

RYE TOWN PARK COMMISSION, NEW YORK
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2007

RYE TOWN PARK COMMISSION, NEW YORK
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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of the
Rye Town Park Commission, New York:

We have audited the accompanying financial statements of the governmental activities and each major fund of the Rye Town Park Commission, New York (Commission) as of and for the year ended December 31, 2007, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we express no opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Rye Town Park Commission, New York as of December 31, 2007 and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Sedore & Company, CPA's

Poughkeepsie, New York
October 10, 2008

RYE TOWN PARK COMMISSION, NEW YORK
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 150,484
Investments	14,435
Prepaid expenses	438
Due from other governments	547,973
Total current assets	713,330
Capital assets:	
Land	50,000
Buildings and improvements, net of depreciation	1,746,062
Machinery and equipment, net of depreciation	398,488
Infrastructure, net of depreciation	865,547
Total capital assets	3,060,097
Total assets	\$ 3,773,427
LIABILITIES	
Current liabilities:	
Accounts Payable	\$ 71,543
Due to other governments	606,675
Security deposit	4,235
Deferred revenue	30,877
Total current liabilities	713,330
NET ASSETS	
Invested in Capital Assets	3,060,097
Total net assets	3,060,097
Total liabilities and net assets	\$ 3,773,427

The accompanying Notes to the Financial Statements
should be read in conjunction with these Financial Statements.

RYE TOWN PARK COMMISSION, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

FUNCTIONS/PROGRAMS	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
Governmental Activities:			
Culture and recreation	1,289,666		(1,289,666)
	General revenues		
			443,155
			287,346
			450,142
			27,041
			<u>1,207,684</u>
			(81,982)
			<u>3,142,079</u>
			<u>\$ 3,060,097</u>

The accompanying Notes to the Financial Statements
 should be read in conjunction with these Financial Statements.

RYE TOWN PARK COMMISSION, NEW YORK
 BALANCE SHEET
 GOVERNMENTAL FUNDS
DECEMBER 31, 2007

ASSETS	<u>GENERAL FUND</u>
Cash and cash equivalents	\$ 150,484
Investments	14,435
Prepaid expenses	438
Due from other governments	547,973
Total assets	<u>\$ 713,330</u>
LIABILITIES AND FUND EQUITY	
LIABILITIES	
Accounts payable	\$ 71,543
Due to other governments	606,675
Security deposit	4,235
Deferred revenues	30,877
Total liabilities	<u>713,330</u>
FUND BALANCE	
Undesignated	<u>-</u>
Total liabilities and fund balance	<u>\$ 713,330</u>

The accompanying Notes to the Financial Statements
 should be read in conjunction with these Financial Statements.

RYE TOWN PARK COMMISSION, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2007

Total fund equity for governmental funds	\$ -
Total net assets reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>3,060,097</u>
Total net assets of governmental activities	<u><u>\$ 3,060,097</u></u>

The accompanying Notes to the Financial Statements should be read in conjunction with these Financial Statements.

RYE TOWN PARK COMMISSION, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DECEMBER 31, 2007

	GENERAL FUND			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Sales of permits	\$ 80,000	\$ 80,000	\$ 73,908	\$ (6,092)
Parking	220,000	220,000	213,439	(6,561)
North gate admissions	35,000	35,000	30,736	(4,264)
Mid gate admissions	200,000	200,000	245,445	45,445
South gate admissions	47,000	47,000	47,791	791
Rent - concessions	75,000	75,000	89,250	14,250
Investment income	6,200	6,200	29,933	23,733
Other	30,000	30,000	27,041	(2,959)
Total revenues	693,200	693,200	757,543	64,343
EXPENDITURES				
Culture and recreation				
Personal services	485,000	485,000	627,809	(142,809)
Employee benefits	84,100	84,100	140,068	(55,968)
Equipment	10,000	10,000	10,900	(900)
Supplies and printing	41,000	41,000	33,066	7,934
Utilities and telephone	30,500	30,500	42,339	(11,839)
Building and grounds repairs	123,000	123,000	105,562	17,438
Insurance	85,000	85,000	76,719	8,281
Office	1,500	1,500	5,284	(3,784)
Blind Brook sewer tax	28,500	28,500	29,966	(1,466)
Uniforms	6,000	6,000	8,160	(2,160)
Refuse	4,000	4,000	747	3,253
Accounting fees	15,000	15,000	22,500	(7,500)
Audit fees	13,500	13,500	12,975	525
Equipment repairs and maintenance	10,000	10,000	33,761	(23,761)
Secretary fees	5,500	5,500	5,038	462
Concerts	2,500	2,500	1,675	825
Interest	4,000	4,000	36,466	(32,466)
Miscellaneous	6,000	6,000	14,650	(8,650)
Total expenditures and encumbrances	955,100	955,100	1,207,685	(252,585)
Excess (deficiency) of revenues over/ (under) expenditures	(261,900)	(261,900)	(450,142)	316,928
Other Financing Sources:				
Sponsor Funding - Town	138,074	138,074	237,315	(99,241)
Sponsor Funding - City	123,826	123,826	212,827	(89,001)
Total Other Financing Sources	261,900	261,900	450,142	(188,242)
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	-	-	-	-

The accompanying Notes to the Financial Statements
should be read in conjunction with these Financial Statements.

RYE TOWN PARK COMMISSION, NEW YORK
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

Net change in fund balance \$ -

The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report all capital outlays as expenditures. However, in the statement of activities, the cost of certain 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.

Capital outlays	43,460
Depreciation expense	<u>(125,442)</u>

Net change in net assets of governmental activities \$ (81,982)

The accompanying Notes to the Financial Statements
should be read in conjunction with these Financial Statements.

RYE TOWN PARK COMMISSION, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 - Summary of Significant Accounting Policies

The Rye Town Park Commission, New York ("Commission") was established in 1907 and operates in accordance with the laws of the State of New York. The Board of Commissioners is the legislative body responsible for the overall operation of the Commission. The president of the Commission serves as the chief executive officer and the treasurer serves as the chief financial officer. The Commission provides recreation services to the residents of the area.

The accounting policies of the Commission conform to generally accepted accounting principles as applicable to governmental units. 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 Commission's more significant accounting policies:

A. Financial Reporting Entity

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

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

B. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all non-fiduciary activities of the Commission 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.

The Statement of Net Assets presents the financial position of the Commission at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

RYE TOWN PARK COMMISSION, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2007

NOTE 1 - Summary of Significant Accounting Policies (cont'd)

C. Fund Financial Statements

The accounts of the Commission 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 which comprise its assets, liabilities, fund balances, revenues and expenditures. 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 Commission 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. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, reconciliation is presented on the page following, which briefly explains the adjustments necessary to transform the fund-based financial statements into the governmental activities column of the government-wide presentation. The Commission's resources are reflected in the fund financial statements in one broad fund category, in accordance with generally accepted accounting principles as follows:

Fund Categories

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 is the Commission's major governmental fund.

General Fund – The General Fund constitutes the primary operating fund of the Commission in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

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

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

The government-wide financial statements 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 a current period. A ninety day availability period is used for revenue recognition for all governmental fund revenues. Charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues

RYE TOWN PARK COMMISSION, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2007

NOTE 1 - Summary of Significant Accounting Policies (cont'd)

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

of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

E. Assets, Liabilities, and Net Assets or Fund Balances

1. Deposits, Investments, and Risk Disclosure

Cash and Cash Equivalents

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

The Commission's investment policies are governed by State statutes. The Commission is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies repurchase agreements and obligations of New York State or its political subdivisions.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. Obligations that may be pledged as collateral include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. Governmental Accounting Standards Board Statement No. 40 *Deposit and Investment Risk Disclosure*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging institution's trust department but not in the Commission's name.

RYE TOWN PARK COMMISSION, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2007

NOTE 1 - Summary of Significant Accounting Policies (cont'd)

E. Assets, Liabilities, and Net Assets or Fund Balances (cont'd)

1. Deposits, Investments, and Risk Disclosure

Cash and Cash Equivalents

The Commission's aggregate bank balances exceeded FDIC limits by \$50,484 at December 31, 2007.

Investments

The Commission participates in a cooperative investment pool established pursuant to General Municipal Law. The sponsoring agency of the pool is another governmental unit which, acting through the fiscal officer, is primarily responsible for executing the provisions of the cooperative agreement. The pool is authorized to invest in various securities issued by the United States and its agencies. This amount represents the amortized cost of the cooperative shares and is considered to approximate fair value. These investments are not subject to risk categorization. Additional information concerning the Cooperative is presented in the annual report of the Cooperative Liquid Assets Securities System (CLASS), which may be obtained from MBIA Municipal Investors Service Corporation, 113 King Street, Armonk, NY, 10504.

CLASS is rated AAA/V1+ by Fitch Ratings and is registered with the Securities and Exchange Commission. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

F. Receivables

Receivables include amounts due from other governments for services provided by the Commission. Receivables are recorded and revenues recognized as earned. Allowances are recorded when appropriate.

**RYE TOWN PARK COMMISSION, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2007**

NOTE 1 - Summary of Significant Accounting Policies (cont'd)

G. Inventories

There are no inventory values presented in the financial statements of the Commission. Purchases of inventorable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Land is not depreciated. Property, plant, equipment and infrastructure of the Commission are depreciated using the straight-line method over the following estimated useful lives.

Class	Life in Years
Buildings and improvements	20 - 40
Machinery and equipment	10 - 20
Infrastructure	50

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.

RYE TOWN PARK COMMISSION, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2007

NOTE 1 - Summary of Significant Accounting Policies (cont'd)

I. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the 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.

J. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets on the Statement of Net Assets include invested in capital assets.

K. Use of Estimates

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

NOTE 2 - Stewardship, Compliance, and Accountability

A. Budgetary Data

The Commission does not follow specific guidelines nor are there any legal requirements in establishing the budgetary data reflected in the financial statements. Each year, the Board of Commissioners adopts an annual budget. This budget is adopted on a basis consistent with generally accepted accounting principles. The Commissioners have established legal control of the budget at the object level of expenditures. Transfers between appropriation accounts, at the object level, require approval by the Board. Any modification to

RYE TOWN PARK COMMISSION, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2007

NOTE 2 - Stewardship, Compliance, and Accountability (cont'd)

A. Budgetary Data (cont'd)

appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board. Budgeted amounts are as originally adopted or as amended by the Board of Commissioners. Individual amendments for the current year were not material in relation to the original appropriations which were amended.

B. Compliance with Statute

The Commission has not adopted an investment policy as required by New York State Law.

C. Sponsoring Agencies

The Rye Town Park Commission was created pursuant to an act of the New York State Legislature in March 1907. The act specified that the governing body of the Commission would consist of the Supervisor of the Town of Rye; the Mayor of the Village of Port Chester; the Mayor of the City of Rye (formally the Village of Rye); together with two commissioners, one appointed from the Town of Rye and one appointed from the City of Rye (effective May 15, 1987, the Mayor of the Village of Rye Brook was also appointed to the Rye Town Park Commission). The Commissioners of the Rye Town Park shall have exclusive charge of the acquisition of lands, and shall have full supervision of the construction, improvement and management of the park.

The agreement also provided that any and all outstanding debts and other obligations or interest thereon of the Rye Town Park, shall be born and paid in the proportions of 47.28% by the City and 52.72% by the Town. In the event that any debts, obligations or interest thereon of the Rye Town Park are hereafter incurred or if any profits from the operation of the Rye Town Park are distributed by its Park Commission, the respective total assessed valuations of the property within the City and the remaining property within the Town shall be equalized in each year and such amounts shall be apportioned and charged or paid to the Town and the City, in the above ratios.

D. Excess of Actual Expenditures Over Budget

Expenditures and other financing uses of the General Fund exceeded their authorized budget by \$209,563. The following expenditure categories exceeded their budgetary authorization by the amounts indicated:

Culture and Recreation:

Personal Services	\$	142,809
Employee benefits		55,968
Equipment		900
Utilities and telephone		11,839
Office		3,784
Blind Brook sewer tax		1,466
Uniforms		2,160

RYE TOWN PARK COMMISSION, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2007

NOTE 2 - Stewardship, Compliance, and Accountability (cont'd)

D. Excess of Actual Expenditures Over Budget (cont'd)

Accounting Fees	7,500
Equipment repairs and maintenance	23,761
Interest	32,466
Miscellaneous	8,650

NOTE 3 – Detailed Notes on All Funds

A. Capital Assets

Changes in the Commissions capital assets are as follows:

	<u>BALANCE</u> <u>JANUARY 1,</u> <u>2007</u>	<u>ADDITIONS</u>	<u>(DISPOSALS)</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2007</u>
Capital Assets, not being depreciated -				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Capital Assets, being depreciated:				
Buildings and improvements	\$ 2,183,976	\$ 6,860	\$ -	\$ 2,190,836
Machinery and equipment	600,916	36,600	-	637,516
Infrastructure	1,267,580	-	-	1,267,580
Total Capital Assets, being depreciated	4,052,472	43,460	-	4,095,932
Less Accumulated Depreciation for:				
Buildings and improvements	384,279	60,495	-	444,774
Machinery and equipment	218,737	20,286	-	239,023
Infrastructure	357,377	44,661	-	402,038
Total Accumulated Depreciation	960,393	125,442	-	1,085,835
 Total Capital Assets being depreciated, net	 \$ 3,092,079	 \$ (81,982)	 \$ -	 \$ 3,010,097
 Capital Assets, net	 \$ 3,142,079	 \$ (81,982)	 \$ -	 \$ 3,060,097

RYE TOWN PARK COMMISSION, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2007

NOTE 3 – Detailed Notes on All Funds (cont'd)

B. Pension Plans

The Rye Town Park Commission, New York participates in the New York State and Local Employees' Retirement System (ERC) (System). The System is a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the New York State and Local Employee's Retirement System, 110 State Street, Albany, NY, 12224.

Funding Policy – The System is non-contributory except for employees who joined after July 27, 1976, and have less than ten years of service, who contribute 3% of their salary. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contributions made to the System for the current and two preceding years were as follows:

2007	\$7,051
2006	\$6,523
2005	\$5,585

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

C. Compensated Absences

The Rye Town Park Commission employees are compensated pursuant to the same collective bargaining agreement as employees of the Town of Rye, New York. Sick leave is not paid upon separation of service and vacation time is generally taken in the year earned. The Commission, therefore, has no liability at December 31, 2007 for unused sick and vacation leave.

D. Post-Employment Health Care Benefits

In addition to providing pension benefits, the Commission provides certain health care benefits for retired employees. The collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Commission may vary according to length of service. Substantially all of the Commission's employees may become eligible for those benefits if they reach normal retirement age while working for the Commission. The cost of retiree health care benefits is recognized as an expenditure as claims are paid. During the year, \$6,778 was paid on behalf of 1 retiree.

RYE TOWN PARK COMMISSION, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2007

NOTE 3 – Detailed Notes on All Funds (cont'd)

E. Net Assets

The component of net assets is detailed below:

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

NOTE 4 – Summary Disclosure of Significant Contingencies

A. Risk Management

The Commission purchases various conventional insurance coverage to reduce its exposure to loss. The Commission maintains a commercial package policy with general liability insurance coverage up to \$2 million, boiler and machinery insurance coverage up to \$1 million and umbrella liability insurance coverage up to \$3 million and commercial auto insurance coverage with a limit of \$1 million is also purchased. Workers' compensation insurance is secured with statutory coverage. The Commission also purchases conventional health insurance for its employees. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.