



***CITY OF RYE, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004***

***Prepared by the
Department of Finance
Michael A. Genito, 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.

CITY OF RYE, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2004
TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Principal Officials	i
Organization Chart	ii
Letter of Transmittal	iii
Certificate of Achievement for Excellence in Financial Reporting	x

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	16
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet - Governmental Funds	20
Reconciliation of Governmental Funds Balance Sheet to the Government-wide Statement of Net Assets - Governmental Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	26
Statement of Net Assets - Proprietary Funds	32
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds	36
Statement of Cash Flows - Proprietary Funds	38
Statement of Fiduciary Assets and Liabilities	42
Notes to the Basic Financial Statements	43
Capital Projects Fund - Project Length Schedule	68
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	72

CITY OF RYE, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2004
TABLE OF CONTENTS (Continued)

	<u>Page</u>
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Cable TV Fund	74
Nature Center Fund	76
K.T. Woods Permanent Fund	78
Debt Service Fund	80
Combining Statement of Net Assets - Internal Service Funds	82
Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds	86
Combining Statement of Cash Flows - Internal Service Funds	88
Statement of Changes in Assets and Liabilities - Fiduciary Fund	92
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Source	93
Schedule by Function and Activity	94
Schedule of Changes by Function and Activity	96

**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.

This section includes the following schedules:

Financial Trends:

Net Assets by Component – Last Three Fiscal Years	98
Changes in Net Assets – Last Three Fiscal Years	99
Fund Balances, Governmental Funds – Last Three Fiscal Years	101
Changes in Fund Balances, Governmental Funds – Last Three Fiscal Years	102
Tax Revenues by Source, Governmental Funds – Last Three Fiscal Years	103

Revenue Capacity:

Assessed Valuation, State Equalization Rate, and Estimated Full Value of Real Property – Last Ten Fiscal Years	104
Property Tax Rates per \$1,000 Assessed Valuation – All Direct and Overlapping Governments – Last Ten Fiscal Years	106
Principal Taxpayers	108
Property Tax Levies and Collections – Last Ten Fiscal Years	109

Debt Capacity:

Ratios of Outstanding Debt by Type – Last Three Fiscal Years	110
Direct and Overlapping Governmental Activities Debt – Last Three Fiscal Years	111
Computation of Legal Debt Margin	112
Calculation of Charter Bonded Debt Limits	113

CITY OF RYE, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2004
TABLE OF CONTENTS (Concluded)

	<u>Page</u>
Demographic and Economic Information - Demographic and Economic Statistics – Last Ten Fiscal Years	114
Operating Information:	
Full-Time Equivalent Employees by Program – Last Ten Fiscal Years	115
Operating Indicators by Program – Last Ten Fiscal Years	116
Capital Asset Statistics by Program – Last Ten Fiscal Years	118

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

THIS PAGE INTENTIONALLY LEFT BLANK

INTRODUCTORY SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

City of Rye, New York
List of Elected and Appointed Officials
December 31, 2004

Elected Officials

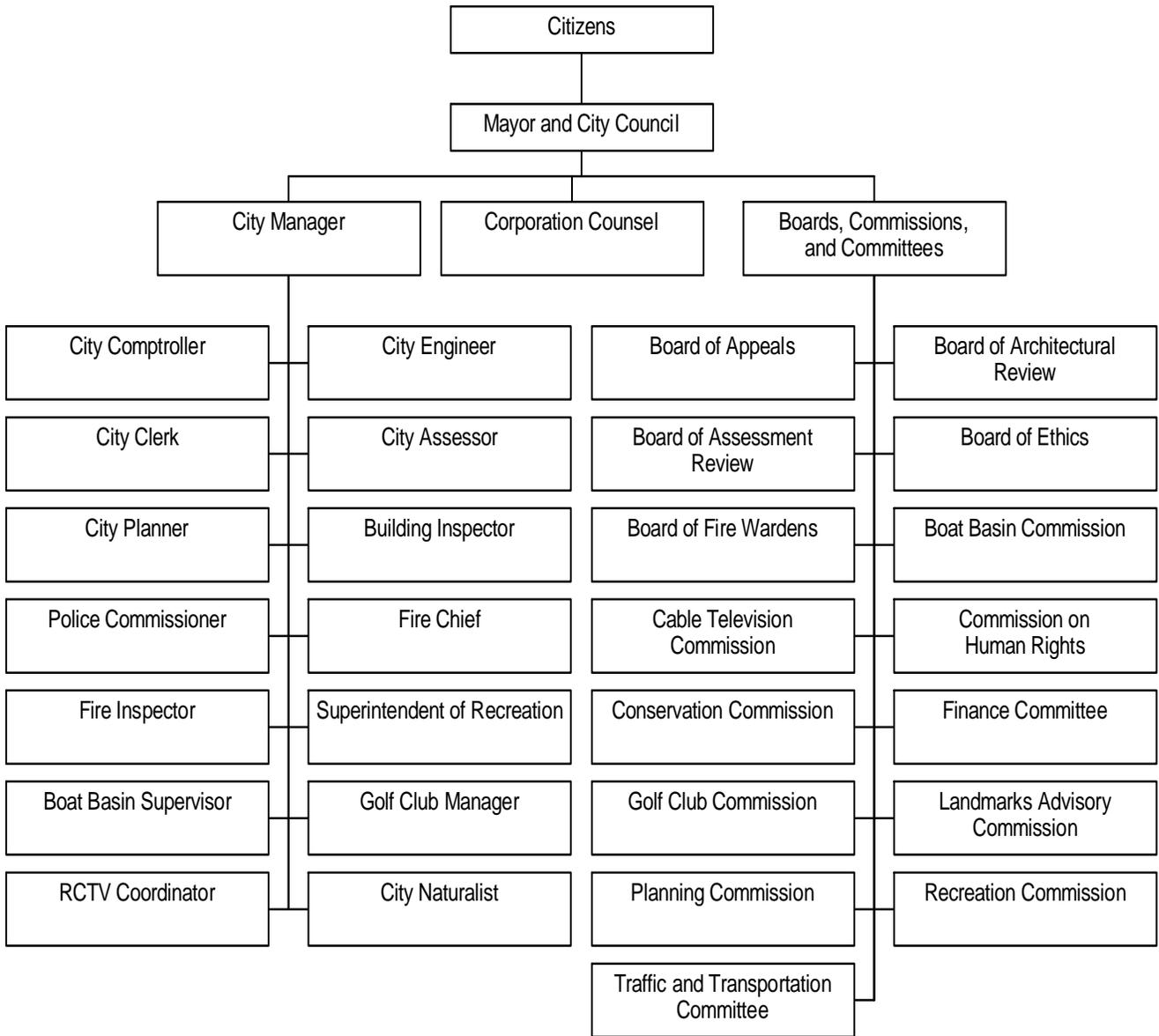
Steven Otis, Mayor

Franklin J. Chu, Council Member
Robert S. Cypher, Council Member
Matthew B. Fahey, Council Member
Duncan Hennes, Council Member
Rosamond W. Larr, Council Member
Howard G. Seitz, Council Member

Appointed Officials

O. Paul Shew, City Manager
Michael A. Genito, Assistant City Manager/City Comptroller
Kevin J. Plunkett, Corporation Counsel
George J. Mottarella, City Engineer
Susan Morison, City Clerk
Noreen Whitty, City Assessor
Christian Miller, City Planner
Vincenzo Tamburro, Building Inspector
William R. Connors, Police Commissioner
Peter J. Cotter, Fire Chief
James Dianni, Fire Inspector
William T. Rodriguez, Superintendent of Recreation
Peter Fox, Boat Basin Supervisor
Scott Yandrsevich, Golf Club Manager
James Kenny, RCTV Coordinator
Chantal Detlefs, City Naturalist

City of Rye, New York Organizational Chart





Michael A. Genito
Assistant City Manager
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: mgenito@ryeny.gov
<http://www.ryeny.gov>

April 30, 2005

To the Honorable Mayor, Members of the City Council, City Manager, 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, 2004.

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 Bennett Kielson Storch DeSantis, The Government Services Division of O'Connor Davies Munns & Dobbins 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, 2004 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 unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2004, 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 auditors.

Profile of the City of Rye, New York

The City of Rye 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; six 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 *Census 2000* reports that the City has a per capita income of \$76,566 and a median household income of \$110,894. The median family income is \$133,231, with 37% of families having an income of \$200,000 or more. The *Census 2000* population count was 14,955, and the most recent (2003) Census Bureau estimate of the City's population is 15,060.

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 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, and ambulance/EMS services contracted through a local volunteer ambulance corps. Community environment services include community planning, engineering, building inspection, conservation, emergency disaster, street maintenance, snow removal, street lighting, off-street parking, maintenance of sewers and drains, street cleaning, solid waste and recycling, community beautification and shade tree maintenance. 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. 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 or before November 7th. 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.

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

The City remained economically strong throughout 2004. Moody's Investors Service has assigned its highest debt rating (Aaa) to all outstanding debt of the City. Taxable assessments remained relatively the same, decreasing less than 1/10 of 1% (from \$134,674,171 to \$134,574,950), and our tax base is not dependent upon any single industry or taxpayer. The top ten principal taxpayers of the City comprise only 9% of the tax roll, with public utilities representing 2.8% of the property tax base, commercial establishments representing 1.5%, and residential properties representing the remaining 4.7%.

Residential home sales reflect the upscale nature of our community. The City Assessor reported that 147 homes in the City were sold in 2004. Of these, 50% sold for \$1 million or more and 14% sold for \$2 million or more. The median home sales price increased from \$950,000 in 2003 to \$995,000 in 2004 (4.7%), and the average home sales price increased from \$1,204,415 to \$1,329,908 (10.4%) during the same period. The highest 2004 sales price reported for a single-family home was \$5.9 million.

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' previous, and ten years' previous demonstrates a relative economic stability of the City over time:

Assessment Roll Classification			
Class	2004	1999	1995
Residential	69.90%	68.52%	66.06%
Business	13.87%	14.75%	16.06%
Other	<u>16.23%</u>	<u>16.73%</u>	<u>17.89%</u>
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 of the City, and Newark International Airport lies within 45 miles.

Economic data for the City from the *Census 2000* 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	\$76,566	\$36,726	\$23,389	\$21,587
Median Household	\$110,894	\$63,582	\$43,393	\$41,994
Median Family	\$133,231	\$79,881	\$51,691	\$50,046
Unemployment Rate	1.1%	2.8%	4.3%	3.7%

While the 2004 unemployment rate is not available for the City as a unit, the 2004 Westchester County rate of 4.1% continues to remain favorable against the 2004 rates for New York State (5.8%) and the United States (5.5%).

Long-term Financial Planning

The City publishes documents that assist in its long-term financial planning, including the *Financial Trends Report* (a ten-year historical trend analysis report of key financial

indicators and ratios) and a five-year *Capital Improvement Plan*. These documents are available for review in City Hall, in the Rye Free Reading Room, and on the City's website (<http://www.ryeny.gov>).

It is anticipated that moderate tax increases; relatively stable increases in debt, and various revenues will be sufficient to provide for the long-term needs of the City, including capital asset 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

In fiscal 2004, the City undertook and completed many significant capital improvements. The City spent \$457,000 on street and sidewalk improvements; \$294,000 on sewer system improvements; over \$100,000 on storm drain system improvements, and \$112,000 on improvements to recreation playing fields. Plans for the reconstruction of the Locust Avenue firehouse were initiated, and an automated fuel management system was installed at the public works facility located on Oakland Beach Avenue. At the City's marina, pilings and water lines damaged by winter icing conditions were replaced, and the northern parking area was re-graded and repaved. City golf club improvements included renovations to five tees, three greens, and three bunkers; installation of a golf car path network, and improvements to the pool that included new decking and surface marble dusting.

A review of the project-length schedule of the Capital Projects Fund found elsewhere in this report reveals many infrastructure projects currently in progress. In addition to these improvements, the City takes pride in ensuring that its buildings and facilities are operated and maintained in good condition, and that the average age and condition of its fleet of vehicles is within the standards necessary to ensure that services can be delivered efficiently, effectively, and safely.

It is anticipated that some of these initiatives will impact future operating budgets to provide for the operation and maintenance of the facilities and grounds. Additional information detailing these anticipated costs can be found in the City's *Capital*

Improvement Plan and the *Annual Budget Document*, both of which are available in City Hall, the Rye Free Reading Room, and on the City's website.

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, 2003. This was the eighth consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an efficiently organized CAFR satisfying both generally accepted accounting principles and legal requirements, and that meets or exceeds reporting standards established by the GFOA.

The City also received the GFOA's *Distinguished Budget Presentation Award* for its fiscal 2005 annual budget document, making it the fourth consecutive year that the City received the award. In order to qualify for this award, a government's budget document must be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The City was proud to receive the GFOA's *Award for Outstanding Achievement in Popular Annual Financial Reporting* for the City's first-ever popular annual financial report (PAFR), covering fiscal year 2003. To qualify for this award, the City must publish a document that supplements the CAFR, but instead of the traditional reporting based on generally accepted accounting principles, offers the same basic financial information presented in a format that is more readily accessible to a broader audience.

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. The input from our independent auditors, Bennett Kielson Storch DeSantis, The Government Services Division of O'Connor Davies Munns & Dobbins, LLP, was invaluable, and we commend them on their timely and professional completion of our audit.

Most importantly, our heartfelt thanks goes to the citizens and residents of the City of Rye, for giving us the opportunity to serve our fine City.

Respectfully submitted,



O. Paul Shew
City Manager



Michael A. Genito
Assistant City Manager
City Comptroller

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2003

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



Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director

THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK



INDEPENDENT AUDITORS' REPORT

To 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 as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic financial statements based on our audit. The prior year's comparative information has been derived from the City's 2003 financial statements and, in our report dated March 12, 2004 we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 of Rye, New York at December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the City of Rye, New York's basic financial statements. The accompanying financial information listed as combining and individual fund financial statements and schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Rye, New York. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole. The information listed in the statistical section has not been subjected to the auditing procedures applied in our audit of the basic financial statements, and accordingly, we express no opinion on it.

Bennett Kjelson Storch DeSantis

The Government Services Division of
O'Connor Davies Munns & Dobbins, LLP
March 11, 2005

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, 2004. 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

- ❖ The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$32,025,794. Of this amount, \$12,917,471 may be used to meet the City's ongoing obligations to citizens and creditors.
- ❖ The City's total net assets increased by \$3,476,373.
- ❖ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10,015,549, exclusive of the Capital Projects Fund, of which \$7,202,133 is available for spending at the City's discretion.
- ❖ At the end of the current fiscal year, unreserved fund balance for the General Fund was \$7,035,140 or 31.7% of total General Fund expenditures.
- ❖ The City's total bonded debt increased 5.2% from \$15,855,000 to \$16,683,013 during the current fiscal year, representing \$880,000 in principal payments made and \$1,708,013 issued 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 the 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 assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes, and earned but unused vacation leave).

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, community environment, and culture and recreation. 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. It should be noted that prior to fiscal 2004 the City maintained another special revenue fund, the Nature Center Fund. At the conclusion of fiscal 2003 the City consolidated the operations of the Nature Center Special Revenue Fund into the General 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 the Financial Statements

The notes to the basic 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

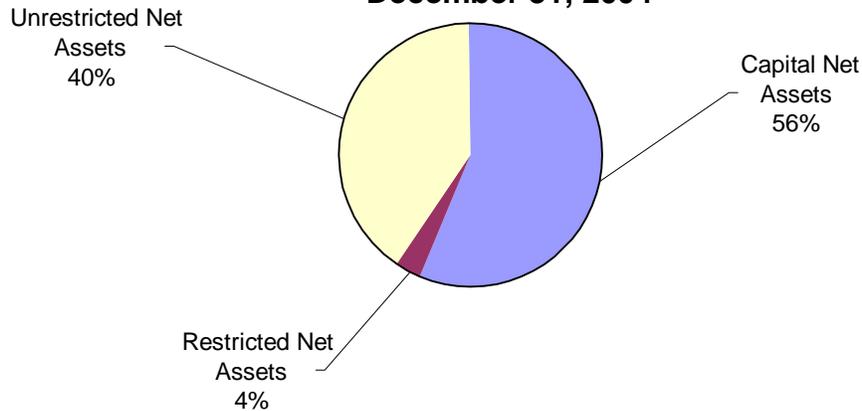
As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$32,025,794 at the close of the most recent fiscal year. Fifty-six percent (\$17,883,873) of the City's net assets reflect its investment in capital assets (land, buildings, improvements, machinery and equipment, construction in progress, and infrastructure), less any related debt outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investments 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.

Net Assets

	31-Dec-04			31-Dec-03		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	\$ 17,607,586	\$ 3,173,296	\$ 20,780,882	\$ 17,104,174	\$ 2,768,190	\$ 19,872,364
Capital Assets, Net	19,294,763	12,613,111	31,907,874	18,250,565	12,710,157	30,960,722
Total Assets	36,902,349	15,786,407	52,688,756	35,354,739	15,478,347	50,833,086
Current Liabilities	2,004,371	200,041	2,204,412	4,904,637	115,904	5,020,541
Long-term liabilities	13,774,734	4,683,816	18,458,550	12,172,346	5,090,778	17,263,124
Total Liabilities	15,779,105	4,883,857	20,662,962	17,076,983	5,206,682	22,283,665
Net Assets:						
Invested in Capital Assets, Net of Related Debt	9,480,762	8,403,111	17,883,873	11,563,341	8,100,157	19,663,498
Restricted	1,224,450	-	1,224,450	1,470,395	-	1,470,395
Unrestricted	10,418,032	2,499,439	12,917,471	5,244,020	2,171,508	7,415,528
Total Net Assets	\$ 21,123,244	\$ 10,902,550	\$ 32,025,794	\$ 18,277,756	\$ 10,271,665	\$ 28,549,421

An additional portion of the City's net assets (\$1,224,450) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$12,917,471) may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City is able to report positive net asset balances in all three categories of net assets: the government as a whole, governmental activities, and business-type activities.

**City of Rye, New York
Net Assets Distribution
December 31, 2004**

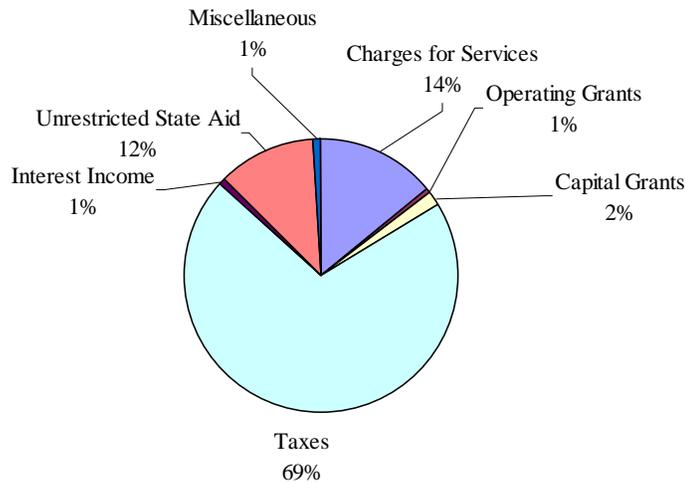


Governmental Activities

During the current fiscal year, governmental activities increased the City's net assets by \$2,845,488 accounting for 82% of the total growth in the net assets of the City. Major revenues received included:

- ❖ \$15,528,286 in property taxes
- ❖ \$ 1,801,366 in sales and use taxes
- ❖ \$ 342,472 in utilities gross receipts taxes, and
- ❖ \$ 3,003,658 in state aid not restricted to specific programs.

Revenues by Source - Governmental Activities



Revenues from charges for services were \$3,825,009 and governmental programs received \$253,947 in operating grants and contributions. Capital grants totaling \$588,967 included:

- ❖ \$215,395 in New York State aid awarded to our department of public works for capital improvements to our streets under the state's Consolidated Highway Improvement Program,
- ❖ \$367,998 representing the City's contributory portion of a non-reciprocal transfer in of a capital asset (land) financed through the Capital Projects Fund, and,
- ❖ \$5,574 in capital interest.

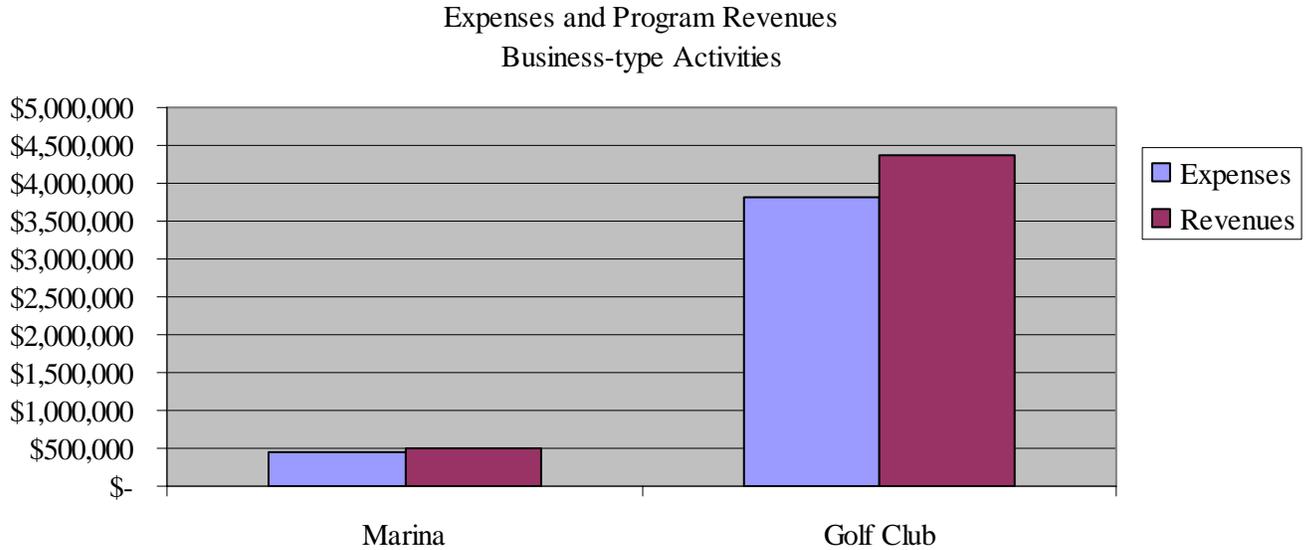
City of Rye, New York's Changes in Net Assets

	2004			2003		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,825,009	\$ 4,865,050	\$ 8,690,059	\$ 3,717,940	\$ 4,404,881	\$ 8,122,821
Operating Grants and Contributions	253,947	-	253,947	404,662	-	404,662
Capital Grants and Contributions	588,967	-	588,967	434,307	-	434,307
General revenues:						
Real Property Taxes	15,528,286	-	15,528,286	14,222,097	-	14,222,097
Non-Property Taxes	2,143,838	-	2,143,838	1,817,378	-	1,817,378
Unrestricted Use of						
Money and Property	220,459	32,633	253,092	178,353	25,712	204,065
Gain on Sale of Equipment	39,655	7,000	46,655	31,675	-	31,675
State Aid	3,003,658	-	3,003,658	2,618,191	-	2,618,191
Miscellaneous and Other	72,488	-	72,488	354,803	-	354,803
Total Revenues	<u>25,676,307</u>	<u>4,904,683</u>	<u>30,580,990</u>	<u>23,779,406</u>	<u>4,430,593</u>	<u>28,209,999</u>
Expenses:						
General Government	3,218,750	-	3,218,750	2,777,827	-	2,777,827
Public Safety	9,941,889	-	9,941,889	8,655,151	-	8,655,151
Community Environment	6,058,126	-	6,058,126	5,693,349	-	5,693,349
Culture and Recreation	3,452,925	-	3,452,925	2,921,669	-	2,921,669
Interest	159,129	-	159,129	105,133	-	105,133
Boat Basin	-	454,340	454,340	-	413,260	413,260
Golf Club	-	3,819,458	3,819,458	-	3,608,415	3,608,415
Total Expenses	<u>22,830,819</u>	<u>4,273,798</u>	<u>27,104,617</u>	<u>20,153,129</u>	<u>4,021,675</u>	<u>24,174,804</u>
Change in Net Assets	2,845,488	630,885	3,476,373	3,626,277	408,918	4,035,195
Net Assets - Beginning	18,277,756	10,271,665	28,549,421	14,651,479	9,862,747	24,514,226
Net Assets - Ending	<u>\$ 21,123,244</u>	<u>\$ 10,902,550</u>	<u>\$ 32,025,794</u>	<u>\$ 18,277,756</u>	<u>\$ 10,271,665</u>	<u>\$ 28,549,421</u>

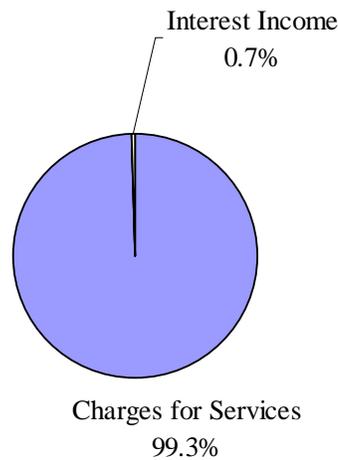
Business-type Activities

Business-type activities increased the City's net assets by \$630,885, accounting for 18% of the total growth in the City's net assets. Revenues from charges for services were \$493,151 from our marina operations and \$4,371,899 from our golf club

operations. Combined, the business-type activities earned \$32,633 in interest and investment income, and realized \$7,000 on the sale of surplus golf club equipment. Offsetting these revenues were expenses of \$454,340 for marina operations and \$3,819,458 for golf club operations.



Revenues by Source - Business-type Activities



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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10,015,549, an increase of \$1,795,462 from the prior year, exclusive of the Capital Projects Fund. Approximately 72% (\$7,202,133) of the total ending fund balances constitutes unreserved fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it represents prepaid expenditures or long-term receivables; is committed to liquidate purchase orders of the prior period; is dedicated to pay for debt service; provides for the payment of leave time earned but not used by employees, or is restricted in its use under the terms of a trust agreement.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$7,035,140, representing 73% of the total General Fund balance of \$9,646,186. Two useful measures of liquidity are the percentage of unreserved 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 healthy 31.7% unreserved fund balance to total expenditures, and a similarly robust 43.4% total fund balance to total expenditures.

The General Fund's fund balance increased by \$1,734,722 during the current fiscal year. Of this amount, transfers out of the General Fund exceeded transfers in by \$751,865. Transfers in of \$64,096 represent the return of unused project funds from the Capital Projects Fund. Transfers out of \$815,961 were comprised of the following: \$130,461 transferred to the Debt Service Fund for long-term debt principal and interest requirements; \$425,000 to the Capital Projects Fund for infrastructure projects, and \$260,500 to the Building and Vehicle Maintenance Fund for improvements to city-owned buildings and vehicle purchases. Operating revenues of the General Fund exceeded operating expenditures of that fund by \$2,486,587. Major changes in specific revenues and expenditures in comparison to the prior year are as follows:

- ❖ Real property tax revenues increased from \$14,190,747 to \$15,551,738 (\$1,360,991 or 9.6%), reflecting our 9.5% tax rate increase from 2003 to 2004.
- ❖ Utilities gross receipts taxes remained relatively the same from 2003 to 2004, increasing from \$342,196 to \$342,472.
- ❖ The decrease of \$170,243 (13.9%) in charges for services (from \$1,224,984 to \$1,054,741) reflects the one-time recognition of revenues previously classified as deferred revenues in 2003.
- ❖ Interest and investment income increased \$50,884 (34.6%) from \$146,980 to \$197,864 due to significant increases in interest rates and higher cash balances available for investment.

- ❖ License and permit revenues increased \$78,043 (6.1%) from \$1,272,106 to \$1,350,149, with increased home improvement activity accounting for \$59,000 of the increase.
- ❖ Fines and forfeitures increased \$52,547 (10.5%) from \$500,773 to \$553,320. Fines related to vehicle and traffic violations accounted for \$38,000 of the increase, and fines for code violations accounted for \$12,000 of the increase.
- ❖ Miscellaneous revenues decreased \$415,186. Of this amount, \$398,693 reflects the one-time recognition of revenues previously classified as deferred revenues in 2003.
- ❖ Mortgage taxes increased \$385,467 (21.7%) from \$1,775,585 to \$2,161,052 due to increased home financing and refinancing related to historically low mortgage rates, and the processing by the county of a backlog of such transactions.
- ❖ Salaries and wages increased \$468,259 (4.8%) from \$9,839,968 to \$10,308,227 reflecting contracted increases.
- ❖ Equipment purchases increased \$53,828 (23.4%) from 229,692 to \$283,520 mostly in the area of computer systems, copiers, and miscellaneous office equipment, reflecting our continued commitment to replacing equipment that becomes non-functional or technologically obsolete.
- ❖ Materials and supplies increased \$198,585 (14.3%) from \$1,390,264 to \$1,588,849. Firefighting supplies accounted for \$32,000 of this increase; solid waste permits \$15,000; uniforms and accessories \$39,000, and road repair and maintenance supplies \$28,000, with the remainder found as offsets of increases and decreases in other detailed lines.
- ❖ Contractual costs increased \$608,803 (12.7%) from \$4,779,233 to \$5,388,036. Interfund building and vehicle maintenance service charges accounted for \$252,000 of this increase; contracted library services increased \$200,000, and the cost of legal services to defend a variety of claims increased \$210,000. These increases were partially offset by a variety of miscellaneous savings totaling \$54,000.
- ❖ Employee benefits increased \$1,120,900 (31.9%) from \$3,512,457 to \$4,633,357, with pensions costs and workers compensation premiums increasing \$794,000 and \$306,000 respectively.

The Capital Projects Fund has a fund balance of \$902,384, with a few projects indicating a deficit project balance. These project deficits will be eliminated when long-term financing is provided by the issuance of serial bonds authorized for the projects. Capital Projects Fund revenues of \$255,881, expenditures of \$869,944 and other financing sources and uses of \$3,354,996 (net) represent only the current fiscal year's portion of total project activity. An itemized project-length schedule of all projects can be found elsewhere in this report.

Proprietary Funds

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

Total net assets of the Boat Basin Fund at year-end were \$1,810,467, an increase of \$48,393 from the prior year. Net assets invested in capital assets, net of related debt, were \$783,461 and unrestricted net assets of \$1,027,008 represented the balance of net assets. Operating income of the Boat Basin Fund was \$38,340 (operating revenues of \$493,151 offset by \$454,811 of operating expenses). Interest income of \$10,053 made up the balance of total net income.

Total net assets of the Golf Club Fund at year-end were \$9,114,511, an increase of \$589,307 from the prior year. Net assets invested in capital assets, net of related debt, were \$7,619,650 with unrestricted net assets of \$1,494,863 representing the balance of net assets. Golf Club Fund operating expenses of \$3,566,701 offset operating revenues of \$4,371,899 to arrive at operating income of \$805,198. Gain on the sale of equipment in the amount of \$7,000 and interest income of \$22,580, offset by \$245,471 of interest expense related to long-term debt made up the balance of total net income.

General Fund Budgetary Highlights

The difference between the original and final amended budget for the General Fund was immaterial for estimated operating revenues, with the original budget at \$22,546,518 and the final amended budget at \$22,607,502 – a difference of \$60,984 (3/10 of 1%). Increases in federal and state aid awards (unanticipated at the time of budget adoption) account for \$55,000 of this change; charges for services \$4,000; fines and forfeitures \$1,400 and miscellaneous revenues \$600.

The difference between the operating appropriations originally budgeted and in the final amended budget for the General Fund was \$335,786 (\$23,528,658 vs. \$23,864,444), an immaterial change of 1.4%. The appropriations budget for general government operations decreased \$119,378 during the year, reflecting predominantly reduced operating costs of the Finance Department associated with seasonal help and various service contracts. The budget for public safety increased \$218,487, with \$149,000 related to overtime associated with special investigations and patrols, and \$70,000 related to costs to be reimbursed by federal and state grant programs. The community environment budget was increased \$24,221 to address planning initiatives that arose during the year. The budget for culture and recreation was increased \$212,456, with \$160,000 being the re-appropriation of funds designated from the prior year for recreation programs; \$20,000 for the embellishment of parks and playgrounds, and \$33,000 for increased workers compensation charges.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for governmental and business-type activities at December 31, 2004, net of \$10,923,022 accumulated depreciation, was \$31,907,874. This investment in capital assets includes land, buildings, improvements, machinery and equipment, construction in progress, and infrastructure. As part of its implementation of

Governmental Accounting Standards Board Statement Number 34 in fiscal year ending December 31, 2002, the City decided to report retroactively only that infrastructure supported by long-term debt and prospectively as required any new investments in infrastructure. The City will complete its inventory and report any remaining infrastructure within the four-year implementation period for infrastructure reporting as provided for in the statement.

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

- ❖ Marina docks were installed adding \$25,250 of asset value.
- ❖ Capital improvements were made to the golf course at a value of \$310,507, and the Golf Club purchased vehicles worth \$88,906.
- ❖ Reconstruction of the Milton Avenue Firehouse was completed, adding \$3,701,697 to the value of buildings.
- ❖ General vehicle purchases added \$320,235 of asset value.
- ❖ New construction in progress added \$359,888 of asset value.
- ❖ Fully depreciated vehicles with historical cost values totaling \$179,299 were sold or otherwise disposed.

City of Rye, New York
Capital Assets

Asset	2004			2003		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 3,311,755	\$ 1,700,408	\$ 5,012,163	\$ 3,100,000	\$ 1,700,408	\$ 4,800,408
Buildings	7,048,341	11,759,481	18,807,822	3,346,644	11,759,481	15,106,125
Improvements	1,767,421	3,108,432	4,875,853	1,767,421	2,772,674	4,540,095
Machinery and Equipment	6,361,074	1,070,964	7,432,038	6,220,138	982,057	7,202,195
Construction in Progress	2,503,234	-	2,503,234	6,290,096	-	6,290,096
Infrastructure	4,199,786	-	4,199,786	2,795,256	-	2,795,256
Less:			-			
Accumulated Depreciation	(5,896,848)	(5,026,174)	(10,923,022)	(5,268,990)	(4,504,463)	(9,773,453)
Total (Net of Depreciation)	<u>\$ 19,294,763</u>	<u>\$ 12,613,111</u>	<u>\$ 31,907,874</u>	<u>\$ 18,250,565</u>	<u>\$ 12,710,157</u>	<u>\$ 30,960,722</u>

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

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$16,683,013. 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 \$16,683,013 bonded debt outstanding at fiscal year end, \$4,610,000 represented debt of the Golf Club Fund.

The City issued \$1,708,013 of general obligation debt in fiscal 2004, converting a portion of a \$2,950,000 short-term loan from the New York State Environmental Facilities Corporation into long-term financing, and paying off the remainder of the loan with current financial resources. No short-term debt was issued during, or outstanding at the end of fiscal 2004. At December 31, 2004 the City had authorized but unissued long-term debt of \$1,091,987 for land acquisition; \$60,000 for traffic signals; \$101,000 for the reconstruction of police headquarters; \$4,269,000 for the reconstruction of firehouses, and \$150,000 for the purchase of a street sweeper.

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, 2004 the City had exhausted 5.78% of its constitutional debt limit, providing an available debt margin of 94.22% with the authority to issue an additional \$255 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, 2004, the amount of debt that could be authorized by City Council resolution alone was \$539,058 and the amount that could be authorized by City Council resolution subject to a permissive referendum was \$671,852. The authorization of all other long-term debt, unless otherwise specifically exempt by law, requires a mandatory referendum.

Moody’s Investor Service has assigned its highest credit rating (“Aaa”) to all City debt.

Additional information on the City’s long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year’s Budgets and Rates

According to the United States Bureau of Labor Statistics, the unemployment rate for Westchester County (unemployment information for the City is unavailable) at the end of the current fiscal year was 4.1%. This compares favorably with the rate of 5.8% for New York State and the 5.5% national unemployment rate. The 3.5% increase in the Consumer Price Index, not seasonally adjusted, for the area (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA) from 2003 to 2004 was greater than the 2.7% increase recorded for the U.S. city average for the same period.

Home financing and refinancing rates, although rising slightly, continued to be historically low in fiscal 2004, contributing to substantial increased revenues from mortgage taxes and construction activity. The taxable assessed value of real property in the City remained relatively the same (\$134,674,171 in 2003 vs. \$134,574,950 in 2004), with the average home sale price rising from \$1,204,415 to \$1,329,908 and the median home sale price rising from \$950,000 to \$995,000 in the same period. City management

was also aware that in 2004 there would most likely be significant increases in insurance and employee benefits (particularly medical insurance and retirement contributions). All of these factors were taken into consideration in developing the fiscal 2005 budget.

The City appropriated \$1,868,265 of unreserved fund balance from the General Fund for spending in fiscal 2005, the entire amount of which will be used to fund the acquisition of capital assets and equipment. The use of this fund balance was within the City's policy of maintaining an unreserved, undesignated General Fund fund balance of at least 5% of annual appropriations. Combined with all other revenues sources, the fiscal 2005 real property tax rate of \$116.80 per \$1,000 taxable assessed value provides funding for all other General Fund appropriations. The tax rate increase from 2004 to 2005 is 2.99% (\$113.41 to \$116.80).

As required by City policy, both enterprise funds (the Boat Basin Fund and the Golf Club Fund) developed their fiscal 2005 user fees and charges to meet or exceed all anticipated costs for that year, including interest on long-term debt, depreciation, and the acquisition of capital assets. Part of the revenues raised in 2005 will be used to fund administrative charges charged by the General Fund, and a portion of the revenues will be used to invest in capital assets related to the enterprise funds.

Requests for Information

This financial report is designed to provide a general overview of the City of Rye, New York'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 Michael A. Genito, Comptroller, City of Rye, 1051 Boston Post Road, Rye, New York 10580.

THIS PAGE INTENTIONALLY LEFT BLANK

BASIC FINANCIAL STATEMENTS

City of Rye, New York
Statement of Net Assets
December 31, 2004
(With Comparative Amounts for 2003)

	2004		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and equivalents	\$ 10,166,593	\$ 1,902,801	\$ 12,069,394
Investments	2,017,042	857,583	2,874,625
Taxes receivable	722,316	-	722,316
Accounts receivable	230,534	52,064	282,598
Due from other governments	955,135	-	955,135
Internal balances	104,638	(104,638)	-
Prepaid expenses	1,073,634	65,486	1,139,120
Restricted Assets:			
Cash and equivalents	516,248	400,000	916,248
Investments	1,821,446	-	1,821,446
Capital Assets:			
Land	3,311,755	1,700,408	5,012,163
Buildings	7,048,341	11,759,481	18,807,822
Improvements	1,767,421	3,108,432	4,875,853
Machinery and equipment	6,361,074	1,070,964	7,432,038
Construction in progress	2,503,234	-	2,503,234
Infrastructure	4,199,786	-	4,199,786
Less - accumulated depreciation	(5,896,848)	(5,026,174)	(10,923,022)
Total Assets	<u>36,902,349</u>	<u>15,786,407</u>	<u>52,688,756</u>
LIABILITIES			
Accounts payable	241,466	112,110	353,576
Accrued liabilities	413,122	1,755	414,877
Accrued interest payable	87,844	64,884	152,728
Retainage payable	75,828	-	75,828
Deposits	360,225	-	360,225
Due to other governments	593,961	21,292	615,253
Deferred revenues	231,925	-	231,925
Loan payable	-	-	-
Non-current liabilities:			
Due within one year:			
Bonds payable	560,000	400,000	960,000
Claims payable	162,079	-	162,079
Compensated absences	89,133	7,381	96,514
Retirement incentives and other pension obligations	-	-	-
Due in more than one year:			
Bonds payable	11,513,013	4,210,000	15,723,013
Claims payable	648,317	-	648,317
Compensated absences	802,192	66,435	868,627
Retirement incentives and other pension obligations	-	-	-
Total Liabilities	<u>15,779,105</u>	<u>4,883,857</u>	<u>20,662,962</u>
NET ASSETS			
Invested in capital assets, net of related debt	9,480,762	8,403,111	17,883,873
Restricted for:			
Capital projects	686,266	-	686,266
Cable TV purposes	201,014	-	201,014
Permanent fund	27,560	-	27,560
Debt service	124,447	-	124,447
Risk retention	185,163	-	185,163
Unrestricted	<u>10,418,032</u>	<u>2,499,439</u>	<u>12,917,471</u>
Total Net Assets	<u>\$ 21,123,244</u>	<u>\$ 10,902,550</u>	<u>\$ 32,025,794</u>

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

2003

Governmental Activities	Business-type Activities	Total
\$ 8,469,637	\$ 338,732	\$ 8,808,369
2,026,971	1,978,535	4,005,506
780,421	-	780,421
135,691	68,837	204,528
805,250	-	805,250
51,975	(51,975)	-
501,629	44,061	545,690
2,600,000	390,000	2,990,000
1,732,600	-	1,732,600
3,100,000	1,700,408	4,800,408
3,346,644	11,759,481	15,106,125
1,767,421	2,772,674	4,540,095
6,220,138	982,057	7,202,195
6,290,096	-	6,290,096
2,795,256	-	2,795,256
(5,268,990)	(4,504,463)	(9,773,453)
<u>35,354,739</u>	<u>15,478,347</u>	<u>50,833,086</u>
358,114	28,566	386,680
210,847	684	211,531
73,752	67,528	141,280
112,587	-	112,587
346,677	-	346,677
606,246	19,126	625,372
246,414	-	246,414
2,950,000	-	2,950,000
490,000	390,000	880,000
110,009	-	110,009
72,063	5,563	77,626
10,358	7,799	18,157
10,365,000	4,610,000	14,975,000
440,034	-	440,034
648,568	50,071	698,639
36,314	27,345	63,659
<u>17,076,983</u>	<u>5,206,682</u>	<u>22,283,665</u>
11,563,341	8,100,157	19,663,498
1,011,604	-	1,011,604
175,161	-	175,161
31,206	-	31,206
86,678	-	86,678
165,746	-	165,746
5,244,020	2,171,508	7,415,528
<u>\$ 18,277,756</u>	<u>\$ 10,271,665</u>	<u>\$ 28,549,421</u>

City of Rye, New York
Statement of Activities
Year Ended December 31, 2004
(With Comparative Amounts for 2003)

2004						
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
FUNCTIONS/PROGRAMS						
Governmental Activities:						
General government	\$ 3,218,750	\$ 457,581	\$ 8,718	\$ -	\$ (2,752,451)	\$ (2,752,451)
Public safety	9,941,889	664,726	133,476	-	(9,143,687)	(9,143,687)
Community environment	6,058,126	1,726,572	13,929	215,395	(4,102,230)	(4,102,230)
Culture and recreation	3,452,925	976,130	97,824	367,998	(2,010,973)	(2,010,973)
Interest	159,129	-	-	5,574	(153,555)	(153,555)
Total Governmental Activities	<u>22,830,819</u>	<u>3,825,009</u>	<u>253,947</u>	<u>588,967</u>	<u>(18,162,896)</u>	<u>(18,162,896)</u>
Business-type Activities:						
Boat basin	454,340	493,151	-	-	38,811	38,811
Golf club	3,819,458	4,371,899	-	-	552,441	552,441
Total Business-type Activities	<u>4,273,798</u>	<u>4,865,050</u>	<u>-</u>	<u>-</u>	<u>591,252</u>	<u>591,252</u>
Total Government	<u>\$ 27,104,617</u>	<u>\$ 8,690,059</u>	<u>\$ 253,947</u>	<u>\$ 588,967</u>	<u>(18,162,896)</u>	<u>(17,571,644)</u>
General Revenues:						
Real property taxes				15,528,286	-	15,528,286
Non-property taxes				2,143,838	-	2,143,838
Unrestricted use of money and property				220,459	32,633	253,092
Gain on sale of equipment				39,655	7,000	46,655
Governmental aid not restricted to specific programs				3,003,658	-	3,003,658
Other revenues				72,488	-	72,488
Total General Revenues				<u>21,008,384</u>	<u>39,633</u>	<u>21,048,017</u>
Change in Net Assets				2,845,488	630,885	3,476,373
Net Assets - Beginning of Year				18,277,756	10,271,665	28,549,421
Net Assets - End of Year				<u>\$ 21,123,244</u>	<u>\$ 10,902,550</u>	<u>\$ 32,025,794</u>

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

2003

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
\$ 2,777,827	\$ 426,171	\$ 45,637	\$ -	\$ (2,306,019)	\$ -	\$ (2,306,019)
8,655,151	617,244	55,738	-	(7,982,169)	-	(7,982,169)
5,693,349	1,804,053	56,229	365,974	(3,467,093)	-	(3,467,093)
2,921,669	870,472	247,058	62,000	(1,742,139)	-	(1,742,139)
105,133	-	-	6,333	(98,800)	-	(98,800)
<u>20,153,129</u>	<u>3,717,940</u>	<u>404,662</u>	<u>434,307</u>	<u>(15,596,220)</u>	<u>-</u>	<u>(15,596,220)</u>
413,260	482,094	-	-	-	68,834	68,834
<u>3,608,415</u>	<u>3,922,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>314,372</u>	<u>314,372</u>
<u>4,021,675</u>	<u>4,404,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>383,206</u>	<u>383,206</u>
\$ 24,174,804	\$ 8,122,821	\$ 404,862	\$ 434,307	(15,596,220)	383,206	(15,213,014)
				14,222,097	-	14,222,097
				1,817,378	-	1,817,378
				178,353	25,712	204,065
				31,675	-	31,675
				2,618,191	-	2,618,191
				<u>354,803</u>	<u>-</u>	<u>354,803</u>
				<u>19,222,497</u>	<u>25,712</u>	<u>19,248,209</u>
				3,626,277	408,918	4,035,195
				<u>14,651,479</u>	<u>9,862,747</u>	<u>24,514,226</u>
				\$ 18,277,756	\$ 10,271,665	\$ 28,549,421

City of Rye, New York
Balance Sheet
Governmental Funds
December 31, 2004
(With Comparative Amounts for 2003)

	2004			
	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 7,146,019	\$ 29,999	\$ 25,599	\$ 7,201,617
Investments	170,830	302,316	227,848	700,994
Receivables:				
Taxes receivable	722,316	-	-	722,316
Accounts receivable	127,630	-	100,155	227,785
Due from other funds	1,308,094	936	908	1,309,938
Due from other governments	696,628	215,395	-	912,023
Prepaid expenditures	1,020,798	-	5,606	1,026,404
Investments - restricted	-	404,730	27,560	432,290
Total Assets	<u>\$ 11,192,315</u>	<u>\$ 953,376</u>	<u>\$ 387,676</u>	<u>\$ 12,533,367</u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities:				
Accounts payable	\$ 171,260	\$ 7,301	\$ 7,052	\$ 185,613
Accrued liabilities	54,503	-	468	54,971
Retainage payable	982	27,325	-	28,307
Deposits	345,225	15,000	-	360,225
Due to other funds	953	1,366	10,793	13,112
Due to other governments	585,034	-	-	585,034
Deferred revenues	388,172	-	-	388,172
Loans payable	-	-	-	-
Total Liabilities	<u>1,546,129</u>	<u>50,992</u>	<u>18,313</u>	<u>1,615,434</u>
Fund Balances (Deficits):				
Reserved for:				
Encumbrances	341,392	127,862	32,415	501,669
Prepaid expenditures	1,020,798	-	5,606	1,026,404
Compensated absences	807,757	-	16,342	824,099
Long-term receivable	439,344	-	-	439,344
Debt service	-	-	124,447	124,447
Non-expendable trust	1,755	-	23,560	25,315
Unreserved reported in:				
General Fund	7,035,140	-	-	7,035,140
Special Revenue Funds	-	-	166,993	166,993
Capital Projects Fund	-	774,522	-	774,522
Total Fund Balances (Deficits)	<u>9,646,186</u>	<u>902,384</u>	<u>369,363</u>	<u>10,917,933</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 11,192,315</u>	<u>\$ 953,376</u>	<u>\$ 387,676</u>	<u>\$ 12,533,367</u>

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

2003

General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 7,204,396	\$ 182,712	\$ 24,509	\$ 7,411,617
205,887	477,825	182,690	866,402
780,421	-	-	780,421
46,494	-	87,889	134,383
76,842	1,050	234	78,126
560,076	215,974	-	776,050
646,971	761	8,311	656,043
-	261,453	31,206	292,659
<u>\$ 9,521,087</u>	<u>\$ 1,139,775</u>	<u>\$ 334,839</u>	<u>\$ 10,995,701</u>
\$ 228,488	\$ 5,736	\$ 183	\$ 234,407
34,567	-	280	34,847
982	3,582	-	4,564
331,677	15,000	-	346,677
1,150	4,006	6,153	11,309
606,246	-	-	606,246
406,513	-	19,600	426,113
-	2,950,000	-	2,950,000
<u>1,609,623</u>	<u>2,978,324</u>	<u>26,216</u>	<u>4,614,163</u>
246,230	559,162	388	805,780
646,971	761	8,311	656,043
646,248	-	17,975	664,223
513,731	-	-	513,731
-	-	86,678	86,678
-	-	27,206	27,206
5,858,284	-	-	5,858,284
-	-	168,065	168,065
-	(2,398,472)	-	(2,398,472)
<u>7,911,464</u>	<u>(1,838,549)</u>	<u>308,623</u>	<u>6,381,538</u>
<u>\$ 9,521,087</u>	<u>\$ 1,139,775</u>	<u>\$ 334,839</u>	<u>\$ 10,995,701</u>

THIS PAGE INTENTIONALLY LEFT BLANK

City of Rye, New York
 Reconciliation of Governmental Funds Balance Sheet to
 The Government-Wide Statement of Net Assets - Governmental Activities
 December 31, 2004
 (With Comparative Amounts for 2003)

	<u>2004</u>	<u>2003</u>
Fund Balances - Total Governmental Funds	<u>\$ 10,917,933</u>	<u>\$ 6,381,538</u>
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	<u>4,117,510</u>	<u>6,425,753</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>156,247</u>	<u>179,699</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 assets.	<u>8,898,113</u>	<u>7,880,007</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued liabilities	(227,151)	(181,522)
Bonds payable	(1,091,463)	(1,132,988)
Claims payable	(810,396)	(550,043)
Accrued interest payable	(13,450)	(13,793)
Compensated absences	(824,099)	(664,223)
Retirement incentives and other pension obligations	-	(46,672)
	<u>(2,966,559)</u>	<u>(2,589,241)</u>
Net Assets of Governmental Activities	<u>\$ 21,123,244</u>	<u>\$ 18,277,756</u>

The notes to the 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, 2004
(With Comparative Amounts for 2003)

	2004			
	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Real property taxes and related items	\$ 15,551,738	\$ -	\$ -	\$ 15,551,738
Non-property taxes	2,143,838	-	190,313	2,334,151
Charges for services	1,054,741	-	-	1,054,741
Intergovernmental charges	72,775	-	-	72,775
Use of money and property	204,059	-	7,141	211,200
Licenses and permits	1,350,149	40,485	-	1,390,634
Fines and forfeitures	553,320	-	-	553,320
Sale of property and compensation for loss	129,600	-	-	129,600
Interfund revenues	418,249	-	-	418,249
State aid	3,106,435	215,396	-	3,321,831
Federal aid	15,255	-	-	15,255
Miscellaneous	88,417	-	25,151	113,568
Total Revenues	<u>24,688,576</u>	<u>255,881</u>	<u>222,605</u>	<u>25,167,062</u>
EXPENDITURES				
Current:				
General government	2,916,473	-	-	2,916,473
Public safety	9,831,702	-	-	9,831,702
Community environment	6,142,100	-	-	6,142,100
Culture and recreation	3,311,714	-	187,463	3,499,177
Debt service:				
Principal	-	-	41,525	41,525
Interest	-	-	56,745	56,745
Capital outlay:				
General government	-	4,808	-	4,808
Public safety	-	12,423	-	12,423
Community environment	-	852,713	-	852,713
Culture and recreation	-	-	-	-
Total Expenditures	<u>22,201,989</u>	<u>869,944</u>	<u>285,733</u>	<u>23,357,666</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,486,587</u>	<u>(614,063)</u>	<u>(63,128)</u>	<u>1,809,396</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	64,096	3,728,694	130,465	3,923,255
Transfers out	(815,961)	(373,698)	(6,597)	(1,196,256)
Total Other Financing Sources (Uses)	<u>(751,865)</u>	<u>3,354,996</u>	<u>123,868</u>	<u>2,726,999</u>
Net Change in Fund Balances	<u>1,734,722</u>	<u>2,740,933</u>	<u>60,740</u>	<u>4,536,395</u>
Fund Balances (Deficits) -				
Beginning of Year	7,911,464	(1,838,549)	308,623	6,381,538
Fund Balances (Deficits) - End of Year	<u>\$ 9,646,186</u>	<u>\$ 902,384</u>	<u>\$ 369,363</u>	<u>\$ 10,917,933</u>

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

2003

General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 14,190,747	\$ -	\$ -	\$ 14,190,747
1,817,378	-	167,455	1,984,833
1,224,984	-	15,430	1,240,414
69,139	-	-	69,139
161,916	-	7,856	169,772
1,272,106	21,875	-	1,293,981
500,773	-	-	500,773
63,122	-	-	63,122
406,574	-	-	406,574
2,692,207	365,974	3,829	3,062,010
40,599	62,000	-	102,599
503,603	-	33,831	537,434
<u>22,943,148</u>	<u>449,849</u>	<u>228,401</u>	<u>23,621,398</u>
2,618,241	-	-	2,618,241
8,720,495	-	-	8,720,495
5,732,532	-	-	5,732,532
2,680,346	-	286,945	2,967,291
-	-	83,590	83,590
-	-	60,465	60,465
-	64,597	-	64,597
-	424,102	-	424,102
-	490,775	-	490,775
-	124,538	-	124,538
<u>19,751,614</u>	<u>1,104,012</u>	<u>431,000</u>	<u>21,286,626</u>
<u>3,191,534</u>	<u>(654,163)</u>	<u>(202,599)</u>	<u>2,334,772</u>
39,034	732,510	233,201	1,004,745
(889,710)	(507,405)	(3,000)	(1,400,115)
(850,676)	225,105	230,201	(395,370)
2,340,858	(429,058)	27,602	1,939,402
<u>5,570,606</u>	<u>(1,409,491)</u>	<u>281,021</u>	<u>4,442,136</u>
<u>\$ 7,911,464</u>	<u>\$ (1,838,549)</u>	<u>\$ 308,623</u>	<u>\$ 6,381,538</u>

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2004
 (With Comparative Amounts for 2003)

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

	<u>2004</u>	<u>2003</u>
Net Change in Fund Balances - Total Governmental Funds	<u>\$ 4,536,395</u>	<u>\$ 1,939,402</u>
<p>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:</p>		
Capital outlay expenditures capitalized	865,067	1,016,808
Depreciation expense	<u>(73,310)</u>	<u>(67,063)</u>
	<u>791,757</u>	<u>949,745</u>
Transfer of capital assets to internal service fund - Building and Vehicle Maintenance Fund	<u>(3,100,000)</u>	<u>-</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>(23,452)</u>	<u>31,350</u>
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	<u>41,525</u>	<u>83,590</u>
<p>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:</p>		
Accrued liabilities	(45,629)	(181,522)
Claims payable	(260,353)	(138,408)
Accrued interest payable	343	1,090
Compensated absences payable	(159,876)	25,390
Retirement incentives and other pension obligations	<u>46,672</u>	<u>(46,672)</u>
	<u>(418,843)</u>	<u>(340,122)</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.	<u>1,018,106</u>	<u>962,312</u>
Change in Net Assets of Governmental Activities	<u>\$ 2,845,488</u>	<u>\$ 3,626,277</u>

The notes to the 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, 2004
 (With Comparative Amounts for 2003)

	2004			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes and related items	\$ 15,450,096	\$ 15,450,096	\$ 15,551,738	\$ 101,642
Non-property tax	1,761,356	1,761,356	2,143,838	382,482
Charges for services	1,041,528	1,045,528	1,054,741	9,213
Intergovernmental charges	63,245	63,245	72,775	9,530
Use of money and property	130,700	130,700	204,059	73,359
Licenses and permits	1,096,202	1,096,202	1,350,149	253,947
Fines and forfeitures	440,040	441,475	553,320	111,845
Sale of property and compensation for loss	2,800	2,800	129,600	126,800
Interfund revenues	420,424	420,424	418,249	(2,175)
State aid	2,092,756	2,110,561	3,106,435	995,874
Federal aid	10,561	47,705	15,255	(32,450)
Miscellaneous	36,810	37,410	88,417	51,007
Total Revenues	22,546,518	22,607,502	24,688,576	2,081,074
EXPENDITURES				
Current:				
General Government:				
City Council	60,987	80,987	65,218	15,769
City Manager	483,824	483,823	434,180	49,643
Finance Administration	205,867	202,437	196,301	6,136
General Accounting	316,299	257,464	224,987	32,477
Accounts Payable	119,301	102,037	95,544	6,493
Payroll	89,185	88,385	84,255	4,130
Treasury	301,590	251,366	229,137	22,229
Parking Violation Bureau	41,538	71,930	67,541	4,389
Assessor	351,723	341,323	315,900	25,423
City Clerk	302,850	292,116	280,765	11,351
Records Management	48,030	50,560	30,535	20,025
Parking Administration	32,604	32,634	31,631	1,003
Law	180,464	359,884	354,933	4,951
Personnel	158,051	197,575	193,087	4,488
Elections	46,475	46,889	45,883	1,006
Management Information Systems	283,410	283,410	266,576	16,834
Contingent Account	240,000	-	-	-
Total General Government	3,262,198	3,142,820	2,916,473	226,347

2003

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 14,063,803	\$ 14,063,803	\$ 14,190,747	\$ 126,944
1,721,440	1,721,440	1,817,378	95,938
933,847	933,847	1,224,984	291,137
64,745	64,745	69,139	4,394
184,600	184,600	161,916	(22,684)
936,915	936,915	1,272,106	335,191
438,435	439,738	500,773	61,035
2,200	2,200	63,122	60,922
407,924	407,924	406,574	(1,350)
1,924,441	1,934,441	2,692,207	757,766
-	9,000	40,599	31,599
8,000	188,094	503,603	315,509
<u>20,686,350</u>	<u>20,886,747</u>	<u>22,943,148</u>	<u>2,056,401</u>

58,584	79,780	78,499	1,281
412,308	444,750	436,344	8,406
185,202	181,560	175,564	5,996
300,788	231,044	207,786	23,258
109,397	102,315	98,245	4,070
81,943	81,574	78,562	3,012
173,260	223,443	203,220	20,223
42,346	42,396	31,348	11,048
327,582	338,414	309,345	29,069
300,736	301,478	271,133	30,345
42,127	41,714	32,288	9,426
30,740	30,762	29,023	1,739
218,378	223,610	223,204	406
158,875	158,973	157,638	1,335
35,267	35,287	27,743	7,544
272,948	270,124	258,299	11,825
225,000	63,091	-	63,091
<u>2,975,481</u>	<u>2,850,315</u>	<u>2,618,241</u>	<u>232,074</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, 2004
 (With Comparative Amounts for 2003)

	2004			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Public Safety:				
Police Administration	779,909	744,941	699,376	45,565
Police Patrol	4,672,103	4,822,666	4,484,680	337,986
Police Investigations	705,792	723,060	659,968	63,092
Police Marine Patrol	95,294	121,844	101,529	20,315
Police Youth Services	133,132	142,215	139,286	2,929
Parking Enforcement	173,127	173,307	166,817	6,490
School Crossing Guards	109,857	106,907	98,595	8,312
Traffic Control	210,314	252,275	249,395	2,880
Fire Prevention and Suppression	3,257,157	3,267,957	3,126,511	141,446
Animal Control	27,166	27,166	27,108	58
Ambulance Service	78,586	78,586	78,437	149
Total Public Safety	10,242,437	10,460,924	9,831,702	629,222
Community Environment:				
Planning	207,415	231,115	190,800	40,315
Engineering	255,962	255,962	203,771	52,191
Building	313,278	313,278	295,029	18,249
Conservation	16,277	20,277	17,912	2,365
Emergency Disaster	-	-	-	-
Public Works Administration	745,054	740,767	666,063	74,704
Street Maintenance	546,782	609,521	576,985	32,536
Snow Removal	661,853	662,970	596,280	66,690
Street Lighting	234,017	235,707	223,944	11,763
Off-Street Parking	181,394	141,942	119,368	22,574
Sanitary Sewers	310,266	309,531	277,639	31,892
Storm Drains	164,788	167,048	163,413	3,635
Street Cleaning	97,340	133,330	120,172	13,158
Refuse and Garbage	1,600,465	1,562,904	1,513,652	49,252
Recycling	511,102	520,902	481,235	39,667
Community Beautification	439,953	442,073	425,788	16,285
Rodent and Insect Control	25,381	23,221	20,574	2,647
Shade Tree Maintenance	333,291	298,291	249,475	48,816
Total Community Environment	6,644,618	6,668,839	6,142,100	526,739

2003

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
725,069	691,913	634,645	57,268
4,205,747	4,141,712	3,949,452	192,260
588,675	599,743	588,558	11,185
82,195	99,184	95,554	3,630
119,433	128,262	124,826	3,436
141,847	155,170	146,289	8,881
81,400	85,340	85,271	69
179,948	175,359	169,590	5,769
2,825,172	2,857,572	2,820,412	37,160
27,253	27,253	27,253	-
77,795	78,645	78,645	-
<u>9,054,534</u>	<u>9,040,153</u>	<u>8,720,495</u>	<u>319,658</u>
195,515	186,518	166,221	20,297
175,363	175,363	150,229	25,134
286,384	286,484	269,979	16,505
18,684	18,722	15,112	3,610
-	9,000	3,775	5,225
580,923	570,714	563,956	6,758
575,660	609,376	608,337	1,039
550,376	591,775	591,552	223
209,553	234,922	233,803	1,119
86,418	104,428	104,080	348
290,720	220,464	217,411	3,053
143,465	92,659	88,352	4,307
74,562	98,373	100,688	(2,315)
1,425,650	1,464,661	1,466,778	(2,117)
389,813	468,036	443,069	24,967
474,316	448,433	442,204	6,229
10,819	5,349	3,530	1,819
<u>389,742</u>	<u>363,692</u>	<u>263,456</u>	<u>100,236</u>
<u>5,877,963</u>	<u>5,948,969</u>	<u>5,732,532</u>	<u>216,437</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, 2004
 (With Comparative Amounts for 2003)

	2004			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Culture and Recreation:				
Recreation Administration	391,220	386,735	348,974	37,761
Parks and Playgrounds	270,751	332,771	303,969	28,802
Recreation Center	201,731	190,811	180,030	10,781
Recreation Programs	235,146	250,283	248,507	1,776
Camps	338,775	318,728	309,655	9,073
Athletics	185,056	182,256	169,303	12,953
Tennis	105,620	106,690	100,106	6,584
Special Events	96,058	252,019	114,063	137,956
Adult Recreation	95,040	101,616	89,458	12,158
Rye Youth Council	36,950	36,958	36,958	-
Rye Town Park	86,000	93,816	93,816	-
Southeast Consortium	12,805	14,465	14,412	53
Rye Free Reading Room	986,000	986,000	986,000	-
Square House Museum	91,256	90,140	81,553	8,587
Rye Arts Center	2,580	2,580	2,580	-
Special Facilities Administration	105,767	104,914	99,953	4,961
Rye Nature Center	138,650	141,079	132,377	8,702
Total Culture and Recreation	<u>3,379,405</u>	<u>3,591,861</u>	<u>3,311,714</u>	<u>280,147</u>
Total Expenditures	<u>23,528,658</u>	<u>23,864,444</u>	<u>22,201,989</u>	<u>1,662,455</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(982,140)</u>	<u>(1,256,942)</u>	<u>2,486,587</u>	<u>3,743,529</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	24,000	64,096	64,096	-
Transfers out	<u>(790,961)</u>	<u>(815,961)</u>	<u>(815,961)</u>	<u>-</u>
Total Other Financing Uses	<u>(766,961)</u>	<u>(751,865)</u>	<u>(751,865)</u>	<u>-</u>
Net Changes in Fund Balance	<u>(1,749,101)</u>	<u>(2,008,807)</u>	<u>1,734,722</u>	<u>3,743,529</u>
Fund Balance - Beginning of Year	<u>1,749,101</u>	<u>2,008,807</u>	<u>7,911,464</u>	<u>5,902,657</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,646,186</u>	<u>\$ 9,646,186</u>

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

2003

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
300,833	299,037	282,779	16,258
215,933	263,892	253,141	10,751
166,056	157,574	144,785	12,789
220,221	211,340	205,919	5,421
321,833	299,585	265,743	33,842
173,583	179,507	170,717	8,790
97,700	97,025	91,027	5,998
68,652	247,976	97,111	150,865
85,738	88,216	83,809	4,407
25,000	29,881	29,881	-
75,000	80,952	80,952	-
11,554	13,218	13,044	174
805,177	805,177	805,177	-
70,737	70,797	59,624	11,173
2,580	2,580	2,580	-
97,349	97,569	94,057	3,512
-	-	-	-
<u>2,737,946</u>	<u>2,944,326</u>	<u>2,680,346</u>	<u>263,980</u>
<u>20,645,924</u>	<u>20,783,763</u>	<u>19,751,614</u>	<u>1,032,149</u>
<u>40,426</u>	<u>102,984</u>	<u>3,191,534</u>	<u>3,088,550</u>
-	39,034	39,034	-
<u>(827,201)</u>	<u>(889,710)</u>	<u>(889,710)</u>	<u>-</u>
<u>(827,201)</u>	<u>(850,676)</u>	<u>(850,676)</u>	<u>-</u>
<u>(786,775)</u>	<u>(747,692)</u>	<u>2,340,858</u>	<u>3,088,550</u>
<u>786,775</u>	<u>747,692</u>	<u>5,570,606</u>	<u>4,822,914</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,911,464</u>	<u>\$ 7,911,464</u>

City of Rye, New York
Statement of Net Assets
Proprietary Funds
December 31, 2004
(With Comparative Amounts for 2003)

	2004			Governmental Activities - Internal Service Funds
	Business-type Activities - Enterprise Funds			
	Boat Basin Fund	Golf Club Fund	Totals	
ASSETS				
Current Assets:				
Cash and equivalents	\$ 232,059	\$ 1,670,742	\$ 1,902,801	\$ 2,964,976
Investments	837,729	19,854	857,583	1,316,048
Accounts receivable	48	52,016	52,064	2,749
Due from other funds	635	6,103	6,738	-
Due from other governments	-	-	-	43,112
Prepaid expenses	9,745	55,741	65,486	47,230
Total Current Assets	1,080,216	1,804,456	2,884,672	4,374,115
Noncurrent Assets:				
Restricted Assets:				
Cash and equivalents	-	400,000	400,000	516,248
Investments	-	-	-	1,389,156
Total Restricted Assets	-	400,000	400,000	1,905,404
Capital Assets:				
Land	408	1,700,000	1,700,408	3,311,755
Buildings	341,930	11,417,551	11,759,481	7,048,341
Improvements	1,057,946	2,050,486	3,108,432	1,767,421
Machinery and equipment	73,388	997,576	1,070,964	6,361,074
Construction in progress	-	-	-	2,314,853
Less accumulated depreciation	(690,211)	(4,335,963)	(5,026,174)	(5,626,191)
Total Capital Assets (net of accumulated depreciation)	783,461	11,829,650	12,613,111	15,177,253
Total Noncurrent Assets	783,461	12,229,650	13,013,111	17,082,657
Total Assets	1,863,677	14,034,106	15,897,783	21,456,772

2003

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Boat Basin Fund	Golf Club Fund	Totals	
\$ 131,387	\$ 207,345	\$ 338,732	\$ 1,058,020
830,071	1,148,464	1,978,535	1,160,569
-	68,837	68,837	1,308
-	100	100	3
-	-	-	29,200
5,843	38,218	44,061	27,108
<u>967,301</u>	<u>1,462,964</u>	<u>2,430,265</u>	<u>2,276,208</u>
-	390,000	390,000	2,600,000
-	-	-	1,439,941
-	<u>390,000</u>	<u>390,000</u>	<u>4,039,941</u>
408	1,700,000	1,700,408	-
341,930	11,417,551	11,759,481	3,346,644
1,032,696	1,739,978	2,772,674	1,767,421
73,388	908,669	982,057	6,220,138
-	-	-	5,562,252
<u>(625,361)</u>	<u>(3,879,102)</u>	<u>(4,504,463)</u>	<u>(5,071,643)</u>
<u>823,061</u>	<u>11,887,096</u>	<u>12,710,157</u>	<u>11,824,812</u>
<u>823,061</u>	<u>12,277,096</u>	<u>13,100,157</u>	<u>15,864,753</u>
<u>1,790,362</u>	<u>13,740,060</u>	<u>15,530,422</u>	<u>18,140,961</u>

(Continued)

City of Rye, New York
Statement of Net Assets (Continued)
Proprietary Funds
December 31, 2004
(With Comparative Amounts for 2003)

	2004			Governmental Activities - Internal Service Funds
	Business-type Activities - Enterprise Funds			
	Boat Basin Fund	Golf Club Fund	Totals	
LIABILITIES				
Current Liabilities:				
Accounts payable	13,086	99,024	112,110	55,853
Accrued liabilities	170	1,585	1,755	131,000
Accrued interest payable	-	64,884	64,884	74,394
Retainage payable	-	-	-	47,521
Due to other funds	17,289	71,655	88,944	1,214,620
Due to other governments	1,281	20,011	21,292	8,927
Compensated absences	2,138	5,243	7,381	6,723
Retirement incentives and other pension obligations	-	-	-	-
Current Liabilities Payable from Restricted Assets -				
Bonds payable	-	400,000	400,000	516,248
Total Current Liabilities	33,964	662,402	696,366	2,055,286
Noncurrent Liabilities:				
Bonds payable	-	4,210,000	4,210,000	10,465,302
Compensated absences	19,244	47,191	66,435	60,503
Retirement incentives and other pension obligations	-	-	-	-
Total Noncurrent Liabilities	19,244	4,257,191	4,276,435	10,525,805
Total Liabilities	53,208	4,919,593	4,972,801	12,581,091
NET ASSETS				
Invested in capital assets, net of related debt	783,461	7,619,650	8,403,111	6,101,107
Unrestricted	1,027,008	1,494,863	2,521,871	2,774,574
Total Net Assets	\$ 1,810,469	\$ 9,114,513	10,924,982	\$ 8,875,681
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(22,432)	
Net Assets of Business-type Activities			\$ 10,902,550	

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

2003

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Boat Basin Fund	Golf Club Fund	Totals	
1,376	27,190	28,566	123,707
331	353	684	176,000
-	67,528	67,528	59,959
-	-	-	108,023
7,267	29,195	36,462	30,458
463	18,663	19,126	-
1,885	3,678	5,563	5,641
-	7,799	7,799	-
-	390,000	390,000	448,475
<u>11,322</u>	<u>544,406</u>	<u>555,728</u>	<u>952,263</u>
-	4,610,000	4,610,000	9,273,537
16,966	33,105	50,071	50,767
-	27,345	27,345	-
<u>16,966</u>	<u>4,670,450</u>	<u>4,687,416</u>	<u>9,324,304</u>
<u>28,288</u>	<u>5,214,856</u>	<u>5,243,144</u>	<u>10,276,567</u>
823,061	7,277,096	8,100,157	6,142,741
939,013	1,248,108	2,187,121	1,721,653
<u>\$ 1,762,074</u>	<u>\$ 8,525,204</u>	<u>10,287,278</u>	<u>\$ 7,864,394</u>

(15,613)

\$ 10,271,665

City of Rye, New York
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
Year Ended December 31, 2004
(With Comparative Amounts for 2003)

	2004			Governmental Activities - Internal Service Funds
	Business-type Activities - Enterprise Funds			
	Boat Basin Fund	Golf Club Fund	Totals	
OPERATING REVENUES				
Charges for services	\$ 490,616	\$ 4,364,029	\$ 4,854,645	\$ 3,234,853
Miscellaneous	2,535	7,870	10,405	60,729
Total Operating Revenues	<u>493,151</u>	<u>4,371,899</u>	<u>4,865,050</u>	<u>3,295,582</u>
OPERATING EXPENSES				
Salaries and wages	166,483	1,270,504	1,436,987	642,414
Employee benefits	56,598	415,866	472,464	266,767
Materials and supplies	39,848	729,525	769,373	571,291
Contractual costs	127,032	693,945	820,977	587,392
Depreciation	64,850	456,861	521,711	733,848
Total Operating Expenses	<u>454,811</u>	<u>3,566,701</u>	<u>4,021,512</u>	<u>2,801,712</u>
Operating Income	<u>38,340</u>	<u>805,198</u>	<u>843,538</u>	<u>493,870</u>
NON-OPERATING REVENUES (EXPENSES)				
Gain (loss) on sale of equipment	-	7,000	7,000	39,655
Interest income	10,053	22,580	32,633	21,013
Interest expense	-	(245,471)	(245,471)	(102,727)
Total Non-Operating Revenues (Expenses)	<u>10,053</u>	<u>(215,891)</u>	<u>(205,838)</u>	<u>(42,059)</u>
Income Before Transfers	48,393	589,307	637,700	451,811
Transfers in	-	-	-	622,255
Transfers out	-	-	-	(62,779)
Change in Net Assets	48,393	589,307	637,700	1,011,287
Net Assets - Beginning of Year	1,762,074	8,525,204	10,287,278	7,864,394
Net Assets - End of Year	<u>\$ 1,810,467</u>	<u>\$ 9,114,511</u>	<u>\$ 10,924,978</u>	<u>\$ 8,875,681</u>
Change in Net Assets			\$ 637,700	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>(6,815)</u>	
Change in Net Assets of Business-type Activities			<u>\$ 630,885</u>	

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

2003

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Boat Basin Fund	Golf Club Fund	Totals	
\$ 479,493	\$ 3,917,658	\$ 4,397,151	\$ 3,079,721
2,601	5,129	7,730	34,295
<u>482,094</u>	<u>3,922,787</u>	<u>4,404,881</u>	<u>3,114,016</u>
161,364	1,149,691	1,311,055	575,063
43,978	385,830	429,808	193,286
44,995	722,747	767,742	507,928
101,797	622,827	724,624	618,422
<u>62,853</u>	<u>427,643</u>	<u>490,496</u>	<u>662,241</u>
<u>414,987</u>	<u>3,308,738</u>	<u>3,723,725</u>	<u>2,556,940</u>
<u>67,107</u>	<u>614,049</u>	<u>681,156</u>	<u>557,076</u>
-	(38,523)	(38,523)	31,675
8,511	17,201	25,712	29,850
-	<u>(265,329)</u>	<u>(265,329)</u>	<u>(45,758)</u>
<u>8,511</u>	<u>(286,651)</u>	<u>(278,140)</u>	<u>15,767</u>
75,618	327,398	403,016	572,843
-	-	-	455,302
-	-	-	<u>(59,932)</u>
75,618	327,398	403,016	968,213
<u>1,686,456</u>	<u>8,197,806</u>	<u>9,884,262</u>	<u>6,896,181</u>
<u>\$ 1,762,074</u>	<u>\$ 8,525,204</u>	<u>\$ 10,287,278</u>	<u>\$ 7,864,394</u>
		\$ 403,016	
		<u>5,902</u>	
		<u>\$ 408,918</u>	

City of Rye, New York
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2004
(With Comparative Amounts for 2003)

	2004			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	\$ 490,568	\$ 4,375,352	\$ 4,865,920	\$ 3,218,195
Cash payments to employees	(220,711)	(1,704,631)	(1,925,342)	(898,363)
Cash payments to vendors	(148,867)	(1,325,854)	(1,474,721)	(159,072)
Other operating revenues	2,535	7,870	10,405	60,729
Net Cash Provided by Operating Activities	<u>123,525</u>	<u>1,352,737</u>	<u>1,476,262</u>	<u>2,221,489</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-	622,255
Transfers out	-	-	-	(62,779)
Net Cash Provided by Non-Capital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>559,476</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	-	-	-	1,708,013
Acquisition and construction of capital assets	(25,250)	(399,415)	(424,665)	(3,797,314)
Principal paid on capital debt	-	(390,000)	(390,000)	(448,475)
Interest paid on capital debt	-	(248,115)	(248,115)	(428,432)
Proceeds from sale of capital assets	-	7,000	7,000	39,655
Net Cash Used in Capital and Related Financing Activities	<u>(25,250)</u>	<u>(1,030,530)</u>	<u>(1,055,780)</u>	<u>(2,926,553)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	10,053	22,580	32,633	73,486
Purchase of investments	(364,509)	(6,360,263)	(6,724,772)	(36,067,931)
Sale of investments	356,853	7,488,873	7,845,726	35,963,237
Net Cash Provided by (Used in) Investing Activities	<u>2,397</u>	<u>1,151,190</u>	<u>1,153,587</u>	<u>(31,208)</u>
Net Increase (Decrease) in Cash and Equivalents	100,672	1,473,397	1,574,069	(176,796)
Cash and Equivalents - Beginning of Year	131,387	597,345	728,732	3,658,020
Cash and Equivalents - End of Year	<u>\$ 232,059</u>	<u>\$ 2,070,742</u>	<u>\$ 2,302,801</u>	<u>\$ 3,481,224</u>

2003

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Boat Basin Fund	Golf Club Fund	Totals	
\$ 479,493	\$ 3,870,378	\$ 4,349,871	\$ 3,021,511
(203,861)	(1,498,044)	(1,701,905)	(769,692)
(190,533)	(1,328,563)	(1,519,096)	(1,505,477)
2,601	5,129	7,730	34,295
<u>87,700</u>	<u>1,048,900</u>	<u>1,136,600</u>	<u>780,637</u>
-	-	-	455,302
-	-	-	(59,932)
-	-	-	<u>395,370</u>
-	-	-	-
(92,376)	(221,976)	(314,352)	(2,379,004)
-	(350,000)	(350,000)	(440,910)
-	(268,603)	(268,603)	(447,943)
-	4,000	4,000	31,675
<u>(92,376)</u>	<u>(836,579)</u>	<u>(928,955)</u>	<u>(3,236,182)</u>
9,127	18,434	27,561	75,061
(812,757)	(3,769,385)	(4,582,142)	(58,870,205)
376,839	2,913,355	3,290,194	59,398,960
<u>(426,791)</u>	<u>(837,596)</u>	<u>(1,264,387)</u>	<u>603,816</u>
(431,467)	(625,275)	(1,056,742)	(1,456,359)
562,854	1,222,620	1,785,474	5,114,379
<u>\$ 131,387</u>	<u>\$ 597,345</u>	<u>\$ 728,732</u>	<u>\$ 3,658,020</u>

(Continued)

City of Rye, New York
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended December 31, 2004
(With Comparative Amounts for 2003)

	2004			Governmental Activities - Internal Service Funds
	Business-type Activities - Enterprise Funds			
	Boat Basin Fund	Golf Club Fund	Totals	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 38,340	\$ 805,198	\$ 843,538	\$ 493,870
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	64,850	456,861	521,711	733,848
(Increase) decrease in accounts receivable	(48)	16,823	16,775	(16,658)
(Increase) decrease in due from other funds	(635)	(6,003)	(6,638)	-
Decrease in due from other governments	-	-	-	-
(Increase) in prepaid expenses	(3,902)	(17,523)	(21,425)	(20,122)
Increase (decrease) in accounts payable	11,710	71,834	83,544	(67,854)
Increase (decrease) in accrued liabilities	(161)	1,232	1,071	(45,000)
(Decrease) in retainage payable	-	-	-	(60,502)
Increase (decrease) in due to other funds	10,022	42,460	52,482	1,184,162
Increase (decrease) in due to other governments	818	1,348	2,166	8,927
Increase (decrease) in compensated absences	2,531	15,651	18,182	10,818
Increase (decrease) in retirement incentives and other pension obligations	-	(35,144)	(35,144)	-
Total Adjustments	85,185	547,539	632,724	1,727,619
Net Cash Provided by Operating Activities	\$ 123,525	\$ 1,352,737	\$ 1,476,262	\$ 2,221,489

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

2003

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Boat Basin Fund	Golf Club Fund	Totals	
<u>\$ 67,107</u>	<u>\$ 614,049</u>	<u>\$ 681,156</u>	<u>\$ 557,076</u>
62,853	427,643	490,496	662,241
-	(47,280)	(47,280)	3,668
1,896	16,717	18,613	31,997
-	-	-	6,665
(3,643)	(26,605)	(30,248)	(16,515)
(47,955)	4,625	(43,330)	(340,571)
(458)	(259)	(717)	(150)
-	-	-	(22,041)
5,498	23,895	29,393	(100,540)
463	(1,621)	(1,158)	-
1,939	2,592	4,531	(1,193)
-	35,144	35,144	-
<u>20,593</u>	<u>434,851</u>	<u>455,444</u>	<u>223,561</u>
<u>\$ 87,700</u>	<u>\$ 1,048,900</u>	<u>\$ 1,136,600</u>	<u>\$ 780,637</u>

City of Rye, New York
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2004
(With Comparative Amounts for 2003)

	2004	2003
ASSETS		
Cash and equivalents	\$ 44,896	\$ 32,360
Accounts receivable	708	-
Total Assets	\$ 45,604	\$ 32,360
LIABILITIES		
Accounts payable	\$ 13,555	\$ 364
Employee payroll deductions	32,049	31,996
Total Liabilities	\$ 45,604	\$ 32,360

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

Note 1 - Summary of Significant Accounting Policies

The City of Rye, New York 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, community environment, culture and recreation and general and administrative support.

The accounting policies of the City of Rye, New York 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 of Rye, 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 income or loss for the 2004 fiscal year is not yet available and accordingly, no amounts have been reflected in the financial statements. Complete separate financial statements for the Park may be obtained from the Town of Rye, 10 Pearl Street, Port Chester, New York 10573.

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets 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. 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.

The Statement of Net Assets 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.

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, liabilities, fund balances/net assets, 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 page following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide

Note 1 - Summary of Significant Accounting Policies (Continued)

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:

1. 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 in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

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

Special Revenue Funds:

Special Revenue Funds are governmental funds established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain defined purposes. The following are the City's special revenue funds:

Cable TV Fund - The Cable TV Fund is used to account for revenues received from the franchise holder for public access cable TV programming.

Nature Center Fund - The Nature Center Fund is used to account for revenues received from State and Federal grants and other contributions for the operation and maintenance of the Rye Nature Center.

Permanent Fund -The 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. The K.T. Woods Fund is a permanent fund of the City and is used to account for the funding for certain expenditures of the Rye Nature Center.

Debt Service Fund - The Debt Service Fund is provided to account for the accumulation of resources to be used for the redemption of principal and interest on long-term debt.

Note 1 - Summary of Significant Accounting Policies (Continued)

- 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.
- c. **Fiduciary Funds** (Not Included in Government-Wide Statements) - The Fiduciary Funds are used to account for assets held by the City in an agency capacity on behalf of others.

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 reports.

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 and 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 revenues to be available if collected within sixty (60) days of the fiscal year end. 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 compensated absences, claims and judgments and certain pension costs are recorded only when payment is due. General capital asset

Note 1 - Summary of Significant Accounting Policies (Continued)

acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

E. Assets, Liabilities and Net Assets or Fund Balances

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.

State statutes govern the City's 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.

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 that 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.

Investments - All investments are stated at amortized cost, which approximates fair value.

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 May 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 May 1st of the fiscal 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 (60%) percent of the amount levied on 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 May 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 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. Residual balances outstanding between the governmental activities and business type activities are reported in the government-wide financial statements as internal balances.

Prepaid Expenditures/Expenses - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items in both government-wide and fund financial statements. Reported amounts in governmental funds are equally offset by a reservation of fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Restricted Assets - Certain assets are classified as restricted because their use is limited. Restricted assets in the Capital Projects Fund, Enterprise Fund and Internal Service Fund are to be used for construction purposes. Restricted assets in the Permanent Fund are to be used for the purpose of preserving or enhancing the natural habitat in the City, including the Rye Nature Center.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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

Property, plant and equipment is 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.

Deferred Revenues - Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In government-wide financial statements, deferred revenues consist of unearned revenue or revenue from grants received before the eligibility requirements have been met.

Deferred revenues in 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 deferred revenues of \$156,247 for real property taxes and \$231,925 for 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.

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.

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 Assets. Bond premiums and discounts, as well as issuance costs, are deferred

Note 1 - Summary of Significant Accounting Policies (Continued)

and amortized 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.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets are 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 assets on the Statement of Net Assets include invested in capital assets, net of related debt, restricted for capital projects, Cable TV purposes, permanent fund, debt service and risk retention. The balance is classified as unrestricted.

Fund Balances - Reserves and Designations - Portions of fund balance are segregated for future use and are therefore not available for future appropriation or expenditure. Amounts reserved for encumbrances, prepaid expenditures, compensated absences, long-term receivable, debt service and non-expendable trust represent portions of fund balance that are required to be segregated in accordance with State law or generally accepted accounting principles. Designations of unreserved fund balances in governmental funds indicate the utilization of these resources in the ensuing year's budget or tentative plans for future use.

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 reservations of 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 and liabilities 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 these estimates.

Note 1 - Summary of Significant Accounting Policies (Continued)

H. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain reclassifications of prior year financial data have been made to conform to the current year presentation.

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

Note 2 - Stewardship, Compliance, and Accountability (Continued)

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.

B. Property Tax Limitation

The amount that may be raised by the City for real property taxes in any fiscal year, for purposes other than for debt service on City indebtedness, is limited by the Constitution of the State of New York to two (2%) percent of the five-year average full valuation of taxable real estate located within the City. For 2004, the maximum amount that could have been raised was \$68,542,362, which exceeded the levy by \$53,288,112.

C. Capital Projects Fund Project Deficits

The deficits in certain individual capital projects arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

Note 3 - Detailed Notes on All Funds

A. Deposits

The carrying amount of the City's deposits at December 31, 2004 was \$13,028,038. This amount is inclusive of Fiduciary Fund deposits of \$44,896 and restricted cash of \$916,248. This amount is exclusive of petty cash of \$2,500. The bank balance was \$12,912,535. Of the bank balance, \$400,000 was covered by Federal deposit insurance, \$7,101,676 was covered by collateral held by the trust department of the pledging financial institution in the entity's name and \$5,410,859 was covered by collateral held by the City's agent, a third party financial institution, in the City's name.

B. Investments

The City participates in a cooperative investment pool established pursuant to General Municipal Law. The sponsoring agency of the pool is another governmental unit, which acting through the fiscal officer is primarily responsible for executing the provisions of the Cooperative agreement. The pool is authorized to invest in various securities issued by the United States and its agencies. The City's share of these investments at December 31, 2004, inclusive of restricted

Note 3 - Detailed Notes on All Funds (Continued)

investments of \$1,821,446, was \$4,696,071. This amount represents the amortized cost of the cooperative shares and is considered to approximate fair value. These investments are not subject to risk categorization. Additional information concerning the Cooperative is presented in the annual report of the Cooperative Liquid Assets Securities System, which may be obtained from MBIA Municipal Investors Service Corp. (CLASS), 113 King Street, Armonk, NY 10504.

C. Taxes Receivable

Taxes receivable at December 31, 2004 consisted of the following:

City taxes - Current	\$ 190,817
City taxes - Delinquent	458,255
School district taxes - Current	<u>73,244</u>
	<u>\$ 722,316</u>

School district taxes are offset by liabilities to the school district, which will be paid no later than May 1, 2005. Taxes receivable are also partially offset in the fund financial statements by deferred tax revenues of \$156,247, 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 are also reserved in the fund financial statements by a reserve for long-term receivables of \$439,344, which represents an estimate of taxes receivable that will not be collected within the subsequent year.

D. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2004 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 758
	Cable TV Fund	10,793
	Boat Basin Fund	17,289
	Golf Club Fund	71,655
	Risk Retention Fund	37,979
	Building and Vehicle Maintenance Fund	<u>1,169,620</u>
		<u>1,308,094</u>
Cable TV Fund	General Fund	8
	Risk Retention Fund	<u>292</u>
		<u>300</u>
Debt Service Fund	Capital Projects Fund	<u>608</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2004

Note 3 - Detailed Notes on All Funds (Continued)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects Fund	General Fund	\$ <u>936</u>
Boat Basin Fund	Risk Retention Fund	<u>635</u>
Golf Club Fund	General Fund	9
	Risk Retention Fund	<u>6,094</u>
		<u>6,103</u>
		<u>\$ 1,316,676</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. These balances also include the amount of working capital loans made to internal service funds that the General Fund expects to collect in the subsequent year.

E. Capital Assets

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

<u>Class</u>	<u>Balance January 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2004</u>
Governmental Activities (Inclusive of Internal Service Funds):				
Capital Assets, not being de- preciated:				
Land	\$ 3,100,000	\$ 211,755	\$ -	\$ 3,311,755
Construction-in-progress	<u>6,290,096</u>	<u>359,888</u>	<u>4,146,750</u>	<u>2,503,234</u>
 Total Capital Assets, not being depreciated	 <u>\$ 9,390,096</u>	 <u>\$ 571,643</u>	 <u>\$ 4,146,750</u>	 <u>\$ 5,814,989</u>

CITY OF RYE, NEW YORK

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2004

Note 3 - Detailed Notes on All Funds (Continued)

<u>Class</u>	<u>Balance January 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2004</u>
Governmental Activities (Inclusive of Internal Service Funds): (Cont'd)				
Capital Assets, being depreciated:				
Buildings	\$ 3,346,644	\$ 3,701,697	\$ -	\$ 7,048,341
Improvements	1,767,421	-	-	1,767,421
Machinery and equipment	6,220,138	320,235	179,299	6,361,074
Infrastructure	<u>2,795,256</u>	<u>1,404,530</u>	<u>-</u>	<u>4,199,786</u>
Total Capital Assets being depreciated	<u>14,129,459</u>	<u>5,426,462</u>	<u>179,299</u>	<u>19,376,622</u>
Less Accumulated Depreciation for:				
Buildings	870,743	201,638	-	1,072,381
Improvements	749,616	89,080	-	838,696
Machinery and equipment	3,451,284	443,129	179,299	3,715,114
Infrastructure	<u>197,347</u>	<u>73,310</u>	<u>-</u>	<u>270,657</u>
Total Accumulated Depreciation	<u>5,268,990</u>	<u>807,157</u>	<u>179,299</u>	<u>5,896,848</u>
Total Capital Assets being Depreciated, net	<u>\$ 8,860,469</u>	<u>\$ 4,619,305</u>	<u>\$ -</u>	<u>\$ 13,479,774</u>
Governmental Activities Capital Assets, net	<u>\$ 18,250,565</u>	<u>\$ 5,190,948</u>	<u>\$ 4,146,750</u>	<u>\$ 19,294,763</u>
<u>Class</u>	<u>Balance January 1, 2004</u>	<u>Additions</u>	<u>Balance December 31, 2004</u>	
Business-type Activities:				
Capital Assets, not being de- preciated:				
Land		<u>\$ 1,700,408</u>	<u>\$ -</u>	<u>\$ 1,700,408</u>
Capital Assets, being depreciated:				
Buildings		\$ 11,759,481	\$ -	\$ 11,759,481
Improvements		2,772,674	335,758	3,108,432
Machinery and equipment		<u>982,057</u>	<u>88,907</u>	<u>1,070,964</u>
Total Capital Assets, being depreciated		<u>15,514,212</u>	<u>424,665</u>	<u>15,938,877</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2004**Note 3 - Detailed Notes on All Funds (Continued)**

<u>Class</u>	<u>Balance January 1, 2004</u>	<u>Additions</u>	<u>Balance December 31, 2004</u>
Less Accumulated Depreciation for:			
Buildings	\$ 2,376,269	\$ 297,095	\$ 2,673,364
Improvements	1,278,758	178,402	1,457,160
Machinery and equipment	<u>849,436</u>	<u>46,214</u>	<u>895,650</u>
Total Accumulated Depreciation	<u>4,504,463</u>	<u>521,711</u>	<u>5,026,174</u>
Total Capital Assets, being depreciated, net	<u>\$ 11,009,749</u>	<u>\$ (97,046)</u>	<u>\$ 10,912,703</u>
Business-type Activities			
Capital Assets, net	<u>\$ 12,710,157</u>	<u>\$ (97,046)</u>	<u>\$ 12,613,111</u>

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

Governmental Activities:	
Community Environment	\$ 73,309
Capital assets held by the government's internal service fund are charged to the various functions based on their usage of the assets	<u>733,848</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 807,157</u>
Business-type Activities:	
Boat Basin	\$ 64,850
Golf Club	<u>456,861</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 521,711</u>

Construction Commitments

The City has active construction projects as of December 31, 2004. These projects include new construction and renovations to existing properties. At year-end, the City had \$127,862 in construction encumbrances.

Note 3 - Detailed Notes on All Funds (Continued)**F. Accrued Liabilities**

Accrued liabilities at December 31, 2004 were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Payroll and employee benefits	\$ 54,971	\$ 1,755	\$ 56,726
Other	<u>358,151</u>	<u>-</u>	<u>358,151</u>
Total Accrued Liabilities	<u>\$ 413,122</u>	<u>\$ 1,755</u>	<u>\$ 414,877</u>

G. Unpaid Claim Liabilities

The Risk Retention Fund reflects general liability claim liabilities. The government-wide statement of net assets 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 necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that 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:

	<u>Year Ended December 31, 2004</u>		<u>Year Ended December 31, 2003</u>	
	<u>General Liability</u>	<u>Health Benefits</u>	<u>General Liability</u>	<u>Health Benefits</u>
Balance - Beginning of Year	\$ 176,000	\$ 208,689	\$ 176,000	\$ 260,023
Provision for Claims and Claims Adjustment Expenses	431,011	2,696,873	108,184	2,276,450
Claims and Claims Adjustment Expenses Paid	<u>(476,011)</u>	<u>(2,643,132)</u>	<u>(108,184)</u>	<u>(2,327,784)</u>
Balance - End of Year	<u>\$ 131,000</u>	<u>\$ 262,430</u>	<u>\$ 176,000</u>	<u>\$ 208,689</u>

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

H. Pension Plans

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2004

Note 3 - Detailed Notes on All Funds (Continued)

The City of Rye, New York 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 who joined ERS after July 27, 1976 and have less than ten years of service, who contribute 3% of their salary. 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 group term life insurance portion (GTLI) and a regular pension contribution. Contribution rates for the plan year ended March 31, 2005 are as follows:

	<u>Tier/Plan/Option</u>	<u>Rate</u>
ERS	1 75I/41J	17.3 %
	2 75I/41J	14.8
	3 A14/41J	11.5
	4 A15/41J	11.5
PFRS	1 384D/3029D	20.5 %
	2 384D	15.2

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

	<u>ERS</u>	<u>PFRS</u>
2004	\$ 638,547	\$ 627,623
2003	245,780	168,239
2002	65,038	3,795

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

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2004

Note 3 - Detailed Notes on All Funds (Continued)

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	\$ 491,601
Cable TV	8,816
Boat Basin	14,125
Golf Club	60,633
Building and Vehicle Maintenance	<u>63,372</u>
	<u>\$ 638,547</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, 2004 were \$2,841. The pension benefit obligation of this plan is not significant to the City.

I. Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings.

	<u>Balance January 1, 2004</u>	<u>Redemptions</u>	<u>Balance December 31, 2004</u>
Loans Payable	<u>\$ 2,950,000</u>	<u>\$ 2,950,000</u>	<u>\$ -</u>

The State of New York has authorized the establishment of the New York State Environmental Facilities Corporation. The Corporation was created in part to administer a revolving fund for purposes of complying with the Clean Water/Clean Air Act. The City originally received a non-interest bearing loan from the Corporation in the amount of \$3,100,000. The loan was repaid in November 2004, with \$1,708,013 of proceeds from serial bonds issued and \$1,241,987 of available cash. The liability for the serial bonds has been recorded in the Building and Vehicle Maintenance Internal Service Fund.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2004

Note 3 - Detailed Notes on All Funds (Continued)

J. Long-Term Liabilities

The changes in the City's long-term liabilities for the year ended December 31, 2004 were as follows:

	Balance January 1, 2004	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2004	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 10,855,000	\$ 1,708,013	\$ 490,000	\$ 12,073,013	\$ 560,000
Claims Payable	550,043	323,269	62,916	810,396	162,079
Compensated Absences	720,631	242,757	72,063	891,325	89,133
Retirement Incentives and Other Pension Obligations	<u>46,672</u>	<u>-</u>	<u>46,672</u>	<u>-</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 12,172,346</u>	<u>\$ 2,274,039</u>	<u>\$ 671,651</u>	<u>\$ 13,774,734</u>	<u>\$ 811,212</u>
Business-type Activities:					
Bonds Payable	\$ 5,000,000	\$ -	\$ 390,000	\$ 4,610,000	\$ 400,000
Compensated Absences	55,634	23,745	5,563	73,816	7,381
Retirement Incentives and Other Pension Obligations	<u>35,144</u>	<u>-</u>	<u>35,144</u>	<u>-</u>	<u>-</u>
Business-type Activities Long-Term Liabilities	<u>\$ 5,090,778</u>	<u>\$ 23,745</u>	<u>\$ 430,707</u>	<u>\$ 4,683,816</u>	<u>\$ 407,381</u>

Each governmental fund's liability for compensated absences and retirement incentives and other pension obligations is liquidated by the respective fund. 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 and the Internal Service Fund.

Bonds Payable

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. During the year, general obligation bonds were issued through the New York State Environmental Facilities Corporation (EFC) in the amount of \$1,708,013 to convert a short-term loan payable for the acquisition of land related to a clean water conservation project.

Bonds payable at December 31, 2004 are comprised of the following individual issues:

\$3,670,000 - 1990 bonds for various improvements, due in annual installments of \$225,000 in June 2005 and \$50,000 through June 2010; interest at 6.70% for maturity in 2005 and 6.80% for maturities through 2010	\$ 475,000
--	------------

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2004

Note 3 - Detailed Notes on All Funds (Continued)

\$5,400,000 - 1998 bonds for improvements to the golf club, due in annual installments of \$225,000 in September 2005, \$235,000 in September 2006, \$245,000 in September 2007, \$260,000 in September 2008, \$270,000 in September 2009, \$285,000 in September 2010, \$305,000 in September 2011, \$320,000 in September 2012, \$335,000 in September 2013, \$355,000 in September 2014, \$370,000 in September 2015, \$390,000 in September 2016, \$410,000 in September 2017 and \$430,000 in September 2018; interest at rates ranging from 4.20% to 6.30%, depending on maturity

\$ 4,435,000

\$3,825,000 - 2000 bonds for various public improvements, due in annual installments of \$135,000 in October 2005, \$140,000 in October 2006, \$150,000 in October 2007, \$160,000 in October 2008, \$165,000 in October 2009, \$175,000 in October 2010, \$185,000 in October 2011, \$195,000 in October 2012, \$210,000 in October 2013, \$220,000 in October 2014, \$235,000 in October 2015, \$250,000 in October 2016, \$260,000 in October 2017, \$275,000 in October 2018, \$290,000 in October 2019 and \$305,000 in October 2020; interest at rates ranging from 5.20% to 5.25%, depending on maturity

3,350,000

\$1,965,000 - 2001 bonds for various public improvements, due in annual installments of \$70,000 in October 2005, \$75,000 through October 2007, \$80,000 in October 2008, \$85,000 in October 2009, \$90,000 in October 2010, \$95,000 through October 2012, \$100,000 in October 2013, \$105,000 in October 2014, \$110,000 in October 2015, \$115,000 in October 2016, \$120,000 in October 2017, \$125,000 in October 2018, \$135,000 in October 2019, \$140,000 in October 2020 and \$145,000 in October 2021; interest at rates ranging from 4.4% to 5.0%, depending on maturity

1,760,000

\$5,389,500 - 2002 bonds for various public improvements, due in annual installments of \$230,000 in December 2005, \$235,000 in December 2006, \$240,000 in December 2007, \$250,000 in December 2008, \$260,000 in December 2009, \$275,000 in December 2010, \$285,000 in December 2011, \$300,000 in December 2012, \$310,000 in December 2013, \$325,000 in December 2014, \$340,000 in December 2015, \$350,000 in December 2016, \$365,000 in December 2017, \$380,000 in December 2018, \$395,000 in December 2019 and \$415,000 in December 2020; interest at rates ranging from 3.25% to 4.25%, depending on maturity

4,955,000

\$1,708,013 - 2004 New York State Environmental Facilities Corporation bonds for land acquisition, due in annual installments of \$75,000 through August 2006, \$73,013 in August 2007, \$75,000 through August 2011, \$80,000 through August 2014, \$85,000 through August 2016, \$90,000 through August 2019, \$95,000 in August 2020, \$100,000 through August 2022 and \$105,000 through August 2024; interest at rates ranging from 1.581% to 4.964%, depending on maturity

1,708,013

\$ 16,683,013

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2004

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures/expense of \$56,745 and \$102,727 were recorded in the fund financial statements in the Debt Service Fund and the Internal Service Fund, respectively. Interest expense of \$159,129 was recorded in the government-wide financial statements for governmental activities. Interest expense of \$245,471 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 debt outstanding, including interest of \$6,768,353, as of December 31, 2004 is as follows:

Year	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 560,000	\$ 497,442	\$ 400,000	\$ 226,060	\$ 960,000	\$ 723,502
2006	575,000	476,357	235,000	209,348	810,000	685,705
2007	588,013	454,746	245,000	198,078	833,013	652,824
2008	615,000	432,094	260,000	186,288	875,000	618,382
2009	635,000	408,105	270,000	173,768	905,000	581,873
2010-2014	3,405,000	1,657,005	1,600,000	655,313	5,005,000	2,312,318
2015-2019	4,185,000	884,887	1,600,000	209,995	5,785,000	1,094,882
2020-2024	1,510,000	98,867	-	-	1,510,000	98,867
	<u>\$ 12,073,013</u>	<u>\$ 4,909,503</u>	<u>\$ 4,610,000</u>	<u>\$ 1,858,850</u>	<u>\$16,683,013</u>	<u>\$ 6,768,353</u>

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 \$810,396 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 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

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2004

Note 3 - Detailed Notes on All Funds (Continued)

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 a reservation of fund balance in the governmental funds financial statements.

Retirement Incentives and Other Pension Obligations

The 2002 Statewide Retirement Incentive Program authorized local governments to offer employees a retirement incentive program. The aggregate cost of the program for ERS for the City was \$106,518. Of this amount, \$60,763 was applicable to governmental funds and \$45,755 to the Golf Club Enterprise Fund. The City, in 2004, has elected to fully satisfy the remaining obligation to ERS. The amount of \$49,303 was charged to General Fund expenditures in the fund financial statements. The amount of \$37,193 was recorded in the Golf Club Enterprise Fund (\$35,144 against accrued liabilities and \$2,049 in expenses). Current year pension expense charged to the government-wide financial statements was \$2,631 for governmental activities and \$2,049 for business-type activities.

K Interfund Transfers

Interfund transfers are defined as the flow of assets (such as cash or goods) 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, 2004 were as follows:

Transfers Out	Transfers In				Total
	General	Capital Projects	Other Governmental	Internal Service	
General	\$ -	\$ 425,000	\$ 130,461	\$ 260,500	\$ 815,961
Capital Projects	20,029	353,665	4	-	373,698
Other Governmental	6,597	-	-	-	6,597
Internal Service	37,500	25,279	-	-	62,779
	64,126	803,944	130,465	260,500	1,259,035
Non-reciprocal transfer of capital asset	-	2,924,750	-	361,755	3,286,505
	<u>\$ 64,126</u>	<u>\$ 3,728,694</u>	<u>\$ 130,465</u>	<u>\$ 622,255</u>	<u>\$ 4,545,540</u>

Note 3 - Detailed Notes on All Funds (Continued)

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, 2) move restricted amounts from borrowings to the Debt Service Fund to establish mandatory reserve accounts and 3) 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.

The \$3,286,505 non-reciprocal transfer of a capital asset noted above represents the transfer of a capital asset (land) to a proprietary fund (the Building and Vehicle Maintenance Fund) that had been financed through the Capital Projects Fund, and previously accounted for as a capital asset used in the operation of governmental funds.

L. Post-Employment Health Care Benefits

In addition to providing pension benefits, the City provides health care benefits for retired employees, their spouses, and their dependents. The various collective bargaining agreements stipulate the active and retired employees' covered, and the percentage of contribution, if any, to the cost of health care benefits. The City pays the cost of post-employment healthcare benefits for retirees, their spouses, and their dependents during the life of the retiree. Surviving spouses of retirees may elect to continue receiving health care benefits at their expense. Substantially all of the City's employees may become eligible for these benefits if they retire through the New York State Retirement System while working for the City. The cost of retiree health care benefits is recognized as expenditures/expenses as claims are paid. During the year, \$1,103,252 was paid on behalf of 103 retirees and this amount has been recorded as an expenditure and expense.

M. Net Assets

The components of net assets are detailed below:

Invested in Capital Assets, net of Related Debt - the component of net assets 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 assets that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Restricted for Cable TV Purposes - the component of net assets that reports the difference between the assets and liabilities of the Cable TV Fund, this consists of funds with constraints placed on their use by local statute.

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

Note 3 - Detailed Notes on All Funds (Continued)

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

Restricted for Risk Retention - the component of net assets that provides for the payment of self-insured general and liability claims.

Unrestricted - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

N. Fund Balances

The City, in accordance with laws of New York State, local charter authorization and generally accepted accounting principles has reserved and designated certain elements of the fund balance. A description of the significant elements is as follows:

Reserved

Encumbrances outstanding have been reserved, as it is 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.

The Reserve for Prepaid Expenditures represents health insurance and other costs paid in advance. The reserve indicates that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

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

The Reserve for Long-Term Receivable represents funds set aside 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.

The Reserve for Debt Service represents a segregation of the fund balance for debt service in accordance with the provisions of the New York State Local Finance Law.

The Reserve for Non-Expendable Trust represents funds set aside in accordance with the terms of various trust agreements.

Note 3 - Detailed Notes on All Funds (Continued)

Components of Unreserved Fund Balance

The components of unreserved fund balance are as follows:

	Fund		
	General	Capital Projects	Other Governmental
Designated for Subsequent Year's Expenditures	\$ 1,868,265	\$ -	\$ 18,169
Designated for Tax Certiorari	810,396	-	-
Designated for Parking Improvements	236,283	-	-
Designated for Police Purposes	9,425	-	-
Designated for Parks	99,659	-	-
Designated for Recreation Programs	189,707	-	-
Undesignated	<u>3,821,405</u>	<u>774,522</u>	<u>148,824</u>
	<u>\$ 7,035,140</u>	<u>\$ 774,522</u>	<u>\$ 166,993</u>

Designated for Subsequent Year's Expenditures - This designation indicates that the City has utilized these amounts in the subsequent year's budget as a funding source.

Designated for Tax Certiorari - This designation represents funds that the City estimates it will use for property tax certiorari judgments and settlements.

Designated for Parking Improvements - This designation represents funds that the City will use for parking improvements in the downtown business district.

Designated for Police Purposes - This designation represents funds donated to the City that the City will use for police purposes.

Designated for Parks - This designation represents funds collected by the City from individuals and firms developing or improving real estate that the City will use for the acquisition and/or embellishment of parks and playgrounds.

Designated for Recreation Purposes - This designation represents funds donated to the City by individuals and organizations that the City will use for various recreational programs.

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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.

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 may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. 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's general liability program has a self-insured retention level of \$50,000 per occurrence. Insurance coverage has been secured for losses up to a maximum of \$5 million per occurrence. 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. 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.

THIS PAGE INTENTIONALLY LEFT BLANK

**CAPITAL PROJECTS FUND
PROJECT-LENGTH SCHEDULE**

City of Rye, New York
 Capital Projects Fund
 Project-Length Schedule
 Inception of Project Through December 31, 2004

Project Number	Project Title	Year Authorized	Project Budget	Expenditures and Other Financing Uses			Unexpended Balance
				Prior Years	Current Year	Total	
501355	GIS	1997	\$ 271,724	\$ 210,264	\$ 4,808	\$ 215,072	\$ 56,652
503306B	Grace Church Street Traffic Signal	2000	238,023	218,088	19,935	238,023	-
503308	Peck Avenue Road Widening	2000	42,376	39,775	-	39,775	2,601
503310B	Bonded Signal Projects	2000	191,316	191,314	2	191,316	-
503317B	Bonded Signal Projects	2001	270,712	260,611	171	260,782	9,930
503318B	Bonded Signal Projects	2003	296,159	9,509	68	9,577	286,582
503319	Purchase Street Traffic Signal	2003	89,454	63,403	26,051	89,454	-
503320	Forest Avenue and Grace Church Street Signal	2004	135,986	-	128,341	128,341	7,645
505128	Annual Sidewalk Replacement Program	2002	77,349	51,446	25,903	77,349	-
505130	Annual Street Resurfacing Program	2003	240,399	26,384	214,015	240,399	-
505131	Annual Sidewalk Replacement Program	2003	50,172	5,172	45,000	50,172	-
505132	Theall Road Design	2003	60,000	50,040	9,960	60,000	-
505133	Annual Street Resurfacing Program	2004	344,285	-	179,626	179,626	164,659
505134	Annual Sidewalk Replacement Program	2004	158,573	-	97,555	97,555	61,018
505200	Annual Drainage Improvement Program	2003	116,110	15,860	97,156	113,016	3,094
505201B	Kirby Lane Sewer	2003	732	732	-	732	-
505202	Annual Sewer Improvement Program	2003	186,304	19,665	166,639	186,304	-
505203B	Sewer Pump Stations Improvements	2003	145,094	27,169	117,925	145,094	-
505204B	Peck Avenue Pump Station	2003	163,000	87	-	87	162,913
505222	Garden Drive Sewer Replacement	1996	123,293	28,933	-	28,933	94,360
505229	Peck Avenue Pump Station	1999	59,138	21,206	10,037	31,243	27,895
505251B	Cowles Avenue Drain	2000	68,887	68,883	4	68,887	-
505256	Miscellaneous Drainage Improvements	2001	97,208	63,564	-	63,564	33,644
505257B	North Kirby Lane Drain	2001	195,000	74,077	3,827	77,904	117,096
505258	LaSalle Avenue Drain	2001	30,249	249	-	249	30,000
505261	Miscellaneous Drainage Improvements	2004	53,764	-	23,815	23,815	29,949
505262	Miscellaneous Sewer Rehabilitation	2004	580,000	-	52,398	52,398	527,602
505263B	Highland Avenue and Onondaga Street Drain	2004	200,000	-	403	403	199,597
507105	Recreation Master Plan	2001	74,100	67,548	-	67,548	6,552
507107	Recreation Park Lower Playground	2001	65,539	539	-	539	65,000
507108	Feeley Field Sprinkler System	2001	30,289	30,286	3	30,289	-
507109	Morehead Footbridge	2001	20,166	166	20,000	20,166	-
507110	Gagliardo Park Improvements - CDBG	2001	121,935	116,340	-	116,340	5,595
			<u>\$ 4,797,336</u>	<u>\$ 1,661,310</u>	<u>\$ 1,243,642</u>	<u>\$ 2,904,952</u>	<u>\$ 1,892,384</u>

Revenues and Other Financing Sources			Fund Balance (Deficit)
Prior Years	Current Year	Total	at December 31, 2004
\$ 271,724	\$ -	\$ 271,724	\$ 56,652
238,023	-	238,023	-
42,376	-	42,376	2,601
191,316	-	191,316	-
270,712	-	270,712	9,930
120,000	116,159	236,159	226,582
89,454	-	89,454	-
-	135,986	135,986	7,645
77,349	-	77,349	-
237,850	2,549	240,399	-
50,098	74	50,172	-
60,000	-	60,000	-
-	344,285	344,285	164,659
-	158,573	158,573	61,018
92,295	23,815	116,110	3,094
-	732	732	-
142,000	44,304	186,304	-
-	8,094	8,094	(137,000)
-	-	-	(87)
123,293	-	123,293	94,360
59,138	-	59,138	27,895
68,887	-	68,887	-
97,208	-	97,208	33,644
195,000	-	195,000	117,096
30,249	-	30,249	30,000
-	53,764	53,764	29,949
-	150,000	150,000	97,602
-	-	-	(403)
74,100	-	74,100	6,552
65,539	-	65,539	65,000
30,289	-	30,289	-
20,166	-	20,166	-
121,931	4	121,935	5,595
\$ 2,768,997	\$ 1,038,339	\$ 3,807,336	\$ 902,384

THIS PAGE INTENTIONALLY LEFT BLANK

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

- **Cable T.V. Fund** - The Cable T.V. Fund is used to account for revenues received from the franchise holder for public access cable T.V. programming.
- **Nature Center Fund** - The Nature Center Fund is used to account for revenues received from State and Federal grants and the Rye Conservation Society for the operation and maintenance of the Rye Nature Center.

PERMANENT FUND

The KT-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 the accumulation of resources to be used for the redemption of principal and interest on general long-term debt.

City of Rye, New York
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2004
 (With Comparative Amounts for 2003)

	2004				
	Special Revenue Funds				
	Cable TV Fund	Nature Center Fund	KT Woods Permanent Fund	Debt Service Fund	Total
ASSETS					
Cash and equivalents	\$ 25,599	\$ -	\$ -	\$ -	\$ 25,599
Investments	104,009	-	-	123,839	227,848
Accounts receivable	100,155	-	-	-	100,155
Due from other funds	300	-	-	608	908
Prepaid expenditures	5,606	-	-	-	5,606
Investments - restricted	-	-	27,560	-	27,560
Total Assets	\$ 235,669	\$ -	\$ 27,560	\$ 124,447	\$ 387,676
LIABILITIES					
Accounts payable	\$ 7,052	\$ -	\$ -	\$ -	\$ 7,052
Accrued liabilities	468	-	-	-	468
Due to other funds	10,793	-	-	-	10,793
Deferred revenues	-	-	-	-	-
Total Liabilities	18,313	-	-	-	18,313
FUND BALANCES (DEFICITS)					
Reserved for encumbrances	32,415	-	-	-	32,415
Reserved for prepaid expenditures	5,606	-	-	-	5,606
Reserved for compensated absences	16,342	-	-	-	16,342
Reserved for debt service	-	-	-	124,447	124,447
Reserved for trust	-	-	23,560	-	23,560
Unreserved:					
Designated for subsequent year's expenditures	14,169	-	4,000	-	18,169
Undesignated	148,824	-	-	-	148,824
Total Fund Balances	217,356	-	27,560	124,447	369,363
Total Liabilities and Fund Balances	\$ 235,669	\$ -	\$ 27,560	\$ 124,447	\$ 387,676

2003

Special Revenue Funds				
Cable TV Fund	Nature Center Fund	KT Woods Permanent Fund	Debt Service Fund	Total
\$ 6,118	\$ 18,391	\$ -	\$ -	\$ 24,509
95,660	586	-	86,444	182,690
87,889	-	-	-	87,889
-	-	-	234	234
3,160	5,151	-	-	8,311
-	-	31,206	-	31,206
<u>\$ 192,827</u>	<u>\$ 24,128</u>	<u>\$ 31,206</u>	<u>\$ 86,678</u>	<u>\$ 334,839</u>
\$ 116	\$ 67	\$ -	\$ -	\$ 183
280	-	-	-	280
4,289	1,864	-	-	6,153
-	19,600	-	-	19,600
<u>4,685</u>	<u>21,531</u>	<u>-</u>	<u>-</u>	<u>26,216</u>
-	388	-	-	388
3,160	5,151	-	-	8,311
12,981	4,994	-	-	17,975
-	-	-	86,678	86,678
-	-	27,206	-	27,206
29,398	-	4,000	-	33,398
142,603	(7,936)	-	-	134,667
<u>188,142</u>	<u>2,597</u>	<u>31,206</u>	<u>86,678</u>	<u>308,623</u>
<u>\$ 192,827</u>	<u>\$ 24,128</u>	<u>\$ 31,206</u>	<u>\$ 86,678</u>	<u>\$ 334,839</u>

City of Rye, New York
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2004
(With Comparative Amounts for 2003)

	2004				Total
	Special Revenue Funds				
	Cable TV Fund	Nature Center Fund	KT Woods Permanent Fund	Debt Service Fund	
REVENUES					
Non-property taxes	\$ 190,313	\$ -	\$ -	\$ -	\$ 190,313
Charges for services	-	-	-	-	-
Use of money and property	1,263	-	304	5,574	7,141
State aid	-	-	-	-	-
Miscellaneous	25,101	-	50	-	25,151
Total Revenues	216,677	-	354	5,574	222,605
EXPENDITURES					
Current:					
Culture and Recreation:					
Salaries and wages	100,701	-	-	-	100,701
Equipment	24,167	-	-	-	24,167
Materials and supplies	8,672	-	-	-	8,672
Contractual costs	27,607	-	-	-	27,607
Employee benefits	26,316	-	-	-	26,316
	187,463	-	-	-	187,463
Debt Service:					
Principal	-	-	-	41,525	41,525
Interest	-	-	-	56,745	56,745
Total Expenditures	187,463	-	-	98,270	285,733
Excess (Deficiency) of Revenues Over Expenditures	29,214	-	354	(92,696)	(63,128)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	130,465	130,465
Transfers out	-	(2,597)	(4,000)	-	(6,597)
Total Other Financing Sources (Uses)	-	(2,597)	(4,000)	130,465	123,868
Net Change in Fund Balances	29,214	(2,597)	(3,646)	37,769	60,740
Fund Balances - Beginning of Year	188,142	2,597	31,206	86,678	308,623
Fund Balances - End of Year	\$ 217,356	\$ -	\$ 27,560	\$ 124,447	\$ 369,363

2003

Special Revenue Funds				
Cable TV Fund	Nature Center Fund	KT Woods Permanent Fund	Debt Service Fund	Total
\$ 167,455	\$ -	\$ -	\$ -	\$ 167,455
-	15,430	-	-	15,430
901	357	265	6,333	7,856
-	3,829	-	-	3,829
29,715	4,066	50	-	33,831
<u>198,071</u>	<u>23,682</u>	<u>315</u>	<u>6,333</u>	<u>228,401</u>
90,303	41,276	-	-	131,579
29,480	-	-	-	29,480
8,889	6,729	-	-	15,618
9,981	47,684	-	-	57,665
18,974	33,629	-	-	52,603
<u>157,627</u>	<u>129,318</u>	<u>-</u>	<u>-</u>	<u>286,945</u>
-	-	-	83,590	83,590
-	-	-	60,465	60,465
<u>157,627</u>	<u>129,318</u>	<u>-</u>	<u>144,055</u>	<u>431,000</u>
40,444	(105,636)	315	(137,722)	(202,599)
-	89,144	-	144,057	233,201
-	-	(3,000)	-	(3,000)
-	89,144	(3,000)	144,057	230,201
40,444	(16,492)	(2,685)	6,335	27,602
147,698	19,089	33,891	80,343	281,021
<u>\$ 188,142</u>	<u>\$ 2,597</u>	<u>\$ 31,206</u>	<u>\$ 86,678</u>	<u>\$ 308,623</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, 2004
(With Comparative Amounts for 2003)

	2004			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Non-property taxes	\$ 160,000	\$ 160,000	\$ 190,313	\$ 30,313
Use of money and property	500	500	1,263	763
Miscellaneous	<u>24,800</u>	<u>24,800</u>	<u>25,101</u>	<u>301</u>
Total Revenues	<u>185,300</u>	<u>185,300</u>	<u>216,677</u>	<u>31,377</u>
EXPENDITURES				
Current -				
Culture and Recreation:				
Salaries and wages	95,776	100,716	100,701	15
Equipment	27,000	26,700	24,167	2,533
Materials and supplies	13,004	9,804	8,672	1,132
Contractual costs	49,302	60,902	27,607	33,295
Employee benefits	<u>29,616</u>	<u>28,576</u>	<u>26,316</u>	<u>2,260</u>
Total Expenditures	<u>214,698</u>	<u>226,698</u>	<u>187,463</u>	<u>39,235</u>
Excess (Deficiency) of Revenues Over Expenditures	(29,398)	(41,398)	29,214	70,612
Fund Balance - Beginning of Year	<u>29,398</u>	<u>41,398</u>	<u>188,142</u>	<u>146,744</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,356</u>	<u>\$ 217,356</u>

2003

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ 155,000	\$ 155,000	\$ 167,455	\$ 12,455
1,200	1,200	901	(299)
<u>24,501</u>	<u>24,501</u>	<u>29,715</u>	<u>5,214</u>
<u>180,701</u>	<u>180,701</u>	<u>198,071</u>	<u>17,370</u>
91,515	91,515	90,303	1,212
29,560	30,760	29,480	1,280
10,665	10,965	8,889	2,076
17,944	16,444	9,981	6,463
<u>21,454</u>	<u>21,454</u>	<u>18,974</u>	<u>2,480</u>
<u>171,138</u>	<u>171,138</u>	<u>157,627</u>	<u>13,511</u>
9,563	9,563	40,444	30,881
<u>(9,563)</u>	<u>(9,563)</u>	<u>147,698</u>	<u>157,261</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,142</u>	<u>\$ 188,142</u>

City of Rye, New York
Nature Center Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2004
(With Comparative Amounts for 2003)

	2004			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	-	-
State aid	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current -				
Culture and Recreation:				
Salaries and wages	-	-	-	-
Equipment	-	-	-	-
Materials and supplies	388	-	-	-
Contractual costs	-	-	-	-
Employee benefits	-	-	-	-
Total Expenditures	388	-	-	-
Deficiency of Revenues Over Expenditures	(388)	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(2,597)	(2,597)	-
Total Other Financing Sources (Uses)	-	(2,597)	(2,597)	-
Net Change in Fund Balance	(388)	(2,597)	(2,597)	-
Fund Balance - Beginning of Year	388	2,597	2,597	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

Note: Nature Center Fund discontinued and consolidated into operations of General Fund beginning with fiscal 2004.

2003

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 37,190	\$ 37,190	\$ 15,430	\$ (21,760)
1,000	1,000	357	(643)
-	-	3,829	3,829
-	-	4,066	4,066
<u>38,190</u>	<u>38,190</u>	<u>23,682</u>	<u>(14,508)</u>
46,500	41,324	41,276	48
750	75	-	75
9,028	7,207	6,729	478
49,538	47,930	47,684	246
<u>24,623</u>	<u>33,903</u>	<u>33,629</u>	<u>274</u>
<u>130,439</u>	<u>130,439</u>	<u>129,318</u>	<u>1,121</u>
<u>(92,249)</u>	<u>(92,249)</u>	<u>(105,636)</u>	<u>(13,387)</u>
89,144	89,144	89,144	-
-	-	-	-
<u>89,144</u>	<u>89,144</u>	<u>89,144</u>	<u>-</u>
(3,105)	(3,105)	(16,492)	(13,387)
<u>3,105</u>	<u>3,105</u>	<u>19,089</u>	<u>15,984</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,597</u>	<u>\$ 2,597</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, 2004
 (With Comparative Amounts for 2003)

	2004			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 304	\$ 304
Miscellaneous	-	-	50	50
Total Revenues	-	-	354	354
OTHER FINANCING USES - Transfers out	(4,000)	(4,000)	(4,000)	-
Net Change in Fund Balance	(4,000)	(4,000)	(3,646)	354
Fund Balance - Beginning of Year	4,000	4,000	31,206	30,891
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,560</u>	<u>\$ 31,245</u>

2003

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ -	\$ -	\$ 265	\$ 265
-	-	50	50
-	-	315	315
<u>(3,000)</u>	<u>(3,000)</u>	<u>(3,000)</u>	<u>-</u>
(3,000)	(3,000)	(2,685)	315
<u>3,000</u>	<u>3,000</u>	<u>33,891</u>	<u>30,891</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,206</u>	<u>\$ 31,206</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, 2004
 (With Comparative Amounts for 2003)

	2004			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES - Use of money and property	\$ -	\$ -	\$ 5,574	\$ 5,574
EXPENDITURES				
Debt Service:				
Principal	59,600	59,600	41,525	18,075
Interest	70,861	70,861	56,745	14,116
Total Expenditures	<u>130,461</u>	<u>130,461</u>	<u>98,270</u>	<u>32,191</u>
Deficiency of Revenues Over Expenditures	(130,461)	(130,461)	(92,696)	(26,617)
OTHER FINANCING SOURCES -				
Transfers in	<u>130,461</u>	<u>130,461</u>	<u>130,465</u>	<u>4</u>
Net Change in Fund Balance	-	-	37,769	37,769
Fund Balance - Beginning of Year	-	-	<u>86,678</u>	<u>86,678</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,447</u>	<u>\$ 124,447</u>

2003

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 6,333	\$ 6,333
83,590	83,590	83,590	-
60,467	60,467	60,465	2
<u>144,057</u>	<u>144,057</u>	<u>144,055</u>	<u>2</u>
(144,057)	(144,057)	(137,722)	6,331
<u>144,057</u>	<u>144,057</u>	<u>144,057</u>	<u>-</u>
-	-	6,335	6,335
-	-	80,343	80,343
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,678</u>	<u>\$ 86,678</u>

THIS PAGE INTENTIONALLY LEFT BLANK

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 Assets
December 31, 2004
(With Comparative Amounts for 2003)

	2004		
	Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
ASSETS			
Current Assets:			
Cash and equivalents	\$ -	\$ 2,964,976	\$ 2,964,976
Investments	361,852	954,196	1,316,048
Accounts receivable	-	2,749	2,749
Due from other funds	-	-	-
Due from other governments	-	43,112	43,112
Prepaid expenses	-	47,230	47,230
Total Current Assets	<u>361,852</u>	<u>4,012,263</u>	<u>4,374,115</u>
Noncurrent Assets:			
Restricted Assets:			
Cash and equivalents	-	516,248	516,248
Investments	-	1,389,156	1,389,156
Total Restricted Assets	<u>-</u>	<u>1,905,404</u>	<u>1,905,404</u>
Capital Assets:			
Land	-	3,311,755	3,311,755
Buildings	-	7,048,341	7,048,341
Improvements	-	1,767,421	1,767,421
Machinery and equipment	-	6,361,074	6,361,074
Construction in progress	-	2,314,853	2,314,853
Less - Accumulated depreciation	-	(5,626,191)	(5,626,191)
Total Capital Assets (net of accumulated depreciation)	<u>-</u>	<u>15,177,253</u>	<u>15,177,253</u>
Total Noncurrent Assets	<u>-</u>	<u>17,082,657</u>	<u>17,082,657</u>
Total Assets	<u>361,852</u>	<u>21,094,920</u>	<u>21,456,772</u>

2003

Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
\$ -	\$ 1,058,020	\$ 1,058,020
345,817	814,752	1,160,569
-	1,308	1,308
-	3	3
-	29,200	29,200
-	27,108	27,108
<u>345,817</u>	<u>1,930,391</u>	<u>2,276,208</u>
-	2,600,000	2,600,000
-	1,439,941	1,439,941
-	4,039,941	4,039,941
-	-	-
-	3,346,644	3,346,644
-	1,767,421	1,767,421
-	6,220,138	6,220,138
-	5,562,252	5,562,252
-	(5,071,643)	(5,071,643)
-	11,824,812	11,824,812
-	15,864,753	15,864,753
<u>345,817</u>	<u>17,795,144</u>	<u>18,140,961</u>

(Continued)

City of Rye, New York
Internal Service Funds
Combining Statement of Net Assets (Continued)
December 31, 2004
(With Comparative Amounts for 2003)

	2004		
	Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
LIABILITIES			
Current Liabilities:			
Accounts payable	689	55,164	55,853
Accrued liabilities	131,000	-	131,000
Accrued interest payable	-	74,394	74,394
Retainage payable	-	47,521	47,521
Due to other funds	45,000	1,169,620	1,214,620
Due to other governments	-	8,927	8,927
Compensated absences	-	6,723	6,723
Current liabilities payable from restricted assets:			
Bonds payable	-	516,248	516,248
Total Current Liabilities	<u>176,689</u>	<u>1,878,597</u>	<u>2,055,286</u>
Noncurrent Liabilities:			
Bonds payable	-	10,465,302	10,465,302
Compensated absences	-	60,503	60,503
Total Noncurrent Liabilities	<u>-</u>	<u>10,525,805</u>	<u>10,525,805</u>
Total Liabilities	<u>176,689</u>	<u>12,404,402</u>	<u>12,581,091</u>
NET ASSETS			
Invested in capital assets, net of related debt	-	6,101,107	6,101,107
Unrestricted	185,163	2,589,411	2,774,574
Total Net Assets	<u>\$ 185,163</u>	<u>\$ 8,690,518</u>	<u>\$ 8,875,681</u>

2003

Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
4,071	119,636	123,707
176,000	-	176,000
-	59,959	59,959
-	108,023	108,023
-	30,458	30,458
-	-	-
-	5,641	5,641
-	448,475	448,475
<u>180,071</u>	<u>772,192</u>	<u>952,263</u>
-	9,273,537	9,273,537
-	50,767	50,767
-	9,324,304	9,324,304
<u>180,071</u>	<u>10,096,496</u>	<u>10,276,567</u>
-	6,142,741	6,142,741
165,746	1,555,907	1,721,653
<u>\$ 165,746</u>	<u>\$ 7,698,648</u>	<u>\$ 7,864,394</u>

City of Rye, New York
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Assets
Year Ended December 31, 2004
(With Comparative Amounts for 2003)

	2004		
	Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
OPERATING REVENUES			
Charges for services	\$ 440,829	\$ 2,794,024	\$ 3,234,853
Miscellaneous	55,629	5,100	60,729
Total Operating Revenues	<u>496,458</u>	<u>2,799,124</u>	<u>3,295,582</u>
OPERATING EXPENSES			
Salaries and wages	-	642,414	642,414
Employee benefits	-	266,767	266,767
Materials and supplies	-	571,291	571,291
Contractual costs	481,269	106,123	587,392
Depreciation	-	733,848	733,848
Total Operating Expenses	<u>481,269</u>	<u>2,320,443</u>	<u>2,801,712</u>
Operating Income	<u>15,189</u>	<u>478,681</u>	<u>493,870</u>
NON-OPERATING REVENUES (EXPENSES)			
Gain on sale of equipment	-	39,655	39,655
Interest income	4,228	16,785	21,013
Interest expense	-	(102,727)	(102,727)
Total Non-Operating Revenues (Expenses)	<u>4,228</u>	<u>(46,287)</u>	<u>(42,059)</u>
Income Before Transfers	19,417	432,394	451,811
Transfers in	-	622,255	622,255
Transfers out	-	(62,779)	(62,779)
Change in Net Assets	19,417	991,870	1,011,287
Net Assets - Beginning of Year	<u>165,746</u>	<u>7,698,648</u>	<u>7,864,394</u>
Net Assets - End of Year	<u>\$ 185,163</u>	<u>\$ 8,690,518</u>	<u>\$ 8,875,681</u>

2003		
Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
\$ 521,000	\$ 2,558,721	\$ 3,079,721
34,295	-	34,295
<u>555,295</u>	<u>2,558,721</u>	<u>3,114,016</u>
-	575,063	575,063
-	193,286	193,286
-	507,928	507,928
495,443	122,979	618,422
-	662,241	662,241
<u>495,443</u>	<u>2,061,497</u>	<u>2,556,940</u>
<u>59,852</u>	<u>497,224</u>	<u>557,076</u>
-	31,675	31,675
3,814	26,036	29,850
-	(45,758)	(45,758)
<u>3,814</u>	<u>11,953</u>	<u>15,767</u>
63,666	509,177	572,843
-	455,302	455,302
-	(59,932)	(59,932)
63,666	904,547	968,213
102,080	6,794,101	6,896,181
<u>\$ 165,746</u>	<u>\$ 7,698,648</u>	<u>\$ 7,864,394</u>

City of Rye, New York
Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2004
(With Comparative Amounts for 2003)

	2004		
	Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from charges to other funds	\$ 440,829	\$ 2,777,366	\$ 3,218,195
Cash payments to employees	-	(898,363)	(898,363)
Cash payments to vendors	(484,651)	325,579	(159,072)
Other operating revenues	55,629	5,100	60,729
Net Cash Provided by (Used in) Operating Activities	<u>11,807</u>	<u>2,209,682</u>	<u>2,221,489</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	622,255	622,255
Transfers out	-	(62,779)	(62,779)
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>559,476</u>	<u>559,476</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital debt	-	1,708,013	1,708,013
Acquisition and construction of capital assets	-	(3,797,314)	(3,797,314)
Principal paid on capital debt	-	(448,475)	(448,475)
Interest paid on capital debt	-	(428,432)	(428,432)
Proceeds from sale of capital assets	-	39,655	39,655
Net Cash Used in Capital and Related Financing Activities	<u>-</u>	<u>(2,926,553)</u>	<u>(2,926,553)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	4,228	69,258	73,486
Purchase of investments	(500,685)	(35,567,246)	(36,067,931)
Sale of investments	484,650	35,478,587	35,963,237
Net Cash Provided by (Used in) Investing Activities	<u>(11,807)</u>	<u>(19,401)</u>	<u>(31,208)</u>
Net Decrease in Cash and Equivalents	-	(176,796)	(176,796)
Cash and Equivalents, Beginning of Year	-	3,658,020	3,658,020
Cash and Equivalents, End of Year	<u>\$ -</u>	<u>\$ 3,481,224</u>	<u>\$ 3,481,224</u>

2003

Risk Retention Fund	Building and Vehicle Maintenance Fund	Total
\$ 400,668	\$ 2,620,843	\$ 3,021,511
-	(769,692)	(769,692)
(503,397)	(1,002,080)	(1,505,477)
<u>34,295</u>	<u>-</u>	<u>34,295</u>
<u>(68,434)</u>	<u>849,071</u>	<u>780,637</u>
-	455,302	455,302
<u>-</u>	<u>(59,932)</u>	<u>(59,932)</u>
<u>-</u>	<u>395,370</u>	<u>395,370</u>
-	-	-
-	(2,379,004)	(2,379,004)
-	(440,910)	(440,910)
-	(447,943)	(447,943)
<u>-</u>	<u>31,675</u>	<u>31,675</u>
<u>-</u>	<u>(3,236,182)</u>	<u>(3,236,182)</u>
4,062	70,999	75,061
(867,132)	(58,003,073)	(58,870,205)
<u>731,504</u>	<u>58,667,456</u>	<u>59,398,960</u>
<u>(131,566)</u>	<u>735,382</u>	<u>603,816</u>
(200,000)	(1,256,359)	(1,456,359)
<u>200,000</u>	<u>4,914,379</u>	<u>5,114,379</u>
<u>\$ -</u>	<u>\$ 3,658,020</u>	<u>\$ 3,658,020</u>

(Continued)

City of Rye, New York
 Combining Statement of Cash Flows (continued)
 Internal Service Funds
 Year Ended December 31, 2004
 (With Comparative Amounts for 2003)

RECONCILIATION OF OPERATING INCOME TO NET CASH
 PROVIDED BY (USED IN) OPERATING ACTIVITIES

Operating Income	<u>\$ 15,189</u>	<u>\$ 478,681</u>	<u>\$ 493,870</u>
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation expense	-	733,848	733,848
(Increase) decrease in accounts receivable	-	(16,658)	(16,658)
Decrease in due from other funds	-	-	-
Decrease in due from other governments	-	-	-
(Increase) in prepaid expenses	-	(20,122)	(20,122)
(Decrease) in accounts payable	(3,382)	(64,472)	(67,854)
(Decrease) in accrued liabilities	(45,000)	-	(45,000)
(Decrease) in retainage payable	-	(60,502)	(60,502)
Increase (decrease) in due to other funds	45,000	1,139,162	1,184,162
Increase in due to other governments	-	8,927	8,927
Increase (decrease) in compensated absences	-	10,818	10,818
Total Adjustments	<u>(3,382)</u>	<u>1,731,001</u>	<u>1,727,619</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 11,807</u>	<u>\$ 2,209,682</u>	<u>\$ 2,221,489</u>

<u>\$ 59,852</u>	<u>\$ 497,224</u>	<u>\$ 557,076</u>
-	662,241	662,241
3,668	-	3,668
-	31,997	31,997
-	6,665	6,665
-	(16,515)	(16,515)
(7,954)	(332,617)	(340,571)
-	(150)	(150)
-	(22,041)	(22,041)
(124,000)	23,460	(100,540)
-	-	-
-	(1,193)	(1,193)
<u>(128,286)</u>	<u>351,847</u>	<u>223,561</u>
<u>\$ (68,434)</u>	<u>\$ 849,071</u>	<u>\$ 780,637</u>

City of Rye, New York
Statement of Changes in Assets and Liabilities
Fiduciary Funds - Agency Fund
Year Ended December 31, 2004

<u>ASSETS</u>	Balance January 1, 2004	Increases	Decreases	Balance December 31, 2004
Cash and Equivalents	\$ 32,360	\$ 14,194,240	\$ 14,181,704	\$ 44,896
Accounts Receivable	-	58,764	58,056	708
Due From Other Funds	-	13,401,200	13,401,200	-
Prepaid Expenses	-	274,289	274,289	-
 Total Assets	 <u>\$ 32,360</u>	 <u>\$ 27,928,493</u>	 <u>\$ 27,915,249</u>	 <u>\$ 45,604</u>
 <u>LIABILITIES</u>				
Accounts Payable	\$ 364	\$ 684,872	\$ 671,681	\$ 13,555
Due To Other Funds	-	51,450	51,450	-
Net Payroll	-	8,138,476	8,138,476	-
Employee Payroll Deductions	31,996	5,421,619	5,421,566	32,049
 Total Liabilities	 <u>\$ 32,360</u>	 <u>\$ 14,296,417</u>	 <u>\$ 14,283,173</u>	 <u>\$ 45,604</u>

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

THIS PAGE INTENTIONALLY LEFT BLANK

City of Rye, New York
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Source
 December 31, 2004
 (With Comparative Amounts for 2003)

	<u>2004</u>	<u>2003</u>
Governmental Funds Capital Assets:		
Land	\$ -	\$ 3,100,000
Infrastructure	4,199,786	2,795,256
Construction in Progress	188,381	727,844
Total Governmental Funds Capital Assets	<u>\$ 4,388,167</u>	<u>\$ 6,623,100</u>
Investments in Governmental Funds Capital Assets by Source - Capital Projects Fund	<u>\$ 4,388,167</u>	<u>\$ 6,623,100</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: Land previously reported as a capital asset used in the operation of governmental funds was transferred, along with related debt, to the Building and Vehicle Maintenance Internal Service Fund.

City of Rye, New York
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 December 31, 2004
 (With Comparative Amounts for 2003)

Function and Activity	2004			
	Land	Infrastructure	Construction In Progress	Total
Public Safety -				
Traffic control	\$ -	\$ 980,257	\$ 9,509	\$ 989,766
Community Environment:				
Storm drains	-	1,086,783	73,708	1,160,491
Sewers	-	341,872	16,193	358,065
Street maintenance	-	1,599,534	56,200	1,655,734
Total Community Environment	-	3,028,189	146,101	3,174,290
Culture and Recreation -				
Parks and playgrounds	-	191,340	32,771	224,111
Total Governmental Funds				
Capital Assets	\$ -	\$ 4,199,786	\$ 188,381	\$ 4,388,167

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: Land previously reported as a capital asset used in the operation of governmental funds was transferred, along with related debt, to the Building and Vehicle Maintenance Internal Service Fund.

2003

Land	Infrastructure	Construction In Progress	Total
\$ -	\$ 485,377	\$ 492,035	\$ 977,412
-	989,627	69,478	1,059,105
-	38,375	25,822	64,197
-	1,090,537	107,738	1,198,275
-	2,118,539	203,038	2,321,577
3,100,000	191,340	32,771	3,324,111
<u>\$ 3,100,000</u>	<u>\$ 2,795,256</u>	<u>\$ 727,844</u>	<u>\$ 6,623,100</u>

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, 2004
 (With Comparative Amounts for 2003)

<u>Function and Activity</u>	2004			Governmental Funds Capital Assets December 31
	Governmental Funds Capital Assets January 1	Additions	Deletions	
Public Safety -				
Traffic control	\$ 977,412	\$ 12,354	\$ -	\$ 989,766
Community Environment:				
Storm drains	1,059,105	101,386	-	1,160,491
Sewers	64,197	293,868	-	358,065
Street maintenance	1,198,275	457,459	-	1,655,734
Total Community Environment	<u>2,321,577</u>	<u>852,713</u>	<u>-</u>	<u>3,174,290</u>
Culture and Recreation -				
Parks and playgrounds	<u>3,324,111</u>	<u>-</u>	<u>3,100,000</u>	<u>224,111</u>
 Total Governmental Funds Capital Assets	 <u>\$ 6,623,100</u>	 <u>\$ 865,067</u>	 <u>\$ 3,100,000</u>	 <u>\$ 4,388,167</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: Land previously reported as a capital asset used in the operation of governmental funds was transferred, along with related debt, to the Building and Vehicle Maintenance Internal Service Fund.

2003

Governmental Funds Capital Assets January 1	Additions	Governmental Funds Capital Assets December 31
\$ 567,296	\$ 410,116	\$ 977,412
902,301	156,804	1,059,105
11,206	52,991	64,197
921,680	276,595	1,198,275
<u>1,835,187</u>	<u>486,390</u>	<u>2,321,577</u>
3,203,808	120,303	3,324,111
<u>\$ 5,606,291</u>	<u>\$ 1,016,809</u>	<u>\$ 6,623,100</u>

THIS PAGE INTENTIONALLY LEFT BLANK

**STATISTICAL SECTION
(UNAUDITED)**

THIS PAGE INTENTIONALLY LEFT BLANK

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 Assets by Component

Changes in Net Assets

Fund Balances, Governmental Funds

Changes in Fund Balances, Governmental Funds

Tax Revenues by Source, Governmental Funds

City of Rye, New York
 Net Assets by Component
 Last Three Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Governmental Activities			
Invested in Capital Assets			
Net of Related Debt	\$ 10,986,390	\$ 11,563,341	\$ 9,480,762
Restricted	1,513,973	1,304,649	1,224,450
Unrestricted	<u>2,151,116</u>	<u>5,409,766</u>	<u>10,418,032</u>
Total Governmental			
 Activities Net Assets	<u>14,651,479</u>	<u>18,277,756</u>	<u>21,123,244</u>
Business-Type Activities			
Invested in Capital Assets			
Net of Related Debt	7,578,822	8,100,157	8,403,111
Unrestricted	<u>2,283,925</u>	<u>2,171,508</u>	<u>2,499,439</u>
Total Business-Type			
 Activities Net Assets	<u>9,862,747</u>	<u>10,271,665</u>	<u>10,902,550</u>
Primary Government			
Invested in Capital Assets			
Net of Related Debt	18,565,212	19,663,498	17,883,873
Restricted	1,513,973	1,304,649	1,224,450
Unrestricted	<u>4,435,041</u>	<u>7,581,274</u>	<u>12,917,471</u>
Total Primary Government			
 Net Assets	<u>\$ 24,514,226</u>	<u>\$ 28,549,421</u>	<u>\$ 32,025,794</u>

Note: Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

City of Rye, New York
 Changes in Net Assets
 Last Three Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Expenses			
Governmental Activities			
General Government	\$ 2,635,050	\$ 2,777,827	\$ 3,218,750
Public Safety	8,179,311	8,655,151	9,941,889
Community Environment	5,270,494	5,693,349	6,058,126
Culture and Recreation	3,005,355	2,921,669	3,452,925
Interest	77,783	105,133	159,129
Total Governmental Activities	<u>19,167,993</u>	<u>20,153,129</u>	<u>22,830,819</u>
Business-Type Activities			
Marina	369,746	413,260	454,340
Golf	3,488,578	3,608,415	3,819,458
Total Business-Type Activities	<u>3,858,324</u>	<u>4,021,675</u>	<u>4,273,798</u>
Total Expenses	<u>\$ 23,026,317</u>	<u>\$ 24,174,804</u>	<u>\$ 27,104,617</u>
Program Revenues			
Governmental Activities			
Charges for Services			
General Government	\$ 120,593	\$ 426,171	\$ 457,581
Public Safety	508,397	617,244	664,726
Community Environment	1,286,827	1,804,053	1,726,572
Culture and Recreation	1,126,616	870,472	976,130
Operating Grants and Contributions	267,488	404,662	253,947
Capital Grants and Contributions	258,808	434,307	588,967
Total Governmental Activities	<u>3,568,729</u>	<u>4,556,909</u>	<u>4,667,923</u>
Business-Type Activities			
Charges for Services			
Marina	474,292	482,094	493,151
Golf	3,901,304	3,922,787	4,371,899
Capital Grants and Contributions	19,500	-	-
Total Business-Type Activities	<u>4,375,596</u>	<u>4,404,881</u>	<u>4,865,050</u>
Total Program Revenues	<u>\$ 7,944,325</u>	<u>\$ 8,961,790</u>	<u>\$ 9,532,973</u>

(continued)

City of Rye, New York
 Changes in Net Assets
 Last Three Fiscal Years (continued)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Net (Expense)/Revenue			
Governmental Activities	\$ (15,599,264)	\$ (15,596,220)	\$ (18,162,896)
Business-Type Activities	517,272	383,206	591,252
Total Net Expense	<u>\$ (15,081,992)</u>	<u>\$ (15,213,014)</u>	<u>\$ (17,571,644)</u>
General Revenues			
Governmental Activities			
Real Property Taxes	\$ 11,949,060	\$ 14,222,097	\$ 15,528,286
Non-Property Taxes	1,760,063	1,817,378	2,143,838
Unrestricted Use of Money and Property	183,635	178,353	220,459
Gain on Sale of Equipment	57,795	31,675	39,655
State Aid	2,255,963	2,618,191	3,003,658
Other Revenues	80,747	354,803	72,488
Total Governmental Activities	<u>16,287,263</u>	<u>19,222,497</u>	<u>21,008,384</u>
Business-Type Activities			
Unrestricted Use of Money and Property	42,472	25,712	32,633
Gain on Sale of Equipment	-	-	7,000
Total Business-Type Activities	<u>42,472</u>	<u>25,712</u>	<u>39,633</u>
Total General Revenues	<u>\$ 16,329,735</u>	<u>\$ 19,248,209</u>	<u>\$ 21,048,017</u>
Change in Net Assets			
Governmental Activities	\$ 687,999	\$ 3,626,277	\$ 2,845,488
Business-Type Activities	559,744	408,918	630,885
Total Change in Net Assets	<u>\$ 1,247,743</u>	<u>\$ 4,035,195</u>	<u>\$ 3,476,373</u>

Note: Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

City of Rye, New York
Fund Balances, Governmental Funds
Last Three Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund			
Reserved	\$ 1,490,877	\$ 2,053,180	\$ 2,611,046
Unreserved	<u>4,079,729</u>	<u>5,858,284</u>	<u>7,035,140</u>
Total General Fund	<u>\$ 5,570,606</u>	<u>\$ 7,911,464</u>	<u>\$ 9,646,186</u>
All Other Governmental Funds			
Reserved	\$ 856,302	\$ 704,481	\$ 330,232
Unreserved, Reported In:			
Special Revenue Funds	147,620	164,065	166,993
Capital Projects Fund	<u>(2,132,392)</u>	<u>(2,398,472)</u>	<u>774,522</u>
Total All Other Governmental Funds	<u>\$ (1,128,470)</u>	<u>\$ (1,529,926)</u>	<u>\$ 1,271,747</u>
Total Governmental Funds	<u>\$ 4,442,136</u>	<u>\$ 6,381,538</u>	<u>\$ 10,917,933</u>

Note: Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

City of Rye, New York
 Changes in Fund Balances, Governmental Funds
 Last Three Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Revenues			
Real Property Taxes	\$ 11,965,741	\$ 14,190,747	\$ 15,551,738
Non-Property Taxes	1,915,819	1,984,833	2,334,151
Charges for Services	874,140	1,240,414	1,054,741
Intergovernmental Charges	69,664	69,139	72,775
Use of Money and Property	203,349	169,772	211,200
Licenses and Permits	1,125,708	1,293,981	1,390,634
Fines and Forfeitures	446,831	500,773	553,320
Sale of Property and Compensation for Loss	54,458	63,122	129,600
Interfund Revenues	303,900	406,574	418,249
State Aid	2,602,098	3,062,010	3,321,831
Federal Aid	29,828	102,599	15,255
Miscellaneous	159,505	537,434	113,568
Total Revenues	<u>19,751,041</u>	<u>23,621,398</u>	<u>25,167,062</u>
Expenditures			
Current:			
General Government	2,677,305	2,618,241	2,916,473
Public Safety	8,255,601	8,720,495	9,831,702
Community Environment	5,252,387	5,732,532	6,142,100
Culture and Recreation	2,982,172	2,967,291	3,499,177
Debt Service:			
Principal	85,141	83,590	41,525
Interest	59,109	60,465	56,745
Capital Outlay:			
General Government	34,335	64,597	4,808
Public Safety	137,262	424,102	12,423
Community Environment	1,587,269	490,775	852,713
Culture and Recreation	64,619	124,538	-
Total Expenditures	<u>21,135,200</u>	<u>21,286,626</u>	<u>23,357,666</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,384,159)</u>	<u>2,334,772</u>	<u>1,809,396</u>
Other Financing Sources (Uses)			
Transfers In	1,211,153	1,004,745	3,923,255
Transfers Out	<u>(1,577,823)</u>	<u>(1,400,115)</u>	<u>(1,196,256)</u>
Total Other Financing Uses	<u>(366,670)</u>	<u>(395,370)</u>	<u>2,726,999</u>
Net Change in Fund Balances	<u>\$ (1,750,829)</u>	<u>\$ 1,939,402</u>	<u>\$ 4,536,395</u>
Debt Service as a Percentage of Non-Capital Expenditures	0.75%	0.71%	0.44%

Note: Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

City of Rye, New York
 Tax Revenues by Source, Governmental Funds
 Last Three Fiscal Years

Fiscal Year	Real Property Taxes	Sales and Use Taxes	Utilities Gross Receipts Taxes	Mortgage Taxes	Total
2002	\$ 11,965,741	\$ 1,472,398	\$ 287,665	\$ 1,413,357	\$ 15,139,161
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

Note: Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

THIS PAGE INTENTIONALLY LEFT BLANK

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 and Estimated Full Value of Taxable Property

Direct and Overlapping Property Tax Rates

Principal Property Taxpayers

Property Tax Levies and Collections

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

<u>Year</u>	<u>One-Three Family Residential</u>	<u>Condos Co-ops & Apt. Bldgs.</u>	<u>Business (1)</u>	<u>Other (2)</u>	<u>Total Gross Assessed Valuation</u>
1995	\$ 94,673,050	\$ 10,226,943	\$ 25,501,344	\$ 28,402,784	\$ 158,804,121
1996	96,107,680	9,607,243	26,866,794	26,222,404	158,804,121
1997	96,932,980	9,936,743	24,062,883	28,749,890	159,682,496
1998	98,469,430	9,723,281	24,936,490	27,076,615	160,205,816
1999	100,344,705	9,566,481	23,656,790	26,840,742	160,408,718
2000	101,107,660	9,496,991	23,651,790	27,558,371	161,814,812
2001	102,112,685	9,497,691	23,357,440	27,565,398	162,533,214
2002	103,426,835	9,432,278	23,412,453	27,151,410	163,422,976
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

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

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

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 2003 were established on September 15, 2002.

<u>Exemptions</u>	<u>Total Net Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Full Valuation</u>
\$ (30,607,100)	\$ 128,197,021	6.82%	\$ 1,879,721,716
(30,631,505)	128,172,616	6.53%	1,962,827,198
(30,442,480)	129,240,016	6.53%	1,979,173,292
(29,944,675)	130,261,141	6.53%	1,994,810,735
(30,137,625)	130,271,093	5.42%	2,403,525,701
(30,255,710)	131,559,102	4.68%	2,811,091,923
(30,100,915)	132,432,299	4.20%	3,153,149,976
(30,038,848)	133,384,128	3.79%	3,519,370,132
(30,058,974)	134,674,171	2.85%	4,725,409,509
(30,014,099)	134,574,950	2.64%	5,097,535,985

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
1995	\$ 73.72	\$ 220.57	\$ -	\$ 77.21	\$ 9.70
	73.72	-	226.40	77.21	9.70
1996	73.72	231.45	-	77.49	9.58
	73.72	-	234.44	77.49	9.58
1997	73.72	235.96	-	78.92	9.93
	73.72	-	247.10	78.92	9.93
1998	73.72	241.58	-	83.08	10.90
	73.72	-	260.82	83.08	10.90
1999	73.72	248.71	-	91.91	12.62
	73.72	-	330.87	91.91	12.62
2000	76.44	270.25	-	89.90	12.67
	76.44	-	361.20	89.90	12.67
2001	78.05	302.32	-	86.95	13.02
	78.05	-	410.73	86.95	13.02
2002	88.18	335.00	-	91.72	13.40
	88.18	-	412.71	91.72	13.40
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

Blind Brook Sewer District	Mamaroneck Sewer District	Water District No. 4	Total County	Total with Rye City School District	Total with Rye Neck Union Free School District
\$ 11.10	\$ -	\$ 0.32	\$ 98.33	\$ 392.62	
-	16.19	0.32	103.42		403.54
12.24	-	0.32	99.63	404.80	
-	16.05	0.32	103.44		411.60
12.07	-	0.33	101.25	410.93	
-	16.53	0.33	105.71		426.53
13.04	-	0.33	107.35	422.65	
-	16.64	0.28	110.90		445.44
13.83	-	-	118.36	440.79	
-	17.54	-	122.07		526.66
13.70	-	-	116.27	462.96	
-	16.74	-	119.31		556.95
14.05	-	-	114.02	494.39	
-	15.80	-	115.77		604.55
14.04	-	-	119.16	542.34	
-	15.97	-	121.09		621.98
14.68	-	-	134.10	611.46	
-	16.01	-	135.43		690.67
17.05	-	-	167.01	676.94	
-	17.96	-	167.92		809.38

City of Rye, New York
Principal Taxpayers
December 31, 2004 and 1995

2004

Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Net Assessed Valuation
1	Miriam Osborn Memorial Home	Retirement Community	\$ 3,224,000	2.40%
2	Consolidated Edison	Public Utility	2,833,223	2.11%
3	Milton Harbor House	Cooperative	942,872	0.70%
4	The Gateside - Rye Co.	Office Building	879,300	0.65%
5	Aquarion Water Company ¹	Public Utility	834,644	0.62%
6	Parsonage Investment Co.	Residential	734,800	0.55%
7	Rye Colony Apartments	Cooperative	711,550	0.53%
8	Blind Brook Lodge	Cooperative	617,196	0.46%
9	Host Restaurants Inc.	Hotel	549,550	0.41%
10	American Yacht Club	Private Club	<u>542,550</u>	<u>0.39%</u>
Total			<u>\$ 11,869,685</u>	<u>8.82%</u>

1995

Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Net Assessed Valuation
1	Consolidated Edison	Public Utility	\$ 4,292,356	3.35%
2	Rye Plaza Partnership	Office Building	1,324,850	1.03%
3	Equitable Holding Corp.	Residential	1,190,400	0.93%
4	Milton Harbor House	Cooperative	1,120,000	0.87%
5	NY American Water Co.	Public Utility	1,014,502	0.79%
6	The Gateside-Rye Co.	Office Building	1,003,700	0.78%
7	New York Investment	Office Building	960,100	0.75%
8	Principle Mutual Life Co.	Office Building	939,400	0.73%
9	Rye Colony Apartments	Cooperative	777,050	0.61%
10	Nadja, Olga Zulbrick	Cooperative	<u>725,700</u>	<u>0.57%</u>
Total			<u>\$ 13,348,058</u>	<u>10.41%</u>

¹ Formerly NY American Water Co.

Source: City of Rye Assessor's Office.

City of Rye, New York
Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Year</u>	<u>Total Tax Levy</u>	<u>Amount Collected</u>	<u>Percent Collected</u>	<u>Amount Uncollected</u>	<u>Percent Uncollected</u>	<u>Tax Liens</u>	<u>Percent of Tax Liens to Tax Levy</u>
1995	\$ 9,354,994	\$ 9,303,189	99.45%	\$ 51,805	0.55%	\$ 118,303	1.26%
1996	9,448,778	9,401,546	99.50%	47,232	0.50%	161,570	1.71%
1997	9,510,351	9,450,388	99.37%	59,963	0.63%	117,129	1.23%
1998	9,590,213	9,548,594	99.57%	41,619	0.43%	161,105	1.68%
1999	9,593,156	9,564,026	99.70%	29,130	0.30%	230,906	2.41%
2000	10,028,994	9,978,031	99.49%	50,963	0.51%	379,136	3.78%
2001	10,323,122	10,288,742	99.67%	34,380	0.33%	638,842	6.19%
2002	11,762,076	11,721,253	99.65%	40,823	0.35%	643,455	5.47%
2003	13,894,248	13,837,617	99.59%	56,631	0.41%	566,332	4.08%
2004	15,254,280	15,235,508	99.88%	18,772	0.12%	458,255	3.00%

THIS PAGE INTENTIONALLY LEFT BLANK

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 Three Fiscal Years

Fiscal Year	General Obligation Bonds	Loans Payable	Total Outstanding Debt	Estimated Full Property Value	Percentage of Full Property Value	Population	Debt Per Capita
Governmental Activities:							
2002	\$ 11,379,500	\$ 3,100,000	\$ 14,479,500	\$ 3,519,370,132	0.41%	15,090	\$ 959.54
2003	10,855,000	2,950,000	13,805,000	4,725,409,509	0.29%	15,066	916.30
2004	12,073,013	-	12,073,013	5,097,535,985	0.24%	15,066	801.34
Business-Type Activities:							
2002	5,350,000	-	5,350,000	3,519,370,132	0.15%	15,090	354.54
2003	5,000,000	-	5,000,000	4,725,409,509	0.11%	15,066	331.87
2004	4,610,000	-	4,610,000	5,097,535,985	0.09%	15,066	305.99
Total Government-Wide:							
2002	16,729,500	3,100,000	19,829,500	3,519,370,132	0.56%	15,090	1,314.08
2003	15,855,000	2,950,000	18,805,000	4,725,409,509	0.40%	15,066	1,248.17
2004	16,683,013	-	16,683,013	5,097,535,985	0.33%	15,066	1,107.33

¹ United States Census Bureau

City of Rye, New York
 Direct and Overlapping Governmental Activities Debt
 Last Three Fiscal Years

	2004		
	Net General Long-Term Debt	Percentage Applicable City of Rye	Amount Applicable to City of Rye
Government Unit			
City of Rye School District	\$ 17,977,470	100.00%	\$ 17,977,470
Rye Neck Union Free School District	11,265,000	32.30%	3,638,595
Westchester County	691,603,313	3.28%	22,665,224
Subtotal, Overlapping Debt			44,281,289
City Direct Debt			12,073,013
Total Direct and Overlapping Debt			\$ 56,354,302
Population			15,066
Overlapping Debt Per Capita			\$ 2,939
Direct and Overlapping Debt Per Capita			\$ 3,740

Summary of Direct and Overlapping Governmental Activities Debt - Last Two Fiscal Years:

Year	Overlapping Debt	City Direct Debt	Direct and Overlapping Debt	Population	Overlapping Debt Per Capita	Direct and Overlapping Debt Per Capita
2002	\$ 42,716,212	\$ 14,479,500	\$ 57,195,712	15,090	\$ 2,831	\$ 3,790
2003	42,615,261	13,805,000	56,420,261	15,066	2,829	3,745

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, 2004

Fiscal Year	Net Assessed Valuation	State Equalization Rate	Full Valuation
2004	\$ 134,574,950	2.64%	\$ 5,097,535,985
2003	134,674,171	2.85%	4,725,409,509
2002	133,384,128	3.79%	3,519,370,132
2001	132,432,299	4.20%	3,153,149,976
2000	131,559,102	4.68%	<u>2,811,091,923</u>
Total Five Year Full Valuation			<u>\$ 19,306,557,525</u>
Five Year Average Full Valuation of Taxable Real Property			<u>\$ 3,861,311,505</u>
Constitutional Debt Limit (7% of Average Full Valuation)			<u>\$ 270,291,805</u>
Outstanding Indebtedness at December 31st			\$ 16,683,013
Less: 2005 Appropriations for Debt Principal			<u>1,048,482</u>
Net Indebtedness Subject to Debt Limit			<u>\$ 15,634,531</u>
Net Debt Contracting Margin			<u>\$ 254,657,274</u>
Percentage of Net Debt Contracting Margin Available			<u>94.22%</u>
Percentage of Net Debt Contracting Power Exhausted			<u>5.78%</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
1995	141,583,860	3,667,000	37,000	3,630,000	137,953,860	97.44%
1996	139,001,040	2,560,000	44,000	2,516,000	136,485,040	98.19%
1997	141,904,451	2,300,000	219,000	2,081,000	139,823,451	98.53%
1998	136,185,012	7,440,000	260,000	7,180,000	129,005,012	94.73%
1999	143,080,821	7,610,000	521,000	7,089,000	135,991,821	95.05%
2000	156,120,004	10,570,000	555,000	10,015,000	146,105,004	93.59%
2001	172,784,523	11,980,000	640,000	11,340,000	161,444,523	93.44%
2002	194,347,279	16,729,500	874,500	15,855,000	178,492,279	91.84%
2003	232,575,661	15,855,000	880,000	14,975,000	217,600,661	93.56%
2004	270,291,805	16,683,013	1,048,482	15,634,531	254,657,274	94.22%

City of Rye, New York
 Calculation of Charter Bonded Debt Limits
 December 31, 2004

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% requires a permissive referendum. Debt in excess of 10% requires approval of the voting public in a general or special election.

For purposes of this calculation, "gross annual budget" is defined as the total appropriations of the General Fund, Special Revenue Funds (Cable TV and Nature Center), and Enterprise Funds (Boat Basin and Golf Club operating and capital), less any interfund subsidies (such as the transfers from the General Fund to the Nature Center Fund). The Internal Service Funds (Risk Retention and Building & Vehicle Maintenance) are not included in the calculation, as their budgets and any incurred debt are supported primarily by user fees and not by the general tax base. Debt Service Fund and Capital Projects Fund requirements are already accounted for in the General Fund, so both of these funds are also eliminated from the calculation.

Fund:	Gross Annual Budgets (As Adopted)		
	2002	2003	2004
General Fund	\$ 20,095,118	\$ 21,212,206	\$ 24,159,589
Cable TV Fund	173,220	169,578	214,698
Nature Center Fund	330,311	130,051	-
Boat Basin Fund	653,182	408,211	485,579
Golf Club Fund	3,873,788	4,128,867	4,480,697
Total gross annual budgets	\$ 25,125,619	\$ 26,048,913	\$ 29,340,563
Total of preceding three years' gross annual budgets			\$ 80,515,095
Average of preceding three years' gross annual budgets			\$ 26,838,365
	<u>Subject to City Council Vote</u>		<u>Subject to Permissive Referendum</u>
Maximum charter bonding limit	\$ 1,341,918		\$ 2,683,837
Less outstanding principal at December 31, 2004:			
2000 Serial Bonds	(301,282)		(918,645)
2001 Serial Bonds	(501,578)		(183,614)
2002 Serial Bonds	-		(909,726)
Charter bonding limit December 31, 2004	\$ 539,058		\$ 671,852

THIS PAGE INTENTIONALLY LEFT BLANK

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

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
1995	15,122	N/A	\$ 46,038	69,695	\$ 86,126	\$ 436,875	4.4%
1996	15,164	N/A	46,038	69,695	86,126	450,000	4.1%
1997	15,208	N/A	46,038	69,695	86,126	510,000	3.8%
1998	15,326	N/A	46,038	69,695	86,126	600,000	3.3%
1999	15,176	N/A	46,038	69,695	86,126	649,000	3.4%
2000	14,955	38.1	76,566	110,894	133,231	700,000	3.0%
2001	15,044	38.1	76,566	110,894	133,231	790,000	3.5%
2002	15,090	38.1	76,566	110,894	133,231	900,000	4.2%
2003	15,066	38.1	76,566	110,894	133,231	950,000	3.8%
2004	15,066	38.1	76,566	110,894	133,231	995,000	4.1%

Sources:

¹ United States Census Bureau.

² United States Census Bureau 1990 and 2000 Census. Median Age data not available for 1990 through 1999.

³ City of Rye Assessor's office.

⁴ United States Bureau of Labor Statistics unemployment rates for Westchester County not seasonally adjusted.

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

THIS PAGE INTENTIONALLY LEFT BLANK

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</u>	<u>Culture and Recreation</u>	<u>Total</u>
1995	21	57	63	22	163
1996	22	57	61	22	162
1997	22	57	61	22	162
1998	20	57	51	35	163
1999	20	58	51	35	164
2000	29	57	55	21	162
2001	30	61	57	24	172
2002	21	62	61	26	170
2003	20	63	64	26	173
2004	20	63	60	24	167

City of Rye, New York
 Operating Indicators by Program
 Last Ten Fiscal Years

	1995	1996	1997	1998	1999
General Government:					
Primary elections	-	1	-	-	1
General elections	1	1	1	1	1
Special elections	-	-	-	-	1
Public Safety:					
Number of police personnel and officers	39	39	39	39	40
Number of police calls for service	10,464	11,192	8,449	8,200	8,000
Number of parking violations issued	5,415	5,388	5,129	5,558	7,206
Number of paid firefighters	16	16	16	16	16
Number of volunteer firefighters	215	206	212	201	201
Number of fire alarms answered	577	807	719	711	711
Number of fire inspections performed	514	535	476	468	468
Number of school crossing guards	65	65	65	65	65
Community Environment:					
Tons collected and disposed:					
Solid waste	7,279	9,115	7,698	7,545	8,199
Green waste	N/A	N/A	N/A	N/A	N/A
Metal	181	180	168	172	192
Pulp	1,371	1,547	1,731	1,872	1,749
Co-mingled	588	592	563	564	552
Leaves	450	450	450	450	450
Number of tires collected and disposed	N/A	N/A	N/A	N/A	N/A
Number of shade trees:					
Planted	40	31	44	78	37
Removed	70	161	100	31	75
Trimmed	285	280	265	270	235
Emergency calls	12	13	12	10	15
Stumps ground	N/A	N/A	N/A	N/A	N/A
Culture and Recreation:					
Registrations for adult programs	N/A	663	688	587	718
Number of building users	34,613	33,832	34,861	29,800	24,625
Picnics	8,383	8,548	6,590	4,638	4,581
Registrations for senior citizen programs	N/A	2,713	2,265	1,110	1,257
Registrations for special events	6,025	5,860	5,483	5,212	5,686
Tennis permits issued	N/A	1,394	699	1,136	1,136
Registrations for youth programs	2,001	2,205	1,942	2,550	2,581
Registrations for youth sports	2,720	2,965	2,965	2,221	2,694

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

Sources: Departmental annual reports to the City Manager.

2000	2001	2002	2003	2004
2	-	1	1	2
1	1	1	1	1
-	-	2	-	1
40	44	45	45	45
4,329	13,800	15,896	15,314	14,758
7,350	9,692	8,594	10,050	8,595
17	17	17	18	17
201	201	201	200	200
767	868	867	839	803
469	474	342	441	503
7	7	7	8	8
7,641	7,641	6,811	6,735	7,153
544	1,684	1,903	824	1,060
192	235	226	195	213
2,067	1,936	1,939	1,964	1,906
557	631	601	585	588
450	450	450	450	450
18	12	8	9	4
31	30	27	37	41
42	77	55	41	51
500	181	383	361	183
22	25	190	90	50
N/A	N/A	62	38	88
953	976	1,078	1,109	1,219
24,125	28,556	30,500	38,065	39,000
4,163	5,009	4,048	4,069	6,497
2,111	3,180	3,408	3,564	3,740
5,569	5,798	6,372	5,540	5,876
488	490	435	508	529
2,492	3,198	3,125	3,189	3,652
2,949	3,301	3,825	4,058	4,197

City of Rye, New York
 Capital Asset Statistics by Program
 Last Ten Fiscal Years

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
General Government:					
Number of general government buildings	1	1	1	1	1
Public Safety:					
Number of police stations	1	1	1	1	1
Number of fire stations	2	2	2	2	2
Number of traffic lights	22	22	22	22	22
Community Environment:					
Miles of streets	71	71	71	71	71
Number of street lights	2,105	2,105	2,105	2,105	2,105
Miles of sanitary sewers	53	53	53	53	53
Number of pump stations	6	6	6	6	6
Miles of storm drains	30	30	30	30	30
Culture and Recreation:					
Number of recreation centers	1	1	1	1	1
Number of parks	3	3	3	3	3
Acres of parks	75	75	75	75	75
Number of golf courses	1	1	1	1	1
Number of swimming pools	1	1	1	1	1
Number of nature centers	1	1	1	1	1
Number of cable television channels	2	2	2	2	2
Number of boat basin slips	398	398	398	398	398

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
1	1	1	1	1
1	1	1	1	1
2	2	2	2	2
22	22	22	23	23
71	71	71	71	71
2,105	2,105	2,105	2,105	2,105
53	53	53	53	53
6	6	6	6	6
30	30	30	30	30
1	1	1	1	1
3	3	3	3	3
75	75	75	75	75
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
2	2	2	2	2
412	412	412	412	412