



**CITY OF RYE
1051 BOSTON POST ROAD
RYE, NY 10580**

**REGULAR MEETING OF THE CITY COUNCIL
Council Chambers, City Hall
Wednesday, September 16, 2026
6:30 p.m. Executive Session
7:00 p.m. Public Session**

If you wish to address the Council, kindly sign in with the Clerk by completing the Speaker Form.
The Mayor and Councilmembers are happy to meet with residents at City Hall. Check the City website for the “office hours” schedule at <https://www.ryeny.gov/government/city-council>.

AGENDA

1. Call to Order *Mayor*

EXECUTIVE SESSION I (6:30 PM)

2. Matters covered under NYS Public Officers Law Article 7 §105 *Corporation Counsel*
- a. Personnel
 - b. Potential Acquisition of Property
 - c. Litigation

WELCOME (7:00 PM)

3. Pledge of Allegiance and Welcome to the Public *Mayor*
4. Roll Call *Clerk*
5. Spotlight *Mayor*
6. Hearing of the Public on Non-Agenda Items *Mayor*
-

ACTION ITEMS

7. Consent Agenda

Clerk

- a. Approval of the Minutes of City Council Meetings of August 12, 2026
- b. Consideration of a request from Apple Studios, LLC, to use a section of parking spaces in Car Park 4 to film an episode of Your Friends & Neighbors in Rye on September 17, 2026, from 4:00 PM to 10:00 PM. The Studio will be filming driving scenes on Purchase St with the assistance of Rye Police Department. No road closures are expected.
- c. Consideration of a request from Rye Art Center for use of the Village Green on Thursday, September 17, 2026, at 3:30 PM to host Live Music for their Arts for Purchase event
- d. Resolution to declare certain City Equipment as Surplus
- e. Approval of FY 2025 City Audited Financials

8. Items Removed From the Consent Agenda (if any)

9. Consideration of a resolution adopting a SEQRA Negative Declaration and determination of LWRP Coastal Consistency in connection with the Rye Nature Center Driveway Project

10. Consideration to set a public hearing for October 7, 2026 City Council Meeting to amend Chapter 122 "Leaf Blowers" and Chapter 133 "Noise" of the Code of the City of Rye, by amending § 122-5 "Days and hours of operation of motorized landscaping equipment" and § 133-8 "Construction work prohibited at certain hours and on certain days," to create an exemption for emergency activities

PRESENTATION AND DISCUSSION/PUBLIC HEARINGS

11. Open a public hearing and consideration of adopting a Local Law on Hybrid Meeting Policy

Corporation Counsel

INFORMATION

12. Councilmember Reports

Deputy Mayor

13. Old Business/New Business

Mayor

A LOOK AHEAD

14. Possible Future Agenda Meeting items

City Manager

- a. Update on Cellular Phone Service Analysis and Plan
- b. Update on CBD Design Standards

-
- c. Update on FEMA Code & Ordinance Review
 - d. Update on Natural Resource Inventory
 - e. Update on Gagliardo Park Planning

EXECUTIVE SESSION II (If Necessary)

15. Matters covered under NYS Public Officers Law Article 7 §105 *Corporation Counsel*
- a. Personnel
 - b. Potential Acquisition of Property
 - c. Litigation

ADJOURNMENT

Unless otherwise stated, if the Council adjourns into executive session, it will then adjourn without further public session.

The City Council will hold a Special Meeting on Wednesday, September 23, 2026, at 6:30 p.m. for executive session and 7:00 p.m. for a working session at City Hall.

The next regular meeting of the City Council will be held on Wednesday, October 7, 2026, at 6:30 p.m. for executive session and 7:00 pm for the public session at City Hall.

City Council meetings are available live at www.ryeny.gov/home under Rye TV Government Videos, on Cablevision Channel 75 and Verizon Channel 39, and on demand, indexed by agenda item, on the City website at <https://www.ryeny.gov/government/city-council>.



CITY COUNCIL AGENDA

DEPT.: City Manager

CONTACT: Brian Shea, City Manager

AGENDA ITEM: Approval of the Minutes of the City Council Meeting of August 12, 2026.

FOR THE MEETING OF:

September 16, 2026

RECOMMENDATION: That the Council review and approve the meeting minutes.

IMPACT: ☐ Environmental ☐ Fiscal ☐ Neighborhood ☒ Other:

BACKGROUND: See the attached meeting minutes from August 12, 2026.

UNAPPROVED MINUTES of the Regular Meeting of the City Council of the City of Rye held at the Locust Avenue Firehouse on August 12, 2026, at 7:00 P.M.

PRESENT:

JOSH NATHAN, Mayor
MARION ANDERSON
EMILY BALDWIN
KEITH CUNNINGHAM
JAMES WARD
Councilmembers

ABSENT: AMY KESAVAN
JAMIE JENSEN

ALSO ATTENDING:

BRIAN SHEA, CITY MANAGER
KRISTEN WILSON, CORPORATION COUNSEL

The Council convened at the City Hall at 7:10 P.M. The meeting was streamed live at www.ryeny.gov for public viewing.

WELCOME

1. [Pledge of Allegiance](#)

Mayor Nathan led the Pledge of Allegiance.

2. [Roll Call](#)

The City Clerk called the roll, and there was a quorum.

3. [Spotlight](#)

- Presentation by Reed Lisiak, from Rye Troop 2 on Eagle Scout project and request for use of the Village Green

On motion by Councilperson Baldwin, seconded by Councilperson Anderson, and unanimously carried, it was:

RESOLVED to approve the request for use of the Village Green to host a community food drive and Eagle Project to benefit the Bread of Life from 6:00 AM to 3:00 PM on October 18, 2026, with a rain date of October 25, 2026

UNAPPROVED MINUTES – Regular Meeting - City Council
August 12, 2026

- Presentation by Rye Country Day School (RCDS)
Stacey Sotirhos presented an update on RCDS's development plans.

4. Hearing of the Public on Non-Agenda Items

- Nick Everett, 19 Palisades Rd, spoke regarding emergency tree removal
- Ruth Moss, White Plains, spoke regarding the risks associated with cellular apparatus
- Laurie Batal, 720 Milton Rd, spoke regarding safety code violations by Row America

ACTION ITEMS

5. Consent Agenda

- a. Approval of the Minutes of the Special City Council Meeting of June 8, 2026, and regular City Council Meetings of June 10, 2026, and July 15, 2026
- b. Resolution of the Rye City Council adopting a Second Amendment for the Inter-Municipal Agreement (IMA) for Solid Waste and Recyclables Disposal for Refuse Disposal District #1

On motion by Councilperson Baldwin, seconded by Councilperson Anderson, and unanimously carried, it was:

RESOLVED to approve all Consent Agenda items.

6. Items Removed from Consent Agenda

No items were removed.

7. Consideration of Rye Nature Center (RNC) Funding Campaign, Naming Rights authorization, and update on the Nature Center driveway project

RNC Director Christine Siller presented her request and gave an update on the driveway project.

On motion by Councilperson Anderson, seconded by Councilperson Cunningham, and unanimously carried, it was:

RESOLVED to authorize RNC to move forward with their Funding Campaign as well as to approve RNC's creation of policies and procedures around Naming Rights which will be reviewed by the Council at a separate meeting.

8. Adoption of the 2026/2027 tax levy and tax rate for the Rye Neck Union Free School District

On motion by Councilperson Ward, seconded by Councilperson Cunningham:

UNAPPROVED MINUTES – Regular Meeting - City Council
August 12, 2026

WHEREAS, the Rye Neck Union Free School District (District) has certified to the City of Rye Comptroller taxes in the amount of \$13,721,243 to be raised on property within the District located in the City of Rye, with established tax rates of \$1,149.014781 per \$1,000 of taxable assessed value on homestead property and \$1,474.276153 per \$1,000 taxable assessed value on non-homestead property, for the fiscal year beginning July 1, 2026, and ending June 30, 2027, now, therefore, be it

RESOLVED, that in accordance with the provisions of the City Charter, the City Comptroller is commanded to levy and collect said taxes, subject to any further amendments or approvals required by the Rye Neck Union Free School District.

Adopted by the following vote:

ROLL CALL

AYES: Councilpersons Anderson, Baldwin, Cunningham, Ward and Mayor Nathan

NAYS: None

ABSENT: Councilpersons Kesavan, Jensen

PRESENTATION AND DISCUSSION/PUBLIC HEARINGS

9. [Presentation by AKRF on the Comprehensive Plan](#)

Representatives from AKRF gave an overview of the Comprehensive Planning process.

10. [Presentation of the City's 5-year Capital Improvement Program \(CIP\)](#)

City Manager Brian Shea presented the 5-year CIP.

11. [Consideration to set a public hearing for September 16, 2026, City Council Meeting to adopt a Local Law on Hybrid Policy](#)

On motion by Councilperson Cunningham, seconded by Councilperson Baldwin, and unanimously carried, it was:

RESOLVED to set the public hearing for September 16, 2026.

12. [Open a public hearing to consider amending sections of local law Chapter 191, Article III "Parking Regulations" and Article VII "Off-Street Metered Parking" of the Code of the City of Rye, by amending §191-19 "No Parking any time," §191-19.1 "Parking prohibited certain hours," §191-20\(A\) "Parking time limited," §191-36 "Parking meter zones established," and §191-38 "Parking in metered zones" to extend the No Parking Zone near Midland School and to include Car Park 6](#)

UNAPPROVED MINUTES – Regular Meeting - City Council
August 12, 2026

On motion by Councilperson Baldwin, seconded by Councilperson Cunningham, and unanimously carried, it was:

RESOLVED to open the public hearing

On motion by Councilperson Ward, seconded by Councilperson Anderson, and unanimously carried, it was:

RESOLVED to close the public hearing

On motion by Councilperson Baldwin, seconded by Councilperson Cunningham, it was:

RESOLVED to amend sections of local law Chapter 191, Article III “Parking Regulations” and Article VII “Off-Street Metered Parking” of the Code of the City of Rye, by amending §191-19 “No Parking any time,” §191-19.1 “Parking prohibited certain hours,” §191-20(A) “Parking time limited,” §191-36 “Parking meter zones established,” and §191-38 “Parking in metered zones” to extend the No Parking Zone near Midland School and to include Car Park 6

Adopted by the following vote:

ROLL CALL

AYES: Councilpersons Anderson, Baldwin, Cunningham, Ward and Mayor Nathan

NAYS: None

ABSENT: Councilpersons Kesavan, Jensen

13. [Open a public hearing to consider adding a new Chapter 13 “Employee Residency Requirements”, to the Code of the City of Rye, NY](#)

On motion by Councilperson Baldwin, seconded by Councilperson Ward, and unanimously carried, it was:

RESOLVED to open the public hearing

On motion by Councilperson Anderson, seconded by Councilperson Baldwin, and unanimously carried, it was:

RESOLVED to close the public hearing

On motion by Councilperson Ward, seconded by Councilperson Baldwin, it was:

RESOLVED to add a new Chapter 13 “Employee Residency Requirements”, to the Code of the City of Rye, NY

UNAPPROVED MINUTES – Regular Meeting - City Council
August 12, 2026

Adopted by the following vote:

ROLL CALL

AYES: Councilpersons Anderson, Baldwin, Cunningham, Ward and Mayor Nathan

NAYS: None

ABSENT: Councilpersons Kesavan, Jensen

14. [Open a public hearing to consider a request for a waiver from local Law no. 3 of 2026 by the owner of 43 Locust Avenue](#)

On motion by Councilperson Ward, seconded by Councilperson Anderson, and unanimously carried, it was:

RESOLVED to open the public hearing

The attorney for the application as well as architect Rex Gedney presented their request for a waiver from the moratorium.

On motion by Councilperson Anderson, seconded by Councilperson Baldwin, and unanimously carried, it was:

RESOLVED to close the public hearing

On motion by Mayor Nathan, seconded by Councilperson Cunningham, it was:

RESOLVED to deny the waiver request.

Adopted by the following vote:

ROLL CALL

AYES: Councilpersons Baldwin, Cunningham, Ward and Mayor Nathan

NAYS: Councilperson Anderson

ABSENT: Councilpersons Kesavan, Jensen

INFORMATION

15. [Councilmember Reports](#)

Councilmembers provided individual updates on the Boards and Commissions to which they serve as liaisons.

16. Old Business – New Business

UNAPPROVED MINUTES – Regular Meeting - City Council
August 12, 2026

There was nothing discussed.

ADJOURNMENT

On motion of Councilperson Ward, seconded by Councilperson Cunningham, and with the Council in favor, the meeting was adjourned at 9:42 P.M.

Respectfully submitted,

Noga Ruttenberg, City Clerk



CITY COUNCIL AGENDA

DEPT.: City Manager

CONTACT: Brian Shea, City Manager

AGENDA ITEM: Consideration of a request from Apple Studios, LLC, to use a section of parking spaces in Car Park 4 to film an episode of Your Friends & Neighbors in Rye on September 17, 2026, from 4:00 PM to 10 PM. The studio will be filming driving scenes on Purchase St with the assistance of Rye PD. No road closures are expected.

FOR THE MEETING OF:

September 16, 2026

RECOMMENDATION: That the Council consider the request

IMPACT: ☐ Environmental ☐ Fiscal ☐ Neighborhood ☒ Other:

BACKGROUND: See attached email request and parking map.

From: [Ashton H](#)
To: [Ruttenberg, N P.](#); [Hein, A Shane H](#); [Michael A](#); [Kevin D](#); [Erika L](#)
Cc: YF&N - Filming Driving scenes in Rye 9/17
Subject: Tuesday, September 8, 2026 4:43:31 PM
Date:

Hi Noga,

I hope you had a great holiday weekend! Thanks for chatting with me last week about the driving work we'd like to do on Purchase Street. We had to shuffle our schedule around, and are now looking at next Thursday, 9/17 for the filming. As I mentioned on the phone, it would just be some driving work up and down Purchase Street, moving with the flow of traffic. It shouldn't take more than a couple of hours, likely 6:30pm - 10pm, probably ending even earlier than that. We would want some space in that original lot we used, Parking lot 4. The permit should be in shortly. Please let us know if you have any questions or foresee any issues with this new date.

Lt. Hein - the work above would be the exact same as what I explained on the phone, just switching the date. Feel free to reach out with any questions or concerns!

Thank you!

Ashton

--

Ashton H

Assistant Location Manager | YF&N

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Thursday, Sept 17, 2026
6:30 pm - 10:00 pm

45 parking spots in Car
Park as shown



BOX TRUCK STAGING
RYE MUNICIPAL CAR PARK 4
12 Purdy Avenue
(bet. 1st & 2nd Sts.)



CITY COUNCIL AGENDA

DEPT.: City Manager

CONTACT: Brian Shea, City Manager

AGENDA ITEM: Consideration of a request from Rye Art Center for use of the Village Green on Thursday, September 17, 2026, at 3:30 PM to host Live Music for their Arts for Purchase event.

FOR THE MEETING OF:

September 16, 2026

RECOMMENDATION: That the Council consider the request.

IMPACT: ☐ Environmental ☐ Fiscal ☐ Neighborhood ☒ Other:

BACKGROUND: See the attached email request.

From: Sarah M

Sent: Friday, August 14, 2026 2:40 PM

To: Ruttenberg, N

Subject: Village Green on Sept. 17

Hi Noga,

Who would I talk to at City Hall to ask availability/permission to use to the Village Green on Thursday evening, September 17?

RAC's Art for Purchase event is returning this fall and we will be hosting our opening reception downtown that evening on Elm Place. We are also interested in providing live music and thought the village green would be a good location for that.

Best,

Sarah



CITY COUNCIL AGENDA

DEPT.: City Manager

CONTACT: Brian Shea, Interim City Manager

AGENDA ITEM: Resolution to declare certain City equipment as surplus.

FOR THE MEETING OF:

September 16, 2026

RECOMMENDATION: That the City Council adopt the following resolution:

WHEREAS, the City has been provided with a description of equipment identified as being obsolete or will become obsolete during 2026; and

WHEREAS, the City recommends that Said equipment be declared surplus, now, therefore, be it

RESOLVED, that said equipment is declared surplus, and be it further

RESOLVED, that authorization is given to the listed Department Heads to donate, or sell, or dispose of said equipment in a manner that will serve in the best interests of the city.

IMPACT: ☐ Environmental ☒ Fiscal ☐ Neighborhood ☐ Other:

BACKGROUND: The City Engineer and Fire Captain have provided the attached memo regarding equipment that needs to be declared surplus.

Ryan Coyne, P.E.
City Engineer
1051 Boston Post Road
Rye, New York 10580



Tel: (914) 967-7464
E-mail: rcoyne@ryeny.gov
<http://www.ryeny.gov>

CITY OF RYE
DEPARTMENT OF PUBLIC WORKS

To: Brian Shea, City Manager

From: Ryan Coyne PE, City Engineer *RXC*

Date: September 8, 2026

Re: Surplus Vehicles and Equipment

We are requesting that the Council deem the following list of vehicles and motorized equipment as a surplus so that we can proceed to auction. These items below are no longer of use to the department.

Should you need additional information, please feel free to call me.

- 2008 Contrail C-10 Equipment Trailer, Vin-4KNUC16208L1627222020
- 2003 Bandit 280 Chipper, Vin-4FMUS16143R000866

Captain Clyde Pitts
Rye Fire Department
15 Locust Ave
Rye, New York 10580



CITY OF RYE

Tel: (914) 967-4530
Fax: (914) 967-8761
cpitts@ryeny.gov
<http://www.ryeny.gov>

Fire Department

Memorandum

To: Brian Shea, City Manager
From: Clyde Pitts, Rye Fire Captain
Date: 09/09/2026
Re: Surplus Items for Auction

Following the review of the items listed in the supplied packet, I hereby declare the items as surplus. In accordance with the city's surplus property policy, I recommend that these items be disposed of through the city's auction process.

The items included in the packet have been deemed no longer necessary for the city's operations and are in a condition suitable for public auction. As per city policy, I recommend that we proceed with the necessary steps to auction the surplus items.

Please let me know if further action or documentation is required for this process.

Sincerely,

Clyde L. Pitts III
Captain



FIRE DEPARTMENT SURPLUS ITEMS 09-2026

ITEM	CONDITION	QUANTITY
Assorted Scene Lights	Used	6
Turnout Gear	Expired	6
Pike Poles	Used	14
Thermal Imaging Camera	Used	1
Air Hose Reel	Used	1
Skedco Tripod	Used	1
Fire Nozzles	Used	5
Fire Pump Skid Unit	Used	1
Fire Hose	Failed Testing	Assorted sizes/qty











CITY COUNCIL AGENDA

DEPT.: City Comptroller/Finance Department

CONTACT: Joe Fazzino, Deputy City Comptroller.

AGENDA ITEM: Approval of FY 2025 City Audited Financials.

FOR THE MEETING OF:

September 16, 2026

RECOMMENDATION: That the Council approve the Financials.

IMPACT: ☐ Environmental ☒ Fiscal ☐ Neighborhood ☐ Other:

BACKGROUND: See the attached Financial Statements.



City of Rye, New York

**Annual Comprehensive Financial Report
Year Ended December 31, 2025**

CITY OF RYE



**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**



For the Year Ended
December 31, 2025



Prepared by the Finance Department



Joseph Fazzino, Deputy Comptroller

City of Rye, New York
Annual Comprehensive Financial Report
Year Ended December 31, 2025

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City of Rye, New York
Annual Comprehensive Financial Report
Year Ended December 31, 2025

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INTRODUCTORY SECTION

**City of Rye, New York
List of Elected and Appointed Officials
December 31, 2025**

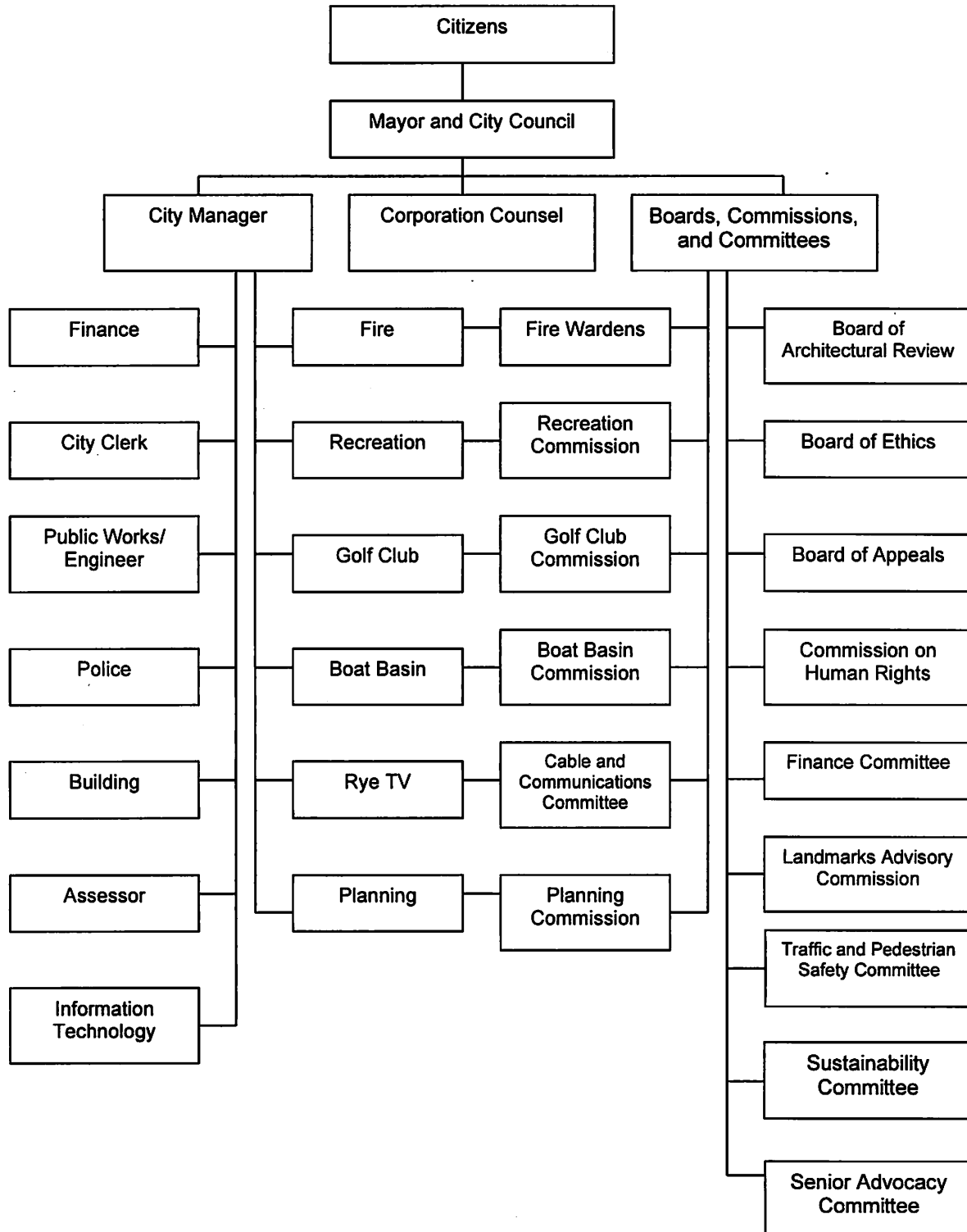
Elected Officials

Josh Cohn, Mayor
Keith Cunningham, Council Member
William Henderson, Council Member
Jamie Jensen, Council Member
Joshua Nathan, Council Member
Julie Souza, Council Member
James Ward, Council Member

Appointed Officials

Brian Shea, City Manager
Dan Bochicchio, Fire Chief
Guido Carpenito, City Building Inspector
Chris Correale, Golf Club Manager
Ryan Coyne, City Engineer
Joseph Devita, Coordinator of Computer Services
Joseph Fazzino, Deputy Comptroller
John Flynn, City Assessor
Michael Kopy, Public Safety Commissioner
Nicole Levitsky, Rye Communications Coordinator
Erin Mantz, Superintendent of Recreation
Christian Miller, City Planner
Rodrigo Paulino, Boat Basin Supervisor
Euka Pietrosanti, Personnel Manager
Noga Ruttenberg, City Clerk
Kristen Wilson, Corporation Counsel

City of Rye, New York Organizational Chart



Joseph Fazzino
Deputy Comptroller
1051 Boston Post Road
Rye, New York 10580-2945

CITY OF RYE
Department of Finance

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

July 31, 2026

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

Submitted herewith is the annual comprehensive financial report (ACFR) of the City of Rye, New York (City) as of and for the year ended December 31, 2025.

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 compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. 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 ACFR is complete and reliable in all material respects.

The City's financial statements have been audited by BST & Co. CPAs, 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 year ended December 31, 2025 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded that, based upon the audit, there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended December 31, 2025 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

Accounting principles generally accepted in the United States of America 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 the 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 25 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*.

Profile of the City of Rye, New York - Continued

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

The United States Census Bureau estimates the City's population count as of 2025 at 16,463.

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

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

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

The City provides a full range of services. General government services include vital statistics (birth and death certificates), business and occupational licenses, and a variety of other permits and licenses required under state or local law. Public safety is provided through a full-time police department, a fire department comprising paid and volunteer firefighters, ambulance/emergency medical 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 include 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.

Profile of the City of Rye, New York - Continued

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 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 third week of September. The City Manager will meet with departments and the City Comptroller throughout the months of September and October to review the submissions, making adjustments as required or desired to meet the objectives that may have been expressed or implied by the City Council.

In accordance with §C21-2 of the City Charter, the City Manager must present a tentative budget to the City Council on or before November 7 of each year. 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 City 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 10 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 have 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 department, office, or agency under his/her supervision, and such transfers are reported to the City Council at or prior to the next City Council meeting, provided that the amendments do not increase total estimated revenues or total appropriations. Amendments between funds or those that would increase total estimated revenues or appropriations must be made by resolution of the City Council. The original budget, the budget as amended by fiscal year-end, actual results, and variances between the amended budget and actual results for the governmental funds are presented in the governmental funds subsection of this report. It should be noted that multi-year, rather than annual, budgets are adopted for the Capital Projects Fund. This report includes a project length schedule for all projects within the Capital Projects Fund, including project budget, current-year revenues and expenditures, project inception-to-date revenues and expenditures, and available project balance remaining at the end of the current fiscal year.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when it is considered in light of the specific environment in which the City operates. Please note that all dollar figures are rounded to the nearest thousand.

Factors Affecting Financial Condition - Continued

The American Rescue Plan Act (ARPA), which was signed into law on March 11, 2021, was a \$1.9 trillion COVID-19 relief package that included \$350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools, and maintain vital services. The ARPA also included an additional \$1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low-income and moderate-income households, an increase in food stamp benefits, additional funding for childcare and an increase in childcare tax credits.

Although the ARPA provides for funds to be paid to the State of New York, it is not possible to predict whether any future federal legislation will contain a reduction in other federal aid to the State of New York. Any reduction in federal funding levels could have a materially adverse impact on the New York State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the New York State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

More than five years since COVID-19 was designated as a pandemic, the World Health Organization declared an end to the global Public Health Emergency for COVID-19. However, the City continues to monitor closely the fallout, especially an increase in inflation and interest rates, supply chain issues, and rising costs to provide goods and services, and has taken proactive measures, as required, to ensure the strong financial condition of the City.

Taxable assessments decreased 1.71% (from \$147,852,100 to \$145,321,645), and the City's tax base is not dependent upon any single industry or taxpayer. The top 10 principal taxpayers of the City represent roughly 7.9% of the tax roll, with public utilities representing 4.0%, retirement community representing 1.5%, office buildings representing 0.8%, cooperatives representing 1.0%, a private club representing 0.3%, and an apartment building representing 0.3%.

Residential home sales reflect the upscale nature of the City's community. The City Assessor reported that 121 homes in the City were sold in 2025, compared to 156 in 2024. Of these, 99% sold for \$1 million or more and 70% sold for \$2 million or more. The median home sales price increased by 6.7% from \$2,470,000 in 2024 to \$2,636,000 in 2025, and the average home sales price increased by 6.7% from \$2,831,000 to \$3,021,000. The highest 2025 sales price reported for a single-family home was \$9,750,000.

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 following assessment roll for the current fiscal year and the previous five and 10 years demonstrates a relative economic stability of the City over time:

Assessment Roll Classification			
Class	2025	2020	2016
Residential	76.20 %	74.74 %	74.10 %
Business	8.57	10.94	11.62
Other	15.23	14.32	14.28
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.

Factors Affecting Financial Condition - Continued

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

Local Economy

Economic data for the City from the United States Census Bureau 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	\$ 151,878	\$ 73,516	\$ 56,438	\$ 89,528
Median Household	239,815	118,976	84,578	83,730

The 2025 unemployment rate for Westchester County was 3.4%, which is in line with the 2025 rates for New York State (4.4%) and the United States (4.6%).

Long-Term Financial Planning

Inflation remains a significant and ongoing concern as the City strives to provide a host of community services, replace aging infrastructure and plan for significant additional needs, all while absorbing large increases in health care expenses and other employee-mandated benefits. For the fourth year in a row, the New York State Inflation Factor (3.0%) is greater than the mandated New York State Tax Cap of 2%.

The 2025 property tax rate increased by 5.07%. The increase is a response to the combined cost of both materials and labor, as the City continues to operate in an inflationary environment. The City can no longer increase its budgeted elastic revenues to offset property tax revenues, as these revenues have been budgeted in line with actual results to keep property tax rate increases low. Management has cautioned about this during the last several budget messages. Looking to 2026 and beyond, we can expect this theme to continue, as non-property tax revenue growth cannot continue to offset the significant increases in labor and materials expenses. The volatility of commodity markets could mean that broad and sweeping changes in the City's assumed costs of materials and supplies could increase these costs. Market liquidity, interest rates, and consumer confidence could have a profound effect on the City's outlook for sales and use taxes, mortgage taxes, and building permit revenues.

Prior to 2019, sales tax revenues had exceeded levels prior to the recession. Beginning in August 2019, the Westchester County sales tax rate increased by 1%, resulting in a substantial increase in revenues other than property taxes going forward. The economic slowdown from the pandemic did not allow the City to fully realize the impact of the 1% increase in 2020. However, sales tax revenues came in more than \$250,000 over the 2020 budgeted amount and more than \$700,000 over the 2021 budgeted amount. For 2026, City staff budgeted more in line with the 2025 actual results. Despite the pandemic coming to an end, there are still supply chain issues and rising costs of inflation, and the City may not have an accurate depiction of what the actual impact of the 1% tax rate increase will be for several more years.

Factors Affecting Financial Condition - Continued

Long-Term Financial Planning - Continued

Interest rates in 2019 approximated 2% and interest income climbed to \$653,000 in 2019, or \$244,000 more than 2018. To put this in perspective, General Fund interest earnings were over \$902,000 in 2007, prior to the recession, about \$50,000 at the peak of the recession, and had once again become a significant source of revenue for the City. In 2020, the Federal Reserve dropped interest rates close to zero, once again eliminating interest income as an impactful revenue stream for the City. However, as mentioned below, the City has a robust capital improvement plan, and in March 2022, it took advantage of these low interest rates by issuing \$15.3 million of debt. To combat the aforementioned rising inflation rates, the Federal Reserve increased interest rates by 425 basis points in 2022, with no decrease in interest rates in 2023. In 2024, interest rates decreased by 75 basis points, with more decreases expected in 2025. Additional declines are expected in 2026. The decreased rates are expected to decrease interest income for the City as well as potentially impact the housing market, which will affect building permit (unaffected by high interest rates) and mortgage tax revenues.

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.ryenyny.gov>). City staff are currently working on further long-term capital planning through the issuance of debt, use of fund balance, and/or grants and aid.

The City's unassigned fund balance was at a very healthy level at the end of the year, and City staff were planning the continuation of searching for new sources of revenue, trying to minimize increases in the uncontrollable expenditures, and evaluating and possibly reducing core services, while finding ways to improve infrastructure and add capital for future needs.

In an effort to create and preserve affordable housing, the City has one tax abatement as disclosed in Note 4d to the financial statements.

Major Initiatives

During 2018, the City Council, after collaboration with City staff and the City's Finance Committee, identified a list of capital projects/purchases to advance. The projects included renovations to the police/court facility, the purchase of a new fleet of sanitation vehicles, the reconstruction of multiple Department of Public Works (DPW) buildings, and the installation of a new HVAC system for City Hall. The concept and design phase of these projects began during the last quarter of 2018, with construction beginning in 2023.

The 2026 budget reflects both immediate community needs and long-term investment for infrastructure, vehicles and human resources. A significant aspect of the 2026 budget optimized how the City uses accumulated financial resources, including tax revenues, surplus monies and grants.

Since 2018, the City has spent over \$13.4 million on resurfacing roads. This work, combined with the repaving done by utilities and Westchester County, has resulted in significantly improved road conditions. In 2017, the City Council added \$600,000 to the tax rate for street resurfacing. Additional funds were added to this amount from New York State monies. Since that time, the New York State budget has included significantly more annual grants specifically dedicated to road repairs and improvements. Beginning in 2024, only grant funding will be utilized for roads, freeing up the tax revenues for vehicle replacement and investment. The total budgeted amount for roads in 2026 totals \$1.5 million.

Factors Affecting Financial Condition - Continued

Major Initiatives - Continued

As a result of the City's settlement with Save the Sound (STS), to make improvements to the systems that reduce inflow and infiltration of stormwater, groundwater, and illegal discharges, the City completed a Sanitary Sewer Evaluation Survey (SSES). The cost of the SSES, which includes months of metering and analysis, is substantial and it has identified the need for potential capital improvements to the City's sewer collection system, including the Central Avenue pump station, the Locust Avenue sewer siphon, the Brevoort Lane force main replacement, and the Midland Avenue sewer and miscellaneous sewer manhole rehabilitation projects, which were completed during 2022 and 2023. In February 2021, the City settled its longstanding suit with STS, agreeing to a set of sanitary sewer infrastructure improvements and committing itself to the ongoing maintenance and monitoring of the system. The terms of the settlement require that this cost be included in the annual budget. Annual costs related to the City-wide sewer maintenance total approximately \$500,000 and are found in the DPW annual budget. In addition, as required by the terms of the settlement and stipulated order, an additional \$150,000 will be invested annually in various sewer repairs and improvements. The total annual cost of sewer maintenance totals approximately \$650,000.

Historically, the City's stormwater system improvements have been related to the repair of certain catch basins, pipes and other minor repairs. With the increase in storms and their intensity, combined with the geographic and topographical nature of the City, there is an increased need to invest in the stormwater system. For the proposed 2025 budget, \$500,000 was included for stormwater system work. Going forward, a portion of the annual budget will include a comprehensive stormwater system capacity study to assist in locating and setting system priorities.

Each year, a portion of the DPW budget is spent to install and/or repair systems dedicated to pedestrian safety. For the 2025 budget, \$100,000 of the General Fund surplus was used for further improvements. These improvements will include additional mobile speed signs, an additional signage trailer for special events/notices, and added signage for pedestrian crossings.

Relevant Financial Policies

The City has adopted a *Comprehensive Financial Policy Document*, which is available for review in City Hall, the Rye Free Reading Room, and on the City's website. This document contains all 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-term and long-term initiatives.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City for its ACFR for the fiscal year ended December 31, 2024. This was the 28th consecutive year that the City received this prestigious award. To be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

Factors Affecting Financial Condition - Continued

Awards and Acknowledgements - Continued

The City also received the GFOA's *Distinguished Budget Presentation Award* for its fiscal 2025 annual budget document, making it the 22nd 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 all City departments concerning information specific to their operations. I would like to thank the Finance Department staff for their hard work, as it is a pleasure to work with them daily. We appreciate the input from our independent auditor, BST & Co. CPAs, LLP, and we commend them on their timely and professional completion of their audit of the City of Rye as well as their guidance on various topics throughout the course of the year. Our gratitude is extended to our Mayor and City Council, who continuously strive to enhance the quality of life for our citizens. Most importantly, our thanks go to the citizens and residents for giving us the opportunity to serve our fine City.

Respectfully submitted,

Joseph S Fazzino

Joseph Fazzino
Deputy Comptroller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Rye
New York**

**For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended**

December 31, 2024

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION



Independent Auditor's Report

Honorable Mayor and City Council
City of Rye, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rye, New York (City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information listed in the accompanying table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Latham, New York
July 31, 2026



City of Rye, New York

Management's Discussion and Analysis December 31, 2025

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 year ended December 31, 2025. 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 liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of the most recent year by \$18,124,457. Of this amount, the unrestricted portion for governmental activities and business-type activities is a deficit and surplus of \$97,014,416 and \$7,199,224, respectively.
- The City's total net position increased by \$8,839,262 as a result of an increase in governmental activities of \$6,937,173 and an increase in business-type activities of \$1,902,089.
- The City's governmental funds reported a combined ending fund balance of \$31,370,935, of which \$16,563,893 is unassigned and available for spending at the City's discretion.
- At the end of the current year, unassigned fund balance for the General Fund was \$16,563,893, or about 31.2% of total General Fund expenditures.
- The City's total bonded debt decreased 6.3% from \$17,130,000 to \$16,045,000 during the current year, as \$1,085,000 in principal payments were made during the year and the City did not issue any new debt.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

The statement of activities presents information showing changes in the City's net position during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes, earned but unused compensated absences leave and other postemployment benefit obligations).

City of Rye, New York

Management's Discussion and Analysis December 31, 2025

Overview of the Financial Statements - Continued

Government-Wide Financial Statements - Continued

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 discussion and analysis.

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 two categories: governmental funds and proprietary 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 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 four individual governmental funds: the General 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 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 for the other non-major 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, the K.T. Woods Permanent Fund, and the 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.

City of Rye, New York

Management's Discussion and Analysis December 31, 2025

Overview of the Financial Statements - Continued

Fund Financial Statements - Continued

Proprietary Funds

The City maintains two types of proprietary funds - enterprise funds and an internal service fund. 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 an internal service fund to account for its general liability insurance coverage (the Risk Retention Fund). This service has been classified as governmental activities in the government-wide financial statements because it predominantly benefits 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. The City's internal service fund is presented within the proprietary fund financial statements.

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 non-major governmental funds are presented immediately following the basic financial statements. Combining and individual fund statements and schedules can be found elsewhere in this report.

City of Rye, New York

Management's Discussion and Analysis December 31, 2025

Government-Wide Financial Analysis

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

	December 31,					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 39,098,045	\$ 46,477,814	\$ 11,378,533	\$ 9,483,607	\$ 50,476,578	\$ 55,961,421
Capital assets, net	99,563,411	93,135,773	12,056,542	13,424,523	111,619,953	106,560,296
Total assets	138,661,456	139,613,587	23,435,075	22,908,130	162,096,531	162,521,717
Deferred outflows of resources	25,271,525	32,827,927	721,947	1,000,215	25,993,472	33,828,142
Long-term liabilities outstanding	134,280,127	128,440,370	4,063,096	5,130,605	138,343,223	133,570,975
Other liabilities	6,585,878	10,958,805	532,571	524,632	7,118,449	11,483,437
Total liabilities	140,866,005	139,399,175	4,595,667	5,655,237	145,461,672	145,054,412
Deferred inflows of resources	23,774,631	40,687,167	729,243	1,323,085	24,503,874	42,010,252
Net position						
Net investment in capital assets	87,214,890	81,325,573	11,632,888	11,691,960	98,847,778	93,017,533
Restricted	9,091,871	2,363,563	-	-	9,091,871	2,363,563
Unrestricted	(97,014,416)	(91,333,964)	7,199,224	5,238,063	(89,815,192)	(86,095,901)
Total net position	\$ (707,655)	\$ (7,644,828)	\$ 18,832,112	\$ 16,930,023	\$ 18,124,457	\$ 9,285,195

For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$18,124,457 at the close of 2025. Of this amount, \$98,847,778 reflects the City's investment in capital assets (land, buildings, improvements, machinery and equipment, right-to-use machinery and equipment leased assets, subscription-based IT arrangement assets, construction in progress, and infrastructure), net of depreciation/amortization and any related outstanding debt. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

An additional portion of the City's net position, \$9,091,871, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$88,039,648. 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 certiorari claims payable of \$972,691, compensated absences of \$1,932,588, other postemployment benefit obligations of \$101,490,993, and net pension liability of \$16,593,069, that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payment will be made.

City of Rye, New York

Management's Discussion and Analysis December 31, 2025

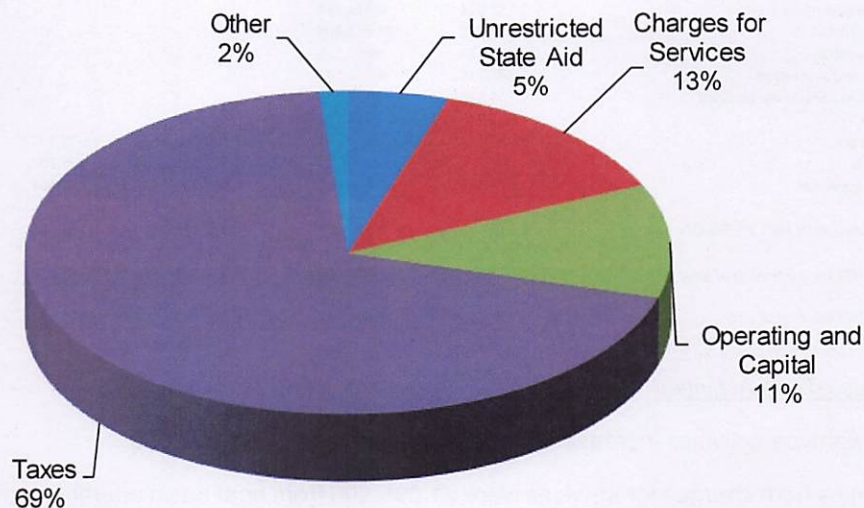
Government-Wide Financial Analysis - Continued

Governmental Activities

Governmental activities increased the City's net position by \$6,937,173. Major revenues received included the following:

- \$32,956,801 in real property taxes and related items.
- \$5,010,115 in sales, use and franchise taxes.
- \$241,736 in hotel occupancy taxes.
- \$618,564 in utilities gross receipts taxes.
- \$1,670,190 from interest and investment income.
- \$2,849,903 in New York State aid not restricted to specific programs.
- \$805,622 in other revenues.

Revenues by Source - Governmental Activities



Revenues from charges for services were \$7,392,875, largely attributed to be a result of revenue from building and parking permits, parking meters, recreation programs, and traffic and parking fines. Governmental programs received \$30,294 in operating grants and \$6,331,671 in capital grants and contributions. Capital grants and contributions comprise the City's ongoing home and community service projects to upgrade sewer stations and main replacements, in addition to transportation grants to assist in the paving, replacement and pothole maintenance of City streets.

City of Rye, New York

Management's Discussion and Analysis December 31, 2025

Government-Wide Financial Analysis - Continued

Governmental Activities - Continued

	Year Ended December 31,					
	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program revenues						
Charges for services	\$ 7,392,875	\$ 6,984,955	\$ 7,733,902	\$ 7,441,971	\$ 15,126,777	\$ 14,426,926
Operating grants and contributions	30,294	3,261	-	-	30,294	3,261
Capital grants and contributions	6,331,671	8,389,064	-	-	6,331,671	8,389,064
General revenues						
Real property taxes and related items	32,956,801	29,923,025	-	-	32,956,801	29,923,025
Non-property taxes	5,870,415	5,642,348	-	-	5,870,415	5,642,348
Unrestricted use of money and property	1,670,190	2,952,106	473,060	440,998	2,143,250	3,393,104
Unrestricted state aid	2,849,903	2,728,048	-	-	2,849,903	2,728,048
Other revenues	805,622	4,731,766	193,838	127,470	999,460	4,859,236
Total revenues	57,907,771	61,354,573	8,400,800	8,010,439	66,308,571	69,365,012
EXPENSES						
General government	5,132,534	7,774,151	-	-	5,132,534	7,774,151
Public safety	25,730,839	24,234,608	-	-	25,730,839	24,234,608
Transportation	4,533,179	8,080,565	-	-	4,533,179	8,080,565
Culture and recreation	5,867,234	4,640,541	-	-	5,867,234	4,640,541
Home and community services	9,185,596	6,155,855	-	-	9,185,596	6,155,855
Interest	521,216	548,782	-	-	521,216	548,782
Boat basin	-	-	1,126,680	1,075,147	1,126,680	1,075,147
Golf club	-	-	5,372,031	5,150,707	5,372,031	5,150,707
Total expenses	50,970,598	51,434,502	6,498,711	6,225,854	57,469,309	57,660,356
CHANGE IN NET POSITION	6,937,173	9,920,071	1,902,089	1,784,585	8,839,262	11,704,656
NET POSITION, <i>beginning of year</i>	(7,644,828)	(17,564,899)	16,930,023	15,145,438	9,285,195	(2,419,461)
NET POSITION, <i>end of year</i>	\$ (707,655)	\$ (7,644,828)	\$ 18,832,112	\$ 16,930,023	\$ 18,124,457	\$ 9,285,195

Business-Type Activities

Business-type activities increased the City's net position by \$1,902,089.

Revenues from charges for services were \$1,095,106 from boat basin operations and \$6,638,796 from golf club operations. Combined, the business-type activities earned \$473,060 in interest and investment income. Other revenue included \$193,838 primarily from insurance recoveries.

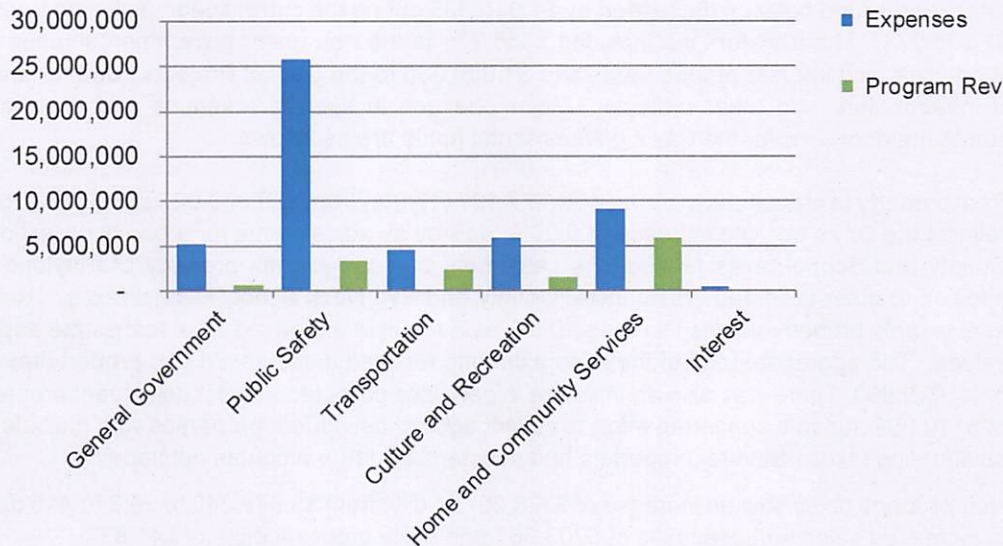
Offsetting these revenues were expenses of \$1,126,680 for boat basin operations and \$5,372,031 for golf club operations.

City of Rye, New York

Management's Discussion and Analysis December 31, 2025

Government-Wide Financial Analysis - Continued

Business-Type Activities - Continued



Financial Analysis of the City's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. The City's governmental funds reported combined fund balances of \$31,370,935 an increase of \$6,977,843 from the prior year. Approximately 52.8% (\$16,563,893) 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 Governmental Accounting Standards Board Statement No. 54.

The General Fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance was \$16,563,893, representing 64.7% of the total General Fund balance of \$25,599,681. Two useful measures of liquidity are the percentage of unassigned fund balance to total expenditures and total fund balance to total expenditures and other financing uses at the end of the current year, the General Fund had a 30.4% unassigned fund balance to total expenditures and other financing uses and a 47.0% total fund balance to total expenditures and other financing uses.

City of Rye, New York

Management's Discussion and Analysis December 31, 2025

Financial Analysis of the City's Funds - Continued

Governmental Funds - Continued

The General Fund's fund balance decreased by \$1,915,325 during the current year, including transfers out totaling \$1,336,271. The transfers out included \$336,271 to the non-major governmental funds for long-term debt principal and interest requirements and \$1,000,000 to the Capital Projects Fund for annual and long-term infrastructure and other projects. Major changes in specific revenues and expenditures in comparison to the prior year for the City's governmental funds are as follows:

- Real property tax revenues increased \$4,877,137 (17.0%) from \$28,650,027 to \$33,527,164, which reflects the City's tax rate increase of 5.07%, as well as adjustments for a partial collection of City County and School taxes related to a settlement of a tax-exempt property of Playland Park, in addition to other collected Westchester County and Rye Neck School District taxes. Additionally, total taxable property values increased 0.6% as a result of increased local real estate assessment values. The aggregate total of these adjustments resulted in increased real property tax revenue of \$2,020,993. There was also an increase in penalties collected against delinquent property taxes of \$110,009 due to a concerted effort to collect against delinquent properties with multiple years of outstanding taxes. Several properties had substantially large amounts outstanding.
- Non-property taxes saw an increase of \$228,067 (4.0%) from \$5,642,348 to \$5,870,415 due in part to increased sales and use taxes of \$203,583 and utility gross receipts of \$41,837.
- Charges for services increased \$308,669 (15.1%) from \$2,042,943 to \$2,351,612. The largest drivers are recreation activity fees of \$242,346 (including \$114,297 in day camp fees) and downtown parking fees of \$94,964, resulting from the increase in hourly parking rates of \$0.25 per hour, implemented in March 2025.
- Interest and investment income decreased \$1,281,921 (43.4%) from \$2,951,864 to \$1,669,943, as the Federal Reserve decreased interest rates by 100 basis points in 2024 and additional 75 points during the fourth quarter of 2025. Also, the City had less funds available due to funding of mandated sewer projects, as the City awaited reimbursement from New York State.
- Licenses and permit revenues increased \$70,688 (2.1%) from \$3,447,246 to \$3,517,934, which is primarily attributed to an increase in alarm permits of \$115,150 (due to a timing issue, with new software delaying 2024 billing until 2025), parking permit revenue of \$67,737, and street opening surcharges of \$95,500, partially offset by decreases in building permit revenues of \$142,693 and filing permits of \$51,000.
- Fines and forfeitures increased \$20,891 (2.1%) from \$978,515 to \$999,406 primarily due to increases in City ordinance violations of \$47,248.
- Sales and loss compensation decreased \$535,933 (42.8%) from \$1,252,900 to \$716,967 because of a decline in Police overtime reimbursements totaling \$529,545 due to an ongoing billing dispute between the City and a utility company. Additionally, decreases were the result of an insurance recovery totaling \$194,536 in 2024, for flood damages to the Locust Firehouse in 2021.
- State aid decreased \$158,179 from \$3,152,402 to \$2,994,223 (5.0%) as a result of decreases in state aid for navigation aid of \$60,882 and a public safety information technology grant of \$120,000 received only in 2024.
- Federal aid decreased \$234,156 from \$298,578 to \$64,422 (78.4%), as a result of a decrease in Federal Emergency Management Agency aid.

City of Rye, New York

Management's Discussion and Analysis December 31, 2025

Financial Analysis of the City's Funds - Continued

Governmental Funds - Continued

- Overall salaries and wages increased \$1,410,099 (6.9%) from \$20,317,079 to \$21,727,178. The increase is the result of promotions, contracted budgeted salary and step increases and additional administrative positions, as well as increased police and public works overtime. Vacant positions throughout the year in various departments, lessened the impact of these increases.
- Equipment purchases increased \$1,036,380 from \$884,448 to \$1,920,828 (117.2%). 2025 purchases included the purchases of police radios of \$580,299 (these radios were approved and funds were encumbered in 2022 and the City didn't receive final billing until 2025) police patrol equipment of \$422,094 attributed to the purchase of body cameras and license plate readers, computers systems of \$97,102 related to the assessment system upgrade and firewall upgrades and phone system upgrades. The year-to-year increase was offset by the City council-approved improvements to the Veterans' Memorial Monument of \$55,805 in 2024.
- Purchases of materials and supplies decreased \$292,332 from \$4,467,472 to \$4,175,140 (6.5%). Year-over-year differences are primarily related to the heating system maintenance and replacements at the police and fire buildings in 2024, resulting in a decrease in building repairs and maintenance in 2025 of \$283,210. The other major components of the overall decline are decreases in landscaping equipment and maintenance costs of \$122,285 and purchases of guns and ammunition of \$69,657. Offsetting some of the overall decrease, were increases in sewer repairs and maintenance expenses of \$107,987, utility costs of \$85,897 and deicing expenses of \$43,016.
- Contractual costs decreased \$2,013,532 from \$8,295,533 to \$6,282,001 (24.3%), primarily as the result of an unbudgeted adjustment of \$2,382,824 for unpaid 2023/2024 taxes levied against the Playland Park property stemming from a settlement in 2024 as a result of the Playland Park not being considered a taxable entity. There were also decreases in legal fees of \$242,652 (including a decrease of \$93,333 reflecting the change of corporation counsel from contracted employee to full-time employee, which also offset legal fees as a whole). There were increases in contract agency funding for Rye Town Park, the Rye Free Reading Room and ambulance and emergency medical services of \$206,939, miscellaneous service contracts of \$176,158 as the City moved towards a new centralized managed IT support service, vehicle repair services of \$114,878, risk inter-fund service charges of \$56,435 and miscellaneous consultants of \$50,485.
- Employee benefits and payroll related taxes remained increased \$126,287 from \$12,956,798 to \$13,083,085 (1.0%). New York State Retirement contributions for current employees increased \$259,372. 2025 premium rates for the employee retirement system and police and fire retirement systems increased by 8% and 8.6%, respectively, compared to 2024 rates. As mentioned above, the increase was partially offset as a result of vacant positions within the City. Federal Insurance Contributions Act expense also increased \$100,786, reflecting the salary increases above. Health insurance for employees and retirees decreased \$148,837, despite a small increase in premium rates of roughly 2%. Workers Compensation expenses continued to decrease, \$69,411, as the City's overall incident experience declined.
- Transfers to other funds decreased from \$1,484,467 to \$1,336,271 as planned and budgeted.

City of Rye, New York

Management's Discussion and Analysis December 31, 2025

Financial Analysis of the City's Funds - Continued

Governmental Funds - Continued

The Capital Projects Fund closed the year with a balance of \$5,656,354. Capital Projects Fund revenues of \$15,256,169, expenditures of \$7,195,843, and other net financing sources of \$821,594 represent only the current-year portion of total project activity. The majority of the revenues come from state aid related to sewer projects required by the City's Save the Sound settlement. The City had obtained New York State Water Quality Improvement Project grants totaling \$13,964,500 and the revenues associated with these grants were recognized in 2025. An itemized project length schedule of all projects is presented elsewhere in this report.

General Fund Budgetary Highlights

At the end of 2025, the difference between the operating appropriations originally budgeted and the amended budget for the General Fund was \$2,174,017 (\$49,742,461 versus \$51,916,478), for a change of 4.4%. This can be attributed to prior-year encumbrances of \$1,570,492 carried forward to the current year and appropriated fund balance of \$580,299 for police radios, approved by the City Council in 2022. Actual expenditures and encumbrances for the year ended December 31, 2025 were \$1,157,738 greater than the amended 2025 budget.

At the end of 2025 the difference between the operating revenues originally budgeted and the amended budget for the General Fund was \$23,225 (\$49,075,110 versus \$49,098,335). The actual revenues realized for the year ended December 31, 2025 exceeded the anticipated amount in the final budget by \$3,166,448. Sales tax, recreation activity fees, building permit revenue, interest income, fines and forfeitures, FEMA funding and the partial property tax payment from Playland Park were primarily responsible for the increase.

Proprietary Funds

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

Total net position of the Boat Basin Fund at year-end was \$4,154,936, an increase of \$66,699 from the prior year. The net investment in capital assets was \$2,775,712 and an unrestricted net position of \$1,379,224 represented the balance of net position. The Boat Basin Fund had operating revenue of \$1,095,106 and operating expenditures of \$1,127,213, which included \$547,244 of depreciation and amortization. Interest income of \$91,155, sale of property and compensation for loss of \$7,725, and interest expense of \$74 made up the balance of total net income.

Total net position of the Golf Club Fund at year-end was \$14,908,691, an increase of \$1,829,448 from the prior year. The net investment in capital assets was \$8,857,176, with an unrestricted net position of \$6,051,515 representing the balance of net position. Golf Club Fund operating revenues of \$6,638,796 were offset by operating expenses of \$5,360,405 to arrive at operating income of \$1,278,391. The sale of property and compensation for loss of \$186,113, interest income of \$381,905, and interest expense of \$16,961 made up the balance of total net income.

City of Rye, New York

Management's Discussion and Analysis December 31, 2025

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for governmental and business-type activities at December 31, 2025 was \$98,847,778. This investment in capital assets includes land, buildings, improvements, machinery and equipment, right-to-use machinery and equipment leased assets, subscription-based IT arrangements, construction in progress, and infrastructure.

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

- Reconstruction of tennis courts - \$705,030
- Sewer improvements - \$7,319,537
- Golf Club parking lot repaving - \$282,531
- Two Peterbilt snow plow trucks - \$237,500
- Three police vehicles (including outfitting and electronics) - \$252,502
- Police safety boat - \$602,327
- Public Works wheeled excavator - \$413,675
- Public Works Western Star dump truck - \$324,695
- Recreation Department Ford Explorer - \$48,137

Assets	December 31, 2025			December 31, 2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 4,574,997	\$ 1,700,408	\$ 6,275,405	\$ 4,574,997	\$ 1,700,408	\$ 6,275,405
Construction in progress	18,491,115	568,570	19,059,685	22,237,239	412,630	22,649,869
Buildings	16,506,163	11,759,480	28,265,643	16,506,163	11,759,480	28,265,643
Improvements	5,740,809	15,620,996	21,361,805	5,714,487	15,180,964	20,895,451
Right-to-use assets	302,855	1,258,664	1,561,519	108,888	2,963,258	3,072,146
Subscription-based IT arrangement assets	-	77,188	77,188	-	77,188	77,188
Machinery and equipment	18,266,307	1,783,132	20,049,439	16,521,375	1,752,237	18,273,612
Infrastructure	93,429,469	-	93,429,469	82,833,380	-	82,833,380
Less accumulated depreciation	(57,748,304)	(20,711,896)	(78,460,200)	(55,360,756)	(20,431,605)	(75,792,361)
Total (net of depreciation)	\$ 99,563,411	\$ 12,056,542	\$ 111,619,953	\$ 93,135,773	\$ 13,414,560	\$ 106,550,333

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

Long-Term Debt

At the end of the current year, the City had total bonded debt outstanding of \$16,045,000. 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.

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, 2025, the City had exhausted 2.76% of its constitutional debt limit, providing an available debt margin of 97.24% with the authority to issue an additional \$690 million of general obligation long-term debt.

City of Rye, New York

Management's Discussion and Analysis December 31, 2025

Capital Assets and Debt Administration - Continued

Long-Term Debt - Continued

In addition to the legal debt margin, the City Charter §C21-9 places limitations on the issuance of new debt. The City Council may, by a vote of at least five members, authorize the issuance of debt not exceeding 30% of the average gross annual budget for the preceding three years. Debt in excess of 30% requires approval of the voting public in a general or special election. All bond resolutions authorizing the issuance of bonds in excess of \$1 million for the acquisition of real property shall be adopted by a vote of at least five members of the City Council and shall be subject to the approval of a majority of the qualified voters voting at a general or special election. Debt for public safety purposes in the amount of \$1 million per year to a maximum aggregate amount of \$2.5 million for all such debt issued is exempt from these debt limits, as is debt for Disaster Rebuilding to a maximum aggregate of \$2.5 million. For purposes of this calculation, "gross annual budget" is defined as the total appropriations of the General Fund and the enterprise funds (the Boat Basin Fund and the 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 Risk Retention Fund - are not included in the calculation, as their budgets are supported primarily by revenues and transfers charged to other funds. For the 2025 budget year, the charter bonding limit subject to City Council vote is \$3,768,783.

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

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in those finances. Questions and comments concerning any of the information provided in this report should be addressed to:

Joseph Fazzino, Deputy Comptroller
City of Rye
1051 Boston Post Road
Rye, New York 10580

City of Rye, New York

Government-Wide Financial Statements Statement of Net Position

	December 31, 2025		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and equivalents	\$ 12,105,581	\$ 8,939,301	\$ 21,044,882
Investments	13,696,466	2,383,587	16,080,053
Taxes receivable	961,660	-	961,660
Accounts receivable, net	1,100,462	147,158	1,247,620
Lease receivable, due within one year	-	9,963	9,963
Due from other governments	9,764,421	-	9,764,421
Deposits	67,168	-	67,168
Internal balances	143,136	(143,136)	-
Prepaid expenses and deposits	1,259,151	41,660	1,300,811
Capital assets			
Not being depreciated	23,066,112	2,268,978	25,335,090
Being depreciated, net	76,497,299	9,787,564	86,284,863
Total assets	<u>138,661,456</u>	<u>23,435,075</u>	<u>162,096,531</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>25,271,525</u>	<u>721,947</u>	<u>25,993,472</u>
LIABILITIES			
Accounts payable	1,632,717	29,198	1,661,915
Accrued liabilities	1,621,312	235,345	1,856,657
Accrued interest payable	163,502	33,569	197,071
Deposits	927,433	-	927,433
Due to other governments	1,553,150	41,356	1,594,506
Unearned revenues	687,764	193,103	880,867
Non-current liabilities			
Due within one year	4,718,573	401,723	5,120,296
Due in more than one year	129,561,554	3,661,373	133,222,927
Total liabilities	<u>140,866,005</u>	<u>4,595,667</u>	<u>145,461,672</u>
DEFERRED INFLOWS OF RESOURCES	<u>23,774,631</u>	<u>729,243</u>	<u>24,503,874</u>
NET POSITION			
Net investment in capital assets	87,214,890	11,632,888	98,847,778
Restricted for			
Capital projects	5,656,354	-	5,656,354
Permanent fund			
Expendable	581	-	581
Nonexpendable	20,000	-	20,000
Special purposes			
Police	182,305	-	182,305
Fire	10,764	-	10,764
Parks	44,301	-	44,301
Recreation programs	1,072,924	-	1,072,924
Compensated absences	1,775,544	-	1,775,544
WWI memorial	3,014	-	3,014
9/11 memorial	250	-	250
Debt service	94,319	-	94,319
Risk retention	231,515	-	231,515
Unrestricted	(97,014,416)	7,199,224	(89,815,192)
Total net position	<u>\$ (707,655)</u>	<u>\$ 18,832,112</u>	<u>\$ 18,124,457</u>

See accompanying Notes to Financial Statements.

City of Rye, New York

Government-Wide Financial Statements Statement of Activities

Year Ended December 31, 2025

Functions/Programs	Program Revenue				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General government	\$ 5,132,534	\$ 668,333	\$ -	\$ 36,012	\$ (4,428,189)	\$ -	\$ (4,428,189)
Public safety	25,730,839	3,307,134	30,294	43,133	(22,350,278)	-	(22,350,278)
Transportation	4,533,179	1,872,385	-	485,435	(2,175,359)	-	(2,175,359)
Culture and recreation	5,867,234	1,427,947	-	64,422	(4,374,865)	-	(4,374,865)
Home and community services	9,185,596	117,076	-	5,702,669	(3,365,851)	-	(3,365,851)
Interest	521,216	-	-	-	(521,216)	-	(521,216)
Total governmental activities	50,970,598	7,392,875	30,294	6,331,671	(37,215,758)	-	(37,215,758)
BUSINESS-TYPE ACTIVITIES							
Boat Basin Fund	1,126,680	1,095,106	-	-	-	(31,574)	(31,574)
Golf Club Fund	5,372,031	6,638,796	-	-	-	1,266,765	1,266,765
Total business-type activities	6,498,711	7,733,902	-	-	-	1,235,191	1,235,191
Total government	\$ 57,469,309	\$ 15,126,777	\$ 30,294	\$ 6,331,671	(37,215,758)	1,235,191	(35,980,567)
GENERAL REVENUES							
Real property taxes and related items					32,956,801	-	32,956,801
Non-property taxes							
Sales, use and franchise taxes					5,010,115	-	5,010,115
Hotel occupancy taxes					241,736	-	241,736
Utilities gross receipts taxes					618,564	-	618,564
Unrestricted use of money and property					1,670,190	473,060	2,143,250
New York State aid not restricted to specific programs					2,849,903	-	2,849,903
Other revenues					805,622	193,838	999,460
Total general revenues					44,152,931	666,898	44,819,829
Change in net position					6,937,173	1,902,089	8,839,262
NET POSITION, beginning of year					(7,644,828)	16,930,023	9,285,195
NET POSITION, end of year					\$ (707,655)	\$ 18,832,112	\$ 18,124,457

See accompanying Notes to Financial Statements.

City of Rye, New York

Fund Financial Statements Balance Sheet - Governmental Funds

	December 31, 2025			
	Major Funds		Other	Total
	General	Capital Projects	Governmental Funds	Governmental Funds
ASSETS				
Cash and equivalents	\$ 11,244,036	\$ -	\$ 114,900	\$ 11,358,936
Investments	12,921,720	774,746	-	13,696,466
Receivables				
Taxes receivable	961,660	-	-	961,660
Accounts receivable	961,462	139,000	-	1,100,462
Due from other funds	1,917,627	-	-	1,917,627
Due from other governments	1,741,848	8,022,573	-	9,764,421
Deposits	-	52,000	-	52,000
Prepaid expenditures	1,154,929	-	-	1,154,929
Total assets	\$ 30,903,282	\$ 8,988,319	\$ 114,900	\$ 40,006,501
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,252,753	\$ 351,300	\$ -	\$ 1,604,053
Accrued liabilities	360,626	-	-	360,626
Deposits	927,433	-	-	927,433
Due to other funds	41,030	1,733,461	-	1,774,491
Due to other governments	1,325,769	227,381	-	1,553,150
Unearned revenues	687,764	-	-	687,764
Total liabilities	4,595,375	2,312,142	-	6,907,517
Deferred inflows of resources				
Deferred tax revenues	708,226	-	-	708,226
Other unavailable resources	-	1,019,823	-	1,019,823
Total liabilities and deferred inflows of resources	5,303,601	3,331,965	-	8,635,566
Fund balances				
Nonspendable	1,154,929	-	20,000	1,174,929
Restricted	3,089,102	5,656,354	94,900	8,840,356
Assigned	4,791,757	-	-	4,791,757
Unassigned	16,563,893	-	-	16,563,893
Total fund balances	25,599,681	5,656,354	114,900	31,370,935
Total liabilities, deferred inflows of resources, and fund balances	\$ 30,903,282	\$ 8,988,319	\$ 114,900	\$ 40,006,501

See accompanying Notes to Financial Statements.

City of Rye, New York

Fund Financial Statements Reconciliation of the Total Fund Balances Shown in the Governmental Funds to the Statement of Net Position

		December 31, 2025
Fund balances - total governmental funds		\$ 31,370,935
Amounts reported for governmental activities in the statement of net position are different because capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		99,563,411
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Real property taxes		708,226
Other unavailable resources		1,019,823
The valuation of pension obligations can result in changes in assumptions, differences between expected and actual experience, differences between projected and actual investment earnings and changes in proportion, and differences between employer contributions and proportionate share of contributions. These items are reported as deferred outflows and inflows of resources:		
Deferred outflows of resources	11,346,075	
Deferred inflows of resources	<u>(524,866)</u>	10,821,209
The valuation of the other postemployment benefit obligations can result in changes in actuarial assumptions and differences between expected and actual experience. These items are reported as deferred outflows and inflows of resources.		
Deferred outflows of resources	13,913,243	
Deferred inflows of resources	<u>(23,249,765)</u>	(9,336,522)
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 amounts on refunding bonds		12,207
The internal service fund is used by management to charge the cost of risk to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		395,917
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable and premiums	(16,722,670)	
Certiorari claims payable	(972,691)	
Accrued interest payable	(163,502)	
Lease liability	(207,558)	
Retainage payable	(819,232)	
Compensated absences	(1,775,544)	
Net pension liability	(16,124,086)	
Other postemployment benefit obligations	<u>(98,477,578)</u>	(135,262,861)
Net position of governmental activities		<u>\$ (707,655)</u>

See accompanying Notes to Financial Statements.

City of Rye, New York

Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

	Year Ended December 31, 2025			
	Major Funds		Other	Total
	General	Capital Projects	Governmental Funds	Governmental Funds
REVENUES				
Real property taxes and related items	\$ 33,527,164	\$ -	\$ 121,690	\$ 33,648,854
Non-property taxes	5,870,415	-	-	5,870,415
Charges for services	2,351,612	-	-	2,351,612
Intergovernmental charges	89,489	-	-	89,489
Use of money and property	1,669,943	-	247	1,670,190
Licenses and permits	3,517,934	-	-	3,517,934
Fines and forfeitures	999,406	-	-	999,406
Sale of property and compensation for loss	716,967	-	-	716,967
Interfund revenues	434,434	-	-	434,434
State aid	2,994,223	15,229,253	-	18,223,476
Federal aid	64,422	1,916	-	66,338
Miscellaneous	28,774	25,000	-	53,774
Total revenues	52,264,783	15,256,169	121,937	67,642,889
EXPENDITURES				
General government	5,353,427	-	-	5,353,427
Public safety	24,427,095	-	-	24,427,095
Transportation	5,086,870	-	-	5,086,870
Culture and recreation	5,479,337	-	-	5,479,337
Home and community services	5,375,446	-	-	5,375,446
Debt service				
Principal	760,294	-	382,822	1,143,116
Interest	344,497	-	242,544	587,041
Capital outlay				
General government	576,902	-	-	576,902
Public safety	2,813,244	268,946	-	3,082,190
Transportation	1,071,823	3,020,039	-	4,091,862
Culture and recreation	1,785,281	241,462	-	2,026,743
Home and community services	-	3,665,396	-	3,665,396
Total expenditures	53,074,216	7,195,843	625,366	60,895,425
Excess (deficiency) of revenues over expenditures	(809,433)	8,060,326	(503,429)	6,747,464
OTHER FINANCING SOURCES (USES)				
Proceeds from right-to-use asset	230,379	-	-	230,379
Transfers in	-	1,000,000	514,677	1,514,677
Transfers out	(1,336,271)	(178,406)	-	(1,514,677)
Total other financing sources (uses)	(1,105,892)	821,594	514,677	230,379
Net change in fund balances	(1,915,325)	8,881,920	11,248	6,977,843
FUND BALANCES, beginning of year	27,515,006	(3,225,566)	103,652	24,393,092
FUND BALANCES, end of year	\$ 25,599,681	\$ 5,656,354	\$ 114,900	\$ 31,370,935

See accompanying Notes to Financial Statements.

City of Rye, New York

Fund Financial Statements Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Change in Net Position Shown in the Statement of Activities

		Year Ended December 31, 2025
Net change in fund balances - total governmental funds		\$ 6,977,843
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. This amount is less than the total capital outlay since capital outlay includes amounts that are under the capitalization threshold or were repairs and maintenance and, therefore, were not capitalized.		
Capital outlay expenditures capitalized	10,258,504	
Disposals, net	(444,066)	
Depreciation expense	(3,386,800)	6,427,638
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Other unavailable resources	(9,043,065)	
Real property taxes	(692,053)	(9,735,118)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Repayment of bond principal	1,085,000	
Amortization of issuance premium	59,161	
Amortization of loss on refunding bonds	(2,441)	1,141,720
Right-to-use assets from leases provide current financial resources to governmental funds, but the related liability increases long-term liabilities in the statement of net position. Repayment of lease liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Issuance of lease liability	(230,379)	
Repayment of lease liability	58,119	(172,260)
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:		
Certiorari claims	514,714	
Pension expense	342,948	
Retainage payable	(299,924)	
Accrued interest	9,105	
Compensated absences	(56,940)	
Other postemployment benefits	1,746,195	2,256,098
The internal service fund is used by management to charge the cost of risk to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		41,252
Change in net position of governmental activities		\$ 6,937,173

See accompanying Notes to Financial Statements.

City of Rye, New York

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

	Year Ended December 31, 2025			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes and related items	\$ 31,487,200	\$ 31,487,200	\$ 33,527,164	\$ 2,039,964
Non-property tax	5,415,000	5,415,000	5,870,415	455,415
Charges for services	2,035,537	2,035,537	2,351,612	316,075
Intergovernmental charges	81,235	81,235	89,489	8,254
Use of money and property	1,550,000	1,550,000	1,669,943	119,943
Licenses and permits	3,268,730	3,268,730	3,517,934	249,204
Fines and forfeitures	820,700	820,700	999,406	178,706
Sale of property and compensation for loss	1,116,750	1,116,750	716,967	(399,783)
Interfund revenues	434,134	434,134	434,434	300
State aid	2,772,024	2,795,249	2,994,223	198,974
Federal aid	-	-	64,422	64,422
Miscellaneous	93,800	93,800	28,774	(65,026)
Total revenues	49,075,110	49,098,335	52,264,783	3,166,448
EXPENDITURES				
General government				
City council	14,475	52,391	43,022	9,369
City manager	878,811	777,533	711,855	65,678
City Hall maintenance	356,239	414,213	333,635	80,578
City vehicle maintenance	283,177	219,788	202,959	16,829
General building maintenance	51,994	2,168	2,168	-
General vehicle maintenance	900	800	-	800
Finance administration	158,025	159,026	148,789	10,237
General accounting	392,284	413,359	401,986	11,373
Accounts payable	111,820	80,834	72,150	8,684
Payroll	240,312	254,046	246,780	7,266
Treasury	349,431	432,212	398,441	33,771
Parking violation bureau	61,242	62,194	55,550	6,644
Assessor	569,053	715,898	534,147	181,751
City clerk	489,238	503,351	467,556	35,795
Records management	28,910	30,198	30,127	71
Parking administration	61,088	63,905	63,784	121
Law	524,125	565,328	521,657	43,671
Human resources	340,475	302,952	265,446	37,506
Elections	46,218	51,780	18,098	33,682
Contingent account	450,000	-	-	-
Information technology	691,728	1,030,243	835,277	194,966
Total general government	6,099,545	6,132,219	5,353,427	778,792

See accompanying Notes to Financial Statements.

City of Rye, New York

Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund - Continued

	Year Ended December 31, 2025			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued				
Public safety				
Police administration	\$ 1,985,714	\$ 1,995,655	\$ 1,931,019	\$ 64,636
Police patrol	10,213,873	11,186,805	9,705,576	1,481,229
Police investigations	1,365,881	1,463,529	1,423,487	40,042
Police marine patrol	303,466	312,338	233,820	78,518
Police youth services	318,885	323,701	291,220	32,481
Parking enforcement	401,625	469,250	416,227	53,023
Police overtime reimbursement	657,660	808,531	769,635	38,896
Police building maintenance	226,187	249,123	190,648	58,475
Police vehicle maintenance	588,982	464,197	427,052	37,145
School crossing guards	280,000	280,649	265,930	14,719
Traffic control	346,499	316,183	279,012	37,171
Fire prevention and suppression	6,536,191	6,709,433	5,974,852	734,581
Fire building maintenance	519,394	535,934	232,075	303,859
Fire vehicle maintenance	432,826	496,311	360,780	135,531
Animal control	30,340	35,252	22,104	13,148
Building inspection	1,428,825	1,392,119	1,360,943	31,176
Ambulance service	542,715	542,715	542,715	-
Total public safety	26,179,063	27,581,725	24,427,095	3,154,630
Transportation				
Public works administration	1,881,971	1,797,198	1,759,495	37,703
Department of public works building maintenance	776,624	831,369	338,033	493,336
Department of public works vehicle maintenance	843,718	1,095,922	888,230	207,692
Engineering	616,963	672,804	573,493	99,311
Street maintenance	838,206	834,159	588,161	245,998
Snow removal	323,154	457,264	452,739	4,525
Street lighting	308,196	317,908	309,912	7,996
Off-street parking	201,775	183,803	176,807	6,996
Total transportation	5,790,607	6,190,427	5,086,870	1,103,557
Culture and recreation				
Recreation administration	415,439	462,661	434,682	27,979
Parks and playgrounds	703,732	608,460	446,495	161,965
Recreation building maintenance	357,678	361,896	350,372	11,524
Recreation vehicle maintenance	3,707	3,848	3,842	6
Recreation center	76,720	104,771	73,843	30,928
Recreation programs	272,635	306,532	278,730	27,802
Camps	829,414	893,771	843,219	50,552
Athletics	611,296	605,140	552,756	52,384
Tennis	110,485	228,353	161,276	67,077
Special events	78,873	94,620	94,448	172
Adult recreation	171,752	180,631	161,948	18,683
Rye Youth Council	75,000	75,000	75,000	-
Rye Town Park	50,000	168,869	168,869	-
Southeast Consortium	33,211	33,310	31,126	2,184
Rye Free Reading Room	1,427,000	1,427,000	1,427,000	-
Friends Meeting House	871	962	962	-
Square House Museum	51,253	83,984	47,965	36,019
Rye Arts Center	4,456	4,925	4,925	-
Rye TV Operations	350,486	328,235	313,540	14,695
Rye Nature Center	6,871	8,519	7,519	1,000
Birdhouse	742	820	820	-
Total culture and recreation	5,631,621	5,982,307	5,479,337	502,970

See accompanying Notes to Financial Statements.

City of Rye, New York

Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund - Continued

	Year Ended December 31, 2025			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
EXPENDITURES - Continued				
Home and community services				
Planning	\$ 455,328	\$ 470,098	\$ 418,492	\$ 51,606
Sanitary sewers	573,203	814,146	502,847	311,299
Storm drains	333,273	330,178	250,531	79,647
Refuse and garbage	1,310,687	1,240,345	1,218,930	21,415
Recycling	1,053,127	938,501	921,078	17,423
Street cleaning	145,229	156,481	151,618	4,863
Community beautification	1,670,633	1,424,114	1,354,284	69,830
Rodent and insect control	56,754	66,221	65,084	1,137
Shade tree maintenance	437,302	583,078	485,944	97,134
Conservation	6,089	6,638	6,638	-
Total home and community services	6,041,625	6,029,800	5,375,446	654,354
Capital outlay				
General government	-	-	576,902	(576,902)
Public safety	-	-	2,813,244	(2,813,244)
Transportation	-	-	1,071,823	(1,071,823)
Culture and recreation	-	-	1,785,281	(1,785,281)
	-	-	6,247,250	(6,247,250)
Debt service				
Principal	-	-	760,294	(760,294)
Interest	-	-	344,497	(344,497)
	-	-	1,104,791	(1,104,791)
Total expenditures	49,742,461	51,916,478	53,074,216	(1,157,738)
Excess (deficiency) of revenues over expenditures	(667,351)	(2,818,143)	(809,433)	2,008,710
OTHER FINANCING SOURCES (USES)				
Proceeds from right-to-use asset	-	-	230,379	230,379
Transfers out	(2,825,000)	(2,825,000)	(1,336,271)	1,488,729
Total other financing sources (uses)	(2,825,000)	(2,825,000)	(1,105,892)	1,719,108
Net change in fund balance	(3,492,351)	(5,643,143)	(1,915,325)	3,727,818
FUND BALANCES, beginning of year	27,515,006	27,515,006	27,515,006	-
FUND BALANCE, end of year	\$ 24,022,655	\$ 21,871,863	\$ 25,599,681	\$ 3,727,818

See accompanying Notes to Financial Statements.

City of Rye, New York

Fund Financial Statements Statement of Net Position - Proprietary Funds

	December 31, 2025			
	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Boat	Golf		Internal Service
	Basin Fund	Club Fund	Total	Fund
ASSETS				
CURRENT ASSETS				
Cash and equivalents	\$ 6,635	\$ 8,932,666	\$ 8,939,301	\$ 746,645
Investments	2,383,587	-	2,383,587	-
Accounts receivable, net	-	147,158	147,158	-
Lease receivable	9,963	-	9,963	-
Due from other funds	-	41,030	41,030	-
Deposits	-	-	-	67,168
Prepaid expenses	8,046	33,614	41,660	52,222
Total current assets	2,408,231	9,154,468	11,562,699	866,035
NON-CURRENT ASSETS				
Non-depreciable capital assets	408	2,268,570	2,268,978	-
Depreciable capital assets, net	2,777,928	7,009,636	9,787,564	-
Total noncurrent assets	2,778,336	9,278,206	12,056,542	-
Total assets	5,186,567	18,432,674	23,619,241	866,035
DEFERRED OUTFLOWS OF RESOURCES	152,271	569,676	721,947	-
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 1,503	\$ 27,695	\$ 29,198	\$ 28,664
Accrued liabilities	539	3,291	3,830	672,969
Accrued interest payable	-	33,569	33,569	-
Due to other funds	35,407	148,759	184,166	-
Due to other governments	2,250	39,106	41,356	-
Deferred revenue	193,103	-	193,103	-
Compensated absences	1,583	14,121	15,704	-
Lease liability	2,094	257,619	259,713	-
Other postemployment benefit obligations	25,652	89,220	114,872	-
Subscription-based IT arrangement liability	-	11,434	11,434	-
Total current liabilities	262,131	624,814	886,945	701,633
NON-CURRENT LIABILITIES				
Net pension liability	90,563	378,420	468,983	-
Lease liability, less current portion	530	151,977	152,507	-
Compensated absences, less current portion	14,249	127,091	141,340	-
Other postemployment benefit obligations, less current portion	647,273	2,251,270	2,898,543	-
Total non-current liabilities	752,615	2,908,758	3,661,373	-
Total liabilities	1,014,746	3,533,572	4,548,318	701,633
DEFERRED INFLOWS OF RESOURCES	169,156	560,087	729,243	-
NET POSITION				
Net investment in capital assets	2,775,712	8,857,176	11,632,888	-
Unrestricted	1,379,224	6,051,515	7,430,739	164,402
Total net position	\$ 4,154,936	\$ 14,908,691	19,063,627	\$ 164,402
Adjustment to reflect the consolidation of internal service fund activity related to the enterprise fund			(231,515)	
Net position of business-type activities			\$ 18,832,112	

See accompanying Notes to Financial Statements.

City of Rye, New York

Fund Financial Statements Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds

	Year Ended December 31, 2025			
	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Boat	Golf		Internal Service
	Basin Fund	Club Fund	Total	Fund
OPERATING REVENUES				
Charges for services	\$ 1,078,652	\$ 6,020,658	\$ 7,099,310	\$ 944,815
Rental of property	10,182	616,898	627,080	-
Miscellaneous	6,272	1,240	7,512	-
Total operating revenues	1,095,106	6,638,796	7,733,902	944,815
OPERATING EXPENSES				
Salaries and wages	225,774	2,005,127	2,230,901	-
Employee benefits	129,444	565,524	694,968	-
Materials and supplies	83,915	1,141,413	1,225,328	-
Contractual costs	140,836	845,996	986,832	897,986
Depreciation and amortization	547,244	802,345	1,349,589	-
Total operating expenses	1,127,213	5,360,405	6,487,618	897,986
Income (loss) from operations	(32,107)	1,278,391	1,246,284	46,829
NON-OPERATING REVENUES (EXPENSES)				
Sale of property and compensation for loss	7,725	186,113	193,838	-
Interest income	91,155	381,905	473,060	365
Interest expense	(74)	(16,961)	(17,035)	-
Total non-operating revenues (expenses)	98,806	551,057	649,863	365
Change in net position	66,699	1,829,448	1,896,147	47,194
NET POSITION, <i>beginning of year</i>	4,088,237	13,079,243	17,167,480	117,208
NET POSITION, <i>end of year</i>	\$ 4,154,936	\$ 14,908,691	\$ 19,063,627	\$ 164,402
CHANGE IN NET POSITION			\$ 1,896,147	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			5,942	
CHANGE IN NET POSITION, <i>business-type activities</i>			\$ 1,902,089	

See accompanying Notes to Financial Statements.

City of Rye, New York

Fund Financial Statements Statement of Cash Flows - Proprietary Funds

	Year Ended December 31, 2025			
	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Boat Basin Fund	Golf Club Fund	Total	Internal Service Fund
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES				
Cash received from customers and charges for services	\$ 1,095,106	\$ 6,583,077	\$ 7,678,183	\$ -
Cash received from interfund services	-	-	-	944,815
Cash payments to employees	(269,421)	(1,942,006)	(2,211,427)	-
Cash payments for employee benefits	(102,511)	(636,912)	(739,423)	-
Cash payments to vendors	(229,202)	(1,996,207)	(2,225,409)	(835,294)
	<u>493,972</u>	<u>2,007,952</u>	<u>2,501,924</u>	<u>109,521</u>
CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(188,396)	(438,471)	(626,867)	-
Principal paid on leases	(2,053)	(639,174)	(641,227)	-
Principal paid on subscription-based IT arrangement liability	-	(22,429)	(22,429)	-
Interest paid on leases and subscription-based IT arrangement liability	(74)	(16,961)	(17,035)	-
Proceeds from compensation for loss	7,725	186,113	193,838	-
	<u>(182,798)</u>	<u>(930,922)</u>	<u>(1,113,720)</u>	<u>-</u>
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES				
Interest income	91,155	381,905	473,060	365
Purchase of investments	(469,797)	-	(469,797)	-
	<u>(378,642)</u>	<u>381,905</u>	<u>3,263</u>	<u>365</u>
Net increase (decrease) in cash and equivalents	(67,468)	1,458,935	1,391,467	109,886
CASH AND EQUIVALENTS, <i>beginning of year</i>	74,103	7,473,731	7,547,834	636,759
CASH AND EQUIVALENTS, <i>end of year</i>	\$ 6,635	\$ 8,932,666	\$ 8,939,301	\$ 746,645

See accompanying Notes to Financial Statements.

City of Rye, New York

Fund Financial Statements Statement of Cash Flows - Proprietary Funds - Continued

	Year Ended December 31, 2025			
	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Boat	Golf		Internal Service
	Basin Fund	Club Fund	Total	Fund
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Income (loss) from operations	\$ (32,107)	\$ 1,278,391	\$ 1,246,284	\$ 46,829
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities				
Depreciation and amortization expense	547,244	802,345	1,349,589	-
(Increase) decrease in				
Accounts receivable	-	(55,719)	(55,719)	-
Due from other funds	7,951	(1,430)	6,521	-
Lease receivable	9,900	-	9,900	-
Prepaid expenses	(2,899)	(14,441)	(17,340)	-
OPEB deferred outflows of resources	43,960	152,897	196,857	-
Pension deferred outflows of resources	22,719	58,692	81,411	-
Increase (decrease) in				
Accounts payable	876	(5,597)	(4,721)	(10,699)
Accrued liabilities	518	5,383	5,901	73,391
Due to other funds	(2,402)	35,348	32,946	-
Due to other governments	30	12,671	12,701	-
Pension deferred inflows of resources	(41,879)	(300,260)	(342,139)	-
Compensated absences	(2,332)	16,390	14,058	-
OPEB deferred inflows of resources	(86,329)	(155,191)	(241,520)	-
Lease deferred inflows of resources	(10,183)	-	(10,183)	-
Net pension liability	8,468	72,611	81,079	-
OPEB obligations	30,437	105,862	136,299	-
	526,079	729,561	1,255,640	62,692
Net cash provided by operating activities	\$ 493,972	\$ 2,007,952	\$ 2,501,924	\$ 109,521

See accompanying Notes to Financial Statements.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 1 - Organization and 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 accounting principles generally accepted in the United State of America (U.S. GAAP) 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 the 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 the 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. Complete separate financial statements for the Park may be obtained from the Town of Rye, 10 Pearl Street, Port Chester, New York 10573.

b. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all 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 are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

b. Government-Wide Financial Statements - Continued

The statement of net position presents the financial position of the City at the end of its 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 and proprietary funds. 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 fund are charges to customers for services. Operating expenses for the enterprise funds and the internal service fund include the cost of services, administrative expenses, depreciation and amortization costs, and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

c. Fund Financial Statements

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

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

c. Fund Financial Statements - Continued

The City's resources are reflected in the fund financial statements in two broad fund categories, in accordance with U.S. GAAP, as follows:

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:

- **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.

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 Fund and the Golf Club Fund are recorded as major enterprise funds. The City has established the Risk Retention Fund as an internal service fund.

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

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

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and 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 they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax revenues to be available if collected within 60 days of the year-end. A 90-day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current 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 period. Fees and other similar revenues are not susceptible to accrual because they are not generally measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from federal and New York State grants are accrued when the expenditure is made. Expenditures are generally 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 postemployment benefit (OPEB) obligations, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources.

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

Deposits and Risk Disclosure

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

New York 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 Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State of New York. The City is authorized to use demand deposit accounts, time deposit accounts, and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. agencies, repurchase agreements, and obligations of New York State or its political subdivisions. Accordingly, the City's policy provides for no credit risk on investments.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

- e. Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position or Fund Balances - Continued*

Deposits and Risk Disclosure - Continued

Cash and Equivalents and Investments - Continued

Collateral is required for demand deposit accounts, time deposit accounts, and certificates of deposit at 100% of all deposits not covered by federal deposit insurance. The City has entered into custodial agreements with the various banks that hold its 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 of New York 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. The City discloses deposits 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, 2025.

The City participates in the New York Cooperative Liquid Assets Securities System (NYCLASS), which is a short-term highly liquid investment fund. NYCLASS is subject to the Municipal Cooperation Agreement Amended and Restated as of March 14, 2014 (Agreement) and is structured in accordance with New York State General Municipal Law (GML) Article 3-A and Article 5-G, Sections 119-n and -o, and Chapter 623 of the Laws of 1998. All NYCLASS investment and custodial policies are in accordance with GML Sections 10 and 11 (as amended by Chapter 708 of the Laws of 1992). NYCLASS is rated "AAA" by Standard and Poor's (S&P) Global Ratings. Participants are allowed to conduct transactions (deposits, withdrawals, or transfers) on a normal business day. There are no limits on the dollar amount or the number of daily transactions, except that the total daily withdrawals may not exceed the total balance on the deposit.

The City also participates in the New York Liquid Assets Fund (NYLAF), a cooperative investment pool, which is a short-term highly liquid investment fund. NYLAF is subject to the Agreement and is structured in accordance with GML Article 3-A and Article 5-G, Sections 119-n and -o, and Chapter 623 of the Laws of 1998. The sponsoring agency of the pool is another governmental unit that, acting through its chief fiscal officer, is primarily responsible for executing the provisions of the Agreement. The pool is authorized to invest in various securities issued by the United States and its agencies. NYLAF is rated "AAAm" by S&P Global Ratings. Participants are allowed to conduct transactions (deposits, withdrawals, or transfers) on a normal business day. There are no limits on the dollar amount or the number of daily transactions, except that the total daily withdrawals may not exceed the total balance on the deposit.

The City has also purchased United States Treasury bond state and local government series assets (SLGs) to assist with compliance of yield restriction or arbitrage rebate provisions of the United States Internal Revenue Code.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. *Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position or Fund Balances - Continued*

Deposits and Risk Disclosure - Continued

Cash and Equivalents and Investments - Continued

The City's participation in NYCLASS and NYLAF and purchase of SLGs at December 31, 2025 is as follows:

	Governmental Activities	Business-Type Activities
NYCLASS	\$ 5,581,386	\$ 2,383,587
SLGs	6,645,511	-
NYLAF	1,469,569	-
	<u>\$ 13,696,466</u>	<u>\$ 2,383,587</u>

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 1, collected by the City in one installment in February, and due and payable without penalty during the month of February. County property taxes are levied by the county on April 1, collected by the City in one installment in May, and 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 1 and collected by the City in two installments: the taxes for the period July 1 to June 30 are due on September 1, with the first half payable without penalty until September 30 and the second half payable without penalty until November 30. The Rye City School District is responsible for the levy and collection of Rye City School District taxes until July 1 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 Westchester County and the school districts with respect to the collection and payment of real property taxes levied by such jurisdictions. The Westchester 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 25 and the balance of forty percent (40%) on October 15. With respect to school district taxes, New York State law and the Westchester County Charter provide that the City satisfy the warrant of the school districts by July 1 of the year for which such taxes were levied. Thus, the City's fiduciary responsibility for school district 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 15, uncollected county taxes have been accounted for in a manner similar to City taxes. The collection of school district taxes is deemed a financing transaction until the warrants are satisfied.

Other Receivables - Other receivables include amounts attributable to leases and amounts due from other governments and individuals for services provided by the City. Receivables are recorded and revenues are recognized as services are provided or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate. The Risk Retention Fund has an allowance for doubtful accounts of \$295,070 at December 31, 2025.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position or Fund Balances - Continued

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 31. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

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

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 estimated useful life in excess of one year and an initial individual cost as follows:

Asset	Capitalization Threshold
Buildings	\$ 100,000
Building improvements	50,000
Accounting, assessment or tax systems	15,000
Passenger vehicles	15,000
Computer hardware and software	15,000
Construction machinery	15,000
Fire/police boats	15,000
Firefighting apparatus	50,000
Miscellaneous equipment, furniture and furnishings	15,000
Fences and walls	20,000
Docks	20,000
Dredging	100,000
Parks and playgrounds	50,000
Golf course improvements	50,000
Swimming pools	50,000
Underground fuel tanks	50,000
Bridges and tunnels	50,000
Curbs and sidewalks	50,000
Drainage	20,000
Parking lots	20,000
Sewers	20,000
Primary streets	50,000
Secondary streets	20,000
Traffic signals and signs	50,000

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position or Fund Balances - Continued

Capital Assets - Continued

Such assets are recorded at historical cost or at the estimated historical cost if purchased or constructed. Donated capital assets are valued at their acquisition 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 back-trending (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 and equipment, and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Prior to January 1, 1995</u>	<u>Subsequent to January 1, 1995</u>
Buildings	45 years	50 years
Improvements	20 years	5-20 years
Machinery, equipment, and vehicles	5-15 years	5-10 years
Infrastructure	20 years	25-50 years

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

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over its fair value. There was no impairment of long-lived assets as of December 31, 2025.

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City has reported unearned revenues of \$687,764 at December 31, 2025 for parking permit and building permit fees received in advance in the General Fund.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position or Fund Balances - Continued

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods.

The City has reported deferred outflows of resources of \$12,207 for deferred charges on refunding bonds in the governmental activities statement of net position. This amount resulted from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The City has reported deferred inflows of resources of \$708,226 for real property taxes levied but uncollected during the availability period in the General Fund. This amount is deferred and recognized as an inflow of resources in the period the amount becomes available.

The City has reported deferred inflows of resources related to revenues that did not meet the availability criterion of \$1,019,823 in the Capital Projects Fund.

Pension-related deferred outflows of resources and deferred inflows of resources may occur due to differences between expected and actual experience, changes in assumptions, the net difference between projected and actual earnings on pension plan investments, and the changes in proportion and differences between employer contributions made subsequent to the measurement date. Pension-related deferred outflows of resources and deferred inflows of resources are disclosed in Note 3f.

OPEB-related deferred outflows of resources and deferred inflows of resources may occur due to differences between expected and actual experience and changes in assumptions. OPEB-related deferred outflows of resources and deferred inflows of resources are disclosed in Note 3g.

Deferred outflows of resources and deferred inflows of resources at December 31, 2025 in the government-wide financial statements are as follows:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net pension liability	\$ 11,346,075	\$ 524,866
OPEB obligations payable	13,913,243	23,249,765
Deferred amounts on refunding bonds	12,207	-
	<u>\$ 25,271,525</u>	<u>\$ 23,774,631</u>

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

- e. *Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position or Fund Balances - Continued*

Deferred Outflows of Resources and Deferred Inflows of Resources - Continued

	<u>Business-Type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net pension liability	\$ 296,202	\$ 9,315
Leases	-	8,485
OPEB obligations payable	425,745	711,443
	<u>\$ 721,947</u>	<u>\$ 729,243</u>

Long-Term Liabilities - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts 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 expensed as incurred.

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. The liability for compensated absences includes salary-related payments, where applicable.

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

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position or Fund Balances - Continued

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

- Nonspendable fund balance includes amounts that cannot be spent because they are either (1) not in spendable form (inventories, prepaid amounts, long-term receivables) or (2) legally or contractually required to be maintained intact (the corpus of a permanent fund).
- Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, or laws and regulations of other governments, or 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 is used to report funds that are restricted for debt service obligations and for other items contained in the GML.
- Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by the adoption of a resolution prior to the end of the year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the City removes or changes the purpose by taking the same action that was used to establish the commitment.
- Assigned fund balance in the General Fund represents amounts constrained either by policies of the City Council for amounts assigned for balancing the subsequent year's budget or the City Comptroller for amounts assigned for purchases on order, police purposes, fire purposes, parks, recreation programs, WWI memorial, and tax certiorari. Unlike commitments, assignments generally exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted, or committed fund balance amounts.
- Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed, or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all other governmental funds, unassigned fund balance can be negative if the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted, and committed, exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. 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.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

f. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is employed by the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

g. Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and the disclosure 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. Fair Value Measurements

The City reports certain assets at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

i. Fair Value of Financial Instruments

The framework for measuring fair value includes a three-level valuation hierarchy of fair value measurements. This valuation hierarchy is based on observable inputs and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions and other inputs subject to management judgment. These inputs are incorporated in the following fair value hierarchy:

- Level 1 - Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 - Inputs are other prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 - Inputs are unobservable for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority.

Following are descriptions of the valuation methodologies used for assets measured at fair value:

- NYCLASS and NYLAF: reported at fair value using quoted prices for identical items that are not actively traded.
- SLGs: reported at fair value as determined by the bond trustee and cost approximates fair value.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

i. Fair Value of Financial Instruments - Continued

The methods described above may produce fair values that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

A summary of assets measured at fair value on a recurring basis is as follows:

	Level 1	Level 2	Level 3	Total
NYCLASS	\$ -	\$ 7,964,973	\$ -	\$ 7,964,973
SLGs	-	6,645,511	-	6,645,511
NYLAF	-	1,469,569	-	1,469,569
	<u>\$ -</u>	<u>\$ 16,080,053</u>	<u>\$ -</u>	<u>\$ 16,080,053</u>

j. Subsequent Events Evaluation by Management

In 2026, the City entered into two lease agreements for certain equipment within the Golf Club Fund. A summary of future principal and interest payments is as follows:

Year ending December 31,	Business-Type Activities	
	Principal	Interest
2026	\$ 37,260	\$ 753
2027	40,568	2,587
2028	26,037	1,694
2029	21,458	1,130
2030	22,016	572
Total	<u>\$ 147,339</u>	<u>\$ 6,736</u>

The City has evaluated subsequent events for potential recognition or disclosure through July 31, 2026, the date the financial statements were available to be issued.

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:

- (1) 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 year.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 2 - Stewardship, Compliance, and Accountability - Continued

a. Budgetary Data - Continued

- (2) Upon the receipt of the City 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.
- (3) After considering the tentative budget, but not later than the first Wednesday in December, and with a public notice published 10 days in advance, the City Council holds a public hearing on the proposed budget.
- (4) After the public hearing, but not later than December 31, 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 that increase total estimated revenues or total appropriations require an affirmative vote of at least five members of the City Council.
- (5) Formal budgetary integration is employed during the year as a management control device for the General Fund, the K.T. Woods Permanent Fund and the Debt Service Fund.
- (6) Budgets for the General Fund, the K.T. Woods Permanent Fund and the Debt Service Fund are legally adopted annually on a basis consistent with U.S. GAAP. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the proprietary funds.
- (7) The City Manager may, at any time during the 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 City 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.
- (8) Appropriations in the General Fund, the K.T. Woods Permanent Fund and the Debt Service Fund lapse at the end of the year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the New York State Office of the State Comptroller (OSC).

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.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 2 - Stewardship, Compliance, and Accountability - Continued

b. Property Tax Limitation

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 became permanent as part of the 2019/2020 New York State budget. With some exceptions, the Tax Levy Limitation Law limits the amount that local governments can increase property taxes to the lower of two percent (2%) or the rate of inflation. On an annual basis, local governments are responsible for reporting to the OSC the information necessary to calculate their tax levy limit and whether they plan to stay with the tax cap. Local government boards must pass a local law or resolution by at least a sixty percent (60%) vote to override the tax cap.

Note 3 - Detailed Notes on All Funds

a. Taxes Receivable

Taxes receivable at December 31, 2025 consisted of the following:

City taxes, current	\$ 594,479
City taxes, delinquent	170,725
School district taxes, current	196,456
	<u>\$ 961,660</u>

School District taxes are offset by liabilities to the school district, which were paid by July 1, 2026. Taxes receivable are also partially offset in the fund financial statements by deferred tax revenues of \$708,226, which represent the receivable that was not collected within the first 60 days of the subsequent year, in addition to certain property taxes received in advance.

As a result of the Playland tax certiorari proceeding, the School District became obligated to refund the City \$2,382,824 for taxes paid by the City. The City has received a partial refund of \$1,328,939; however, the School District has not remitted the remaining balance owed. Accordingly, the City exercised self-help by withholding payments and PILOT payments otherwise payable to the School District. As of July 31, 2026, the City has recovered an additional \$889,693 through these withholdings, leaving an outstanding receivable of \$164,192.

b. Due From/to Other Funds

The balances reflected as due from/to other funds at December 31, 2025 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund	\$ 1,733,461
	Boat Basin Fund	35,407
	Golf Club Fund	148,759
		<u>1,917,627</u>
Golf Club Fund	General Fund	<u>41,030</u>
		<u>\$ 1,958,657</u>

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

b. Due From/to Other 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.

c. Capital Assets

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

Governmental Activities	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025
Capital assets not being depreciated				
Land	\$ 4,574,997	\$ -	\$ -	\$ 4,574,997
Construction in progress	22,237,239	7,150,406	10,896,530	18,491,115
Total capital assets not being depreciated	26,812,236	7,150,406	10,896,530	23,066,112
Depreciable capital assets				
Buildings	16,506,163	-	-	16,506,163
Improvements	5,714,487	26,322	-	5,740,809
Right-to-use machinery and equipment leased assets	108,888	193,967	-	302,855
Machinery, equipment, and vehicles	16,521,375	3,109,476	1,364,544	18,266,307
Infrastructure	82,833,380	10,674,863	78,774	93,429,469
Total depreciable capital assets	121,684,293	14,004,628	1,443,318	134,245,603
Less accumulated depreciation and amortization				
Buildings	6,926,718	306,074	-	7,232,792
Improvements	4,698,429	216,110	-	4,914,539
Right-to-use machinery and equipment leased assets	73,990	24,895	-	98,885
Machinery, equipment, and vehicles	11,622,351	1,267,331	999,252	11,890,430
Infrastructure	32,039,268	1,572,390	-	33,611,658
Total accumulated depreciation and amortization	55,360,756	3,386,800	999,252	57,748,304
Net depreciable capital assets	66,323,537	10,617,828	444,066	76,497,299
Total net capital assets governmental activities	\$ 93,135,773	\$ 17,768,234	\$ 11,340,596	\$ 99,563,411

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

Governmental activities	
General government	\$ 144,768
Public safety	912,481
Transportation	836,812
Culture and recreation	976,212
Home and community services	516,527
Total depreciation expense for governmental activities	<u>\$ 3,386,800</u>

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

c. Capital Assets (Continued)

Changes in the City's business-type activities capital assets are as follows:

Business-Type Activities	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025
Capital assets not being depreciated				
Land	\$ 1,700,408	\$ -	\$ -	\$ 1,700,408
Construction in progress	412,630	155,940	-	568,570
Total capital assets not being depreciated	2,113,038	155,940	-	2,268,978
Depreciable capital assets				
Buildings	11,759,480	-	-	11,759,480
Improvements	15,180,964	440,032	-	15,620,996
Right-to-use machinery and equipment leased assets	2,963,258	-	1,704,594	1,258,664
Subscription-based IT arrangement assets	77,188	-	-	77,188
Machinery and equipment	1,752,237	30,895	-	1,783,132
Total depreciable capital assets	31,733,127	470,927	1,704,594	30,499,460
Less accumulated depreciation and amortization				
Buildings	7,343,759	204,986	-	7,548,745
Improvements	9,767,624	812,036	-	10,579,660
Right-to-use machinery and equipment leased assets	1,662,654	270,125	1,069,298	863,481
Subscription-based IT arrangement assets	44,108	22,054	-	66,162
Machinery and equipment	1,613,460	40,388	-	1,653,848
Total accumulated depreciation and amortization	20,431,605	1,349,589	1,069,298	20,711,896
Net depreciable capital assets	11,301,522	(878,662)	635,296	9,787,564
Total business-type capital asset activities	\$ 13,414,560	\$ (722,722)	\$ 635,296	\$ 12,056,542

Depreciation expense was charged to the City's business-type activities functions and programs as follows:

Business-type activities	
Boat Basin Fund	\$ 547,244
Golf Club Fund	802,345
Total depreciation expense for business-type activities	<u>\$ 1,349,589</u>

d. Accrued Liabilities

Accrued liabilities at December 31, 2025 were as follows:

	Governmental Activities	Business-Type Activities	Total
Payroll and employee benefits	\$ 360,626	\$ 235,345	\$ 595,971
Retainage payable	819,232	-	819,232
Claims	441,454	-	441,454
	<u>\$ 1,621,312</u>	<u>\$ 235,345</u>	<u>\$ 1,856,657</u>

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

e. General Claim Liabilities

The Risk Retention Fund reflects general claim liabilities. General claim liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported (IBNR). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on complex factors such 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, general 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:

	General Liability
Balance, <i>January 1, 2024</i>	\$ 543,429
Provision for claims and claim adjustment expenses	91,274
Claims and claim adjustment expenses paid	(35,125)
Balance, <i>December 31, 2024</i>	599,578
Provision for claims and claim adjustment expenses	99,643
Claims and claim adjustment expenses paid	(26,252)
Balance, <i>December 31, 2025</i>	\$ 672,969

f. Pension Plans

Plan Description and Benefits Provided

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), which are collectively referred to as the New York State and Local Retirement System (System). These are cost-sharing, multiple-employer retirement systems. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York (Comptroller) serves as the Trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a New York State statute.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

f. Pension Plans - Continued

Plan Description and Benefits Provided - Continued

The System is included in the State of New York's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The City also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance.

Contributions

Most members of the System who joined on or before July 26, 1976 are enrolled in a noncontributory plan. Members of the System who joined after July 26, 1976 are enrolled in a contributory plan that requires a 3% contribution of their salary. As a result of Article 19 of the NYSRSSL, eligible Tier 3 and Tier 4 employees with a membership date after July 26, 1976 who have 10 or more years of membership or credited service with the System are not required to contribute. Subsequent to March 31, 2022, legislation was passed that reduced the number of years of service credit from 10 years to five years. Generally, members of the System may retire at 55; however, members of Tiers 2, 3, 4, and 5 will receive a reduced benefit if they retire before 62 with less than 30 years of service. Tier 5 members must be 62 years of age with at least 10 years of service credit to retire with full benefits, and employees with less than five years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions. The full benefit age for Tier 6 is 63 for System members. Tier 6 members with 10 years of service or more can retire as early as age 55 with reduced benefits. The contribution rate varies from 3% to 6% depending on salary. Members are required to contribute for all years of service. The average contribution rate for ERS and PFRS for the fiscal year ended March 31, 2025 was approximately 15.2% and 31.2% of payroll, respectively. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

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

	ERS	PFRS
Year ended December 31,		
2025	\$ 1,621,483	\$ 3,043,582
2024	1,346,457	2,564,056
2023	1,175,438	2,259,058

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

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

f. Pension Plans - Continued

Contributions - Continued

The current PFRS contribution of \$3,043,582 was charged to the General Fund. The current ERS contribution for the City was charged to various departments within the funds identified below:

	<u>Amount</u>
General Fund	\$ 1,464,143
Boat Basin Fund	30,383
Golf Club Fund	<u>126,957</u>
	<u>\$ 1,621,483</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2025, the City reported a liability of \$4,833,129 for its proportionate share of the ERS net pension liability and a liability of \$11,759,940 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2025, the City's proportion was 0.0281885% in ERS and 0.1935200% in PFRS.

For the year ended December 31, 2025, the City recognized pension expense of \$1,106,184 for ERS and \$2,887,709 for PFRS. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to ERS and PFRS from the following sources:

	<u>ERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,199,615	\$ 56,587	\$ 3,917,080	\$ -
Changes in assumptions	202,692	-	1,765,889	-
Net differences between projected and actual investment earnings on pension plan investments	379,194	-	452,014	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	63,596	39,404	200,122	438,190
City contributions subsequent to the measurement date	<u>1,207,431</u>	<u>-</u>	<u>2,254,644</u>	<u>-</u>
Total	<u>\$ 3,052,528</u>	<u>\$ 95,991</u>	<u>\$ 8,589,749</u>	<u>\$ 438,190</u>

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

f. Pension Plans - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	PFRS
Year ending December 31,		
2026	\$ 828,419	\$ 3,031,625
2027	1,256,889	1,821,800
2028	(385,788)	46,378
2029	49,586	704,034
2030	-	293,078
Total	<u>\$ 1,749,106</u>	<u>\$ 5,896,915</u>

Actuarial Assumptions

The total pension liability at March 31, 2025 was determined by using an actuarial valuation as of April 1, 2024, with updated procedures used to roll forward the total pension liability to March 31, 2025. Significant actuarial assumptions used in the valuation were as follows:

Actuarial Cost Method	Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Inflation Rate	2.9%
Salary Scale	
ERS	4.3%, indexed by service
PFRS	6.0%, indexed by service
Investment Rate of Return, Including Inflation	5.9% compounded annually, net of expenses
Cost-of-Living Adjustment	1.5%
Decrement	Based on FY 2016-2020 experience
Mortality Improvement	Society of Actuaries' Scale MP-2021

Annuitant mortality rates are based on the April 1, 2015 to March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

f. Pension Plans - Continued

Actuarial Assumptions - Continued

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2025 are summarized below:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate</u>
Domestic equity	25.00%	5.54%
International equity	14.00%	6.57%
Private equity	15.00%	7.25%
Real estate	12.00%	4.95%
Opportunistic/absolute return strategy	3.00%	5.25%
Credit	4.00%	5.40%
Real assets	4.00%	5.55%
Fixed income	22.00%	2.00%
Cash	1.00%	0.25%
	<u>100.00%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

f. Pension Plans - Continued

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the City's proportionate share of the net pension liability, calculated using the discount rate of 5.9%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (4.9%) or one percentage point higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
City's proportionate share of the net pension liability (asset)			
ERS	\$ 13,987,683	\$ 4,833,129	\$ (2,810,930)
PFRS	24,796,332	11,759,940	1,000,274
	<u>\$ 38,784,015</u>	<u>\$ 16,593,069</u>	<u>\$ (1,810,656)</u>

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2025 were as follows (dollars in thousands):

	ERS	PFRS	Total
Employers' total pension liability	\$ 247,600,239	\$ 48,718,477	\$ 296,318,716
Plan net position	<u>(230,454,512)</u>	<u>(42,641,620)</u>	<u>(273,096,132)</u>
Employers' net pension liability	<u>\$ 17,145,727</u>	<u>\$ 6,076,857</u>	<u>\$ 23,222,584</u>
Ratio of plan net position to the employers' total pension liability	93.08%	87.53%	92.16%

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

g. Long-Term Liabilities

The changes in the City's long-term liabilities were as follows:

	Year Ended December 31, 2025				
	Balance January 1, 2025	New Issues/ Additions	Maturities/ Refundings/ Payments	Balance December 31, 2025	Due Within One Year
Governmental activities					
Bonds payable	\$ 17,130,000	\$ -	\$ 1,085,000	\$ 16,045,000	\$ 675,000
Plus unamortized premium on bonds	736,831	-	59,161	677,670	52,087
	<u>17,866,831</u>	<u>-</u>	<u>1,144,161</u>	<u>16,722,670</u>	<u>727,087</u>
Other non-current liabilities					
Certiorari claims payable	1,487,405	-	514,714	972,691	-
Compensated absences	1,718,604	56,940	-	1,775,544	177,554
Net pension liability	13,308,847	4,279,382	1,464,143	16,124,086	-
Lease liability	35,298	230,379	58,119	207,558	59,927
Other postemployment benefit obligations	94,023,385	8,208,198	3,754,005	98,477,578	3,754,005
	<u>110,573,539</u>	<u>12,774,899</u>	<u>5,790,981</u>	<u>117,557,457</u>	<u>3,991,486</u>
Governmental activities long-term liabilities	<u>\$ 128,440,370</u>	<u>\$ 12,774,899</u>	<u>\$ 6,935,142</u>	<u>\$ 134,280,127</u>	<u>\$ 4,718,573</u>
Business-type activities					
Compensated absences	142,986	14,058	-	157,044	15,704
Net pension liability	387,903	238,420	157,340	468,983	-
Lease liability	1,688,737	-	1,276,517	412,220	259,713
Subscription-based IT arrangement liability	33,863	-	22,429	11,434	11,434
Other postemployment benefit obligations	2,877,116	251,171	114,872	3,013,415	114,872
Business-type activities long-term liabilities	<u>\$ 5,130,605</u>	<u>\$ 503,649</u>	<u>\$ 1,571,158</u>	<u>\$ 4,063,096</u>	<u>\$ 401,723</u>

* The change in compensated absences is presented as a net change.

The liabilities for the net pension liability and OPEB obligations are liquidated by the General Fund, the Boat Basin Fund and the Golf Club Fund. The General Fund liquidates claims liabilities. The City's governmental fund indebtedness for bonds is satisfied by the Debt Service Fund, which is funded by the General Fund. Certiorari claims payable and claims payable are liquidated by the General Fund.

Bonds Payable

Bonds payable at December 31, 2025 comprise the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2025
EFC - Kirby Lane Sewer	2010	\$ 2,373,374	April 2039	1.414%-4.603%	\$ 1,190,000
Refunding Bonds	2019	2,025,000	September 2030	2.000%-5.000%	1,060,000
Public Improvement Serial Bonds	2022	14,640,000	March 2047	3.000%-5.000%	13,795,000
					<u>\$ 16,045,000</u>

Interest expenditure/expense of \$344,497 and \$242,544 was recorded in the General Fund and the Debt Service Fund, respectively. Interest expense of \$577,936 was recorded in the government-wide financial statements for governmental activities.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

g. Long-Term Liabilities - Continued

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding, including interest of \$5,937,826, as of December 31, 2025 are as follows:

Year ending December 31,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 675,000	\$ 551,559	\$ 1,226,559
2027	700,000	519,501	1,219,501
2028	730,000	486,149	1,216,149
2029	770,000	451,134	1,221,134
2030	800,000	420,933	1,220,933
2031-2035	3,185,000	1,721,822	4,906,822
2036-2040	3,645,000	1,143,324	4,788,324
2041-2045	3,830,000	587,340	4,417,340
2046-2047	1,710,000	56,064	1,766,064
	<u>\$ 16,045,000</u>	<u>\$ 5,937,826</u>	<u>\$ 21,982,826</u>

The general obligation bonds above 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.

Advance Refunding

The City has defeased certain debt obligations, whereby the proceeds of the new obligations were placed in an irrevocable trust to provide for all future debt service payments on the defeased obligations. At December 31, 2025, approximately \$1,130,000 of such defeased obligations were outstanding. The assets and liabilities related to these obligations are not reported in the accompanying financial statements.

Certiorari Claims Payable

Certiorari claims payable comprise a liability of \$972,691 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.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

g. Long-Term Liabilities - Continued

Compensated Absences - Continued

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 of 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 days' pay per year of service, up to a maximum of 40 days. There is no payment of accrued sick time to firefighters upon their retirement. 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.

OPEB 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. A summary of active employees and retired employees covered under this benefit plan as of December 31, 2025 is as follows:

Active employees	158
Retired employees	152
	310

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 postemployment 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 the normal retirement age while working for the City. The cost of retiree health care benefits is recognized as an expenditure as claims are paid in the fund financial statements. The City is not required to fund the benefit plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the year ended December 31, 2025, the City paid \$3,868,877 on behalf of the plan members. The benefit plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the benefit plan.

At December 31, 2025, the City reported a liability of \$101,490,993 for its OPEB liability. The OPEB liability was measured as of December 31, 2025 by an actuarial valuation using census data information as of the same date. For the year ended December 31, 2025, the City recognized OPEB expense of \$8,459,369.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

g. Long-Term Liabilities - Continued

OPEB Obligations Payable - Continued

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,627,776	\$ 4,798,293
Changes in assumptions	6,711,212	19,162,915
Total	<u>\$ 14,338,988</u>	<u>\$ 23,961,208</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending December 31,	
2026	\$ (4,209,382)
2027	(6,030,508)
2028	1,035,457
2029	(743,067)
2030	325,280
	<u>\$ (9,622,220)</u>

The total OPEB liability at December 31, 2025 was determined using the following actuarial assumptions:

Assumptions	Factor
Discount rate	4.43%
Valuation date	December 31, 2024
Salary scale	3.00% per annum
Mortality	PUB-2010 mortality table with MP-2021 projection.
Marital rate	70% of males and 50% of females are assumed married. Wife is assumed to be the same age as the husband.
Inflation rate	3.00% per annum
Health care cost trend rate assumed increase	Year 1 - 7.0%, Year 2 - 6.5%, Year 3 - 6.25%, Year 4 - 6.0%, Year 5 - 5.75%, Year 6 - 5.5%, Year 7 - 5.25%, Year 8 - 5.0%, Year 9 - 4.75%, Year 10+ - 4.50%

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

g. Long-Term Liabilities - Continued

OPEB Obligations Payable - Continued

Actuarial valuations involve estimates and assumptions about the probability of events far into the future and are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. These calculations are designed to reduce short-term volatility in actuarial accrued liabilities. Projected benefits are based on the types of benefits provided at the time of each valuation and on the cost-sharing provisions then in effect.

Changes in the net OPEB liability are as follows:

	<u>Total</u>
Balance as of January 1, 2025	\$ 96,900,501
Changes for the year	
Service cost	2,342,862
Interest	4,164,822
Difference between expected and actual experience	1,552,365
Changes in assumptions	399,320
Benefit payments	<u>(3,868,877)</u>
Net changes	<u>4,590,492</u>
Balance as of December 31, 2025	<u>\$ 101,490,993</u>

The following presents the OPEB liability of the plan as of December 31, 2025, calculated using the current health care cost trend rate, as well as what the OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
OPEB liability	<u>\$ 87,517,543</u>	<u>\$ 101,490,993</u>	<u>\$ 119,424,262</u>

The following presents the OPEB liability of the plan as of December 31, 2025, calculated using the current discount rate of 4.43%, as well as what the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.43%) or one percentage point higher (5.43%) than the current rate:

	<u>1% Decrease (3.43%)</u>	<u>Current Discount (4.43%)</u>	<u>1% Increase (5.43%)</u>
OPEB liability	<u>\$ 118,193,456</u>	<u>\$ 101,490,993</u>	<u>\$ 88,318,720</u>

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

g. Long-Term Liabilities - Continued

Leases

Lessee Agreements

The City has nine lease agreements for certain equipment. A summary of future principal and interest payments is as follows:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Year ending December 31,				
2026	\$ 59,927	\$ 6,960	\$ 259,713	\$ 8,586
2027	51,738	4,890	88,627	3,206
2028	49,058	2,942	49,469	1,198
2029	45,316	506	14,411	87
2030	1,519	5	-	-
Total	<u>\$ 207,558</u>	<u>\$ 15,303</u>	<u>\$ 412,220</u>	<u>\$ 13,077</u>

Lessor Agreements

The City has one lease agreement for certain office space. Deferred inflows of resources related to this lease totaled \$8,485 at December 31, 2025. Rent receivable and interest total \$9,963 and \$37, respectively, for the year ending December 31, 2026.

Subscription-Based IT Arrangement (SBITA) Liability

The City has one SBITA liability for certain equipment reported in business-type activities. Principal and interest payments total \$11,433 and \$86, respectively, for the year ending December 31, 2026.

h. Significant Commitments - Encumbrances

As discussed in Note 2a, encumbrance accounting is utilized to the extent necessary to ensure effective budgetary control and accountability and facilitate effective cash planning and control. At December 31, 2025, the General Fund has \$1,863,342 in encumbrances expected to be honored upon performance by the vendor in the next year.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

i. 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 year ended December 31, 2025 are as follows:

Transfers Out	Transfers In		
	Capital Projects	Non-Major Governmental	Total
General	\$ 1,000,000	\$ 336,271	\$ 1,336,271
Capital Projects	-	178,406	178,406
	<u>\$ 1,000,000</u>	<u>\$ 514,677</u>	<u>\$ 1,514,677</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.

j. Net Position and Fund Balances

The components of net position are detailed below:

- Net Investment in Capital Assets - The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets.
- Restricted for Capital Projects - The component of net position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.
- Restricted for Permanent Fund - The component of net position that reports the difference between the assets and liabilities of the non-expendable trust with constraints placed on their use by an external party.
- Restricted for Special Purposes - The component of net position that reports the difference between assets and liabilities of certain police department, fire department, parks, recreation, and WWI memorial programs with constraints placed on their use by external parties.
- Restricted for Debt Service - The component of net position that reports the difference between the assets and liabilities of the Debt Service Fund with constraints placed on their use by New York State Local Finance Law.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

j. Net Position and Fund Balances - Continued

- Restricted for Risk Retention - The component of net position that provides for the payment of self-insured general and liability claims pursuant to New York State law.
- Unrestricted - All other amounts that do not meet the definition of "restricted" or "net investment in capital assets."

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable				
Prepaid expenditures	\$ 1,154,929	\$ -	\$ -	\$ 1,154,929
Permanent fund	-	-	20,000	20,000
Total nonspendable	1,154,929	-	20,000	1,174,929
Restricted				
Compensated absences	1,775,544	-	-	1,775,544
Police purposes	182,305	-	-	182,305
Fire purposes	10,764	-	-	10,764
Parks	44,301	-	-	44,301
Recreation programs	1,072,924	-	-	1,072,924
WWI memorial	3,014	-	-	3,014
9/11 memorial	250	-	-	250
Capital projects	-	5,656,354	-	5,656,354
Permanent fund	-	-	581	581
Debt service	-	-	94,319	94,319
Total restricted	3,089,102	5,656,354	94,900	8,840,356
Assigned				
Purchases on order				
General government	248,245	-	-	248,245
Public safety	812,884	-	-	812,884
Transportation	342,877	-	-	342,877
Culture and recreation	235,708	-	-	235,708
Home and community services	223,628	-	-	223,628
	1,863,342	-	-	1,863,342
Subsequent year's expenditures	1,955,724	-	-	1,955,724
Tax certiorari	972,691	-	-	972,691
Total assigned	4,791,757	-	-	4,791,757
Unassigned	16,563,893	-	-	16,563,893
Total fund balances	\$ 25,599,681	\$ 5,656,354	\$ 114,900	\$ 31,370,935

Certain elements of fund balance are described above. Those additional elements that are not reflected in the statement of net position but are reported in the governmental funds balance sheet are described below.

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

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 3 - Detailed Notes on All Funds - Continued

j. Net Position and Fund Balances - Continued

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

Amounts restricted for compensated absences represent funds set aside for the payment of accumulated vacation and sick leave in accordance with various collective bargaining agreements and the GML. These funds are not "available" for appropriation or expenditure.

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 the authority to complete the transactions.

Other assignments of fund balance are not legally required segregations but represent intended use for a specific purpose. At December 31, 2025, the City Council has assigned the above amounts to be appropriated for the ensuing year's budget, police purposes, fire purposes, the acquisition and/or embellishment of parks and playgrounds, recreational programs, insurance, and tax certiorari settlements.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, or assigned. Unassigned fund balance of the Capital Projects Fund represents a fund balance deficit anticipated to be eliminated in future periods by the receipt of grant funding and/or the issuance of long-term debt.

Note 4 - Commitments and Contingencies

a. Litigation and Contingencies

The City is a party to various legal proceedings, including negligence suits, some of which involve serious injury. Many of these actions arise in the normal course of the City's operations. The City records accruals for claims liability to the extent that management concludes their occurrence is probable and the related damages are estimable. If the range of the liability is probable and estimable, the City accrues the amount most likely to be paid.

The City is also a defendant in numerous pending tax certiorari proceedings, the results of which cannot be determined at this time. Changes in the City's certiorari claims payable from 2023 to 2024 are shown in Note 3g.

Certain other claims cannot be estimated as they involve complex issues. These issues are often subject to substantial uncertainties, and therefore, the probability of loss or an estimation of damages cannot be determined.

b. Other Contingencies

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

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 4 - Commitments and Contingencies - Continued

c. Risk Management

The City purchases various conventional insurance policies to reduce its exposure to loss. The general liability, law enforcement, and public official 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 that provides coverage up to \$10 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. Accrued liabilities in the Risk Retention Fund include provisions for reported claims as well as IBNR claims.

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 Westchester County. This act provides 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 GML. 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 years.

d. Tax Abatements

The City negotiates property tax abatement agreements on an individual basis. The City has a tax abatement agreement with one entity as of December 31, 2025 as follows:

Agreement	Start Date	Taxable Assessed Value	Tax Rate	Tax Value	PILOT Received	Taxes Abated
HONY Housing Development Fund Corp. & Rye Manor	November 25, 2013	\$ 345,000	214.34	\$ 73,947	\$ 39,363	\$ 34,584

A copy of the agreement may be obtained from Joseph Fazzino, Deputy Comptroller, City of Rye, 1051 Boston Post Road, Rye, New York 10580.

Note 5 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 103, *Financial Reporting Model Improvements*. This statement improves key components of the financial reporting model, including a reiteration of the Management's Discussion and Analysis requirements, description and presentation requirements for unusual and infrequent items, definitions of non-operating revenues and expenses, major component unit presentation requirements, and the requirement that budgetary comparison information be presented as required supplementary information versus as a statement. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

City of Rye, New York

Notes to Financial Statements December 31, 2025

Note 5 - Accounting Standards Issued But Not Yet Implemented - Continued

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This statement establishes requirements for certain types of capital assets to be disclosed separately in the capital asset note disclosures required by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. It also establishes disclosure requirements for capital assets held for sale, including disclosures relating to debt for which the capital assets held for sale are pledged as collateral. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 105, *Subsequent Events*. This statement improves financial reporting relating to subsequent events by (1) clarifying the subsequent events time frame and the subsequent events that constitute recognized and nonrecognized events and (2) specifying the information items that are required to be disclosed about subsequent events. The requirements of this statement are effective for fiscal years beginning after June 15, 2026.

Management has not estimated the extent of the potential impact, if any, of these statements on the City's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

City of Rye, New York
Required Supplementary Information
Schedule of Other Postemployment Benefits Liability

	December 31,							
	2025	2024	2023	2022	2021	2020	2019	2018
Beginning of year	\$ 96,900,501	\$ 100,623,647	\$ 87,493,545	\$ 124,767,314	\$ 122,993,233	\$ 84,550,920	\$ 107,476,630	\$ 105,860,161
Changes for the year								
Service cost	2,342,862	2,698,911	2,224,019	3,856,695	3,875,948	2,281,727	2,756,506	2,781,142
Interest	4,164,822	3,945,791	3,696,377	2,773,008	2,348,135	2,714,864	3,857,973	3,796,368
Difference between expected and actual experience	1,552,365	677,044	5,555,890	(2,444,386)	3,923,544	13,886,733	(31,867,999)	(1,832,375)
Changes in assumptions	399,320	(7,087,137)	5,115,280	(38,414,071)	(5,717,127)	22,104,120	5,304,555	-
Benefit payments	(3,868,877)	(3,957,755)	(3,461,464)	(3,045,015)	(2,656,419)	(2,545,131)	(2,976,745)	(3,128,666)
Net changes	4,590,492	(3,723,146)	13,130,102	(37,273,769)	1,774,081	38,442,313	(22,925,710)	1,616,469
End of year	\$ 101,490,993	\$ 96,900,501	\$ 100,623,647	\$ 87,493,545	\$ 124,767,314	\$ 122,993,233	\$ 84,550,920	\$ 107,476,630
Covered-employee payroll	\$ 23,999,580	\$ 22,542,264	\$ 20,962,609	\$ 19,990,101	\$ 18,850,307	\$ 18,127,069	\$ 17,407,276	\$ 17,066,347
OPEB liability as a percentage of covered-employee payroll	422.89%	429.86%	480.01%	437.68%	661.88%	678.51%	485.72%	629.76%
Summary of changes in assumptions:								
Discount rate:	4.43%	4.28%	4.31%	4.31%	2.25%	1.93%	3.26%	3.64%
Salary scale:	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Inflation rate:	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Mortality:	2018 - 2019: RP-2014 mortality table MP-2016 projection							
	2020 - 2021: RP-2006 mortality table with MP-2020 projection							
	2022 - 2025: RP-2010 mortality table with MP-2021 projection							
Health care cost trend rate:	2018 - 2023: 5.0% - 8.0%							
	2024 - 2025: 4.5% - 7.0%							

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

No assets are accumulated in a trust that meets the criteria to pay related benefits of the other postemployment benefits liability.

City of Rye, New York

Required Supplementary Information Schedule of Proportionate Share of the Net Pension Asset/Liability

	December 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
ERS										
City's proportion of the net pension liability (asset)	0.028189%	0.028113%	0.028182%	0.028993%	0.029803%	0.027613%	0.028266%	0.027430%	0.027490%	0.029324%
City's proportionate share of the net pension liability (asset)	\$ 4,833,129	\$ 4,139,305	\$ 6,043,325	\$ (2,370,041)	\$ 29,676	\$ 7,312,119	\$ 2,002,763	\$ 885,295	\$ 2,582,992	\$ 4,706,557
City's covered payroll	\$ 9,372,290	\$ 9,157,141	\$ 9,139,030	\$ 8,565,537	\$ 8,412,876	\$ 8,783,376	\$ 7,721,301	\$ 7,891,812	\$ 7,544,354	\$ 7,530,889
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	51.57%	45.20%	66.13%	-27.67%	0.35%	83.25%	25.94%	11.22%	34.24%	62.50%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%
Summary of changes in assumptions:										
Inflation	2.9%	2.9%	2.9%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Salary increases	4.3%	4.4%	4.4%	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%
Cost-of-living adjustments	1.5%	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%
Investment rate of return	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%
Discount rate	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014
PFRS										
City's proportion of the net pension liability	0.1935200%	0.2015138%	0.1928518%	0.1911063%	0.1844569%	0.1828810%	0.1691106%	0.1633867%	0.1615964%	0.1806137%
City's proportionate share of the net pension liability	\$ 11,759,940	\$ 9,557,445	\$ 10,627,046	\$ 1,085,569	\$ 3,202,682	\$ 9,774,874	\$ 2,836,091	\$ 1,651,240	\$ 3,349,331	\$ 5,347,587
City's covered payroll	\$ 9,111,388	\$ 8,886,768	\$ 8,858,106	\$ 7,892,346	\$ 7,896,325	\$ 7,793,698	\$ 7,302,637	\$ 6,489,582	\$ 6,271,750	\$ 6,905,691
City's proportionate share of the net pension liability as a percentage of its covered payroll	129.07%	107.55%	119.97%	13.75%	40.56%	125.42%	38.84%	25.44%	53.40%	77.44%
Plan fiduciary net position as a percentage of the total pension liability	87.53%	89.72%	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.46%	90.24%
Summary of changes in assumptions:										
Inflation	2.9%	2.9%	2.9%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Salary increases	6.0%	6.2%	6.2%	5.7%	5.0%	4.5%	4.5%	4.5%	4.5%	4.5%
Cost-of-living adjustments	1.5%	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%
Investment rate of return	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%
Discount rate	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014

See Independent Auditor's Report.

City of Rye, New York

Required Supplementary Information Schedule of Pension Contributions

	Year Ended December 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
ERS										
Contractually required contribution	\$ 1,621,483	\$ 1,346,457	\$ 1,175,438	\$ 971,141	\$ 1,311,274	\$ 1,239,339	\$ 1,084,654	\$ 1,129,375	\$ 1,112,971	\$ 1,141,322
Contributions in relation to the contractually required contribution	\$ 1,621,483	\$ 1,346,457	\$ 1,175,438	\$ 971,141	\$ 1,311,274	\$ 1,239,339	\$ 1,084,654	\$ 1,129,375	\$ 1,112,971	\$ 1,141,322
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 10,222,861	\$ 9,088,766	\$ 9,179,933	\$ 8,527,372	\$ 8,329,580	\$ 8,696,412	\$ 7,644,852	\$ 7,813,675	\$ 7,469,657	\$ 7,456,326
Contributions as a percentage of covered payroll	15.86%	14.81%	12.80%	11.39%	15.74%	14.25%	14.19%	14.45%	14.90%	15.31%
PFRS										
Contractually required contribution	\$ 3,043,582	\$ 2,564,056	\$ 2,259,058	\$ 1,970,884	\$ 2,081,990	\$ 1,724,357	\$ 1,583,987	\$ 1,408,886	\$ 1,424,226	\$ 1,558,509
Contributions in relation to the contractually required contribution	\$ 3,043,582	\$ 2,564,056	\$ 2,259,058	\$ 1,970,884	\$ 2,081,990	\$ 1,724,357	\$ 1,583,987	\$ 1,408,886	\$ 1,424,226	\$ 1,558,509
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 9,714,756	\$ 8,910,265	\$ 8,878,935	\$ 9,866,427	\$ 7,818,144	\$ 7,716,533	\$ 7,230,334	\$ 6,425,329	\$ 6,209,653	\$ 6,837,317
Contributions as a percentage of covered payroll	31.33%	28.78%	25.44%	19.98%	26.63%	22.35%	21.91%	21.93%	22.94%	22.79%

See Independent Auditor's Report.

SUPPLEMENTARY INFORMATION

Capital Projects Fund
Project Length Schedule

City of Rye, New York
Supplementary Information
Capital Projects Fund - Project Length Schedule

Project Number	Project Title	Year Authorized	Project Budget	Expenditures and Other Financing Uses			Unexpended Balance	Revenues and Other Financing Sources			Project Balance (Deficit) at December 31, 2025
				Prior Years	Current Year	Total		Prior Years	Current Year	Total	
513004	General Capital Projects	2018	\$ 11,410,534	\$ 6,655,944	\$ 555,075	\$ 7,211,019	\$ 4,199,515	\$ 11,410,534	\$ -	\$ 11,410,534	\$ 7,211,019
533034	Annual Traffic Light/Pedestrian Safety	2015	714,185	440,725	259,146	699,871	14,314	614,185	100,000	714,185	699,871
533037	Purchase/Fremd/Purdy Intersection	2018	102,966	26,166	9,800	35,966	67,000	102,966	-	102,966	35,966
551093	Nature Center/BPR Realign	2014	50,000	25,204	-	25,204	24,796	50,000	-	50,000	25,204
551097	Annual Street Resurfacing Program	2015	19,031,185	15,190,433	2,313,120	17,503,553	1,527,632	14,937,952	4,093,233	19,031,185	17,503,553
551099	Nature Center Bridge Repair	2016	84,775	50,943	-	50,943	33,832	84,775	-	84,775	50,943
551101	Forest Ave Pedestrian Improvements	2016	292,200	244,115	54,418	298,533	(6,333)	292,200	-	292,200	298,533
551104	Foreman Memorial Statue	2017	10,000	77,444	-	77,444	(67,444)	10,000	-	10,000	77,444
554120	Annual Sidewalk Replacement Program	2015	529,598	525,314	-	525,314	4,284	529,598	-	529,598	525,314
571093	Gagliardo Park Improvements	2014	72,125	11,257	-	11,257	60,868	70,000	-	70,000	9,132
571096	Rye Town Park Improvements	2020	784,180	1,300,668	226,287	1,526,955	(742,775)	915,132	226,287	1,141,419	1,884,194
571097	Recreation Tennis Court Reconstruction	2023	691,771	689,855	15,175	705,030	(13,259)	689,855	1,916	691,771	705,030
581201	Kirby Lane Sewer	2003	2,466,773	2,449,012	-	2,449,012	17,761	2,456,979	-	2,456,979	2,439,218
581206	Upper Dogwood Lane Sewer	2007	150,000	135,022	-	135,022	14,978	150,000	-	150,000	135,022
581219	EPA Hewlett Avenue Pump	2007	1,249,802	1,227,803	-	1,227,803	21,999	1,227,803	-	1,227,803	1,205,804
581229	Kirby Lane Sanitary Sewer	2010	422,870	422,870	-	422,870	-	77,870	25,000	102,870	102,870
581230	Locust Avenue Sewer	2014	1,626,291	1,626,291	-	1,626,291	-	696,680	929,611	1,626,291	1,626,291
581231	Brevoort Force Main Replacement	2015	1,068,272	1,027,007	-	1,027,007	41,265	400,000	668,272	1,068,272	1,027,007
581235	Central Avenue Pump Station	2018	2,034,158	2,037,826	-	2,037,826	(3,668)	892,621	906,315	1,798,936	1,802,604
581236	Midland Avenue Sewer	2022	596,556	596,556	-	596,556	-	254,942	341,614	596,556	596,556
581237	Sewer Manhole Rehabilitation	2020	3,462,837	3,462,837	-	3,462,837	-	2,913,925	548,912	3,462,837	3,462,837
581238	Sewer Manhole Rehabilitation	2023	726,302	653,516	2,970	656,486	69,816	286,916	335,221	622,137	552,321
581239	Sewer Lining	2023	875,980	797,079	585,086	1,382,165	(506,185)	346,044	460,333	806,377	1,312,562
581240	Spot Repair and Lining	2023	5,553,850	4,511,577	1,293,819	5,805,396	(251,546)	2,193,972	3,330,925	5,524,897	5,776,443
581241	Sewer Main Spot Repair	2023	4,050,112	3,502,005	432,448	3,934,453	115,659	-	2,462,052	2,462,052	2,346,393
581433	2015 Sewer Drainage Improvement Program	2015	3,298,140	3,009,895	244,352	3,254,247	43,893	2,578,364	719,776	3,298,140	3,254,247
581434	Stormwater System Improvements	2024	1,500,000	1,062,984	727,380	1,790,364	(290,364)	500,000	500,000	1,000,000	1,290,364
585403	Theo Fremd Retain Wall	2007	3,458,660	307,089	652,501	959,590	2,499,070	2,258,945	356,702	2,615,647	116,577
585405	Bowman Ave Sluice Gate	2008	2,143,373	1,583,739	-	1,583,739	559,634	1,583,739	-	1,583,739	1,024,105
585406	Upper Blind Brook Study	2013	704,294	625,254	-	625,254	79,040	671,794	-	671,794	592,754
585408	Blind Brook Wall Study	2014	50,000	49,260	-	49,260	740	50,000	-	50,000	49,260
585411	Theodore Fremd Senior Housing	2016	1,200,000	1,189,930	-	1,189,930	10,070	1,168,680	-	1,168,680	1,158,610
585412	2016 City Master Plan	2016	400,000	127,208	-	127,208	272,792	400,000	-	400,000	127,208
585413	Flood Mitigation and Resiliency	2023	825,000	60,000	2,672	62,672	762,328	500,000	250,000	750,000	(12,328)
			\$ 71,638,789	\$ 55,702,828	\$ 7,374,249	\$ 63,077,077	\$ 8,559,712	\$ 51,316,471	\$ 16,256,169	\$ 67,572,640	\$ 59,012,928

See Independent Auditor's Report.

Non-Major Governmental Funds

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

Supplementary Information Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2025			
	K.T. Woods Permanent Fund	Debt Service Fund	Total
ASSETS			
Cash and equivalents	\$ 20,581	\$ 94,319	\$ 114,900
FUND BALANCES			
Nonspendable	\$ 20,000	\$ -	\$ 20,000
Restricted	581	94,319	94,900
Total fund balances	\$ 20,581	\$ 94,319	\$ 114,900

City of Rye, New York

Supplementary Information Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds

	Year Ended December 31, 2025		
	K.T. Woods Permanent Fund	Debt Service Fund	Total
REVENUES			
Real property taxes and related items	\$ -	\$ 121,690	\$ 121,690
Use of money and property	51	196	247
Total revenues	<u>51</u>	<u>121,886</u>	<u>121,937</u>
EXPENDITURES			
Debt service			
Principal	-	382,822	382,822
Interest	-	242,544	242,544
Total expenditures	<u>-</u>	<u>625,366</u>	<u>625,366</u>
Excess (deficiency) of revenues over expenditures	51	(503,480)	(503,429)
OTHER FINANCING SOURCES			
Transfers in	<u>-</u>	<u>514,677</u>	<u>514,677</u>
Net change in fund balances	51	11,197	11,248
FUND BALANCES, beginning of year	<u>20,530</u>	<u>83,122</u>	<u>103,652</u>
FUND BALANCES, end of year	<u>\$ 20,581</u>	<u>\$ 94,319</u>	<u>\$ 114,900</u>

City of Rye, New York

Supplementary Information Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual - K.T. Woods Permanent Fund

	Year Ended December 31, 2025			Variance With
	Original	Final	Actual	Final Budget
	Budget	Budget		Positive
				(Negative)
REVENUES				
Use of money and property	\$ 50	\$ 50	\$ 51	\$ 1
FUND BALANCE, <i>beginning of year</i>	<u>20,530</u>	<u>20,530</u>	<u>20,530</u>	<u>-</u>
FUND BALANCE, <i>end of year</i>	<u>\$ 20,580</u>	<u>\$ 20,580</u>	<u>\$ 20,581</u>	<u>\$ 1</u>

City of Rye, New York

Supplementary Information Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual - Debt Service Fund

	Year Ended December 31, 2025			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes and related items	\$ 121,692	\$ 121,692	\$ 121,690	\$ (2)
Use of money and property	125	125	196	71
Total revenues	121,817	121,817	121,886	69
EXPENDITURES				
Debt service				
Principal	382,822	382,822	382,822	-
Interest	242,544	242,544	242,544	-
Total expenditures	625,366	625,366	625,366	-
Deficiency of revenues over expenditures	(503,549)	(503,549)	(503,480)	69
OTHER FINANCING SOURCES				
Transfers in	514,677	514,677	514,677	-
Net change in fund balance	11,128	11,128	11,197	69
FUND BALANCE, beginning of year	83,122	83,122	83,122	-
FUND BALANCE, end of year	<u>\$ 94,250</u>	<u>\$ 94,250</u>	<u>\$ 94,319</u>	<u>\$ 69</u>

**Capital Assets Used in the
Operation of Governmental Funds**

City of Rye, New York

Supplementary Information Capital Assets Used in the Operation of Governmental Funds - Schedule by Source

Governmental Funds Capital Assets	2025
Capital assets not being depreciated	
Land	\$ 4,574,997
Construction in progress	18,491,115
Total capital assets not being depreciated	<u>23,066,112</u>
Depreciable capital assets	
Buildings	16,506,163
Improvements	5,740,809
Right-to-use machinery and equipment leased assets	302,855
Machinery, equipment, and vehicles	18,266,307
Infrastructure	93,429,469
Total depreciable capital assets	<u>134,245,603</u>
Less accumulated depreciation and amortization	<u>(57,748,304)</u>
Net depreciable capital assets	<u>76,497,299</u>
Net book value	<u>\$ 99,563,411</u>

City of Rye, New York
Supplementary Information
Capital Assets Used in the Operation of Governmental Funds -
Schedule by Function and Activity

December 31, 2025										
Function and Activity	Land	Construction In Progress	Buildings	Improvements	Right-to-Use Machinery and Equipment Leased Assets	Machinery, Equipment, and Vehicles	Infrastructure	Total	Accumulated Depreciation	Net Book Value
GENERAL GOVERNMENT ACTIVITIES										
City Hall	\$ 1,263,242	\$ 187,362	\$ 990,795	\$ 1,143,736	\$ -	\$ -	\$ -	\$ 3,585,135	\$ (1,722,918)	\$ 1,862,217
City Hall vehicles	-	-	-	-	-	116,364	-	116,364	(116,364)	-
Miscellaneous office equipment	-	-	-	-	302,855	135,790	-	438,645	(234,675)	203,970
Total general government activities	1,263,242	187,362	990,795	1,143,736	302,855	252,154	-	4,140,144	(2,073,957)	2,066,187
PUBLIC SAFETY										
Police buildings	-	159,640	1,685,989	610,770	-	-	-	2,456,399	(1,315,830)	1,140,569
Police vehicles	-	-	-	-	-	3,614,954	-	3,614,954	(2,093,997)	1,520,957
Fire buildings	-	16,906	9,251,078	394,196	-	-	-	9,662,180	(3,641,897)	6,020,283
Fire vehicles	-	-	-	-	-	2,566,777	-	2,566,777	(1,952,512)	614,265
Traffic signals	-	-	-	-	-	-	1,766,798	1,766,798	(710,296)	1,056,502
Total public safety	-	176,546	10,937,067	1,004,966	-	6,181,731	1,766,798	20,067,108	(9,714,532)	10,352,576
TRANSPORTATION										
Rights of way	-	-	-	-	-	-	21,301,087	21,301,087	-	21,301,087
Streets	-	1,400,657	-	-	-	-	17,446,255	18,846,912	(11,252,604)	7,594,308
Streetlights	-	-	-	-	-	-	788,958	788,958	(454,654)	334,304
Sidewalks	-	-	-	-	-	-	976,585	976,585	(847,459)	129,126
Bridges	-	-	-	-	-	-	2,452,814	2,452,814	(823,456)	1,629,358
Sanitary sewers	-	7,017,230	-	-	-	-	22,478,953	29,496,183	(8,868,635)	20,627,548
Pump stations	-	-	-	-	-	-	4,062,164	4,062,164	(865,160)	3,197,004
Storm sewers	-	3,348,511	-	-	-	-	14,194,484	17,542,995	(8,724,075)	8,818,920
Department of public works buildings	-	4,139,006	1,404,721	620,911	-	-	-	6,164,638	(1,545,377)	4,619,261
Department of public works vehicles	-	-	-	-	-	7,141,157	-	7,141,157	(4,912,719)	2,228,438
Department of public works equipment	-	-	-	-	-	3,642,469	-	3,642,469	(2,102,210)	1,540,259
Total transportation	-	15,905,404	1,404,721	620,911	-	10,783,626	83,701,300	112,415,962	(40,396,349)	72,019,613
CULTURE AND RECREATION										
Cable TV equipment	-	-	-	-	-	-	86,074	86,074	(86,074)	-
Dredging	-	-	-	-	-	-	1,498,439	1,498,439	(770,626)	727,813
Monuments and statues	-	-	-	87,000	-	-	-	87,000	(30,450)	56,550
Damiano Recreation Center	-	-	2,586,665	86,087	-	-	-	2,672,752	(862,087)	1,810,665
Culture and recreation equipment	-	-	-	-	-	660,070	-	660,070	(576,838)	83,232
Parks and playgrounds	3,311,755	2,221,803	586,915	2,798,109	-	388,726	5,186,928	14,494,236	(3,087,460)	11,406,776
Total culture and recreation	3,311,755	2,221,803	3,173,580	2,971,196	-	1,048,796	6,771,441	19,498,571	(5,413,535)	14,085,036
HOME AND COMMUNITY SERVICES										
Senior housing	-	-	-	-	-	-	1,189,930	1,189,930	(149,931)	1,039,999
Total governmental funds capital assets	\$ 4,574,997	\$ 18,491,115	\$ 16,506,163	\$ 5,740,809	\$ 302,855	\$ 18,266,307	\$ 93,429,469	\$ 157,311,715	\$ (57,748,304)	\$ 99,563,411

See Independent Auditor's Report.

City of Rye, New York

Supplementary Information Capital Assets Used in the Operation of Governmental Funds - Schedule of Changes by Function and Activity

Function and Activity	Governmental Funds Capital Assets January 1, 2025	Additions, Net of Construction in Progress Reclassifications	Deletions, Net of Construction in Progress Reclassifications	Governmental Funds Capital Assets December 31, 2025
GENERAL GOVERNMENT ACTIVITIES				
City Hall	\$ 3,558,813	\$ 26,322	\$ -	\$ 3,585,135
City Hall vehicles	116,364	-	-	116,364
Miscellaneous office equipment	244,678	193,967	-	438,645
Total general government activities	3,919,855	220,289	-	4,140,144
PUBLIC SAFETY				
Police buildings	2,867,793	-	(411,394)	2,456,399
Police vehicles	2,060,819	1,554,135	-	3,614,954
Fire buildings	9,662,180	-	-	9,662,180
Fire vehicles	2,898,517	-	(331,740)	2,566,777
Traffic signals	1,577,070	189,728	-	1,766,798
Total public safety	19,066,379	1,743,863	(743,134)	20,067,108
TRANSPORTATION				
Rights of way	21,301,087	-	-	21,301,087
Streets	18,782,694	64,218	-	18,846,912
Streetlights	788,958	-	-	788,958
Sidewalks	976,585	-	-	976,585
Bridges	2,452,814	-	-	2,452,814
Sanitary sewers	26,812,929	2,683,254	-	29,496,183
Pump stations	4,062,164	-	-	4,062,164
Storm sewers	16,163,114	1,379,881	-	17,542,995
Department of public works buildings	5,128,591	1,036,047	-	6,164,638
Department of public works vehicles	7,525,067	237,500	(621,410)	7,141,157
Department of public works equipment	3,172,885	469,584	-	3,642,469
Total transportation	107,166,888	5,870,484	(621,410)	112,415,962
CULTURE AND RECREATION				
Cable TV equipment	86,074	-	-	86,074
Dredging	1,577,213	-	(78,774)	1,498,439
Monuments and statues	87,000	-	-	87,000
Damiano Recreation Center	2,672,752	-	-	2,672,752
Culture and recreation equipment	611,933	48,137	-	660,070
Parks and playgrounds	12,139,755	2,354,481	-	14,494,236
Total culture and recreation	17,174,727	2,402,618	(78,774)	19,498,571
HOME AND COMMUNITY SERVICES				
Senior housing	1,168,680	21,250	-	1,189,930
	<u>\$ 148,496,529</u>	<u>\$ 10,258,504</u>	<u>\$ (1,443,318)</u>	<u>\$ 157,311,715</u>

Statistical Section

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

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.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant revenue source, real property taxes.

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.

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.

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.

Financial Trends

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

Net Position by Component

Changes in Net Position

Fund Balances - Governmental Funds

Changes in Fund Balances - Governmental Funds

Tax Revenues by Source - Governmental Funds

City of Rye, New York
Statistical Section - Financial Trends
Net Position by Component - Last 10 Years

	December 31,									
	2016	2017	2018 (1)	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 54,032,854	\$ 58,254,651	\$ 61,028,155	\$ 64,172,797	\$ 66,293,956	\$ 67,215,396	\$ 58,415,801	\$ 73,820,947	\$ 81,325,573	\$ 87,214,890
Restricted	3,045,785	2,044,330	3,141,446	4,957,383	7,389,756	6,564,910	7,873,767	9,363,154	2,363,563	9,091,871
Unrestricted	(15,186,668)	(19,388,822)	(87,406,111)	(92,631,832)	(101,467,613)	(103,544,414)	(91,559,198)	(100,749,000)	(91,333,964)	(97,014,416)
Total governmental activities net position	41,891,971	40,910,159	(23,236,510)	(23,501,652)	(27,783,901)	(29,764,108)	(25,269,630)	(17,564,899)	(7,644,828)	(707,655)
Business-type activities										
Net investment in capital assets	9,416,698	9,607,185	10,553,595	10,451,787	10,166,913	9,885,334	9,583,260	11,050,517	11,691,960	11,632,888
Unrestricted	3,983,646	4,074,133	769,393	1,416,448	1,198,392	1,675,986	3,811,503	4,094,921	5,238,063	7,199,224
Total business-type activities net position	13,400,344	13,681,318	11,322,988	11,868,235	11,365,305	11,561,320	13,394,763	15,145,438	16,930,023	18,832,112
Primary government										
Net investment in capital assets	63,449,552	67,861,836	71,581,750	74,624,584	76,460,869	77,100,730	67,999,061	84,871,464	93,017,533	98,847,778
Restricted	3,045,785	2,044,330	3,141,446	4,957,383	7,389,756	6,564,910	7,873,767	9,363,154	2,363,563	9,091,871
Unrestricted	(11,203,022)	(15,314,689)	(86,636,718)	(91,215,384)	(100,269,221)	(101,868,428)	(87,747,695)	(96,654,079)	(86,095,901)	(89,815,192)
Total primary government net position	\$ 55,292,315	\$ 54,591,477	\$ (11,913,522)	\$ (11,633,417)	\$ (16,418,596)	\$ (18,202,788)	\$ (11,874,867)	\$ (2,419,461)	\$ 9,285,195	\$ 18,124,457

(1) Includes the cumulative effect of the adoption of Governmental Accounting Standards Board Statement No. 75, representing an adjustment to total net position of \$68,009,556.

Source: City of Rye, New York Comptroller/Finance Department

City of Rye, New York
Statistical Section - Financial Trends
Changes in Net Position - Last 10 Years

	Year Ended December 31,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
General government	\$ 3,773,782	\$ 4,399,755	\$ 3,973,971	\$ 5,511,891	\$ 4,725,768	\$ 5,189,316	\$ 8,220,349	\$ 6,006,485	\$ 7,774,151	\$ 5,132,534
Public safety	18,390,138	19,904,784	19,236,564	17,773,276	20,782,783	20,878,884	18,578,938	21,746,344	24,234,608	25,730,839
Transportation	4,109,760	4,081,780	4,132,442	6,648,768	5,660,740	7,013,595	7,272,192	6,021,619	8,080,565	4,533,179
Culture and recreation	4,898,866	5,154,387	6,379,951	4,960,371	4,383,092	5,066,900	4,561,300	5,211,858	4,640,541	5,867,234
Home and community services	6,253,568	6,477,718	6,432,681	5,989,351	7,428,822	6,877,630	3,686,004	5,947,080	6,155,855	9,185,596
Interest	478,339	443,456	384,560	238,556	188,231	118,483	345,253	753,235	548,782	521,216
Total governmental activities	37,904,453	40,461,880	40,540,169	41,122,213	43,169,436	45,144,808	42,664,036	45,686,621	51,434,502	50,970,598
Business-type activities										
Marina	940,029	912,251	503,969	563,464	280,009	472,880	619,458	567,084	1,075,147	1,126,680
Golf	5,335,117	4,501,227	4,408,995	5,010,054	5,091,620	5,587,233	4,740,287	5,612,598	5,150,707	5,372,031
Total business-type activities	6,275,146	5,413,478	4,912,964	5,573,518	5,371,629	6,060,113	5,359,745	6,179,682	6,225,854	6,498,711
Total expenses	44,179,599	45,875,358	45,453,133	46,695,731	48,541,065	51,204,921	48,023,781	51,866,303	57,660,356	57,469,309
Program revenues										
Governmental activities										
Charges for services										
General government	532,439	532,231	530,475	603,564	544,752	631,636	608,091	546,713	599,087	668,333
Public safety	2,714,182	3,016,375	3,796,564	2,554,805	1,732,722	2,697,693	2,894,043	3,574,671	3,429,195	3,307,134
Transportation	1,304,498	1,438,378	1,444,465	1,568,428	1,378,589	1,550,312	1,596,286	1,641,371	1,645,036	1,872,385
Culture and recreation	992,096	970,719	1,004,283	1,021,241	280,537	920,101	964,681	1,196,358	1,185,601	1,427,947
Home and community services	94,771	131,048	97,253	113,750	80,422	75,330	108,005	157,755	126,036	117,076
Operating grants and contributions	70,689	68,433	254,706	134,399	284,149	101,310	573,529	17,575	3,261	30,294
Capital grants and contributions	416,237	2,217,759	1,179,014	1,007,999	1,031,474	597,392	1,939,764	6,489,384	8,389,064	6,331,671
Total governmental activities	6,124,912	8,374,943	8,306,760	7,004,186	5,332,645	6,573,774	8,684,399	13,623,827	15,377,280	13,754,840
Business-type activities										
Charges for services										
Marina	668,258	706,006	706,935	705,731	948,703	1,025,483	984,085	1,041,028	1,047,806	1,095,106
Golf	4,090,871	4,855,241	4,952,042	5,142,026	3,726,466	4,840,195	5,780,006	6,067,334	6,394,165	6,638,796
Operating grants and contributions	8,500	-	-	-	61,384	-	212,048	354,824	-	-
Total business-type activities	4,767,629	5,561,247	5,658,977	5,847,757	4,736,553	5,865,678	6,976,139	7,463,186	7,441,971	7,733,902
Total program revenues	10,892,541	13,936,190	13,965,737	12,851,943	10,069,198	12,439,452	15,660,538	21,087,013	22,819,251	21,488,742

Source: City of Rye, New York Comptroller/Finance Department

City of Rye, New York
Statistical Section - Financial Trends
Changes in Net Position - Last 10 Years - Continued

	Year Ended December 31,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (expense) revenue										
Governmental activities	\$ (31,779,541)	\$ (32,086,937)	\$ (32,233,409)	\$ (34,118,027)	\$ (37,836,791)	\$ (38,571,034)	\$ (33,979,637)	\$ (32,062,794)	\$ (36,057,222)	\$ (37,215,758)
Business-type activities	(1,507,517)	147,769	748,013	274,239	(635,076)	(194,435)	1,616,394	1,283,504	1,216,117	1,235,191
Total net expense	<u>(33,287,058)</u>	<u>(31,939,168)</u>	<u>(31,487,396)</u>	<u>(33,843,788)</u>	<u>(38,471,867)</u>	<u>(38,765,469)</u>	<u>(32,363,243)</u>	<u>(30,779,290)</u>	<u>(34,841,105)</u>	<u>(35,980,567)</u>
General revenues										
Governmental activities										
Real property taxes	22,528,077	24,016,544	24,827,839	25,222,169	25,711,280	26,848,238	27,875,904	29,235,212	29,923,025	32,956,801
Non-property taxes	2,827,489	2,950,816	3,120,768	3,500,698	4,109,075	5,065,550	5,396,118	5,450,549	5,642,348	5,870,415
Unrestricted use of money and property	91,202	200,361	430,052	676,515	212,506	57,957	504,511	2,266,532	2,952,106	1,670,190
New York State aid not restricted to specific programs	2,831,745	3,140,204	2,830,767	3,376,118	2,886,853	3,674,800	3,728,365	2,614,989	2,728,048	2,849,903
Other revenues	1,647,735	797,200	1,786,441	1,077,385	634,828	944,282	969,217	200,243	4,731,766	805,622
Total governmental activities	<u>29,926,248</u>	<u>31,105,125</u>	<u>32,795,867</u>	<u>33,852,685</u>	<u>33,554,542</u>	<u>36,590,827</u>	<u>38,474,115</u>	<u>39,767,525</u>	<u>45,977,293</u>	<u>44,152,931</u>
Business-type activities										
Unrestricted use of money and property	24,394	46,657	93,781	137,389	47,401	13,604	79,276	329,063	440,998	473,060
Other revenues	1,034,574	88,548	102,305	133,619	84,745	376,846	137,773	138,108	127,470	193,838
Total business-type activities	<u>1,058,968</u>	<u>133,205</u>	<u>196,086</u>	<u>271,008</u>	<u>132,146</u>	<u>390,450</u>	<u>217,049</u>	<u>467,171</u>	<u>568,468</u>	<u>666,898</u>
Total general revenues	<u>30,985,216</u>	<u>31,238,330</u>	<u>32,991,953</u>	<u>34,123,693</u>	<u>33,686,688</u>	<u>36,981,277</u>	<u>38,691,164</u>	<u>40,234,696</u>	<u>46,545,761</u>	<u>44,819,829</u>
Change in net position										
Governmental activities	(1,853,293)	(981,812)	562,458	(265,142)	(4,282,249)	(1,980,207)	4,494,478	7,704,731	9,920,071	6,937,173
Business-type activities	<u>(448,549)</u>	<u>280,974</u>	<u>942,099</u>	<u>545,247</u>	<u>(502,930)</u>	<u>196,015</u>	<u>1,833,443</u>	<u>1,750,675</u>	<u>1,784,585</u>	<u>1,902,089</u>
Total change in net position	<u>\$ (2,301,842)</u>	<u>\$ (700,838)</u>	<u>\$ 1,504,557</u>	<u>\$ 280,105</u>	<u>\$ (4,785,179)</u>	<u>\$ (1,784,192)</u>	<u>\$ 6,327,921</u>	<u>\$ 9,455,406</u>	<u>\$ 11,704,656</u>	<u>\$ 8,839,262</u>

Source: City of Rye, New York Comptroller/Finance Department

City of Rye, New York
Statistical Section - Financial Trends
Fund Balances - Governmental Funds - Last 10 Years

	December 31,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024 (1)	2025 (1)
General Fund										
Nonspendable	\$ 2,233,796	\$ 1,251,143	\$ 1,337,504	\$ 1,914,323	\$ 2,028,748	\$ 2,192,344	\$ 1,129,690	\$ 1,395,120	\$ 832,773	\$ 1,154,929
Restricted	1,849,816	2,044,853	1,957,426	2,013,538	2,253,525	2,321,283	3,211,156	3,263,172	3,741,058	3,089,102
Assigned	3,222,329	4,715,784	5,579,979	6,242,500	4,214,752	7,204,668	5,441,624	6,052,519	5,895,551	4,791,757
Unassigned	4,930,825	4,978,546	4,204,628	3,695,804	4,486,415	4,984,852	4,791,234	6,179,346	17,045,624	16,563,893
Total General Fund	12,236,766	12,990,326	13,079,537	13,866,165	12,983,440	16,703,147	14,573,704	16,890,157	27,515,006	25,599,681
All other governmental funds										
Nonspendable	24,350	24,652	24,707	21,668	20,000	20,000	20,000	20,000	20,000	20,000
Restricted	2,207,681	1,192,240	2,251,421	4,081,249	6,374,297	5,449,557	5,843,048	7,313,222	83,652	5,751,254
Assigned	969,922	1,012,917	1,051,744	166,355	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(3,225,566)	-
Total all other governmental funds	3,201,953	2,229,809	3,327,872	4,269,272	6,394,297	5,469,557	5,863,048	7,333,222	(3,121,914)	5,771,254
Total governmental funds	\$ 15,438,719	\$ 15,220,135	\$ 16,407,409	\$ 18,135,437	\$ 19,377,737	\$ 22,172,704	\$ 20,436,752	\$ 24,223,379	\$ 24,393,092	\$ 31,370,935

(1) Includes the change in accounting principle of terminating the Building and Vehicle Maintenance Fund.

Source: City of Rye, New York Comptroller/Finance Department

City of Rye, New York
Statistical Section - Financial Trends
Changes in Fund Balances - Governmental Funds - Last 10 Years

	Year Ended December 31,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Real property taxes	\$ 22,449,340	\$ 24,032,280	\$ 24,430,419	\$ 25,333,076	\$ 25,609,953	\$ 26,792,509	\$ 28,215,953	\$ 29,172,645	\$ 28,773,500	\$ 33,648,854
Non-property taxes	3,221,373	3,355,379	3,523,751	3,899,105	4,109,075	5,065,549	5,396,118	5,450,549	5,642,348	5,870,415
Charges for services	1,556,146	1,616,449	1,668,468	1,760,176	794,450	1,537,914	1,729,706	2,059,938	2,042,943	2,351,612
Intergovernmental charges	91,428	104,337	102,304	89,692	79,660	78,784	78,550	79,428	81,217	89,489
Use of money and property	91,202	200,361	430,052	676,515	212,506	57,957	504,511	2,266,532	2,952,106	1,670,190
Licenses and permits	2,794,909	3,157,511	3,943,813	2,867,805	2,274,273	3,159,811	3,179,725	3,848,755	3,538,747	3,517,934
Fines and forfeitures	784,894	765,195	741,645	729,642	491,330	770,354	837,666	788,813	978,515	999,406
Sale of property and compensation for loss	922,373	226,009	553,056	719,869	903,055	480,288	722,925	1,261,111	1,252,900	716,967
Interfund revenues	447,184	447,259	448,759	448,281	427,309	439,384	436,459	434,434	435,034	434,434
State aid	3,313,257	3,673,890	2,909,402	4,374,628	3,420,892	4,085,323	3,866,037	4,685,760	4,349,001	18,223,476
Federal aid	14,102	2,878	191,739	77,485	241,220	375,461	2,397,687	390,008	988,433	66,338
Miscellaneous	291,629	1,950,802	1,353,394	335,740	784,857	489,657	133,228	66,314	3,093,168	53,774
Total revenues	35,977,837	39,532,350	40,296,802	41,312,014	39,348,580	43,332,991	47,498,565	50,514,287	54,127,912	67,642,889
Expenditures										
Current										
General government	3,870,010	4,065,932	3,846,293	4,313,396	3,941,337	4,144,004	8,269,587	5,285,029	8,129,973	5,353,427
Public safety	15,872,354	16,659,094	17,678,870	16,866,000	17,819,605	18,871,274	20,193,217	21,897,062	24,095,159	24,427,095
Transportation	3,500,925	3,641,184	3,852,028	4,085,664	3,597,170	3,871,877	3,821,364	4,058,261	5,755,400	5,086,870
Culture and recreation	4,379,134	4,611,582	4,693,851	4,760,868	3,760,824	4,735,146	4,972,473	5,258,138	5,239,857	5,479,337
Home and community services	5,383,949	5,564,888	5,657,067	5,543,606	5,467,803	5,534,007	5,597,739	5,685,328	5,381,646	5,375,446
Debt service										
Principal	271,981	282,901	290,663	298,956	287,157	238,817	236,950	290,966	1,181,261	1,143,116
Interest	130,177	124,438	117,123	95,156	104,980	79,096	72,876	365,175	618,804	587,041
Capital outlay										
General government	-	-	-	-	-	-	-	-	-	576,902
Public safety	644,529	1,314,887	499,751	504,973	14,755	20,467	55,503	42,020	104,324	3,082,190
Transportation	602,939	1,720,841	1,279,362	2,088,297	1,059,784	2,253,272	4,020,777	1,841,796	3,964,248	4,091,882
Culture and recreation	-	-	-	-	-	-	-	73,775	616,081	2,026,743
Home and community services	712,675	1,720,187	1,010,116	675,964	1,727,865	656,621	5,618,094	787,492	10,459,370	3,665,396
Total expenditures	35,368,673	39,705,934	38,923,124	39,432,880	37,781,280	40,404,581	52,858,580	45,585,042	65,546,123	60,895,425
Excess (deficiency) of revenues over expenditures	609,164	(173,584)	1,373,678	1,879,134	1,567,300	2,928,410	(5,360,015)	4,929,245	(11,418,211)	6,747,464
Other financing sources (uses)										
Bonds issued	-	-	-	-	-	-	5,652,213	-	-	-
Issuance premium	-	-	-	-	-	-	250,344	-	-	-
Proceeds from right-to-use asset	-	-	-	-	-	-	101,506	7,382	-	230,379
Transfers in	2,669,849	2,558,020	4,242,100	4,493,661	4,059,451	1,448,399	3,426,524	3,166,218	1,765,643	1,514,677
Transfers out	(2,756,849)	(2,603,020)	(4,428,504)	(4,644,767)	(4,384,451)	(1,581,842)	(5,806,524)	(4,316,218)	(1,765,643)	(1,514,677)
Total other financing sources (uses)	(87,000)	(45,000)	(186,404)	(151,106)	(325,000)	(133,443)	3,624,063	(1,142,618)	-	230,379
Net change in fund balances	\$ 522,164	\$ (218,584)	\$ 1,187,274	\$ 1,728,028	\$ 1,242,300	\$ 2,794,967	\$ (1,735,952)	\$ 3,786,627	\$ (11,418,211)	\$ 6,977,843
Debt service as a percentage of non-capital expenditures	1.20%	1.15%	1.13%	1.01%	1.11%	0.82%	0.69%	1.55%	3.55%	3.42%

Source: City of Rye, New York Comptroller/Finance Department

City of Rye, New York

Statistical Section - Financial Trends Tax Revenues by Source - Governmental Funds - Last 10 Years

<u>Fiscal Year</u>	<u>Real Property Taxes</u>	<u>Sales and Use Taxes</u>	<u>Hotel Occupancy Taxes</u>	<u>Utilities Gross Receipts Taxes</u>	<u>Franchise Taxes (1)</u>	<u>Mortgage Taxes</u>	<u>Total</u>
2016	\$ 22,449,340	\$ 2,297,696	\$ 160,530	\$ 369,263	\$ -	\$ 1,623,721	\$ 26,900,550
2017	24,032,281	2,407,074	166,673	377,069	-	1,932,180	28,915,277
2018	24,429,169	2,526,720	178,463	415,585	-	1,622,743	29,172,680
2019	25,333,076	2,943,426	159,238	398,034	-	2,168,094	31,001,868
2020	25,609,953	3,253,287	62,368	418,092	375,328	1,739,230	31,458,258
2021	26,792,509	3,918,576	159,454	432,113	555,406	2,406,375	34,264,433
2022	28,215,953	4,338,481	192,390	499,003	366,244	2,520,341	36,132,412
2023	29,172,645	4,313,073	245,222	526,121	366,133	1,406,965	36,030,159
2024	28,773,500	4,463,585	244,935	576,726	357,102	1,520,024	35,935,872
2025	33,648,854	4,667,168	241,736	618,564	342,947	1,501,602	41,020,871

(1) Franchise taxes moved from the Cable TV Fund to the General Fund in 2020 per the 2020 adopted budget.

Source: Annual Comprehensive Financial Report for each respective year

Revenue Capacity

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

Statistical Section - Revenue Capacity Assessed Valuation, State Equalization Rate, and Estimated Full Value of Real Property - Last 10 Years

Year	One-Three Family Residential	Condos Co-ops & Apt. Bldgs.	Business (1)	Other (2)	Total Gross Assessed Valuation	Exemptions	Total Taxable Assessed Valuation	Direct Tax Rate (3)	Estimated Actual Full Value	Taxable Value as a Percentage of Full Value
2016	\$ 117,375,340	\$ 6,833,053	\$ 19,481,537	\$ 23,932,502	\$ 167,622,432	\$ (27,394,578)	\$ 140,227,854	157.16	\$ 8,200,459,298	1.71%
2017	118,232,080	6,833,353	19,187,131	23,841,750	168,094,314	(27,206,240)	140,888,074	167.74	8,590,736,220	1.64%
2018	118,060,130	6,681,904	18,982,386	24,066,961	167,791,381	(27,124,733)	140,666,648	172.83	8,902,952,405	1.58%
2019	118,149,150	6,595,985	18,606,763	24,017,730	167,369,628	(26,707,345)	140,662,283	176.76	9,193,613,268	1.53%
2020	118,133,570	6,829,419	18,286,042	23,946,330	167,195,361	(26,040,067)	141,155,294	180.06	9,048,416,282	1.56%
2021	117,702,990	6,774,654	18,393,177	24,287,490	167,158,311	(25,811,134)	141,347,177	187.88	8,834,198,563	1.60%
2022	118,628,228	6,980,514	18,423,348	24,231,719	168,263,809	(25,787,245)	142,476,564	190.85	8,582,925,542	1.66%
2023	119,532,391	7,300,612	18,022,510	25,504,249	170,359,762	(22,486,474)	147,873,288	198.43	10,059,407,347	1.47%
2024	119,989,223	7,280,424	17,583,509	25,350,375	170,203,531	(22,351,431)	147,852,100	203.99	11,487,192,481	1.29%
2025	120,519,963	7,384,111	14,377,965	25,572,117	167,854,156	(22,532,511)	145,321,645	214.34	11,533,463,889	1.26%

(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 15 of the prior year and include special franchise assessments as established by the New York State Board of Equalization and Assessment. For instance, assessed values for 2020 were established on September 15, 2019.

Source: City of Rye, New York Assessor's Office

City of Rye, New York

Statistical Section - Revenue Capacity Property Tax Rates per \$1,000 Assessed Valuation - All Direct and Overlapping Governments - Last 10 Years

Year	City of Rye			Rye City School District	Rye Neck Union Free School District	Westchester County					Total With Rye City School District	Total With Rye Neck Union Free School District
	Operations	Debt Service	Total			Westchester County	Refuse Disposal District	Blind Brook Sewer District	Mamaroneck Sewer District	Total County		
2016	145.68	11.48	157.16	595.20	-	196.32	17.94	37.72	-	251.98	992.86	-
	145.68	11.48	157.16	-	883.88	196.32	17.94	-	32.07	246.33	-	1,275.89
2017	156.24	11.50	167.74	607.44	-	200.24	18.04	37.92	-	256.20	1,019.88	-
	156.24	11.50	167.74	-	928.70	200.24	18.04	-	35.21	253.49	-	1,338.43
2018	160.93	11.90	172.83	627.49	-	204.59	17.97	37.65	-	260.21	1,048.63	-
	160.93	11.90	172.83	-	945.34	204.59	17.97	-	36.19	258.75	-	1,365.02
2019	165.17	11.59	176.76	640.32	-	207.88	17.57	37.59	-	263.04	1,068.53	-
	165.17	11.59	176.76	-	997.31	207.88	17.57	-	36.90	262.35	-	1,424.83
2020	168.62	11.44	180.06	652.48	-	198.25	16.59	34.87	-	249.71	1,070.81	-
	168.62	11.44	180.06	-	1,014.73	198.25	16.59	-	37.16	252.00	-	1,435.35
2021	181.33	6.55	187.88	669.29	-	191.33	17.81	29.30	-	238.44	1,089.06	-
	181.33	6.55	187.88	-	982.92	191.33	17.81	-	36.30	245.44	-	1,409.69
2022	185.40	5.45	190.85	686.60	-	173.24	18.46	29.73	-	221.43	1,093.43	-
	185.40	5.45	190.85	-	968.67	173.24	18.46	-	34.44	226.14	-	1,380.21
2023	187.19	11.24	198.43	681.32	-	175.91	20.80	36.61	-	233.32	1,101.83	-
	187.19	11.24	198.43	-	1,020.31	175.91	20.80	-	39.95	236.66	-	1,444.16
2024	192.76	11.23	203.99	743.15	-	183.29	23.67	42.20	-	249.16	1,185.07	-
	192.76	11.23	203.99	-	1,102.63	183.29	23.67	-	45.51	252.47	-	1,547.86
2025	203.65	10.69	214.34	767.37	-	181.89	23.66	48.98	-	254.53	1,225.55	-
	203.65	10.69	214.34	-	1,127.94	181.89	23.66	-	49.44	254.99	-	1,586.58

Source: City of Rye, New York Comptroller/Finance Department

City of Rye, New York

Statistical Section - Revenue Capacity Principal Taxpayers - Current Year and Nine Years Ago

2025				
Rank	Taxpayer	Type of Business	2024 Taxable Assessed Valuation	Percent of Total Taxable Assessed Valuation
1	Consolidated Edison	Public Utility	\$ 5,037,519	3.47%
2	Miriam Osborn Memorial Home	Retirement Community	2,136,220	1.47%
3	BU 055 Westchester	Public Utility	699,464	0.48%
4	Midland Rye LLC	Office Building	592,513	0.41%
5	Rye VS LLC	Office Building	587,700	0.40%
6	Rye Colony Apartments	Cooperative	570,520	0.39%
7	Milton Harbor House	Cooperative	567,450	0.39%
8	Shenorock Shore Club	Private Club	485,900	0.33%
9	Blind Brook Lodge	Cooperative	414,023	0.28%
10	CLP - Eye-Highlands LLC	Apartment Buildings	374,330	0.26%
Total			<u>\$ 11,465,639</u>	<u>7.89%</u>
2016				
Rank	Taxpayer	Type of Business	2015 Taxable Assessed Valuation	Percent of Total Taxable Assessed Valuation
1	Consolidated Edison	Public Utility	\$ 3,066,206	2.19%
2	Miriam Osborn Memorial Home	Retirement Community	2,133,120	1.52%
3	United Water	Public Utility	836,770	0.60%
4	Parsonage Investment Co.	SFR + Vacant Land	715,800	0.51%
5	Avon Products, Inc.	Office Building + lot	673,310	0.48%
6	Rye VS LLC	Office Building	668,000	0.48%
7	Rye Colony Apts., Inc.	Cooperative	586,459	0.42%
8	Milton Harbor House Inc.	Cooperative	532,748	0.38%
9	Blind Brook Lodge Owners, Inc.	Cooperative	518,895	0.37%
10	Shenorock Shore Club	Beach Club	485,900	0.35%
Total			<u>\$ 10,217,208</u>	<u>7.29%</u>

Source: City of Rye, New York Assessor's Office

City of Rye, New York
Statistical Section - Revenue Capacity
Property Tax Levies and Collections - Last 10 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	Total Collected to Date		Total Uncollected to Date		Tax Liens	Percent of Tax Liens to Tax Levy
		Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent		
2016	\$ 22,354,590	\$ 22,293,894	99.73%	\$ 60,696	0.27%	\$ 59,902	\$ 22,353,796	100.00%	\$ 794	0.00%	\$ 804,945	3.60%
2017	23,959,256	23,903,406	99.77%	55,850	0.23%	55,003	23,958,409	100.00%	847	0.00%	777,084	3.24%
2018	24,642,278	24,565,012	99.69%	77,266	0.31%	76,392	24,641,404	100.00%	874	0.00%	880,013	3.57%
2019	25,291,030	25,192,581	99.61%	98,449	0.39%	97,555	25,290,136	100.00%	894	0.00%	1,492,311	5.90%
2020	25,727,334	25,555,942	99.33%	171,392	0.67%	170,482	25,726,424	100.00%	910	0.00%	1,285,830	5.00%
2021	26,842,609	26,672,501	99.37%	170,108	0.63%	169,158	26,841,659	100.00%	950	0.00%	1,402,867	5.23%
2022	27,615,597	27,521,205	99.66%	94,392	0.34%	93,427	27,614,632	100.00%	965	0.00%	840,011	3.04%
2023	29,796,387	28,985,149	97.28%	811,238	2.72%	809,074	29,794,223	99.99%	2,164	0.01%	425,937	1.43%
2024	30,584,271	29,891,272	97.73%	692,999	2.27%	670,463	30,561,735	99.93%	22,536	0.07%	1,275,481	4.17%
2025	31,573,501	31,506,313	99.79%	67,188	0.21%	10,496	31,516,809	99.82%	56,692	0.18%	527,291	1.67%

Source: City of Rye, New York Comptroller/Finance Department

City of Rye, New York

Statistical Section - Revenue Capacity Constitutional Tax Limit

Constitutional Tax Limit

Constitutional tax limit calculation, December 31, 2025

Full valuation, last five fiscal years

2025	\$ 11,533,463,889
2024	11,487,192,481
2023	10,059,407,347
2022	8,582,925,542
2021	8,834,198,563
Total full valuation, last five years	<u>50,497,187,822</u>

Five-year average full valuation

10,099,437,564

Constitutional tax limit: 2% of five-year average full valuation

\$ 201,988,751

Tax levy - general city purposes

\$ 31,147,837

Total exclusions (1)

3,977,890

Tax levy subject to tax limit

\$ 27,169,947

Percent of constitutional tax limit exhausted

13.45%

Constitutional tax margin

\$ 174,818,804

Constitutional Tax Limit - Last Ten Fiscal Years

Year	Constitutional Tax Limit	Tax Levy Subject to Tax Limit	Constitutional Tax Margin	Percent Exhausted
2016	\$ 134,970,721	\$ 17,559,034	\$ 117,411,687	13.01%
2017	142,090,763	18,250,381	123,840,382	12.84%
2018	151,296,314	19,918,137	131,378,177	13.16%
2019	160,093,535	19,773,053	140,320,482	12.35%
2020	175,744,710	18,743,737	157,000,973	10.67%
2021	178,279,667	24,251,014	154,028,653	13.60%
2022	178,248,424	20,639,724	157,608,700	11.58%
2023	182,874,244	25,139,768	157,734,476	13.75%
2024	182,874,244	25,139,768	157,734,476	13.75%
2025	201,988,751	27,169,947	174,818,804	13.45%

- (1) The constitutional tax limit specifically excludes debt service related to bonds and notes issued for certain specific purposes, as well as 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.

Source: City of Rye, New York Comptroller/Finance Department

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
Statistical Section - Debt Capacity
Ratios of Outstanding Debt by Type - Last 10 Years

Fiscal Year	General Obligation Bonds	Unamortized Premiums on Bonds	Leases	Subscription-Based IT Arrangement Liability	Net Outstanding Debt	Estimated Full Property Value	Percentage of Full Property Value	Population (1)	Debt Per Capita	Per Capita Personal Income (1)	Estimated Total Personal Income	Percentage of Estimated Total Personal Income
Governmental Activities												
2016	\$ 12,165,000	\$ 282,616	\$ 109,161	\$ -	\$ 12,556,777	\$ 8,200,459,298	0.15%	15,980	\$ 786	\$ 90,548	\$ 1,446,957,040	0.87%
2017	10,780,000	219,472	66,938	-	11,066,410	8,590,736,220	0.13%	16,009	691	89,301	1,429,619,709	0.77%
2018	9,345,000	156,328	22,808	-	9,524,136	8,902,952,405	0.11%	15,752	605	95,000	1,496,440,000	0.64%
2019	7,645,000	383,693	-	-	8,028,693	9,193,613,268	0.09%	15,695	512	105,340	1,653,311,300	0.49%
2020	6,135,000	327,746	-	-	6,462,746	9,048,416,282	0.07%	15,621	414	108,749	1,698,768,129	0.38%
2021	5,275,000	287,193	-	-	5,562,193	8,834,198,563	0.06%	15,547	358	109,416	1,701,090,552	0.33%
2022	19,165,000	869,291	80,015	-	20,114,306	8,582,925,542	0.23%	16,248	1,238	129,955	2,111,508,840	0.95%
2023	18,285,000	803,061	61,559	-	19,149,620	10,059,407,347	0.19%	16,202	1,182	145,604	2,359,076,008	0.81%
2024	17,130,000	736,831	35,298	-	17,902,129	11,487,192,481	0.16%	16,463	1,087	149,370	2,459,078,310	0.73%
2025	16,045,000	677,670	207,588	-	16,930,258	11,533,463,889	0.15%	16,604	1,020	151,878	2,521,782,312	0.67%
Business-Type Activities												
2016	\$ 790,000	\$ 24,754	\$ 18,580	\$ -	\$ 833,334	\$ 8,200,459,298	0.01%	15,980	\$ 52	\$ 90,548	\$ 1,446,957,040	0.06%
2017	400,000	12,377	11,393	-	423,770	8,590,736,220	0.00%	16,009	26	89,301	1,429,619,709	0.03%
2018	-	-	3,881	-	3,881	8,902,952,405	0.00%	15,752	-	95,000	1,496,440,000	0.00%
2019	-	-	-	-	-	9,193,613,268	0.00%	15,695	-	105,340	1,653,311,300	0.00%
2020	-	-	-	-	-	9,048,416,282	0.00%	15,621	-	108,749	1,698,768,129	0.00%
2021	-	-	-	-	-	8,834,198,563	0.00%	15,547	-	109,416	1,701,090,552	0.00%
2022	-	-	2,821,550	-	2,821,550	8,582,925,542	0.03%	16,248	174	129,955	2,111,508,840	0.13%
2023	-	-	2,513,531	55,721	2,569,252	10,059,407,347	0.03%	16,202	159	145,604	2,359,076,008	0.11%
2024	-	-	1,688,737	33,863	1,722,600	11,487,192,481	0.01%	16,463	105	149,370	2,459,078,310	0.07%
2025	-	-	412,220	11,434	423,654	11,533,463,889	0.00%	16,604	26	151,878	2,521,782,312	0.02%
Total Government-Wide												
2016	\$ 12,955,000	\$ 307,370	\$ 127,741	\$ -	\$ 13,390,111	\$ 8,200,459,298	0.16%	15,980	\$ 838	\$ 90,548	\$ 1,446,957,040	0.93%
2017	11,180,000	231,849	78,331	-	11,490,180	8,590,736,220	0.13%	16,009	718	89,301	1,429,619,709	0.80%
2018	9,345,000	156,328	26,669	-	9,528,017	8,902,952,405	0.11%	15,752	605	95,000	1,496,440,000	0.64%
2019	7,645,000	383,693	-	-	8,028,693	9,193,613,268	0.09%	15,695	512	105,340	1,653,311,300	0.49%
2020	6,135,000	327,746	-	-	6,462,746	9,048,416,282	0.07%	15,621	414	108,749	1,698,768,129	0.38%
2021	5,275,000	287,193	-	-	5,562,193	8,834,198,563	0.06%	15,547	358	109,416	1,701,090,552	0.33%
2022	19,165,000	869,291	2,901,565	-	22,935,856	8,582,925,542	0.27%	16,248	1,412	129,955	2,111,508,840	1.09%
2023	18,285,000	803,061	2,575,090	55,721	21,718,872	10,059,407,347	0.22%	16,202	1,341	145,604	2,359,076,008	0.92%
2024	17,130,000	736,831	1,724,035	33,863	19,624,729	11,487,192,481	0.17%	16,463	1,192	149,370	2,459,078,310	0.80%
2025	16,045,000	677,670	619,808	11,434	17,353,912	11,533,463,889	0.15%	16,604	1,045	151,878	2,521,782,312	0.69%

(1) United States Census Bureau.

Source: City of Rye, New York Comptroller/Finance Department

City of Rye, New York

Statistical Section - Debt Capacity Direct and Overlapping Governmental Activities Debt - Last 10 Years

<u>Government Unit</u>	December 31, 2025		
	Net General Long-Term Debt	Percentage Applicable City of Rye (1)	Amount Applicable to City of Rye
City of Rye School District	\$ 31,552,972	100.00%	\$ 31,552,972
Rye Neck Union Free School District	27,051,508	30.19%	8,166,850
Westchester County	1,397,278,998	4.97%	69,410,104
Subtotal, Overlapping Debt			109,129,926
City Direct Debt			16,930,258
Total Direct and Overlapping Debt			<u>\$ 126,060,184</u>
Population			16,604
Overlapping Debt Per Capita			<u>\$ 6,573</u>
Direct and Overlapping Debt Per Capita			<u>\$ 7,592</u>

Summary of Direct and Overlapping Governmental Activities Debt

Last 10 Fiscal Years

Year	Overlapping Debt	City Direct Debt	Direct and Overlapping Debt	Population	Overlapping Debt Per Capita	Direct and Overlapping Debt Per Capita
2016	\$ 92,198,089	\$ 12,556,777	\$ 104,754,866	15,980	\$ 5,770	\$ 6,555
2017	92,096,349	11,066,410	103,162,759	16,009	5,753	6,444
2018	94,740,021	9,524,136	104,264,157	15,752	6,014	6,619
2019	90,393,623	8,028,693	98,422,316	15,695	5,759	6,271
2020	88,074,636	6,462,746	94,537,382	15,621	5,638	6,052
2021	90,132,861	5,562,193	95,695,054	15,547	5,797	6,155
2022	93,225,468	20,114,306	113,339,774	16,248	5,738	6,976
2023	112,284,847	19,149,620	131,434,467	16,202	6,930	8,112
2024	107,634,727	17,902,129	125,536,856	16,463	6,538	7,625
2025	109,129,926	16,930,258	126,060,184	16,604	6,573	7,592

(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.

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. 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.

Source: City of Rye, New York Comptroller/Finance Department

City of Rye, New York

Statistical Section - Debt Capacity Computation of Legal Debt Margin - Last 10 Years

Fiscal Year	Net Assessed Valuation	State Equalization Rate	Full Valuation
2025	\$ 145,321,645	1.26%	\$ 11,533,463,889
2024	148,184,783	1.29%	11,487,192,481
2023	147,873,288	1.47%	10,059,407,347
2022	142,476,564	1.66%	8,582,925,542
2021	141,347,177	1.60%	8,834,198,563
Total Five-Year Full Valuation			50,497,187,822
Five-Year Average Full Valuation of Taxable Real Property			10,099,437,564
Constitutional Debt Limit (7% of Average Full Valuation)			706,960,629
Outstanding Indebtedness at December 31			17,353,912
Plus Authorized Debt Not Issued			-
Less 2026 Appropriations for Debt Principal			675,000
Net Indebtedness Subject to Debt Limit			16,678,912
Net Debt Contracting Margin			\$ 690,281,717
Percentage of Net Debt Contracting Margin Available			97.64%
Percentage of Net Debt Contracting Power Exhausted			2.36%

Last 10 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
2016	\$ 497,317,671	\$ 13,390,111	\$ 1,775,000	\$ 11,615,111	\$ 485,702,560	97.66%
2017	529,537,098	11,490,180	1,835,000	9,655,180	519,881,918	98.18%
2018	560,327,331	9,528,017	1,480,000	8,048,017	552,279,314	98.56%
2019	590,179,944	8,028,693	1,425,810	6,602,883	583,577,061	98.88%
2020	615,106,485	6,462,746	775,480	5,687,266	609,419,219	99.08%
2021	615,106,485	5,562,193	664,497	4,897,696	610,208,789	99.20%
2022	623,869,485	22,935,856	789,168	22,146,688	601,722,797	96.45%
2023	640,059,854	21,718,872	1,155,000	20,563,872	619,495,982	96.79%
2024	672,169,963	19,624,729	1,085,000	18,539,729	653,630,234	97.24%
2025	706,960,629	17,353,912	675,000	16,678,912	690,281,717	97.64%

Source: City of Rye, New York Comptroller/Finance Department

City of Rye, New York

Statistical Section - Debt Capacity Calculation of Charter Bonded Debt Limits

In addition to the legal debt margin, the City Charter §C21-9 places limitations on the issuance of new debt. The City Council may, by a vote of at least five members, authorize the issuance of debt not exceeding 30% of the average gross annual budget for the preceding three years. Debt in excess of 30% requires approval of the voting public in a general or special election. All bond resolutions authorizing the issuance of bonds in excess of \$1 million for the acquisition of real property shall be adopted by a vote of at least five members of the City Council and shall be subject to the approval of a majority of the qualified voters voting at 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 and the enterprise funds (the Boat Basin Fund and the 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 Risk Retention 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)		
	2022	2023	2024
General Fund	\$ 45,918,950	\$ 47,879,612	\$ 50,934,981
Boat Basin Fund	644,411	745,099	762,253
Golf Club Fund	5,545,710	5,893,347	6,212,620
Total gross annual budgets	\$ 52,109,071	\$ 54,518,058	\$ 57,909,854
Total of preceding three years' gross annual budgets			\$ 164,536,983
Average of preceding three years' gross annual budgets			\$ 54,845,661
	Subject to City Council Vote	Public Safety Exemption	Disaster Rebuilding Exemption
Maximum charter bonding limit	\$ 16,453,698	\$ 2,500,000	\$ 2,500,000
Less outstanding principal at December 31, 2025			
2010 Serial Bonds	(411,523)	(368,930)	-
2022 Serial Bonds	(12,273,392)	-	-
Charter bonding limit December 31, 2025	\$ 3,768,783	\$ 2,131,070	\$ 2,500,000

Source: City of Rye, New York Comptroller/Finance Department

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

Statistical Section - Demographic and Economic Information Demographic and Economic Statistics - Last 10 Years

<u>Year</u>	<u>Population (1)</u>	<u>Median Age (1)</u>	<u>Per Capita Income (1)</u>	<u>Median Household Income (1)</u>	<u>Median Residential Home Value (2)</u>	<u>Unemployment Rate (3)</u>
2016	15,980	40.8	\$ 90,548	\$ 155,273	\$ 1,560,000	4.0%
2017	16,009	40.8	89,301	162,394	1,700,000	4.0%
2018	15,752	40.8	95,000	172,422	1,715,000	4.4%
2019	15,695	40.8	105,340	180,958	1,625,000	3.6%
2020	15,621	43.0	108,749	192,688	1,920,000	5.7%
2021	15,547	43.0	109,416	193,919	1,950,000	2.9%
2022	16,248	42.9	129,955	207,930	2,050,000	2.7%
2023	16,202	42.2	145,604	227,565	2,050,000	3.2%
2024	16,463	41.9	149,370	237,727	2,470,000	3.0%
2025	16,604	42.5	151,878	239,815	2,636,000	3.4%

Sources:

- (1) World Population Review.
- (2) City of Rye Assessor's office. 2020 median based on sales in 2020.
- (3) United States Bureau of Labor Statistics unemployment rates for Westchester County not seasonally adjusted.

City of Rye, New York

Statistical Section - Demographic and Economic Information Principal Employers Year Ended December 31, 2004 (1)

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

(1) No data available after 2004. No data on total employment available.

Source: Westchester County, New York Planning Department

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

Statistical Section - Operating Information Full-Time Equivalent Employees by Program - Last 10 Years

<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Transportation</u>	<u>Culture and Recreation</u>	<u>Home and Community Services</u>	<u>Total</u>
2016	13	60	13	19	42	147
2017	13	60	12	21	40	146
2018	13	59	12	17	44	145
2019	13	62	12	19	42	148
2020	13	63	12	18	38	144
2021	13	62	12	19	42	148
2022	15	67	10	18	42	152
2023	16	69	9	14	43	151
2024*	16	74	13	27	35	165
2025	17	74	14	27	35	167

* Beginning in 2024, "Total" reflects *Authorized* positions versus *Filled* positions.

Source: Annual City of Rye, New York Budget

City of Rye, New York

Statistical Section - Operating Information Operating Indicators by Program - Last 10 Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Primary elections	1	1	2	1	1	1	1	1	1	1
General elections	1	1	2	1	1	1	1	1	1	1
Public Safety										
Number of police personnel and officers	41	40	40	40	41	42	42	41	41	41
Number of police calls for service	30,120	30,656	27,001	24,839	20,494	15,367	19,546	18,424	24,661	32,572
Number of parking violations issued	10,071	10,825	11,674	10,799	8,551	10,412	12,230	10,048	14,685	12,633
Number of paid firefighters	17	21	19	19	19	21	20	21	22	22
Number of volunteer firefighters	150	87	23	53	40	52	25	52	52	26
Number of fire alarms answered	1,020	967	1,161	1,085	1,085	1,241	1,018	1,221	1,361	1,400
Number of fire inspections performed	N/A	87	70	37	40	37	40	30	123	170
Home and Community Services										
Tons collected and disposed										
Solid waste	5,362	5,307	5,435	4,835	5,614	6,384	5,428	5,487	5,382	5,132
Green waste	1,946	2,346	3,131	2,522	3,906	2,785	2,373	3,333	2,845	2,452
Metal	72	58	81	57	60	83	131	140	83	88
Pulp	1,597	1,469	1,470	1,462	1,554	1,537	1,427	1,492	1,381	1,402
Co-mingled	757	779	732	743	880	832	724	768	680	655
Number of shade trees										
Planted	30	28	27	25	50	112	123	90	188	283
Removed	96	107	173	174	133	156	170	128	70	155
Trimmed	257	185	301	185	271	240	264	205	215	288
Emergency calls	64	23	168	68	92	41	28	17	12	52
Stumps ground	55	100	159	197	185	168	176	90	50	47
Culture and Recreation										
Registrations for adult programs	1,326	1,268	1,414	1,450	1,579	858	921	335	346	422
Picnics	71	59	60	41	-	67	85	68	70	83
Registrations for senior citizen programs	5,310	5,464	4,770	4,821	378	1,968	2,204	2,602	2,600	2,365
Registrations for youth programs	1,818	1,648	1,743	1,531	2,546	3,337	3,637	3,047	2,896	3,388
Registrations for youth sports	3,012	3,982	3,738	3,791	1,761	3,652	3,534	3,469	3,626	3,681

Source: Departmental annual reports to the City Manager

City of Rye, New York

Statistical Section - Operating Information Capital Asset Statistics by Program - Last 10 Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of fire stations	2	2	2	2	2	2	2	2	2	2
Number of traffic lights	23	23	23	23	23	23	23	23	23	23
Transportation										
Miles of streets	71	71	71	71	71	71	71	71	71	71
Number of street lights	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105
Culture and Recreation										
Number of recreation centers	1	1	1	1	1	1	1	1	1	1
Number of parks	3	3	3	3	3	3	3	3	3	3
Acres of parks	75	75	75	75	75	75	75	75	75	75
Number of golf courses	1	1	1	1	1	1	1	1	1	1
Number of swimming pools	1	1	1	1	1	1	1	1	1	1
Number of nature centers	1	1	1	1	1	1	1	1	1	1
Number of cable television channels	2	2	2	2	2	2	2	2	2	2
Number of boat basin slips	412	412	412	412	412	412	412	412	412	412
Home and Community Services										
Miles of sanitary sewers	53	53	53	53	53	53	53	53	53	53
Number of pump stations	6	6	6	6	6	6	6	6	6	6
Miles of storm drains	30	30	30	30	30	30	30	30	30	30

Source: Various City Departments



CITY COUNCIL AGENDA

DEPT.: Planning

CONTACT: Christian K. Miller, City Planner

AGENDA ITEM: Consideration of a resolution adopting a SEQRA Negative Declaration and determination of LWRP Coastal Consistency in connection with the Rye Nature Center Driveway Project.

FOR THE MEETING OF:

September 16, 2026

RECOMMENDATION: That the City Council review the environmental assessment forms, coastal assessment forms, Planning Commission advisory memorandum, complete application file and consider adopting the attached resolution. See [Nature Center Documents](#) for the complete project file.

IMPACT: ☒ Environmental ☐ Fiscal ☐ Neighborhood ☐ Other:

BACKGROUND:

In June the Friends of Rye Nature Center submitted plans and documents to the City Council proposing the construction of a new access drive to the Rye Nature Center located approximately 500 feet south of the existing access drive on Boston Post Road. At its June 10 meeting the City Council referred the matter to the Planning Commission for its advisory review of the proposed tree removal and potential wetland impacts. The City is not issuing formal permits for these activities, but the City Council seeks the opinion of the Planning Commission prior to making a SEQRA determination for projects on City property. The Planning Commission issued their comments in an [August 11, 2026 memorandum](#) to the City Council. The [CC/AC also provided comments](#) on the project, which were responded to by the Nature Center's project engineer [in an August 6 memorandum](#).

Coastal Consistency Review. The Nature Center's frontage on Boston Post Road for a depth of 200-250 feet from the roadway is located with a Coastal Area Boundary as designated in the [City's Local Waterfront Revitalization Plan](#) (LWRP). Pursuant to [Chapter 73](#) of the City Code, the City Council must find that the project is consistent with the 44 Policies of the LWRP. The Council should [review coastal forms](#) submitted by FRNC. The attached resolution for the Council's consideration finds that the proposed action would be consistent with the City's coastal policies.

SEQRA. In June the City Council declared its intent to be Lead Agency, which means that it is responsible for making a determination pursuant to the State Environmental Quality Review Act (SEQRA) as to whether this project (or proposed action) will have a potential adverse impact on the environment. If the Council finds that the proposed action does have a potential adverse impact it can issue a "positive declaration" which means that a more detailed environmental review would be required. This process takes a minimum of 12-18 months. The attached resolution finds that the project will not have a significant adverse environmental impact and that the Council is issuing a "negative declaration" for the proposed action. This determination is based on the information and supporting documents included in [Parts 2 and 3 of the Environmental Assessment Form \(EAF\)](#), which was prepared by the City Planner for the Council's consideration.



CITY OF RYE

RESOLUTION

ADOPTION OF A SEQRA NEGATIVE DECLARATION AND DETERMINATION OF LWRP COASTAL CONSISTENCY IN CONNECTING WITH THE CONSTRUCTION OF THE NEW NATURE CENTER DRIVEWAY

WHEREAS, the Nature Center is proposing to construct a new driveway on Boston Post Road (hereinafter “Proposed Action”); and

WHEREAS, at its June 10, 2026 meeting, the City Council declared its intent to be Lead Agency and referred the Proposed Action to the Rye City Planning Commission for its advisory review of wetland considerations; and

WHEREAS, a portion of the Proposed Action is located within the Waterfront Revitalization Area Boundary as identified in the City’s 1991 Local Waterfront Revitalization Program (LWRP); and

WHEREAS, as required by Chapter 73, *Coastal Zone Management Waterfront Consistency Review*, of the Rye City Code, the Planning Commission is required to provide an advisory opinion to the City Council as to the consistency of the Proposed Action with the policies of the LWRP; and

WHEREAS, in an August 11, 2027 memorandum to the City Council the Planning Commission found that the proposes action avoids any crossing of the Blind Brook and increases the elevation of the road resulting in reduced impacts from flood events; and

WHEREAS, an Environmental Assessment Form was presented to the City Council; and

WHEREAS, the City Council hereby declares that it is the Lead Agency for the environmental review of this proposed action; and

WHEREAS, the City Council has reviewed the Environmental Assessment Form (EAF) and determines that the proposed action is considered a Type I Action; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council based on its review of the Environment Assessment Form (EAF) including the Part 3 of the EAF, the criteria listed in Section 617.7(c) of SEQRA and the complete record, the City Council finds that the proposed action will not have a significant adverse environmental impact and hereby issues a Negative Declaration; and

BE IT FURTHER RESOLVED, that the City Council finds that based on its review of the coastal consistency application, the City's LWRP and the advisory opinion of the Rye City Planning Commission that the proposed action is consistent with the coastal consistency policies of the City's LWRP and the provisions of Chapter 73, *Coastal Zone Management Waterfront Consistency Review*, of the Rye City Code; and

BE IT FURTHER RESOLVED, that the City Council approves the Proposed Action.

STATE OF NEW YORK)
COUNTY OF WESTCHESTER)
CITY OF RYE)

WITNESS My Hand and the Official Seal of the City of Rye, New York, this 16th day of September, 2026

/nr

NOGA RUTTENBERG
CITY CLERK

SEAL



CITY COUNCIL AGENDA

DEPT.: City Manager

CONTACT: Brian Shea, City Manager

AGENDA ITEM: Consideration to set a public hearing for October 7, 2026, City Council Meeting to amend Chapter 122 "Leaf Blowers" and Chapter 133 "Noise" of the Code of the City of Rye, by amending § 122-5 "Days and hours of operation of motorized landscaping equipment" and §133-8 "Construction work prohibited at certain hours and on certain days," to create an exemption for emergency activities.

FOR THE MEETING OF:

September 16, 2026

RECOMMENDATION: That the Council consider setting the public hearing.

IMPACT: ☐ Environmental ☐ Fiscal ☒ Neighborhood ☐ Other:

BACKGROUND: See the attached draft local law.

DRAFT

LOCAL LAW NO. _____-2026

A local law to amend Chapter 122 “Leaf Blowers” and Chapter 133 “Noise” of the Code of the City of Rye, by amending § 122-5 “Days and hours of operation of motorized landscaping equipment” and § 133-8 “Construction work prohibited at certain hours and on certain days,” to create an exemption for emergency activities as follows:

New material is underlined and in bold.

Repealed material is marked with a strikethrough and in bold.

Section 1. Chapter 122 titled “Leaf Blowers” is hereby amended in the Rye City Code as follows:

§ 122-5. Days and hours of operation of motorized landscaping equipment.

A. The use of motorized landscaping equipment, including lawn mowers, leaf blowers and other outdoor machine-powered equipment, is permitted only between 8:00 a.m. and 6:00 p.m. on weekdays and 10:00 a.m. and 4:00 p.m. on weekends.

B. The use of motorized landscaping equipment, including lawn mowers, leaf blowers and other outdoor machine-powered equipment, is not permitted on holidays.

C. The City Manager may permit the expanded use of gas leaf blowers for a period not to exceed 14 days after significant storm events or during other emergency situations.

D. The restrictions regarding the use of motorized landscaping equipment, including gas leaf blowers and other outdoor machine-powered equipment, in this chapter shall not apply to the following entities and activities: municipal, schools, religious institutions, membership clubs, golf courses, hospital and retirement communities, cemeteries, and non-residential lots greater than three acres in size.

E. The above restrictions in ~~§ 122-4A~~ **§ 122-5A** through D shall not apply to snowblowers or use of motorized equipment for the purposes of snow or ice removal.

F. Moving leaves or yard debris to City streets, private streets, public property, storm drains or abutting lots is prohibited at all times.

G. Activities described in § 122-5A through F shall not be prohibited if the activity observed is necessary or justified for emergency purposes based upon the reasonable

discretion of the City official who observes such work and who is authorized to issue related tickets, citations, and notices to appear.

Section 2. Chapter 133, titled “Noise” is hereby amended in the Rye City Code as follows:

§ 133-8. Construction work prohibited at certain hours and on certain days.

A. No person shall engage in construction work earlier than 8:00 a.m. or later than 6:00 p.m. on weekdays; earlier than 10:00 a.m. or later than 5:00 p.m., prevailing time, on Saturdays; or at any hour on Sundays or any holidays, Rosh Hashanah or Yom Kippur.

B. Notwithstanding any provision of § 133-8A to the contrary, an individual may perform construction work him/herself on property on which such individual then resides as follows:

(1) Weekdays, between 7:30 a.m. and 8:00 p.m.

(2) Saturdays and Sundays (including holidays), between the hours of 10:00 a.m. and 8:00 p.m.

C. Blasting and rock chipping activities shall be restricted pursuant to Chapter 88, Explosives, Blasting and Mechanical Rock Excavation, and shall not be subject to the provisions of Chapter 133, Noise.

D. Construction work shall not be prohibited under any provision of § 133-8 if the activity observed is necessary or justified for emergency purposes based upon the reasonable discretion of the City official who observes such work and who is authorized to issue related tickets, citations, and notices to appear.

Section 3. Severability.

The invalidity of any word, section, clause, paragraph, sentence, part, or provision of this Local Law shall not affect the validity of any other part of this Local Law that can be given effect without such invalid part or parts.

Section 4. Effective Date.

This local law shall take effect immediately after filing with the Secretary of State.



CITY COUNCIL AGENDA

DEPT.: Corporation Counsel

CONTACT: Kristen Wilson, Corporation Counsel

AGENDA ITEM: Open a public hearing and consideration of adopting a Local Law on Hybrid Meeting Policy.

FOR THE MEETING OF:

September 16, 2026

RECOMMENDATION: That the Council open the public hearing and consider adopting the local law.

IMPACT: ☐ Environmental ☐ Fiscal ☐ Neighborhood ☒ Other:

BACKGROUND: See the attached drafts on hybrid policy and local law.



CITY OF RYE

VIDEOCONFERENCING POLICY

A. Introduction

1. The City of Rye recognizes the benefits of having in-person meetings but understands there are circumstances which preclude certain members of a public body to meet in-person. As such, this policy shall allow members of the City's Comprehensive Plan Steering Committee, a local public body to attend meetings using videoconferencing technology, when necessary. This is allowed under the local adopted by the City Council on September ____, 2026, which, pursuant to Public Officers Law Section 103-a and effective September ____, 2026, authorizes the use of videoconferencing for the Comprehensive Plan Steering Committee. For purposes of this policy, the term "Hybrid Meeting" shall mean a meeting held with at least one member of the public body attending via videoconference.
2. This Videoconferencing Policy shall govern member and public attendance and participation where committee member(s) attend the public meeting via videoconferencing pursuant to Public Officers Law Section 103-a.
3. This Videoconferencing Policy shall be posted on the City website.
4. This policy shall apply to the Comprehensive Plan Steering Committee.
5. Hybrid Meetings must take place in City Hall or other duly notice public location and all members of the public body who attend via videoconferencing must be present for the entire meeting.

B. Remote Meeting Attendance by Applicable Boards and Commissions Listed Above

1. Members of the Comprehensive Plan Steering Committee shall be physically present at all meetings of such public body unless such member is permitted to attend by videoconference by the City Manager.
2. Permission for a member of a relevant public body to attend a meeting of such public body by videoconference may only be granted where a member is unable to be physically present at any such meeting location due to the following extraordinary circumstances:
 - a. Disability which makes it extremely problematic for the member to attend;
 - b. Serious or Highly Contagious Illness;
 - c. Significant Health Concerns;



CITY OF RYE

- d. Unforeseen and Unavoidable Caregiving responsibilities; or
- e. Other significant or unexpected extraordinary factor or event which precludes the member's physical attendance at such meeting.

The success of the Comprehensive Plan Steering Committee depends on physical presence and engagement by all committee members and that is best accomplished by physical presence.

3. A quorum of the Comprehensive Plan Steering Committee must conduct the public meeting from City Hall or other duly noticed public location. A physical location is any location identified in the meeting notice that is open to in-person public attendance.
 - a. For example, no less than eight members of the Steering Committee must conduct the meeting in the same physical location(s) where the public can attend the meeting. All members cannot participate in the public meeting using videoconferencing from a location that is not open to in-person public attendance.
4. Committee members wishing to attend a public meeting using videoconferencing technology from a location not open to the public pursuant to Public Officer's Law § 103-a, must submit the request to the City Manager as early as possible before the scheduled meeting that they are unable to be physically present at the meeting, shall give at a minimum 72 hours notice necessary to make arrangements and provide public notice.
5. The public notice for any public meeting where a member attends using videoconferencing from a location not open to the public pursuant to Public Officers Law § 103-a, shall inform the public that videoconferencing will be used, where the public can view and/or participate in such meeting, where required documents and records will be posted or available and identify the physical location or locations for the meeting where the public can attend. Public notice that meeting will be hybrid with the public zoom link posted must be made at least 72 hours in advance of the meeting.
 - a. If a member of the Comprehensive Plan Steering Committee plans to attend a meeting using videoconferencing technology from a location open to the public pursuant to Public Officers Law § 104(4), such member must advise the City Manager as soon as possible to ensure that the Comprehensive Plan Steering Committee has enough time to post the required public meeting notice. The public notice for such meeting shall inform the public that videoconferencing will be used and shall identify the locations for the meeting, and state that the public has the right to attend the meeting at any of the locations.
6. Except in the case of executive sessions conducted pursuant to Public Officers Law § 105, the City Manager shall ensure that all members of the Comprehensive Plan Steering



CITY OF RYE

Committee, including those attending via videoconferencing, can be heard, seen and identified, while the public meeting is being conducted, including but not limited to any motions, proposals, resolutions, and any other matter formally discussed or voted upon. Any Comprehensive Plan Steering Committee member attending a public meeting via videoconferencing technology shall have their video turned on for the duration of the meeting unless it is impractical under the circumstances.

7. During the public meeting, the City Manager shall announce the name or names of those members participating remotely. This information shall be included in the minutes.
8. Each public meeting conducted using videoconferencing shall be recorded and such recordings posted or linked on the public website of the Comprehensive Plan Steering Committee within five business days following the meeting.
9. If videoconferencing is used to conduct a public meeting from locations not open to the public pursuant to Public Officers Law § 103-a, the public body shall provide the opportunity for members of the public to view such meeting via video, and to participate in proceedings via videoconferencing in real time where public comment or participation is authorized and shall ensure that videoconferencing authorizes the same public participation or testimony as in-person participation or testimony.
10. If a vote takes place during the public meeting, the remote attendee will be entitled to participate in the vote as usual.

C. Exemptions

1. The provisions of this Policy and Public Officers Law § 103-a do not limit the existing authority set forth in the Public Officers Law § 104(4) which allows all public bodies to remotely connect multiple public locations from which members and the public may attend a public meeting. The City's public bodies may continue to hold proper open meetings by videoconferencing from multiple physical locations which are identified in the meeting notice, open to the public and connected remotely together by videoconferencing pursuant to Public Officers Law § 104(4).
2. The in person participation requirements set forth in this Policy and Public Officers Law § 103-a(2)(c) shall not apply during a state disaster emergency declared by the Governor pursuant to Executive law § 28, or a local state of emergency proclaimed by the Mayor pursuant to Executive Law § 24, if the Governor or the Mayor determines that the circumstances necessitating the emergency declaration would affect or impair the ability of the public body to hold an in person meeting.

D. Remote Meeting Etiquette for Committee Members



CITY OF RYE

1. Committee members that attend a public meeting via videoconferencing technology are expected to comply with the following rules:
 - a. Announce at the beginning of the meeting if you must leave at a certain time. Attend the entirety of the meeting.
 - b. Mute yourself when not speaking.
 - c. Ensure your displayed participant name is correct.

E. Public Participation via Videoconferencing Technology

1. In meetings with the opportunity for public comment or question, questions will be answered in the order they are received and participants attending a meeting via videoconferencing technology shall be called upon to speak following in-person speakers.
2. Participants must use the “Raise Hand” function to verbally ask a question. To raise one’s hand, click the “Participants” button in the bottom toolbar, then click the “Raise Hand” button at the bottom of the “Participants” dialogue box. Participants who have joined the meeting solely via phone can dial *9 to raise their hand.
3. In meetings with the opportunity for public comment or question, remote meeting participants must wait until authorized to speak. Only remote speakers with a digital hand raised shall be called upon to speak.
4. Participants shall not type any questions or comments in the chat box. Please note, chats sent privately through a private chat box will show up on the administrator’s downloaded transcript.
5. Participants must mute themselves when not speaking to cut down on background noise.
6. Participation of legal services or other professionals/consultants via videoconferencing while all Committee members are physically present does not trigger videoconferencing capabilities for the public at large.

LOCAL LAW

CITY OF RYE NO. ____ -2026

A new local law to add a new chapter 192, “Videoconferencing” to allow members of public bodies of the City of Rye who are subject to Public Officers Law, Article 7, to participate in meetings via videoconferencing

Section 1.

Chapter 192-1. Legislative Intent

It is the intent of this Local Law to give members of the City’s Comprehensive Plan Steering Committee, local public body, as such term is defined in Public Officers Law §103-a(1), the authority to participate in meetings via videoconferencing in a manner consistent with the authority granted in Public Officers Law § 103 upon sufficient notice to the City Manager/City Clerk.

Section 2.

Chapter 192-2. Authority

This local law is adopted pursuant to Public Officers Law § 103-a which expressly permits the City Council to adopt a local law to authorize the use of videoconferencing for local public bodies, including committees and subcommittees, of the City which are subject to Public Officers Law, Article 7, known as “Open Meetings Law”. Members of such local public bodies may participate in meetings via videoconferencing from locations not accessible to the public so long as a quorum of the public body participates from locations where the public may be physically present and all conditions set forth in Public Officers Law § 103-a are met.

Section 3.

Chapter 192-3. Videoconferencing for Public Meetings

- (A) The City Council of the City of Rye hereby authorizes members of the City’s Comprehensive Plan Steering Committee to participate in meetings using videoconferencing technology in a manner consistent with Public Officers Law § 103-a so long as a quorum of the public body participates from locations where the public may be physically present.
- (B) The City Council shall promulgate and adopt by resolution written procedures, which may be amended from time to time, for the conduct of any meeting which involves participation by a member exercising the right to participate remotely under Open Meetings Law § 103-a.

Section 4. Severability.

If any clause, sentence, paragraph, subdivision, section, or part of this Local Law or the application thereof to any person, individual, corporation, firm, partnership, entity, or circumstance shall be adjudged by any court of competent jurisdiction to be invalid or unconstitutional, such order or judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section, or part of this chapter, or in its application to the person, individual, corporation, firm, partnership, entity, or circumstance directly involved in the controversy in which such order or judgment shall be rendered.

Section 5. Effective date.

This chapter shall take effect September 21, 2026.