



***CITY OF RYE, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011***

***Prepared by the
Department of Finance
Jean Gribbins, Comptroller
Joseph S. Fazzino Jr., Deputy City Comptroller***



CITY SEAL

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

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

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

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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:

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

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INTRODUCTORY SECTION

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City of Rye, New York
List of Elected and Appointed Officials
December 31, 2011

Elected Officials

Douglas French, Mayor

Richard Filippi, Council Member

Paula Gamache, Council Member

Peter Jovanovich, Council Member

Suzanna Keith, Council Member

Catherine Parker, Council Member

Joseph Sack, Council Member

Appointed Officials

Scott D. Pickup, City Manager

Jean Gribbins, City Comptroller

Kristen Wilson Esq., Corporation Counsel

Christopher Tallarini, Assistant City Engineer

Dawn Nodarse, City Clerk

Noreen Whitty, City Assessor

Christian Miller, City Planner

Maureen Eckman, Building Inspector

William R. Connors, Police Commissioner

George Hogben, Fire Chief

James Dianni, Fire Inspector

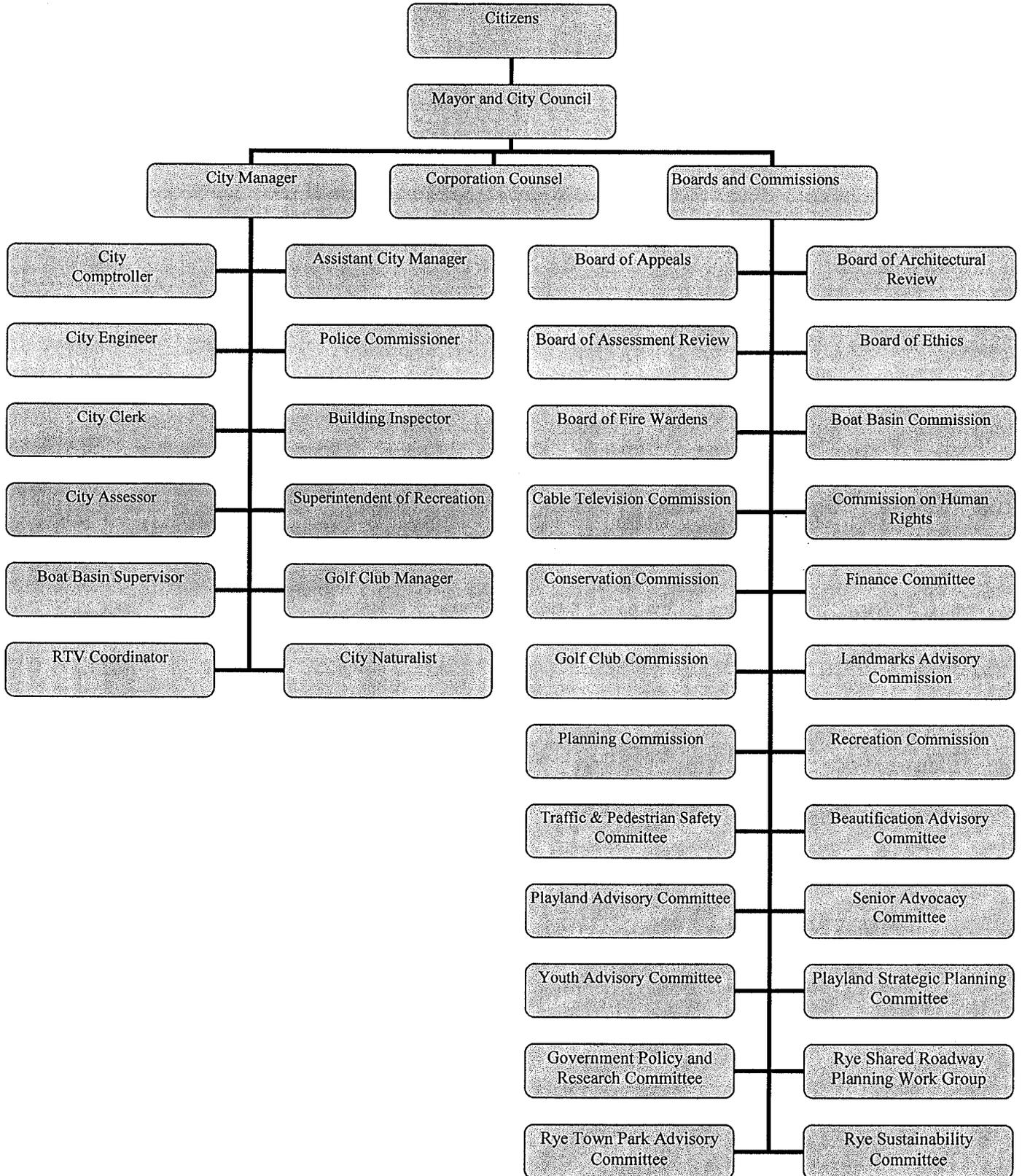
Sally Rogol, Superintendent of Recreation

Peter Fox, Boat Basin Supervisor

Scott Yandrsevich, Golf Club Manager

Nicole Levitsky, RTV Coordinator

City of Rye, New York Organizational Chart





Jean Gribbins
City Comptroller
1051 Boston Post Road
Rye, New York 10580-2945

CITY OF RYE
Department of Finance

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<http://www.ryeny.gov>

April 27, 2012

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

Submitted herewith is the comprehensive annual financial report of the City of Rye, New York ("City") as of and for the year ended December 31, 2011.

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

The City's financial statements have been audited by O'Connor Davies LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2011 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, 2011, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the City of Rye, New York

The City is located in Westchester County, New York, on the Long Island Sound, approximately twenty-five miles north of New York City. Founded in 1660, it became a village in 1904, and was incorporated as a city in 1942. The City's gentle and sophisticated country setting, conveniently located near a major metropolis, has earned it the reputation of being a highly desirable place to live. The City consistently makes the list of *Worth Magazine's* "250 Richest Towns", and its amenities have been featured in *The New York Times*.

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

The United States Census Bureau's *American Community Survey* (2006-2010) reports that the City has a per capita income of \$93,072 and a median household income of \$146,069. The median family income is \$209,149, with 53% of families having an income of \$200,000 or more. The City's population count was reported at 15,720.

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

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

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

The City provides a full range of services. General government services include vital statistics (birth and death certificates); business and occupational licenses, and a variety of other permits and licenses required under state or local law. Public safety is provided through a full-time police department; a fire department comprised of paid and volunteer firefighters, an ambulance/EMS services contracted through a local volunteer ambulance corps and building inspections provided by the building department. Transportation services include engineering, street maintenance and administration, snow removal, street lighting, and off-street parking. Recreational services include recreation activities (camps, athletics, tennis, youth and adult activities), parks and playgrounds, marina services, a golf course, a municipal pool, and a nature center. Home and community services includes community planning, conservation, emergency disaster, maintenance of sewers and drains, street cleaning, solid waste and recycling, community beautification and shade tree maintenance. Cultural services include library services contracted through a local library, an art center owned by the City but operated by an independent not-for-profit organization, and two government access cable television channels operated by the City.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriations, revenue estimates for the forthcoming year, and a forecast of current year revenues and expenditures to the City Comptroller, on or before August 31 of each year. The City Comptroller reviews these submissions with the departments to ensure that the current forecasts are reasonable, and that the forthcoming year's appropriation requests and revenue estimates are clearly understood. The finance department, under the direction of the City Comptroller, completes the forecasts, appropriations, and revenue estimates for those items not specifically associated with a department, such as general revenues, internal service fund charges, interfund charges, and debt service requirements. When all of this information has been compiled and reviewed, the City Comptroller submits the entire set of requests and estimates to the City Manager, usually within the second week of September. The City Manager will meet with departments and the City Comptroller throughout the months of September and October to review the submissions, making adjustments as required or desired to meet the objectives that may have been expressed or implied by the City Council. In accordance with §C21-2 of the City Charter, the City Manager must present a tentative budget to the City Council on the first Wednesday in November after Election Day. Prior to a public hearing on the tentative budget, the City Council may make any changes to the tentative budget by a vote of at least four council members. After considering the tentative budget, the City Council publishes a notice of public hearing on the tentative budget to be held no later than the first Wednesday in December of the current year, and with at least ten days' notice. After the public hearing, the City Council may adopt the budget without amendment, or, may continue to amend the budget, except for those items required by law or for debt service. Amendments that would increase the estimated revenues or

total appropriations require five affirmative votes of the City Council. The City Council must adopt the budget and set the property tax rate for the forthcoming year on or before December 31 of the current year. If the City Council fails to adopt the budget by December 31, the tentative budget as amended by the City Council becomes the adopted budget. If no amendments to the tentative budget had been made by the City Council, the tentative budget as submitted by the City Manager becomes the adopted budget. Throughout the year, the City Manager is authorized to make amendments between any accounts within a fund, provided that the amendments do not increase total estimated revenues or total appropriations. Amendments between funds or those that would increase total estimated revenues or appropriations must be made by resolution of the City Council. The original budget; the budget as amended by fiscal year end; actual results, and variances between the amended budget and actual results for the governmental funds are presented in the governmental funds subsection of this report. It should be noted that multi-year, rather than annual budgets, are adopted for the Capital Projects Fund. This report includes a project-length schedule for all projects within the Capital Projects Fund, including project budget, current year revenues and expenditures, project inception-to-date revenues and expenditures, and available project balance remaining at the end of the current fiscal year.

It is important to note for this year's financial statement presentation that the Governmental Accounting Standards Board ("GASB") issued its Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, in February 2009. The requirements of GASB Statement No. 54 are effective for financial statements for the City's fiscal period ending December 31, 2011; therefore they are introduced in this report for the first time. GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows:

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

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

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

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of

decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

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

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

Factors Affecting Financial Condition

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

Local Economy

In 2011, the City's revenues continued to rebound, although not at the growth rate achieved in 2010 as compared to 2009. In 2011, General Fund revenues were about \$500,000 greater than 2010. Sales and use tax revenue increased 3.5%, or \$70,000. However, mortgage tax revenue declined just over \$107,000, or 8.5%, in 2011 as compared to 2010. This decline was offset by an increase in building department revenues of just over \$265,000, or 28.9%, over 2010 and a \$285,000 increase in parking permit revenue due to an increase in parking permit fees. The City continues to be cautiously optimistic that revenues will continue to increase in future years. Operational and capital project expenditures continue to be deferred, and City staff positions continue to remain open after they become vacant.

Taxable assessments only declined slightly, decreasing 0.39% (from \$139,292,317 to \$138,681,692), and our tax base is not dependent upon any single industry or taxpayer. The top ten principal taxpayers of the City represent roughly 7.7% of the tax roll, with public utilities representing 2.9%, commercial establishments 1.3%, and residential properties representing the remaining 3.5%.

Residential home sales reflect the upscale nature of our community. The City Assessor reported that 178 homes in the City were sold in 2011. Of these, 68% sold for \$1 million or more and 31% sold for \$2 million or more. The median home sales price increased, from \$1,255,000 in 2010 to \$1,449,000 in 2011, and the average home sales price

experienced an increase from \$1,556,000 to \$1,846,000. The highest 2011 sales price reported for a single-family home was \$19,748,000.

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

| Class | Assessment Roll Classification | | |
|-------------|--------------------------------|---------|---------|
| | 2011 | 2006 | 2002 |
| Residential | 71.96% | 70.50% | 68.67% |
| Business | 12.68% | 13.37% | 14.37% |
| Other | 15.37% | 16.13% | 16.96% |
| Total | 100.00% | 100.00% | 100.00% |

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

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

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

| Data Item | City of Rye | Westchester County | New York State | United States |
|------------------|-------------|--------------------|----------------|---------------|
| Per Capita | \$ 93,072 | \$47,814 | \$30,948 | \$27,344 |
| Median Household | \$146,069 | \$79,619 | \$55,603 | \$51,914 |
| Median Family | \$209,149 | \$100,893 | \$67,405 | \$62,982 |

While the 2011 unemployment rate is not available for the City as a unit, the 2011 Westchester County rate of 6.5% continues to remain favorable against the 2011 rates for New York State (7.5%) and the United States (7.9%).

Long-term Financial Planning

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

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

State aid may also be further reduced as the State attempts to close its own budget shortfalls. The volatility of commodity markets could mean that broad and sweeping changes in our assumed costs of materials and supplies could increase our costs. Market liquidity, interest rates, and consumer confidence could have a profound effect on our outlook for sales and use taxes, mortgage taxes, and building permit revenues. We believe that 2012 is a year that requires responsible planning for 2013 and beyond, with an eye towards evaluating and possibly reducing core services, while preserving capital for future needs.

Relevant Financial Policies

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

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

Major Initiatives

A number of major flood mitigation and transportation projects are scheduled to begin in 2012 that had originally been planned for 2009, and then postponed to 2010, and further postponed to 2011. These include the reconstruction and improved floodway clearance of the Central Avenue Bridge and the reconstruction of the retaining wall along Theodore Fremd Avenue. These structures were destroyed in the Nor'easter of April 15, 2007. The City also plans additional flood mitigation work on the Bowman Avenue Sluice Gate. It is anticipated that each project will approach or exceed \$1 million in costs, a majority of which will be reimbursed with Federal and State grants.

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, 2010. This was the fifteenth consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

The City also received the GFOA's *Distinguished Budget Presentation Award* for its fiscal 2011 annual budget document, making it the eleventh consecutive year that the City received the award. In order to qualify for this award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

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

Respectfully submitted,



Jean Gribbins
City Comptroller

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, 2010

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.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S 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 ("City") as of and for the year ended December 31, 2011, 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 an opinion on these financial statements based on our audit. The prior year's comparative information has been derived from the City's 2010 financial statements and, in our report dated June 9, 2011, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2011 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.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Funding Progress – Other Post Employment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted

in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
April 20, 2012

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, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the beginning of this report.

Financial Highlights

- ❖ On the government-wide financial statements, the assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$61,381,370. Of this amount, the unrestricted portion for governmental activities is a deficit of \$6,349,164. This deficit results primarily from the accrual of certain operating liabilities pursuant to Governmental Accounting Standards Board ("GASB") Statement No. 34, which will be satisfied in future years, including tax certiorari claims, compensated absences and the accrual of the City's annual other post employment benefit cost in accordance with the provisions of GASB Statement No. 45.
- ❖ The City's total net assets decreased by \$3,984,692.
- ❖ Excluding the Capital Projects Fund, the City's governmental funds reported combined ending fund balances of \$9,728,762, of which \$3,779,938 is unassigned and available for spending at the City's discretion.
- ❖ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,779,938 or 12.7%, of total General Fund expenditures, up from \$2,805,268 or 9.6% of expenditures in the prior year.
- ❖ The City's total bonded debt decreased 6.3% from \$22,247,374 to \$20,845,000 during the current fiscal year, representing \$1,402,374 in principal payments made during the year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The statement of net 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 changes in the City's net assets 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, earned but unused vacation leave and other post employment benefit obligations).

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

Fund Financial Statements

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

Governmental Funds

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

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

The City maintains five individual governmental funds: the General Fund, the Cable TV Special Revenue Fund, the K.T. Woods Permanent Fund, the Debt Service Fund and the Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Capital Projects Fund, both of which are considered to be major funds. Information from the other nonmajor governmental funds is combined into a single, aggregated presentation. Individual information on each of these funds is provided in the form of combining statements and schedules found elsewhere in this report. The City adopts annual budgets for the General Fund, Cable TV Fund, K.T. Woods Permanent Fund and Debt Service Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with their budgets. Multi-year budgets are adopted for the Capital Projects Fund, and a project-length schedule that provides information concerning these projects and their budgets is included elsewhere in this report.

Proprietary Funds

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Boat Basin Fund and the Golf Club Fund, both of which are considered to be major funds of the City. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements are presented in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support City programs. The City maintains only one type of fiduciary fund that is known as an agency fund. The City holds resources in this fund purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization, or government. The agency fund financial statements are presented in this report.

Notes to Financial Statements

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

Other Information

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

Government-wide Financial Analysis

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

| | Net Assets | | | | | |
|--|----------------------------|-----------------------------|----------------------|----------------------------|-----------------------------|----------------------|
| | December 31, 2011 | | | December 31, 2010 | | |
| | Governmental Activities | Business-type Activities | Total | Governmental Activities | Business-type Activities | Total |
| Current Assets | \$ 17,441,527 | \$ 2,207,739 | \$ 19,649,266 | \$ 17,857,702 | \$ 2,579,034 | \$ 20,436,736 |
| Capital Assets | <u>71,110,633</u> | <u>12,198,411</u> | <u>83,309,044</u> | <u>71,443,762</u> | <u>12,496,711</u> | <u>83,940,473</u> |
| Total Assets | <u>88,552,160</u> | <u>14,406,150</u> | <u>102,958,310</u> | <u>89,301,464</u> | <u>15,075,745</u> | <u>104,377,209</u> |
| Current Liabilities | 4,604,740 | 533,134 | 5,137,874 | 3,285,429 | 302,816 | 3,588,245 |
| Long-term Liabilities | <u>33,036,685</u> | <u>3,402,381</u> | <u>36,439,066</u> | <u>31,900,682</u> | <u>3,522,220</u> | <u>35,422,902</u> |
| Total Liabilities | <u>37,641,425</u> | <u>3,935,515</u> | <u>41,576,940</u> | <u>35,186,111</u> | <u>3,825,036</u> | <u>39,011,147</u> |
| Net Assets: | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 54,629,581 | 9,637,370 | 64,266,951 | 52,620,335 | 9,620,669 | 62,241,004 |
| Restricted | 2,630,318 | - | 2,630,318 | 2,761,748 | - | 2,761,748 |
| Unrestricted | <u>(6,349,164)</u> | <u>833,265</u> | <u>(5,515,899)</u> | <u>(1,266,730)</u> | <u>1,630,040</u> | <u>363,310</u> |
| Total Net Assets | <u>\$ 50,910,735</u> | <u>\$ 10,470,635</u> | <u>\$ 61,381,370</u> | <u>\$ 54,115,353</u> | <u>\$ 11,250,709</u> | <u>\$ 65,366,062</u> |

For the City, assets exceeded liabilities by \$61,381,370 at the close of the most recent fiscal year. Of this amount, \$64,266,951 reflects the City's investment in capital assets (land, buildings, improvements, machinery and equipment, construction-in-progress, and infrastructure), net of depreciation and any related outstanding debt. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's 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.

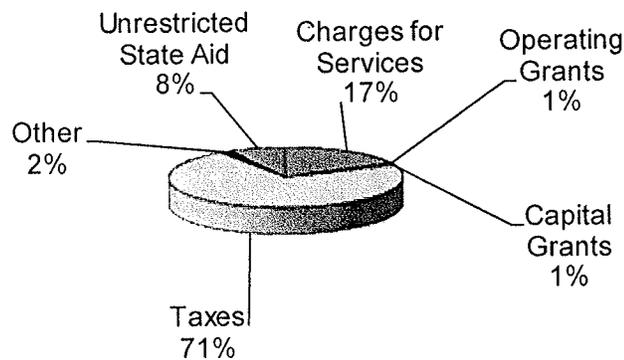
An additional portion of the City's net assets of \$2,630,318 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is a deficit of \$5,515,899. This deficit does not mean that the City does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including claims payable of \$1 million, compensated absences of \$1.3 million and OPEB obligations of \$12.2 million that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payment will be made.

Governmental Activities

Governmental activities decreased the City's net assets by \$3,204,618. Major revenues received included:

- ❖ \$19,726,762 in real property taxes
- ❖ \$2,051,254 in sales and use taxes
- ❖ \$159,001 in hotel occupancy taxes
- ❖ \$410,122 in utilities gross receipts taxes
- ❖ \$51,907 from interest and investment income, and rental of property and
- ❖ \$2,361,583 in state aid not restricted to specific programs.

Revenues by Source - Governmental Activities



Revenues from charges for services were \$5,486,778. Governmental programs received \$234,853 in operating grants, and \$278,881 in capital grants.

| | Changes in Net Assets | | | | | |
|--|------------------------------|--------------------------|----------------------|------------------------------|--------------------------|----------------------|
| | Year Ended December 31, 2011 | | | Year Ended December 31, 2010 | | |
| | Governmental Activities | Business-type Activities | Total | Governmental Activities | Business-type Activities | Total |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 5,486,778 | \$ 7,151,205 | \$ 12,637,983 | \$ 4,697,121 | \$ 6,908,485 | \$ 11,605,606 |
| Operating Grants and Contributions | 234,853 | - | 234,853 | 572,225 | - | 572,225 |
| Capital Grants and Contributions | 278,881 | - | 278,881 | 1,615,788 | - | 1,615,788 |
| General Revenues: | | | | | | |
| Real Property Taxes | 19,726,762 | - | 19,726,762 | 19,764,674 | - | 19,764,674 |
| Non-Property Taxes | 2,620,377 | - | 2,620,377 | 2,566,311 | - | 2,566,311 |
| Unrestricted Use of Money and Property | 51,907 | 1,378 | 53,285 | 95,000 | 7,103 | 102,103 |
| Unrestricted State Aid | 2,361,583 | - | 2,361,583 | 2,493,863 | - | 2,493,863 |
| Other General Revenues | 539,311 | - | 539,311 | 521,459 | - | 521,459 |
| Total Revenues | <u>31,300,452</u> | <u>7,152,583</u> | <u>38,453,035</u> | <u>32,326,441</u> | <u>6,915,588</u> | <u>39,242,029</u> |
| Expenses: | | | | | | |
| General Government | 3,847,034 | - | 3,847,034 | 3,847,977 | - | 3,847,977 |
| Public Safety | 15,873,630 | - | 15,873,630 | 14,267,990 | - | 14,267,990 |
| Transportation | 4,422,582 | - | 4,422,582 | 4,466,928 | - | 4,466,928 |
| Culture and Recreation | 4,326,087 | - | 4,326,087 | 4,152,371 | - | 4,152,371 |
| Home and Community Services | 5,417,700 | - | 5,417,700 | 5,611,370 | - | 5,611,370 |
| Interest | 618,037 | - | 618,037 | 426,731 | - | 426,731 |
| Boat Basin | - | 904,632 | 904,632 | - | 627,778 | 627,778 |
| Golf Club | - | 7,028,025 | 7,028,025 | - | 7,729,667 | 7,729,667 |
| Total Expenses | <u>34,505,070</u> | <u>7,932,657</u> | <u>42,437,727</u> | <u>32,773,367</u> | <u>8,357,445</u> | <u>41,130,812</u> |
| Change in Net Assets | (3,204,618) | (780,074) | (3,984,692) | (446,926) | (1,441,857) | (1,888,783) |
| Net Assets - Beginning | 54,115,353 | 11,250,709 | 65,366,062 | 54,562,279 | 12,692,566 | 67,254,845 |
| Net Assets - Ending | <u>\$ 50,910,735</u> | <u>\$ 10,470,635</u> | <u>\$ 61,381,370</u> | <u>\$ 54,115,353</u> | <u>\$ 11,250,709</u> | <u>\$ 65,366,062</u> |

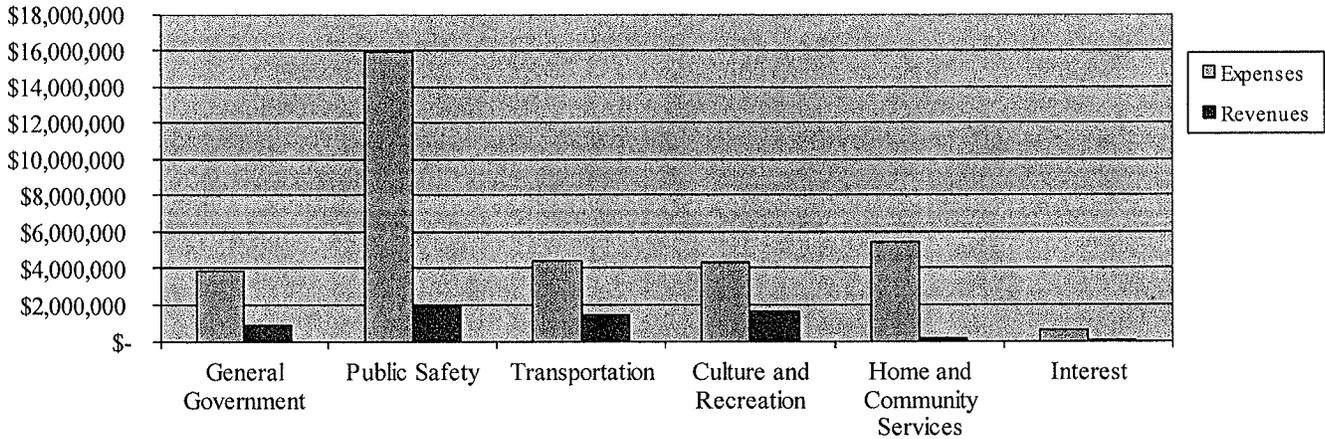
The \$1,025,989 decrease in total governmental activities revenues from the prior year is the result of the combination of the following factors:

- ❖ Decreases in operating grants and contributions of \$337,372, resulting from Federal and State funds received in 2010 for the March 2010 Nor'easter and various other police and fire grants received in 2010 and decreases in capital grants and contributions of \$1,336,907, resulting from the completion of aided capital projects, including \$635,603 in federal aid for transportation projects, \$450,000 in state historical preservation grants and \$205,500 in federal and state aid for emergency disaster repairs, all received in 2010.
- ❖ Charges for services increased by \$789,657, led by increases in building permit revenue of \$260,364, parking permit revenue of \$214,892, recreation program fees of \$186,864, parking meter revenue of \$70,288 and cable franchise fees of \$35,445, all due to increased economic activity.
- ❖ Non-property taxes increased \$54,066 due to an increase in sales and use tax of \$70,046, offset by a decrease in utility taxes of \$21,047.

- ❖ Unrestricted state aid decreased \$132,280, which can be attributed to decreases in mortgage tax of \$107,627 and \$24,653 in State revenue sharing.

Governmental activities expenses increased by \$1,731,703. This increase is attributable to the changes in General Fund expenditures as described in the sections that follow.

Expenses and Program Revenues - Governmental Activities



Business-type Activities

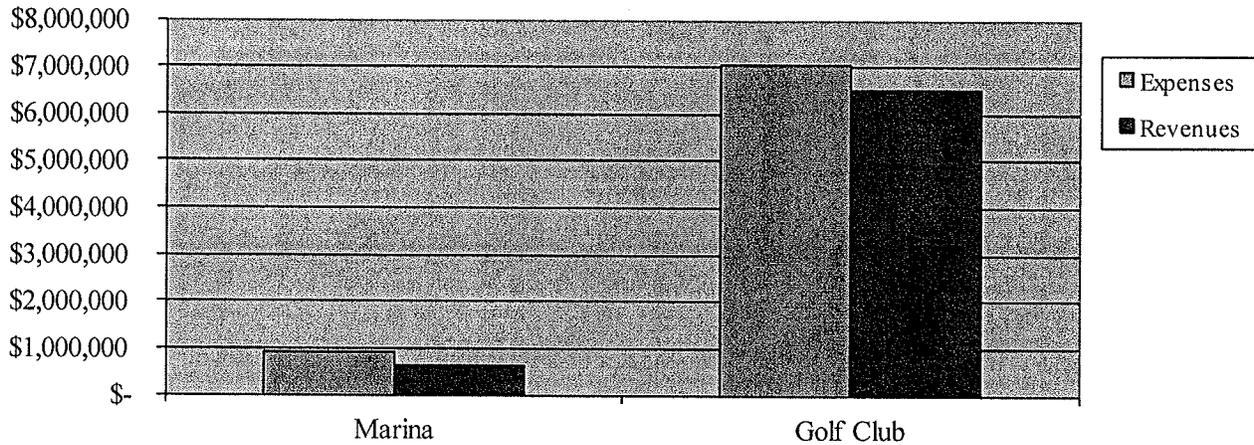
Business-type activities decreased the City's net assets by \$780,074.

Revenues from charges for services were \$646,459 from marina operations and \$6,504,746 from golf club operations. Combined, the business-type activities earned \$1,378 in interest and investment income.

Offsetting these revenues were expenses of \$904,632 for marina operations and \$7,028,025 for golf club operations.

Total business-type activities revenues increased from the prior year by \$236,995, while expenses decreased by \$424,788. The decrease in revenues is a result of a drop in memberships at the golf club. Decreased expenditures were a result of increased boat basin depreciation expenses of \$300,000 (due to capitalization of the marina's dredging project), being offset by reductions in golf club expenses, including seasonal employees' salaries, depreciation, concession supplies, building repairs and maintenance, landscaping maintenance, and miscellaneous contracts.

**Expenses and Program Revenues
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. Excluding the Capital Projects Fund, the City’s governmental funds reported combined ending fund balances of \$9,728,762, a decrease of \$1,261,730 (11.5%) from the prior year. Approximately 39% (\$3,779,938) of the total ending fund balance constitutes unassigned fund balance, which is available for spending at the City’s discretion. The remainder of fund balance is classified as nonspendable, restricted or assigned in accordance with the provisions of GASB Statement No. 54.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$3,779,938, representing 41% of the total General Fund balance of \$9,257,762. Two useful measures of liquidity are the percentage of unassigned fund balance to total expenditures and total fund balance to total expenditures. At the end of the current fiscal year, the General Fund showed a 12.0% unassigned fund balance to total expenditures and other financing uses and a 29.4% total fund balance to total expenditures and other financing uses.

The General Fund’s fund balance decreased by \$1,237,395 during the current fiscal year. Of this amount, transfers out of the General Fund exceeded transfers in by

\$625,835. The transfers out were as follows: \$252,544 to the Debt Service Fund for long-term debt principal and interest requirements, \$288,291 to the Capital Projects Fund for infrastructure projects and \$85,000 to the Building and Vehicle Maintenance Fund for costs pertaining to damage at the Locust Avenue Fire House during Hurricane Irene. Operating expenditures of the General Fund exceeded operating revenues of that fund by \$611,560. Major changes in specific revenues and expenditures in comparison to the prior year are as follows:

- ❖ Real property tax revenues remained relatively flat from \$19,627,044 to \$19,639,210, which reflects our tax rate increase, offset by reductions in assessed value, refunds to taxpayers due to tax certiorari and small claims assessment review settlements and decreases in penalties collected on delinquent tax payments.
- ❖ Non-property taxes increased \$54,066 (2.1%) from \$2,566,311 to \$2,620,377, largely attributed to increases in sales and use taxes from retail sales, offset by a slight decline in utility gross receipts taxes.
- ❖ Charges for services increased \$204,751 from \$1,431,725 to \$1,636,476 (14.3%), attributable to increases in recreation program fees of \$186,864 and parking paystation revenues of \$53,726 and decreases in fees in-lieu of parkland deposits of \$22,799 and site plan review fees of \$16,952.
- ❖ Interest and investment income decreased \$38,678 (40.7%) from \$95,100 to \$38,678 due to a further decrease in interest rates, coupled with lower cash balances available for investment.
- ❖ Licenses and permit revenues increased \$513,934 (36%) from \$1,429,287 to \$1,943,221 which can be attributed predominantly to increases in building permit revenue of \$260,364 and parking permit revenue of \$214,892.
- ❖ Fines and forfeitures remained relatively the same with increased parking violations of \$42,048 offsetting decreased vehicle and traffic fines of \$41,997.
- ❖ Miscellaneous revenues increased \$48,018 (16.1%) from \$298,623 to \$346,641, attributable to increases in gifts and donations of \$26,996, police overtime reimbursement of \$18,157 and refunds of prior year expenditures of \$14,890 partially offset by a decrease in Medicare Part D subsidies of \$12,303.
- ❖ Mortgage tax revenues decreased \$107,627 (8.5%) from \$1,261,186 to \$1,153,559. State revenue sharing was down slightly \$24,653 (2%) from \$1,232,677 to \$1,208,024, as the State attempts to close its own budget shortfalls.
- ❖ There was no Federal aid received in 2011 as opposed to \$214,489 in 2010 for the March Nor'easter and large police and fire grants. As of the filing of this report, the City is in the process of completing FEMA project expense reports for expenses relating to Hurricane Irene in 2011.
- ❖ Salaries and wages decreased \$104,721 (0.9%) from \$12,214,351 to \$12,109,630, reflecting the continued retirement/resignation of full-time employees, who have not been replaced by year end, offset by the addition of one full-time firefighter and year end salary accruals for multiple bargaining units with expired contracts.

- ❖ Equipment purchases decreased \$40,064 (15%) from \$267,878 to \$227,814 led by a reduction in computer and system costs of \$37,925.
- ❖ Materials and supplies increased \$1,640,246 from \$1,820,278 to \$3,460,524. This can be attributed to increases in tax certiorari payments of \$1,381,575 (largely as a result of the Osborn settlement payment of \$1,330,850 and the Rye Colony Apartments settlement of \$72,335), sand, salt and deicing costs of \$78,962, uniforms and accessories of \$38,155, licenses permits and fees of \$34,922, recreation miscellaneous program costs (covered by donations) of \$29,399, parking meter repairs and maintenance of \$27,621, recreation field maintenance (covered by surcharge fees) of \$24,546 and fire hydrant rental of \$24,541.
- ❖ Contractual costs increased \$357,516 (5%) from \$7,118,977 to \$7,476,493, with increases in risk fund interfund service fund charges of \$304,674 (due to the use of Risk fund fund balance to cover expenditures in 2010) and miscellaneous service contracts of \$68,626 offset by decreases in legal services of \$20,906.
- ❖ Employee benefits and taxes increased \$941,938 (14.3%) from \$6,592,931 to \$7,534,869. Increases in retirement costs of \$533,549 due to sharply higher contribution rates and of hospitalization and medical costs of \$438,887 contributed to the increase.

The Capital Projects Fund closed the fiscal year with a fund balance of \$2,054,267. Capital Projects Fund revenues of \$310,999, expenditures of \$1,204,897 and other financing sources and uses of \$288,291 (net) represent only the current fiscal year's portion of total project activity. An itemized project-length schedule of all projects is presented elsewhere in this report.

Proprietary Funds

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

Total net assets of the Boat Basin Fund at year-end were \$2,444,414, a decrease of \$257,226 from the prior year. Net assets invested in capital assets, net of related debt, were \$2,305,227 and unrestricted net assets of \$139,187 represented the balance of net assets. The operating loss of the Boat Basin Fund was \$257,510 (operating revenues of \$646,459 offset by \$903,969 of operating expenses). Interest income of \$284 made up the balance of total net income.

Total net assets of the Golf Club Fund at year-end were \$8,152,399, a decrease of \$513,813 from the prior year. Net assets invested in capital assets, net of related debt, were \$7,332,143 with unrestricted net assets of \$820,256 representing the balance of net assets. Golf Club Fund operating expenses of \$6,912,568 offset operating revenues of \$6,504,746 to arrive at an operating loss of \$407,822. Interest income of \$1,094 offset by \$107,085 of interest expense related to long-term debt made up the balance of total net income.

General Fund Budgetary Highlights

There was no difference between the original and final amended budget for the General Fund estimated operating revenues: the original budget was \$29,418,840. The actual revenues realized for the year ended December 31, 2011 exceeded the anticipated amount in the final budget by \$784,289. The most significant were as follows: additional sales and use tax revenues, increased building permit revenues and recreation program fees and a refund of 2010 insurance premiums.

The difference between the operating appropriations originally budgeted and the final amended budget for the General Fund was \$1,593,963 (\$30,230,359 vs. \$31,824,322), a change of 5.27%. This can be attributed to the appropriation of restricted funds for the Osborn tax certiorari settlement of \$1,330,850 and \$263,113 in carry forward balances of recreation special events and surcharges from the end of 2010. The actual expenditures realized for the year ended December 31, 2011 were \$383,798 less than anticipated in the final budget. These savings were generated in a variety of areas of operations.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for governmental and business-type activities at December 31, 2011, net of \$46,813,294 of accumulated depreciation, was \$83,309,044. This investment in capital assets includes land, buildings, improvements, machinery and equipment, construction-in-progress, and infrastructure.

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

- ❖ Improvements of \$123,266 were made to the Police Department's lavatory and locker rooms.
- ❖ A new heating system was installed at the Locust Avenue Firehouse for \$93,500. The original heating system was damaged during Hurricane Irene.
- ❖ General vehicle and equipment purchases totaled \$377,067, including the purchase of a DPW vacuum truck for \$288,960 and 3 police cars for \$88,107.
- ❖ Construction in progress on various City-owned facilities added \$43,550.
- ❖ Replacing traffic signals with stop signs at Purchase Street and Locust Avenue added \$277,174 to the City's infrastructure.
- ❖ A generator was purchased and installed at the Westchester Beach Club pump station for \$32,357.
- ❖ Construction-in-progress to the City's infrastructure added \$364,103.

| Asset | Capital Assets | | | | | |
|---------------------------------|-------------------------|--------------------------|----------------------|-------------------------|--------------------------|----------------------|
| | December 31, 2011 | | | December 31, 2010 | | |
| | Governmental Activities | Business-type Activities | Total | Governmental Activities | Business-type Activities | Total |
| Land | \$ 6,571,814 | \$ 1,700,408 | \$ 8,272,222 | \$ 6,571,814 | \$ 1,700,408 | \$ 8,272,222 |
| Construction in progress | 2,699,874 | - | 2,699,874 | 10,415,987 | 1,613,089 | 12,029,076 |
| Buildings | 19,703,882 | 11,759,480 | 31,463,362 | 11,610,334 | 11,759,480 | 23,369,814 |
| Improvements | 4,379,794 | 6,747,374 | 11,127,168 | 4,286,294 | 4,644,286 | 8,930,580 |
| Machinery and equipment | 9,985,685 | 1,239,325 | 11,225,010 | 9,654,351 | 1,239,325 | 10,893,676 |
| Infrastructure | 65,334,702 | - | 65,334,702 | 65,025,271 | - | 65,025,271 |
| Less - accumulated depreciation | (37,565,118) | (9,248,176) | (46,813,294) | (36,120,289) | (8,459,877) | (44,580,166) |
| Total (net of depreciation) | <u>\$ 71,110,633</u> | <u>\$ 12,198,411</u> | <u>\$ 83,309,044</u> | <u>\$ 71,443,762</u> | <u>\$ 12,496,711</u> | <u>\$ 83,940,473</u> |

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

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$20,845,000. As required by New York State Law, all bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. As a policy, principal and interest on debt issued by the enterprise funds must be repaid solely from revenues of those funds. Of the \$20,845,000 bonded debt outstanding at fiscal year end, \$2,530,000 represented debt of the Golf Club Enterprise Fund.

Known as the "constitutional debt limit", and pursuant to New York State Local Finance Law §104, the City must limit total outstanding long-term debt to no more than 7% of the five-year average full valuation of real property. At December 31, 2011, the City had exhausted 4.07% of its constitutional debt limit, providing an available debt margin of 95.93% with the authority to issue an additional \$458 million of general obligation long-term debt.

City Charter §C21-9 specifies the amount of debt that can be authorized solely on the adoption of a resolution by the City Council; the amount that can be raised by resolution of the City Council but subject to permissive referendum, and the amount requiring a mandatory referendum. At December 31, 2011, the amount of debt that could be authorized by City Council resolution alone was \$200,745 and the amount that could be authorized by City Council resolution subject to a permissive referendum was \$1,925,162. The authorization of all other long-term debt, unless otherwise specifically exempt by law, requires a mandatory referendum.

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

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

Economic Factors and Next Year's Budgets and Rates

According to the United States Bureau of Labor Statistics, the 2011 unemployment rate for Westchester County (unemployment information for the City is unavailable) was 6.5%. This compares favorably with the rate of 8.2% for New York State and the 8.5% national unemployment rate. The slight increase in the Consumer Price Index, not seasonally adjusted, for the area (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA) from 2010 to 2011 was favorable in comparison to the slight decrease recorded for the U.S. city average for the same period.

Although home financing and refinancing rates continued to be low in fiscal 2011, there was still decreased revenue from mortgage taxes. Taxable assessed value of real property in the City showed a marginal decrease of 0.44% (\$138,681,692 in 2011 vs. \$139,292,317 in 2010).

The median home sales price rose 15.44%, from \$1,255,000 in 2010 to \$1,448,750 in 2011 and the average home sales price also increased dramatically from \$1,556,000 in 2010 to \$1,846,120 in 2011 (18.65%).

City management has taken the approach that 2012 will continue to be a transitional period in City budgeting. 2012 is anticipated to be a lean financial year.

The City did not appropriate the use of any fund balance from the General Fund for spending in fiscal 2012 for operating purposes or to fund the acquisition of capital assets and equipment. This is a decrease of \$528,070, when compared to 2011 budgeted appropriation of fund balance. The use of this fund balance was within the City's policy of maintaining an unassigned General Fund fund balance of at least 5% of annual appropriations. Combined with all other revenue sources, the fiscal 2012 real property tax rate of \$144.99 per \$1,000 of taxable assessed value provides funding for all General Fund appropriations. The tax rate increase from 2011 to 2012 is 2.92% (\$140.87 to \$144.99).

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

City of Rye, New York
Statement of Net Assets
December 31, 2011
(With Comparative Amounts for 2010)

| | 2011 | | |
|---|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Cash and equivalents | \$ 8,334,068 | \$ 2,050,576 | \$ 10,384,644 |
| Investments | 5,500,040 | 29,021 | 5,529,061 |
| Taxes receivable | 1,115,094 | - | 1,115,094 |
| Accounts receivable | 521,843 | 2,951 | 524,794 |
| Deposits | 28,500 | - | 28,500 |
| Due from other governments | 1,085,809 | 317,500 | 1,403,309 |
| Internal balances | 238,401 | (238,401) | - |
| Prepaid expenses | 547,778 | 26,146 | 573,924 |
| Deferred charges | 69,994 | 19,946 | 89,940 |
| Capital Assets: | | | |
| Not being depreciated | 9,271,688 | 1,700,408 | 10,972,096 |
| Being depreciated, net | 61,838,945 | 10,498,003 | 72,336,948 |
| Total Assets | <u>88,552,160</u> | <u>14,406,150</u> | <u>102,958,310</u> |
| LIABILITIES | | | |
| Accounts payable | 1,000,986 | 463,794 | 1,464,780 |
| Accrued liabilities | 1,602,428 | 2,150 | 1,604,578 |
| Accrued interest payable | 113,059 | 31,672 | 144,731 |
| Retainage payable | 209,989 | - | 209,989 |
| Deposits | 522,187 | - | 522,187 |
| Due to other governments | 643,291 | 35,518 | 678,809 |
| Unearned revenues | 512,800 | - | 512,800 |
| Non-current liabilities: | | | |
| Due within one year | 1,511,920 | 331,300 | 1,843,220 |
| Due in more than one year | 31,524,765 | 3,071,081 | 34,595,846 |
| Total Liabilities | <u>37,641,425</u> | <u>3,935,515</u> | <u>41,576,940</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 54,629,581 | 9,637,370 | 64,266,951 |
| Restricted for: | | | |
| Capital projects | 1,816,358 | - | 1,816,358 |
| Permanent fund: | | | |
| Expendable | 128 | - | 128 |
| Nonexpendable | 20,000 | - | 20,000 |
| Special purposes | 397,012 | - | 397,012 |
| Debt service | 6,465 | - | 6,465 |
| Risk retention | 390,355 | - | 390,355 |
| Unrestricted | (6,349,164) | 833,265 | (5,515,899) |
| Total Net Assets | <u>\$ 50,910,735</u> | <u>\$ 10,470,635</u> | <u>\$ 61,381,370</u> |

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

2010

| Governmental Activities | Business-type Activities | Total |
|----------------------------|-----------------------------|----------------------|
| \$ 7,674,328 | \$ 2,409,856 | \$ 10,084,184 |
| 5,234,862 | 29,699 | 5,264,561 |
| 1,072,802 | - | 1,072,802 |
| 417,773 | 3,858 | 421,631 |
| 28,500 | - | 28,500 |
| 2,662,697 | 317,500 | 2,980,197 |
| 225,550 | (225,550) | - |
| 462,777 | 20,512 | 483,289 |
| 78,413 | 23,159 | 101,572 |
| 16,987,801 | 3,313,497 | 20,301,298 |
| 54,455,961 | 9,183,214 | 63,639,175 |
| <u>89,301,464</u> | <u>15,075,745</u> | <u>104,377,209</u> |
| 309,931 | 223,340 | 533,271 |
| 1,056,300 | 944 | 1,057,244 |
| 152,963 | 34,668 | 187,631 |
| 201,774 | - | 201,774 |
| 416,152 | - | 416,152 |
| 717,738 | 43,864 | 761,602 |
| 430,571 | - | 430,571 |
| 1,653,761 | 321,316 | 1,975,077 |
| 30,246,921 | 3,200,904 | 33,447,825 |
| <u>35,186,111</u> | <u>3,825,036</u> | <u>39,011,147</u> |
| 52,620,335 | 9,620,669 | 62,241,004 |
| 2,071,851 | - | 2,071,851 |
| 118 | - | 118 |
| 20,000 | - | 20,000 |
| 375,632 | - | 375,632 |
| 61,035 | - | 61,035 |
| 233,112 | - | 233,112 |
| (1,266,730) | 1,630,040 | 363,310 |
| <u>\$ 54,115,353</u> | <u>\$ 11,250,709</u> | <u>\$ 65,366,062</u> |

City of Rye, New York
Statement of Activities
Year Ended December 31, 2011
(With Comparative Amounts for 2010)

| 2011 | | | | | | |
|--|----------------------------|--|--|--|--------------------------------|----------------------|
| | 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 |
| Expenses | | | | | | |
| FUNCTIONS/PROGRAMS | | | | | | |
| Governmental Activities: | | | | | | |
| General government | \$ 3,847,034 | \$ 917,026 | \$ 1,457 | \$ - | \$ (2,928,551) | \$ - |
| Public safety | 15,873,630 | 1,819,013 | 49,049 | - | (14,005,568) | - |
| Transportation | 4,422,582 | 1,200,047 | - | 278,624 | (2,943,911) | - |
| Culture and recreation | 4,326,087 | 1,422,633 | 175,467 | - | (2,727,987) | - |
| Home and community services | 5,417,700 | 128,059 | 8,880 | - | (5,280,761) | - |
| Interest | 618,037 | - | - | 257 | (617,780) | - |
| Total Governmental Activities | <u>34,505,070</u> | <u>5,486,778</u> | <u>234,853</u> | <u>278,881</u> | <u>(28,504,558)</u> | <u>-</u> |
| Business-type Activities: | | | | | | |
| Boat basin | 904,632 | 646,459 | - | - | (258,173) | (258,173) |
| Golf club | 7,028,025 | 6,504,746 | - | - | (523,279) | (523,279) |
| Total Business-type Activities | <u>7,932,657</u> | <u>7,151,205</u> | <u>-</u> | <u>-</u> | <u>(781,452)</u> | <u>(781,452)</u> |
| Total Government | <u>\$ 42,437,727</u> | <u>\$ 12,637,983</u> | <u>\$ 234,853</u> | <u>\$ 278,881</u> | <u>(28,504,558)</u> | <u>(781,452)</u> |
| General Revenues: | | | | | | |
| Real property taxes and related items | | | | 19,726,762 | - | 19,726,762 |
| Non-property taxes: | | | | | | |
| Sales and use taxes | | | | 2,051,254 | - | 2,051,254 |
| Hotel occupancy taxes | | | | 159,001 | - | 159,001 |
| Utilities gross receipts taxes | | | | 410,122 | - | 410,122 |
| Unrestricted use of money and property | | | | 51,907 | 1,378 | 53,285 |
| Gain on sale of equipment | | | | 23,438 | - | 23,438 |
| Governmental aid not restricted to specific programs | | | | 2,361,583 | - | 2,361,583 |
| Other revenues | | | | 515,873 | - | 515,873 |
| Total General Revenues | | | | <u>25,299,940</u> | <u>1,378</u> | <u>25,301,318</u> |
| Change in Net Assets | | | | (3,204,618) | (780,074) | (3,984,692) |
| Net Assets - Beginning of Year | | | | 54,115,353 | 11,250,709 | 65,366,062 |
| Net Assets - End of Year | | | | <u>\$ 50,910,735</u> | <u>\$ 10,470,635</u> | <u>\$ 61,381,370</u> |

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

2010

| Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | |
|----------------------|----------------------------|--|--|--|--------------------------------|----------------------|
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business Type Activities | Total |
| \$ 3,847,977 | \$ 789,441 | \$ 89,761 | \$ - | \$ (2,968,775) | \$ - | \$ (2,968,775) |
| 14,267,990 | 1,662,676 | 109,882 | - | (12,495,432) | - | (12,495,432) |
| 4,466,928 | 918,683 | - | 1,147,752 | (2,400,493) | - | (2,400,493) |
| 4,152,371 | 1,158,127 | 171,053 | 450,000 | (2,373,191) | - | (2,373,191) |
| 5,611,370 | 168,194 | 201,529 | 17,316 | (5,224,331) | - | (5,224,331) |
| 426,731 | - | - | 720 | (426,011) | - | (426,011) |
| <u>32,773,367</u> | <u>4,697,121</u> | <u>572,225</u> | <u>1,615,788</u> | <u>(25,888,233)</u> | <u>-</u> | <u>(25,888,233)</u> |
| 627,778 | 633,269 | - | - | - | 5,491 | 5,491 |
| 7,729,667 | 6,275,216 | - | - | - | (1,454,451) | (1,454,451) |
| 8,357,445 | 6,908,485 | - | - | - | (1,448,960) | (1,448,960) |
| <u>\$ 41,130,812</u> | <u>\$ 11,605,606</u> | <u>\$ 572,225</u> | <u>\$ 1,615,788</u> | <u>(25,888,233)</u> | <u>(1,448,960)</u> | <u>(27,337,193)</u> |
| | | | | 19,764,674 | - | 19,764,674 |
| | | | | 1,981,208 | - | 1,981,208 |
| | | | | 153,934 | - | 153,934 |
| | | | | 431,169 | - | 431,169 |
| | | | | 95,000 | 7,103 | 102,103 |
| | | | | 15,324 | - | 15,324 |
| | | | | 2,493,863 | - | 2,493,863 |
| | | | | 506,135 | - | 506,135 |
| | | | | <u>25,441,307</u> | <u>7,103</u> | <u>25,448,410</u> |
| | | | | (446,926) | (1,441,857) | (1,888,783) |
| | | | | 54,562,279 | 12,692,566 | 67,254,845 |
| | | | | <u>\$ 54,115,353</u> | <u>\$ 11,250,709</u> | <u>\$ 65,366,062</u> |

City of Rye, New York
Balance Sheet
Governmental Funds
December 31, 2011
(With Comparative Amounts for 2010)

| | 2011 | | | |
|--|----------------------|-----------------------------|------------------------------------|--------------------------------|
| | General Fund | Capital Projects Fund | Non-Major Governmental Funds | Total Governmental Funds |
| ASSETS | | | | |
| Cash and equivalents | \$ 7,581,409 | \$ 285,999 | \$ 315,633 | \$ 8,183,041 |
| Investments | 96,417 | 2,185,124 | 144,008 | 2,425,549 |
| Receivables: | | | | |
| Taxes receivable | 1,115,094 | - | - | 1,115,094 |
| Accounts receivable | 308,301 | - | 80,126 | 388,427 |
| Due from other funds | 1,980,034 | 175 | 622 | 1,980,831 |
| Advances to other funds | 708,702 | - | - | 708,702 |
| Due from other governments | 773,938 | 272,639 | - | 1,046,577 |
| Prepaid expenditures | 453,106 | - | 4,227 | 457,333 |
| Total Assets | <u>\$ 13,017,001</u> | <u>\$ 2,743,937</u> | <u>\$ 544,616</u> | <u>\$ 16,305,554</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 639,926 | \$ 180,075 | \$ 43,410 | \$ 863,411 |
| Accrued liabilities | 897,199 | - | 256 | 897,455 |
| Retainage payable | 907 | 50,512 | - | 51,419 |
| Deposits | 522,187 | - | - | 522,187 |
| Due to other funds | 358,785 | 457,989 | 24,685 | 841,459 |
| Due to other governments | 636,932 | 1,094 | 5,265 | 643,291 |
| Deferred revenues | 703,303 | - | - | 703,303 |
| Total Liabilities | <u>3,759,239</u> | <u>689,670</u> | <u>73,616</u> | <u>4,522,525</u> |
| Fund Balances: | | | | |
| Nonspendable | 1,647,837 | - | 24,227 | 1,672,064 |
| Restricted | 2,141,634 | 1,706,064 | 17,785 | 3,865,483 |
| Assigned | 1,688,353 | 348,203 | 428,988 | 2,465,544 |
| Unassigned | 3,779,938 | - | - | 3,779,938 |
| Total Fund Balances | <u>9,257,762</u> | <u>2,054,267</u> | <u>471,000</u> | <u>11,783,029</u> |
| Total Liabilities and Fund Balances | <u>\$ 13,017,001</u> | <u>\$ 2,743,937</u> | <u>\$ 544,616</u> | <u>\$ 16,305,554</u> |

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

2010

| General Fund | Capital Projects Fund | Non-Major Governmental Funds | Total Governmental Funds |
|----------------------|-----------------------|------------------------------|--------------------------|
| \$ 7,076,523 | \$ 7,327 | \$ 230,957 | \$ 7,314,807 |
| 48,703 | 2,570,666 | 210,044 | 2,829,413 |
| 1,072,802 | - | - | 1,072,802 |
| 240,716 | - | 76,100 | 316,816 |
| 2,368,151 | 44,067 | 409 | 2,412,627 |
| 1,334,183 | - | - | 1,334,183 |
| 978,260 | 636,771 | - | 1,615,031 |
| 377,277 | - | 3,289 | 380,566 |
| <u>\$ 13,496,615</u> | <u>\$ 3,258,831</u> | <u>\$ 520,799</u> | <u>\$ 17,276,245</u> |
| | | | |
| \$ 150,475 | \$ 51,039 | \$ 10,960 | \$ 212,474 |
| 435,040 | - | 239 | 435,279 |
| 3,183 | 44,366 | - | 47,549 |
| 416,152 | - | - | 416,152 |
| 645,318 | 502,458 | 13,868 | 1,161,644 |
| 716,247 | 1,094 | 397 | 717,738 |
| 635,043 | - | - | 635,043 |
| <u>3,001,458</u> | <u>598,957</u> | <u>25,464</u> | <u>3,625,879</u> |
| | | | |
| 2,278,320 | - | 23,289 | 2,301,609 |
| 2,099,602 | 2,450,581 | 54,711 | 4,604,894 |
| 3,311,967 | 209,293 | 417,335 | 3,938,595 |
| 2,805,268 | - | - | 2,805,268 |
| <u>10,495,157</u> | <u>2,659,874</u> | <u>495,335</u> | <u>13,650,366</u> |
| | | | |
| <u>\$ 13,496,615</u> | <u>\$ 3,258,831</u> | <u>\$ 520,799</u> | <u>\$ 17,276,245</u> |

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City of Rye, New York
 Reconciliation of Governmental Funds Balance Sheet to
 The Government-Wide Statement of Net Assets - Governmental Activities
 December 31, 2011
 (With Comparative Amounts for 2010)

| | <u>2011</u> | <u>2010</u> |
|--|----------------------|----------------------|
| Fund Balances - Total Governmental Funds | \$ 11,783,029 | \$ 13,650,366 |
| 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>42,048,652</u> | <u>41,757,232</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>190,503</u> | <u>204,472</u> |
| Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | | |
| Deferred charges | <u>8,189</u> | <u>9,078</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>16,468,531</u> | <u>16,204,520</u> |
| Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds: | | |
| Accrued liabilities | (292,751) | (177,021) |
| Bonds payable | (5,629,085) | (5,851,811) |
| Claims payable | (1,036,599) | (2,124,816) |
| Accrued interest payable | (26,325) | (38,859) |
| Compensated absences | (1,318,204) | (1,279,636) |
| Other postemployment benefit obligations payable | <u>(11,285,205)</u> | <u>(8,238,172)</u> |
| | <u>(19,588,169)</u> | <u>(17,710,315)</u> |
| Net Assets of Governmental Activities | <u>\$ 50,910,735</u> | <u>\$ 54,115,353</u> |

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

City of Rye, New York
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2011
(With Comparative Amounts for 2010)

| | 2011 | | | |
|--|---------------------|-----------------------------|------------------------------------|--------------------------------|
| | General Fund | Capital Projects Fund | Non-Major Governmental Funds | Total Governmental Funds |
| REVENUES | | | | |
| Real property taxes and related items | \$ 19,639,210 | \$ - | \$ 101,521 | \$ 19,740,731 |
| Non-property taxes | 2,620,377 | - | 329,624 | 2,950,001 |
| Charges for services | 1,636,476 | - | - | 1,636,476 |
| Intergovernmental charges | 95,651 | - | - | 95,651 |
| Use of money and property | 341,755 | - | 414 | 342,169 |
| Licenses and permits | 1,943,221 | 32,375 | - | 1,975,596 |
| Fines and forfeitures | 617,282 | - | - | 617,282 |
| Sale of property and compensation for loss | 95,641 | - | - | 95,641 |
| Interfund revenues | 441,634 | - | - | 441,634 |
| State aid | 2,425,241 | 278,624 | - | 2,703,865 |
| Federal aid | - | - | - | - |
| Miscellaneous | 346,641 | - | 51,548 | 398,189 |
| Total Revenues | 30,203,129 | 310,999 | 483,107 | 30,997,235 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 4,772,526 | - | - | 4,772,526 |
| Public safety | 13,835,912 | - | - | 13,835,912 |
| Transportation | 3,430,714 | - | - | 3,430,714 |
| Culture and recreation | 3,850,847 | - | 351,094 | 4,201,941 |
| Home and community services | 4,924,690 | - | - | 4,924,690 |
| Debt service: | | | | |
| Refunding bond issuance costs | - | - | - | - |
| Principal | - | - | 221,721 | 221,721 |
| Interest | - | - | 187,171 | 187,171 |
| Capital outlay: | | | | |
| Public safety | - | 230,062 | - | 230,062 |
| Transportation | - | 552,823 | - | 552,823 |
| Home and community services | - | 422,012 | - | 422,012 |
| Total Expenditures | 30,814,689 | 1,204,897 | 759,986 | 32,779,572 |
| Excess (Deficiency) of Revenues Over Expenditures | (611,560) | (893,898) | (276,879) | (1,782,337) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Bonds issued | - | - | - | - |
| Refunding bonds issued | - | - | - | - |
| Issuance premium | - | - | - | - |
| Payment to refunded bond escrow agent | - | - | - | - |
| Transfers in | - | 687,257 | 252,544 | 939,801 |
| Transfers out | (625,835) | (398,966) | - | (1,024,801) |
| Total Other Financing Sources (Uses) | (625,835) | 288,291 | 252,544 | (85,000) |
| Net Change in Fund Balances | (1,237,395) | (605,607) | (24,335) | (1,867,337) |
| Fund Balances (Deficits) - | | | | |
| Beginning of Year | 10,495,157 | 2,659,874 | 495,335 | 13,650,366 |
| Fund Balances - End of Year | \$ 9,257,762 | \$ 2,054,267 | \$ 471,000 | \$ 11,783,029 |

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

2010

| General Fund | Capital Projects Fund | Non-Major Governmental Funds | Total Governmental Funds |
|----------------------|-----------------------|------------------------------|--------------------------|
| \$ 19,627,044 | \$ - | \$ 123,535 | \$ 19,750,579 |
| 2,566,311 | - | 294,179 | 2,860,490 |
| 1,431,725 | 17,316 | - | 1,449,041 |
| 82,008 | - | - | 82,008 |
| 95,100 | - | 1,188 | 96,288 |
| 1,429,287 | 28,175 | - | 1,457,462 |
| 609,918 | - | - | 609,918 |
| 113,486 | - | - | 113,486 |
| 442,984 | - | - | 442,984 |
| 2,563,643 | 291,053 | - | 2,854,696 |
| 214,489 | 828,524 | - | 1,043,013 |
| 298,623 | - | 50,985 | 349,608 |
| <u>29,474,618</u> | <u>1,165,068</u> | <u>469,887</u> | <u>31,109,573</u> |
| 3,478,239 | - | - | 3,478,239 |
| 12,883,879 | - | - | 12,883,879 |
| 3,234,870 | - | - | 3,234,870 |
| 3,813,089 | - | 235,610 | 4,048,699 |
| 4,604,338 | - | - | 4,604,338 |
| - | - | 9,782 | 9,782 |
| - | - | 165,261 | 165,261 |
| - | - | 58,871 | 58,871 |
| - | 779,451 | - | 779,451 |
| - | 733,012 | - | 733,012 |
| - | 668,909 | - | 668,909 |
| <u>28,014,415</u> | <u>2,181,372</u> | <u>469,524</u> | <u>30,665,311</u> |
| <u>1,460,203</u> | <u>(1,016,304)</u> | <u>363</u> | <u>444,262</u> |
| - | 4,677,374 | - | 4,677,374 |
| - | - | 791,579 | 791,579 |
| - | - | 56,934 | 56,934 |
| - | - | (838,731) | (838,731) |
| 200,000 | 1,424,168 | 39,987 | 1,664,155 |
| (997,503) | (776,652) | - | (1,774,155) |
| <u>(797,503)</u> | <u>5,324,890</u> | <u>49,769</u> | <u>4,577,156</u> |
| 662,700 | 4,308,586 | 50,132 | 5,021,418 |
| 9,832,457 | (1,648,712) | 445,203 | 8,628,948 |
| <u>\$ 10,495,157</u> | <u>\$ 2,659,874</u> | <u>\$ 495,335</u> | <u>\$ 13,650,366</u> |

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City of Rye, New York
 Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds to the Statement of Activities
 Year Ended December 31, 2011
 (With Comparative Amounts for 2010)

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

| | <u>2011</u> | <u>2010</u> |
|---|-----------------------|---------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ (1,867,337) | \$ 5,021,418 |
| <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. This amount is less than the total capital outlay since capital outlay includes amounts that are under the capitalization threshold or were repairs and maintenance and, therefore, were not capitalized.</p> | | |
| Capital outlay expenditures capitalized | 673,534 | 1,166,984 |
| Depreciation expense | <u>(382,114)</u> | <u>(383,360)</u> |
| | <u>291,420</u> | <u>783,624</u> |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds -</p> | | |
| Real property taxes | <u>(13,969)</u> | <u>14,095</u> |
| <p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p> | | |
| Principal paid on bonds | 221,721 | 165,261 |
| Bonds issued | - | (4,677,374) |
| Refunding bonds issued | - | (791,579) |
| Issuance premium | - | (56,934) |
| Refunding bond issuance costs | - | 9,782 |
| Payment to refunded bond escrow agent | - | 838,731 |
| Amortization of issuance costs, loss on refunding bonds and issuance premium | 116 | 92 |
| | <u>221,837</u> | <u>(4,512,021)</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> | | |
| Self-insured health benefits | (115,730) | (2,034) |
| Claims | 1,088,217 | (66,421) |
| Accrued interest | 12,534 | (27,478) |
| Compensated absences | (38,568) | (49,834) |
| Other postemployment benefit obligations payable | <u>(3,047,033)</u> | <u>(2,724,604)</u> |
| | <u>(2,100,580)</u> | <u>(2,870,371)</u> |
| <p>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.</p> | | |
| Change in Net Assets of Governmental Activities | <u>\$ (3,204,618)</u> | <u>\$ (446,926)</u> |

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

City of Rye, New York
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2011
 (With Comparative Amounts for 2010)

| | 2011 | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | |
| REVENUES | | | | |
| Real property taxes and related items | \$ 19,831,725 | \$ 19,831,725 | \$ 19,639,210 | \$ (192,515) |
| Non-property tax | 2,280,000 | 2,280,000 | 2,620,377 | 340,377 |
| Charges for services | 1,551,880 | 1,551,880 | 1,636,476 | 84,596 |
| Intergovernmental charges | 84,745 | 84,745 | 95,651 | 10,906 |
| Use of money and property | 366,033 | 366,033 | 341,755 | (24,278) |
| Licenses and permits | 1,677,470 | 1,677,470 | 1,943,221 | 265,751 |
| Fines and forfeitures | 593,200 | 593,200 | 617,282 | 24,082 |
| Sale of property and compensation for loss | 76,860 | 76,860 | 95,641 | 18,781 |
| Interfund revenues | 446,409 | 446,409 | 441,634 | (4,775) |
| State aid | 2,363,868 | 2,363,868 | 2,425,241 | 61,373 |
| Federal aid | - | - | - | - |
| Miscellaneous | 146,650 | 146,650 | 346,641 | 199,991 |
| Total Revenues | <u>29,418,840</u> | <u>29,418,840</u> | <u>30,203,129</u> | <u>784,289</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government: | | | | |
| City Council | 79,046 | 79,046 | 77,789 | 1,257 |
| City Manager | 562,514 | 436,761 | 432,290 | 4,471 |
| Finance Administration | 237,496 | 219,305 | 216,933 | 2,372 |
| General Accounting | 382,231 | 367,567 | 285,327 | 82,240 |
| Accounts Payable | 87,110 | 82,193 | 80,132 | 2,061 |
| Payroll | 148,815 | 107,097 | 103,206 | 3,891 |
| Treasury | 222,278 | 1,690,334 | 1,667,058 | 23,276 |
| Parking Violation Bureau | 85,974 | 132,232 | 129,770 | 2,462 |
| Assessor | 410,782 | 380,125 | 371,456 | 8,669 |
| City Clerk | 328,774 | 324,698 | 321,720 | 2,978 |
| Records Management | 56,008 | 48,038 | 46,786 | 1,252 |
| Parking Administration | 49,603 | 47,053 | 45,743 | 1,310 |
| Law | 314,751 | 253,271 | 246,822 | 6,449 |
| Human Resources | 336,244 | 272,480 | 271,461 | 1,019 |
| Elections | 39,852 | 34,652 | 32,016 | 2,636 |
| City Hall Annex | 170,434 | 170,434 | 170,434 | - |
| Information Technology | 287,427 | 277,927 | 273,583 | 4,344 |
| Contingent Account | 300,000 | - | - | - |
| Total General Government | <u>4,099,339</u> | <u>4,923,213</u> | <u>4,772,526</u> | <u>150,687</u> |

2010

| Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-------------------|-------------------|-------------------|--|
| \$ 19,688,789 | \$ 19,688,789 | \$ 19,627,044 | \$ (61,745) |
| 2,280,000 | 2,280,000 | 2,566,311 | 286,311 |
| 1,324,968 | 1,324,968 | 1,431,725 | 106,757 |
| 88,335 | 88,335 | 82,008 | (6,327) |
| 155,700 | 155,700 | 95,100 | (60,600) |
| 1,382,203 | 1,382,203 | 1,429,287 | 47,084 |
| 628,700 | 628,700 | 609,918 | (18,782) |
| 76,900 | 76,900 | 113,486 | 36,586 |
| 446,509 | 446,509 | 442,984 | (3,525) |
| 2,440,692 | 2,453,732 | 2,563,643 | 109,911 |
| - | 53,764 | 214,489 | 160,725 |
| 97,100 | 97,100 | 298,623 | 201,523 |
| <u>28,609,896</u> | <u>28,676,700</u> | <u>29,474,618</u> | <u>797,918</u> |
| 75,808 | 75,808 | 74,337 | 1,471 |
| 617,153 | 538,221 | 522,692 | 15,529 |
| 218,776 | 211,668 | 203,716 | 7,952 |
| 384,545 | 407,594 | 322,376 | 85,218 |
| 99,937 | 93,822 | 86,799 | 7,023 |
| 98,031 | 91,495 | 89,333 | 2,162 |
| 242,728 | 269,617 | 246,785 | 22,832 |
| 68,147 | 64,718 | 63,236 | 1,482 |
| 371,631 | 372,853 | 362,034 | 10,819 |
| 335,012 | 335,941 | 330,781 | 5,160 |
| 56,376 | 44,854 | 38,288 | 6,566 |
| 47,486 | 47,486 | 41,176 | 6,310 |
| 354,562 | 342,785 | 322,497 | 20,288 |
| 321,109 | 317,905 | 311,701 | 6,204 |
| 41,666 | 41,666 | 31,743 | 9,923 |
| 154,255 | 154,255 | 154,255 | - |
| 274,507 | 279,718 | 276,490 | 3,228 |
| 300,000 | 257,526 | - | 257,526 |
| <u>4,061,729</u> | <u>3,947,932</u> | <u>3,478,239</u> | <u>469,693</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, 2011
 (With Comparative Amounts for 2010)

| | 2011 | | | Variance with Final Budget Positive (Negative) |
|-------------------------------------|--------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | |
| Public Safety: | | | | |
| Police Administration | \$ 1,282,003 | \$ 1,375,001 | \$ 1,370,891 | \$ 4,110 |
| Police Patrol | 5,500,558 | 5,954,367 | 5,908,524 | 45,843 |
| Police Investigations | 767,324 | 790,759 | 787,653 | 3,106 |
| Police Marine Patrol | 114,098 | 96,239 | 95,546 | 693 |
| Police Youth Services | - | 590 | 590 | - |
| Parking Enforcement | 334,753 | 251,351 | 250,713 | 638 |
| School Crossing Guards | 137,227 | 126,564 | 125,786 | 778 |
| Traffic Control | 231,271 | 222,086 | 219,597 | 2,489 |
| Fire Prevention and Suppression | 4,409,903 | 4,472,462 | 4,463,657 | 8,805 |
| Animal Control | 23,104 | 23,104 | 22,896 | 208 |
| Building | 355,922 | 372,126 | 366,322 | 5,804 |
| Ambulance Service | 223,737 | 223,737 | 223,737 | - |
| Total Public Safety | 13,379,900 | 13,908,386 | 13,835,912 | 72,474 |
| Transportation: | | | | |
| Public Works Administration | 1,037,048 | 919,616 | 910,535 | 9,081 |
| Engineering | 305,513 | 315,534 | 287,139 | 28,395 |
| Street Maintenance | 889,143 | 899,464 | 862,839 | 36,625 |
| Snow Removal | 717,242 | 780,206 | 767,405 | 12,801 |
| Street Lighting | 330,913 | 342,829 | 341,347 | 1,482 |
| Off-Street Parking | 337,892 | 265,312 | 261,449 | 3,863 |
| Total Transportation | 3,617,751 | 3,522,961 | 3,430,714 | 92,247 |
| Culture and Recreation: | | | | |
| Recreation Administration | 436,374 | 407,485 | 402,637 | 4,848 |
| Parks and Playgrounds | 508,209 | 561,901 | 553,368 | 8,533 |
| Recreation Center | 286,637 | 289,761 | 287,271 | 2,490 |
| Recreation Programs | 209,913 | 169,913 | 166,387 | 3,526 |
| Camps | 456,686 | 489,572 | 488,698 | 874 |
| Athletics | 217,272 | 214,102 | 210,667 | 3,435 |
| Tennis | 103,001 | 101,501 | 99,408 | 2,093 |
| Special Events | 86,295 | 158,795 | 155,008 | 3,787 |
| Adult Recreation | 142,548 | 137,648 | 134,800 | 2,848 |
| Rye Youth Council | 38,100 | 40,470 | 40,470 | - |
| Rye Town Park | 25,000 | 49,000 | 48,913 | 87 |
| Southeast Consortium | 20,879 | 20,879 | 20,591 | 288 |
| Rye Free Reading Room | 1,080,000 | 1,083,715 | 1,083,712 | 3 |
| Square House Museum | 111,380 | 102,665 | 101,279 | 1,386 |
| Rye Arts Center | 5,596 | 5,596 | 5,596 | - |
| Special Facilities Administration | 19,121 | 19,121 | 19,121 | - |
| Rye Nature Center | 32,921 | 32,921 | 32,921 | - |
| Total Culture and Recreation | 3,779,932 | 3,885,045 | 3,850,847 | 34,198 |

2010

| Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-------------------|-------------------|-------------------|--|
| \$ 1,046,597 | \$ 1,145,759 | \$ 1,126,273 | \$ 19,486 |
| 5,600,021 | 5,588,630 | 5,501,812 | 86,818 |
| 710,626 | 678,262 | 631,508 | 46,754 |
| 115,847 | 124,947 | 107,597 | 17,350 |
| 180,338 | 180,338 | 176,939 | 3,399 |
| 297,213 | 297,213 | 232,254 | 64,959 |
| 145,649 | 145,649 | 118,335 | 27,314 |
| 210,041 | 218,593 | 213,060 | 5,533 |
| 4,351,658 | 4,339,488 | 4,175,199 | 164,289 |
| 22,368 | 22,368 | 22,279 | 89 |
| 410,203 | 418,078 | 357,162 | 60,916 |
| 221,461 | 221,461 | 221,461 | - |
| <u>13,312,022</u> | <u>13,380,786</u> | <u>12,883,879</u> | <u>496,907</u> |
| 971,027 | 956,813 | 944,934 | 11,879 |
| 238,627 | 277,467 | 258,734 | 18,733 |
| 847,238 | 849,871 | 843,433 | 6,438 |
| 699,014 | 682,055 | 653,617 | 28,438 |
| 312,382 | 324,015 | 323,448 | 567 |
| 253,124 | 236,146 | 210,704 | 25,442 |
| <u>3,321,412</u> | <u>3,326,367</u> | <u>3,234,870</u> | <u>91,497</u> |
| 413,117 | 408,452 | 394,472 | 13,980 |
| 501,520 | 581,004 | 477,324 | 103,680 |
| 282,962 | 271,185 | 267,946 | 3,239 |
| 220,626 | 194,657 | 186,792 | 7,865 |
| 427,696 | 478,086 | 469,095 | 8,991 |
| 216,807 | 217,466 | 192,894 | 24,572 |
| 115,231 | 114,161 | 109,576 | 4,585 |
| 109,170 | 247,181 | 117,194 | 129,987 |
| 145,978 | 137,815 | 134,624 | 3,191 |
| 38,900 | 44,661 | 44,660 | 1 |
| 50,000 | 51,161 | 51,160 | 1 |
| 20,308 | 20,680 | 20,310 | 370 |
| 1,155,000 | 1,155,000 | 1,155,000 | - |
| 119,635 | 107,523 | 105,031 | 2,492 |
| 4,855 | 4,855 | 4,855 | - |
| 40,121 | 40,121 | 40,121 | - |
| 42,035 | 42,035 | 42,035 | - |
| <u>3,903,961</u> | <u>4,116,043</u> | <u>3,813,089</u> | <u>302,954</u> |

(Continued)

City of Rye, New York
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Concluded)
 Year Ended December 31, 2011
 (With Comparative Amounts for 2010)

| | 2011 | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|---------------------|---|
| | Original Budget | Final Budget | Actual | |
| Home and Community Services: | | | | |
| Planning | \$ 271,311 | \$ 256,862 | \$ 255,795 | \$ 1,067 |
| Sanitary Sewers | 435,938 | 413,019 | 410,607 | 2,412 |
| Storm Drains | 242,221 | 198,426 | 189,714 | 8,712 |
| Refuse and Garbage | 2,035,710 | 1,991,878 | 1,988,328 | 3,550 |
| Recycling | 787,919 | 738,091 | 735,803 | 2,288 |
| Street Cleaning | 98,276 | 100,106 | 99,102 | 1,004 |
| Community Beautification | 443,991 | 575,084 | 571,666 | 3,418 |
| Rodent and Insect Control | 14,564 | 11,649 | 9,630 | 2,019 |
| Shade Tree Maintenance | 495,294 | 524,098 | 516,918 | 7,180 |
| Conservation | 3,919 | 3,919 | 3,843 | 76 |
| Emergency Disaster | 41,750 | 145,750 | 143,284 | 2,466 |
| Total Home and Community Services | <u>4,870,893</u> | <u>4,958,882</u> | <u>4,924,690</u> | <u>34,192</u> |
| Total Expenditures | <u>29,747,815</u> | <u>31,198,487</u> | <u>30,814,689</u> | <u>383,798</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(328,975)</u> | <u>(1,779,647)</u> | <u>(611,560)</u> | <u>1,168,087</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | <u>(482,544)</u> | <u>(625,835)</u> | <u>(625,835)</u> | <u>-</u> |
| Total Other Financing Uses | <u>(482,544)</u> | <u>(625,835)</u> | <u>(625,835)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>(811,519)</u> | <u>(2,405,482)</u> | <u>(1,237,395)</u> | <u>1,168,087</u> |
| Fund Balance - Beginning of Year | <u>811,519</u> | <u>2,405,482</u> | <u>10,495,157</u> | <u>8,089,675</u> |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,257,762</u> | <u>\$ 9,257,762</u> |

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

2010

| Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------|--------------------|----------------------|--|
| \$ 242,327 | \$ 245,897 | 245,031 | \$ 866 |
| 397,641 | 386,193 | 385,403 | 790 |
| 217,459 | 183,218 | 182,439 | 779 |
| 1,857,210 | 1,882,895 | 1,881,073 | 1,822 |
| 720,523 | 702,576 | 701,035 | 1,541 |
| 93,388 | 93,459 | 93,079 | 380 |
| 582,172 | 576,096 | 573,913 | 2,183 |
| 1,343 | 3,622 | 2,870 | 752 |
| 436,887 | 512,294 | 511,396 | 898 |
| 3,318 | 3,318 | 3,308 | 10 |
| - | 66,542 | 24,791 | 41,751 |
| <u>4,552,268</u> | <u>4,656,110</u> | <u>4,604,338</u> | <u>51,772</u> |
| <u>29,151,392</u> | <u>29,427,238</u> | <u>28,014,415</u> | <u>1,412,823</u> |
| <u>(541,496)</u> | <u>(750,538)</u> | <u>1,460,203</u> | <u>2,210,741</u> |
| - | - | 200,000 | 200,000 |
| <u>(1,040,987)</u> | <u>(1,040,987)</u> | <u>(997,503)</u> | <u>43,484</u> |
| <u>(1,040,987)</u> | <u>(1,040,987)</u> | <u>(797,503)</u> | <u>243,484</u> |
| <u>(1,582,483)</u> | <u>(1,791,525)</u> | <u>662,700</u> | <u>2,454,225</u> |
| <u>1,582,483</u> | <u>1,791,525</u> | <u>9,832,457</u> | <u>8,040,932</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,495,157</u> | <u>\$ 10,495,157</u> |

City of Rye, New York
Statement of Net Assets
Proprietary Funds
December 31, 2011
(With Comparative Amounts for 2010)

| | 2011 | | | Governmental Activities - Internal Service Funds |
|---|--|-------------------|-------------------|---|
| | Business-type Activities - Enterprise Funds | | Totals | |
| | Boat Basin Fund | Golf Club Fund | | |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and equivalents | \$ 374,026 | \$ 1,676,550 | \$ 2,050,576 | \$ 151,027 |
| Investments | 2,354 | 26,667 | 29,021 | 3,074,491 |
| Accounts receivable | 950 | 2,001 | 2,951 | 133,416 |
| Deposits | - | - | - | 28,500 |
| Due from other funds | - | - | - | 358,610 |
| Due from other governments | 317,500 | - | 317,500 | 39,232 |
| Prepaid expenses | 6,252 | 19,894 | 26,146 | 90,445 |
| Total Current Assets | <u>701,082</u> | <u>1,725,112</u> | <u>2,426,194</u> | <u>3,875,721</u> |
| Noncurrent Assets: | | | | |
| Deferred Charges | - | 19,946 | 19,946 | 61,805 |
| Capital Assets: | | | | |
| Land | 408 | 1,700,000 | 1,700,408 | 6,571,814 |
| Buildings | 341,930 | 11,417,550 | 11,759,480 | 19,703,882 |
| Improvements | 3,312,704 | 3,434,670 | 6,747,374 | 4,379,794 |
| Machinery and equipment | 73,388 | 1,165,937 | 1,239,325 | 9,899,611 |
| Construction in progress | - | - | - | 528,231 |
| Less accumulated depreciation | (1,423,203) | (7,824,973) | (9,248,176) | (12,021,351) |
| Total Capital Assets (net of accumulated depreciation) | <u>2,305,227</u> | <u>9,893,184</u> | <u>12,198,411</u> | <u>29,061,981</u> |
| Total Noncurrent Assets | <u>2,305,227</u> | <u>9,913,130</u> | <u>12,218,357</u> | <u>29,123,786</u> |
| Total Assets | <u>3,006,309</u> | <u>11,638,242</u> | <u>14,644,551</u> | <u>32,999,507</u> |

2010

| Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|--------------------|--------------------|---|
| Boat Basin Fund | Golf Club Fund | Totals | |
| \$ 500,187 | \$ 1,909,669 | \$ 2,409,856 | \$ 359,521 |
| 4,560 | 25,139 | 29,699 | 2,405,449 |
| 950 | 2,908 | 3,858 | 100,957 |
| - | - | - | 28,500 |
| - | 992 | 992 | 600,258 |
| 317,500 | - | 317,500 | 1,047,666 |
| 4,884 | 15,628 | 20,512 | 82,211 |
| <u>828,081</u> | <u>1,954,336</u> | <u>2,782,417</u> | <u>4,624,562</u> |
| - | 23,159 | 23,159 | 69,335 |
| 408 | 1,700,000 | 1,700,408 | 6,571,814 |
| 341,930 | 11,417,550 | 11,759,480 | 11,610,334 |
| 1,209,616 | 3,434,670 | 4,644,286 | 4,286,294 |
| 73,388 | 1,165,937 | 1,239,325 | 9,568,277 |
| 1,613,089 | - | 1,613,089 | 8,608,447 |
| <u>(1,078,625)</u> | <u>(7,381,252)</u> | <u>(8,459,877)</u> | <u>(10,958,636)</u> |
| <u>2,159,806</u> | <u>10,336,905</u> | <u>12,496,711</u> | <u>29,686,530</u> |
| <u>2,159,806</u> | <u>10,360,064</u> | <u>12,519,870</u> | <u>29,755,865</u> |
| <u>2,987,887</u> | <u>12,314,400</u> | <u>15,302,287</u> | <u>34,380,427</u> |

(Continued)

City of Rye, New York
Statement of Net Assets (Continued)
Proprietary Funds
December 31, 2011
(With Comparative Amounts for 2010)

| | 2011 | | | Governmental Activities - Internal Service Funds |
|--|--|---------------------|----------------------|---|
| | Business-type Activities - Enterprise Funds | | Totals | |
| | Boat Basin Fund | Golf Club Fund | | |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 204,534 | 259,260 | 463,794 | 137,575 |
| Accrued liabilities | 2,150 | - | 2,150 | 412,222 |
| Accrued interest payable | - | 31,672 | 31,672 | 86,734 |
| Retainage payable | - | - | - | 158,570 |
| Due to other funds | 27,139 | 85,084 | 112,223 | 1,385,759 |
| Due to other governments | 1,120 | 34,398 | 35,518 | - |
| Advances from other funds | - | - | - | 708,702 |
| Compensated absences | 3,100 | 8,200 | 11,300 | 7,600 |
| Bonds payable | - | 320,000 | 320,000 | 918,082 |
| Total Current Liabilities | <u>238,043</u> | <u>738,614</u> | <u>976,657</u> | <u>3,815,244</u> |
| Noncurrent Liabilities: | | | | |
| Bonds payable, less current portion | - | 2,260,987 | 2,260,987 | 11,841,950 |
| Compensated absences, less current portion | 27,971 | 73,697 | 101,668 | 68,517 |
| Other postemployment benefit obligations | 295,881 | 412,545 | 708,426 | 931,443 |
| Total Noncurrent Liabilities | <u>323,852</u> | <u>2,747,229</u> | <u>3,071,081</u> | <u>12,841,910</u> |
| Total Liabilities | <u>561,895</u> | <u>3,485,843</u> | <u>4,047,738</u> | <u>16,657,154</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 2,305,227 | 7,332,143 | 9,637,370 | 17,668,260 |
| Unrestricted | 139,187 | 820,256 | 959,443 | (1,325,907) |
| Total Net Assets | <u>\$ 2,444,414</u> | <u>\$ 8,152,399</u> | <u>10,596,813</u> | <u>\$ 16,342,353</u> |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | <u>(126,178)</u> | |
| Net Assets of Business-type Activities | | | <u>\$ 10,470,635</u> | |

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

2010

| Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|---------------------|-------------------|---|
| Boat Basin Fund | Golf Club Fund | Totals | |
| 3,683 | 219,657 | 223,340 | 97,457 |
| 944 | - | 944 | 444,000 |
| - | 34,668 | 34,668 | 114,104 |
| - | - | - | 154,225 |
| 25,362 | 84,037 | 109,399 | 1,742,834 |
| 1,587 | 42,277 | 43,864 | - |
| - | - | - | 1,334,183 |
| 3,525 | 7,791 | 11,316 | 8,460 |
| - | 310,000 | 310,000 | 870,653 |
| <u>35,101</u> | <u>698,430</u> | <u>733,531</u> | <u>4,765,916</u> |
| - | 2,589,201 | 2,589,201 | 12,767,934 |
| 31,725 | 70,119 | 101,844 | 76,143 |
| <u>219,421</u> | <u>290,438</u> | <u>509,859</u> | <u>683,057</u> |
| <u>251,146</u> | <u>2,949,758</u> | <u>3,200,904</u> | <u>13,527,134</u> |
| <u>286,247</u> | <u>3,648,188</u> | <u>3,934,435</u> | <u>18,293,050</u> |
| 2,159,806 | 7,460,863 | 9,620,669 | 17,956,108 |
| 541,834 | 1,205,349 | 1,747,183 | (1,868,731) |
| <u>\$ 2,701,640</u> | <u>\$ 8,666,212</u> | <u>11,367,852</u> | <u>\$ 16,087,377</u> |

(117,143)

\$ 11,250,709

City of Rye, New York
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
Year Ended December 31, 2011
(With Comparative Amounts for 2010)

| | 2011 | | | Governmental Activities - Internal Service Funds |
|--|---|---------------------|----------------------|---|
| | Business-type Activities - Enterprise Funds | | | |
| | Boat Basin Fund | Golf Club Fund | Totals | |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 646,459 | \$ 6,502,609 | \$ 7,149,068 | \$ 4,678,221 |
| Sale of property and compensation for loss | - | - | - | - |
| Miscellaneous | - | 2,137 | 2,137 | 497,715 |
| Total Operating Revenues | <u>646,459</u> | <u>6,504,746</u> | <u>7,151,205</u> | <u>5,175,936</u> |
| OPERATING EXPENSES | | | | |
| Salaries and wages | 209,350 | 1,049,972 | 1,259,322 | 661,890 |
| Employee benefits | 179,248 | 646,578 | 825,826 | 611,892 |
| Materials and supplies | 61,015 | 1,818,573 | 1,879,588 | 1,070,934 |
| Contractual costs | 109,778 | 2,950,511 | 3,060,289 | 991,187 |
| Depreciation and amortization | 344,578 | 446,934 | 791,512 | 1,250,275 |
| Total Operating Expenses | <u>903,969</u> | <u>6,912,568</u> | <u>7,816,537</u> | <u>4,586,178</u> |
| Operating Income (Loss) | <u>(257,510)</u> | <u>(407,822)</u> | <u>(665,332)</u> | <u>589,758</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Gain on sale of equipment | - | - | - | 23,438 |
| Interest income | 284 | 1,094 | 1,378 | 1,185 |
| Interest expense | - | (107,085) | (107,085) | (444,405) |
| Total Non-Operating Revenues (Expenses) | <u>284</u> | <u>(105,991)</u> | <u>(105,707)</u> | <u>(419,782)</u> |
| Income (Loss) Before Transfers | <u>(257,226)</u> | <u>(513,813)</u> | <u>(771,039)</u> | <u>169,976</u> |
| Transfers in | - | - | - | 85,000 |
| Change in Net Assets | <u>(257,226)</u> | <u>(513,813)</u> | <u>(771,039)</u> | <u>254,976</u> |
| Net Assets - Beginning of Year | <u>2,701,640</u> | <u>8,666,212</u> | <u>11,367,852</u> | <u>16,087,377</u> |
| Net Assets - End of Year | <u>\$ 2,444,414</u> | <u>\$ 8,152,399</u> | <u>\$ 10,596,813</u> | <u>\$ 16,342,353</u> |
| Change in Net Assets | | | \$ (771,039) | |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | <u>(9,035)</u> | |
| Change in Net Assets of Business-type Activities | | | <u>\$ (780,074)</u> | |

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

2010

| Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|---|---------------------|-----------------------|---|
| Boat Basin Fund | Golf Club Fund | Totals | |
| \$ 633,269 | \$ 6,268,637 | \$ 6,901,906 | \$ 5,337,311 |
| - | 5,282 | 5,282 | - |
| - | 1,297 | 1,297 | 412,695 |
| <u>633,269</u> | <u>6,275,216</u> | <u>6,908,485</u> | <u>5,750,006</u> |
| 214,349 | 1,123,185 | 1,337,534 | 721,910 |
| 177,947 | 655,470 | 833,417 | 608,995 |
| 59,725 | 1,946,127 | 2,005,852 | 1,156,518 |
| 121,972 | 3,297,889 | 3,419,861 | 949,903 |
| 46,526 | 531,168 | 577,694 | 1,089,226 |
| <u>620,519</u> | <u>7,553,839</u> | <u>8,174,358</u> | <u>4,526,552</u> |
| <u>12,750</u> | <u>(1,278,623)</u> | <u>(1,265,873)</u> | <u>1,223,454</u> |
| - | - | - | 15,324 |
| 767 | 6,336 | 7,103 | 5,600 |
| - | (79,958) | (79,958) | (341,178) |
| <u>767</u> | <u>(73,622)</u> | <u>(72,855)</u> | <u>(320,254)</u> |
| 13,517 | (1,352,245) | (1,338,728) | 903,200 |
| - | - | - | 110,000 |
| <u>13,517</u> | <u>(1,352,245)</u> | <u>(1,338,728)</u> | <u>1,013,200</u> |
| 2,688,123 | 10,018,457 | 12,706,580 | 15,074,177 |
| <u>\$ 2,701,640</u> | <u>\$ 8,666,212</u> | <u>\$ 11,367,852</u> | <u>\$ 16,087,377</u> |
| | | \$ (1,338,728) | |
| | | (103,129) | |
| | | <u>\$ (1,441,857)</u> | |

City of Rye, New York
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2011
(With Comparative Amounts for 2010)

| | 2011 | | | 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 | \$ 646,459 | \$ 6,560,588 | \$ 7,207,047 | \$ 5,945,844 |
| Cash payments to employees | (315,111) | (1,570,456) | (1,885,567) | (1,033,660) |
| Cash payments to vendors | (173,375) | (4,796,659) | (4,970,034) | (2,464,967) |
| Other operating revenues | - | 2,137 | 2,137 | 497,715 |
| Net Cash Provided by (Used in) Operating Activities | <u>157,973</u> | <u>195,610</u> | <u>353,583</u> | <u>2,944,932</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | |
| Transfers in | - | - | - | 85,000 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Advances from other funds | - | - | - | (625,481) |
| Bonds issued | - | - | - | - |
| Acquisition and construction of capital assets | (286,624) | - | (286,624) | (618,195) |
| Principal paid on capital debt | - | (310,000) | (310,000) | (870,653) |
| Interest paid on capital debt | - | (118,295) | (118,295) | (479,678) |
| Proceeds from sale of capital assets | - | - | - | 23,438 |
| Net Cash Used in Capital and Related Financing Activities | <u>(286,624)</u> | <u>(428,295)</u> | <u>(714,919)</u> | <u>(2,570,569)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest income | 284 | 1,094 | 1,378 | 1,185 |
| Purchase of investments | (40,030) | (770,207) | (810,237) | (5,025,673) |
| Sale of investments | 42,236 | 768,679 | 810,915 | 4,356,631 |
| Net Cash Provided by (Used in) Investing Activities | <u>2,490</u> | <u>(434)</u> | <u>2,056</u> | <u>(667,857)</u> |
| Net Increase (Decrease) in Cash and Equivalents | (126,161) | (233,119) | (359,280) | (208,494) |
| Cash and Equivalents - Beginning of Year | 500,187 | 1,909,669 | 2,409,856 | 359,521 |
| Cash and Equivalents - End of Year | <u>\$ 374,026</u> | <u>\$ 1,676,550</u> | <u>\$ 2,050,576</u> | <u>\$ 151,027</u> |

2010

| Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|---------------------|---------------------|---|
| Boat Basin Fund | Golf Club Fund | Totals | |
| \$ 632,569 | \$ 6,283,858 | \$ 6,916,427 | \$ 4,622,035 |
| (303,063) | (1,663,050) | (1,966,113) | (1,070,073) |
| (168,258) | (5,160,000) | (5,328,258) | (2,047,707) |
| - | 6,579 | 6,579 | 311,738 |
| <u>161,248</u> | <u>(532,613)</u> | <u>(371,365)</u> | <u>1,815,993</u> |
| - | - | - | 110,000 |
| - | - | - | 1,334,183 |
| - | - | - | 1,230,000 |
| (5,600) | (125,504) | (131,104) | (589,713) |
| - | (320,000) | (320,000) | (5,247,232) |
| - | (98,871) | (98,871) | (1,237,521) |
| - | - | - | 15,324 |
| <u>(5,600)</u> | <u>(544,375)</u> | <u>(549,975)</u> | <u>(4,494,959)</u> |
| 767 | 6,336 | 7,103 | 191,930 |
| (54,964) | (33,239) | (88,203) | (5,731,226) |
| <u>115,749</u> | <u>2,650,325</u> | <u>2,766,074</u> | <u>8,187,580</u> |
| <u>61,552</u> | <u>2,623,422</u> | <u>2,684,974</u> | <u>2,648,284</u> |
| 217,200 | 1,546,434 | 1,763,634 | 79,318 |
| 282,987 | 363,235 | 646,222 | 280,203 |
| <u>\$ 500,187</u> | <u>\$ 1,909,669</u> | <u>\$ 2,409,856</u> | <u>\$ 359,521</u> |

(Continued)

City of Rye, New York
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended December 31, 2011
(With Comparative Amounts for 2010)

| | 2011 | | | Governmental Activities - Internal Service Funds |
|---|--|-------------------|-------------------|---|
| | Business-type Activities - Enterprise Funds | | Totals | |
| | Boat Basin Fund | Golf Club Fund | | |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ (257,510) | \$ (407,822) | \$ (665,332) | \$ 589,758 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization expense | 344,578 | 446,934 | 791,512 | 1,250,275 |
| (Increase) decrease in accounts receivable | - | 907 | 907 | 1,267,623 |
| (Increase) decrease in due from other funds | - | 992 | 992 | (50,000) |
| (Increase) decrease in prepaid expenses | (1,368) | (4,266) | (5,634) | (8,234) |
| Increase (decrease) in accounts payable | (2,524) | 39,603 | 37,079 | 40,118 |
| Increase (decrease) in accrued liabilities | 1,206 | - | 1,206 | (31,778) |
| Increase (decrease) in retainage payable | - | - | - | 4,345 |
| Increase (decrease) in due to other funds | 1,777 | 1,047 | 2,824 | (357,075) |
| Increase (decrease) in due to other governments | (467) | (7,879) | (8,346) | - |
| Increase in other post employment benefit obligations | 76,460 | 122,107 | 198,567 | 248,386 |
| Increase (decrease) in compensated absences | (4,179) | 3,987 | (192) | (8,486) |
| Total Adjustments | <u>415,483</u> | <u>603,432</u> | <u>1,018,915</u> | <u>2,355,174</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 157,973</u> | <u>\$ 195,610</u> | <u>\$ 353,583</u> | <u>\$ 2,944,932</u> |

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

2010

| Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|----------------|----------------|---|
| Boat Basin Fund | Golf Club Fund | Totals | |
| \$ 12,750 | \$ (1,278,623) | \$ (1,265,873) | \$ 1,223,454 |
| 46,526 | 531,168 | 577,694 | 1,089,226 |
| (700) | 2,810 | 2,110 | (816,233) |
| - | (992) | (992) | 24,482 |
| (1,742) | (5,726) | (7,468) | 1,848 |
| 2,171 | 52,400 | 54,571 | (13,960) |
| 242 | (482) | (240) | 30,693 |
| - | - | - | (3,450) |
| 12,499 | 44,696 | 57,195 | 18,794 |
| 511 | 6,049 | 6,560 | - |
| 84,388 | 115,032 | 199,420 | 251,803 |
| 4,603 | 1,055 | 5,658 | 9,336 |
| <u>148,498</u> | <u>746,010</u> | <u>894,508</u> | <u>592,539</u> |
| \$ 161,248 | \$ (532,613) | \$ (371,365) | \$ 1,815,993 |

City of Rye, New York
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2011
(With Comparative Amounts for 2010)

| | <u>2011</u> | <u>2010</u> |
|-----------------------------|-------------------|------------------|
| ASSETS | | |
| Cash and equivalents | \$ 108,125 | \$ 24,965 |
| Accounts Receivable | 2,752 | 2,124 |
| Total Assets | <u>\$ 110,877</u> | <u>\$ 27,089</u> |
| LIABILITIES | | |
| Accounts payable | \$ 84,192 | \$ 1,278 |
| Employee payroll deductions | 26,685 | 25,811 |
| Total Liabilities | <u>\$ 110,877</u> | <u>\$ 27,089</u> |

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

Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

The City participates in a joint venture for the operation of the Rye Town Park ("Park"). The Park was established in 1907 by the New York State Legislature pursuant to Chapter 711 of the Laws of 1907. The Park provides recreational activities to the public, and is governed by a Commission, which has full charge and supervision over the capital improvements, operations, and maintenance of the Park. The Commission consists of six members: the Supervisor of the Town of Rye, the Mayor of the City of Rye, the Mayor of the Village of Port Chester, the Mayor of the Village of Rye Brook, one Commissioner appointed by the City Council of the City of Rye, and one Commissioner appointed by the Town Board of the Town of Rye. The City of Rye does not have an equity interest in the Park. The City has an ongoing financial responsibility in that the annual income or loss resulting from the Park's activities is shared proportionally by the City of Rye and the Town of Rye, using a calculation based on their equalized assessed valuation. The City's share of the Park's loss reflected in the City's 2011 financial statements is \$48,913. Complete separate financial statements for the Park may be obtained from the Town of Rye, 10 Pearl Street, Port Chester, New York 10573.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net 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, except for interfund services provided and used. Governmental activities, which normally are supported by

Note 1 - Summary of Significant Accounting Policies (Continued)

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. The City does not allocate indirect expenses to functions in the Statement of Activities.

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

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

C. Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, 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 pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The City's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles, as follows:

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Categories

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

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

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

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

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

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

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

- b. Proprietary Funds - Proprietary funds include enterprise and internal service funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. Internal service funds are used to account for operations that provide services to other departments or agencies of the government, or other governments, on a cost reimbursement basis. The operations of the Boat Basin and Golf Club funds are recorded as major enterprise funds. The City has established its Risk Retention and Building and Vehicle Maintenance funds as internal service funds. The City applies all applicable Financial Accounting Standards Board ("FASB") pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise operations.
- c. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the City in an agency

Note 1 - Summary of Significant Accounting Policies (Continued)

capacity on behalf of others. The Agency Fund is used to account for employee payroll tax withholdings and various other deposits that are payable to other jurisdictions or individuals.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial 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 days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims, compensated absences and other post-employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities and Net Assets or Fund Balances

Deposits, Investments and Risk Disclosure

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

State statutes govern the City's deposit and investment policies. The City has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The City is

Note 1 - Summary of Significant Accounting Policies (Continued)

authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions and, accordingly, the City's policy provides for no credit risk on investments.

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

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

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the City's name. The City's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2011.

Investments - The City participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool established pursuant to General Municipal Law that meets the definition of a 2a7-like pool. In accordance with the provisions of General Municipal Law, Article 3A, CLASS has designated Cutwater Asset Management, a wholly owned subsidiary of MBIA, Inc. as its registered investment advisor. MBIA, Inc. is registered with the Securities and Exchange Commission ("SEC") and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies. The amount represents the amortized cost of the cooperative shares and is considered to approximate fair value. The City's position in the pool is equal to the value of the pool shares. Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from MBIA Municipal Investors Service Corp., 113 King Street, Armonk, NY 10504.

CLASS is rated AAAM by Standards & Poor's. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

The City was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The City functions in both a fiduciary and guarantor relationship with the County of Westchester and the school districts with respect to the collection and payment of real property taxes levied by such jurisdictions. The County Charter provides for the City to collect County taxes. The City must remit to the County sixty percent (60%) of the amount levied by May 25th, and the balance of forty percent (40%) on October 15th. With respect to school district taxes, New York State law and the County Charter provide that the City satisfy the warrant of the school districts by July 1st of the fiscal year for which such taxes were levied. Thus, the City's fiduciary responsibility for school districts taxes is from the date of the levy until the respective due dates, at which time the City must satisfy its obligations to the school districts, regardless of the amounts collected. Since the County tax warrant must be paid in full by October 15th, uncollected County taxes have been accounted for in a manner similar to City taxes. The collection of school districts taxes is deemed a financing transaction until the warrants are satisfied.

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

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

Advances From/To Other Funds - Advances from/to other funds represent loans to other funds which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by nonspendable fund balance in the fund financial statements, which indicates that the funds are not "available" for appropriation and are not expendable available financial resources.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$15,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Deferred revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City has reported deferred revenues of \$190,503 for real property taxes and \$512,800 for parking permit fees received in advance in the General Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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 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.

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

Net 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, permanent fund, special purposes, debt service and risk retention. The balance is classified as unrestricted.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. These funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain designations established and approved by the entity's governing board.

Assigned fund balance, in the General Fund, will represent amounts constrained either by the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. This classification will include amounts designated for balancing the subsequent year's budget and encumbrances. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

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

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

F. Encumbrances

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 those estimates.

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.

I. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 20, 2012.

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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- e) Formal budgetary integration is employed during the year as a management control device for General, Special Revenue and Debt Service funds.
- f) Budgets for General, Special Revenue and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Proprietary funds.
- g) The City Manager may, at any time during the fiscal year, transfer part or all of any unencumbered appropriation balance among programs or accounts within a department, office or agency under his/her supervision, and such transfers are reported to the Council at or prior to the next City Council meeting. The City Council may, by resolution, transfer part or all of any unencumbered appropriation balance among programs or accounts of a board or commission or within a department, office or agency, or from one board, commission, department, office or agency to another. No appropriation for debt service may be reduced or transferred, and no appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the unencumbered balance thereof.
- h) Appropriations in General, Special Revenue and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

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 2011, the maximum amount that could have been raised was \$136,414,495, which exceeded the levy by \$116,878,570. (See Note 5.)

C. Capital Projects Fund Project Deficits

The Kirby Lane Sanitary Sewer capital project reflects a deficit of \$295,656 at December 31, 2011 because of expenditures exceeding current financing on the project. This deficit will be eliminated with the subsequent receipt or issuance of authorized financing.

D. Expenditures in Excess of Budget

The following categories of expenditure exceeded their budgetary provisions by the amounts indicated:

| | | |
|--------------------|----|--------|
| Debt Service Fund: | | |
| Principal | \$ | 16,602 |
| Interest | | 17,049 |

Note 3 - Detailed Notes on All Funds**A. Taxes Receivable**

Taxes receivable at December 31, 2011 consisted of the following:

| | |
|---------------------------------|---------------------|
| City taxes - Current | \$ 251,535 |
| City taxes - Delinquent | 577,106 |
| School district taxes - Current | <u>286,453</u> |
| | <u>\$ 1,115,094</u> |

School district taxes are offset by liabilities to the school district, which will be paid no later than July 1, 2012. Taxes receivable are also partially offset in the fund financial statements by deferred tax revenues of \$190,503, which represents an estimate of the receivable that will not be collected within the first sixty days of the subsequent year. School and County taxes receivable in the amount of \$486,029 are also classified as nonspendable fund balance in the fund financial statements, which represents an estimate of taxes receivable that will not be collected within the subsequent year.

B. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2011 were as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|--|--|---------------------|
| General Fund | Cable TV Fund | \$ 18,363 |
| | Capital Projects Fund | 457,367 |
| | Debt Service Fund | 6,322 |
| | Boat Basin Fund | 27,139 |
| | Golf Club Fund | 85,084 |
| | Building and Vehicle Maintenance Fund | <u>1,385,759</u> |
| | | <u>1,980,034</u> |
| Capital Projects Fund | General Fund | <u>175</u> |
| Debt Service Fund | Capital Projects Fund | <u>622</u> |
| Risk Retention Fund | General Fund | <u>50,000</u> |
| Building and Vehicle Maintenance Fund | General Fund | <u>308,610</u> |
| | | <u>\$ 2,339,441</u> |

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2011

Note 3 - Detailed Notes on All Funds (Continued)

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.

C. Capital Assets

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

| Class | Balance at January 1, 2011 | Additions | Deletions | Balance at December 31, 2011 |
|---|----------------------------------|---------------------|---------------------|------------------------------------|
| Governmental Activities: | | | | |
| Capital Assets, not being depreciated: | | | | |
| Land | \$ 6,571,814 | \$ - | \$ - | \$ 6,571,814 |
| Construction-in-progress | 10,415,987 | 821,162 | 8,537,275 | 2,699,874 |
| | | | | |
| Total Capital Assets, not being depreciated | <u>\$ 16,987,801</u> | <u>\$ 821,162</u> | <u>\$ 8,537,275</u> | <u>\$ 9,271,688</u> |
| Capital Assets, being depreciated: | | | | |
| Buildings | \$ 11,610,334 | \$ 8,093,548 | \$ - | \$ 19,703,882 |
| Improvements | 4,286,294 | 93,500 | - | 4,379,794 |
| Machinery and Equipment | 9,654,351 | 511,363 | 180,029 | 9,985,685 |
| Infrastructure | 65,025,271 | 309,431 | - | 65,334,702 |
| | | | | |
| Total Capital Assets, being depreciated | <u>90,576,250</u> | <u>9,007,842</u> | <u>180,029</u> | <u>99,404,063</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings | 2,688,451 | 440,655 | - | 3,129,106 |
| Improvements | 1,976,365 | 198,041 | - | 2,174,406 |
| Machinery and Equipment | 6,328,250 | 621,262 | 180,029 | 6,769,483 |
| Infrastructure | 25,127,223 | 364,900 | - | 25,492,123 |
| | | | | |
| Total Accumulated Depreciation | <u>36,120,289</u> | <u>1,624,858</u> | <u>180,029</u> | <u>37,565,118</u> |
| | | | | |
| Total Capital Assets, being depreciated, net | <u>\$ 54,455,961</u> | <u>\$ 7,382,984</u> | <u>\$ -</u> | <u>\$ 61,838,945</u> |
| | | | | |
| Governmental Activities Capital Assets, net | <u>\$ 71,443,762</u> | <u>\$ 8,204,146</u> | <u>\$ 8,537,275</u> | <u>\$ 71,110,633</u> |

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2011**Note 3 - Detailed Notes on All Funds (Continued)**

| Class | Balance at January 1, 2011 | Additions | Deletions | Balance at December 31, 2011 |
|---|----------------------------------|---------------------|---------------------|------------------------------------|
| Business-type Activities: | | | | |
| Capital Assets, not being depreciated: | | | | |
| Land | \$ 1,700,408 | \$ - | \$ - | \$ 1,700,408 |
| Construction-in-progress | 1,613,089 | - | 1,613,089 | - |
| | | | | |
| Total Capital Assets, not being depreciated | <u>\$ 3,313,497</u> | <u>\$ -</u> | <u>\$ 1,613,089</u> | <u>\$ 1,700,408</u> |
| Capital Assets, being depreciated: | | | | |
| Buildings | \$ 11,759,480 | \$ - | \$ - | \$ 11,759,480 |
| Improvements | 4,644,286 | 2,103,088 | - | 6,747,374 |
| Machinery and Equipment | 1,239,325 | - | - | 1,239,325 |
| | | | | |
| Total Capital Assets, being depreciated | <u>17,643,091</u> | <u>2,103,088</u> | <u>-</u> | <u>19,746,179</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings | 4,425,881 | 248,936 | - | 4,674,817 |
| Improvements | 2,873,124 | 496,095 | - | 3,369,219 |
| Machinery and Equipment | 1,160,872 | 43,268 | - | 1,204,140 |
| | | | | |
| Total Accumulated Depreciation | <u>8,459,877</u> | <u>788,299</u> | <u>-</u> | <u>9,248,176</u> |
| | | | | |
| Total Capital Assets, being depreciated, net | <u>9,183,214</u> | <u>1,314,789</u> | <u>-</u> | <u>10,498,003</u> |
| Business-type Activities | | | | |
| Capital Assets, net | <u>\$ 12,496,711</u> | <u>\$ 1,314,789</u> | <u>\$ 1,613,089</u> | <u>\$ 12,198,411</u> |

Note 3 - Detailed Notes on All Funds (Continued)

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

| | |
|---|---------------------|
| Governmental Activities: | |
| Public Safety | \$ 25,182 |
| Transportation | 217,206 |
| Recreation | 17,215 |
| Home and Community Services | 122,511 |
| Capital assets held by the government's internal service fund are charged to the various functions based on their usage of the assets | <u>1,242,744</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 1,624,858</u> |
| Business-type Activities: | |
| Boat Basin | \$ 344,578 |
| Golf Club | <u>443,721</u> |
| Total Depreciation Expense - Business-Type Activities | <u>\$ 788,299</u> |

Construction Commitments

The City has active construction projects as of December 31, 2011. These projects include new construction and renovations to existing properties. At year-end, the City had \$348,203 in construction encumbrances.

D. Accrued Liabilities

Accrued liabilities at December 31, 2011 were as follows:

| | Governmental Activities | Business- Type Activities | Total |
|-------------------------------|----------------------------|---------------------------------|---------------------|
| Payroll and employee benefits | \$ 897,677 | \$ 2,150 | \$ 899,827 |
| Claims | <u>704,751</u> | <u>-</u> | <u>704,751</u> |
| Total Accrued Liabilities | <u>\$ 1,602,428</u> | <u>\$ 2,150</u> | <u>\$ 1,604,578</u> |

E. 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.

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2011**Note 3 - Detailed Notes on All Funds (Continued)**

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

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

| | Year Ended December 31, 2011 | | Year Ended December 31, 2010 | |
|---|---------------------------------|--------------------|---------------------------------|--------------------|
| | General Liability | Health Benefits | General Liability | Health Benefits |
| Balance - Beginning of Year | \$ 444,000 | \$ 203,209 | \$ 413,000 | \$ 199,022 |
| Provision for Claims and Claims Adjustment Expenses | 83,826 | 2,497,309 | 131,740 | 2,114,390 |
| Claims and Claims Adjust- ment Expenses Paid | (115,826) | (2,407,767) | (100,740) | (2,110,203) |
| Balance - End of Year | <u>\$ 412,000</u> | <u>\$ 292,751</u> | <u>\$ 444,000</u> | <u>\$ 203,209</u> |

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

F. Pension Plans

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

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary and employees in tier 5 who also contribute 3% of their salary without regard to their years of service. Contributions are certified by the State Comptroller and are expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2011

Note 3 - Detailed Notes on All Funds (Continued)

Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plan year ended March 31, 2012 are as follows:

| | <u>Tier/Plan/Option</u> | <u>Rate</u> |
|------|-------------------------|-------------|
| ERS | 1 75I/41J | 21.5 % |
| | 2 75I/41J | 19.7 |
| | 3 A14/41J | 15.8 |
| | 4 A15/41J | 15.8 |
| | 5 A15/41J | 12.7 |
| PFRS | 1 384D/3029D | 26.0 % |
| | 2 384D | 20.9 |
| | 5 384D | 16.7 |

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

| | <u>ERS</u> | <u>PFRS</u> |
|------|------------|--------------|
| 2011 | \$ 982,884 | \$ 1,052,604 |
| 2010 | 720,647 | 856,552 |
| 2009 | 510,466 | 794,295 |

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

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

| <u>Fund</u> | <u>Amount</u> |
|----------------------------------|-------------------|
| General | \$ 768,323 |
| Cable TV | 17,304 |
| Boat Basin | 25,595 |
| Golf Club | 80,619 |
| Building and Vehicle Maintenance | 91,043 |
| | <u>\$ 982,884</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, 2011 were \$2,841. The pension benefit obligation of this plan is not significant to the City.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2011

Note 3 - Detailed Notes on All Funds (Continued)**G. Long-Term Liabilities**

The changes in the City's long-term liabilities for the year ended December 31, 2011 were as follows:

| | Balance January 1, 2011 | New Issues/ Additions | Maturities and/or Payments | Balance December 31, 2011 | Due Within One Year |
|---|-------------------------------|--------------------------|----------------------------------|---------------------------------|------------------------|
| Governmental Activities: | | | | | |
| Bonds Payable | \$ 19,407,374 | \$ - | \$ 1,092,374 | \$ 18,315,000 | \$ 1,165,000 |
| Deferred Amounts on Refunding | 83,024 | - | 8,907 | 74,117 | - |
| | <u>19,490,398</u> | <u>-</u> | <u>1,101,281</u> | <u>18,389,117</u> | <u>1,165,000</u> |
| Other Non-current Liabilities: | | | | | |
| Claims Payable | 2,124,816 | 242,633 | 1,330,850 | 1,036,599 | 207,320 |
| Compensated Absences | 1,364,239 | 166,506 | 136,424 | 1,394,321 | 139,600 |
| Other Post-Employment Benefit Obligations Payable | 8,921,229 | 5,030,452 | 1,735,033 | 12,216,648 | - |
| Total Other Non-current Liabilities | <u>12,410,284</u> | <u>5,439,591</u> | <u>3,202,307</u> | <u>14,647,568</u> | <u>346,920</u> |
| Governmental Activities Long-Term Liabilities | <u>\$ 31,900,682</u> | <u>\$ 5,439,591</u> | <u>\$ 4,303,588</u> | <u>\$ 33,036,685</u> | <u>\$ 1,511,920</u> |
| Business-type Activities: | | | | | |
| Bonds Payable | \$ 2,840,000 | \$ - | \$ 310,000 | \$ 2,530,000 | \$ 320,000 |
| Deferred Amounts on Refunding | 59,201 | - | 8,214 | 50,987 | - |
| | <u>2,899,201</u> | <u>-</u> | <u>318,214</u> | <u>2,580,987</u> | <u>320,000</u> |
| Other Non-current Liabilities: | | | | | |
| Compensated Absences | 113,160 | 11,124 | 11,316 | 112,968 | 11,300 |
| Other Post-Employment Benefit Obligations Payable | 509,859 | 350,132 | 151,565 | 708,426 | - |
| Total Other Non-current Liabilities | <u>623,019</u> | <u>361,256</u> | <u>162,881</u> | <u>821,394</u> | <u>11,300</u> |
| Business-type Activities Long-Term Liabilities | <u>\$ 3,522,220</u> | <u>\$ 361,256</u> | <u>\$ 481,095</u> | <u>\$ 3,402,381</u> | <u>\$ 331,300</u> |

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

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2011

Note 3 - Detailed Notes on All Funds (Continued)**Bonds Payable**

Bonds payable at December 31, 2011 are comprised of the following individual issues:

| Purpose | Year of Issue | Original Issue Amount | Final Maturity | Interest Rates | Amount Outstanding at December 31, 2011 |
|----------------------------------|---------------|-----------------------|-----------------|----------------|---|
| Golf Club Improvements (Taxable) | 1998 | \$ 1,743,000 | September, 2018 | 6.2 to 6.300 % | \$ 890,000 |
| EFC - Land Acquisition | 2004 | 1,708,013 | August, 2024 | 3.761 to 4.964 | 1,185,000 |
| Public Improvements | 2005 | 6,428,000 | December, 2025 | 3.875 to 4.000 | 5,020,000 |
| Refunding Bonds | 2010 | 8,965,000 | September, 2021 | 2.0 to 4.000 | 8,080,000 |
| Public Improvements | 2010 | 3,534,000 | September, 2030 | 2.0 to 4.000 | 3,440,000 |
| EFC - Kirby Lane Sewer | 2010 | 2,373,374 | April, 2039 | 0.724 to 4.603 | 2,230,000 |
| | | | | | <u>\$ 20,845,000</u> |

Interest expenditure/expense of \$187,171 and \$444,405 was recorded in the fund financial statements in the Debt Service Fund and the Internal Service Fund, respectively. Interest expense of \$618,037 was recorded in the government-wide financial statements for governmental activities. Interest expense of \$107,085 was recorded in the fund financial and government-wide financial statements for the business-type activities - Golf Club Fund.

Payments to Maturity

The annual requirements to amortize all bonded and installment purchase contract debt outstanding, including interest of \$5,645,347 as of December 31, 2011 is as follows:

| Year | Bonds | | | | Total | |
|-----------|-------------------------|---------------------|--------------------------|-------------------|----------------------|---------------------|
| | Governmental Activities | | Business-type Activities | | Principal | Interest |
| | Principal | Interest | Principal | Interest | | |
| 2012 | \$ 1,165,000 | \$ 595,900 | \$ 320,000 | \$ 107,895 | \$ 1,485,000 | \$ 703,795 |
| 2013 | 1,195,000 | 568,791 | 330,000 | 97,085 | 1,525,000 | 665,876 |
| 2014 | 1,235,000 | 534,339 | 345,000 | 83,665 | 1,580,000 | 618,004 |
| 2015 | 1,280,000 | 498,378 | 360,000 | 69,415 | 1,640,000 | 567,793 |
| 2016 | 1,310,000 | 460,701 | 375,000 | 54,490 | 1,685,000 | 515,191 |
| 2017-2021 | 6,665,000 | 1,596,991 | 800,000 | 58,635 | 7,465,000 | 1,655,626 |
| 2022-2026 | 3,435,000 | 641,830 | - | - | 3,435,000 | 641,830 |
| 2027-2031 | 1,330,000 | 206,886 | - | - | 1,330,000 | 206,886 |
| 2032-2036 | 430,000 | 61,387 | - | - | 430,000 | 61,387 |
| 2037-2039 | 270,000 | 8,959 | - | - | 270,000 | 8,959 |
| | <u>\$ 18,315,000</u> | <u>\$ 5,174,162</u> | <u>\$ 2,530,000</u> | <u>\$ 471,185</u> | <u>\$ 20,845,000</u> | <u>\$ 5,645,347</u> |

Note 3 - Detailed Notes on All Funds (Continued)

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

Claims Payable

Claims payable reflects a liability of \$1,036,599 for tax certiorari refunds, which were not due and payable at year-end. This amount represents likely tax certiorari refunds based upon proceedings pending against the City to reduce assessments upon which taxes had been levied. This amount has been recorded as an expense in the government-wide financial statements.

Compensated Absences

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

Other Post-Employment Benefit Obligations Payable

In addition to providing pension benefits, the City provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the City may vary according to the length of service. The cost of providing post employment health care benefits is shared between the City and the retired employee. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. The cost of retiree health care benefits is recognized as expenditure as claims are paid in the fund financial statements. The City has recognized revenues and expenditures of \$77,458 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

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

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2011

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

| <u>Year Ended December 31,</u> | <u>Healthcare Cost Trend Rate</u> |
|------------------------------------|---|
| 2012 | 7.00 % |
| 2013 | 6.00 |
| 2014+ | 5.00 |

The amortization basis is the level dollar method with an open amortization approach with 26 years remaining in the amortization period. The actuarial assumptions also include a 4% investment rate of return, a 2.5% inflation rate and a 2.5% annual payroll growth rate. The City currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of December 31, 2011 was as follows:

| | |
|-------------------|-------------------|
| Active Employees | 153 |
| Retired Employees | <u>117</u> |
| | <u><u>270</u></u> |

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2011**Note 3 - Detailed Notes on All Funds (Continued)**

| | Governmental Funds | Enterprise Funds | Total |
|--|-----------------------|---------------------|----------------------|
| Amortization Component: | | | |
| Actuarial Accrued Liability as of January 1, 2011 | \$ 58,655,427 | \$ 3,996,225 | \$ 62,651,652 |
| Assets at Market Value | - | - | - |
| Unfunded Actuarial Accrued Liability ("UAAL") | <u>\$ 58,655,427</u> | <u>\$ 3,996,225</u> | <u>\$ 62,651,652</u> |
| Funded Ratio | 0.00% | 0.00% | 0.00% |
| Covered Payroll (active plan members) | <u>\$ 10,782,400</u> | <u>\$ 806,956</u> | <u>\$ 11,589,356</u> |
| UAAL as a Percentage of Covered Payroll | 543.99% | 495.22% | 540.60% |
| Annual Required Contribution | \$ 5,081,663 | \$ 353,058 | \$ 5,434,721 |
| Interest on Net OPEB Obligation | 356,849 | 20,395 | 377,244 |
| Adjustment to Annual Required Contribution | <u>(408,060)</u> | <u>(23,321)</u> | <u>(431,381)</u> |
| Annual OPEB Cost | 5,030,452 | 350,132 | 5,380,584 |
| Contributions Made | <u>(1,735,033)</u> | <u>(151,565)</u> | <u>(1,886,598)</u> |
| Increase in Net OPEB Obligation | 3,295,419 | 198,567 | 3,493,986 |
| Net OPEB Obligation - Beginning of Year | <u>8,921,229</u> | <u>509,859</u> | <u>9,431,088</u> |
| Net OPEB Obligation - End of Year | <u>\$ 12,216,648</u> | <u>\$ 708,426</u> | <u>\$ 12,925,074</u> |

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

| Fiscal Year Ended December 31, | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|--------------------------------------|---------------------|--|------------------------|
| 2011 | \$ 5,380,584 | 35.06 % | \$ 12,925,074 |
| 2010 | 4,919,938 | 35.45 | 9,431,088 |
| 2009 | 4,759,533 | 33.97 | 6,255,262 |

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

Note 3 - Detailed Notes on All Funds (Continued)**H. Revenues and Expenditures****Interfund Transfers**

Interfund transfers are defined as the flow of assets (such as cash or goods and services) between funds of the City without equivalent flows of assets in return and without a requirement for repayment. Interfund transfers for the fiscal year ended December 31, 2011 were as follows:

| Transfers Out | Transfers In | | | Total |
|------------------|-------------------|------------------------|------------------|---------------------|
| | Capital Projects | Non-Major Governmental | Internal Service | |
| General | \$ 288,291 | \$ 252,544 | \$ 85,000 | \$ 625,835 |
| Capital Projects | 398,966 | - | - | 398,966 |
| | <u>\$ 687,257</u> | <u>\$ 252,544</u> | <u>\$ 85,000</u> | <u>\$ 1,024,801</u> |

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

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

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2011

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

| | 2011 | | | | 2010 | | | |
|--------------------------------|--------------|-----------------------|------------------------------|---------------|---------------|-----------------------|------------------------------|---------------|
| | General Fund | Capital Projects Fund | Non-Major Governmental Funds | Total | General Fund | Capital Projects Fund | Non-Major Governmental Funds | Total |
| Nonspendable: | | | | | | | | |
| Prepaid expenditures | \$ 453,106 | \$ - | \$ 4,227 | \$ 457,333 | \$ 377,277 | \$ - | \$ 3,289 | \$ 380,566 |
| Long-term receivables | 486,029 | - | - | 486,029 | 566,860 | - | - | 566,860 |
| Advances | 708,702 | - | - | 708,702 | 1,334,183 | - | - | 1,334,183 |
| Permanent Fund | - | - | 20,000 | 20,000 | - | - | 20,000 | 20,000 |
| | 1,647,837 | - | 24,227 | 1,672,064 | 2,278,320 | - | 23,289 | 2,301,609 |
| Restricted: | | | | | | | | |
| Compensated absences | 1,307,234 | - | 10,968 | 1,318,202 | 1,265,202 | - | 14,434 | 1,279,636 |
| Workers' compensation | 834,400 | - | 300 | 834,700 | 834,400 | - | 300 | 834,700 |
| Capital projects | - | 1,706,064 | - | 1,706,064 | - | 2,450,581 | - | 2,450,581 |
| Permanent Fund | - | - | 128 | 128 | - | - | 118 | 118 |
| Debt service | - | - | 6,389 | 6,389 | - | - | 39,859 | 39,859 |
| | 2,141,634 | 1,706,064 | 17,785 | 3,865,483 | 2,099,602 | 2,450,581 | 54,711 | 4,604,894 |
| Total Restricted | | | | | | | | |
| | 254,742 | 348,203 | 18,609 | 621,554 | 283,449 | 209,293 | 28,297 | 521,039 |
| Assigned: | | | | | | | | |
| Purchases on order: | | | | | | | | |
| General government support | 111,000 | - | - | 111,000 | 106,201 | - | - | 106,201 |
| Public safety | 60,355 | 18,329 | - | 78,684 | 98,262 | - | - | 98,262 |
| Transportation | 73,940 | 82,116 | - | 156,056 | 33,993 | - | - | 33,993 |
| Culture and recreation | 9,447 | - | 18,609 | 28,056 | 2,504 | - | 28,297 | 30,801 |
| Home and community services | - | 247,758 | - | 247,758 | 42,489 | 209,293 | - | 251,782 |
| | 254,742 | 348,203 | 18,609 | 621,554 | 283,449 | 209,293 | 28,297 | 521,039 |
| Designated: | | | | | | | | |
| Subsequent year's expenditures | - | - | 46,020 | 46,020 | 528,070 | - | 32,637 | 560,707 |
| Police purposes | 9,459 | - | - | 9,459 | 8,709 | - | - | 8,709 |
| Parks | 99,659 | - | - | 99,659 | 99,659 | - | - | 99,659 |
| Recreation programs | 283,743 | - | - | 283,743 | 263,113 | - | - | 263,113 |
| WWI memorial | 4,151 | - | - | 4,151 | 4,151 | - | - | 4,151 |
| Tax certiorari | 1,036,599 | - | - | 1,036,599 | 2,124,816 | - | - | 2,124,816 |
| Cable TV | - | - | 364,359 | 364,359 | - | - | 356,401 | 356,401 |
| | 1,688,353 | 348,203 | 428,988 | 2,465,544 | 3,311,967 | 209,293 | 417,335 | 3,938,595 |
| Total Assigned | | | | | | | | |
| | 3,779,938 | - | - | 3,779,938 | 2,805,268 | - | - | 2,805,268 |
| Unassigned | | | | | | | | |
| | \$ 9,257,762 | \$ 2,054,267 | \$ 471,000 | \$ 11,783,029 | \$ 10,495,157 | \$ 2,659,874 | \$ 495,335 | \$ 13,650,366 |
| Total Fund Balances | | | | | | | | |

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

Advances have been established to indicate the long-term nature of funds advanced to the Building and Vehicle Maintenance Fund. The amount is classified as nonspendable to indicate that these funds do not represent "available" spendable resources even though they are a component of current assets.

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

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

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

Designations of fund balance are not legally required segregations but represent intended use for a specific purpose. At December 31, 2011, the City Council has assigned the above amounts to be appropriated for the ensuing year's budget, police purposes, the acquisition and/or embellishment of parks and playgrounds, recreational programs, WWI memorial and tax certiorari settlements.

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The City, in common with other municipalities, receives numerous notices of claims for money damages occurring from false arrest, malicious prosecution, and defamation of character or personal injury. The filing of such claims commences a statutory period for initiating judicial action. Currently, the City is defendant in numerous actions that may exceed insurance limits, or are not covered by applicable insurance. Such actions are being defended and no opinion is

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

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

B. Contingencies

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

The City, along with other municipal entities, participates in the Municipal Employee Benefits Consortium ("MEBCO"). MEBCO is a public entity risk pool currently operating as a common risk management and health insurance program for its members. MEBCO was formed in April 1988 pursuant to an act of the Board of Legislators of the County of Westchester. This act provided cities and villages throughout Westchester County with an opportunity to participate in a cooperative program for providing health benefits to municipal employees by entering into an intermunicipal agreement pursuant to Article 5-G of the General Municipal Law. 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.

Note 5 - Other Matters

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

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

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

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

CITY OF RYE, NEW YORK

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS
 OTHER POSTEMPLOYMENT BENEFITS
 LAST THREE FISCAL YEARS

| Fiscal Year Ended December 31, | Actuarial | | Unfunded Actuarial Accrued Liability | Funded Ratio | Covered Payroll | Unfunded Liability as a Percentage of Covered Payroll |
|--------------------------------------|--------------------|----------------------|---|-----------------|--------------------|---|
| | Value of Assets | Accrued Liability | | | | |
| 2009 | \$ - | \$ 53,028,308 | \$ 53,028,308 | - % | \$ 11,744,841 | 451.50 % |
| 2010 | - | 59,721,315 | 59,721,315 | - | 11,306,689 | 528.19 |
| 2011 | - | 62,651,652 | 62,651,652 | - | 11,589,356 | 540.60 |

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**CAPITAL PROJECTS FUND
PROJECT-LENGTH SCHEDULE**

City of Rye, New York
 Capital Projects Fund
 Project-Length Schedule
 Inception of Project Through December 31, 2011

| Project Number | Project Title | Year Authorized | Project Budget | Expenditures and Other Financing Uses | | | Unexpended Balance | |
|----------------|---|-----------------|----------------|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | | | | Prior Years | Current Year | Total | | |
| 533024 | Locust Avenue and Purchase Street Signal | 2006 | \$ 11,000 | \$ 6,760 | \$ 4,240 | \$ 11,000 | \$ - | |
| 533025/032 | Signal Purchase/Ridge Street Roundabout | 2007/2010 | 787,400 | 218,550 | - | 218,550 | 568,850 | |
| 533026 | CBD Traffic Signals | 2007 | 350,000 | 321,626 | 16,000 | 337,626 | 12,374 | |
| 533030 | 2009 ARRA Projects | 2009 | 898,792 | 801,081 | 6,931 | 808,012 | 90,780 | |
| 533031 | CBD Traffic Signal Purchase Locust | 2010 | 270,414 | 7,900 | 262,514 | 270,414 | - | |
| 551061 | Peck Avenue Intersection | 2007 | 400,000 | 214,600 | 4,900 | 219,500 | 180,500 | |
| 551070 | Central Avenue Bridge Reconstruction | 2007 | 2,248,600 | 285,948 | 43,230 | 329,178 | 1,919,422 | |
| 551079 | Annual Street Resurfacing Program | 2010 | 715,583 | 522,179 | 193,404 | 715,583 | - | |
| 551082 | SRS - Boston Post Road | 2010 | 131,400 | 86,629 | 5,635 | 92,264 | 39,136 | |
| 551083 | Manursing Way Guiderail | 2010 | 25,000 | - | - | - | 25,000 | |
| 551084 | Pay Station Shelter | 2010 | 40,000 | - | 31,550 | 31,550 | 8,450 | |
| 554115 | Annual Sidewalk Replacement Program | 2010 | 54,975 | 36,717 | 18,258 | 54,975 | - | |
| 555150 | Morehead Footbridge Reconstruction | 2006 | 70,000 | 42,065 | 27,935 | 70,000 | - | |
| 571041 | Recreation Master Plan | 2001 | 75,409 | 68,245 | - | 68,245 | 7,164 | |
| 581201B | Kirby Lane Sewer | 2003 | 2,466,774 | 2,449,014 | - | 2,449,014 | 17,760 | |
| 581206 | Upper Dogwood Lane Sewer | 2007 | 150,000 | 130,555 | 4,467 | 135,022 | 14,978 | |
| 581219 | Hewlett Avenue Pump Station | 2007 | 690,866 | 289,111 | 15,029 | 304,140 | 386,726 | |
| 581225 | Sewer Force Mains | 2008 | 248,758 | 248,558 | 200 | 248,758 | - | |
| 581227 | Cedar Place Sewer | 2009 | 90,000 | 2,900 | - | 2,900 | 87,100 | |
| 581228 | Westchester Beach Pump Generator | 2009 | 36,200 | 36,167 | 33 | 36,200 | - | |
| 581229 | Kirby Lane Sanitary Sewer | 2010 | 17,315 | 17,850 | 295,121 | 312,971 | (295,656) | |
| 581427 | Annual Sewer Drainage Improvement Program | 2010 | 66,548 | 47,766 | 18,782 | 66,548 | - | |
| 581428 | Old Milton Road Drainage | 2010 | 210,000 | 4,950 | - | 4,950 | 205,050 | |
| 585403 | Theo Fremd Retaining Wall | 2007 | 1,758,660 | 114,424 | 3,768 | 118,192 | 1,640,468 | |
| 585404 | Elm Place Retaining Wall | 2007 | 1,425,965 | 1,328,929 | 97,036 | 1,425,965 | - | |
| 585405 | Bowman Avenue Sluice Gate | 2008 | 2,095,822 | 163,520 | 37,573 | 201,093 | 1,894,729 | |
| 551085 | Annual Street Resurfacing Program | 2011 | 560,750 | - | 390,099 | 390,099 | 170,651 | |
| 551086 | Midland Palisades Improvements | 2011 | 17,500 | - | 5,921 | 5,921 | 11,579 | |
| 554116 | Annual Sidewalk Replacement Program | 2011 | 68,258 | - | 31,336 | 31,336 | 36,922 | |
| 581429 | Annual Sewer Drainage Improvement Program | 2011 | 135,035 | - | 89,901 | 89,901 | 45,134 | |
| | | | | <u>\$ 16,117,024</u> | <u>\$ 7,446,044</u> | <u>\$ 1,603,863</u> | <u>\$ 9,049,907</u> | <u>\$ 7,067,117</u> |

| Revenues and Other Financing Sources | | | Fund Balance (Deficit) |
|--------------------------------------|-------------------|----------------------|---------------------------|
| Prior Years | Current Year | Total | at December 31, 2011 |
| \$ 11,000 | \$ - | \$ 11,000 | \$ - |
| 287,400 | - | 287,400 | 68,850 |
| 350,000 | - | 350,000 | 12,374 |
| 801,470 | 8,291 | 809,761 | 1,749 |
| 165,000 | 105,414 | 270,414 | - |
| 400,000 | - | 400,000 | 180,500 |
| 996,159 | - | 996,159 | 666,981 |
| 715,583 | - | 715,583 | - |
| 123,900 | 7,500 | 131,400 | 39,136 |
| 25,000 | - | 25,000 | 25,000 |
| 40,000 | - | 40,000 | 8,450 |
| 54,975 | - | 54,975 | - |
| 70,000 | - | 70,000 | - |
| 75,409 | - | 75,409 | 7,164 |
| 2,456,978 | - | 2,456,978 | 7,964 |
| 150,000 | - | 150,000 | 14,978 |
| 380,831 | 97,035 | 477,866 | 173,726 |
| 248,758 | - | 248,758 | - |
| 90,000 | - | 90,000 | 87,100 |
| 36,200 | - | 36,200 | - |
| 17,315 | - | 17,315 | (295,656) |
| 66,548 | - | 66,548 | - |
| 210,000 | - | 210,000 | 205,050 |
| 431,864 | - | 431,864 | 313,672 |
| 1,425,965 | - | 1,425,965 | - |
| 475,563 | - | 475,563 | 274,470 |
| - | 559,223 | 559,223 | 169,124 |
| - | 17,500 | 17,500 | 11,579 |
| - | 68,258 | 68,258 | 36,922 |
| - | 135,035 | 135,035 | 45,134 |
| <u>\$ 10,105,918</u> | <u>\$ 998,256</u> | <u>\$ 11,104,174</u> | <u>\$ 2,054,267</u> |

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| |
|-------------------------------------|
| NON-MAJOR GOVERNMENTAL FUNDS |
|-------------------------------------|

SPECIAL REVENUE FUNDS

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

PERMANENT FUND

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

DEBT SERVICE FUND

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

City of Rye, New York
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011
(With Comparative Amounts for 2010)

| | 2011 | | | |
|--|-------------------|-------------------------------|-------------------------|-------------------|
| | Cable TV Fund | KT Woods Permanent Fund | Debt Service Fund | Total |
| ASSETS | | | | |
| Cash and equivalents | \$ 315,633 | \$ - | \$ - | \$ 315,633 |
| Investments | 111,715 | 20,128 | 12,165 | 144,008 |
| Accounts receivable | 80,126 | - | - | 80,126 |
| Due from other funds | - | - | 622 | 622 |
| Prepaid expenditures | 4,227 | - | - | 4,227 |
| Total Assets | \$ 511,701 | \$ 20,128 | \$ 12,787 | \$ 544,616 |
| LIABILITIES | | | | |
| Accounts payable | \$ 43,410 | \$ - | \$ - | \$ 43,410 |
| Accrued liabilities | 256 | - | - | 256 |
| Due to other funds | 18,363 | - | 6,322 | 24,685 |
| Due to other governments | 5,265 | - | - | 5,265 |
| Total Liabilities | 67,294 | - | 6,322 | 73,616 |
| FUND BALANCES | | | | |
| Nonspendable | 4,227 | 20,000 | - | 24,227 |
| Restricted | 11,268 | 128 | 6,389 | 17,785 |
| Assigned | 428,912 | - | 76 | 428,988 |
| Total Fund Balances | 444,407 | 20,128 | 6,465 | 471,000 |
| Total Liabilities and Fund Balances | \$ 511,701 | \$ 20,128 | \$ 12,787 | \$ 544,616 |

2010

| Cable TV Fund | KT Woods Permanent Fund | Debt Service Fund | Total |
|-------------------|-------------------------------|-------------------------|-------------------|
| \$ 230,957 | \$ - | \$ - | \$ 230,957 |
| 129,300 | 20,118 | 60,626 | 210,044 |
| 76,100 | - | - | 76,100 |
| - | - | 409 | 409 |
| 3,289 | - | - | 3,289 |
| <u>\$ 439,646</u> | <u>\$ 20,118</u> | <u>\$ 61,035</u> | <u>\$ 520,799</u> |
| | | | |
| \$ 10,960 | \$ - | \$ - | \$ 10,960 |
| 239 | - | - | 239 |
| 13,868 | - | - | 13,868 |
| 397 | - | - | 397 |
| <u>25,464</u> | <u>-</u> | <u>-</u> | <u>25,464</u> |
| | | | |
| 3,289 | 20,000 | - | 23,289 |
| 14,734 | 118 | 39,859 | 54,711 |
| 396,159 | - | 21,176 | 417,335 |
| <u>414,182</u> | <u>20,118</u> | <u>61,035</u> | <u>495,335</u> |
| | | | |
| <u>\$ 439,646</u> | <u>\$ 20,118</u> | <u>\$ 61,035</u> | <u>\$ 520,799</u> |

City of Rye, New York
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended December 31, 2011
 (With Comparative Amounts for 2010)

| | 2011 | | | |
|--|-------------------|-------------------------------|-------------------------|-------------------|
| | Cable TV Fund | KT Woods Permanent Fund | Debt Service Fund | Total |
| REVENUES | | | | |
| Real property taxes and related items | \$ - | \$ - | \$ 101,521 | \$ 101,521 |
| Non-property taxes | 329,624 | - | - | 329,624 |
| Use of money and property | 147 | 10 | 257 | 414 |
| Miscellaneous | 51,548 | - | - | 51,548 |
| Total Revenues | <u>381,319</u> | <u>10</u> | <u>101,778</u> | <u>483,107</u> |
| EXPENDITURES | | | | |
| Current - | | | | |
| Culture and Recreation: | | | | |
| Salaries and wages | 141,093 | - | - | 141,093 |
| Equipment | 98,507 | - | - | 98,507 |
| Materials and supplies | 17,587 | - | - | 17,587 |
| Contractual costs | 11,322 | - | - | 11,322 |
| Employee benefits | 82,585 | - | - | 82,585 |
| | <u>351,094</u> | <u>-</u> | <u>-</u> | <u>351,094</u> |
| Debt Service: | | | | |
| Refunding bond issuance costs | - | - | - | - |
| Principal | - | - | 221,721 | 221,721 |
| Interest | - | - | 187,171 | 187,171 |
| Total Expenditures | <u>351,094</u> | <u>-</u> | <u>408,892</u> | <u>759,986</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>30,225</u> | <u>10</u> | <u>(307,114)</u> | <u>(276,879)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Refunding bonds issued | - | - | - | - |
| Issuance premium | - | - | - | - |
| Payment to refunded bond escrow agent | - | - | - | - |
| Transfers in | - | - | 252,544 | 252,544 |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>252,544</u> | <u>252,544</u> |
| Net Change in Fund Balances | 30,225 | 10 | (54,570) | (24,335) |
| Fund Balances - Beginning of Year | 414,182 | 20,118 | 61,035 | 495,335 |
| Fund Balances - End of Year | <u>\$ 444,407</u> | <u>\$ 20,128</u> | <u>\$ 6,465</u> | <u>\$ 471,000</u> |

2010

| Cable TV Fund | KT Woods Permanent Fund | Debt Service Fund | Total |
|-------------------|-------------------------------|-------------------------|-------------------|
| \$ - | \$ - | \$ 123,535 | \$ 123,535 |
| 294,179 | - | - | 294,179 |
| 430 | 38 | 720 | 1,188 |
| 50,985 | - | - | 50,985 |
| <u>345,594</u> | <u>38</u> | <u>124,255</u> | <u>469,887</u> |
| 136,248 | - | - | 136,248 |
| 35,444 | - | - | 35,444 |
| 9,868 | - | - | 9,868 |
| 11,890 | - | - | 11,890 |
| 42,160 | - | - | 42,160 |
| <u>235,610</u> | <u>-</u> | <u>-</u> | <u>235,610</u> |
| - | - | 9,782 | 9,782 |
| - | - | 165,261 | 165,261 |
| - | - | 58,871 | 58,871 |
| <u>235,610</u> | <u>-</u> | <u>233,914</u> | <u>469,524</u> |
| <u>109,984</u> | <u>38</u> | <u>(109,659)</u> | <u>363</u> |
| - | - | 791,579 | 791,579 |
| - | - | 56,934 | 56,934 |
| - | - | (838,731) | (838,731) |
| - | - | 39,987 | 39,987 |
| - | - | 49,769 | 39,987 |
| <u>109,984</u> | <u>38</u> | <u>(59,890)</u> | <u>50,132</u> |
| <u>304,198</u> | <u>20,080</u> | <u>120,925</u> | <u>445,203</u> |
| <u>\$ 414,182</u> | <u>\$ 20,118</u> | <u>\$ 61,035</u> | <u>\$ 495,335</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, 2011
 (With Comparative Amounts for 2010)

| | 2011 | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|-------------------|--|
| | Original Budget | Final Budget | Actual | |
| REVENUES | | | | |
| Non-property taxes | \$ 260,000 | \$ 260,000 | \$ 329,624 | \$ 69,624 |
| Use of money and property | 400 | 400 | 147 | (253) |
| Miscellaneous | 50,850 | 50,850 | 51,548 | 698 |
| Total Revenues | <u>311,250</u> | <u>311,250</u> | <u>381,319</u> | <u>70,069</u> |
| EXPENDITURES | | | | |
| Current - | | | | |
| Culture and Recreation: | | | | |
| Salaries and wages | 151,140 | 151,365 | 141,093 | 10,272 |
| Equipment | 63,600 | 102,979 | 98,507 | 4,472 |
| Materials and supplies | 18,495 | 22,379 | 17,587 | 4,792 |
| Contractual costs | 34,802 | 41,637 | 11,322 | 30,315 |
| Employee benefits | 54,674 | 86,544 | 82,585 | 3,959 |
| Total Expenditures | <u>322,711</u> | <u>404,904</u> | <u>351,094</u> | <u>53,810</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (11,461) | (93,654) | 30,225 | 123,879 |
| Fund Balance - Beginning of Year | 11,461 | 93,654 | 414,182 | 320,528 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 444,407</u> | <u>\$ 444,407</u> |

2010

| Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------|-----------------|-------------------|--|
| \$ 260,000 | \$ 260,000 | \$ 294,179 | \$ 34,179 |
| 650 | 650 | 430 | (220) |
| 51,650 | 51,650 | 50,985 | (665) |
| <u>312,300</u> | <u>312,300</u> | <u>345,594</u> | <u>33,294</u> |
| 134,051 | 143,436 | 136,248 | 7,188 |
| 64,600 | 64,600 | 35,444 | 29,156 |
| 19,130 | 19,199 | 9,868 | 9,331 |
| 36,626 | 25,729 | 11,890 | 13,839 |
| 46,476 | 47,919 | 42,160 | 5,759 |
| <u>300,883</u> | <u>300,883</u> | <u>235,610</u> | <u>65,273</u> |
| 11,417 | 11,417 | 109,984 | 98,567 |
| (11,417) | (11,417) | 304,198 | 315,615 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 414,182</u> | <u>\$ 414,182</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, 2011
 (With Comparative Amounts for 2010)

| | 2011 | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|------------------|--|
| | Original Budget | Final Budget | Actual | |
| REVENUES | | | | |
| Use of money and property | \$ 40 | \$ 40 | \$ 10 | \$ (30) |
| EXPENDITURES | | | | |
| Current - Culture and recreation | - | - | - | - |
| Excess of Revenues Over Expenditures | 40 | 40 | 10 | (30) |
| Fund Balance (Deficit) - Beginning of Year | (40) | (40) | 20,118 | 20,158 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 20,128</u> | <u>\$ 20,128</u> |

2010

| <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|----------------------------|-------------------------|------------------|---|
| \$ 60 | \$ 60 | \$ 38 | \$ (22) |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 60 | 60 | 38 | (22) |
| (60) | (60) | 20,080 | 20,140 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 20,118</u> | <u>\$ 20,118</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, 2011
(With Comparative Amounts for 2010)

| | 2011 | | | Variance with Final Budget Positive (Negative) |
|---|--------------------|-----------------|------------|--|
| | Original Budget | Final Budget | Actual | |
| REVENUES | | | | |
| Real property taxes and related items | \$ - | \$ 101,521 | \$ 101,521 | \$ - |
| Use of money and property | - | - | 257 | 257 |
| Total Revenues | - | 101,521 | 101,778 | 257 |
| EXPENDITURES | | | | |
| Debt Service: | | | | |
| Refunding bond issuance costs | - | - | - | - |
| Principal | 142,176 | 205,119 | 221,721 | (16,602) |
| Interest | 131,544 | 170,122 | 187,171 | (17,049) |
| Total Expenditures | 273,720 | 375,241 | 408,892 | (33,651) |
| Deficiency of Revenues Over Expenditures | (273,720) | (273,720) | (307,114) | (33,394) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Refunding bonds issued | - | - | - | - |
| Issuance premium | - | - | - | - |
| Payment to refunded bond escrow agent | - | - | - | - |
| Transfers in | 252,544 | 252,544 | 252,544 | - |
| Total Other Financing Sources | 252,544 | 252,544 | 252,544 | - |
| Net Change in Fund Balance | (21,176) | (21,176) | (54,570) | (33,394) |
| Fund Balance - Beginning of Year | 21,176 | 21,176 | 61,035 | 39,859 |
| Fund Balance - End of Year | \$ - | \$ - | \$ 6,465 | \$ 6,465 |

2010

| Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------|------------------|------------------|--|
| \$ - | \$ 123,534 | \$ 123,535 | \$ 1 |
| 250 | 250 | 720 | 470 |
| <u>250</u> | <u>123,784</u> | <u>124,255</u> | <u>471</u> |
| - | 9,782 | 9,782 | - |
| 78,308 | 165,261 | 165,261 | - |
| 61,679 | 98,260 | 58,871 | 39,389 |
| <u>139,987</u> | <u>273,303</u> | <u>233,914</u> | <u>39,389</u> |
| <u>(139,737)</u> | <u>(149,519)</u> | <u>(109,659)</u> | <u>39,860</u> |
| - | 791,579 | 791,579 | - |
| - | 56,934 | 56,934 | - |
| - | (838,731) | (838,731) | - |
| 39,987 | 39,987 | 39,987 | - |
| <u>39,987</u> | <u>49,769</u> | <u>49,769</u> | <u>-</u> |
| (99,750) | (99,750) | (59,890) | 39,860 |
| 99,750 | 99,750 | 120,925 | 21,175 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 61,035</u> | <u>\$ 61,035</u> |

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INTERNAL SERVICE FUNDS

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

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

City of Rye, New York
Internal Service Funds
Combining Statement of Net Assets
December 31, 2011
(With Comparative Amounts for 2010)

| | 2011 | | Total |
|--|---------------------|---------------------------------------|-------------------|
| | Risk Retention Fund | Building and Vehicle Maintenance Fund | |
| ASSETS | | | |
| Current Assets: | | | |
| Cash and equivalents | \$ - | \$ 151,027 | \$ 151,027 |
| Investments | 591,502 | 2,482,989 | 3,074,491 |
| Accounts receivable, net | 130,255 | 3,161 | 133,416 |
| Deposits | 28,500 | - | 28,500 |
| Due from other funds | 50,000 | 308,610 | 358,610 |
| Due from other governments, net | - | 39,232 | 39,232 |
| Prepaid expenses | 68,204 | 22,241 | 90,445 |
| Total Current Assets | <u>868,461</u> | <u>3,007,260</u> | <u>3,875,721</u> |
| Noncurrent Assets: | | | |
| Deferred charges | - | 61,805 | 61,805 |
| Capital Assets: | | | |
| Land | - | 6,571,814 | 6,571,814 |
| Buildings | - | 19,703,882 | 19,703,882 |
| Improvements | - | 4,379,794 | 4,379,794 |
| Machinery and equipment | - | 9,899,611 | 9,899,611 |
| Construction in progress | - | 528,231 | 528,231 |
| Less - Accumulated depreciation | - | (12,021,351) | (12,021,351) |
| Total Capital Assets (net of accumulated depreciation) | - | 29,061,981 | 29,061,981 |
| Total Noncurrent Assets | - | 29,123,786 | 29,123,786 |
| Total Assets | <u>868,461</u> | <u>32,131,046</u> | <u>32,999,507</u> |

| 2010 | | |
|---------------------|---------------------------------------|-------------------|
| Risk Retention Fund | Building and Vehicle Maintenance Fund | Total |
| \$ - | \$ 359,521 | \$ 359,521 |
| 506,631 | 1,898,818 | 2,405,449 |
| 100,957 | - | 100,957 |
| 28,500 | - | 28,500 |
| - | 600,258 | 600,258 |
| - | 1,047,666 | 1,047,666 |
| 63,388 | 18,823 | 82,211 |
| <u>699,476</u> | <u>3,925,086</u> | <u>4,624,562</u> |
| - | 69,335 | 69,335 |
| - | 6,571,814 | 6,571,814 |
| - | 11,610,334 | 11,610,334 |
| - | 4,286,294 | 4,286,294 |
| - | 9,568,277 | 9,568,277 |
| - | 8,608,447 | 8,608,447 |
| - | (10,958,636) | (10,958,636) |
| - | 29,686,530 | 29,686,530 |
| - | 29,755,865 | 29,755,865 |
| <u>699,476</u> | <u>33,680,951</u> | <u>34,380,427</u> |

(Continued)

City of Rye, New York
Internal Service Funds
Combining Statement of Net Assets (Continued)
December 31, 2011
(With Comparative Amounts for 2010)

| | 2011 | | |
|--|---------------------------|--|----------------------|
| | Risk Retention Fund | Building and Vehicle Maintenance Fund | Total |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts payable | 66,106 | 71,469 | 137,575 |
| Accrued liabilities | 412,000 | 222 | 412,222 |
| Accrued interest payable | - | 86,734 | 86,734 |
| Retainage payable | - | 158,570 | 158,570 |
| Due to other funds | - | 1,385,759 | 1,385,759 |
| Advances from other funds | - | 708,702 | 708,702 |
| Compensated absences | - | 7,600 | 7,600 |
| Bonds payable | - | 918,082 | 918,082 |
| Total Current Liabilities | 478,106 | 3,337,138 | 3,815,244 |
| Noncurrent Liabilities: | | | |
| Bonds payable, less current portion | - | 11,841,950 | 11,841,950 |
| Compensated absences, less current portion | - | 68,517 | 68,517 |
| Other postemployment benefit obligations | - | 931,443 | 931,443 |
| Total Noncurrent Liabilities | - | 12,841,910 | 12,841,910 |
| Total Liabilities | 478,106 | 16,179,048 | 16,657,154 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | - | 17,668,260 | 17,668,260 |
| Unrestricted | 390,355 | (1,716,262) | (1,325,907) |
| Total Net Assets | \$ 390,355 | \$ 15,951,998 | \$ 16,342,353 |

| 2010 | | |
|---------------------|---------------------------------------|----------------------|
| Risk Retention Fund | Building and Vehicle Maintenance Fund | Total |
| 22,364 | 75,093 | 97,457 |
| 444,000 | - | 444,000 |
| - | 114,104 | 114,104 |
| - | 154,225 | 154,225 |
| - | 1,742,834 | 1,742,834 |
| - | 1,334,183 | 1,334,183 |
| - | 8,460 | 8,460 |
| - | 870,653 | 870,653 |
| <u>466,364</u> | <u>4,299,552</u> | <u>4,765,916</u> |
| - | 12,767,934 | 12,767,934 |
| - | 76,143 | 76,143 |
| - | 683,057 | 683,057 |
| - | 13,527,134 | 13,527,134 |
| <u>466,364</u> | <u>17,826,686</u> | <u>18,293,050</u> |
| - | 17,956,108 | 17,956,108 |
| 233,112 | (2,101,843) | (1,868,731) |
| <u>\$ 233,112</u> | <u>\$ 15,854,265</u> | <u>\$ 16,087,377</u> |

City of Rye, New York
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Assets
Year Ended December 31, 2011
(With Comparative Amounts for 2010)

| | 2011 | | |
|--|---------------------------|--|----------------------|
| | Risk Retention Fund | Building and Vehicle Maintenance Fund | Total |
| OPERATING REVENUES | | | |
| Charges for services | \$ 743,069 | \$ 3,935,152 | \$ 4,678,221 |
| Miscellaneous | 196,832 | 300,883 | 497,715 |
| Total Operating Revenues | <u>939,901</u> | <u>4,236,035</u> | <u>5,175,936</u> |
| OPERATING EXPENSES | | | |
| Salaries and wages | - | 661,890 | 661,890 |
| Employee benefits | - | 611,892 | 611,892 |
| Materials, supplies and equipment | - | 1,070,934 | 1,070,934 |
| Contractual costs | 782,851 | 208,336 | 991,187 |
| Depreciation and amortization | - | 1,250,275 | 1,250,275 |
| Total Operating Expenses | <u>782,851</u> | <u>3,803,327</u> | <u>4,586,178</u> |
| Operating Income (Loss) | <u>157,050</u> | <u>432,708</u> | <u>589,758</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Gain on sale of equipment | - | 23,438 | 23,438 |
| Interest income | 193 | 992 | 1,185 |
| Interest expense | - | (444,405) | (444,405) |
| Total Non-Operating Revenues (Expenses) | <u>193</u> | <u>(419,975)</u> | <u>(419,782)</u> |
| Income (Loss) Before Transfers | 157,243 | 12,733 | 169,976 |
| Transfers in | - | 85,000 | 85,000 |
| Change in Net Assets | 157,243 | 97,733 | 254,976 |
| Net Assets - Beginning of Year | 233,112 | 15,854,265 | 16,087,377 |
| Net Assets - End of Year | <u>\$ 390,355</u> | <u>\$ 15,951,998</u> | <u>\$ 16,342,353</u> |

| 2010 | | |
|---------------------|---------------------------------------|----------------------|
| Risk Retention Fund | Building and Vehicle Maintenance Fund | Total |
| \$ 439,160 | \$ 4,898,151 | \$ 5,337,311 |
| 100,957 | 311,738 | 412,695 |
| <u>540,117</u> | <u>5,209,889</u> | <u>5,750,006</u> |
| - | 721,910 | 721,910 |
| - | 608,995 | 608,995 |
| - | 1,156,518 | 1,156,518 |
| 727,788 | 222,115 | 949,903 |
| - | 1,089,226 | 1,089,226 |
| <u>727,788</u> | <u>3,798,764</u> | <u>4,526,552</u> |
| <u>(187,671)</u> | <u>1,411,125</u> | <u>1,223,454</u> |
| - | 15,324 | 15,324 |
| 1,013 | 4,587 | 5,600 |
| - | (341,178) | (341,178) |
| <u>1,013</u> | <u>(321,267)</u> | <u>(320,254)</u> |
| (186,658) | 1,089,858 | 903,200 |
| - | 110,000 | 110,000 |
| (186,658) | 1,199,858 | 1,013,200 |
| 419,770 | 14,654,407 | 15,074,177 |
| <u>\$ 233,112</u> | <u>\$ 15,854,265</u> | <u>\$ 16,087,377</u> |

City of Rye, New York
Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2011
(With Comparative Amounts for 2010)

| | 2011 | | |
|---|---------------------------|--|--------------|
| | Risk Retention Fund | Building and Vehicle Maintenance Fund | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash received from charges to other funds | \$ 713,771 | \$ 5,232,073 | \$ 5,945,844 |
| Cash payments to employees | - | (1,033,660) | (1,033,660) |
| Cash payments to vendors | (825,925) | (1,639,042) | (2,464,967) |
| Other operating revenues | 196,832 | 300,883 | 497,715 |
| Net Cash Provided by (Used in) Operating Activities | 84,678 | 2,860,254 | 2,944,932 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers in | - | 85,000 | 85,000 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Advances from other funds | - | (625,481) | (625,481) |
| Bonds issued | - | - | - |
| Acquisition and construction of capital assets | - | (618,195) | (618,195) |
| Principal paid on capital debt | - | (870,653) | (870,653) |
| Interest paid on capital debt | - | (479,678) | (479,678) |
| Proceeds from sale of capital assets | - | 23,438 | 23,438 |
| Net Cash Used in Capital and Related Financing Activities | - | (2,570,569) | (2,570,569) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest income | 193 | 992 | 1,185 |
| Purchase of investments | (863,790) | (4,161,883) | (5,025,673) |
| Sale of investments | 778,919 | 3,577,712 | 4,356,631 |
| Net Cash Provided by (Used in) Investing Activities | (84,678) | (583,179) | (667,857) |
| Net Increase (Decrease) in Cash and Equivalents | - | (208,494) | (208,494) |
| Cash and Equivalents, Beginning of Year | - | 359,521 | 359,521 |
| Cash and Equivalents, End of Year | \$ - | \$ 151,027 | \$ 151,027 |

| 2010 | | |
|---------------------|---------------------------------------|--------------------|
| Risk Retention Fund | Building and Vehicle Maintenance Fund | Total |
| \$ 439,160 | \$ 4,182,875 | \$ 4,622,035 |
| - | (1,070,073) | (1,070,073) |
| (642,244) | (1,405,463) | (2,047,707) |
| - | 311,738 | 311,738 |
| <u>(203,084)</u> | <u>2,019,077</u> | <u>1,815,993</u> |
| - | 110,000 | 110,000 |
| - | 1,334,183 | 1,334,183 |
| - | 1,230,000 | 1,230,000 |
| - | (589,713) | (589,713) |
| - | (5,247,232) | (5,247,232) |
| - | (1,237,521) | (1,237,521) |
| - | 15,324 | 15,324 |
| - | <u>(4,494,959)</u> | <u>(4,494,959)</u> |
| 1,013 | 190,917 | 191,930 |
| (468,448) | (5,262,778) | (5,731,226) |
| <u>670,519</u> | <u>7,517,061</u> | <u>8,187,580</u> |
| 203,084 | 2,445,200 | 2,648,284 |
| - | 79,318 | 79,318 |
| - | 280,203 | 280,203 |
| <u>\$ -</u> | <u>\$ 359,521</u> | <u>\$ 359,521</u> |

(Continued)

City of Rye, New York
Combining Statement of Cash Flows (continued)
Internal Service Funds
Year Ended December 31, 2011
(With Comparative Amounts for 2010)

| | 2011 | | |
|---|---------------------------|--|---------------------|
| | Risk Retention Fund | Building and Vehicle Maintenance Fund | Total |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | |
| Operating Income (Loss) | \$ 157,050 | \$ 432,708 | \$ 589,758 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Depreciation and amortization expense | - | 1,250,275 | 1,250,275 |
| (Increase) decrease in accounts receivable | (29,298) | 1,296,921 | 1,267,623 |
| (Increase) decrease in due from other funds | (50,000) | - | (50,000) |
| (Increase) decrease in prepaid expenses | (4,816) | (3,418) | (8,234) |
| Increase (decrease) in accounts payable | 43,742 | (3,624) | 40,118 |
| Increase (decrease) in accrued liabilities | (32,000) | 222 | (31,778) |
| Increase (decrease) in retainage payable | - | 4,345 | 4,345 |
| Increase (decrease) in due to other funds | - | (357,075) | (357,075) |
| Increase in other post employment benefit obligations | - | 248,386 | 248,386 |
| Increase (decrease) in compensated absences | - | (8,486) | (8,486) |
| Total Adjustments | <u>(72,372)</u> | <u>2,427,546</u> | <u>2,355,174</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 84,678</u> | <u>\$ 2,860,254</u> | <u>\$ 2,944,932</u> |

| 2010 | | |
|---------------------------|--|---------------------|
| Risk Retention Fund | Building and Vehicle Maintenance Fund | Total |
| \$ (187,671) | \$ 1,411,125 | \$ 1,223,454 |
| - | 1,089,226 | 1,089,226 |
| (100,957) | (715,276) | (816,233) |
| 24,482 | - | 24,482 |
| 9,168 | (7,320) | 1,848 |
| 20,894 | (34,854) | (13,960) |
| 31,000 | (307) | 30,693 |
| - | (3,450) | (3,450) |
| - | 18,794 | 18,794 |
| - | 251,803 | 251,803 |
| - | 9,336 | 9,336 |
| <u>(15,413)</u> | <u>607,952</u> | <u>592,539</u> |
| <u>\$ (203,084)</u> | <u>\$ 2,019,077</u> | <u>\$ 1,815,993</u> |

City of Rye, New York
Statement of Changes in Assets and Liabilities
Fiduciary Funds - Agency Fund
Year Ended December 31, 2011

| | Balance January 1, 2011 | Increases | Decreases | Balance December 31, 2011 |
|-----------------------------|-------------------------------|---------------|---------------|---------------------------------|
| <u>ASSETS</u> | | | | |
| Cash and Equivalents | \$ 24,965 | \$ 18,481,845 | \$ 18,398,685 | \$ 108,125 |
| Accounts Receivable | 2,124 | 15,330,686 | 15,330,058 | 2,752 |
| Prepaid Expenditures | - | 168,036 | 168,036 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Assets | \$ 27,089 | \$ 33,980,567 | \$ 33,896,779 | \$ 110,877 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 1,278 | \$ 1,143,262 | \$ 1,060,348 | \$ 84,192 |
| Employee Payroll Deductions | 25,811 | 5,187,060 | 5,186,186 | 26,685 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities | \$ 27,089 | \$ 6,330,322 | \$ 6,246,534 | \$ 110,877 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

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

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City of Rye, New York
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Source
 December 31, 2011
 (With Comparative Amounts for 2010)

| | <u>2011</u> |
|--|-----------------------------|
| Governmental Funds' Capital Assets: | |
| Machinery and Equipment | \$ 86,074 |
| Infrastructure | 65,334,702 |
| Construction in Progress | <u>2,171,643</u> |
| Investment in Governmental Funds' Capital Assets | |
| by Source - Capital Projects Fund | 67,592,419 |
| Less: Accumulated Depreciation | <u>(25,543,767)</u> |
| Net Book Value | <u><u>\$ 42,048,652</u></u> |

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

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

City of Rye, New York
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 December 31, 2011

| <u>Function and Activity</u> | <u>Machinery and Equipment</u> | <u>Infrastructure</u> | <u>Construction in Progress</u> | <u>Total</u> | <u>Accumulated Depreciation</u> | <u>Net Book Value</u> |
|--|--|-----------------------|---|---------------|-------------------------------------|---------------------------|
| Public Safety - | | | | | | |
| Traffic signals | \$ - | \$ 1,398,999 | \$ - | \$ 1,398,999 | \$ (316,761) | \$ 1,082,238 |
| Community Environment: | | | | | | |
| Rights of way | - | 21,301,087 | - | 21,301,087 | - | 21,301,087 |
| Streets | - | 13,498,808 | 863,762 | 14,360,570 | (9,294,595) | 5,065,975 |
| Streetlights | - | 441,162 | - | 441,162 | (300,577) | 140,585 |
| Sidewalks | - | 976,585 | - | 976,585 | (781,313) | 195,272 |
| Bridges | - | 456,605 | 310,261 | 766,866 | (378,518) | 388,348 |
| Sanitary sewers | - | 11,482,362 | 447,993 | 11,930,355 | (7,044,100) | 4,886,255 |
| Pump stations | - | 1,392,648 | 64,586 | 1,457,234 | (348,434) | 1,108,800 |
| Storm sewers | - | 11,197,386 | 485,041 | 11,682,427 | (7,027,825) | 4,654,602 |
| Total Community Environment | - | 60,744,643 | 2,171,643 | 62,916,286 | (25,175,362) | 37,740,924 |
| Culture and Recreation: | | | | | | |
| Cable TV equipment | 86,074 | - | - | 86,074 | (51,644) | 34,430 |
| Parks and playgrounds | - | 3,191,060 | - | 3,191,060 | - | 3,191,060 |
| Total Culture and Recreation | 86,074 | 3,191,060 | - | 3,277,134 | (51,644) | 3,225,490 |
| Total Governmental Funds Capital Assets | \$ 86,074 | \$ 65,334,702 | \$ 2,171,643 | \$ 67,592,419 | \$ (25,543,767) | \$ 42,048,652 |

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

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

City of Rye, New York
 Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity
 Year Ended December 31, 2011

| Function and Activity | Governmental Funds Capital Assets | | | Governmental Funds Capital Assets |
|--|---|------------|-----------|---|
| | January 1 | Additions | Deletions | December 31 |
| Public Safety - | | | | |
| Traffic signals | \$ 1,136,485 | \$ 262,514 | \$ - | \$ 1,398,999 |
| Community Environment: | | | | |
| Rights of way | 21,301,087 | - | - | 21,301,087 |
| Streets | 14,348,739 | 11,831 | - | 14,360,570 |
| Streetlights | 441,162 | - | - | 441,162 |
| Sidewalks | 976,585 | - | - | 976,585 |
| Bridges | 723,636 | 43,230 | - | 766,866 |
| Sanitary sewers | 11,630,767 | 299,588 | - | 11,930,355 |
| Pump stations | 1,442,204 | 15,030 | - | 1,457,234 |
| Storm sewers | 11,641,086 | 41,341 | - | 11,682,427 |
| Total Community Environment | 62,505,266 | 411,020 | - | 62,916,286 |
| Culture and Recreation: | | | | |
| Cable TV equipment | 86,074 | - | - | 86,074 |
| Parks and playgrounds | 3,191,060 | - | - | 3,191,060 |
| Total Culture and Recreation | 3,277,134 | - | - | 3,277,134 |
| Total Governmental Funds Capital Assets | \$ 66,918,885 | \$ 673,534 | \$ - | \$ 67,592,419 |

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

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

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**STATISTICAL SECTION
(UNAUDITED)**

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Financial Trends

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

Net 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 Ten Fiscal Years

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities: | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 10,986,390 | \$ 11,563,341 | \$ 9,480,762 | \$ 13,348,301 |
| Restricted | 1,513,973 | 1,304,649 | 1,224,450 | 1,762,703 |
| Unrestricted | <u>2,151,116</u> | <u>5,409,766</u> | <u>10,418,032</u> | <u>9,079,270</u> |
| Total Governmental Activities Net Assets | <u>14,651,479</u> | <u>18,277,756</u> | <u>21,123,244</u> | <u>24,190,274</u> |
| Business-Type Activities: | | | | |
| Invested in Capital Assets, Net of Related Debt | 7,578,822 | 8,100,157 | 8,403,111 | 8,450,054 |
| Unrestricted | <u>2,283,925</u> | <u>2,171,508</u> | <u>2,499,439</u> | <u>3,265,525</u> |
| Total Business-Type Activities Net Assets | <u>9,862,747</u> | <u>10,271,665</u> | <u>10,902,550</u> | <u>11,715,579</u> |
| Primary Government: | | | | |
| Invested in Capital Assets, Net of Related Debt | 18,565,212 | 19,663,498 | 17,883,873 | 21,798,355 |
| Restricted | 1,513,973 | 1,304,649 | 1,224,450 | 1,762,703 |
| Unrestricted | <u>4,435,041</u> | <u>7,581,274</u> | <u>12,917,471</u> | <u>12,344,795</u> |
| Total Primary Government Net Assets | <u>\$ 24,514,226</u> | <u>\$ 28,549,421</u> | <u>\$ 32,025,794</u> | <u>\$ 35,905,853</u> |

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

| <u>2006(1)</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 44,227,627 | \$ 45,961,185 | \$ 48,067,286 | \$ 52,236,195 | \$ 52,620,335 | \$ 54,629,581 |
| 1,660,467 | 2,849,549 | 2,697,494 | 2,646,922 | 2,761,748 | 2,630,318 |
| <u>11,059,645</u> | <u>11,470,537</u> | <u>4,933,791</u> | <u>(320,838)</u> | <u>(1,266,730)</u> | <u>(6,349,164)</u> |
| <u>56,947,739</u> | <u>60,281,271</u> | <u>55,698,571</u> | <u>54,562,279</u> | <u>54,115,353</u> | <u>50,910,735</u> |
| 8,450,126 | 8,265,309 | 9,073,386 | 9,740,758 | 9,620,669 | 9,637,370 |
| <u>3,723,916</u> | <u>4,437,719</u> | <u>4,335,879</u> | <u>2,951,808</u> | <u>1,630,040</u> | <u>833,265</u> |
| <u>12,174,042</u> | <u>12,703,028</u> | <u>13,409,265</u> | <u>12,692,566</u> | <u>11,250,709</u> | <u>10,470,635</u> |
| 52,677,753 | 54,226,494 | 57,140,672 | 61,976,953 | 62,241,004 | 64,266,951 |
| 1,660,467 | 2,849,549 | 2,697,494 | 2,646,922 | 2,761,748 | 2,630,318 |
| <u>14,783,561</u> | <u>15,908,256</u> | <u>9,269,670</u> | <u>2,630,970</u> | <u>363,310</u> | <u>(5,515,899)</u> |
| <u>\$ 69,121,781</u> | <u>\$ 72,984,299</u> | <u>\$ 69,107,836</u> | <u>\$ 67,254,845</u> | <u>\$ 65,366,062</u> | <u>\$ 61,381,370</u> |

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

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Expenses: | | | | |
| Governmental Activities: | | | | |
| General Government | \$ 2,635,050 | \$ 2,777,827 | \$ 3,218,750 | \$ 3,285,497 |
| Public Safety | 8,179,311 | 8,655,151 | 9,941,889 | 10,379,989 |
| Community Environment | 5,270,494 | 5,693,349 | 6,058,126 | 6,836,952 |
| Transportation | - | - | - | - |
| Culture and Recreation | 3,005,355 | 2,921,669 | 3,452,925 | 3,558,305 |
| Home and Community Services | - | - | - | - |
| Interest | <u>77,783</u> | <u>105,133</u> | <u>159,129</u> | <u>333,563</u> |
| Total Governmental Activities | <u>19,167,993</u> | <u>20,153,129</u> | <u>22,830,819</u> | <u>24,394,306</u> |
| Business-Type Activities: | | | | |
| Marina | 369,746 | 413,260 | 454,340 | 446,916 |
| Golf | <u>3,488,578</u> | <u>3,608,415</u> | <u>3,819,458</u> | <u>4,115,177</u> |
| Total Business-Type Activities | <u>3,858,324</u> | <u>4,021,675</u> | <u>4,273,798</u> | <u>4,562,093</u> |
| Total Expenses | <u>23,026,317</u> | <u>24,174,804</u> | <u>27,104,617</u> | <u>28,956,399</u> |
| Program Revenues: | | | | |
| Governmental Activities: | | | | |
| Charges for Services: | | | | |
| General Government | 120,593 | 426,171 | 457,581 | 471,658 |
| Public Safety | 508,397 | 617,244 | 664,726 | 663,007 |
| Community Environment | 1,286,827 | 1,804,053 | 1,726,572 | 2,020,307 |
| Transportation | - | - | - | - |
| Culture and Recreation | 1,126,616 | 870,472 | 976,130 | 1,009,128 |
| Home and Community Services | - | - | - | - |
| Operating Grants and Contributions | 267,488 | 404,662 | 253,947 | 455,106 |
| Capital Grants and Contributions | <u>258,808</u> | <u>434,307</u> | <u>588,967</u> | <u>314,854</u> |
| Total Governmental Activities | <u>3,568,729</u> | <u>4,556,909</u> | <u>4,667,923</u> | <u>4,934,060</u> |
| Business-Type Activities: | | | | |
| Charges for Services: | | | | |
| Marina | 474,292 | 482,094 | 493,151 | 542,397 |
| Golf | 3,901,304 | 3,922,787 | 4,371,899 | 4,723,373 |
| Capital Grants and Contributions | <u>19,500</u> | - | - | - |
| Total Business-Type Activities | <u>4,375,596</u> | <u>4,404,881</u> | <u>4,865,050</u> | <u>5,265,770</u> |
| Total Program Revenues | <u>7,944,325</u> | <u>8,961,790</u> | <u>9,532,973</u> | <u>10,199,830</u> |

| <u>2006</u> | <u>2007</u> | <u>2008(1)</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 3,513,365 | \$ 4,287,175 | \$ 4,852,832 | \$ 4,075,663 | \$ 3,847,977 | \$ 3,847,034 |
| 11,259,005 | 10,763,060 | 14,573,551 | 14,193,748 | 14,267,990 | 15,873,630 |
| 8,181,719 | 8,215,438 | - | - | - | - |
| - | - | 5,105,678 | 4,419,335 | 4,466,928 | 4,422,582 |
| 3,693,298 | 3,700,558 | 4,201,625 | 4,128,114 | 4,152,371 | 4,326,087 |
| - | - | 5,177,171 | 5,119,135 | 5,611,370 | 5,417,700 |
| 552,544 | 725,075 | 657,980 | 609,287 | 426,731 | 618,037 |
| <u>27,199,931</u> | <u>27,691,306</u> | <u>34,568,837</u> | <u>32,545,282</u> | <u>32,773,367</u> | <u>34,505,070</u> |
| 468,524 | 481,837 | 589,804 | 574,268 | 627,778 | 904,632 |
| <u>5,306,207</u> | <u>6,814,432</u> | <u>6,972,985</u> | <u>7,310,686</u> | <u>7,729,667</u> | <u>7,028,025</u> |
| <u>5,774,731</u> | <u>7,296,269</u> | <u>7,562,789</u> | <u>7,884,954</u> | <u>8,357,445</u> | <u>7,932,657</u> |
| <u>32,974,662</u> | <u>34,987,575</u> | <u>42,131,626</u> | <u>40,430,236</u> | <u>41,130,812</u> | <u>42,437,727</u> |
| 489,375 | 505,926 | 743,220 | 792,068 | 789,441 | 917,026 |
| 647,446 | 578,807 | 1,850,529 | 1,680,697 | 1,662,676 | 1,819,013 |
| 2,205,360 | 2,446,351 | - | - | - | - |
| - | - | 920,145 | 877,257 | 918,683 | 1,200,047 |
| 999,740 | 1,088,198 | 1,071,017 | 1,060,590 | 1,158,127 | 1,422,633 |
| - | - | 149,862 | 101,890 | 168,194 | 128,059 |
| 375,595 | 660,091 | 359,038 | 399,495 | 572,225 | 234,853 |
| <u>410,390</u> | <u>622,728</u> | <u>398,386</u> | <u>2,072,892</u> | <u>1,615,788</u> | <u>278,881</u> |
| <u>5,127,906</u> | <u>5,902,101</u> | <u>5,492,197</u> | <u>6,984,889</u> | <u>6,885,134</u> | <u>6,000,512</u> |
| 633,083 | 576,693 | 565,473 | 591,891 | 633,269 | 646,459 |
| 5,378,934 | 6,990,360 | 7,264,208 | 6,565,155 | 6,275,216 | 6,504,746 |
| - | 3,826 | 317,500 | - | - | - |
| <u>6,012,017</u> | <u>7,570,879</u> | <u>8,147,181</u> | <u>7,157,046</u> | <u>6,908,485</u> | <u>7,151,205</u> |
| <u>11,139,923</u> | <u>13,472,980</u> | <u>13,639,378</u> | <u>14,141,935</u> | <u>13,793,619</u> | <u>13,151,717</u> |

(continued)

City of Rye, New York
 Changes in Net Assets
 Last Ten Fiscal Years (Continued)

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> |
|--|---------------------|---------------------|---------------------|---------------------|
| Net (Expense)/Revenue: | | | | |
| Governmental Activities | (15,599,264) | (15,596,220) | (18,162,896) | (19,460,246) |
| Business-Type Activities | <u>517,272</u> | <u>383,206</u> | <u>591,252</u> | <u>703,677</u> |
| Total Net Expense | <u>(15,081,992)</u> | <u>(15,213,014)</u> | <u>(17,571,644)</u> | <u>(18,756,569)</u> |
| General Revenues: | | | | |
| Governmental Activities: | | | | |
| Real Property Taxes | 11,949,060 | 14,222,097 | 15,528,286 | 16,141,660 |
| Non-Property Taxes | 1,760,063 | 1,817,378 | 2,143,838 | 2,266,922 |
| Unrestricted Use of Money and Property | 183,635 | 178,353 | 220,459 | 565,843 |
| Gain on Sale of Equipment | 57,795 | 31,675 | 39,655 | 29,135 |
| State Aid | 2,255,963 | 2,618,191 | 3,003,658 | 3,451,841 |
| Other Revenues | <u>80,747</u> | <u>354,803</u> | <u>72,488</u> | <u>71,875</u> |
| Total Governmental Activities | <u>16,287,263</u> | <u>19,222,497</u> | <u>21,008,384</u> | <u>22,527,276</u> |
| Business-Type Activities: | | | | |
| Unrestricted Use of Money and Property | 42,472 | 25,712 | 32,633 | 109,352 |
| Gain on Sale of Equipment | <u>-</u> | <u>-</u> | <u>7,000</u> | <u>-</u> |
| Total Business-Type Activities | <u>42,472</u> | <u>25,712</u> | <u>39,633</u> | <u>109,352</u> |
| Total General Revenues | <u>16,329,735</u> | <u>19,248,209</u> | <u>21,048,017</u> | <u>22,636,628</u> |
| Change in Net Assets: | | | | |
| Governmental Activities | 687,999 | 3,626,277 | 2,845,488 | 3,067,030 |
| Business-Type Activities | <u>559,744</u> | <u>408,918</u> | <u>630,885</u> | <u>813,029</u> |
| Total Change in Net Assets | <u>\$ 1,247,743</u> | <u>\$ 4,035,195</u> | <u>\$ 3,476,373</u> | <u>\$ 3,880,059</u> |

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

| <u>2006</u> | <u>2007</u> | <u>2008(1)</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|---------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| (22,072,025) | (21,789,205) | (29,076,640) | (25,560,393) | (25,888,233) | (28,504,558) |
| 237,286 | 274,610 | 584,392 | (727,908) | (1,448,960) | (781,452) |
| <u>(21,834,739)</u> | <u>(21,514,595)</u> | <u>(28,492,248)</u> | <u>(26,288,301)</u> | <u>(27,337,193)</u> | <u>(29,286,010)</u> |
| 16,987,781 | 17,838,489 | 18,331,970 | 19,323,667 | 19,764,674 | 19,726,762 |
| 2,327,161 | 2,622,734 | 2,643,066 | 2,364,648 | 2,566,311 | 2,620,377 |
| 1,137,777 | 1,195,960 | 490,398 | 140,030 | 95,000 | 51,907 |
| 33,270 | 26,977 | 30,672 | 31,503 | 15,324 | 23,438 |
| 3,324,440 | 3,415,249 | 2,941,169 | 2,249,619 | 2,493,863 | 2,361,583 |
| 41,899 | 23,327 | 56,665 | 314,634 | 506,135 | 515,873 |
| <u>23,852,328</u> | <u>25,122,736</u> | <u>24,493,940</u> | <u>24,424,101</u> | <u>25,441,307</u> | <u>25,299,940</u> |
| 221,177 | 254,376 | 121,845 | 11,209 | 7,103 | 1,378 |
| - | - | - | - | - | - |
| <u>221,177</u> | <u>254,376</u> | <u>121,845</u> | <u>11,209</u> | <u>7,103</u> | <u>1,378</u> |
| <u>24,073,505</u> | <u>25,377,112</u> | <u>24,615,785</u> | <u>24,435,310</u> | <u>25,448,410</u> | <u>25,301,318</u> |
| 1,780,303 | 3,333,531 | (4,582,700) | (1,136,292) | (446,926) | (3,204,618) |
| 458,463 | 528,986 | 706,237 | (716,699) | (1,441,857) | (780,074) |
| <u>\$ 2,238,766</u> | <u>\$ 3,862,517</u> | <u>\$ (3,876,463)</u> | <u>\$ (1,852,991)</u> | <u>\$ (1,888,783)</u> | <u>\$ (3,984,692)</u> |

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

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> |
|---|---------------------|---------------------|----------------------|----------------------|
| General Fund: | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - |
| Restricted | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Reserved | 1,490,877 | 2,053,180 | 2,611,046 | 2,487,324 |
| Unreserved | <u>4,079,729</u> | <u>5,858,284</u> | <u>7,035,140</u> | <u>8,568,860</u> |
| Total General Fund | <u>5,570,606</u> | <u>7,911,464</u> | <u>9,646,186</u> | <u>11,056,184</u> |
| All Other Governmental Funds: | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - |
| Restricted | - | - | - | - |
| Assigned | - | - | - | - |
| Reserved | 842,411 | 693,275 | 330,232 | 544,315 |
| Unreserved, Reported In: | | | | |
| Special Revenue Fund | 147,620 | 164,065 | 166,993 | 248,138 |
| Permanent Fund | 13,891 | 11,206 | - | 4,303 |
| Debt Service Fund | - | - | - | - |
| Capital Projects Fund | <u>(2,132,392)</u> | <u>(2,398,472)</u> | <u>774,522</u> | <u>1,023,769</u> |
| Total All Other Governmental Funds | <u>(1,128,470)</u> | <u>(1,529,926)</u> | <u>1,271,747</u> | <u>1,820,525</u> |
| Total Governmental Funds | <u>\$ 4,442,136</u> | <u>\$ 6,381,538</u> | <u>\$ 10,917,933</u> | <u>\$ 12,876,709</u> |

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

| <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011 (1)</u> |
|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,647,837 |
| - | - | - | - | - | 2,141,634 |
| - | - | - | - | - | 1,688,353 |
| - | - | - | - | - | 3,779,938 |
| 2,387,761 | 3,523,898 | 3,264,302 | 3,130,697 | 4,661,371 | - |
| <u>9,674,609</u> | <u>9,785,973</u> | <u>7,736,075</u> | <u>6,701,760</u> | <u>5,833,786</u> | - |
| <u>12,062,370</u> | <u>13,309,871</u> | <u>11,000,377</u> | <u>9,832,457</u> | <u>10,495,157</u> | <u>9,257,762</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 24,227 |
| - | - | - | - | - | 1,723,849 |
| - | - | - | - | - | 777,191 |
| 1,596,362 | 1,921,268 | 2,036,376 | 464,673 | 315,472 | - |
| 324,758 | 336,911 | 191,558 | 281,777 | 367,862 | - |
| 1,309 | 1,099 | 25 | 80 | 118 | - |
| - | 9,800 | 139,356 | 99,750 | 21,176 | - |
| <u>(845,230)</u> | <u>(1,476,029)</u> | <u>(3,301,577)</u> | <u>(2,049,789)</u> | <u>2,450,581</u> | - |
| <u>1,077,199</u> | <u>793,049</u> | <u>(934,262)</u> | <u>(1,203,509)</u> | <u>3,155,209</u> | <u>2,525,267</u> |
| <u>\$ 13,139,569</u> | <u>\$ 14,102,920</u> | <u>\$ 10,066,115</u> | <u>\$ 8,628,948</u> | <u>\$ 13,650,366</u> | <u>\$ 11,783,029</u> |

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

| | 2002 | 2003 | 2004 | 2005 |
|---|-----------------------|---------------------|---------------------|---------------------|
| Revenues: | | | | |
| Real Property Taxes | \$ 11,965,741 | \$ 14,190,747 | \$ 15,551,738 | \$ 16,197,588 |
| Non-Property Taxes | 1,915,819 | 1,984,833 | 2,334,151 | 2,470,665 |
| Charges for Services | 874,140 | 1,240,414 | 1,054,741 | 1,180,052 |
| Intergovernmental Charges | 69,664 | 69,139 | 72,775 | 76,274 |
| Use of Money and Property | 203,349 | 169,772 | 211,200 | 482,446 |
| Licenses and Permits | 1,125,708 | 1,293,981 | 1,390,634 | 1,630,044 |
| Fines and Forfeitures | 446,831 | 500,773 | 553,320 | 540,247 |
| Sale of Property and Compensation for Loss | 54,458 | 63,122 | 129,600 | 123,939 |
| Interfund Revenues | 303,900 | 406,574 | 418,249 | 404,099 |
| State Aid | 2,602,098 | 3,062,010 | 3,321,831 | 3,772,275 |
| Federal Aid | 29,828 | 102,599 | 15,255 | 95,935 |
| Miscellaneous | 159,505 | 537,434 | 113,568 | 295,813 |
| Total Revenues | 19,751,041 | 23,621,398 | 25,167,062 | 27,269,377 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 2,677,305 | 2,618,241 | 2,916,473 | 3,063,887 |
| Public Safety | 8,255,601 | 8,720,495 | 9,831,702 | 10,373,012 |
| Community Services | 5,252,387 | 5,732,532 | 6,142,100 | 6,692,938 |
| Transportation | - | - | - | - |
| Culture and Recreation | 2,982,172 | 2,967,291 | 3,499,177 | 3,559,300 |
| Home and Community Services | - | - | - | - |
| Debt Service: | | | | |
| Refunding bond issuance costs | - | - | - | - |
| Principal | 85,141 | 83,590 | 41,525 | 43,752 |
| Interest | 59,109 | 60,465 | 56,745 | 54,717 |
| Capital Outlay: | | | | |
| General Government | 34,335 | 64,597 | 4,808 | 8,000 |
| Public Safety | 137,262 | 424,102 | 12,423 | 68,369 |
| Transportation | 1,587,269 | 490,775 | 852,713 | 518,722 |
| Culture and Recreation | 64,619 | 124,538 | - | - |
| Home and Community Services | - | - | - | - |
| Total Expenditures | 21,135,200 | 21,286,626 | 23,357,666 | 24,382,697 |
| Excess (Deficiency) of Revenues Over Expenditures | (1,384,159) | 2,334,772 | 1,809,396 | 2,886,680 |
| Other Financing Sources (Uses): | | | | |
| Bonds Issued | - | - | - | 560,000 |
| Refunding Bonds Issued | - | - | - | - |
| Issuance Premium | - | - | - | - |
| Payment to Refunded Bond Escrow Agent | - | - | - | - |
| Transfers In | 1,211,153 | 1,004,745 | 3,923,255 | 657,707 |
| Transfers Out | (1,577,823) | (1,400,115) | (1,196,256) | (2,145,611) |
| Total Other Financing Sources (Uses) | (366,670) | (395,370) | 2,726,999 | (927,904) |
| Net Change in Fund Balances | \$ (1,750,829) | \$ 1,939,402 | \$ 4,536,395 | \$ 1,958,776 |
| Debt Service as a Percentage of Non-Capital Expenditures | 0.74% | 0.71% | 0.44% | 0.41% |

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

| 2006 | 2007 | 2008(1) | 2009 | 2010 | 2011 |
|--------------------|--------------------|-----------------------|-----------------------|---------------------|-----------------------|
| \$ 16,966,643 | \$ 17,849,808 | \$ 18,272,135 | \$ 19,303,263 | \$ 19,750,579 | \$ 19,740,731 |
| 2,550,088 | 2,868,819 | 2,900,960 | 2,635,463 | 2,860,490 | 2,950,001 |
| 1,372,495 | 1,282,324 | 1,329,874 | 1,274,460 | 1,449,041 | 1,636,476 |
| 69,235 | 73,656 | 77,799 | 85,866 | 82,008 | 95,651 |
| 912,595 | 1,021,617 | 473,566 | 138,398 | 96,288 | 342,169 |
| 1,628,357 | 2,035,050 | 1,730,742 | 1,557,660 | 1,457,462 | 1,975,596 |
| 533,102 | 477,209 | 583,026 | 569,770 | 609,918 | 617,282 |
| 89,282 | 67,234 | 108,962 | 49,377 | 113,486 | 95,641 |
| 413,628 | 430,025 | 432,050 | 445,759 | 442,984 | 441,634 |
| 3,664,263 | 3,816,573 | 3,328,874 | 2,929,553 | 2,854,696 | 2,703,865 |
| 121,880 | 450,127 | 47,002 | 1,100,153 | 1,043,013 | - |
| 234,618 | 189,884 | 210,007 | 332,834 | 349,608 | 398,189 |
| <u>28,556,186</u> | <u>30,562,326</u> | <u>29,494,997</u> | <u>30,422,556</u> | <u>31,109,573</u> | <u>30,997,235</u> |
| 3,346,840 | 3,670,968 | 4,333,767 | 3,901,647 | 3,478,239 | 4,772,526 |
| 11,281,346 | 10,984,670 | 12,890,879 | 12,736,433 | 12,883,879 | 13,835,912 |
| 7,237,352 | 7,257,244 | - | - | - | - |
| - | - | 3,177,429 | 3,183,718 | 3,234,870 | 3,430,714 |
| 3,720,422 | 3,770,058 | 4,101,417 | 4,127,040 | 4,048,699 | 4,201,941 |
| - | - | 4,478,333 | 4,571,286 | 4,604,338 | 4,924,690 |
| - | - | - | - | 9,782 | - |
| 64,534 | 67,079 | 71,144 | 74,242 | 165,261 | 221,721 |
| 73,700 | 71,470 | 137,993 | 117,539 | 58,871 | 187,171 |
| 6,789 | 27,980 | 13,496 | - | - | - |
| 199,687 | 16,877 | 30,401 | 92,090 | 779,451 | 230,062 |
| 1,398,098 | 3,055,579 | 2,337,444 | 874,498 | 733,012 | 552,823 |
| 69,983 | - | - | - | - | - |
| - | - | 1,064,499 | 1,426,196 | 668,909 | 422,012 |
| <u>27,398,751</u> | <u>28,921,925</u> | <u>32,636,802</u> | <u>31,104,689</u> | <u>30,665,311</u> | <u>32,779,572</u> |
| <u>1,157,435</u> | <u>1,640,401</u> | <u>(3,141,805)</u> | <u>(682,133)</u> | <u>444,262</u> | <u>(1,782,337)</u> |
| - | - | - | - | 4,677,374 | - |
| - | - | - | - | 791,579 | - |
| - | - | - | - | 56,934 | - |
| - | - | - | - | (838,731) | - |
| 854,202 | 3,384,328 | 2,274,360 | 1,204,410 | 1,664,155 | 939,801 |
| <u>(1,748,777)</u> | <u>(4,061,378)</u> | <u>(3,169,360)</u> | <u>(1,959,444)</u> | <u>(1,774,155)</u> | <u>(1,024,801)</u> |
| <u>(894,575)</u> | <u>(677,050)</u> | <u>(895,000)</u> | <u>(755,034)</u> | <u>4,577,156</u> | <u>(85,000)</u> |
| \$ <u>262,860</u> | \$ <u>963,351</u> | \$ <u>(4,036,805)</u> | \$ <u>(1,437,167)</u> | \$ <u>5,021,418</u> | \$ <u>(1,867,337)</u> |

| | | | | | |
|-------|-------|-------|-------|-------|-------|
| 0.52% | 0.52% | 0.68% | 0.65% | 0.76% | 1.27% |
|-------|-------|-------|-------|-------|-------|

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

| Fiscal Year | Real Property Taxes | Sales and Use Taxes | Hotel Occupancy 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 |
| 2005 | 16,197,589 | 1,908,845 | - | 358,077 | 2,389,053 | 20,853,564 |
| 2006 | 16,966,642 | 1,957,187 | - | 369,974 | 2,084,125 | 21,377,928 |
| 2007 | 17,849,808 | 2,079,744 | 200,303 | 342,687 | 2,141,475 | 22,614,017 |
| 2008 | 18,272,135 | 2,050,610 | 177,338 | 415,118 | 1,629,182 | 22,544,383 |
| 2009 | 19,303,262 | 1,812,360 | 136,922 | 415,366 | 919,732 | 22,587,642 |
| 2010 | 19,750,579 | 1,981,208 | 153,934 | 431,169 | 1,261,186 | 23,578,076 |
| 2011 | 19,740,731 | 2,051,254 | 159,001 | 410,122 | 1,153,559 | 23,514,667 |

Source: Comprehensive Annual Financial Report for each respective fiscal year

Revenue Capacity

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

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

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

Principal Taxpayers

Property Tax Levies and Collections

Constitutional Tax Limit

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

| Year | One-Three Family Residential | Condos Co-ops & Apt. Bldgs. | Business (1) | Other (2) | Total Gross Assessed Valuation |
|------|------------------------------------|-----------------------------------|---------------|---------------|--------------------------------------|
| 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 |
| 2005 | 107,282,955 | 9,267,278 | 22,101,168 | 26,657,528 | 165,308,929 |
| 2006 | 108,596,155 | 9,113,041 | 22,080,105 | 26,536,484 | 166,325,785 |
| 2007 | 110,420,885 | 9,161,821 | 22,040,490 | 26,366,361 | 167,989,557 |
| 2008 | 111,523,385 | 9,147,881 | 21,869,050 | 25,815,312 | 168,355,628 |
| 2009 | 113,148,100 | 7,819,866 | 21,819,700 | 25,580,843 | 168,368,509 |
| 2010 | 113,647,740 | 7,592,163 | 21,354,351 | 25,756,508 | 168,350,762 |
| 2011 | 113,336,975 | 7,343,964 | 21,257,429 | 25,770,920 | 167,709,288 |

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

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

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

Note: Assessed values are established by the City Assessor on September 15th of the prior year and includes Special Franchise Assessments as established by the New York State Board of Equalization and Assessment. For instance, assessed values for fiscal 2011 were established on September 15, 2010.

| <u>Exemptions</u> | <u>Total Taxable Assessed Valuation</u> | <u>Direct Tax Rate (3)</u> | <u>Estimated Actual Full Value</u> | <u>Taxable Value as a Percentage of Full Value</u> |
|-------------------|---|----------------------------|------------------------------------|--|
| \$ (30,038,848) | \$ 133,384,128 | \$ 88.18 | \$ 3,519,370,132 | 3.79% |
| (30,058,974) | 134,674,171 | 103.55 | 4,725,409,509 | 2.85% |
| (30,014,099) | 134,574,950 | 113.41 | 5,097,535,985 | 2.64% |
| (29,428,082) | 135,880,847 | 116.80 | 5,246,364,749 | 2.59% |
| (29,376,708) | 136,949,077 | 122.39 | 5,827,620,298 | 2.35% |
| (29,587,882) | 138,401,675 | 127.24 | 6,407,484,954 | 2.16% |
| (29,282,510) | 139,073,118 | 131.49 | 7,059,549,137 | 1.97% |
| (29,053,242) | 139,315,267 | 137.38 | 7,036,124,596 | 1.98% |
| (29,058,445) | 139,292,317 | 139.52 | 7,180,016,340 | 1.94% |
| (29,027,596) | 138,681,692 | 140.87 | 6,420,448,704 | 2.16% |

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 |
| 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 |
| 2005 | 116.80 | 416.92 | - | 124.09 | 15.12 |
| | 116.80 | - | 529.10 | 124.09 | 15.12 |
| 2006 | 122.39 | 441.85 | - | 130.43 | 15.24 |
| | 122.39 | - | 528.51 | 130.43 | 15.24 |
| 2007 | 127.24 | 463.92 | - | 134.06 | 15.03 |
| | 127.24 | - | 575.62 | 134.06 | 15.03 |
| 2008 | 131.49 | 490.55 | - | 141.43 | 13.61 |
| | 131.49 | - | 626.45 | 141.43 | 13.61 |
| 2009 | 137.38 | 500.20 | - | 146.28 | 13.89 |
| | 137.38 | - | 647.88 | 146.28 | 13.89 |
| 2010 | 139.52 | 507.31 | - | 158.12 | 15.12 |
| | 139.52 | - | 672.72 | 158.12 | 15.12 |
| 2011 | 140.87 | 520.54 | - | 156.86 | 15.34 |
| | 140.87 | - | 696.64 | 156.86 | 15.34 |

Source: City of Rye Comptroller's Office

| Blind Brook Sewer District | Mamaroneck Sewer District | Total County | Total with Rye City School District | Total with Rye Neck Union Free School District |
|----------------------------------|---------------------------------|-----------------|--|--|
| \$ 14.04 | \$ - | \$ 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 |
| 17.51 | - | 156.71 | 690.44 | - |
| - | 17.82 | 157.03 | - | 802.93 |
| 19.68 | - | 165.35 | 729.59 | - |
| - | 19.87 | 165.54 | - | 816.44 |
| 20.56 | - | 169.65 | 760.81 | - |
| - | 23.14 | 172.23 | - | 875.09 |
| 20.90 | - | 175.94 | 797.98 | - |
| - | 23.92 | 178.96 | - | 936.90 |
| 21.15 | - | 181.32 | 818.90 | - |
| - | 25.15 | 185.32 | - | 970.58 |
| 21.87 | - | 195.11 | 841.94 | - |
| - | 25.15 | 198.39 | - | 1,010.63 |
| 21.62 | - | 193.82 | 855.23 | - |
| - | 28.80 | 201.00 | - | 1,038.51 |

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City of Rye, New York
Principal Taxpayers
December 31, 2011 and 2002

2011

| Rank | Taxpayer | Type of Business | Taxable Assessed Valuation | Percent of Total Taxable Assessed Valuation |
|------|--------------------------------|-----------------------|----------------------------|---|
| 1 | Consolidated Edison | Public Utility | \$ 3,058,156 | 2.21% |
| 2 | Miriam Osborn Memorial Home | Retirement Community | 2,133,120 | 1.54% |
| 3 | Parsonage Investment Co. | Residential | 987,300 | 0.71% |
| 4 | United Water | Public Utility | 924,830 | 0.67% |
| 5 | Avon Products | Office Building + Lot | 673,310 | 0.49% |
| 6 | Faros Corporate Center | Office Building | 668,000 | 0.48% |
| 7 | Milton Harbor House | Cooperative | 630,500 | 0.45% |
| 8 | Rye Colony Apartments | Cooperative | 620,130 | 0.45% |
| 9 | Blind Brook Lodge Owners, Inc. | Cooperative | 537,692 | 0.39% |
| 10 | Shenorock Shore Club | Private Club | 485,900 | 0.35% |
| | Total | | <u>\$ 10,718,938</u> | <u>7.74%</u> |

2002

| Rank | Taxpayer | Type of Business | Taxable Assessed Valuation | Percent of Total Taxable Assessed Valuation |
|------|--------------------------------|----------------------|----------------------------|---|
| 1 | Consolidated Edison | Public Utility | \$ 3,161,423 | 2.37% |
| 2 | Miriam Osborn Memorial Home | Retirement Community | 2,642,300 | 1.98% |
| 3 | The Gateside-Rye Co. | Office Building | 1,003,700 | 0.75% |
| 4 | Aquarion Water Company | Office Building | 965,235 | 0.72% |
| 5 | Milton Harbor House | Cooperative | 951,547 | 0.71% |
| 6 | 411 Theodore Fremd Assoc. | Office Building | 770,300 | 0.58% |
| 7 | Parsonage Investment Co. | Office Building | 734,800 | 0.55% |
| 8 | Zubrik, Nadja Olga | Cooperative | 725,700 | 0.54% |
| 9 | Rye Colony Apartments | Cooperative | 713,983 | 0.54% |
| 10 | Blind Brook Lodge Owners, Inc. | Cooperative | 617,847 | 0.46% |
| | Total | | <u>\$ 12,286,835</u> | <u>9.20%</u> |

Source: City of Rye Assessor's Office.

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

| Fiscal Year | Total Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy | | Uncollected within the Fiscal Year of the Levy | | Collected in Subsequent Years |
|----------------|--------------------------------------|---|---------|---|---------|-------------------------------------|
| | | Amount | Percent | Amount | Percent | |
| 2002 | \$ 11,762,076 | \$ 11,721,253 | 99.65% | \$ 40,823 | 0.35% | \$ 39,108 |
| 2003 | 13,894,248 | 13,837,617 | 99.59% | 56,631 | 0.41% | 55,932 |
| 2004 | 15,254,280 | 15,235,508 | 99.88% | 18,772 | 0.12% | 18,006 |
| 2005 | 15,900,190 | 15,868,141 | 99.80% | 32,049 | 0.20% | 31,261 |
| 2006 | 16,869,097 | 16,787,177 | 99.51% | 81,920 | 0.49% | 81,094 |
| 2007 | 17,706,559 | 17,654,153 | 99.70% | 52,406 | 0.30% | 51,531 |
| 2008 | 18,387,932 | 18,318,242 | 99.62% | 69,690 | 0.38% | 67,691 |
| 2009 | 19,241,273 | 19,136,162 | 99.45% | 105,111 | 0.55% | 78,459 |
| 2010 | 19,625,486 | 19,555,272 | 99.64% | 70,214 | 0.36% | 65,289 |
| 2011 | 19,658,891 | 19,584,532 | 99.62% | 74,359 | 0.38% | 32,387 |

Source: City of Rye Comptroller's Office

| <u>Total Collected to Date</u> | | <u>Total Uncollected to Date</u> | | <u>Tax Liens</u> | <u>Percent of Tax Liens to Tax Levy</u> |
|--------------------------------|----------------|----------------------------------|----------------|----------------------|---|
| <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> | | |
| \$ 11,760,361 | 99.99% | \$ 1,715 | 0.01% | \$ 643,455 | 5.47% |
| 13,893,549 | 99.99% | 699 | 0.01% | 566,332 | 4.08% |
| 15,253,514 | 99.99% | 766 | 0.01% | 458,255 | 3.00% |
| 15,899,402 | 99.99% | 788 | 0.01% | 288,286 | 1.81% |
| 16,868,271 | 100.00% | 826 | 0.00% | 186,887 | 1.11% |
| 17,705,684 | 100.00% | 875 | 0.00% | 258,076 | 1.46% |
| 18,385,933 | 99.99% | 1,999 | 0.01% | 430,138 | 2.34% |
| 19,214,621 | 99.86% | 26,652 | 0.14% | 443,621 | 2.31% |
| 19,620,561 | 99.97% | 4,925 | 0.03% | 666,679 | 3.40% |
| 19,616,919 | 99.79% | 41,972 | 0.21% | 577,105 | 2.94% |

City of Rye, New York
 Constitutional Tax Limit

Constitutional tax limit calculation, December 31, 2011:

Full valuation, last five fiscal years:

| | |
|--|-----------------------|
| 2011 | \$ 6,420,448,704 |
| 2010 | 7,180,016,340 |
| 2009 | 7,036,124,596 |
| 2008 | 7,059,549,137 |
| 2007 | 6,407,484,954 |
| Total full valuation, last five years | <u>34,103,623,731</u> |
| Five-year average full valuation | <u>6,820,724,746</u> |
| Constitutional tax limit: 2% of five-year average full valuation | <u>\$ 136,414,495</u> |
| Tax levy - general city purposes | \$ 19,658,891 |
| Total exclusions ¹ | <u>2,553,188</u> |
| Tax levy subject to tax limit | <u>\$ 17,105,703</u> |
| Percent of constitutional tax limit exhausted | <u>12.54%</u> |
| Constitutional tax margin | <u>\$ 119,308,792</u> |

Constitutional Tax Limit - Last Ten Fiscal Years

| Year | Constitutional Tax Limit | Tax Levy Subject to Tax Limit | Constitutional Tax Margin | Percent Exhausted |
|------|--------------------------|-------------------------------|---------------------------|-------------------|
| 2002 | \$ 51,219,253 | \$ 10,654,943 | \$ 40,564,310 | 20.80% |
| 2003 | 57,380,040 | 12,224,328 | 45,155,712 | 21.30% |
| 2004 | 66,667,867 | 13,379,755 | 53,288,112 | 20.07% |
| 2005 | 86,967,321 | 12,534,148 | 74,433,173 | 14.41% |
| 2006 | 97,665,203 | 13,536,961 | 84,128,242 | 13.86% |
| 2007 | 109,217,662 | 11,596,583 | 97,621,079 | 10.62% |
| 2008 | 118,554,221 | 9,272,883 | 109,281,338 | 7.82% |
| 2009 | 126,308,575 | 15,489,470 | 110,819,105 | 12.26% |
| 2010 | 134,043,181 | 9,462,610 | 124,580,571 | 7.06% |
| 2011 | 136,414,495 | 17,105,703 | 119,308,792 | 12.54% |

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

Debt Capacity

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

Ratios of Outstanding Debt by Type

Direct and Overlapping Governmental Activities Debt

Computation of Legal Debt Margin

Calculation of Charter Bonded Debt Limits

City of Rye, New York
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year | General Obligation Bonds | Loans Payable | Total Outstanding Debt | Estimated Full Property Value | Percentage of Full Property Value | Population (1) |
|---------------------------------|--------------------------------|------------------|------------------------------|--|--|----------------|
| Governmental Activities | | | | | | |
| 2002 | \$ 11,379,500 | \$ 3,100,000 | \$ 14,479,500 | \$ 3,519,370,132 | 0.41% | 15,090 |
| 2003 | 10,855,000 | 2,950,000 | 13,805,000 | 4,725,409,509 | 0.29% | 15,066 |
| 2004 | 12,073,013 | - | 12,073,013 | 5,097,535,985 | 0.24% | 15,043 |
| 2005 | 17,941,013 | - | 17,941,013 | 5,246,364,749 | 0.34% | 14,992 |
| 2006 | 17,153,013 | 5,120,427 | 22,273,440 | 5,827,620,298 | 0.38% | 14,992 |
| 2007 | 16,345,000 | 4,856,748 | 21,201,748 | 6,407,484,954 | 0.33% | 15,109 |
| 2008 | 15,500,000 | 4,580,956 | 20,080,956 | 7,059,549,137 | 0.28% | 15,242 |
| 2009 | 14,625,000 | 4,292,493 | 18,917,493 | 7,036,124,596 | 0.27% | 16,737 |
| 2010 | 19,407,374 | - | 19,407,374 | 7,180,016,340 | 0.27% | 15,091 |
| 2011 | 18,315,000 | - | 18,315,000 | 6,420,448,704 | 0.29% | 15,720 |
| Business-Type Activities | | | | | | |
| 2002 | \$ 5,000,000 | \$ - | \$ 5,000,000 | \$ 3,519,370,132 | 0.14% | 15,090 |
| 2003 | 5,000,000 | - | 5,000,000 | 4,725,409,509 | 0.11% | 15,066 |
| 2004 | 4,610,000 | - | 4,610,000 | 5,097,535,985 | 0.09% | 15,043 |
| 2005 | 4,210,000 | - | 4,210,000 | 5,246,364,749 | 0.08% | 14,992 |
| 2006 | 3,975,000 | - | 3,975,000 | 5,827,620,298 | 0.07% | 14,992 |
| 2007 | 3,730,000 | - | 3,730,000 | 6,407,484,954 | 0.06% | 15,109 |
| 2008 | 3,470,000 | - | 3,470,000 | 7,059,549,137 | 0.05% | 15,242 |
| 2009 | 3,200,000 | - | 3,200,000 | 7,036,124,596 | 0.05% | 16,737 |
| 2010 | 2,840,000 | - | 2,840,000 | 7,180,016,340 | 0.04% | 15,091 |
| 2011 | 2,530,000 | - | 2,530,000 | 6,420,448,704 | 0.04% | 15,720 |
| Total Government-Wide | | | | | | |
| 2002 | \$ 16,379,500 | \$ 3,100,000 | \$ 19,479,500 | \$ 3,519,370,132 | 0.55% | 15,090 |
| 2003 | 15,855,000 | 2,950,000 | 18,805,000 | 4,725,409,509 | 0.40% | 15,066 |
| 2004 | 16,683,013 | - | 16,683,013 | 5,097,535,985 | 0.33% | 15,043 |
| 2005 | 22,151,013 | - | 22,151,013 | 5,246,364,749 | 0.42% | 14,992 |
| 2006 | 21,128,013 | 5,120,427 | 26,248,440 | 5,827,620,298 | 0.45% | 14,992 |
| 2007 | 20,075,000 | 4,856,748 | 24,931,748 | 6,407,484,954 | 0.39% | 15,109 |
| 2008 | 18,970,000 | 4,580,956 | 23,550,956 | 7,059,549,137 | 0.33% | 15,242 |
| 2009 | 17,825,000 | 4,292,493 | 22,117,493 | 7,036,124,596 | 0.31% | 16,737 |
| 2010 | 22,247,374 | - | 22,247,374 | 7,180,016,340 | 0.31% | 15,091 |
| 2011 | 20,845,000 | - | 20,845,000 | 6,420,448,704 | 0.32% | 15,720 |

(1) United States Census Bureau

Source: City Comptroller's Office

| <u>Debt Per Capita</u> | <u>Per Capita Personal Income (1)</u> | <u>Estimated Total Personal Income</u> | <u>Percentage of Estimated Total Personal Income</u> |
|--------------------------------|---|--|--|
| \$ 960 | \$ 76,566 | \$ 1,155,380,940 | 1.25% |
| 916 | 76,566 | 1,153,543,356 | 1.20% |
| 803 | 76,566 | 1,151,782,338 | 1.05% |
| 1,197 | 76,566 | 1,147,877,472 | 1.56% |
| 1,486 | 76,566 | 1,147,877,472 | 1.94% |
| 1,403 | 76,566 | 1,156,835,694 | 1.83% |
| 1,317 | 76,566 | 1,167,018,972 | 1.72% |
| 1,130 | 76,566 | 1,281,485,142 | 1.48% |
| 1,286 | 92,737 | 1,399,494,067 | 1.39% |
| 1,165 | 93,072 | 1,463,091,840 | 1.25% |
| | | | |
| \$ 331 | \$ 76,566 | \$ 1,155,380,940 | 0.43% |
| 332 | 76,566 | 1,153,543,356 | 0.43% |
| 306 | 76,566 | 1,151,782,338 | 0.40% |
| 281 | 76,566 | 1,147,877,472 | 0.37% |
| 265 | 76,566 | 1,147,877,472 | 0.35% |
| 247 | 76,566 | 1,156,835,694 | 0.32% |
| 228 | 76,566 | 1,167,018,972 | 0.30% |
| 191 | 76,566 | 1,281,485,142 | 0.25% |
| 188 | 92,737 | 1,399,494,067 | 0.20% |
| 161 | 93,072 | 1,463,091,840 | 0.17% |
| | | | |
| \$ 1,291 | \$ 76,566 | \$ 1,155,380,940 | 1.69% |
| 1,248 | 76,566 | 1,153,543,356 | 1.63% |
| 1,109 | 76,566 | 1,151,782,338 | 1.45% |
| 1,478 | 76,566 | 1,147,877,472 | 1.93% |
| 1,751 | 76,566 | 1,147,877,472 | 2.29% |
| 1,650 | 76,566 | 1,156,835,694 | 2.16% |
| 1,545 | 76,566 | 1,167,018,972 | 2.02% |
| 1,321 | 76,566 | 1,281,485,142 | 1.73% |
| 1,474 | 92,737 | 1,399,494,067 | 1.59% |
| 1,326 | 93,072 | 1,463,091,840 | 1.42% |

City of Rye, New York
 Direct and Overlapping Governmental Activities Debt

December 31, 2011

| <u>Government Unit</u> | <u>Net General Long-Term Debt</u> | <u>Percentage Applicable City of Rye(1)</u> | <u>Amount Applicable to City of Rye</u> |
|--|---|---|---|
| City of Rye School District | \$ 30,395,000 | 100.00% | \$ 30,395,000 |
| Rye Neck Union Free School District | 10,005,000 | 30.23% | 3,024,512 |
| Westchester County | 1,023,060,598 | 3.82% | 39,101,643 |
| Subtotal, Overlapping Debt | | | 72,521,155 |
| City Direct Debt (2) | | | 18,315,000 |
| Total Direct and Overlapping Debt | | | <u>\$ 90,836,155</u> |
| Population | | | <u>15,720</u> |
| Overlapping Debt Per Capita | | | <u>\$ 4,613</u> |
| Direct and Overlapping Debt Per Capita | | | <u>\$ 5,778</u> |

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

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

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

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

(2) Represents governmental activities debt only.

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Rye. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

City of Rye, New York
 Computation of Legal Debt Margin
 December 31, 2011

| Fiscal Year | Net Assessed Valuation | State Equalization Rate | Full Valuation |
|---|------------------------|-------------------------|-----------------------|
| 2011 | \$ 138,681,692 | 2.16% | \$ 6,420,448,704 |
| 2010 | 139,292,317 | 1.94% | \$ 7,180,016,340 |
| 2009 | 139,315,267 | 1.98% | 7,036,124,596 |
| 2008 | 139,073,118 | 1.97% | 7,059,549,137 |
| 2007 | 138,401,675 | 2.16% | <u>6,407,484,954</u> |
| Total Five Year Full Valuation | | | <u>34,103,623,731</u> |
| Five Year Average Full Valuation of Taxable Real Property | | | <u>6,820,724,746</u> |
| Constitutional Debt Limit (7% of Average Full Valuation) | | | <u>477,450,732</u> |
| Outstanding Indebtedness at December 31st | | | 20,845,000 |
| Less: 2012 Appropriations for Debt Principal | | | <u>1,406,137</u> |
| Net Indebtedness Subject to Debt Limit | | | <u>19,438,863</u> |
| Net Debt Contracting Margin | | | <u>\$ 458,011,869</u> |
| Percentage of Net Debt Contracting Margin Available | | | <u>95.93%</u> |
| Percentage of Net Debt Contracting Power Exhausted | | | <u>4.07%</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 |
|------|---------------------------|--------------------------------------|--|------------------------------------|-----------------------------|---|
| 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 | 270,250,344 | 15,377,425 | 1,022,652 | 14,354,773 | 255,895,571 | 94.69% |
| 2005 | 304,385,625 | 22,151,013 | 1,019,974 | 21,131,039 | 283,254,586 | 93.06% |
| 2006 | 341,828,209 | 26,248,440 | 1,092,221 | 25,156,219 | 316,671,990 | 92.64% |
| 2007 | 382,261,817 | 24,931,748 | 1,173,948 | 23,757,800 | 358,504,017 | 93.78% |
| 2008 | 414,939,772 | 23,550,956 | 1,217,116 | 22,333,840 | 392,605,932 | 94.62% |
| 2009 | 442,080,012 | 22,117,493 | 1,224,767 | 20,892,726 | 421,187,286 | 95.27% |
| 2010 | 469,151,135 | 22,247,374 | 1,322,828 | 20,924,546 | 448,226,589 | 95.54% |
| 2011 | 477,450,732 | 20,845,000 | 1,406,137 | 19,438,863 | 458,011,869 | 95.93% |

City of Rye, New York
 Calculation of Charter Bonded Debt Limits
 December 31, 2011

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

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

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

| Fund: | Gross Annual Budgets (As Adopted) | | |
|--|-----------------------------------|----------------------|----------------------|
| | 2009 | 2010 | 2011 |
| General Fund | \$ 30,672,631 | \$ 29,935,216 | \$ 29,946,910 |
| Cable TV Fund | 258,013 | 299,033 | 322,711 |
| Boat Basin Fund | 681,465 | 726,789 | 662,223 |
| Golf Club Fund | 7,775,773 | 7,679,398 | 7,832,681 |
| Total gross annual budgets | \$ 39,387,882 | \$ 38,640,436 | \$ 38,764,525 |
| Total of preceding three years' gross annual budgets | | | \$ 116,792,843 |
| Average of preceding three years' gross annual budgets | | | \$ 38,930,948 |

| | Subject to City Council Vote | Subject to Permissive Referendum | Public Safety Exemption | Disaster Rebuilding Exemption |
|--|------------------------------------|--|-------------------------------|-------------------------------------|
| Maximum charter bonding limit | \$ 1,946,547 | \$ 3,893,095 | \$ 2,500,000 | \$ 2,500,000 |
| Less outstanding principal at December 31, 2011: | | | | |
| 2000 Serial Bonds | (175,795) | (567,307) | - | - |
| 2001 Serial Bonds | (300,666) | (110,063) | - | - |
| 2002 Serial Bonds | - | (516,826) | - | - |
| 2005 Serial Bonds | - | (119,096) | (355,072) | - |
| 2010 Serial Bonds | (1,269,341) | (654,641) | (1,150,298) | - |
| Charter bonding limit December 31, 2011 | \$ 200,745 | \$ 1,925,162 | \$ 994,630 | \$ 2,500,000 |

Demographic and Economic Information

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

Demographic and Economic Statistics

Principal Employers

City of Rye, New York
Demographic and Economic Statistics
Last Ten Fiscal Years

| Year | Population ¹ | Median Age ² | Per Capita Income ² | Median Household Income ² | Median Family Income ² | Median Residential Home Value ³ | Unemployment Rate ⁴ |
|---------|-------------------------|-------------------------|--------------------------------|--------------------------------------|-----------------------------------|--|--------------------------------|
| 2002 | 15,090 | 38.1 | \$ 76,566 | \$ 110,894 | \$ 133,231 | \$ 900,000 | 4.6% |
| 2003 | 15,066 | 38.1 | 76,566 | 110,894 | 133,231 | 950,000 | 4.6% |
| 2004 | 15,043 | 38.1 | 76,566 | 110,894 | 133,231 | 1,070,000 | 4.5% |
| 2005 | 14,992 | 38.1 | 76,566 | 110,894 | 133,231 | 1,225,000 | 4.1% |
| 2006 | 14,992 | 38.1 | 76,566 | 110,894 | 133,231 | 1,179,000 | 3.7% |
| 2007 | 15,109 | 38.1 | 76,566 | 110,894 | 133,231 | 1,455,000 | 3.7% |
| 2008 | 15,242 | 38.1 | 76,566 | 110,894 | 133,231 | 1,460,000 | 5.7% |
| 2009 | 16,737 | 38.1 | 76,566 | 110,894 | 133,231 | 1,350,000 | 6.9% |
| 2010(5) | 15,091 | 38.1 | 92,737 | 145,990 | 207,773 | 1,255,000 | 6.7% |
| 2011 | 15,720 | 40.8 | 93,072 | 146,069 | 209,149 | 1,448,750 | 6.5% |

Sources:

- ¹ United States Census Bureau.
- ² United States Census Bureau 2010 Census.
- ³ City of Rye Assessor's office. 2011 median based on sales through mid-November 2011.
- ⁴ United States Bureau of Labor Statistics unemployment rates for Westchester County not seasonally adjusted.
- ⁵ United States Census Bureau's American Community Survey (2005-2009).

City of Rye, New York
 Principal Employers
 Fiscal Year Ended December 31, 2004¹

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

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

Source: Westchester County Planning Department

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Operating Information

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

Full-Time Equivalent Employees by Program

Operating Indicators by Program

Capital Asset Statistics by Program

City of Rye, New York
 Full-Time Equivalent Employees by Program
 Last Ten Fiscal Years

| <u>Year</u> | <u>General Government</u> | <u>Public Safety</u> | <u>Community Environment (1)</u> | <u>Transportation (1)</u> | <u>Culture and Recreation</u> |
|-------------|-------------------------------|--------------------------|--------------------------------------|---------------------------|-----------------------------------|
| 2002 | 21 | 62 | 61 | n/a | 26 |
| 2003 | 20 | 63 | 64 | n/a | 26 |
| 2004 | 21 | 62 | 64 | n/a | 23 |
| 2005 | 20 | 62 | 64 | n/a | 25 |
| 2006 | 18 | 61 | 65 | n/a | 23 |
| 2007 | 21 | 61 | 64 | n/a | 21 |
| 2008 | 30 | 64 | n/a | 16 | 22 |
| 2009 | 18 | 59 | n/a | 20 | 22 |
| 2010 | 18 | 59 | n/a | 20 | 22 |
| 2011 | 14 | 57 | n/a | 19 | 19 |

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

Source: Annual City Budget

Home and
Community Svs (1) Total

| | |
|-----|-----|
| n/a | 170 |
| n/a | 173 |
| n/a | 170 |
| n/a | 171 |
| n/a | 167 |
| n/a | 167 |
| 34 | 166 |
| 44 | 163 |
| 44 | 163 |
| 39 | 148 |

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

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> |
|---|-------------|-------------|-------------|-------------|
| General Government: | | | | |
| Primary elections | 1 | 1 | 2 | 1 |
| General elections | 1 | 1 | 1 | 1 |
| Special elections | 2 | - | 1 | 1 |
| Public Safety: | | | | |
| Number of police personnel and officers | 45 | 45 | 45 | 45 |
| Number of police calls for service | 15,896 | 15,314 | 14,758 | 14,446 |
| Number of parking violations issued | 8,594 | 10,050 | 8,595 | 9,684 |
| Number of paid firefighters | 17 | 18 | 17 | 17 |
| Number of volunteer firefighters | 201 | 200 | 200 | 200 |
| Number of fire alarms answered | 867 | 839 | 803 | 882 |
| Number of fire inspections performed | 342 | 441 | 503 | 428 |
| Number of school crossing guards | 7 | 8 | 8 | 8 |
| Home and Community Services: | | | | |
| Tons collected and disposed: | | | | |
| Solid waste | 6,811 | 6,735 | 7,153 | 6,891 |
| Green waste | 1,903 | 824 | 1,060 | 975 |
| Metal | 226 | 195 | 213 | 175 |
| Pulp | 1,939 | 1,964 | 1,906 | 1,878 |
| Co-mingled | 601 | 585 | 588 | 609 |
| Leaves | 450 | 450 | 450 | N/A |
| Number of tires collected and disposed | 8 | 9 | 4 | 3 |
| Number of shade trees: | | | | |
| Planted | 27 | 37 | 41 | 31 |
| Removed | 55 | 41 | 51 | 93 |
| Trimmed | 383 | 361 | 183 | 420 |
| Emergency calls | 190 | 90 | 50 | 160 |
| Stumps ground | 62 | 38 | 88 | 26 |
| Culture and Recreation: | | | | |
| Registrations for adult programs | 1,078 | 1,109 | 1,219 | 1,058 |
| Picnics | 4,048 | 4,069 | 6,497 | 5,429 |
| Registrations for senior citizen programs | 3,408 | 3,564 | 3,740 | 3,430 |
| Registrations for special events | 6,372 | 5,540 | 5,876 | 5,937 |
| Tennis permits issued | 435 | 508 | 529 | 437 |
| Registrations for youth programs | 3,125 | 3,189 | 3,652 | 3,771 |
| Registrations for youth sports | 3,825 | 4,058 | 4,197 | 4,275 |

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

Sources: Departmental annual reports to the City Manager.

| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--------|--------|--------|--------|--------|--------|
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | - | - | - | - |
| 44 | 44 | 44 | 42 | 42 | 40 |
| 12,923 | 12,182 | 14,004 | 12,841 | 16,252 | 14,845 |
| 8,209 | 9,300 | 12,739 | 11,752 | 11,829 | 11,930 |
| 17 | 17 | 17 | 17 | 17 | 17 |
| 200 | 200 | 225 | 120 | 120 | 112 |
| 1,068 | 1,150 | 855 | 821 | 957 | 951 |
| 356 | 428 | 442 | 471 | 478 | 485 |
| 8 | 8 | 8 | 8 | 10 | 9 |
| 7,010 | 7,419 | 5,836 | 5,645 | 5,806 | 5,935 |
| 1,245 | 3,006 | 3,199 | 3,554 | 2,863 | 4,326 |
| 328 | 194 | 155 | 134 | 111 | 97 |
| 1,867 | 1,864 | 1,934 | 1,714 | 1,739 | 1,673 |
| 608 | 665 | 770 | 800 | 794 | 787 |
| 1,470 | N/A | N/A | N/A | N/A | N/A |
| 2 | 2 | 4 | 1 | 1 | 1 |
| 42 | 55 | 115 | - | 5 | 7 |
| 164 | 235 | 239 | 268 | 95 | 219 |
| 160 | 379 | 468 | 404 | 253 | 329 |
| 284 | 55 | 86 | 44 | 75 | 126 |
| 162 | 139 | 154 | 135 | 66 | 135 |
| 1,086 | 1,170 | 1,402 | 1,307 | 1,130 | 1,092 |
| 5,859 | 5,833 | 4,103 | 2,516 | 3,922 | N/A |
| 3,489 | 6,410 | 7,445 | 6,668 | 6,729 | 6,511 |
| 6,881 | 6,006 | 5,051 | 4,848 | 4,795 | 4,509 |
| 453 | 425 | 412 | 444 | 406 | 416 |
| 3,817 | 4,747 | 5,486 | 5,270 | 3,674 | 2,998 |
| 4,838 | 5,012 | 4,727 | 4,853 | 5,109 | 4,842 |

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

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> |
|--|-------------|-------------|-------------|-------------|
| General Government - | | | | |
| Number of general government buildings | 1 | 1 | 1 | 1 |
| Public Safety: | | | | |
| Number of police stations | 1 | 1 | 1 | 1 |
| Number of fire stations | 2 | 2 | 2 | 2 |
| Number of traffic lights | 22 | 23 | 23 | 23 |
| Transportation: | | | | |
| Miles of streets | 71 | 71 | 71 | 71 |
| Number of street lights | 2,105 | 2,105 | 2,105 | 2,105 |
| Culture and Recreation: | | | | |
| Number of recreation centers | 1 | 1 | 1 | 1 |
| Number of parks | 3 | 3 | 3 | 3 |
| Acres of parks | 75 | 75 | 75 | 75 |
| Number of golf courses | 1 | 1 | 1 | 1 |
| Number of swimming pools | 1 | 1 | 1 | 1 |
| Number of nature centers | 1 | 1 | 1 | 1 |
| Number of cable television channels | 2 | 2 | 2 | 2 |
| Number of boat basin slips | 412 | 412 | 412 | 412 |
| Home and Community Services: | | | | |
| Miles of sanitary sewers | 53 | 53 | 53 | 53 |
| Number of pump stations | 6 | 6 | 6 | 6 |
| Miles of storm drains | 30 | 30 | 30 | 30 |

Source: Various City Departments

| <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 23 | 23 | 23 | 23 | 23 | 23 |
| 71 | 71 | 71 | 71 | 71 | 71 |
| 2,105 | 2,105 | 2,105 | 2,105 | 2,105 | 2,105 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 75 | 75 | 75 | 75 | 75 | 75 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 412 | 412 | 412 | 412 | 412 | 412 |
| 53 | 53 | 53 | 53 | 53 | 53 |
| 6 | 6 | 6 | 6 | 6 | 6 |
| 30 | 30 | 30 | 30 | 30 | 30 |

