
2,849,549	2,697,494	2,646,922	2,761,748	2,630,318	3,237,805
<u>11,470,537</u>	<u>4,933,791</u>	<u>(320,838)</u>	<u>(1,266,730)</u>	<u>(6,349,164)</u>	<u>(7,386,797)</u>
<u>60,281,271</u>	<u>55,698,571</u>	<u>54,562,279</u>	<u>54,115,353</u>	<u>50,910,735</u>	<u>50,060,862</u>
8,265,309	9,073,386	9,740,758	9,620,669	9,637,370	9,097,824
<u>4,437,719</u>	<u>4,335,879</u>	<u>2,951,808</u>	<u>1,630,040</u>	<u>833,265</u>	<u>933,733</u>
<u>12,703,028</u>	<u>13,409,265</u>	<u>12,692,566</u>	<u>11,250,709</u>	<u>10,470,635</u>	<u>10,031,557</u>
54,226,494	57,140,672	61,976,953	62,241,004	64,266,951	63,307,678
2,849,549	2,697,494	2,646,922	2,761,748	2,630,318	3,237,805
<u>15,908,256</u>	<u>9,269,670</u>	<u>2,630,970</u>	<u>363,310</u>	<u>(5,515,899)</u>	<u>(6,453,064)</u>
<u>\$ 72,984,299</u>	<u>\$ 69,107,836</u>	<u>\$ 67,254,845</u>	<u>\$ 65,366,062</u>	<u>\$ 61,381,370</u>	<u>\$ 60,092,419</u>

City of Rye, New York

Changes in Net Position
Last Ten Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses				
Governmental Activities				
General Government	\$ 2,777,827	\$ 3,218,750	\$ 3,285,497	\$ 3,513,365
Public Safety	8,655,151	9,941,889	10,379,989	11,259,005
Community Environment	5,693,349	6,058,126	6,836,952	8,181,719
Transportation	-	-	-	-
Culture and Recreation	2,921,669	3,452,925	3,558,305	3,693,298
Home and Community Services	-	-	-	-
Interest	105,133	159,129	333,563	552,544
Total Governmental Activities	<u>20,153,129</u>	<u>22,830,819</u>	<u>24,394,306</u>	<u>27,199,931</u>
Business-Type Activities				
Marina	413,260	454,340	446,916	468,524
Golf	3,608,415	3,819,458	4,115,177	5,306,207
Total Business-Type Activities	<u>4,021,675</u>	<u>4,273,798</u>	<u>4,562,093</u>	<u>5,774,731</u>
Total Expenses	<u>24,174,804</u>	<u>27,104,617</u>	<u>28,956,399</u>	<u>32,974,662</u>
Program Revenues				
Governmental Activities				
Charges for Services				
General Government	426,171	457,581	471,658	489,375
Public Safety	617,244	664,726	663,007	647,446
Community Environment	1,804,053	1,726,572	2,020,307	2,205,360
Transportation	-	-	-	-
Culture and Recreation	870,472	976,130	1,009,128	999,740
Home and Community Services	-	-	-	-
Operating Grants and Contributions	404,662	253,947	455,106	375,595
Capital Grants and Contributions	434,307	588,967	314,854	410,390
Total Governmental Activities	<u>4,556,909</u>	<u>4,667,923</u>	<u>4,934,060</u>	<u>5,127,906</u>
Business-Type Activities				
Charges for Services				
Marina	482,094	493,151	542,397	633,083
Golf	3,922,787	4,371,899	4,723,373	5,378,934
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	-	-	-	-
Total Business-Type Activities	<u>4,404,881</u>	<u>4,865,050</u>	<u>5,265,770</u>	<u>6,012,017</u>
Total Program Revenues	<u>8,961,790</u>	<u>9,532,973</u>	<u>10,199,830</u>	<u>11,139,923</u>

<u>2007</u>	<u>2008(1)</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 4,287,175	\$ 4,852,832	\$ 4,075,663	\$ 3,847,977	\$ 3,847,034	\$ 3,733,393
10,763,060	14,573,551	14,193,748	14,267,990	15,873,630	16,093,285
8,215,438	-	-	-	-	-
-	5,105,678	4,419,335	4,466,928	4,422,582	3,858,783
3,700,558	4,201,625	4,128,114	4,152,371	4,326,087	4,055,710
-	5,177,171	5,119,135	5,611,370	5,417,700	6,302,729
725,075	657,980	609,287	426,731	618,037	589,183
<u>27,691,306</u>	<u>34,568,837</u>	<u>32,545,282</u>	<u>32,773,367</u>	<u>34,505,070</u>	<u>34,633,083</u>
481,837	589,804	574,268	627,778	904,632	1,018,739
<u>6,814,432</u>	<u>6,972,985</u>	<u>7,310,686</u>	<u>7,729,667</u>	<u>7,028,025</u>	<u>6,851,676</u>
<u>7,296,269</u>	<u>7,562,789</u>	<u>7,884,954</u>	<u>8,357,445</u>	<u>7,932,657</u>	<u>7,870,415</u>
<u>34,987,575</u>	<u>42,131,626</u>	<u>40,430,236</u>	<u>41,130,812</u>	<u>42,437,727</u>	<u>42,503,498</u>
505,926	743,220	792,068	789,441	917,026	899,551
578,807	1,850,529	1,680,697	1,662,676	1,819,013	2,129,247
2,446,351	-	-	-	-	-
-	920,145	877,257	918,683	1,200,047	1,264,716
1,088,198	1,071,017	1,060,590	1,158,127	1,422,633	1,457,025
-	149,862	101,890	168,194	128,059	212,248
660,091	359,038	399,495	572,225	234,853	1,429,372
<u>622,728</u>	<u>398,386</u>	<u>2,072,892</u>	<u>1,615,788</u>	<u>278,881</u>	<u>267,288</u>
<u>5,902,101</u>	<u>5,492,197</u>	<u>6,984,889</u>	<u>6,885,134</u>	<u>6,000,512</u>	<u>7,659,447</u>
576,693	565,473	591,891	633,269	646,459	640,518
6,990,360	7,264,208	6,565,155	6,275,216	6,504,746	6,760,138
-	-	-	-	-	28,718
3,826	317,500	-	-	-	-
<u>7,570,879</u>	<u>8,147,181</u>	<u>7,157,046</u>	<u>6,908,485</u>	<u>7,151,205</u>	<u>7,429,374</u>
<u>13,472,980</u>	<u>13,639,378</u>	<u>14,141,935</u>	<u>13,793,619</u>	<u>13,151,717</u>	<u>15,088,821</u>

(continued)

City of Rye, New York

**Changes in Net Assets
Last Ten Fiscal Years (Continued)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Net (Expense)/Revenue				
Governmental Activities	(15,596,220)	(18,162,896)	(19,460,246)	(22,072,025)
Business-Type Activities	<u>383,206</u>	<u>591,252</u>	<u>703,677</u>	<u>237,286</u>
Total Net Expense	<u>(15,213,014)</u>	<u>(17,571,644)</u>	<u>(18,756,569)</u>	<u>(21,834,739)</u>
General Revenues				
Governmental Activities				
Real Property Taxes	14,222,097	15,528,286	16,141,660	16,987,781
Non-Property Taxes	1,817,378	2,143,838	2,266,922	2,327,161
Unrestricted Use of Money and Property	178,353	220,459	565,843	1,137,777
Gain on Sale of Equipment	31,675	39,655	29,135	33,270
State Aid	2,618,191	3,003,658	3,451,841	3,324,440
Other Revenues	<u>354,803</u>	<u>72,488</u>	<u>71,875</u>	<u>41,899</u>
Total Governmental Activities	<u>19,222,497</u>	<u>21,008,384</u>	<u>22,527,276</u>	<u>23,852,328</u>
Business-Type Activities				
Unrestricted Use of Money and Property	25,712	32,633	109,352	221,177
Gain on Sale of Equipment	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>25,712</u>	<u>39,633</u>	<u>109,352</u>	<u>221,177</u>
Total General Revenues	<u>19,248,209</u>	<u>21,048,017</u>	<u>22,636,628</u>	<u>24,073,505</u>
Change in Net Position				
Governmental Activities	3,626,277	2,845,488	3,067,030	1,780,303
Business-Type Activities	<u>408,918</u>	<u>630,885</u>	<u>813,029</u>	<u>458,463</u>
Total Change in Net Position	<u>\$ 4,035,195</u>	<u>\$ 3,476,373</u>	<u>\$ 3,880,059</u>	<u>\$ 2,238,766</u>

(1) Beginning in 2008, amounts previously reported in the community environment function have been reallocated and are now being reported within the public safety, transportation and home and community services functions.

<u>2007</u>	<u>2008(1)</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
(21,789,205)	(29,076,640)	(25,560,393)	(25,888,233)	(28,504,558)	(26,973,636)
<u>274,610</u>	<u>584,392</u>	<u>(727,908)</u>	<u>(1,448,960)</u>	<u>(781,452)</u>	<u>(441,041)</u>
<u>(21,514,595)</u>	<u>(28,492,248)</u>	<u>(26,288,301)</u>	<u>(27,337,193)</u>	<u>(29,286,010)</u>	<u>(27,414,677)</u>
17,838,489	18,331,970	19,323,667	19,764,674	19,726,762	20,433,026
2,622,734	2,643,066	2,364,648	2,566,311	2,620,377	2,612,451
1,195,960	490,398	140,030	95,000	51,907	43,420
26,977	30,672	31,503	15,324	23,438	-
3,415,249	2,941,169	2,249,619	2,493,863	2,361,583	2,496,256
<u>23,327</u>	<u>56,665</u>	<u>314,634</u>	<u>506,135</u>	<u>515,873</u>	<u>538,610</u>
<u>25,122,736</u>	<u>24,493,940</u>	<u>24,424,101</u>	<u>25,441,307</u>	<u>25,299,940</u>	<u>26,123,763</u>
254,376	121,845	11,209	7,103	1,378	1,963
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>254,376</u>	<u>121,845</u>	<u>11,209</u>	<u>7,103</u>	<u>1,378</u>	<u>1,963</u>
<u>25,377,112</u>	<u>24,615,785</u>	<u>24,435,310</u>	<u>25,448,410</u>	<u>25,301,318</u>	<u>26,125,726</u>
3,333,531	(4,582,700)	(1,136,292)	(446,926)	(3,204,618)	(849,873)
<u>528,986</u>	<u>706,237</u>	<u>(716,699)</u>	<u>(1,441,857)</u>	<u>(780,074)</u>	<u>(439,078)</u>
<u>\$ 3,862,517</u>	<u>\$ (3,876,463)</u>	<u>\$ (1,852,991)</u>	<u>\$ (1,888,783)</u>	<u>\$ (3,984,692)</u>	<u>\$ (1,288,951)</u>

City of Rye, New York

**Fund Balances, Governmental Funds
Last Ten Fiscal Years**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	2,053,180	2,611,046	2,487,324	2,387,761
Unreserved	<u>5,858,284</u>	<u>7,035,140</u>	<u>8,568,860</u>	<u>9,674,609</u>
Total General Fund	<u>7,911,464</u>	<u>9,646,186</u>	<u>11,056,184</u>	<u>12,062,370</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Assigned	-	-	-	-
Reserved	693,275	330,232	544,315	1,596,362
Unreserved, Reported In:				
Special Revenue Fund	164,065	166,993	248,138	324,758
Permanent Fund	11,206	-	4,303	1,309
Debt Service Fund	-	-	-	-
Capital Projects Fund	<u>(2,398,472)</u>	<u>774,522</u>	<u>1,023,769</u>	<u>(845,230)</u>
Total All Other Governmental Funds	<u>(1,529,926)</u>	<u>1,271,747</u>	<u>1,820,525</u>	<u>1,077,199</u>
Total Governmental Funds	<u>\$ 6,381,538</u>	<u>\$ 10,917,933</u>	<u>\$ 12,876,709</u>	<u>\$ 13,139,569</u>

(1) - The City implemented the provisions of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", for the fiscal year ended December 31, 2011.

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 (1)</u>	<u>2012</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,647,837	\$ 1,501,991
-	-	-	-	2,141,634	1,938,058
-	-	-	-	1,688,353	2,659,084
-	-	-	-	3,779,938	4,982,632
3,523,898	3,264,302	3,130,697	4,661,371	-	-
9,785,973	7,736,075	6,701,760	5,833,786	-	-
<u>13,309,871</u>	<u>11,000,377</u>	<u>9,832,457</u>	<u>10,495,157</u>	<u>9,257,762</u>	<u>11,081,765</u>
\$ -	\$ -	\$ -	\$ -	\$ 24,227	\$ 24,900
-	-	-	-	1,723,849	789,628
-	-	-	-	777,191	1,501,397
1,921,268	2,036,376	464,673	315,472	-	-
336,911	191,558	281,777	367,862	-	-
1,099	25	80	118	-	-
9,800	139,356	99,750	21,176	-	-
(1,476,029)	(3,301,577)	(2,049,789)	2,450,581	-	-
<u>793,049</u>	<u>(934,262)</u>	<u>(1,203,509)</u>	<u>3,155,209</u>	<u>2,525,267</u>	<u>2,315,925</u>
<u>\$ 14,102,920</u>	<u>\$ 10,066,115</u>	<u>\$ 8,628,948</u>	<u>\$ 13,650,366</u>	<u>\$ 11,783,029</u>	<u>\$ 13,397,690</u>

City of Rye, New York

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2003	2004	2005	2006
Revenues				
Real Property Taxes	\$ 14,190,747	\$ 15,551,738	\$ 16,197,588	\$ 16,966,643
Non-Property Taxes	1,984,833	2,334,151	2,470,665	2,550,088
Charges for Services	1,240,414	1,054,741	1,180,052	1,372,495
Intergovernmental Charges	69,139	72,775	76,274	69,235
Use of Money and Property	169,772	211,200	482,446	912,595
Licenses and Permits	1,293,981	1,390,634	1,630,044	1,628,357
Fines and Forfeitures	500,773	553,320	540,247	533,102
Sale of Property and Compensation for Loss	63,122	129,600	123,939	89,282
Interfund Revenues	406,574	418,249	404,099	413,628
State Aid	3,062,010	3,321,831	3,772,275	3,664,263
Federal Aid	102,599	15,255	95,935	121,880
Miscellaneous	537,434	113,568	295,813	234,618
Total Revenues	<u>23,621,398</u>	<u>25,167,062</u>	<u>27,269,377</u>	<u>28,556,186</u>
Expenditures				
Current				
General Government	2,618,241	2,916,473	3,063,887	3,346,840
Public Safety	8,720,495	9,831,702	10,373,012	11,281,346
Community Services	5,732,532	6,142,100	6,692,938	7,237,352
Transportation	-	-	-	-
Culture and Recreation	2,967,291	3,499,177	3,559,300	3,720,422
Home and Community Services	-	-	-	-
Debt Service				
Refunding bond issuance costs	-	-	-	-
Principal	83,590	41,525	43,752	64,534
Interest	60,465	56,745	54,717	73,700
Capital Outlay				
General Government	64,597	4,808	8,000	6,789
Public Safety	424,102	12,423	68,369	199,687
Transportation	490,775	852,713	518,722	1,398,098
Culture and Recreation	124,538	-	-	69,983
Home and Community Services	-	-	-	-
Total Expenditures	<u>21,286,626</u>	<u>23,357,666</u>	<u>24,382,697</u>	<u>27,398,751</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,334,772</u>	<u>1,809,396</u>	<u>2,886,680</u>	<u>1,157,435</u>
Other Financing Sources (Uses)				
Bonds Issued	-	-	560,000	-
Refunding Bonds Issued	-	-	-	-
Issuance Premium	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Transfers In	1,004,745	3,923,255	657,707	854,202
Transfers Out	(1,400,115)	(1,196,256)	(2,145,611)	(1,748,777)
Total Other Financing Sources (Uses)	<u>(395,370)</u>	<u>2,726,999</u>	<u>(927,904)</u>	<u>(894,575)</u>
Net Change in Fund Balances	<u>\$ 1,939,402</u>	<u>\$ 4,536,395</u>	<u>\$ 1,958,776</u>	<u>\$ 262,860</u>
Debt Service as a Percentage of Non-Capital Expenditures	0.71%	0.44%	0.41%	0.52%

(1) Beginning in 2008, amounts previously reported in the community environment function have been reallocated and are now being reported within the public safety, transportation and home and community services functions.

2007	2008(1)	2009	2010	2011	2012
\$ 17,849,808	\$ 18,272,135	\$ 19,303,263	\$ 19,750,579	\$ 19,740,731	\$ 20,435,348
2,868,819	2,900,960	2,635,463	2,860,490	2,950,001	2,938,634
1,282,324	1,329,874	1,274,460	1,449,041	1,636,476	1,809,922
73,656	77,799	85,866	82,008	95,651	81,095
1,021,617	473,566	138,398	96,288	342,169	338,569
2,035,050	1,730,742	1,557,660	1,457,462	1,975,596	2,344,563
477,209	583,026	569,770	609,918	617,282	609,247
67,234	108,962	49,377	113,486	95,641	119,983
430,025	432,050	445,759	442,984	441,634	441,634
3,816,573	3,328,874	2,929,553	2,854,696	2,703,865	2,914,810
450,127	47,002	1,100,153	1,043,013	-	595,533
189,884	210,007	332,834	349,608	398,189	950,545
<u>30,562,326</u>	<u>29,494,997</u>	<u>30,422,556</u>	<u>31,109,573</u>	<u>30,997,235</u>	<u>33,579,883</u>
3,670,968	4,333,767	3,901,647	3,478,239	4,772,526	3,622,160
10,984,670	12,890,879	12,736,433	12,883,879	13,835,912	14,340,455
7,257,244	-	-	-	-	-
-	3,177,429	3,183,718	3,234,870	3,430,714	2,972,934
3,770,058	4,101,417	4,127,040	4,048,699	4,201,941	3,885,612
-	4,478,333	4,571,286	4,604,338	4,924,690	5,496,520
-	-	-	9,782	-	-
67,079	71,144	74,242	165,261	221,721	246,918
71,470	137,993	117,539	58,871	187,171	156,428
27,980	13,496	-	-	-	-
16,877	30,401	92,090	779,451	230,062	-
3,055,579	2,337,444	874,498	733,012	552,823	293,946
-	-	-	-	-	-
-	1,064,499	1,426,196	668,909	422,012	985,249
<u>28,921,925</u>	<u>32,636,802</u>	<u>31,104,689</u>	<u>30,665,311</u>	<u>32,779,572</u>	<u>32,000,222</u>
<u>1,640,401</u>	<u>(3,141,805)</u>	<u>(682,133)</u>	<u>444,262</u>	<u>(1,782,337)</u>	<u>1,579,661</u>
-	-	-	4,677,374	-	-
-	-	-	791,579	-	-
-	-	-	56,934	-	-
-	-	-	(838,731)	-	-
3,384,328	2,274,360	1,204,410	1,664,155	939,801	491,839
<u>(4,061,378)</u>	<u>(3,169,360)</u>	<u>(1,959,444)</u>	<u>(1,774,155)</u>	<u>(1,024,801)</u>	<u>(456,839)</u>
<u>(677,050)</u>	<u>(895,000)</u>	<u>(755,034)</u>	<u>4,577,156</u>	<u>(85,000)</u>	<u>35,000</u>
<u>\$ 963,351</u>	<u>\$ (4,036,805)</u>	<u>\$ (1,437,167)</u>	<u>\$ 5,021,418</u>	<u>\$ (1,867,337)</u>	<u>\$ 1,614,661</u>
0.52%	0.68%	0.65%	0.76%	1.27%	1.30%

City of Rye, New York

**Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Real Property Taxes</u>	<u>Sales and Use Taxes</u>	<u>Hotel Occupancy Taxes</u>	<u>Utilities Gross Receipts Taxes</u>	<u>Mortgage Taxes</u>	<u>Total</u>
2003	\$ 14,190,747	\$ 1,475,182	\$ -	\$ 342,196	\$ 1,775,585	\$ 17,783,710
2004	15,551,738	1,801,366	-	342,472	2,161,052	19,856,628
2005	16,197,589	1,908,845	-	358,077	2,389,053	20,853,564
2006	16,966,642	1,957,187	-	369,974	2,084,125	21,377,928
2007	17,849,808	2,079,744	200,303	342,687	2,141,475	22,614,017
2008	18,272,135	2,050,610	177,338	415,118	1,629,182	22,544,383
2009	19,303,262	1,812,360	136,922	415,366	919,732	22,587,642
2010	19,750,579	1,981,208	153,934	431,169	1,261,186	23,578,076
2011	19,740,731	2,051,254	159,001	410,122	1,153,559	23,514,667
2012	20,435,348	2,076,364	155,534	380,553	1,288,232	24,336,031

Source: Comprehensive Annual Financial Report for each respective fiscal year

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. These schedules include:

Assessed Valuation, State Equalization Rate
and Estimated Full Value of Real Property

Property Tax Rates per \$1,000 Assessed Valuation -
All Direct and Overlapping Governments

Principal Taxpayers

Property Tax Levies and Collections

Constitutional Tax Limit

City of Rye, New York

Assessed Valuation, State Equalization Rate, and Estimated Full Value of Real Property Last Ten Fiscal Years

Year	One-Three Family Residential	Condos Co-ops & Apt. Bldgs.	Business (1)	Other (2)	Total Gross Assessed Valuation
2003	\$ 104,744,885	\$ 9,432,278	\$ 23,227,968	\$ 27,328,014	\$ 164,733,145
2004	105,620,685	9,432,278	22,828,518	26,707,568	164,589,049
2005	107,282,955	9,267,278	22,101,168	26,657,528	165,308,929
2006	108,596,155	9,113,041	22,080,105	26,536,484	166,325,785
2007	110,420,885	9,161,821	22,040,490	26,366,361	167,989,557
2008	111,523,385	9,147,881	21,869,050	25,815,312	168,355,628
2009	113,148,100	7,819,866	21,819,700	25,580,843	168,368,509
2010	113,647,740	7,592,163	21,354,351	25,756,508	168,350,762
2011	113,336,975	7,343,964	21,257,429	25,770,920	167,709,288
2012	113,347,445	7,083,655	20,458,446	24,513,427	165,402,973

(1) Includes commercial, industrial, and recreational facilities.

(2) Includes agriculture, vacant land, community service, utility, wetland and parkland, most of which is tax-exempt.

(3) A single direct property tax rate applies to all classes of real property.

Note: Assessed values are established by the City Assessor on September 15th of the prior year and includes Special Franchise Assessments as established by the New York State Board of Equalization and Assessment. For instance, assessed values for fiscal 2012 were established on September 15, 2011.

<u>Exemptions</u>	<u>Total Taxable Assessed Valuation</u>	<u>Direct Tax Rate (3)</u>	<u>Estimated Actual Full Value</u>	<u>Taxable Value as a Percentage of Full Value</u>
\$ (30,058,974)	\$ 134,674,171	\$ 103.55	\$ 4,725,409,509	2.85%
(30,014,099)	134,574,950	113.41	5,097,535,985	2.64%
(29,428,082)	135,880,847	116.80	5,246,364,749	2.59%
(29,376,708)	136,949,077	122.39	5,827,620,298	2.35%
(29,587,882)	138,401,675	127.24	6,407,484,954	2.16%
(29,282,510)	139,073,118	131.49	7,059,549,137	1.97%
(29,053,242)	139,315,267	137.38	7,036,124,596	1.98%
(29,058,445)	139,292,317	139.52	7,180,016,340	1.94%
(29,027,596)	138,681,692	140.87	6,420,448,704	2.16%
(27,666,240)	137,736,733	144.99	6,289,348,539	2.19%

City of Rye, New York

**Property Tax Rates per \$1,000 Assessed Valuation - All Direct and Overlapping Governments
Last Ten Fiscal Years**

Year	City of Rye	Rye City School District	Rye Neck Union Free School District	Westchester County	
				Westchester County	Refuse Disposal District
2003	\$ 103.55	\$ 373.81	\$ -	\$ 104.80	\$ 14.62
	103.55	-	451.69	104.80	14.62
2004	113.41	396.52	-	133.71	16.25
	113.41	-	528.05	133.71	16.25
2005	116.80	416.92	-	124.09	15.12
	116.80	-	529.10	124.09	15.12
2006	122.39	441.85	-	130.43	15.24
	122.39	-	528.51	130.43	15.24
2007	127.24	463.92	-	134.06	15.03
	127.24	-	575.62	134.06	15.03
2008	131.49	490.55	-	141.43	13.61
	131.49	-	626.45	141.43	13.61
2009	137.38	500.20	-	146.28	13.89
	137.38	-	647.88	146.28	13.89
2010	139.52	507.31	-	158.12	15.12
	139.52	-	672.72	158.12	15.12
2011	140.87	520.54	-	156.86	15.34
	140.87	-	696.64	156.86	15.34
2012	144.99	529.68	-	162.12	15.84
	144.99	-	737.53	162.12	15.84

Source: City of Rye Comptroller's Office

Blind Brook Sewer District	Mamaroneck Sewer District	Total County	Total with Rye City School District	Total with Rye Neck Union Free School District
\$ 14.68	\$ -	\$ 134.10	\$ 611.46	\$ -
-	16.01	135.43	-	690.67
17.05	-	167.01	676.94	-
-	17.96	167.92	-	809.38
17.51	-	156.71	690.44	-
-	17.82	157.03	-	802.93
19.68	-	165.35	729.59	-
-	19.87	165.54	-	816.44
20.56	-	169.65	760.81	-
-	23.14	172.23	-	875.09
20.90	-	175.94	797.98	-
-	23.92	178.96	-	936.90
21.15	-	181.32	818.90	-
-	25.15	185.32	-	970.58
21.87	-	195.11	841.94	-
-	25.15	198.39	-	1,010.63
21.62	-	193.82	855.23	-
-	28.80	201.00	-	1,038.51
22.32	-	200.28	874.95	-
-	28.92	206.88	-	1,089.40

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City of Rye, New York

Principal Taxpayers
December 31, 2012 and 2003

2012				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Total Taxable Assessed Valuation
1	Consolidated Edison	Public Utility	\$ 3,065,518	2.23%
2	Miriam Osborn Memorial Home	Retirement Community	2,133,120	1.55%
3	United Water	Public Utility	928,665	0.67%
4	Parsonage Investment Co.	SFR & Vacant Land	782,550	0.57%
5	Avon Products	Office Building + Lot	673,310	0.49%
6	Faros Corporate Center	Office Building	668,000	0.48%
7	Rye Colony Apartments	Cooperative	620,130	0.45%
8	Milton Harbor House	Cooperative	567,450	0.41%
9	Blind Brook Lodge Owners, Inc.	Cooperative	537,692	0.39%
10	Shenorock Shore Club	Private Club	485,900	0.35%
	Total		<u>\$ 10,462,335</u>	<u>7.59%</u>

2003				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Total Taxable Assessed Valuation
1	Consolidated Edison	Public Utility	\$ 2,834,759	2.10%
2	Miriam Osborn Memorial Home	Retirement Community	2,642,300	1.96%
3	The Gateside-Rye Co.	Office Building	1,003,700	0.75%
4	Milton Harbor House	Cooperative	945,995	0.70%
5	Aquarion Water Company	Office Building	857,428	0.64%
6	411 Theodore Fremd Assoc.	Office Building	770,300	0.57%
7	Parsonage Investment Co.	Residential	734,800	0.55%
8	Zubrik, Nadja Olga	Cooperative	725,700	0.54%
9	Rye Colony Apartments	Cooperative	718,807	0.53%
10	Blind Brook Lodge Owners, Inc.	Cooperative	618,162	0.46%
	Total		<u>\$ 11,851,951</u>	<u>8.80%</u>

Source: City of Rye Assessor's Office.

City of Rye, New York

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Uncollected within the Fiscal Year of the Levy		Collected in Subsequent Years
		Amount	Percent	Amount	Percent	
2003	\$ 13,894,248	\$ 13,837,617	99.59%	\$ 56,631	0.41%	\$ 55,932
2004	15,254,280	15,235,508	99.88%	18,772	0.12%	18,006
2005	15,900,190	15,868,141	99.80%	32,049	0.20%	31,261
2006	16,869,097	16,787,177	99.51%	81,920	0.49%	81,094
2007	17,706,559	17,654,153	99.70%	52,406	0.30%	51,531
2008	18,387,932	18,318,242	99.62%	69,690	0.38%	67,691
2009	19,241,273	19,136,162	99.45%	105,111	0.55%	104,101
2010	19,625,486	19,555,272	99.64%	70,214	0.36%	68,010
2011	19,658,891	19,584,532	99.62%	74,359	0.38%	55,870
2012	20,268,674	20,195,369	99.64%	73,305	0.36%	34,067

Source: City of Rye Comptroller's Office

<u>Total Collected to Date</u>		<u>Total Uncollected to Date</u>		<u>Tax Liens</u>	<u>Percent of Tax Liens to Tax Levy</u>
<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>		
\$ 13,893,549	99.99%	\$ 699	0.01%	\$ 566,332	4.08%
15,253,514	99.99%	766	0.01%	458,255	3.00%
15,899,402	99.99%	788	0.01%	288,286	1.81%
16,868,271	99.99%	826	0.01%	186,887	1.11%
17,705,684	99.99%	875	0.01%	258,076	1.46%
18,385,933	99.99%	1,999	0.01%	430,138	2.34%
19,240,263	99.99%	1,010	0.01%	443,621	2.31%
19,623,282	99.99%	2,204	0.01%	666,679	3.40%
19,640,402	99.91%	18,489	0.09%	577,105	2.94%
20,229,436	99.81%	39,238	0.19%	588,151	2.90%

City of Rye, New York

Constitutional Tax Limit

Constitutional tax limit calculation, December 31, 2012

Full valuation, last five fiscal years	
2012	\$ 6,289,348,539
2011	6,420,448,704
2010	7,180,016,340
2009	7,036,124,596
2008	7,059,549,137
Total full valuation, last five years	<u>33,985,487,316</u>
Five-year average full valuation	<u>6,797,097,463</u>
Constitutional tax limit: 2% of five-year average full valuation	<u>\$ 135,941,949</u>
Tax levy - general city purposes	\$ 20,268,674
Total exclusions ¹	<u>2,209,146</u>
Tax levy subject to tax limit	<u>\$ 18,059,528</u>
Percent of constitutional tax limit exhausted	<u>13.28%</u>
Constitutional tax margin	<u>\$ 117,882,421</u>

Constitutional Tax Limit - Last Ten Fiscal Years

Year	Constitutional Tax Limit	Tax Levy Subject to Tax Limit	Constitutional Tax Margin	Percent Exhausted
2003	57,380,040	12,224,328	45,155,712	21.30%
2004	66,667,867	13,379,755	53,288,112	20.07%
2005	86,967,321	12,534,148	74,433,173	14.41%
2006	97,665,203	13,536,961	84,128,242	13.86%
2007	109,217,662	11,596,583	97,621,079	10.62%
2008	118,554,221	9,272,883	109,281,338	7.82%
2009	126,308,575	15,489,470	110,819,105	12.26%
2010	134,043,181	9,462,610	124,580,571	7.06%
2011	136,414,495	17,105,703	119,308,792	12.54%
2012	135,941,949	18,059,528	117,882,421	13.28%

¹ The constitutional tax limit specifically excludes debt service related to bonds and notes issued for certain specific purposes, and also excludes budgetary appropriations in the forthcoming year's budget for objects or purposes for which a period of probable usefulness is provided for in Section 11 of the New York State Local Finance Law.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. These schedules include:

Ratios of Outstanding Debt by Type

Direct and Overlapping Governmental Activities Debt

Computation of Legal Debt Margin

Calculation of Charter Bonded Debt Limits

City of Rye, New York

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Loans Payable	Total Outstanding Debt	Estimated Full Property Value	Percentage of Full Property Value	Population (1)
Governmental Activities						
2003	\$ 10,855,000	\$ 2,950,000	\$ 13,805,000	\$ 4,725,409,509	0.29%	15,066
2004	12,073,013	-	12,073,013	5,097,535,985	0.24%	15,043
2005	17,941,013	-	17,941,013	5,246,364,749	0.34%	14,992
2006	17,153,013	5,120,427	22,273,440	5,827,620,298	0.38%	14,992
2007	16,345,000	4,856,748	21,201,748	6,407,484,954	0.33%	15,109
2008	15,500,000	4,580,956	20,080,956	7,059,549,137	0.28%	15,242
2009	14,625,000	4,292,493	18,917,493	7,036,124,596	0.27%	16,737
2010	19,407,374	-	19,407,374	7,180,016,340	0.27%	15,091
2011	18,315,000	-	18,315,000	6,420,448,704	0.29%	15,720
2012	17,150,000	-	17,150,000	6,289,348,539	0.27%	15,834
Business-Type Activities						
2003	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 4,725,409,509	0.11%	15,066
2004	4,610,000	-	4,610,000	5,097,535,985	0.09%	15,043
2005	4,210,000	-	4,210,000	5,246,364,749	0.08%	14,992
2006	3,975,000	-	3,975,000	5,827,620,298	0.07%	14,992
2007	3,730,000	-	3,730,000	6,407,484,954	0.06%	15,109
2008	3,470,000	-	3,470,000	7,059,549,137	0.05%	15,242
2009	3,200,000	-	3,200,000	7,036,124,596	0.05%	16,737
2010	2,840,000	-	2,840,000	7,180,016,340	0.04%	15,091
2011	2,530,000	-	2,530,000	6,420,448,704	0.04%	15,720
2012	2,210,000	-	2,210,000	6,289,348,539	0.04%	15,834
Total Government-Wide						
2003	\$ 15,855,000	\$ 2,950,000	\$ 18,805,000	\$ 4,725,409,509	0.40%	15,066
2004	16,683,013	-	16,683,013	5,097,535,985	0.33%	15,043
2005	22,151,013	-	22,151,013	5,246,364,749	0.42%	14,992
2006	21,128,013	5,120,427	26,248,440	5,827,620,298	0.45%	14,992
2007	20,075,000	4,856,748	24,931,748	6,407,484,954	0.39%	15,109
2008	18,970,000	4,580,956	23,550,956	7,059,549,137	0.33%	15,242
2009	17,825,000	4,292,493	22,117,493	7,036,124,596	0.31%	16,737
2010	22,247,374	-	22,247,374	7,180,016,340	0.31%	15,091
2011	20,845,000	-	20,845,000	6,420,448,704	0.32%	15,720
2012	19,360,000	-	19,360,000	6,289,348,539	0.31%	15,834

(1) United States Census Bureau

Source: City Comptroller's Office

<u>Debt Per Capita</u>	<u>Per Capita Personal Income (1)</u>	<u>Estimated Total Personal Income</u>	<u>Percentage of Estimated Total Personal Income</u>
\$ 916	\$ 76,566	\$ 1,153,543,356	1.20%
803	76,566	1,151,782,338	1.05%
1,197	76,566	1,147,877,472	1.56%
1,486	76,566	1,147,877,472	1.94%
1,403	76,566	1,156,835,694	1.83%
1,317	76,566	1,167,018,972	1.72%
1,130	76,566	1,281,485,142	1.48%
1,286	92,737	1,399,494,067	1.39%
1,165	93,072	1,463,091,840	1.25%
1,083	94,207	1,491,673,638	1.15%
\$ 332	\$ 76,566	\$ 1,153,543,356	0.43%
306	76,566	1,151,782,338	0.40%
281	76,566	1,147,877,472	0.37%
265	76,566	1,147,877,472	0.35%
247	76,566	1,156,835,694	0.32%
228	76,566	1,167,018,972	0.30%
191	76,566	1,281,485,142	0.25%
188	92,737	1,399,494,067	0.20%
161	93,072	1,463,091,840	0.17%
140	94,207	1,491,673,638	0.15%
\$ 1,248	\$ 76,566	\$ 1,153,543,356	1.63%
1,109	76,566	1,151,782,338	1.45%
1,478	76,566	1,147,877,472	1.93%
1,751	76,566	1,147,877,472	2.29%
1,650	76,566	1,156,835,694	2.16%
1,545	76,566	1,167,018,972	2.02%
1,321	76,566	1,281,485,142	1.73%
1,474	92,737	1,399,494,067	1.59%
1,326	93,072	1,463,091,840	1.42%
1,223	94,207	1,491,673,638	1.30%

City of Rye, New York

Direct and Overlapping Governmental Activities Debt

December 31, 2012

<u>Government Unit</u>	<u>Net General Long-Term Debt</u>	<u>Percentage Applicable City of Rye(1)</u>	<u>Amount Applicable to City of Rye</u>
City of Rye School District	\$ 27,615,000	100.00%	\$ 27,615,000
Rye Neck Union Free School District	8,940,000	31.01%	2,772,294
Westchester County	1,012,426,483	4.11%	41,578,422
Subtotal, Overlapping Debt			71,965,716
City Direct Debt (2)			17,150,000
Total Direct and Overlapping Debt			<u>\$ 89,115,716</u>
Population			<u>15,834</u>
Overlapping Debt Per Capita			<u>\$ 4,545</u>
Direct and Overlapping Debt Per Capita			<u>\$ 5,628</u>

Summary of Direct and Overlapping Governmental Activities Debt
Last Ten Fiscal Years

<u>Year</u>	<u>Overlapping Debt</u>	<u>City Direct Debt</u>	<u>Direct and Overlapping Debt</u>	<u>Population</u>	<u>Overlapping Debt Per Capita</u>	<u>Direct and Overlapping Debt Per Capita</u>
2003	\$ 42,615,261	\$ 13,805,000	\$ 56,420,261	15,066	\$ 2,829	\$ 3,745
2004	44,281,289	12,073,013	56,354,302	15,043	2,944	3,746
2005	59,230,087	17,941,013	77,171,100	14,992	3,951	5,147
2006	58,690,542	22,273,440	80,963,982	14,992	3,915	5,400
2007	56,889,611	21,201,748	78,091,359	15,109	3,765	5,169
2008	72,272,509	20,080,956	92,353,465	15,242	4,742	6,059
2009	69,394,614	18,917,493	88,312,107	16,737	4,146	5,276
2010	61,092,502	19,407,374	80,499,876	15,091	4,048	5,334
2011	72,521,155	18,315,000	90,836,155	15,720	4,613	5,778
2012	71,965,716	17,150,000	89,115,716	15,834	4,545	5,628

(1) The percentage of overlapping debt applicable is estimated using taxable assessed values.

Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the government's boundaries and dividing it by the City's total taxable assessed value.

(2) Represents governmental activities debt only.

Sources: Outstanding debt and applicable percentages provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Rye.

This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

City of Rye, New York

Computation of Legal Debt Margin
December 31, 2012

Fiscal Year	Net Assessed Valuation	State Equalization Rate	Full Valuation
2012	\$ 137,736,733	2.19%	\$ 6,289,348,539
2011	138,681,692	2.16%	\$ 6,420,448,704
2010	139,292,317	1.94%	7,180,016,340
2009	139,315,267	1.98%	7,036,124,596
2008	139,073,118	1.97%	<u>7,059,549,137</u>
Total Five Year Full Valuation			<u>33,985,487,316</u>
Five Year Average Full Valuation of Taxable Real Property			<u>6,797,097,463</u>
Constitutional Debt Limit (7% of Average Full Valuation)			<u>475,796,822</u>
Outstanding Indebtedness at December 31st			19,360,000
Less: 2013 Appropriations for Debt Principal			<u>1,525,000</u>
Net Indebtedness Subject to Debt Limit			<u>17,835,000</u>
Net Debt Contracting Margin			<u>\$ 457,961,822</u>
Percentage of Net Debt Contracting Margin Available			<u>96.25%</u>
Percentage of Net Debt Contracting Power Exhausted			<u>3.75%</u>

Last Ten Fiscal Years

Year	Constitutional Debt Limit	Outstanding Indebtedness December 31	Less Appropriations for Debt Principal	Indebtedness Subject to Debt Limit	Net Debt Contracting Margin	Percentage of Net Debt Contracting Margin Available
2003	\$ 232,575,661	\$ 15,855,000	\$ 880,000	\$ 14,975,000	\$ 217,600,661	93.56%
2004	270,250,344	15,377,425	1,022,652	14,354,773	255,895,571	94.69%
2005	304,385,625	22,151,013	1,019,974	21,131,039	283,254,586	93.06%
2006	341,828,209	26,248,440	1,092,221	25,156,219	316,671,990	92.64%
2007	382,261,817	24,931,748	1,173,948	23,757,800	358,504,017	93.78%
2008	414,939,772	23,550,956	1,217,116	22,333,840	392,605,932	94.62%
2009	442,080,012	22,117,493	1,224,767	20,892,726	421,187,286	95.27%
2010	469,151,135	22,247,374	1,322,828	20,924,546	448,226,589	95.54%
2011	477,450,732	20,845,000	1,406,137	19,438,863	458,011,869	95.93%
2012	475,796,822	19,360,000	1,525,000	17,835,000	457,961,822	96.25%

City of Rye, New York

Calculation of Charter Bonded Debt Limits
December 31, 2012

In addition to the legal debt margin, the City Charter places limitations on the issuance of new debt (see Section C21-9 of the City of Rye Code). The City Council can authorize the issuance of debt not exceeding 5% of the average gross annual budget for the preceding three years. Debt exceeding 5% but not in excess of 10% is subject to a permissive referendum. Debt in excess of 10% requires approval of the voting public in a general or special election.

In addition to other exemptions, the City Charter provides a limited exemption of \$1 million per year to an aggregate maximum outstanding of \$2.5 million, for debt issued for public safety purposes and disaster rebuilding purposes.

For purposes of this calculation, "gross annual budget" is defined as the total appropriations of the General Fund, the Cable TV Special Revenue Fund, and the enterprise funds (Boat Basin Fund and Golf Club Fund). All other fund budgets - the K.T. Woods Permanent Fund, the Debt Service Fund, the Capital Projects Fund, and the internal service funds (Risk Retention Fund and Building and Vehicle Maintenance Fund) are not included in the calculation, as their budgets are supported primarily by revenues and transfers charged to other funds.

Fund:	Gross Annual Budgets (As Adopted)			
	2010	2011	2012	
General Fund	\$ 29,935,216	\$ 29,946,910	\$ 29,937,271	
Cable TV Fund	299,033	322,711	396,784	
Boat Basin Fund	726,789	662,223	1,123,751	
Golf Club Fund	7,679,398	7,832,681	7,305,049	
Total gross annual budgets	\$ 38,640,436	\$ 38,764,525	\$ 38,762,855	
Total of preceding three years' gross annual budgets			\$ 116,167,816	
Average of preceding three years' gross annual budgets			\$ 38,722,605	
	Subject to City Council Vote	Subject to Permissive Referendum	Public Safety Exemption	Disaster Rebuilding Exemption
Maximum charter bonding limit	\$ 1,946,547	\$ 3,893,095	\$ 2,500,000	\$ 2,500,000
Less outstanding principal at December 31, 2012:				
2000 Serial Bonds	(175,795)	(567,307)	-	-
2001 Serial Bonds	(300,666)	(110,063)	-	-
2002 Serial Bonds	-	(516,826)	-	-
2005 Serial Bonds	-	(119,096)	(355,072)	-
2010 Serial Bonds	(1,269,341)	(654,641)	(1,150,298)	-
Charter bonding limit December 31, 2012	\$ 200,745	\$ 1,925,162	\$ 994,630	\$ 2,500,000

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. These schedules include:

Demographic and Economic Statistics

Principal Employers

City of Rye, New York

Demographic and Economic Statistics Last Ten Fiscal Years

Year	Population ¹	Median Age ²	Per Capita Income ²	Median Household Income ²	Median Family Income ²	Median Residential Home Value ³	Unemployment Rate ⁴
2003	15,066	38.1	76,566	110,894	133,231	950,000	4.6%
2004	15,043	38.1	76,566	110,894	133,231	1,070,000	4.5%
2005	14,992	38.1	76,566	110,894	133,231	1,225,000	4.1%
2006	14,992	38.1	76,566	110,894	133,231	1,179,000	3.7%
2007	15,109	38.1	76,566	110,894	133,231	1,455,000	3.7%
2008	15,242	38.1	76,566	110,894	133,231	1,460,000	5.7%
2009	16,737	38.1	76,566	110,894	133,231	1,350,000	6.9%
2010(5)	15,091	38.1	92,737	145,990	207,773	1,255,000	6.7%
2011	15,720	40.8	93,072	146,069	209,149	1,448,750	6.5%
2012	15,834	40.8	94,207	149,973	216,810	1,440,000	6.2%

Sources:

- ¹ United States Census Bureau.
- ² United States Census Bureau 2010 Census.
- ³ City of Rye Assessor's office. 2012 median based on sales through mid-November 2012.
- ⁴ United States Bureau of Labor Statistics unemployment rates for Westchester County not seasonally adjusted.
- ⁵ United States Census Bureau's American Community Survey (2005-2009).

City of Rye, New York

Principal Employers

Fiscal Year Ended December 31, 2004¹

<u>Employer</u>	<u>Industry</u>	<u>Number of Employees</u>
Playland	Amusement Park	596
Osborne Retirement Home	Retirement Community	480
Avon Products	Retail Cosmetics	400
Rye City School District	Education	377
Lynch Interactive Corp.	Telecommunications	328
Apawamis Club	Private Club	200
Shenorock Shore Club	Private Club	200
Mobius Management Systems Inc.	Computer Technology	175
Rye Country Day School	Education	160
Lillian Vernon Corp	Catalog and Mail Order Sales	150

¹ No data available prior to or after fiscal 2004. No data on total employment available.

Source: Westchester County Planning Department

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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. These schedules include:

Full-Time Equivalent Employees by Program

Operating Indicators by Program

Capital Asset Statistics by Program

City of Rye, New York

Full-Time Equivalent Employees by Program
Last Ten Fiscal Years

<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Community Environment (1)</u>	<u>Transportation (1)</u>	<u>Culture and Recreation</u>
2003	20	63	64	n/a	26
2004	21	62	64	n/a	23
2005	20	62	64	n/a	25
2006	18	61	65	n/a	23
2007	21	61	64	n/a	21
2008	30	64	n/a	16	22
2009	18	59	n/a	20	22
2010	18	59	n/a	20	22
2011	14	57	n/a	19	19
2012	14	55	n/a	17	17

(1) Beginning in 2008, employees previously reported in the community environment function have been reallocated and are now being reported within the public safety, transportation and home and community services functions.

Source: Annual City Budget

<u>Home and Community Svs (1)</u>	<u>Total</u>
n/a	173
n/a	170
n/a	171
n/a	167
n/a	167
34	166
44	163
44	163
39	148
41	144

City of Rye, New York

Operating Indicators by Program Last Ten Fiscal Years

	2003	2004	2005	2006
General Government				
Primary elections	1	2	1	1
General elections	1	1	1	1
Special elections	-	1	1	1
Public Safety				
Number of police personnel and officers	45	45	45	44
Number of police calls for service	15,314	14,758	14,446	12,923
Number of parking violations issued	10,050	8,595	9,684	8,209
Number of paid firefighters	18	17	17	17
Number of volunteer firefighters	200	200	200	200
Number of fire alarms answered	839	803	882	1,068
Number of fire inspections performed	441	503	428	356
Number of school crossing guards	8	8	8	8
Home and Community Services				
Tons collected and disposed				
Solid waste	6,735	7,153	6,891	7,010
Green waste	824	1,060	975	1,245
Metal	195	213	175	328
Pulp	1,964	1,906	1,878	1,867
Co-mingled	585	588	609	608
Leaves	450	450	N/A	1,470
Number of tires collected and disposed*	9	4	3	2
Number of shade trees				
Planted	37	41	31	42
Removed	41	51	93	164
Trimmed	361	183	420	160
Emergency calls	90	50	160	284
Stumps ground	38	88	26	162
Culture and Recreation				
Registrations for adult programs	1,109	1,219	1,058	1,086
Picnics**	4,069	6,497	5,429	5,859
Registrations for senior citizen programs	3,564	3,740	3,430	3,489
Registrations for special events	5,540	5,876	5,937	6,881
Tennis permits issued	508	529	437	453
Registrations for youth programs	3,189	3,652	3,771	3,817
Registrations for youth sports	4,058	4,197	4,275	4,838

Note: "N/A" indicates data not available.

Sources: Departmental annual reports to the City Manager.

*County stopped collecting used tires. City must now pay to dispose of them.

** Changed to number of picnic events beginning in 2012

2007	2008	2009	2010	2011	2012
1	1	1	1	1	1
1	1	1	1	1	1
1	-	-	-	-	-
44	44	42	42	40	39
12,182	14,004	12,841	16,252	14,845	13,829
9,300	12,739	11,752	11,829	11,930	10,539
17	17	17	17	17	17
200	225	120	120	112	170
1,150	855	821	957	951	1,134
428	442	471	478	485	115
8	8	8	10	9	8
7,419	5,836	5,645	5,806	5,935	5,598
3,006	3,199	3,554	2,863	4,326	5,685
194	155	134	111	97	76
1,864	1,934	1,714	1,739	1,673	1,627
665	770	800	794	787	734
N/A	N/A	N/A	N/A	N/A	N/A
2	4	1	1	1	-
55	115	-	5	7	8
235	239	268	95	219	134
379	468	404	253	329	265
55	86	44	75	126	289
139	154	135	66	135	125
1,170	1,402	1,307	1,130	1,092	1,428
5,833	4,103	2,516	3,922	N/A	75
6,410	7,445	6,668	6,729	6,511	5,144
6,006	5,051	4,848	4,795	4,509	4,065
425	412	444	406	416	507
4,747	5,486	5,270	3,674	2,998	1,810
5,012	4,727	4,853	5,109	4,842	4,231

City of Rye, New York

Capital Asset Statistics by Program
Last Ten Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Government				
Number of general government buildings	1	1	1	1
Public Safety				
Number of police stations	1	1	1	1
Number of fire stations	2	2	2	2
Number of traffic lights	23	23	23	23
Transportation				
Miles of streets	71	71	71	71
Number of street lights	2,105	2,105	2,105	2,105
Culture and Recreation				
Number of recreation centers	1	1	1	1
Number of parks	3	3	3	3
Acres of parks	75	75	75	75
Number of golf courses	1	1	1	1
Number of swimming pools	1	1	1	1
Number of nature centers	1	1	1	1
Number of cable television channels	2	2	2	2
Number of boat basin slips	412	412	412	412
Home and Community Services				
Miles of sanitary sewers	53	53	53	53
Number of pump stations	6	6	6	6
Miles of storm drains	30	30	30	30

Source: Various City Departments

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
23	23	23	23	23	23
71	71	71	71	71	71
2,105	2,105	2,105	2,105	2,105	2,105
1	1	1	1	1	1
3	3	3	3	3	3
75	75	75	75	75	75
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
412	412	412	412	412	412
53	53	53	53	53	53
6	6	6	6	6	6
30	30	30	30	30	30

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FEDERAL AWARDS

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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

**The Honorable Mayor and City Council
of the City of Rye, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rye, New York ("City") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 7, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the City in a separate letter.

Purpose of this Report

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

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

May 7, 2013

**Report on Compliance For Each Major Federal Program and on
Internal Control Over Compliance**

Independent Auditors' Report

**The Honorable Mayor and City Council
of the City of Rye, New York**

Report on Compliance for Each Major Federal Program

We have audited the City of Rye, New York's ("City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2012. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
May 7, 2013

City of Rye, New York

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2012

<u>Federal Grantor</u> <u>Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number (1)</u>	<u>Federal</u> <u>Program</u> <u>Expenditures</u>
<u>U.S. Department of Justice</u>		
Direct Program		
Bullet Proof Vest Partnership Program	16.607	<u>\$ 681</u>
<u>U.S. Department of Homeland Security</u>		
Indirect Program - Passed through New York State Emergency Management Office		
Disaster Grant - Public Assistance	97.036	<u>640,344</u>
		<u>\$ 641,025</u>

(1) Catalog of Federal Domestic Assistance number.

City of Rye, New York

Notes to Schedule of Expenditures of Federal Awards
December 31, 2012

NOTE A - SUMMARY OF ACCOUNTING POLICIES

1. *Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards presents all activity of all federal awards programs for the year ended December 31, 2012. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the Schedule.

2. *Summary of Significant Accounting Policies*

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.

3. *Relationship to Financial Statements*

The City's fund financial statements are presented using the modified accrual basis of accounting.

City of Rye, New York

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2012

None

City of Rye, New York

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2012**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified Yes No
- Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

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

Type of auditors' report issued on compliance for major programs

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

Yes No

Identification of major programs

CFDA Number(s)

Name of Federal Program or Cluster

97.036

Disaster Grant – Public Assistance

Dollar threshold used to distinguish between Type A and Type B programs
Auditee qualified as low-risk auditee?

\$300,000
 Yes No

City of Rye, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2012

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

City of Rye, New York

Communication of Internal Control Matters Identified in the
Audit to Those Charged with Governance and Management

December 31, 2012

**Communication of Internal Control Matters Identified in the Audit to
Those Charged with Governance and Management**

The Honorable Mayor,
Members of the City Council and
City Manager
City of Rye, New York
1051 Boston Post Road
Rye, New York 10580

Auditors' Communication on Internal Control

In planning and performing our audit of the basic financial statements of the City of Rye, New York ("City") as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, as indicated in the attached Addendum A, we share for your consideration other observations about the internal control and operations.

This communication and addenda are intended solely for the information and use of management and the City Council and are not intended to be and should not be used by anyone other than these specified parties. We will be pleased to discuss these communications and comments in further detail at your convenience, or to assist you in implementing the recommendations.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
May 7, 2013

City of Rye, New York

Communication of Matters Identified in the Audit to Those Charged with Governance

**The Honorable Mayor,
Members of the City Council and
City Manager**

We have audited the financial statements of the City of Rye, New York ("City") as of and for the year ended December 31, 2012, and have issued our report thereon dated May 7, 2013. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated December 12, 2011, as amended by an addendum dated March 11, 2013. This letter provides additional required communications related to our audit.

Our responsibility under professional standards

Our responsibility is to form and express an opinion about whether the financial statements, which are the responsibility of management, are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). Those individuals charged with governance of the City are responsible for the oversight of the financial reporting process, and our audit does not relieve management and those charged with governance of their respective responsibilities.

Our responsibility for the supplementary information accompanying the financial statements is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

With respect to such supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with US GAAP, the method of preparing it has not changed from the prior year, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

In connection with our audit, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the City's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the City's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements.

City of Rye, New York

Communication of Matters Identified in the Audit to Those Charged with Governance

Planned scope and timing of the audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Qualitative aspects of significant accounting practices

Significant accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. There has been no initial selection of accounting policies and no changes in significant accounting policies or their application during the reporting period that had a significant impact on the financial statements. No matters have come to our attention that would require us to inform you about (1) the methods used to account for significant unusual transactions, and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant accounting estimates

Accounting estimates made by management are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Actual results could differ from those estimates.

Certain accounting estimates are particularly sensitive because of their significance to financial statements and their susceptibility to change, such as:

- Actuarial assumptions related to the Other Post Employment Benefit Obligations ("OPEB")
- Asset lives for depreciable capital assets
- Estimates of certain receivable balances and allowances for uncollectible amounts
- Estimates for certain operating and long-term liabilities

Management believes that the estimates used and assumptions made are adequate based on the information currently available. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements as a whole.

Financial statement disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements relate to:

- Pension plan information
- Other post employment benefit obligations payable
- Outstanding bonded indebtedness
- Fund balances

The financial statement disclosures are consistent and clear.

City of Rye, New York

Communication of Matters Identified in the Audit to Those Charged with Governance

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and corrected misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management.

We are required to communicate to you misstatements that remain uncorrected, including any related to prior periods, and the effect, if any, that they may have on the opinion in our report, and request their correction.

There are no such financial statement misstatements that remain uncorrected.

In addition, we are required to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The adjusting journal entries following this communications letter summarize the material misstatements that were corrected by management.

Disagreements with management

For purposes of this letter, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations requested from management

We have requested certain written representations from management in a separate letter.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other matters discussed with management

We generally discuss with management a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the City, and plans and strategies that may affect the risks of material misstatement. None of the matters discussed and our responses thereto were a condition to our retention as auditors.

We have provided our comments regarding deficiencies and other matters noted during our audit in the attached addenda.

City of Rye, New York

Communication of Matters Identified in the Audit to
Those Charged with Governance

Auditor independence

We affirm that O'Connor Davies, LLP is independent with respect to the City in accordance with professional standards.

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

Client: **545046.001 - City of Rye**
 Engagement: **545046 - City of Rye**
 Period Ending: **12/31/2012**
 Trial Balance: **7110 - General**
 Workpaper: **Adjusting Journal Entries Report - General**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 6				
to reclass advances to BLDG & Vehicle for financial statement purposes				
39166	DUE FROM BLDG & VEHICLE		715,897.00	
88914	RSV FOR ADVANCES		708,702.00	
39966	ADV DUE FROM B&V FUND			715,897.00
909	UNDESIGNATED FUND BALANCE			708,702.00
Total			<u>1,424,599.00</u>	<u>1,424,599.00</u>
Adjusting Journal Entries JE # 7				
client entry to adjust reserve for worker comp				
814	RESERVE FOR WORKERS COMP		210,000.00	
909	UNDESIGNATED FUND BALANCE			210,000.00
Total			<u>210,000.00</u>	<u>210,000.00</u>
Adjusting Journal Entries JE # 8				
to adjust encumbrances per analysis				
821	BUD FB RSV FOR ENCUMBRANCES	6000.01	15,000.00	
521	ENCUMBRANCES			15,000.00
Total			<u>15,000.00</u>	<u>15,000.00</u>
Adjusting Journal Entries JE # 9				
to adjust reserve for prepaid to agreed to schedule				
889	RESERVE FOR PREPAID EXP	01.480	182.00	
909	UNDESIGNATED FUND BALANCE			182.00
Total			<u>182.00</u>	<u>182.00</u>
Adjusting Journal Entries JE # 10				
To accrued for hurricane Sandy				
41002	DUE FROM STATE GOVERNMENT	01.410a	311,897.00	
4960	FEDERAL AID EMER DISASTER			311,897.00
Total			<u>311,897.00</u>	<u>311,897.00</u>

Client: 545046.001 - City of Rye
 Engagement: 545046 - City of Rye
 Period Ending: 12/31/2012
 Trial Balance: 7120.00 - Capital Fund
 Workpaper: 1300.00B - Capital Fund - AJE Published

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 2				
to adjust fed aid receivable to final cost reimbursement request -client provided entry				
4597	FEDERAL AID TRANSPRTATION		28,716.00	
41001	DUE FROM FEDERAL GOVT			28,716.00
Total			<u><u>28,716.00</u></u>	<u><u>28,716.00</u></u>
Adjusting Journal Entries JE # 3				
client entry to accrue Cty aid to match expenditures				
44001	due from Westchester Cty		471,080.00	
277050	Westchester County Aid			471,080.00
Total			<u><u>471,080.00</u></u>	<u><u>471,080.00</u></u>

Client: **545046.001 - City of Rye**
 Engagement: **545046 - City of Rye**
 Period Ending: **12/31/2012**
 Trial Balance: **Building and Vehicle Maintenance Fund**
 Workpaper: **1300.00C - BVM Fund - AJE Report Published**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 3		9215.00		
to amortize deferred bond costs				
54917	ISSUANCE COSTS AMORTIZATION		7,530.00	
66 485	DEFERRED CHRGS - ISSUE COST			7,530.00
Total			7,530.00	7,530.00
Adjusting Journal Entries JE # 4				
to amortize deferred charges on loss and premium of refunding				
66 62802	DEF CHGS - PREMIUM ON REFUNDIN		43,827.00	
66 62801	DEF CHGS - LOSS ON REFUNDING			35,924.00
7 57010	SERIAL BOND INTEREST			7,903.00
Total			43,827.00	43,827.00
Adjusting Journal Entries JE # 5		03.909		
to adjust advance from general fund				
66 63911	ADV DUE TO GENERAL FUND		715,897.00	
66 63011	DUE TO GENERAL FUND			715,897.00
Total			715,897.00	715,897.00
Adjusting Journal Entries JE # 6				
to adjust opening retained earnings to agree to PY FS.				
4 54223	ELECTRIC (UTILITY)		4.00	
66 909	UNDESIGNATED FUND BALANCE			4.00
Total			4.00	4.00
Adjusting Journal Entries JE # 8		9700.01		
Client Entry - To adjust OPEB payable to agree to OPEB report				
1 58070	OPEB EXPENSE		204,268.00	
66 602	OPEB PAYABLE			204,268.00
Total			204,268.00	204,268.00

Client: 545046.001 - City of Rye
 Engagement: 545046 - City of Rye
 Period Ending: 12/31/2012
 Trial Balance: Boat Basin Fund
 Workpaper: 1300.00D - Boat Basin Fund - AJE Report Published

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 2		9700.01		
client entry to adjust OPEB payable to agree to OPEB report				
58070	OPEB EXPENSE		21,424.00	
602	OPEB PAYABLE			21,424.00
Total			21,424.00	21,424.00
Adjusting Journal Entries JE # 3		01.1102		
To fully depreciate 1999 & 2000 marina dredging project still on the City's books that should have been fully depreciated in 7 years per capitalization policy				
53113	DEPREC EXP IMPROVEMENTS		176,317.00	
113	ACCUM DEPREC IMPROVEMENTS			176,317.00
Total			176,317.00	176,317.00

Client: 545046.001 - City of Rye
 Engagement: 545046 - City of Rye
 Period Ending: 12/31/2012
 Trial Balance: Golf Club Fund
 Workpaper: 1300.00E - Golf Fund - AJE Report Published

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 4		9215.00		
to amortize deferred issuance cost				
627801 54917	ISSUANCE COSTS AMORTIZATION		3,213.00	
485	DEFERRED CHRGS - ISSUE COST			3,213.00
Total			3,213.00	3,213.00
Adjusting Journal Entries JE # 5		9215.00		
to amortize deferred charges on loss and premium of refunding				
62802	DEF CHGS - PREMIUM ON REFUNDIN		18,700.00	
627804 57010	SERIAL BOND INTEREST			8,212.00
62801	DEF CHGS - LOSS ON REFUNDING			10,488.00
Total			18,700.00	18,700.00
Adjusting Journal Entries JE # 6		9700.01		
Client Entry - to adjust OPEB payable per OPEB report				
602	OPEB PAYABLE		19,023.00	
627800 58070	OPEB EXPENSE			19,023.00
Total			19,023.00	19,023.00

Client: **545046.001 - City of Rye**
 Engagement: **545046 - City of Rye**
 Period Ending: **12/31/2012**
 Trial Balance: **Risk Retention Fund**
 Workpaper: **1300.00F - Risk Retention Fund - AJE Published**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 4				
to adjust the accrued liabilities to the actuarial calculated IBNR reserve				
601	ACCRUED LIABILITIES		72,000.00	
54991	JUDGEMENTS & CLAIMS			72,000.00
Total			<u>72,000.00</u>	<u>72,000.00</u>
Adjusting Journal Entries JE # 5				
to reverse PY accrual for general insurance recoveries and book current year accrual				
		01.0380A		
268000	GENERAL INS RECOVERIES		130,255.00	
380	ACCOUNTS RECEIVABLE		251,138.00	
268000	GENERAL INS RECOVERIES			251,138.00
380	ACCOUNTS RECEIVABLE			130,255.00
Total			<u>381,393.00</u>	<u>381,393.00</u>

City of Rye, New York

Addendum A

Control Deficiencies

- **General Fund**

Fund Balance – Restricted for Workers' Compensation Benefits

Effective January 2009, the City was no longer self-insured for workers' compensation claims. Up until that time, the City had established a restriction of its fund balance for workers' compensation benefits in the General Fund pursuant to Section 6-J of General Municipal Law to fund its self-insured program.

Recommendation

We recommend that since the City is no longer self-insured, that the funds be 1) either transferred to another legally restricted fund or 2) be applied to budgetary appropriations in a future year in accordance with the provisions of Section 6-J of the General Municipal Law. However, an amount should be retained in this restriction at a level representing outstanding claims filed while the City was self-insured prior to January 2009. We have noted that the City appropriated monies from this restriction in both the 2012 and 2013 adopted budgets and should continue this practice until such time that all prior claims have been closed.

- **Capital Projects Fund**

Inactive Projects

Our audit of the Capital Projects Fund indicated that several projects had no financial activity during the current fiscal year.

Recommendation

A lack of financial activity in a capital project over an extended period of time may be an indication of the project's completion. Upon determination that a capital project has been completed, the governing board should pass a resolution indicating this status and directing the disposition of the unexpended proceeds. If the unexpended balance of the project consists of monies provided from obligations, its use would be restricted to the payment of outstanding indebtedness. If the remaining balance consists of a return of a contribution from an operating fund, it should be returned to that fund to be used for any lawful purpose.

- **Capital Assets**

Capital Assets Inventory

The City has not performed a physical inventory of its capital assets, primarily machinery, equipment and vehicles, in many years.

Recommendation

We recommend that the City follow through with its plan for a physical inventory of its capital assets to ensure that only those assets currently in use are reported in the books and records.

City of Rye, New York

Addendum A

Control Deficiencies

- **Interfund Charges/Charges for Services**

We again noted that the General Fund charges the Boat Basin and Golf Club Funds for their respective share of certain overhead costs. The allocation of these costs continues to be based on information provided by an independent consultant's report prepared in 2002.

Recommendation

We suggest that the methodology for determining these interfund charges be reviewed and updated periodically to appropriately reflect changes that occur over time.

- **Internal Control**

Segregation of Duties

An effective system of internal control provides for the distribution of duties among available personnel, so that no one employee controls all phases of a transaction without some independent verification by another employee. During the course of our audit and through inquiry of various department personnel, we noted that certain positions have either been eliminated or continue to remain vacant. This limited staffing could pose a potential risk for insufficient segregation of duties.

Recommendation

Although we are aware that resources are scarce and should not in all instances be dedicated to satisfy internal control dictates and that the cost of internal control should not outweigh the benefits, we believe that this matter is important enough to be brought to the attention of those charged with governance.

Journal Entries

Our audit of the City's procedures related to authorization and approval of manual journal entries disclosed that there is no formal review and approval process in place.

Recommendation

Manual journal entries in excess of a predetermined monetary threshold should be reviewed by an individual not involved in creating the entry, to ensure appropriateness and accuracy. In order to improve the City's internal control, we recommend that consideration be given to redistributing these duties among available personnel.

Procurement Policy

The purpose of obtaining bids or quotations is to encourage competition in the procurement of supplies, equipment, and services, which will be paid for by public funds. Competitive bids or quotations should be solicited in connection with all purchases, whenever feasible, and in the best interest of the City. According to New York State General Municipal Law Section 103, all

City of Rye, New York

Addendum A

Control Deficiencies

- **Internal Control** *(Continued)*

Procurement Policy (Continued)

purchase contracts for materials, equipment, or supplies involving an annual expenditure of over twenty thousand dollars (\$20,000) and all public works contracts involving an expenditure of more than thirty five thousand dollars (\$35,000) should be awarded on the basis of public advertising and competitive bidding. During our audit, it was noted there is an administrative error in the City's procurement policy, whereby these amounts are transposed.

Recommendation

We recommend that the City make a technical correction to its purchasing policy to comply with the thresholds per the General Municipal Law. In addition, the City should ensure that all purchases meeting the annual dollar thresholds for competitive bidding are appropriately sought.

Procurement Policies for City's Enterprise Fund Operations

In order to enhance internal control with respect to the procurement of goods and services for the City's Boat Basin and Golf Club operations, we believe certain processes can be improved.

Recommendation

We recommend that a comprehensive policies and procedures manual be designed and implemented, specifically tailored for the operations of the Golf Course and Boat Basin, keeping in mind the unique (to government) nature of these services. Some other key points to consider are as follows:

1. While a formal bid process would be unusual for procuring food and liquor, policies and procedures are nonetheless necessary. The City should approve (or delegate the approval process) to the manager who oversees the procurement of these items. Given the fact that the restaurant needs to procure certain items based on the specific needs of its customers, it is possible that only one, sole source vendor would be able to meet this obligation.
2. Food and liquor inventory control – inventory should be taken periodically and the results compared to a computerized inventory listing. In addition, special attention should be paid to gross margins (sales minus cost of goods sold) realized, and compare these amounts to industry-wide catering hall standards. Food and liquor spoilage rates could also be compared to these same standards.
3. Staffing agencies – Requests for proposals must be sought for the services that these type of outside vendors supply, as this type of service is not considered a "professional services contract" exempt from this requirement. Professional services generally include services rendered by attorneys, engineers, and certain other services requiring specialized or technical skills, expertise or knowledge, the exercise of professional judgment or a high degree of creativity. Using an RFP is a common method of seeking competition where competitive bidding is not required

City of Rye, New York

Addendum A

Control Deficiencies

- **Internal Control** (*Continued*)

Procurement Policies for City's Enterprise Fund Operations (Continued)

and where price should not necessarily be the sole criterion for award of the contract. The contract between the City and the awarded vendor should specify the hourly rates (including fringe benefits) to be charged based on the title and level of personnel supplied, that labor and payroll tax laws will be followed and that the City has the right to request and inspect the vendor's payroll documentation to support the invoice charges.

4. With respect to both the City's seasonal employees, as well as personnel supplied by the outside staffing agency, we suggest that an attendance system requiring these workers to "punch in" via an electronic hand scan be instituted. We further recommend that the City consider requiring multiple hand scans take place during the day (i.e. beginning of day, lunch check in/out and end of day). The City should generate the attendance report, on at least a weekly basis, and reconcile such report to the billings received from the staffing agency to ensure the City is only charged for workers whose attendance has been verified.

Boat Basin Mooring Fees

We noted several instances in which permit holders submitted their mooring fee payments after the February 15th deadline. There does not appear to be a procedure currently in place to assess late fees.

Recommendation

We recommend that the City consider implementing late fee charges for payments made after the deadline. We believe implementing such fees will reduce the number of late payments, which will facilitate the registration renewal process and improve the City's cash flow.

City of Rye, New York

Addendum B

Other Matters

- **Governmental Accounting Standards Board (“GASB”) Statement No. 65 “Items Previously Reported as Assets and Liabilities”**

In June 2011, the Governmental Accounting Standards Board (“GASB”) issued Statement No. 63. This Statement provided financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced in GASB Concept Statement No. 4, issued in June 2007. Concepts Statement No. 4, *Elements of Financial Statements*, established definitions for the seven fundamental components of historically based financial statements of state and local governments. These elements are defined as follows:

- *Assets* are resources with present service capacity that the government presently controls.
- *Liabilities* are present obligations to sacrifice resources that the government has little or no discretion to avoid.
- An *outflow of resources* is a consumption of net assets by the government that is applicable to the *current* reporting period.
- A *deferred outflow of resources* is a consumption of net assets by the government that is applicable to a *future* reporting period.
- An *inflow of resources* is an acquisition of net assets by the government that is applicable to the *current* reporting period.
- A *deferred inflow of resources* is an acquisition of net assets by the government that is applicable to a *future* reporting period.
- *Net position* is the residual of all other elements presented in a statement of net position.

The GASB introduced this Statement since previous financial reporting standards did not include guidance for reporting these *resource* elements, which are distinct from assets and liabilities. This Statement amended the net asset reporting requirements in GASB Statement No. 34 “*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*” and other applicable pronouncements by incorporating the deferred inflow and outflow of resources into the definitions of the required components of the residual measure and by renaming that measure as *net position*, rather than *net assets*. The provisions of this Statement were effective for the City’s financial statements for the year ending December 31, 2012 and were incorporated in the financial statements.

While GASB Concepts Statement No. 4 established the elements and Statement No. 63 established the framework and guidance for the new reporting model, Statement No. 65, issued in March 2012, established accounting and financial reporting standards that reclassify, as deferred outflows or deferred inflows of resources, certain specific items that were previously reported as assets and liabilities. Specifically, this Statement addresses changes in the reporting of 1) refunding of debt, 2) non-exchange transactions, 3) sales of future revenues and intra-entity transfers of future revenues, 4) debt issuance costs and 5) leases and other less common transactions.

This Statement also clarified previous guidance in regards to revenue recognition in governmental funds. While there is no change in the concept that financial resources should be recognized in the accounting period in which they become both measurable and available, under this Statement, revenue that does not meet the availability criteria is to now be reported as deferred inflow of resources, rather than as deferred revenues in the liability section. The provisions of this Statement are effective for the City’s financial statements for the year ending December 31, 2013.

City of Rye, New York

Addendum B

Other Matters

- **Governmental Accounting Standards Board (“GASB”) Statement No. 68 “Accounting and Financial Reporting for Pensions”**

In June 2012, GASB issued Statement No. 68. This Statement establishes new accounting and financial reporting requirements for governments that provide their employees with pensions. This pronouncement supersedes Statement No. 27, “*Accounting for Pensions by State and Local Governmental Employers*.” Under this previous standard, *cost-sharing multiple employer defined benefit plans* (such as the plans administered by the State of New York for its municipalities and school districts) which share their assets *and* their obligations to provide pension benefits to their employees – i.e. plan assets can be used to pay the pensions of the employees of any municipal or school district employer that provides pensions through the plans, have not been required to present actuarial information about pensions. Instead, information has been required to be presented in the pension plans’ own financial statements for all of the participating municipalities and school districts combined.

The new Statement was designed to give users of the financial statements of cost-sharing employers access to better, more transparent financial information through the municipality or school district’s own financial statements. Under the new standards, cost-sharing employers will be required to report in their Statement of Net Position a net pension liability, pension expense and pension related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees and their beneficiaries.

Statement No. 68 expands disclosures in the notes to financial statements and the required supplementary information (“RSI”). The note disclosures must include 1) a description of the plan(s) and the benefits provided, 2) the significant assumptions employed in the measurement of the net pension liability, 3) descriptions of benefit changes and changes in assumptions, 4) assumptions related to the discount rate and the impact on the total pension liability of a one percentage point increase or decrease in the discount rate and 5) the net pension liability and deferred inflows and outflows of resources. The RSI must provide ten year historical information (when available) regarding the entity’s proportionate share of the net pension liability and a schedule of the entity’s contributions. Notes to RSI are also now required regarding factors that significantly affect the trends in the schedules.

It is important to note that Statement No. 68 relates to *accounting and financial reporting* issues only, that is, how pension costs and obligations are measured and reported in the entity’s audited financial statements. This Statement *does not* address how the entity approaches the *funding* of the plan. The provisions of this Statement are effective for the City’s financial statements for the year ending December 31, 2015, with earlier implementation encouraged.



CITY COUNCIL AGENDA

NO. 7

DEPT.: Finance

DATE: May 22, 2013

CONTACT: Joseph S. Fazzino, Acting City Comptroller

AGENDA ITEM: Consideration to set a Public Hearing for June 13, 2012 to establish the 2014 Budgeted Fees and Charges.

FOR THE MEETING OF:

May 22, 2013

RYE CITY CODE:

CHAPTER
SECTION

RECOMMENDATION:

IMPACT: Environmental Fiscal Neighborhood Other:

BACKGROUND:

A Public Hearing will be held to establish the 2014 fees and charges which will be incorporated into the City's 2014 Budget.

See attached proposed 2014 fees and charges.

CITY OF RYE, NEW YORK
GENERAL FUND
ANNUAL BUDGET
FOR FISCAL YEAR ENDING DECEMBER 31, 2014

FEE SCHEDULE

FEE DESCRIPTION	CITY CODE	LAST CHANGED	2012	2013	2014	\$\$ Increase Over 2012	Comments
<u>ASSESSOR'S OFFICE</u>							
GENERAL							
Standard Photocopy Fee Letter/Legal per page		1999	0.25	0.25	0.25	-	
MAPS							
City Maps 3'x5"		1996	15.00	15.00	15.00	-	
Aerial Map		1996	15.00	15.00	15.00	-	
Drain & Sewer map from blueprints (blue on white)		1996	60.00	60.00	60.00	-	
Standard Tax Map		1996	15.00	15.00	15.00	-	
Tax index map (40"x64")		1996	15.00	15.00	15.00	-	
Topographical maps		1996	60.00	60.00	60.00	-	
<u>BOARD OF APPEALS</u>							
GENERAL							
Multi & Commercial Appeals	197-84	2012	500.00	500.00	500.00	-	
Single Family Appeals	197-84	2012	300.00	300.00	300.00	-	
Adjourned Applications		2003	100.00	100.00	100.00	-	
Revised Plans		2003	75.00	75.00	75.00	-	
<u>BUILDING</u>							
ELECTRICAL							
Electrical permits in existing building where a building permit is not required: for multiple residences, commercial or industrial buildings	68-12	2011	100.00	100.00	100.00	-	
Electrical Permits in existing buildings where a building permit is not required: for one & two family dwellings with contracts valued at \$500 or more	68-12	2011	70.00	70.00	100.00	30.00	
GENERAL							
Building Permits (1) - minimum fee	68-12	2011	75.00	75.00	75.00	-	
Building Permits (2a) - add'l charge per \$1,000 est. work (residential)	68-12	2013	16.00	17.00	17.00	-	
Building Permits (2b) - add'l charge per \$1,000 est. work commercial)	68-12	2012	30.00	30.00	30.00	-	
Building Permit (3) - penalty for work begun without permit Certificate for Commercial Buildings	68-12D, 197-84E	2003	1,000.00	1,000.00	1,250.00	250.00	About 10 issued per year
	68-12	2011	175.00	175.00	175.00	-	

CITY OF RYE, NEW YORK
GENERAL FUND
ANNUAL BUDGET
FOR FISCAL YEAR ENDING DECEMBER 31, 2014

FEE SCHEDULE

FEE DESCRIPTION	CITY CODE	LAST CHANGED	2012	2013	2014	\$\$ Increase Over 2012	Comments
Certificate of Occupancy: to be paid with application for building permit	68-12	2011	100.00	100.00	100.00	-	
Changes in Approved Plans	68-12	2011	100.00	100.00	250.00	150.00	20-30 issued per year
Demolition Permits - Commercial and residential structures	68-12	2010	2,000.00	2,000.00	2,000.00	-	
Demo Pmts - In-ground pools tennis crts detached garages	68-12	2010	750.00	750.00	750.00	-	
Demo Pmts - Sheds, above ground pools, pool decks, gazebo	68-12	2011	200.00	200.00	200.00	-	
Fence Permit	68-12	N/A	50.00	50.00	50.00	-	
Generator Permit	68-12	N/A	140.00	140.00	300.00	160.00	
Sign Permit	68-12	N/A	75.00	75.00	75.00	-	
New Certificate for old buildings	68-12	2011	100.00	100.00	100.00	-	
Pre-date letters		2006	80.00	80.00	150.00	70.00	4-5 Issued per year
PLUMBING							
<i>Oil or gas heating permits in existing building w/o building permit required:</i>							
New heating equipment installation or replacement	68-12	2013	100.00	150.00	150.00	-	
Plumbing - No building permit required (min)	68-12	2011	70.00	70.00	100.00	30.00	
Plumbing - for each fixture above 5	68-12	2011	5.00	5.00	5.00	-	
Sewer or storm drain connection (per)	68-12	2011	70.00	70.00	70.00	-	
<u>CITY CLERK</u>							
ALARMS							
Alarms permit - Fire/Burglar	46-5	2006	35.00	35.00	35.00	-	
False alarm: 2nd call per annum*(Requires change to Code)	46-8	2010	50.00	50.00	50.00	-	
False alarm: 3rd, 4th call each per annum		2003	100.00	100.00	100.00	-	
False alarm: over 4 per annum		2003	200.00	200.00	200.00	-	
FIRE PREVENTION							
Explosive Inspection Fee	98-41	2005	115.00	115.00	115.00	-	
Fireworks Display (each)	98-45	2010	750.00	750.00	750.00	-	
Installation of liquefied petroleum gas	98-82	2005	57.00	57.00	57.00	-	
Place of assembly 100 or more people	98-101	2005	115.00	115.00	115.00	-	
Storage of Flammable liquids (permits & insp.)	98-51	2005	115.00	115.00	115.00	-	
Storage of lumber (in excess of 100,000 bd. ft.)	98-85	2005	57.00	57.00	57.00	-	
Storage of underground tanks <1100 gal.(permits & insp.)	98-57	2005	57.00	57.00	57.00	-	

CITY OF RYE, NEW YORK
GENERAL FUND
ANNUAL BUDGET
FOR FISCAL YEAR ENDING DECEMBER 31, 2014

FEE SCHEDULE

FEE DESCRIPTION	CITY CODE	LAST CHANGED	2012	2013	2014	\$\$ Increase Over 2012	Comments
Storage of underground tanks >1100 gal. (permits & insp.)		2005	115.00	115.00	115.00	-	
Welding & cutting	98-130	2001	55.00	55.00	55.00	-	
GENERAL							
Auctioneer	56-3	2010	500.00	500.00	500.00	-	
Birth Certificate	NYS-Governed		10.00	10.00	10.00	-	
Blasting Permit	98-41	2012	300.00	300.00	300.00	-	
Cabaret	50-5	2012	200.00	200.00	200.00	-	
Christmas Tree Sale Refundable Bond	98-124	2001	45.00	45.00	45.00	-	
Christmas Tree Sales: Inspection	98-124	2003	100.00	100.00	100.00	-	
Code of the City of Rye	AT-COST	2005	300.00	300.00	300.00	-	
Code of the City of Rye - Supplement		2005	60.00	n/a	n/a	-	Billed separately by General Code
Codes: Zoning	AT-COST	2005	30.00	n/a	n/a	-	Can be purchased online
Coin operated Dry Cleaning Establishment	98-29	2005	90.00	n/a	n/a	-	Establishments do not exist in City of Rye
Coin operated Laundry: Establishment	98-36	2005	90.00	n/a	n/a	-	Establishments do not exist in City of Rye
Death Transcript	NYS-Governed		10.00	10.00	10.00	-	
Dog License: Nuetered Dog - Owner's Cost	76-5	2012	14.00	14.00	14.00	-	
Breakdown of Owner's Cost:							
City of Rye Fee	76-5	2012	13.00	13.00	13.00	-	
NYS Fee	NYS-Governed		1.00	1.00	1.00	-	
Dog License: Non-Nuetered Dog - Owner's Cost		2012	22.00	22.00	22.00	-	
Breakdown of Owner's Cost:							
City of Rye Fee	76-5	2012	19.00	19.00	19.00	-	
NYS Fee	NYS-Governed		3.00	3.00	3.00	-	
Dog Redemption: with current license	76-4	1977	10.00	n/a	n/a	-	Redeemed by Humane Society
Dog Redemption: without current license	76-4	1977	25.00	n/a	n/a	-	Redeemed by Humane Society
Dry Cleaning Establishment	98-22	2005	90.00	90.00	90.00	-	
Debris Collection Container:	167-14	2001	40.00	40.00	40.00	-	
Foil Production Rates:	NYS-Governed						
Office Assistant		New	n/a	n/a	32.00	32.00	
Legal Review		New	n/a	n/a	65.00	65.00	
Police Department		New	n/a	n/a	27.00	27.00	
Fire Department		New	n/a	n/a	27.00	27.00	

CITY OF RYE, NEW YORK
GENERAL FUND
ANNUAL BUDGET
FOR FISCAL YEAR ENDING DECEMBER 31, 2014

FEE SCHEDULE

FEE DESCRIPTION	CITY CODE	LAST CHANGED	2012	2013	2014	\$\$ Increase Over 2012	Comments
Filming: Private Property Per Day	93-6	2012	450.00	450.00	500.00	50.00	
Filming: Public Property (Maximum)	93-6	2012	25,000.00	25,000.00	25,000.00	-	
Filming: Public Property (Minimum)	93-6	2001	1,600.00	1,600.00	1,600.00	-	
Junk Merchant: Establish place of business	113-4	2005	275.00	n/a	n/a	-	Establishments do not exist in City of Rye
Junk Peddler	113-4	2005	60.00	n/a	n/a	-	Establishments do not exist in City of Rye
Laundromat	121-4	2005	150.00	n/a	n/a	-	Establishments do not exist in City of Rye
Marriage License	NYS-Governed	2003	40.00	40.00	40.00	-	
Marriage Transcript	NYS-Governed	2002	10.00	10.00	10.00	-	
Non-refundable Bid fee (per every \$50 of bid)		2001	15.00-100.00	15.00-100.00	15.00-100.00	-	
Other Pamphlet Codes	AT-COST		8.00	8.00	8.00	-	
Peddler, Hawker, Solicitor	144-6	2012	300.00	300.00	300.00	-	
Additional Permit Issued		2013	n/a	75.00	75.00	-	
Lost Permit Replacement		2013	n/a	5.00	5.00	-	
Sign posting @ Boston Post Road & Cross Street		2011	35.00	35.00	35.00	-	
Tourist Park or Camp App. 5 units or less	157-9	2001	50.00	n/a	n/a	-	Establishments do not exist in City of Rye
Tourist Park or Camp App. 6 units or less	157-9	2001	10.00	n/a	n/a	-	Establishments do not exist in City of Rye
Tourist Park or Camp license (per unit)	157-12	2001	60.00	n/a	n/a	-	Establishments do not exist in City of Rye
MECHANICAL INSTALLATION LICENSE							
Gas Heat	68-12	2012	150.00	150.00	150.00	-	
Oil Heat	68-12	2012	150.00	150.00	150.00	-	
MISCELLANEOUS LICENSES							
Bowling Alleys	50-5	2005	90.00	n/a	n/a	-	Establishments do not exist in City of Rye
Circus	50-5	2005	90.00	n/a	n/a	-	Establishments do not exist in City of Rye
Driving Range	50-5	2005	90.00	n/a	n/a	-	Establishments do not exist in City of Rye
Miniature Golf	50-5	2005	90.00	n/a	n/a	-	Establishments do not exist in City of Rye
Moving Picture House	50-5	2005	90.00	n/a	n/a	-	Establishments do not exist in City of Rye
Public Exhibition	50-5	2005	90.00	90.00	90.00	-	
Public Hall	50-5	2005	90.00	90.00	90.00	-	
Shooting Gallery	50-5	2005	90.00	n/a	n/a	-	Establishments do not exist in City of Rye
Skating Rink	50-5	2012	90.00	n/a	n/a	-	Establishments do not exist in City of Rye
Taxi Cab License	180-12	2012	130.00	130.00	130.00	-	
Taxi Driver License	180-8	2012	75.00	75.00	75.00	-	
Theater	50-5	2005	90.00	n/a	n/a	-	Establishments do not exist in City of Rye

CITY OF RYE, NEW YORK
GENERAL FUND
ANNUAL BUDGET
FOR FISCAL YEAR ENDING DECEMBER 31, 2014

FEE SCHEDULE

FEE DESCRIPTION	CITY CODE	LAST CHANGED	2012	2013	2014	\$\$ Increase Over 2012	Comments
<u>PARKING</u>							
Non-Resident Commuter (Includes Tax)	191-47	2011	720.00	720.00	760.00	40.00	PLEASE SEE MEMO
Resident Commuter (Includes Tax)	191-47	2011	720.00	720.00	760.00	40.00	
Merchant Parking (Non-Taxable)	191-47	2013	410.00	420.00	420.00	-	
Taxi Stall Rental (Plus tax)	2005	2005	700.00	700.00	700.00	-	
Guest Parking Overnight (max. 14 days per night)		2012	10.00	10.00	15.00	5.00	
Replacement Sticker (without old sticker)	191-47	2012	60.00	60.00	60.00	-	
Replacement Sticker (with old sticker)	191-47	2012	10.00	10.00	10.00	-	
Resident All Day/All Night	191-47	2012	684.00	684.00	684.00	-	
Resident All Night	191-47	2012	342.00	342.00	342.00	-	
Special Permits (Theo. Fremd Lot)*		2003	n/a	n/a	n/a	-	N/A due to work on Theo Fremd Wall
Commuter Parking Waitlist Fee (Per Year)		2012	50.00	50.00	50.00	-	
Commuter Meters - Daily Rate (12 hours)		2013	4.00	5.00	5.00	-	
Paystation rate per hour		2012	1.00	1.00	1.00	-	
<u>PARKING VIOLATIONS</u>							
No Handicapped Permit (including NYS Surcharge)	191-32 to191-35	2011	150.00	150.00	150.00	-	
Parking in Front of a Fire Hydrant	191-32 to191-35	2011	150.00	150.00	150.00	-	
Beach Area Parking	191-32 to191-35	2011	75.00	75.00	75.00	-	
Parking on the Street During the Snow Ordinance	191-32 to191-35	2011	75.00	75.00	75.00	-	
Parking in a Crosswalk	191-32 to191-35	2011	75.00	75.00	75.00	-	
<u>ENGINEERING</u>							
GENERAL							
Constructed or Replaced Curb		1993	30.00	30.00	50.00	20.00	
Constructed or Replaced Depressed Curb (min)		1993	30.00	30.00	50.00	20.00	
Constructed or Replaced Driveway (min)		1993	30.00	30.00	50.00	20.00	
Constructed or Replaced Sidewalks (min)	167-8	1993	30.00	30.00	50.00	20.00	
Construction Debris Containers (per day)	167-14	1997	50.00	50.00	100.00	50.00	
Street Obstructions, Storage of Materials, Operating Machinery, loading & unloading, scaffolding & bridging	167-13	1993	100.00	100.00	150.00	50.00	
Street Opening: Curbing-Asphalt/Concrete/Flag		1997	180.00	180.00	250.00	70.00	
Street Opening: Sidewalk Area-Asphalt/Concrete/Flag		1997	180.00	180.00	250.00	70.00	
Street Opening: Street Area-Asphalt	167-9	1997	180.00	180.00	250.00	70.00	

CITY OF RYE, NEW YORK
GENERAL FUND
ANNUAL BUDGET
FOR FISCAL YEAR ENDING DECEMBER 31, 2014

FEE SCHEDULE

FEE DESCRIPTION	CITY CODE	LAST CHANGED	2012	2013	2014	\$\$ Increase Over 2012	Comments
Street Opening: Street Area-Concrete		1997	180.00	180.00	250.00	70.00	
Street Opening: Test Holes (keyhole method) (each)	167-9	1990	60.00	60.00	250.00	190.00	
Street Opening: Unpaved Areas		1997	180.00	180.00	250.00	70.00	
Street Opening Permit Surcharge		2003	175.00	175.00	200.00	25.00	
Street Opening Public Service Fee(per LF, over 72 FT length)	167-9	2010	2.50	2.50	5.00	2.50	
Surface Water Control Application fee (Stand Alone)	173-9	2013	150.00	200.00	200.00	-	
 STREETS/SIDEWALKS							
Construction Manhole/Catch Basin (min)		2012	180.00	180.00	180.00	-	
Driving Pipes (min)		2012	100.00	100.00	100.00	-	
Install Underground Tank/Vault (min)		2012	110.00	110.00	110.00	-	
Plumbing Connection to Structures: Manholes/Catch Basin (min)	1.67	2012	45.00	45.00	45.00	-	
Plumbing Connection to Structures: Sewer or Drain Line (min)		2012	35.00	35.00	35.00	-	
 <u>FIRE</u>							
GENERAL							
Inspection Fee (per inspection)		2012	135.00	135.00	135.00	-	
Return Inspection		2012	50.00	50.00	50.00	-	
Tank Removal Inspection		2010	100.00	100.00	100.00	-	
 <u>PLANNING</u>							
COASTAL ZONE MANAGEMENT							
Waterfront Consistency Review Application	73-6	2012	825.00	825.00	825.00	-	
 GENERAL							
Copies of Subdivision or site plans - complete sets only (per sheet)		2012	12.00	12.00	12.00	-	
 SITE PLAN REVIEW							
Informal review	197-84.F. (1) (A)	2012	675.00	n/a	n/a	-	No longer used. No loss in revenue.
Preliminary Application (up to 10 parking spaces)	197-84.F. (1) (B)	2013	985.00	1,000.00	1,000.00	-	
Preliminary Application - Add'l charge per required parking space over 10 spaces		2012	30.00	n/a	n/a	-	No longer used. No loss in revenue.

CITY OF RYE, NEW YORK
GENERAL FUND
ANNUAL BUDGET
FOR FISCAL YEAR ENDING DECEMBER 31, 2014

FEE SCHEDULE

FEE DESCRIPTION	CITY CODE	LAST CHANGED	2012	2013	2014	\$\$ Increase Over 2012	Comments
Modification or Extension of Preliminary Application	197-84.F. (1) (D)	2012	825.00	n/a	n/a	-	No longer used. No loss in revenue.
Final Application (up to 10 parking spaces)	197-84.F. (1) (C)	2013	1,225.00	1,300.00	1,300.00	-	
Final Application - Add'l charge per required parking space over 10		2012	30.00	n/a	n/a	-	No longer used. No loss in revenue.
Modification or Extension of Preliminary Application	197-84.F. (1) (G)	2012	900.00	n/a	n/a	-	No longer used. No loss in revenue.
Inspection Fee (Fee + 7.0% cost of improvement)	197-84.F. (1) (H)	2012	550.00	550.00	550.00	-	
Construction and Use without prior approval	197-84.F. (1) (J)	2013	2,730.00	2,800.00	2,800.00	-	
Modification of Tree Preservation Plan by the City Planner		2012	500.00	500.00	500.00	-	
Tree Replacement, fee in lieu of	170-15.D. (9)	2013	1,850.00	1,900.00	1,900.00	-	
SUBDIVISION REVIEW							
Informal Review	170-5.D.	2013	450.00	675.00	675.00	-	
Preliminary Application	170-6.B. (4)	2012	825.00	825.00	825.00	-	
Preliminary Application - Add'l charge per lot		2012	390.00	390.00	390.00	-	
Waiver of Preliminary Application - Add'l charge per lot		2012	360.00	n/a	n/a	-	No longer used. No loss in revenue.
Modification or Extension of Preliminary Application	170-11.B.	2012	650.00	n/a	n/a	-	No longer used. No loss in revenue.
Final Application	170-7.A.	2012	1,120.00	1,120.00	1,120.00	-	
Final Application - Add'l charge per lot		2012	385.00	385.00	385.00	-	
Modification or Extension of Final Application	170-11.B.	2012	675.00	n/a	n/a	-	No longer used. No loss in revenue.
Waiver of Penalty Application	170-7.A.	2012	550.00	n/a	n/a	-	No longer used. No loss in revenue.
Inspection Fee - 7% of cost of improvement plus \$50 per lot, or \$500, whichever is greater	170-8.B. (3)	2012	550.00	550.00	550.00	-	
Modification of Tree Preservation Plan by City Planner		2012	500.00	500.00	500.00	-	
Tree Replacement, fee in lieu of	170-17.A.(1)	2013	1,850.00	1,900.00	1,900.00	-	
Fee in lieu of Parkland - In trust-minimum (dollars per square foot of lot area)	170-17.A. (1)	2012					
<i>R-1 One Family District</i>			0.14	0.14	0.14	-	
<i>R-2 One Family District</i>			0.25	0.25	0.25	-	
<i>R-3 One Family District</i>			0.35	0.35	0.35	-	
<i>R-3 One Family District (Floodplain)</i>			0.25	0.25	0.25	-	
<i>R-4 One Family District</i>			0.40	0.40	0.40	-	
<i>R-4 One Family District (Floodplain)</i>			0.25	0.25	0.25	-	
<i>R-5 One Family District</i>			0.49	0.49	0.49	-	
<i>R-5 One Family District (Floodplain)</i>			0.25	0.25	0.25	-	
<i>R-6 One Family District</i>			0.57	0.57	0.57	-	

CITY OF RYE, NEW YORK
GENERAL FUND
ANNUAL BUDGET
FOR FISCAL YEAR ENDING DECEMBER 31, 2014

FEE SCHEDULE

FEE DESCRIPTION	CITY CODE	LAST CHANGED	2012	2013	2014	\$\$ Increase Over 2012	Comments
<i>R-6 One Family District (Floodplain)</i>			0.25	0.25	0.25	-	
<i>RT Two-Family district (1 and 2 Family Residence)</i>			0.57	0.57	0.57	-	
<i>RS School & Church District (1 Family Residence)</i>			0.35	0.35	0.35	-	
<i>RA-1 District (1 Family Residence)</i>			0.57	0.57	0.57	-	
<i>RA-1 District (2 Family Residence)</i>			0.41	0.41	0.41	-	
<i>RA-2 District (1 Family Residence)</i>			0.57	0.57	0.57	-	
<i>RA-2 District (2 Family Residence)</i>			0.49	0.49	0.49	-	
<i>RA-3 District (1 and 2 Family Residence)</i>			0.57	0.57	0.57	-	
<i>RA-4 District (1 and 2 Family Residence)</i>			0.57	0.57	0.57	-	
<i>B-1 Business District (1 and 2 Family Residence)</i>			0.57	0.57	0.57	-	
Apportionment Application	170-11.C.	2012	650.00	650.00	650.00	-	
Construction and Use without prior approval	170-6.B.	2006	2,730.00	2,730.00	2,730.00	-	
 RE-ZONING APPLICATIONS		 2013	 1,120.00	 1,300.00	 1,300.00	 -	
 WETLANDS/WATER COURSES							
Application Fee	195	2012	985.00	985.00	985.00	-	
Inspection Fee	195	2012	550.00	550.00	550.00	-	
Appeal of Determination	195	2012	550.00	550.00	550.00	-	
Extension of Prior Approval		2012	600.00	600.00	600.00	-	
 Outdoor Dining Fee		 2009	 500.00	 500.00	 500.00	 -	
 <u>POLICE</u>							
GENERAL							
Auxiliary Police Services Event Fee		2012	200.00	200.00	200.00	-	
Defensive Driving Course		2012	50.00	50.00	50.00	-	
Fingerprinting Fees		2012	100.00	100.00	100.00	-	
Good Conduct Certificates		2012	75.00	75.00	75.00	-	
Mooring Permits (per permit)		2003	150.00	150.00	150.00	-	
Police report copies (per copy)		1990	0.25	0.25	0.25	-	
Redemption of Shopping Carts	164-6	2012	50.00	50.00	50.00	-	
Reprints of Photographs		2012	30.00	30.00	30.00	-	
Subpoena Fees for Records (min)		2012	30.00	30.00	30.00	-	
LOCAL ORDINANCE							
Failure to shovel snow after a storm	167-48	2011	50.00	50.00	50.00	-	

CITY OF RYE, NEW YORK
GENERAL FUND
ANNUAL BUDGET
FOR FISCAL YEAR ENDING DECEMBER 31, 2014

FEE SCHEDULE

FEE DESCRIPTION	CITY CODE	LAST CHANGED	2012	2013	2014	\$\$ Increase Over 2012	Comments
<u>PUBLIC WORKS</u>							
GENERAL							
Collection of bulky metals at curbside (minimum)	157-34	2012	35.00	35.00	35.00	-	
Collection of bulky waste in excess of 2 cubic yards (min)	157-34	2012	35.00	35.00	35.00	-	
Penalty for amounts not paid within 60 days	157-34	2001	25.00	25.00	25.00	-	
Penalty for amounts not paid within 90 days	157-34	2001	25.00	25.00	25.00	-	
Add'l penalty for amounts not paid if collection by levy is required	157-34	2001	25.00	25.00	25.00	-	
<u>RECREATION</u>							
ATHLETIC FIELD USE SURCHARGE (per person/per prog)		2011	15.00	15.00	15.00	-	
BUILDING FEES							
*Descriptions changed to be more relevant to Rec facilities							
Lower Level Multi Purpose Room (per hour)		2009	100.00	100.00	100.00	-	
Upper Level Rooms (per hour)		2009	75.00	75.00	75.00	-	
Lower Level Multi Purpose Room: Non-Profit (per hour)		2009	75.00	75.00	75.00	-	
Upper Level Rooms: Non-Profit Rate (per hour)		2009	50.00	50.00	50.00	-	
Lower Level Multi Purpose Room Event Party (4 Hours)		2011	575.00/675.00	575.00/675.00	575.00/675.00	-	
Birthday Party: Basic Program Restricted time frame (2 hrs)		2011	200.00/300.00	200.00/300.00	200.00/300.00	-	
Upper Level Room Event Party: (4 hours)		2011	475.00/575.00	475.00/575.00	475.00/575.00	-	
Maintenance Coverage (per hour) Full-time		2006	50.00	50.00	60.00	10.00	
Maintenance Coverage (per hour) Part-time		2006	35.00	35.00	40.00	5.00	
Alcohol Permit Fee - Event Parties		2010	50.00	50.00	70.00	20.00	
Event Party Security Deposit (Refundable)		2011	100.00	100.00	150.00	50.00	
DAY CAMP							
Day Camp - 1/2 day program (resident)		2013	575.00	585.00	600.00	15.00	
Day Camp - 2 week full day session (resident)		2013	505.00	515.00	525.00	10.00	
Day Camp - 6 week basic (non-resident)		2013	1,480.00	1,510.00	1,540.00	30.00	
Day Camp - 6 week basic (resident)		2013	730.00	745.00	760.00	15.00	
Day Camp - 6 week extended program (resident)		2012	1,145.00	n/a	n/a	-	Omitted
Day Camp - Swim group		2011	80.00	80.00	85.00	5.00	
Day Camp - Swim lessons (with group)		2011	115.00	115.00	120.00	5.00	
Kiddy Camp (resident)		2013	670.00	680.00	700.00	20.00	
Kiddy Camp - 2 week session (resident)		2012	475.00	n/a	n/a	-	Omitted

CITY OF RYE, NEW YORK
GENERAL FUND
ANNUAL BUDGET
FOR FISCAL YEAR ENDING DECEMBER 31, 2014

FEE SCHEDULE

FEE DESCRIPTION	CITY CODE	LAST CHANGED	2012	2013	2014	\$\$ Increase Over 2012	Comments
Registration fee after deadline		2010	180/30 wk	180/30 wk	180/30 wk	-	
Camp 78 - 6 weeks		2013	1,020.00	1,260.00	n/a	-	Omitted
Camp 78 - 2 weeks		2012	500.00	n/a	n/a	-	Omitted
Camp 78 - 1 weeks		2013	n/a	210.00	225.00	15.00	
Camp Withdrawal Fee		2011	100.00	25/wk	Omit*	-	Fee omitted to allow change of policy - eg. 25% as of May 15;75% as of June 15
INDOOR RECREATION							
Daily Fees (resident/non-resident)		2010	5.00/10.00	5.00/10.00	5.00/10.00	-	
OUTDOOR RECREATION							
All day field permit (10am-6pm)		2011	700.00	700.00	700.00	-	
Field permit (2 hrs.)		2011	200.00	200.00	200.00	-	
Field/Facility Use - Basketball - Outdoor lights (2hrs)		2009	160.00	160.00	160.00	-	
Softball - Men's Adult (per team)		2011	360.00	360.00	375.00	15.00	
Softball - Woman's Adult (per team)		2011	315.00	315.00	325.00	10.00	
PICNIC							
Non-profit/Sport League Groups		2012	50.00	50.00	50.00	-	
Refundable Deposit (Part of Fee)		2011	50.00	50.00	50.00	-	
Weekday Picnic (4-Dark)		2011	165.00	165.00	165.00	-	
Up to 75 (Resident/Non Resident)		2011	200.00/300.00	200.00/300.00	200.00/300.00	-	
75 to 150 (Resident/Non Resident)		2011	400.00/500.00	400.00/500.00	400.00/500.00	-	
Security Deposit		New			50.00	50.00	
TENNIS							
Permit - Adult (19 & over)		2011	110.00	110.00	110.00	-	
Permit - Family (max. 5)		2011	285.00	285.00	285.00	-	
Permit - Individual (non-resident)		2011	220.00	220.00	220.00	-	
Permit - Junior (6-18 years)		2011	60.00	60.00	60.00	-	
Permit - Senior (60+)		2011	75.00	75.00	75.00	-	
Clinic - Adult Tennis (4 classes)		2012	90.00/115.00	90.00/115.00	90.00/115.00	-	
Clinic - Youth Tennis (4 classes)		2011	80.00/90.00	80.00/90.00	80.00/90.00	-	
Daily Fee (resident only; Adult/Junior or Senior)		2011	13.00/7.00	13.00/7.00	13.00/8.00	0.00/1.00	
Guest of Permit Holder - Hourly fee (Adult/Junior or Senior)		2011	13.00/7.00	13.00/7.00	13.00/8.00	0.00/1.00	
Private lessons: Per half hour		2011	38.00	38.00	38.00	-	
Private lessons: Per hour		2011	52.00	52.00	52.00	-	
Non-Resident Senior		2011	145.00	145.00	150.00	5.00	

CITY OF RYE, NEW YORK
 RYE TELEVISION SPECIAL REVENUE FUND
 ANNUAL BUDGET
 FOR FISCAL YEAR ENDING DECEMBER 31, 2013

FEE SCHEDULE

FEE DESCRIPTION	Last Changed	Adopted 2012	Adopted 2013	Proposed 2014	Comments
<u>Duplication Fees:</u>					
Dubbing Fee (per tape)	2012	\$ 20.00	\$ 20.00	20.00	
DVD Dubbing Fee (per DVD) Includes cost of media.	2012	20.00	20.00	20.00	
<u>Duplication Stock Fees:</u>					
Mini DV 60	2013	8.00	6.00	6.00	
Mini DV 80	2006	10.00	10.00	8.00	
DVD-R	2012	4.00	4.00	1.00	
CD-R	2010	1.00	1.00	N/A	
<u>Equipment Rental:</u>					
Camcorder - per day	2013	150.00	100.00	100.00	
Camcorder Canon XHA1 per day (misc extra)	2013	N/A	250.00	250.00	Kit includes tripod & mic
Tripod per day	2013	N/A	50.00	50.00	
Light kit: Arri or lowell per day	2013	N/A	100.00	100.00	
Shotgun mic and cables per day	2013	N/A	30.00	30.00	
Digital Editing Suite without Personnel (per hour)	2008	150.00	150.00	100.00	
Studio without RTV personnel (per hour)	2008	200.00	200.00	200.00	
<u>Personnel:</u>					
Staff Audio/Graphics In-Studio (per hour)	2006	35.00	35.00	25.00	
Staff Cameraperson In-Studio (per hour)	2008	50.00	50.00	50.00	
Staff Cameraperson On-Location (per hour)	2005	75.00	75.00	75.00	
Staff Editor (per hour)	2012	125.00	125.00	125.00	
Staff Other On-Location (per hour)	2012	75.00	75.00	75.00	
Staff Producer/Director In-studio (per hour)	2012	150.00	150.00	150.00	
Staff Technical Supervisor (per hour)	2012	150.00	150.00	150.00	



CITY COUNCIL AGENDA

NO. 8

DEPT.: City Council

DATE: May 22, 2013

CONTACT: Mayor Douglas French

AGENDA ITEM: Discussion of the Report from the Rye Golf Club Strategic Committee.

FOR THE MEETING OF:

May 22, 2013

RYE CITY CODE,

CHAPTER

SECTION

RECOMMENDATION: That the Council review the report from the Rye Golf Club Strategic Committee.

IMPACT: Environmental Fiscal Neighborhood Other:

BACKGROUND: The Rye Golf Club Strategic Committee was appointed at the City Council Meeting of October 24, 2012 and was charged with developing strategic recommendations for the long-term use and operation of the Rye Golf Club.

See attached report.

RGC Strategic Committee

INITIAL REPORT TO RYE CITY COUNCIL

5/1/2013

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1. Overview
2. Background
3. Mission Statement
4. Historical Governance
5. Alternatives for Consideration
6. Conclusion – Initial Report

Appendix

Schedule A - Charters for RGC Commission (1966-present)

Schedule B - Municipal Golf Course Financial Statements

Schedule C - Fee Assessment

1. OVERVIEW

This INITIAL progress report from the RGC Strategic Committee provides a recap of historical governance models for RGC as well as some alternatives for consideration. The RGC Strategic Committee requests feedback from the City Council on the content in this report to ensure the assessment is meeting expectations, to determine whether there is a strong preference to delve deeper into one or two specific options, and to align on next steps.

2. BACKGROUND

The Rye Golf Club (RGC) was purchased by the City of Rye in 1965 and has operated successfully as a valuable community asset for 48 years at zero cost to City of Rye taxpayers. The club provides recreational activities (golf, pool) for resident and non-resident members as well as a public restaurant and catering facility. It is positioned as a lower cost alternative to a private country club and is more expensive than a public fee based alternative.

In 2012, RGC enjoyed 1,370 memberships and about 4,500 members including 940 residents (19% of Rye Households based 4,900 households estimated in the 2000 census) and 422 non-residents. Membership peaked in 2008 with 1,613 total.

The organizational structure is setup as an Enterprise Fund, separate from the City of Rye General Fund. RGC has generated a surplus over time and, as of 12/31/2012, the Balance Sheet reflected \$725,886 in Unrestricted Fund Balance and \$195,349 in unspent project funds. It is somewhat concerning however that the fund balance has been reduced significantly over the past several years largely driven by net operating losses during a very difficult economy and while the restaurant was operated as a City owned facility. Prior fund balances were: \$820,256 in 2011; \$1,205,349 in 2010; \$2,478,431 in 2009; \$3,493,929 in 2008, \$2,244,589; and \$2,781,516 in 2006.

The historical P&L Statements reflect significant losses 2009-2011, as expenses rose dramatically, after years of net income previously (actually back to 2002).

	Revenue	Op Expense	Op Profit	Non Op Exp	Net Income
2006-A	\$5,378,934	\$5,110,614	\$268,320	(\$52,461)	\$215,859
2007-A	\$6,990,360	\$6,596,429	\$393,931	(\$18,847)	\$375,084
2008-A	\$7,264,208	\$6,816,864	\$447,344	\$95,066	\$352,278
2009-A	\$6,575,095	\$7,112,248	(\$537,153)	\$169,809	(\$706,962)
2010-A	\$6,276,272	\$7,553,839	(\$1,277,567)	\$73,622	(\$1,351,189)
2011-A	\$6,504,603	\$6,912,568	(\$407,965)	\$105,991	(\$513,956)
2012-A	\$6,759,393	\$6,900,086	(\$140,693)		(\$140,693)
2013-B	\$6,455,025	\$6,379,621	\$75,404		\$75,404

The Balance Sheet reflects \$11.6 million in assets (capital assets and cash) and only \$3.5 million in liabilities.

The capital investment plan is in development so future needs (pool, Whitby, etc.) are not yet defined.

RGC currently has the following outstanding obligations to the City of Rye.

1. RGC has required bond financing from the City of Rye for major capital investments and has funded all bond principal and interest payments from operations. The initial \$1.6 million bond issued in 1965, fully repaid by RGC, was used to purchase the property from the Rye Wood Country Club, and was supplemented Westchester County and Federal grants as well as a small general fund contribution. A subsequent \$2 million bond, issued in 1989, also fully repaid by RGC, funded new Swimming Pools, a multi-purpose building, and a locker refurbishment. Two bonds totaling \$3.863 million (\$2.12 million Series A Tax Free and \$1.743 million Series B Taxable) issued in 1997, which are currently being repaid from RGC operations, funded the Whitby Castle renovation, a Pro Shop building and expanded parking. As of 12/31/2012 there was \$2,210,000 principal remaining on the two outstanding notes (\$1.465 million and \$765 thousand respectively), both of which are scheduled to be fully repaid by September 2018. RGC is currently scheduled to pay \$330,000 combined principal plus \$97,085 interest in 2013. The taxable bond is being refinanced in 2013 to reduce remaining interest expenses by \$86,000.
2. RGC funds ongoing retiree medical and pension obligations, totaling \$260,350 in 2012.
3. RGC currently contributes about \$375,000 per year to the City of Rye General Fund to cover city allocated expenses for administration (\$296,176), insurance (\$26,762), and financial audit (\$9,609) as well as to cover taxes on city property (\$12,444) and non-resident road surcharges (\$29,925). Some of these cost recoveries help to effectively reduce the City tax assessment. The basis for the 'Interfund' allocations was defined in the 2001 Maximus Consulting Study. The pro/con assessment of these allocations and appropriate dollar levels versus hiring external services is not analyzed in this report.

In total, RGC has approximately \$1.1 million in annual commitments through 2018.

The club experienced significant financial fraud, which was exposed in 2012 and had apparently been occurring since 2006. At this time, to our knowledge, it is believed the fraud was perpetrated by one individual, the former RGC General Manager. The extent of the loss has not yet been finalized. The ability to collect on the City of Rye insurance policy has not yet been determined, and may be connected to the Westchester District Attorney decision whether to pursue criminal charges.

The fraud was undetected by the RGC Commission and the City of Rye, the implication being that internal controls and governance need to be evaluated and improved.

Mayor Doug French and the City Council formed the RGC Strategic Committee in December 2012. The Mayor provided the following mandate:

"To recommend the right strategic model for the Club's future to include the needs of members and Rye residents as a public asset. In your recommendations to the Council, include parameters that would be needed in an RFP to go to market if warranted. In addition, include recommendations in operating policies that would be incorporated in the new model. Let me know if there are additional aspects of your committee's work the committee would like to add. Please reach out to club members and commission members for their feedback as needed or as per their survey."

3. RGC Mission Statement

In the 2007 City of Rye Annual Financial Report, it states that the purpose of the club is to provide safe, high quality, leisure time activities by operating and maintaining an environmentally sensitive publicly-owned membership golf club and swimming pool complex on a self-sustaining basis.

It is notable that the mission does not currently mention “affordability”, although some stakeholders would like to provide more public access by reducing fees (ie. residents, non-residents, seniors, for demonstrated financial need, etc.) and/or to eliminate the \$300 minimum food requirement. RGC is currently offered as a non-equity fee based service, positioned in between public facilities and private clubs. We have not yet found a public fee model which delivers about \$400,000 per year to the Municipal General Fund, full debt repayment and retirement obligations, presumably because the rates charged are not sufficient to generate a significant surplus. In addition to financial challenges, a model with more affordable public access could impact local traffic, parking, and operating expenses as the course will get more rounds of play.

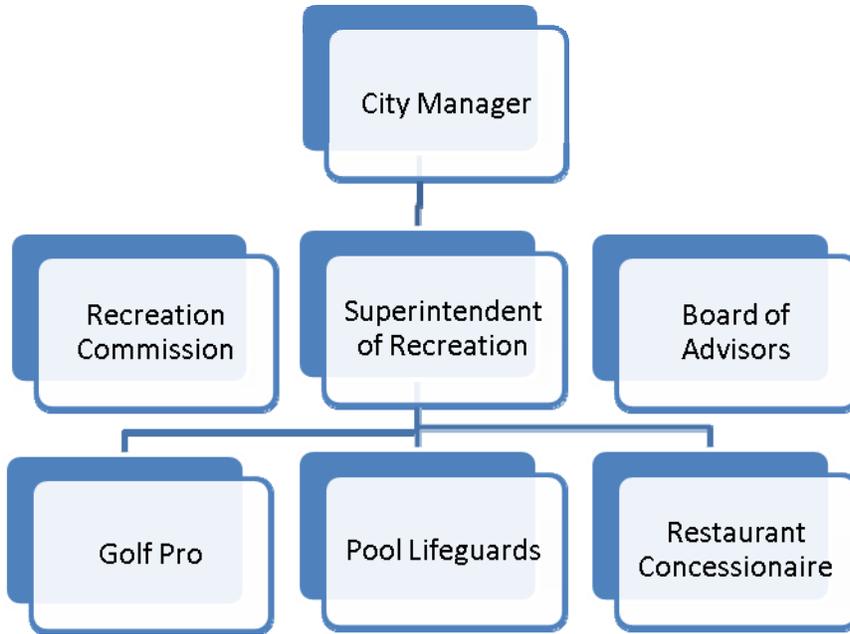
If a privatization model was to be investigated, significant research would be required to assess private club competition (ie. no current tennis, paddle, or driving range capabilities at RGC) and to review the public use requirement mandated by the Federal and County Grants provided to the City of Rye to purchase the club.

In summary, our assumption is that the Mission is generally being achieved and no major changes are needed. Accordingly, modification of operating policies and/or governance to achieve a different mission statement is not analyzed in this report.

4. Historical Governance

Governance: 1965-1977 (12 years)

Adopted 6/21/65-1/5/66, largely as recommended by the Citizens Advisory Committee



Board of Advisors:

- Nine People (maximum)
 - Councilman (1)
 - Rec Commission (2 max)
- Appointed by Mayor
- 1 year term
- Sub Committees as needed (golf, swim, house).

Staffing Plan

Club Manager (eventually) to report to Superintendent of Recreation.

City managed day-to-day operations through the Recreation Commission.

Board of Advisors comprised of 9 members appointed by Mayor to 1-year term.

See Appendix for City Council resolutions 6/21/1995 and 1/5/1966 establishing BOA.

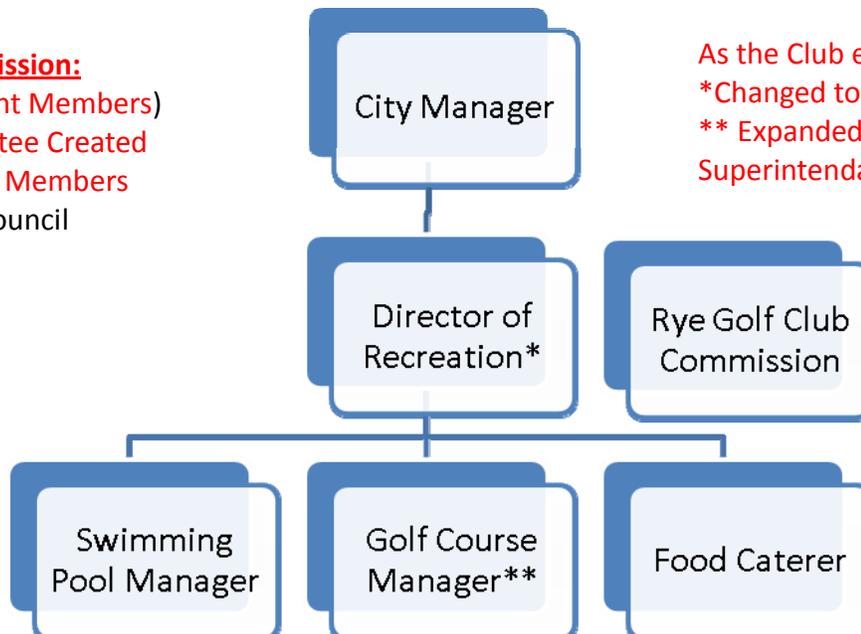
Governance: 1977-2005 (28 years)

Adopted 5/18/77

Rye Golf Club Commission:

- Nine People (**Resident Members**)
- Nominating Committee Created**
- Election by Resident Members**
- Appointed by City Council
- Two** Year Terms

As the Club experienced growth:
 *Changed to Club Manager
 ** Expanded to Golf Pro and Golf Superintendant



Eliminated external Board of Advisors and created the Rye Golf Club Commission.

Commission nominated & elected by Members, comprised entirely of Members.

Term extended to 2-years (presumably for more experience and continuity).

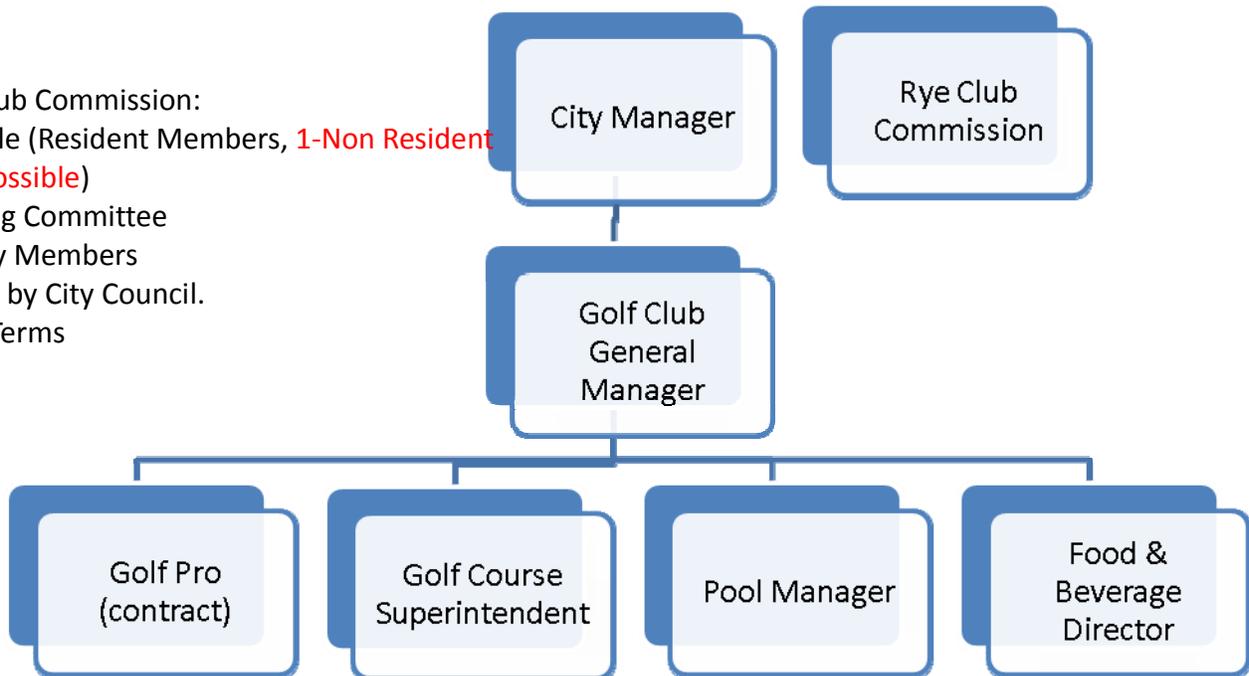
Responsibilities expanded to “approve annual budget estimates, prepared by staff personnel, including membership categories and proposed fee schedules, prior to submission to City Manager.”

Governance: 2006-present (7 years)

See Appendix for City Council Resolution 5/18/1977 establishing RGC Commission.

Rye Golf Club Commission:

- Nine People (Resident Members, 1-Non Resident Member possible)
- Nominating Committee
- Election by Members
- Appointed by City Council.
- Two Year Terms



-Restaurant management taken over by City after food concessionaire opted out of contract.

-Added potential to have one non-resident serve on RGC Commission.

-Expanded clarification of RGC Commission role.

See Appendix for City Council Resolution 11/28/2012 expanding RGC Commission role.

5. Alternatives for Consideration – INITIAL ASSESSMENT

ORGANIZATIONAL STRUCTURE

1. Enterprise Fund - RGC is currently structured as an Enterprise Fund, similar to the Boat Basin, separate from the General Fund. It is our understanding that the RGC operation meets governmental criteria for an Enterprise Fund basis of accounting and reporting because the cost of providing services, including capital costs (such as depreciation or debt service), are fully recovered with fees and charges, rather than with taxes or similar revenues. At times, surplus monies are retained for use by RGC either to fund operating losses when needed, since the business is cyclical and sensitive to the economy and local competition, or to fund capital improvements.
2. General Fund - Presumably, if the City was to eliminate the 'self-sufficient' criteria, similar to the Rye Recreation model, where 60% of the operating cost is funded by the General Fund, the Enterprise Fund structure could be modified. There is risk that RGC surplus funds would be utilized for other City initiatives or budget balancing needs so, when needed, a bank balance might not be sufficient for RGC needs.
3. Land Development Corporation – Transferring the land to an LDC, to be managed by the City of Rye “off balance sheet” was deemed out of scope due to classification as a property sale.
4. Other Alternatives – We are not aware of other structural alternatives and need General Counsel and City Manager assistance to identify other options as appropriate.

GOVERNANCE

RGC is a city owned asset where the City of Rye has ultimate responsibility for debt repayment, retirement obligations, and operational funding (ie. if the reserve is ever eliminated or if bond offerings are not passed). The fiduciary responsibility element is important when considering alternate governance models.

1. City Managed with Independent Commission Oversight –

The current model gives City of Rye full decision making responsibility, with an independent Commission acting as an advise/consent body to create club policies and approve budgets, subject to final approval by the City Manager. The Commission can appeal to the City Council as needed. The Commission is comprised of nine people elected by membership and appointed to two year terms of service, without term limits. There are no qualification requirements to serve on the Commission. The Commission operates sub committees as needed, which currently includes: Finance, Marketing, Tournaments, and Greens.

2. Alternative Oversight Models

-RGC Commission with possible modification to include term limits, qualifications to serve, City representative(s) as voting member(s), and/or expanded responsibility.

-Board of Directors representative of broader interest groups (City of Rye, Taxpayers, Members, etc.) with term limits, qualifications to serve and possibly some level of fiduciary responsibility.

-Recreation Department/Commission oversight, particularly if restaurant is outsourced.

MANAGEMENT

1. City of Rye Management

The current organization includes a General Manager (Interim-contract position) responsible for overall Club Management and for supervising Department Managers for Golf Maintenance (Superintendent-employee), Golf Operations (Golf Pro-contract position), Food & Beverage (Director-contract position), and Pool Operations (employee).

If the restaurant was to be outsourced, it would need to be explored whether the GM position is required and whether an alternate management reporting structure would be appropriate. Options could include eliminating the GM position in favor of a Club Manager position, and changing the reporting relationship to the Recreation Department rather than to the City Manager.

2. Outsourced Management –

There are several outsourcing alternatives including, but not limited to:

- a) Hiring an outside management company to run all or part of the operation.
- b) Leasing the property to an operating company (ie. 501(c)(7) or otherwise)
- c) Creating a Local Development Corporation (LDC) to own and manage the property.

After evaluating numerous alternatives, the options have been summarized into the following three major categories.

1-- Maintain RGC as City of Rye managed facility (golf, pool, restaurant/catering).

- Obtain 1-2 more years of experience to determine food/beverage viability under new management
- Immediately enhance internal controls and better define roles/responsibilities.

2-- Outsource restaurant to concessionaire (City of Rye exits restaurant business by 2014/2015)

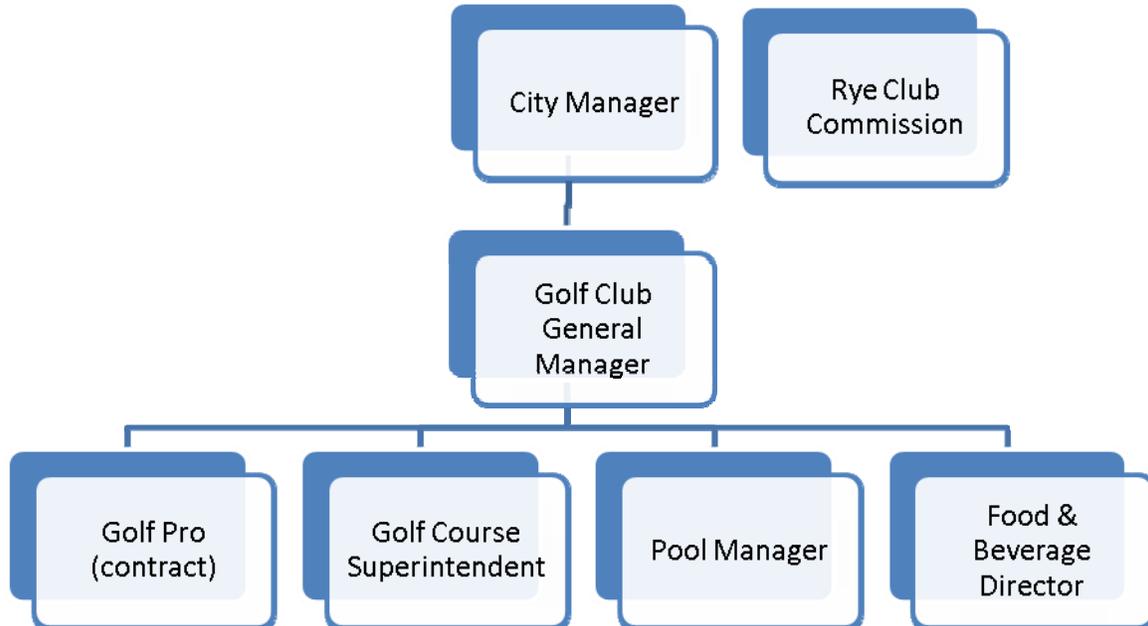
- RFP Restaurant/Catering operation and become landlord with food/beverage tenant
- Modify governance and management as appropriate.

3-- Outsource entire facility so City of Rye exits golf, pool, and restaurant business.

- RFPentire golf/pool/food operation for professional Club Management
- Enter into Management Agreement (IMA) with 501(c)(7) company to operate RGC
- Create Local Development Corporation to own and operate RGC

1a – Current Structure w City Restaurant

Improve internal controls and clarify the role of the Golf Commission.



City Managed Restaurant

The Teplica Wirth & Trapp, Ltd consulting study commissioned in 1996, which was used to justify the Whitby Castle expansion of 1998, indicated that operating revenues could approach \$4-6 million in 5-years comprised of catering (\$3-5 million) and restaurant (\$1 million). The profit estimate ranged from slightly above breakeven to \$1.1 million per year. The restaurant environment in Rye, Mamaroneck, and Port Chester was less developed at that time.

Restaurant Associates achieved a run rate delivering \$2.6 million revenue (\$2.2 million catering, \$400k restaurant) in 2005. RGC received \$200,000-\$325,000 rent per year from 2001-2005 based on a percentage of gross receipts model. RA claimed to have lost up to \$800,000 per year as a restaurant and catering facility, and preferred to operate solely as a catering facility.

	Initial Term	Renewal
Restaurant & Meeting Rooms	6%	7.5%
Snack Bar	7%	8.5%
Banquet Facilities		
First \$2 Million	15%	16.5%

Second \$2 Million 17.5% 19%

Since 2006, when the restaurant has been managed by RGC, the revenues were approximately \$1.6-\$2.0 million including \$1 million in catering, \$0.8 million in restaurant, and \$0.2 million in snack bar sales. Using historical financial statements by department as a directional barometer, it appears that the Restaurant lost money in each year of operation since being managed by the City of Rye.

In 2013, the Whitby Castle operation is budgeted to achieve \$1.9 million revenue with an operating loss of \$0.2 million, however, those numbers are largely based on 2012 actuals, with inflated labor costs, and cannot be used for decision making purposes. It is notable that departmental allocations by cost center (golf, pool, restaurant, administration) are not 100% precise, for example, no gas utility is reflected in the Whitby numbers at this time.

This year is a pivotal juncture for the RGC managed food operation, after hiring a Food/Beverage specialist, and a new chef, there are plans to market the facility and grow revenues. One option is to wait through the 2013 season, and possibly the 2014 season, to see the results achieved by the new management team before deciding whether to run the Whitby Castle by RGC or whether to outsource the restaurant/catering business. More likely than not, it will take several years to grow the business.

Another option is to complete a Request For Proposal (RFP) in 2013 and outsource the food and beverage operation, or a portion of the operation (ie. ex snack bar and potentially a modest grill room for members only). We have learned that there are several challenges in running a restaurant as a municipality. The RFP process is sometimes restrictive in comparison to opportunistic spot buys. The employee labor and benefit programs are mandated by municipal law, less relevant if using a 10-month model with agency, contract, or seasonal labor.

Summary - City Managed Restaurant

PRO'S

- The City of Rye has control over the entire Club, including the restaurant, and the membership is solicited for advice on club policy and financial matters.
- The Whitby location is unique and there is a chance the food operation can be profitable with solid management.

CON'S

- The City of Rye is responsible for managing the food/beverage business, which is not a core competency and can distract from other priorities.
- The RGC surplus has been dramatically reduced since the City started managing the food/beverage operations.
- The City of Rye bears financial risk if the restaurant is not successful and further depletes reserves.
- The City is exposed to health care costs for employees working over 30 hours per week even under seasonal or agency staffing models, and to municipal benefit programs for full time employees.

Internal Controls

The RGC Commission represents membership interests in setting Club policies and is a steward of fiscal responsibility to the City of Rye taxpayers. Over time, the financial responsibility was compromised as the General Manager was empowered to make decisions without full knowledge of the RGC Commission and the City Manager.

2013 Operational Changes

The City of Rye hired an interim General Manager who reports directly to City Manager. Membership is on pace or slightly ahead of 2012 levels and the thought is that eliminating the inflated labor costs will bring the club back to breakeven or better. A new chef was hired for the Whitby operation and the tip policy has been modified. That said, the City Council's 2012 Investigation Report and prior City of Rye Audit Reports clearly indicate that enhanced checks/balances are needed. The following internal control recommendations should be considered:

A. ORGANIZATIONAL ROLES / RESPONSIBILITIES

- i. The RGC Commission advisory role for financial matters should be expanded beyond budgeting, to include an advisory role for expenditures throughout the year. Specifically, the RGC Commission should be consulted on all spending decisions exceeding \$2,500. The City Manager should maintain final decision-making authority.
- ii. The responsibilities of the RGC Standing Committees should be clearly defined. For example, what role is the Finance Committee to perform with regards to spending decisions throughout the year?
- iii. The RGC Office Manager should report directly to the City Comptroller rather than to the RGC General Manager. This reorganization is intended to ensure that the financial policies of the City are followed.

B. TRANSPARENCY

In order to perform the mandated role to recommend budgets, the RGC Commission needs access to financial information throughout the year. The City of Rye Finance Committee, and perhaps the Audit Committee as well, should also be provided with a monthly reporting package.

Internal management reporting which covers financial and operational performance should be implemented.

-Weekly Posting email from Department Managers to RGC Commission Chair and Committee Chairpersons.

Golf Superintendent	Greens Committee
Golf Pro	Tournament Committee
Pool Manager	Pool Committee
Food/Beverage Director	Finance Committee (consider creating Food/Bev Committee)
Accounting	Finance Committee
Membership	Marketing Committee

-Weekly Financial Reporting from Comptroller to RGC Finance Committee to include Check Register and Purchase Order Commitments by Vendor. **Implemented.**

-Monthly Financial Reporting from Comptroller (or RGC Accounting) to RGC Finance Committee including (a) Actual Spending Versus Budget and Prior Year by cost center (Golf Operations, Golf Maintenance, Pool, Restaurant, Catering, Snack Bar, and Administration), and; (b) Trial Balance by general ledger account. **Being Implemented.**

C. PURCHASING

Purchase Orders (PO's) - Past practice was for the General Manager to sign all Purchase Orders. The City Manager would sign most Purchase Orders as well. Currently the City Manager signs all Purchase Orders. The City Comptroller also has limited PO Signature Authority. Currently Department Managers can authorize spending up to \$1,500 without issuing a Purchase Order.

(a) PO's are currently required for all transactions in excess of \$2,500. A new process, implementing simplified Supply Requisitionsshould be required for all procured goods and services which do not require a City of Rye Purchase Order. That way there is written record of all commitments made on behalf of the City of Rye.

(b) Department Managers should be responsible to sign all Requisition and PO requests for their areas of expertise.

(c) RGC Commissionsshould be consulted prior to writing PO's over \$2,500 and given a reasonable time to respond.

(d) Signature Authorization Levels should be implemented (ie. Department Managers given formal approval to sign for say, up to \$2,500,provided expenditure is budgeted).

(e) Utilize RFP process based on dollar spend including professional services. The dollar threshold should be recommended by the RGC Commission, with the final decision made by the City Manager.

It is notable that an RFP was completed in 2013 for Whitby Staffing rather than using rate cards. The RFP assumptions (who participated), scope (I-9 verification, background & reference checks, pass-through with allowable markup, etc.), and results (what rates were received), should be provided to the RGC Commission.

D. ACCOUNTS PAYABLE PROCEDURES – SEPARATION OF DUTIES

The prior General Manager utilized significant autonomy without adequate checks/balances to identify misuse of funds. The General Manager selected vendors, prepared PO's, signed PO's, and approved invoices. Rate sheets were used for contract staffing versus an RFP. The Staffing Agency proof of performance backup did not include payroll registers documenting payments to personnel.

Options to segregate purchasing, receiving and invoice approval responsibilities include:

Receiving – Receipts and/or proof of performance should be signed and provided to Accounting by authorized personnel. Qualified personnel to receive goods/services and attest to quantity and condition should be defined. Ideally, the receiver should be someone other than the person ordering the goods/services and the receipt should be dual signed if the person issuing the order is also a receiver.

Invoices – Invoices should be mailed directly to RGC Office Manager for processing rather than to Department Managers. The RGC Office Manager would complete a three way match (PO, Receipt, Invoice validated by three different individuals) and submit for payment if no price/quantity discrepancies. Any (price, quantity, or quality) discrepancies are resolved with Vendors or Department Managers as needed. Invoice backup must include proof of payment for all cost plus arrangements.

E. FINANCIAL ACCOUNTABILITY

Provide Departmental Managers with annual budgets to manage rather than having GM handling in isolation.

Implemented for Golf Course Maintenance and Operations. Restaurant and Pool are TBD.

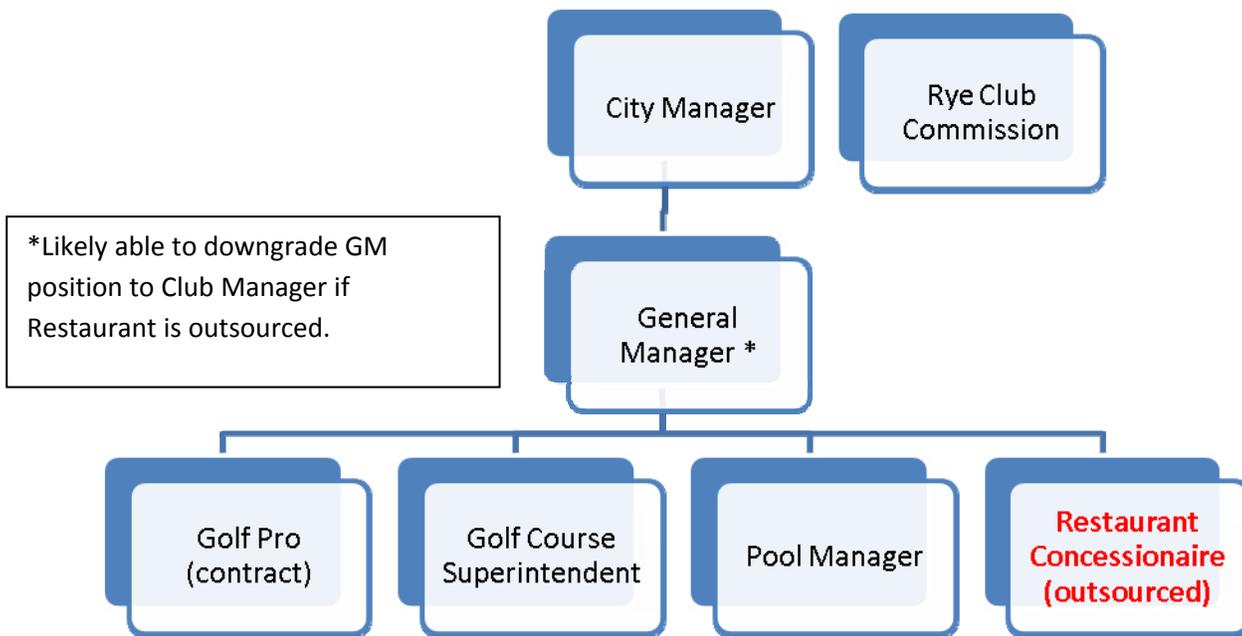
The accounting firm Condon O'Meara McGinty & Donnelly has been identified as having a strong specialty in Club Management, and is uniquely qualified to assess the RGC policies and procedures. Their references include Westchester Country Club, Apawamis, Winged Foot, Manursing, American Yacht and more. A proposal should be solicited from them to review RGC procedures in comparison to best practices.

F. SUMMARY of INTERNAL CONTROLS

Expanding RGC Commission Roles/Responsibilities and implementing improved Management Reporting should be fully resolved AS SOON AS POSSIBLE, by May 15 if possible, to improve necessary transparency and checks/balances. The RGC Commission can act as a consultative resource which will ease the burden on the City Manager who has more RGC direct reports (Food & Beverage Director, Golf Pro, Golf Superintendent) than ever.

1b – Current Structure w Whitby RFP

Complete RFP to outsource the food/beverage concession. Improve internal controls for golf/pool operations and clarify the role of the Golf Commission.



When last outsourced, the Restaurant generated \$200,000-\$325,000 in “rent” on a percentage of revenue basis. Since the 2013 budget indicates a \$200,000 loss, a deal commensurate with the RARye contract would generate a \$400,000-\$500,000 improvement from current operations.

The Restaurant RFP scope would need to be developed over the coming weeks to determine: Will a public restaurant be mandatory or could it be catering only? If catering only, would RGC be able to operate a modest ‘Grill Room’ restaurant in the Whitby Castle or would RGC need to build space in the ‘Member Lounge’ area connected to the Pool Snack Bar? Would the snack bar be included in the RFP? Would the financial options include a fixed rent or a percentage of sales? What would be the other criteria (ie. responsibility for Building R&M and capital improvements)? Where would the RFP be published and who would be invited to respond?

The timeline for the RFP process, if appropriate, is roughly estimated to be:

RFP Preparation	May/June
City Council Approval	June
RFP Responses	September 1
Evaluation	September
Vendor Selection & Contract Negotiation	October
Startup	January - March 2014

A RGC member survey, completed by the RGC Commission in December 2012, addressed several relevant topics:

7. How important is maintaining Whitby Castle as a restaurant/clubhouse to your membership?

Not At All Important	34.4% (173)
Somewhat Important	25.2% (127)
Important	25.0% (126)
Very Important	15.3% (77)

9. Does it matter to your membership to have Whitby Castle managed directly by the Rye Golf Club as opposed to a third party?

Yes	17.4%
No	82.6%

10. How important is it to you to have Whitby Castle maintained as a public restaurant?

Not At All Important 42.3% (215)

Somewhat Important 21.1% (107)

Important 23.8% (121)

Very Important 12.8% (65)

11. How willing would you be to give up some access to Whitby Castle due to an increase in events by a 3rd party?

Not At All Willing 10.9% (55)

Willing 52.4% (265)

Very Willing 36.8% (186)

12. If the club created a more traditional Grill Room (Bar with bar menu), would you use it more than Whitby?

Yes 72.6% (366)

No 27.4% (138)

The RGC Commission has requested that the membership be polled further about an RFP alternative prior to issuance. The May/June time period is targeted to obtain updated member feedback.

Summary - Whitby RFP

PRO'S

-City of Rye would exit the food/beverage business and devote less resources to that operation.

-Demonstrated financial improvement as landlord versus food/beverage operator.

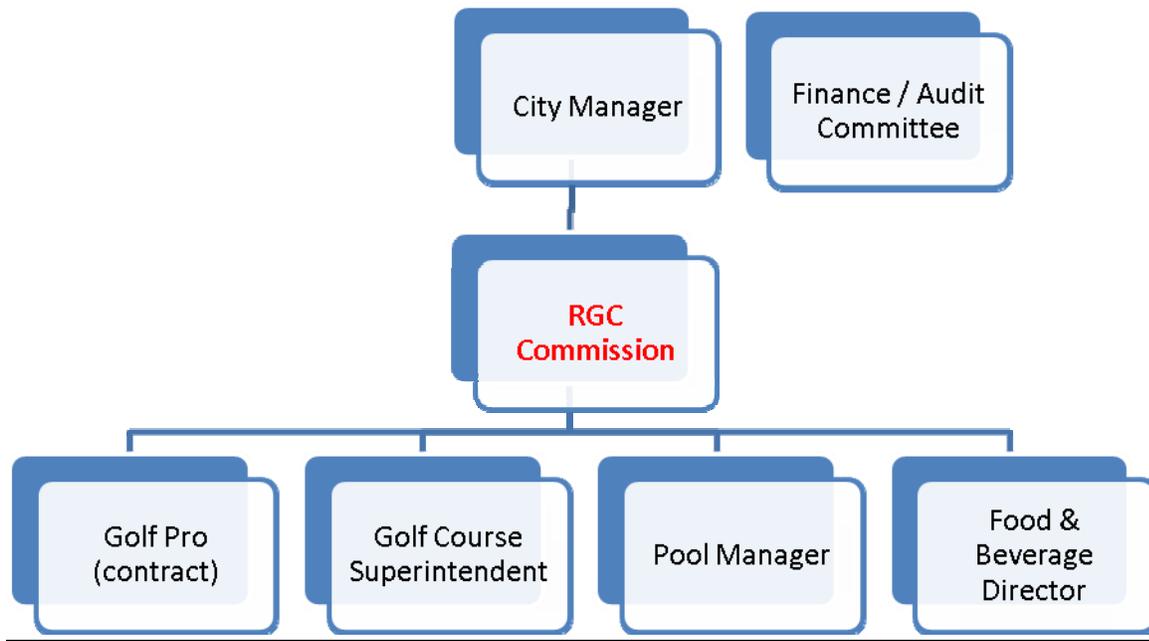
CON'S

-City of Rye would not realize entire upside if food/beverage was managed profitably.

-Membership may be restricted in restaurant offerings (hours, menu, cost, etc.).

2a – Modify Governance w RGC Commission

Expand role of RGC Commission under advise/consent or decision making model.



Alternate Municipal Governance Examples

CITY OF NORWALK - OAK HILLS SUMMARY

The City of Norwalk created the Oak Hills Park Authority for the purpose of acquiring, constructing, operating, maintaining, and managing the Oak Hills Park, including the golf course, tennis courts and related recreational facilities.

The powers are exercised by an Authority consisting of nine electors of the City of Norwalk, who are appointed by the Mayor and confirmed by the Common Council for a term of three years. [No member shall serve for more than two consecutive terms](#), and, after serving on the authority for two consecutive terms, no member shall be reappointed to the Authority for at least two years. [The Common Council has the power to remove a member of the Authority for inefficiency, neglect of duty or malfeasance in office, after an investigation, notice and public hearing.](#)

The Authority submits an annual budget to the City for approval. No Authority member, nor any immediate family member may accept employment at the Oak Hills Park, during the time the person is serving on the Authority and for a 2-year period afterwards.

The Authority cannot mandate cart rentals, close the course for tournament play more than 50 days per year, discriminate based on playing ability, provide free or discounted rounds of golf.

The Authority is authorized to enter into a lease agreement with the City of Norwalk. The Common Council may charge the Authority such annual rent for the use of the Park. Any and all contracts entered into by the Authority shall be subordinate to the lease with the City.

Before any fee schedule is enacted or modified, the Authority shall hold a public hearing in the City of Norwalk.

{Note that Oak Hills is facing significant financial issues as they took on significant restaurant debt without adequate income streams. The City of Norwalk recently provided \$100,000 to fund operations.}

CITY OF STAMFORD - STERLING FARMS SUMMARY

The City of Stamford created the Stamford Golf Authority in accordance with the provisions of State of Connecticut Public Act 460 of the 1965 General Assembly by adoption of an ordinance on April 26, 1967. The Authority is considered a related organization to the City of Stamford.

The Golf Authority operates the Sterling Farms Recreation Complex. The Authority is a separate governmental unit that, under the criteria of the Governmental Accounting Standards Board, need not be combined with any other component unit to form the reporting entity.

The Golf Authority is comprised of a nine member board appointed by the Mayor.

We are trying to obtain the full Charter detailing the Stamford Golf Authority roles and responsibilities.

Sterling Farms is a public use facility which generated \$2.9 million in revenue and a \$284k net operating loss in 2010. The 18-hole fee for residents is \$26.00. (see appendix for financial summary).

CITY OF STAMFORD - E. GAYNOR BRENNAN SUMMARY

The City of Stamford created the City of Stamford Golf Commission to operate the E. Gaynor Brennan Golf Course. The Commission consists of a five member panel, who serve overlapping terms of three years. Members are appointed by the Mayor and approved by the Board of Representatives in accordance with the Stamford Charter.

We are trying to obtain Charters from additional Municipal Golf Courses including:

TOWN OF EASTCHESTER - LAKE ISLE

TOWN OF RAMAPO – SPOOK ROCK

NEW YORK STATE - BETHPAGE

WESTCHESTER COUNTY – Maple Moor, Saxon Woods, Sprain Lake, Dunwoodie, Mohansic

VILLAGE OF SANDS POINT – SANDS POINT

Summary - RGC Commission Expansion – Advisory or Fiduciary (tbd)

PRO'S

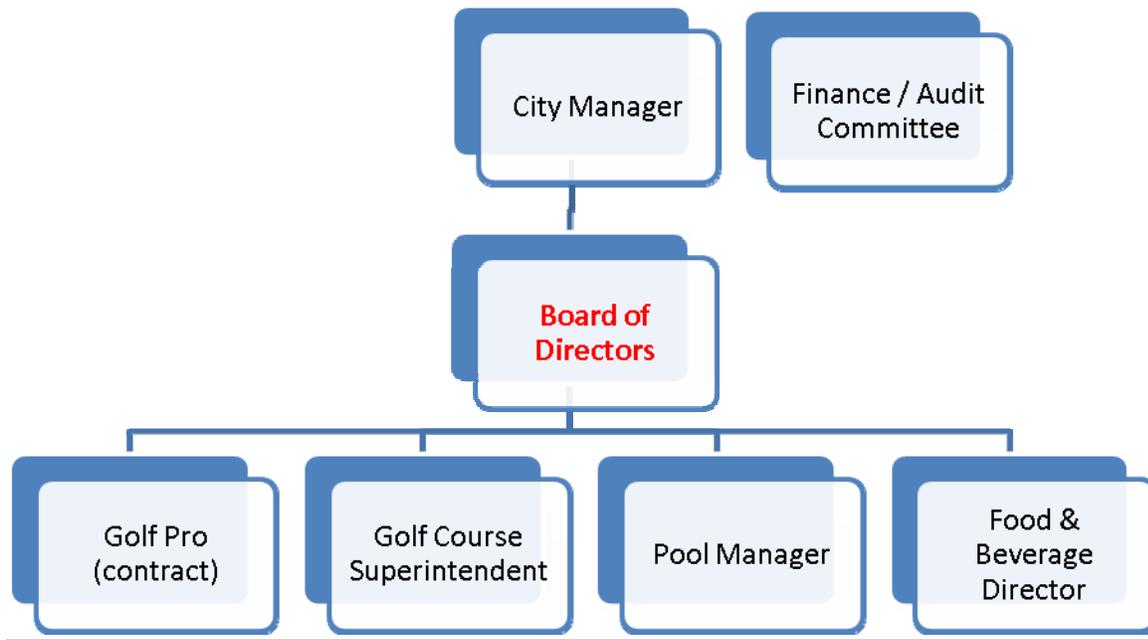
- Relieves the City Manager from some RGC responsibility to focus on other priorities.
- Commission would like a greater voice since membership monies have sustained the Club since inception.
- Commission Charter could be modified: scope, qualifications, term limits, removal from office (if needed).

CON'S

- City would maintain ultimate financial liability, possibly without maintaining full decision making control.
- May be difficult to find qualified volunteers to serve on Commission, given greater responsibility.

2b – Modify Governance w Board of Directors

Create BOD to oversee club operations with finance/audit committee review.



The Board of Directors could be appointed by the Mayor and confirmed by the City Council. The qualifications for service could be predetermined using a process similar to other City of Rye Boards. The Board (5, 7, 9, etc.) could include representation from a wider array of Stakeholders (Membership, City Council, Taxpayers, and Professional Experts (Finance, Legal, HR, Club Management, etc.)). The term could be 2-3 years to enhance continuity. Members could be removed if appropriate.

The responsibilities of the Board of Directors could either be an 'Advise and Consent' model or could be granted more authority for decision making to include (a) Set Prepare annual operating budget for approval by City Council; (b) hire and fire personnel; (c) recommend contracts for City Manager to execute; (d) And so forth.

Summary - Board of Directors

PRO's

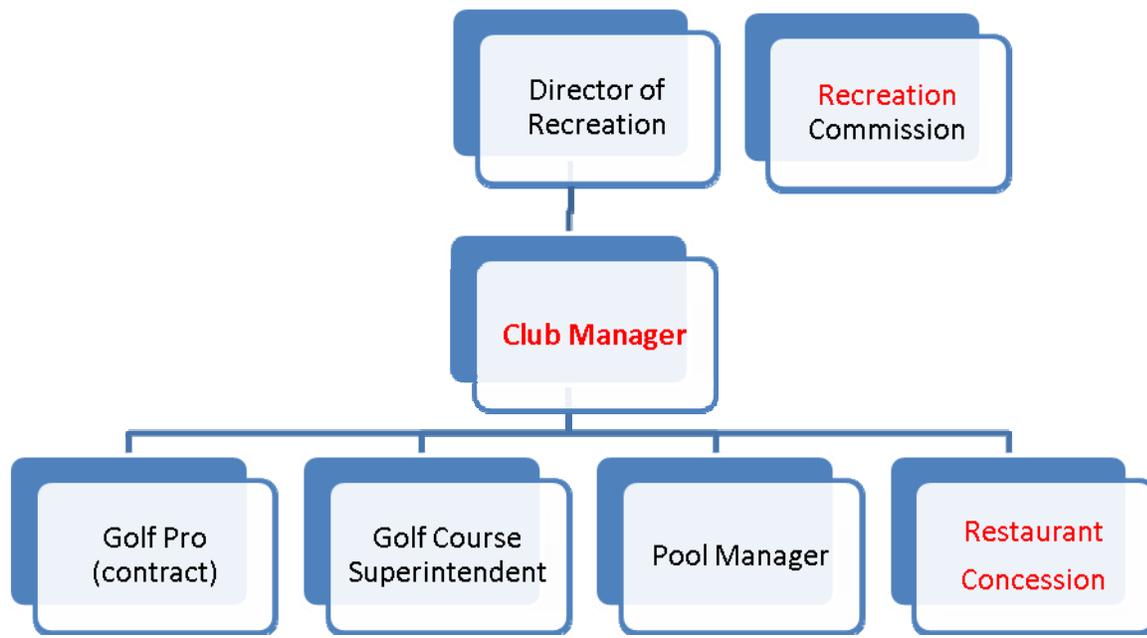
- Relieves the City Manager and support staff from some RGC responsibility to focus on other priorities.
- Broader representation (City Council, Taxpayers, Members, functional experts, etc.) on governing organization.
- BOD Charter to define things like scope, qualifications to serve, term limits, removal from office (if needed).

CON's

- Membership would not have 100% of voice.
- May be difficult to find qualified volunteers to serve.

2c – Modify Governance to Recreation Dept

Movemanagerial responsibility to Recreation Department.



The operation of the RGC would be simplified if the restaurant operation is outsourced. The golf and pool activities could possibly be reassigned under the Recreation Department with oversight from the Recreation Commission. An additional headcount at the Recreation Department could be needed.

Summary – Recreation Department

PRO'S

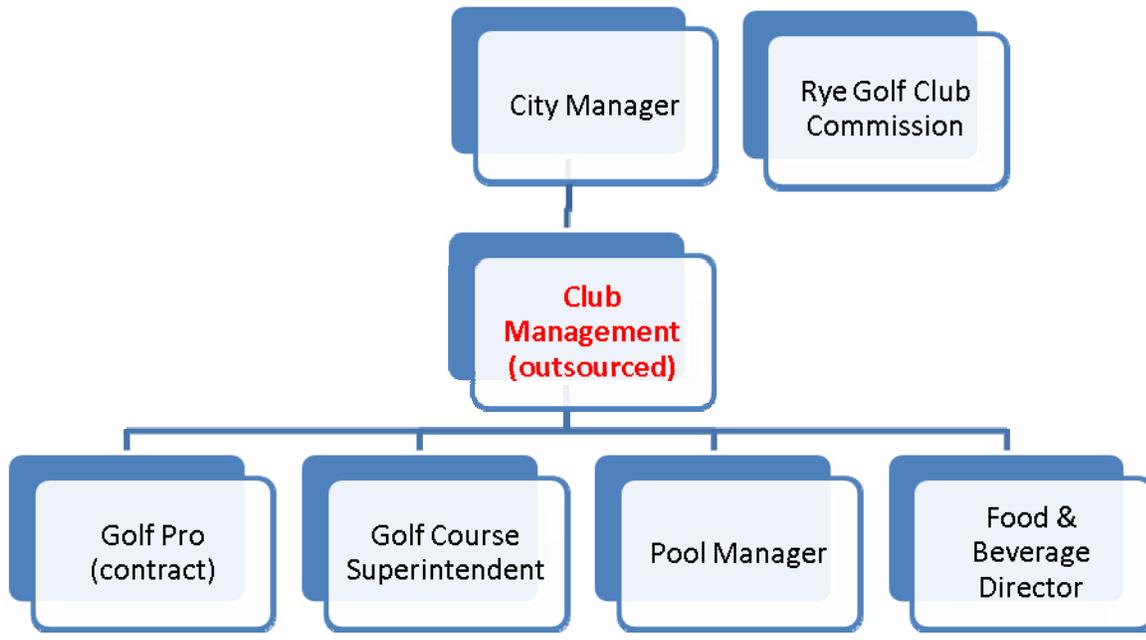
- Moves direct reporting relationship responsibility from City Manager to allow focus on alternate priorities.
- Possible efficient consolidation of services (procurement, accounting, maintenance, etc.)

CON'S

- Additional workload for Recreation Commission, with staffing level and skill set assessment tbd.
- Removes oversight from officials elected by members, unless composition of Recreation Commission is modified.

3a – Outsource Club Management

Lease facility to professional club management company.



City of Rye would lease the property to a professional management company, like Troon, Billy Casper Golf, KemperSports, American Golf, etc.. The lease would presumably need to cover the Interfund commitment, debt repayment, and retiree obligations. Theoretically, if the management company defaulted on a lease payment, the agreement would terminate and the Club would revert back to the City of Rye. The decision making authority (ie. membership rates) would need to be explored further, some loss of membership/City control is likely.

Summary – Outsource Club Management

PRO'S

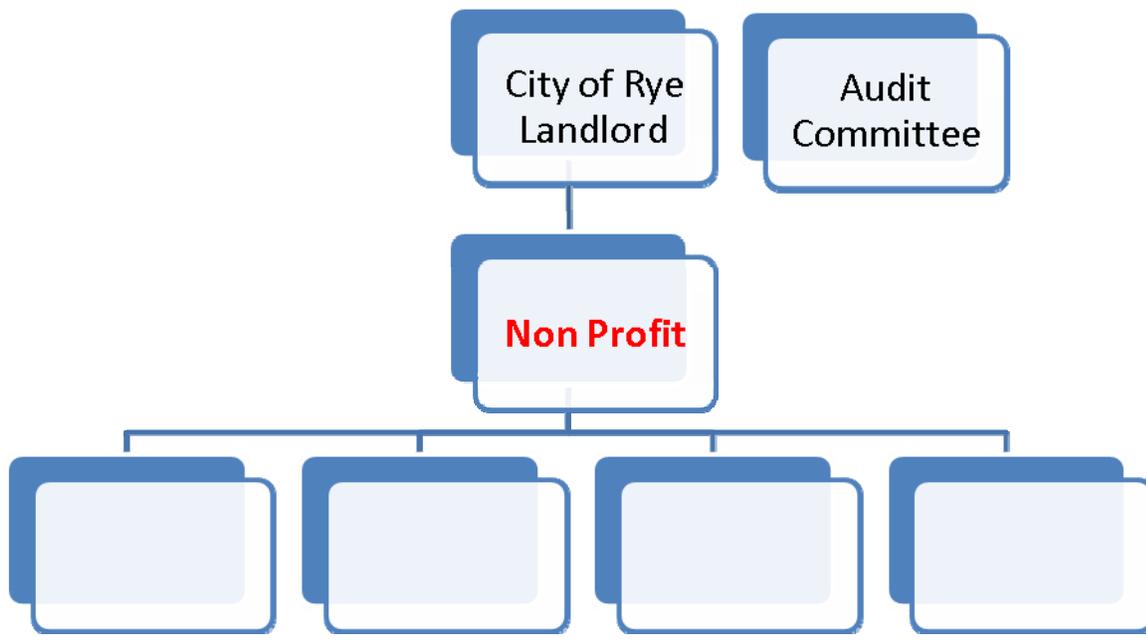
- Relieves the City Manager and support staff from some RGC responsibility to focus on other priorities.
- Removes City of Rye from golf/pool/restaurant business and limits financial risk related to operating losses.

CON'S

- Some loss of decision making control related to City owned asset and taxpayer amenity.
- Not necessarily low cost alternative due to profit requirements, may lead to membership rate increases over time.
- Implications for existing City employees (termination, bumping, etc.).

3b – Outsource to Non Profit

Lease property to manage RGC via Non-Profit or Pass-Through Corporation



The City of Rye could lease the property to a separate entity, preferably a non-profit organization, possibly owned and managed by the Members and represented by the RGC Commission. The lease would presumably cover the Interfund commitment debt repayment, and retiree obligations. If the non-profit defaulted on the lease payment, the contract would terminate and the Club would revert back to the City of Rye. The City of Rye would not be responsible for any commitments made by the separate entity. The non-profit may be exempt from municipal requirements. If City of Rye bonds were used to improve infrastructure, the lease payment would be adjusted accordingly.

This model is utilized for the Rye Nature Center and Rye Arts Center. A similar model is utilized by the Village of Sands Point.

Summary - Management by Non-Profit or Pass Through Corporation

PRO'S

- Relieves the City Manager and support staff from some RGC responsibility to focus on other priorities.
- Removes City of Rye from golf/pool/restaurant business and limits financial risk related to operating losses.

CON'S

- Some loss of decision making control related to City owned asset and taxpayer amenity.
- Not necessarily low cost option, may lead to membership rate increases over time.
- Viability of Corporation must be maintained and borrowing capacity to be determined versus City of Rye.

Alternatives Excluded From Scope

1. Privatization with equity membership was presumed to be excluded, as it would reduce public access by increasing the cost of entry.
2. The sale of the restaurant or the entire operation was excluded.
3. Transfer of the property to a Land Development Corporation (LDC).
4. Alternate use was excluded.

6. CONCLUSION – INITIAL REPORT

The most significant issues at RGC relate to inadequate internal controls and possibly the financial viability of the food/beverage operation under a Municipal Managed model. Effective immediately, significant changes in responsibilities and operating policies should be considered:

1. Governance – Improve checks/balances by including the RGC Commission in an advisory role for all Club decisions with an impact in excess of \$2,500 per year. Final decisions remain with the City Manager.
2. Transparency – Comptroller to provide monthly financial reporting to RGC Commission. Department Managers to provide weekly operational updates to the RGC Commission as follows:

-Golf Superintendent	Greens Committee
-Golf Pro	Tournament Committee
-Pool Manager	Pool Committee
-Membership	Marketing Committee
-Food/Beverage Director	Finance Committee (creation of Food Committee tbd)
-Office Manager	Finance Committee

3. Internal Controls – Require written documentation for all purchase commitments, even if below requirement for City of Rye PO..Enforce Segregation of Duties and Signature Authorization Limits.

The RGC Strategic Committee needs feedback from the City Council on the ideas presented in this [INITIAL REPORT](#).

A) Maintain the existing model or modify the governance

B) Outsource the restaurant or outsource the entire operation. If the decision is to pursue an RFP for 2014, we envision completing the preparation in May and gain City Council approval of the document(s) in June.

Please let us know if you need any further information.

APPENDIX

SCHEDULE A – Historical Charters for RGC Board/Commission

ESTABLISH BOARD OF ADVISORS – 6/21/1965

RESOLVED that this Council hereby confirms its intention to have the Rye Golf Course placed under the jurisdiction of the Recreation Commission pursuant to Article 16, Section 16.2 of the City Charter and to have the operation and maintenance thereof placed under the Department of Recreation pursuant to Article 16, Section 16.2 of the City Charter, subject to the following conditions:

- (1) Determinations of major policy with respect to the Rye Golf Course shall be reserved to the Council, including but not limited to the final approval of the annual budget, membership eligibility rules, membership fees, contracts with concessionaires and projects for substantial construction or alteration of facilities.
- (2) There is hereby created a Board of Advisors for the Rye Golf Course consisting of members of the Recreation Commission, ex officio, plus the nine persons who comprise the “Golf Course Committee” heretofore designated by this Council. The Board of Advisors shall elect its own Chairman.
- (3) The Board of Advisors shall have authority to appoint subcommittees and to delegate thereto advisory duties with respect to the various areas of operation.
- (4) Nothing herein contained shall derogate from the administrative and supervisory authority of the City Manager under said Article 16, Section 16.4 of the City Charter.

TERMS AND DUTIES OF THE BOARD OF ADVISORS – 1/5/1966

WHEREAS, the Council desires to control the operation of Rye Golf Course through the City Manager and to establish an advisory board in connection with such operation, NOW, THEREFORE, BE IT RESOLVED by the Council as follows:

Section 1. There shall be a Board of Advisors to consist of not more than nine members to be appointed by the Mayor for a term of one year, during which time they shall serve at the pleasure of the Mayor. One of the members thereof shall be a Councilman and not more than two members thereof shall be members of the Recreation Commission. The Mayor shall designate the Chairman of such Board.

Section 2. The Board shall act only in an advisory capacity to the Council with respect to the use of the Rye Golf Course. Except insofar as it may make recommendations to the Council, the Board shall not make any contract on behalf of the City nor cause any act to be done involving any expenditure by the City.

Section 3. The Board shall develop and recommend to the Council programs, facilities, and regulations with respect to the use of the Rye Golf Course.

Section 4. The use, operation and maintenance of the Rye Golf Course shall be under the direction and supervision of the City Manager.

Section 5. The Board shall have the power to organize and supervise social events, games and tournaments at the Rye Golf Course, including the club house and swimming pool, and to make such rules as may be reasonably necessary to conduct such activities, subject to review and modification thereof by the City Manager. It shall also have authority to appoint sub-committees for various activities of the Golf Course.

ESTABLISH RYE GOLF CLUB COMMISSION – 5/18/1977

RESOLVED, that a Rye Golf Club Commission be and the same hereby is established as follows:

Section 1. Commission; Appointment

(a) There shall be a Rye Golf Club Commission to consist of nine resident members of the Rye Golf Club to be appointed by the City Council from the resident members elected by the members of the Rye Golf Club. The members of the Commission shall elect a Chairman from its members.

(b) During the first two years, five of the members of the Commission shall be appointed for a term of two years and four shall be appointed for a term of one year, and the successors thereof shall be appointed for a term of two years from and after the expiration of the term of their predecessors. The term of the members shall commence on October 1, except that if a vacancy shall occur otherwise than by expiration of term, it shall be filled by appointment by the City Council for the unexpired term.

Section 2. Nominating Committee; Election

(a) The City Council shall appoint a nominating committee of five members of the Rye Golf Club.

(b) The nominating committee shall, for the first election, submit to the membership a ballot containing the names of twelve resident members of the Rye Golf Club for the election of nine members therefrom for submission to the City Council for appointment to the Commission. Thereafter, the nominating committee shall submit to the membership a ballot containing the names of two or more resident members than the number of vacancies to be filled for the election of the number of resident members to fill the vacancies. The names of the nominees receiving the highest number of votes for the vacancies to be filled, including anyone with a tie vote, shall be submitted to the City Council for appointment.

(c) Any person who is 18 years of age or over that age and a member of the Rye Golf Club at the time of the election shall be entitled to vote.

(d) The nominating committee shall prepare a ballot containing the required number of names selected by them as candidates to be elected for appointment by the City Council; and it shall conduct an election by the members by mail and/or by any other method designated by the committee for returning the ballot so that the results of the election are received by the committee no later than September 1.

(e) The nominating committee shall submit a list of the elected nominees to the City Council by September 10.

(f) The City Council shall appoint the members to the Commission no later than the third Wednesday in September.

Section 3. Responsibilities

(a) The Commission shall adopt rules and regulations relating to the recreational use of the golf course, swimming pool, club house, social and recreational activities and other future activities of the Rye Golf Club, which are not inconsistent or in conflict with any agreement of the City of Rye or any declared policy of the City Council, and subject to the approval of the City Manager.

(b) It shall appoint a Greens Committee, Golf Committee, Pool Committee, and a House Committee, each of which shall consist of four members of the Rye Golf Club and one thereof shall be designated Chairman of the Commission. It may appoint such other committees as it may deem necessary.

(c) It may make recommendations to the City Council and City Manager with respect to the future recreation programs and activities of the Rye Golf Club and one thereof shall be designated Chairman by the Commission. It may appoint such other committees as it may deem necessary.

(d) It shall approve annual budget estimates, prepared by staff personnel, including membership categories and proposed fee schedules, prior to submission of such estimates to the City Manager.

(e) The City Manager is responsible for implementation of the City Council's policy, the rules and regulations of the Commission and the supervision of employees assigned to the Rye Golf Club.

Voting Eligibility Procedures & Commission Responsibilities – 11/28/2012

RESOLUTION regarding Rye Golf Club Commission Responsibilities

1) The Commission

a) Role. The Commission shall serve in an advisory capacity on behalf of the members of the Golf Club and shall have the responsibilities set forth in Section 1(c) below, Neither the Commission, any Committee of the Commission nor any member of the Commission or member of and Committee thereof, shall have any direct authority or responsibility for execution, implementation or management of any activity, program, employment matter, or contract involving the Golf Club. The Golf Club Manager (who reports to the City Manager) shall be responsible for the execution, implementation and management of the authorized operation of the Golf Club.

b) Advisory Recommendations. The Commission shall make such recommendations as it deems proper in respect of the current and proposed activities, programs, policies, and other matters related to the Golf Club, the Commission shall also make recommendations concerning the duties and responsibilities of independent contractors (e.g. Golf Professional), including recommendations concerning employment of prospective individuals to fill those positions, and any other areas the Commission deems appropriate; such recommendations shall be made directly to the Golf Club Manager, The Commission shall also make recommendations concerning the duties and responsibilities of the Golf Club Manager, including recommendations concerning employment of prospective individuals to fill the position, and any other areas the Commission deems appropriate; such recommendations shall be made directly to the Rye City Manager.

c) Responsibilities. The Commission shall:

i) Adopt, interpret, apply, and enforce such rules and regulations relating to the use of the Golf Club as it deems appropriate, which rules and regulations shall not be inconsistent or conflict with any agreement of the City of Rye or any published policy of the Rye City Council;

ii) review, advise on and approve an annual budget for the Golf Club provided and prepared by the Golf Club staff and finance committee. Annual budgets shall include proposed annual membership categories and fees and proposed charges for other services provided by the Golf Club, prior to timely submission of such annual budget to the Rye City Manager;

iii) select a Commission Chairperson; and

iv) decide such matters as may be properly brought before the Commission for a decision.

d) Commission Chairperson. The responsibilities of the Commission Chairperson shall be:

i) to appoint a chairperson to each Standing Committee of the Commission;

ii) to organize limited duration Ad Hoc Committees of the Commission as may be necessary from time to time for the purpose of making recommendations to the Commission in respect of matters not properly within the scope of the usual and customary advisory role of a Standing Committee of the Commission;

iii) to appoint a chairperson to each Ad Hoc Committee of the Commission;

iv) to serve as an ex-officio member on each Committee of the Commission;

v) to appoint a Vice-Chairperson of the Commission who shall serve as Chairperson during the absence of the Chairperson; and

vi) to direct such matters as the Chairperson deems necessary and appropriate to a Committee of the Commission for the advice and recommendation of such Committee.

2) Committees of the Commission

a) Standing Committees. The Commission shall have Standing Committees to advise and make recommendations to the Commission on such matters that properly come before a Standing Committee or as may be directed to such Committee by the Commission or the Commission Chairperson. The Standing Committees of the Commission initially shall include Committees relating to Golf, Pool, House, and Finance.

b) Ad Hoc Committees. The Commission shall have such Ad Hoc Committees as may be constituted from time to time pursuant to Section 1(d)(ii) above.

c) Nominating Committee. The Nominating Committee shall not be considered a Standing Committee or Ad Hoc Committee and shall be subject solely to the rules set forth in the **Rye Golf Club Nominations, Elections and Voting Eligibility** Section 2 concerning Nominating Committee and Nominations.

d) Committee Members and Chairpersons

i) Each Standing Committee and Ad Hoc Committee of the Commission shall be constituted with no fewer than three members and no more than seven members; provided that a Committee may be constituted with two members and up to nine members in appropriate circumstances with the approval, by majority vote, of the Commission.

ii) A Committee member shall be a member of the Golf Club holding a valid current membership entitling such member to voting privileges.

iii) The Chairperson appointed to each Standing Committee shall be a Member of the Commission, other than the Chairperson of the Commission.

iv) The Chairperson of an Ad Hoc Committee may be a Member of the Commission.

v) The Chairperson of a Committee shall make efforts to seek out qualified members to serve as members of such Committee. The Committee Chairperson will then make recommendations to the Commission of any such qualified members it believes should serve on such Committee. Such nominees shall serve as Committee members upon approval by majority vote of the Commission. Such nominees will serve as Committee members upon approval by majority vote of the Commission. Such nominees will serve as Committee members at the convenience of the Commission and can be removed from such Committee service at any time and for any reason at the sole discretion of the Commission. A Committee member shall serve until the earlier of the end of the Golf Club year for which he or she serves as a member or the date a Commission terminates, or the date on which such member is removed by the Commission.

SCHEDULE B – Municipal Golf Course Financial Statements

STAMFORD GOLF AUTHORITY - STERLING FARMS - FINANCIAL STATEMENT SUMMARY

	2011	2010	2009
Greens		\$1,426,921	\$1,428,074
Driving Range		\$785,409	\$854,037
Cart Rental		\$434,302	\$401,409
Permits		\$85,723	\$88,006
Rent – restaurant and grill		\$91,164	\$72,634
Rent – pro shop		\$50,580	\$46,980
Rent – tennis shop		\$14,420	\$14,000
Other		\$17,027	\$16,200
Total Operating Revenues	\$2,984,000	\$2,905,626	\$2,921,340
Total Operating Expenses	\$2,945,606	\$	\$
Net Operating (Loss)/Income	(\$11,726)	\$159,860	(\$171,586)

CITY OF NORWALK - OAK HILLS GOLF AUTHORITY - FINANCIAL STATEMENT SUMMARY

WESTCHESTER COUNTY GOLF COURSES - FINANCIAL STATEMENT SUMMARY

VILLAGE OF SANDS POINT - FINANCIAL STATEMENT SUMMARY

SCHEDULE C – Fee Assessment

Rye Golf Club – Membership Rate History

RESIDENT

	2006	2007	2008	2009	2010	2011	2012	2013
Comprehensive Family	\$3,585	\$3,693	\$3,841	\$3,994	\$3,994	\$4,112	\$4,500	\$4,500
Individual Daily Golf	\$2,440	\$2,513	\$2,614	\$2,718	\$2,718	\$2,798	\$3,100	\$3,100
Individual Weekday Golf	\$1,642	\$1,690	\$1,758	\$1,646	\$1,646	\$1,694	\$1,900	\$1,900
Family Pool	\$1,150	\$1,185	\$1,232	\$1,281	\$1,281	\$1,319	\$1,450	\$1,450
Individual Pool	\$589	\$606	\$630	\$655	\$655	\$674	\$750	\$750
House	-	\$400	\$75	\$78	\$78	\$80	\$250	\$250

NON RESIDENT

	2006	2007	2008	2009	2010	2011	2012	2013
Comprehensive Family	\$7,169	\$7,313	\$7,605	\$7,908	\$7,908	\$8,141	\$8,000	\$8,000
Individual Daily Golf	\$4,879	\$4,978	\$5,177	\$5,384	\$5,384	\$5,542	\$5,600	\$5,600
Individual Weekday Golf	\$3,283	\$3,349	\$3,483	\$3,260	\$3,260	\$3,356	\$3,400	\$3,400
Family Pool	\$2,300	\$2,351	\$2,445	\$2,543	\$2,543	\$2,618	\$2,500	\$2,500
Individual Pool	\$1,177	\$1,910	\$1,986	\$2,065	\$2,065	\$2,126	\$2,200	\$2,200
House	-	\$400	\$250	\$260	\$260	\$267	\$250	\$250

MUNICIPAL GOLF COURSES

SEASONAL USE

Rye Golf Club, Rye NY - Enrollment Before March 1/After March 1

Resident Comprehensive Family \$4,500/\$5,175

Resident Golf Individual \$3,100/\$3,565; Resident Golf Weekday \$1900/\$2185

Resident Pool Family \$1,450; Pool-For-Two \$1,180, Individual \$750

Non-Resident Comprehensive Family \$8,000

Non-Resident Golf Individual \$5,600

Non-Resident Pool Family \$2,500; Non Resident Pool Individual \$1,200

Hudson Hills, Ossining NY

Resident Unlimited \$3,350; Non-Resident Unlimited \$3,950

Senior Resident Unlimited \$1,950; Senior Non Resident Unlimited \$2,350

Resident Unlimited Weekday \$2,250; Non-Resident Unlimited Weekday \$2,950

Lake Isle, Eastchester NY

Resident Comprehensive Family \$2,415; Individual \$1,880

Resident Golf Individual \$1,720; Resident Golf Weekday \$1,420

Resident Pool Family \$690; Individual \$480

Non-Resident Comprehensive Family \$4,830; Individual \$3,575

Non-Resident Golf Individual \$3,365; Non Resident Golf Weekday \$2,565

Non-Resident Pool Family \$1,600; Non Resident Pool Individual \$1,115

Village of Sands Point, NY

Resident **TBD**

Non Resident **TBD**

[PRIVATE COUNTRY CLUBS \(Sampling\)](#)

Anglebrook Golf Club	Apawamis Country Club	Bonnie Briar Country Club
Brae Burn Country Club	Blind Brook Club	Century Country Club
Country Club of Purchase	Country Club of New Canaan	Fenway Golf Club
Hampshire Country Club	Innis Arden Golf Club	Knollwood Country Club
Metropolis Country Club	Mount Kisco Country Club	Old Oaks Country Club
Pelham Country Club	Quaker Ridge Country Club	Ridgeway Country Club
Rockrimmon Country Club	Saint Andrews Golf Club	
Scarsdale Golf Club	Sleepy Hollow Country Club	Sunningdale Country Club
Tamarac Country Club	Westchester Country Club	Whippoorwill Country Club
Willow Ridge Country Club	Winged Foot Club	Wykagyl Country Club

[DAILY FEE GOLF\(Municipal\)](#)

Rates - Weekday/Weekend

Westchester County Courses	Resident \$31/\$35,;Non-Resident\$41/\$45
Hudson Hills, Ossining NY	Resident \$45/\$65; Non-Resident \$65/\$85
Spook Rock, Ramapo NY	Resident \$26, Non-Resident \$65
Bethpage, Long Island (NYS)	Resident \$38/\$43, Non-Resident \$86-\$130/\$96-\$150
Pelham Bay/Split Rock Golf Course (NYC)	NYC Resident \$39/\$48, Non-Resident +\$8 pm times
Van Cortlandt Park GC (NYC)	NYC Resident \$39/\$48, Non-Resident +\$8 pm times
Sterling Farms, Stamford CT	Resident \$20; Non-Resident \$45
E. Gaynor Brennan, Stamford CT	Resident \$23/\$27, Non-Resident \$42/\$48
Richter Park, Danbury CT	Resident \$36/\$42, Non-Resident \$72/\$82
Ridgefield Golf Course, Ridgefield CT	Daily Fee \$45/\$50

DAILY FEE GOLF COURSES – (Non Municipal)

Centennial Golf Club (Carmel, NY) \$100/\$135
Pound Ridge Golf Club (Pound Ridge, NY) \$165/\$195
The Links at Union Vale (LaGrangeville, NY) \$49/\$65

SWIMMING POOLS (Municipal)

Westchester County – Saxon Woods, Playland Pool & Beach \$5/\$15 per use
Rocky Ledge , White Plains Bond \$1,000 then Single \$751.63, Spouse \$107.38, Junior \$80.53
Family Monthly - \$429.50, Individual \$322.13
Briarcliff Manor Pool Family \$465, Sr. Citizen \$115, Child \$115
Village of Scarsdale Pool Residents Only
Briarcliff Swim Club, Avon CT Family \$550, Individual \$300



CITY COUNCIL AGENDA

NO. 9

DEPT.: City Council

DATE: May 22, 2013

CONTACT: Mayor Douglas French

AGENDA ITEM: Discussion and Update on a Conflict of Interest Form.

FOR THE MEETING OF:

May 22, 2013

RYE CITY CODE,

CHAPTER

SECTION

RECOMMENDATION: That the Council review the proposed Conflict of Interest Form.

IMPACT: Environmental Fiscal Neighborhood Other:

BACKGROUND: The City has been reviewing a Conflict of Interest policy with respect to public officials and select City employees. The Corporation Counsel has drafted a proposed Conflict of Interest Form which would be filed yearly by the Mayor, City Council, Department Heads and Assistant Department Heads. Members of the City Boards, Committees and Commissions would not be required to sign the Conflict of Interest form but the Oath of Office card has been updated to note their responsibilities under the City Code of Ethics. Additionally, a new Conflict of Interest form will be added to the City bid packet to be included by all vendors submitting bids for City work as well as a Non-Collusion Statement for any Bid Specification prepared by the City or provided by an outside Vendor.

See attached:

- Draft Conflict of Interest form for Public Officials and select City employees
- Updated Oath of Office card
- Draft Bid Packet Conflict of Interest form for vendors
- Draft Non-Collusion Statement for Bid Packet

Proposed Conflict of Interest Form
required by the following:

- Mayor and Council
- City Staff positions:

City Manager
Corporation Counsel
Assessor
Deputy Assessor
Building Inspector
City Clerk
Deputy City Clerk
Comptroller
Deputy City Comptroller
Fire Lieutenant
Boat Basin Supervisor
Rye Golf Club Manager
Coordinator of Computer Services
City Planner
Police Commissioner
Police Lieutenant, Detective Division Commander
Police Lieutenant, Patrol Commander
Police Lieutenant, Executive Officer
City Engineer
DPW General Foreman
DPW Assistant General Foreman
Recreation Superintendent
Rye TV Access Coordinator

CONFLICT OF INTEREST FORM FOR THE CITY OF RYE – 2013

Instructions: Please answer each question legibly and with blue or black ink only. “Not Applicable” is not an acceptable answer for any question. “No” or “None” may be used to answer a question. This form shall be filled out annually and returned to the City Clerk in a sealed envelope.

Applicability: The following classes of officers or employees of the City of Rye shall be deemed “reporting officials” and shall be required to file this Conflict of Interest Form as provided under this section:

- (1) All elected officials;
- (2) All commissioners and deputy commissioners;
- (3) All department heads and assistant department heads.

** No person shall be deemed to be a municipal officer or employee solely by reason of being a volunteer firefighter or auxiliary police officer.

DEFINITIONS:

Relative - a spouse, domestic partner, child, step-child, sibling, half-brother, half-sister, parent, step-father, step-mother and shall also include any person claimed as a dependent on the New York State individual tax return of the disclosing City officer or employee.

Household Member – any person residing with you in your primary residence.

Financial Benefit - any pecuniary or material benefit including, but not limited to any money, stock, security, service, license, permit, contract, authorization, loan, travel, entertainment, discount not available to general public, real or personal property, or anything of value.

Outside Employer - (1) any person from whom or from which a City officer or employee receives a financial benefit for services rendered or goods sold or produced; (2) any business in which the City officer or employee has an ownership interest of five percent (5%) or more; or (3) any business corporation for which the City officer or employee is an uncompensated member of the board of directors or is an uncompensated corporate officer.

Interest – A financial benefit accruing to a municipal officer or employee, or a pecuniary or material benefit accruing to: (1) the municipal officer’s or employee’s spouse, minor children and dependents; (2) a firm, partnership or association of which such officer or employee is a member or employee; (3) a corporation of which such officer or employee is an officer, director or employee; and (4) a corporation, any stock of which is accrued or controlled directly or indirectly by such officer or employee.

I. GENERAL INFORMATION

Name: (Last Name, First Name, M.I.): _____

Spouse: (Last Name, First Name, M.I.): _____

Home Address: _____

Home Telephone No.: _____

Title of Position: _____ Salaried: Yes _____ No _____

Council, Department, Board, or Commission: _____: Term Ending: _____

II. REAL ESTATE OWNERSHIP

List the address of each piece of property in the City of Rye that you or your spouse own or have an interest in, including your primary residence, and the nature of that interest.

ADDRESS	INTEREST
_____	_____
_____	_____

III. FINANCIAL BENEFITS

To the best of your knowledge, have you or any Relative received or solicited a **Financial Benefit** from the City of Rye or appeared before the City of Rye on behalf of another person. Attach additional paper if necessary (only list those gifts/benefits received within the past year).

IV. GIFTS

While in your position with the City of Rye, have you received a gift from anyone with whom you have official dealings valued in excess of twenty five dollars (**\$25.00**) within the last year?

Yes _____ No _____

Identify any **interest** in any contract involving the City of Rye held by you, your Spouse, or a Relative Household Member(s), or Children. Attach additional paper if necessary.

Vendor

Nature of Contract

V. OUTSIDE EMPLOYER/CONSULTING/OTHER BUSINESS

Do you have an **Outside Employer** or business that conducts transactions/business or is affiliated with the City of Rye? Yes _____ No _____

If yes, state the name, address, and telephone number of your **Outside Employer** or business and nature of the business. Attach additional paper if necessary.

NAME	ADDRESS	NATURE OF WORK

During the past year, has your **Outside Employer** or business solicited a **financial benefit** or appeared before the City of Rye on behalf of another person?

Yes _____ No _____

If yes, state the nature of such activities or matters. Attach additional paper if necessary.

VI. POLITICAL INVOLVEMENT

During the past year, have you been an officer of any political party or political subcommittee?

Yes ____ No _____

If yes, please describe. Attach additional paper if necessary.

AMENDMENTS/MODIFICATIONS

If, at any time subsequent to filing this form, I become aware that any of the above information is inaccurate, incomplete or otherwise no longer applicable, I will notify the City Clerk of same immediately by filing an amended form.

CODE OF ETHICS

I HAVE RECEIVED, READ AND UNDERSTAND THE CITY OF RYE CODE OF ETHICS AND WILL ABIDE BY SUCH REQUIREMENTS (attached)

Yes ____ No _____

I _____ (print name) HEREBY CERTIFY UNDER THE PENALTY OF PERJURY THAT THE FOREGOING INFORMATION IS TRUE TO THE BEST OF MY KNOWLEDGE.

Signature of Reporting Individual

Name of Reporting Individual

Sworn before me this
____ day of _____, 201__

NOTARY PUBLIC

FRONT OF CARD

**STATE OF NEW YORK
COUNTY OF WESTCHESTER
CITY OF RYE**



I, _____ do solemnly swear that I will support the Constitution of the United States, and the Constitution of the State of New York, and that I will faithfully discharge the duties of the office of _____ or any other office of the City of Rye according to the best of my ability.

Sworn to before me this ____ day of _____ 20 _____

City Clerk

OVER

• BACK OF CARD

You have been given a copy of the City of Rye Code to provide guidance to you in your service to the community. Please focus special attention on Chapter 15, Code of Ethics. The administration of our public service obligations requires that we do our best to prevent potential for conflicts or the appearance of a conflict. If at any time you have any questions, the Board of Ethics can render an advisory opinion on whether a conflict of interest exists or whether an appearance of one exists. Requests can be forwarded through the City Manager's office.

Signature



CITY OF RYE

CONFLICT OF INTEREST QUESTIONNAIRE instructions:

Question 1: Enter your name and the name of your business.

Question 2: If you are updating an existing form for a bid or proposal check box 2.

Question 3: Enter the name of the government official or City employee you know where a conflict of interest might exist on the line. If there's none, leave the name of officer blank.

Check "Yes" or "No" in Box A, B, and C

- Box A: does the government official or City employee named receive income or money from the company filing the form?**
- Box B: does the company (person filing) receive income or money from the government official or City employee, not from the government?**
- Box C: is the filer employed by a company or corporation in which the government official or City employee is an officer, or director, or part owner?**
- Box D: Describe your employment or business relationship with the government official or City employee. If there's none, write "none" in space D.**

Question 4: Sign and date the Conflict of Interest form



CONFLICT OF INTEREST QUESTIONNAIRE

For vendor or other person doing business with the City of Rye

OFFICE USE ONLY

This questionnaire is being filed in accordance with New York State General Municipal Law § 103 by a person who has a business relationship with the City of Rye.

By request of the City of Rye this questionnaire must be filed by a vendor that wishes to conduct business or be considered for business with the City. They must declare any business affiliation with a government official or City employee.

The form is a mandatory requirement of a submission of any bid, proposal or contract to the City of Rye. Any bid, proposal, or contract submitted without a signed copy of the Conflict of Interest form shall be considered incomplete and will be rejected by the City.

Date Received

1 Name of person who has a business relationship with local governmental entity.

2 Check this box if you are filing an update to a previously filed questionnaire.

3 Name of local government officer/City employee with whom filer has employment or business relationship.

Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer/City employee with whom the filer has an employment or other business relationship. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer/City employee named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

Yes No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer/City employee named in this section AND the taxable income is not received from the local governmental entity?

Yes No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer/City employee serves as an officer or director, or holds an ownership of 10 percent or more?

Yes No

D. Describe each employment or business relationship with the local government officer/City employee named in this section.

4

Signature of person doing business with the City of Rye

Date



**NON-COLLUSIVE AFFADAVIT
COMPLIANCE WITH SECTION 103D GENERAL MUNICIPAL LAW
(TO BE SUBMITTED WITH BID PROPOSAL)**

PART 1 STATE OF _____)

PART 1 COUNTY OF _____) ss:

_____,
(Here insert full name of owner, partner, officer, representative, or agent of Contractor)

Being first duly sworn, deposes and says that:

1. He is (Owner, partner, officer, representative or agent) of

(Here insert full name and address or legal title of Contractor)
the Bidder that has submitted the attached Bid;

2. He further states and affirms:

(a) By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of knowledge and belief:

- (1) The prices in this bid have been arrived at independently without collusion, consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any bidder or with any competitor;
- (2) Unless otherwise required by law, the prices which have been quoted in this bid have not been knowingly disclosed by the bidder and will not knowingly be disclosed by the bidder prior to opening, directly or indirectly, to any other bidder or to any competitor; and
- (3) No attempt has been made or will be made by the bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition.

(b) A bid shall not be considered for award nor shall any award be made where (a) (1), (2), and (3) above have not been complied with; provided, however, that if in any case the bidder cannot make the foregoing certification, the bidder shall so state and shall furnish with the bid a signed statement which sets forth in detail the reasons therefore. Where (a) (1), (2), and (3) above have not been complied with, the bid shall not be considered for award nor shall any award be made unless the City Council, for its designee, determines that such disclosure was not made for the purpose of restricting competition.

The fact that a bidder has published price lists, rates or tariffs covering items being procured, has informed prospective customers of proposed or pending publication of new or revised prices lists for such items, or has sold the same items to other customers at the same prices being bid, does not constitute, without more, a disclosure within the meaning of subparagraph 2(a) hereof.

3. Any bid hereafter made hereunder by a corporate bidder for work or services performed or to be performed by, goods sold or to be sold, where competitive bidding is required by statute, rule, regulation, or local law, and where such bid contains the certification referred to in subparagraph (a) hereof, shall be deemed to have been authorized by the board of directors of the bidder, and such authorization shall be deemed to include the signing and submission of the bid and the inclusion therein of the certificate as to non-collusion as the act and deed of the corporation.

PART 1 _____
(Signed)

PART 1 _____
(Title)

Subscribed and sworn to before me this

_____ Day of _____, 20____

_____ Title
(Notary)



CITY COUNCIL AGENDA

NO. 10 DEPT.: Corporation Counsel DATE: May 22, 2013

CONTACT: Kristen K. Wilson, Corporation Counsel

ACTION: Consideration to set a Public Hearing for June 12, 2013 to amend local law Chapter 15, "Code of Ethics", to reflect the addition of the Conflict of Interest form.

FOR THE MEETING OF:

May 22, 2013

RYE CITY CODE,

CHAPTER 15
SECTION

RECOMMENDATION: That the City Council set the Public Hearing for June 12, 2013.

IMPACT: Environmental Fiscal Neighborhood Other:

BACKGROUND: The City has proposed instituting a Conflict of Interest form which would be filed yearly by public officials and select employees within the City. Rye City Code, local law Chapter 15, "Code of Ethics" must be updated to reflect the addition of the Conflict of Interest form.

See attached draft Local Law.

CITY OF RYE
LOCAL LAW NO. ___ 2013

**A Local Law to amend Chapter 15 “Ethics, Code of” §§ 15-2
“Conflicts of Interest”, 15-4 “Disclosure of interest” and to
add § 15-16 “Waiver procedure” of the Rye City Code**

Be it enacted by the City Council of the City of Rye as follows:

Section 1: Chapter 15 Ethics, Code of

§ 15-2. Conflicts of interest.

- A.** No officer or employee of the city shall have any interest, financial or otherwise, direct or indirect or engage in any business or transaction or professional activity or incur any obligation of any nature which is in conflict with or might reasonably tend to conflict with the proper discharge of his duties in the public interest.
- B.** **No member of the Rye Golf Commission or Boat Basin Commission shall be permitted to engage in any business or transaction with the city for pay.**
- C.** **No officer, employee, department head or assistant department head (or any spouse of any person holding one of the aforementioned positions) shall be a subcontractor, agent, representative, or hold any other position with a vendor of the city.**

§ 15-4. Disclosure of interest.

A member of the Council who has a direct or indirect financial or other private interest in any matter before the Council, or any officer, or employee, **department head, or board or commission member** who has a direct or indirect financial or other private interest in any matter before the Council and who participates in the discussion before or makes a recommendation to or gives an opinion to the Council on that matter, shall publicly disclose on the official record of the Council the nature and extent of such interest.

§ 15-16. Waiver procedure.

Any officer, employee, department head, or board or commission member may appeal to the Board of Ethics for a waiver of the prohibitions set forth in this Chapter. Such appeal shall be in writing and sent to the Chair of the Board for a waiver. All such waivers must be approved by the City Manager or, in the case of the City Manager or Corporation Counsel asking for a waiver, the City Council.

Section 2: Severability.

If any clause, sentence, paragraph, section or part of any section of this title shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy and in which such judgment shall have been rendered.

Section 3: Effective date.

This local law will take effect immediately on filing in the office of the Secretary of State.

DRAFT



CITY COUNCIL AGENDA

NO. 11

DEPT.: City Council

DATE: May 22, 2013

CONTACT: Mayor Douglas French

AGENDA ITEM: Resolution for the City Council adoption of a community-wide Civility Statement.

FOR THE MEETING OF:

May 22, 2013

RYE CITY CODE,

CHAPTER

SECTION

RECOMMENDATION: That the Council adopt the resolution approved by the Rye Youth Council.

IMPACT: Environmental Fiscal Neighborhood Other:

BACKGROUND: The Rye Youth Council engaged various civic organizations in a *Community Conversation* regarding an initiative to promote civility in the City of Rye. The goal is to build community-wide support for the civility statement and the broader initiative of embracing civility in Rye. All Rye Boards and organizations are asked to support the civility statement. Next steps include:

1. Publish the statement in media outlets, with a listing of ALL organizations and community members who are in support.
2. Arrange a ceremonial signing with the Rye organizations and citizens that have put their support behind civility in Rye.
3. The formation of a larger steering committee comprised of many different community members (with the Rye Youth Council continuing as the lead organization).
4. Promote the initiative with a multi-faceted approach including marketing, developing a website, creating visuals, follow up meetings, and creating community wide symposiums.

See attached Civility Statement.

RYE CIVILITY STATEMENT

We strive to promote a culture of civility and caring in all aspects of our community life and beyond.

We recognize, without judgment, the inherent dignity and worth of each person, group, family and organization.

We believe that all interpersonal exchanges, even adversarial ones, can be conducted with mutual respect.

We aspire to be part of a community that is rooted in acceptance, inclusion and compassion.

We accept the need for honest self-reflection and the obligation to hold each other accountable for our words and actions.

We commit to acting with integrity and living as observable models of positive civic behavior.