Rye Town Park Commission, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2012

Rye Town Park Commission, New York

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O'CONNOR DAVIES

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Independent Auditors' Report

The Board of Commissioners of the
Rye Town Park Commission, New York

Report on the Financial Statements

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, 2012, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

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 Commission, as of December 31, 2012, and the respective changes in financial position, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
October 9, 2013

Rye Town Park Commission, New York

Statement of Net Position
December 31, 2012

	Governmental Activities
ASSETS	
Cash and equivalents	$ 148,703
Investments	14,766
Receivables	
Due from other governments	101,418
State and Federal aid	15,831
Capital assets	
Not being depreciated	50,000
Being depreciated, net	3,715,320
Total Assets	4,046,038
LIABILITIES	
Accounts payable	52,428
Due to other governments	222,709
Security deposit	4,235
Total Liabilities	279,372
NET POSITION	
Net investment in capital assets	3,765,320
Unrestricted	1,346
Total Net Position	$ 3,766,666

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

Rye Town Park Commission, New York

Statement of Activities
Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities					
Culture and Recreation	$ 1,152,349	$ 835,159	$ 1,141	$ 37,120	$ (278,929)
General revenues					
Unrestricted investment income					67
Other					57,512
Sponsor funding					28,006
Total General Revenues					85,585
Change in Net Position					(193,344)
Net Position - Beginning					3,960,010
Net Position - Ending					$ 3,766,666

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

Rye Town Park Commission, New York

Balance Sheet
Governmental Funds
December 31, 2012

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and equivalents	$ 148,703	$ -	$ 148,703
Investments	14,766	-	14,766
Receivables			
Due from other governments	90,418	11,000	101,418
State and Federal aid receivable	-	15,831	15,831
Due from other funds	-	66,430	66,430
	90,418	93,261	183,679
Total Assets	$ 253,887	$ 93,261	$ 347,148
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 52,428	$ -	$ 52,428
Due to other funds	66,430	-	66,430
Due to other governments	129,448	93,261	222,709
Security deposit	4,235	-	4,235
Total Liabilities	252,541	93,261	345,802
Fund balances			
Unassigned	1,346	-	1,346
Total Liabilities and Fund Balances	$ 253,887	$ 93,261	$ 347,148

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

Rye Town Park Commission, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government - Wide Statement of Net Position
December 31, 2012

Fund Balances - Total Governmental Funds	$	1,346
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.		3,765,320
Net Position of Governmental Activities	$	3,766,666

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

Rye Town Park Commission, New York

Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2012

	General	Capital Projects	Total Governmental Funds
REVENUES			
Sale of permits	$ 105,505	$ -	$ 105,505
Parking	283,649	-	283,649
North gate guest	41,204	-	41,204
Mid gate guest	231,743	-	231,743
South gate guest	84,044	-	84,044
Rent - Concessions	89,014	-	89,014
Investment income	67	-	67
Federal aid	1,141	37,120	38,261
Other	57,512	-	57,512
Total Revenues	893,879	37,120	930,999
EXPENDITURES			
Current			
Culture and recreation			
Personal services	440,074	-	440,074
Employee benefits	87,439	-	87,439
Equipment	4,850	-	4,850
Supplies and printing	20,205	-	20,205
Utilities, telephone and refuse	51,632	-	51,632
Building and grounds repairs	98,036	-	98,036
Insurance	41,462	-	41,462
Office	5,014	-	5,014
Blind Brook sewer tax	34,333	-	34,333
Uniforms	6,321	-	6,321
Accounting fees	14,400	-	14,400
Audit fees	19,885	-	19,885
Attorney fees	5,004	-	5,004
Equipment repairs and maintenance	10,640	-	10,640
Secretary fees	18,500	-	18,500
Concerts	6,200	-	6,200
Interest	17,901	-	17,901
Miscellaneous	10,637	-	10,637
Capital outlay	-	65,126	65,126
Total Expenditures	892,533	65,126	957,659
Excess (Deficiency) of Revenues Over Expenditures	1,346	(28,006)	(26,660)
OTHER FINANCING SOURCES			
Sponsor funding capital - Town (60.722%)	-	17,006	17,006
Sponsor funding capital - City (39.278%)	-	11,000	11,000
Total Other Financing Sources	-	28,006	28,006
Net Change in Fund Balances	1,346	-	1,346
Fund Balances - Beginning of Year	-	-	-
Fund Balances - End of Year	$ 1,346	$ -	$ 1,346

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

Rye Town Park Commission, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2012

Amounts Reported in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	$	1,346
The fund financial statements 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.		
Depreciation expense		(194,690)
Change in Net Position of Government Activities	$	(193,344)

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

Rye Town Park Commission, New York

General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Sales of permits	$ 94,000	$ 94,000	$ 105,505	$ 11,505
Parking	282,950	282,950	283,649	699
North gate guests	43,727	43,727	41,204	(2,523)
Mid gate guests	257,062	257,062	231,743	(25,319)
South gate guests	93,753	93,753	84,044	(9,709)
Rent - Concessions	89,554	89,554	89,014	(540)
Investment income	200	200	67	(133)
Federal aid	-	-	1,141	1,141
Other	56,650	56,650	57,512	862
Total Revenues	917,896	917,896	893,879	(24,017)
EXPENDITURES				
Current				
Culture and recreation				
Personal services	462,467	462,467	440,074	22,393
Employee benefits	89,345	89,345	87,439	1,906
Equipment	10,000	10,000	4,850	5,150
Supplies and printing	26,000	26,000	20,205	5,795
Utilities, telephone and refuse	50,300	50,300	51,632	(1,332)
Building and grounds repairs	108,072	108,072	98,036	10,036
Insurance	41,612	41,612	41,462	150
Office	6,600	6,600	5,014	1,586
Blind Brook sewer tax	30,000	30,000	34,333	(4,333)
Uniforms	7,500	7,500	6,321	1,179
Accounting fees	14,400	14,400	14,400	-
Audit fees	10,000	10,000	19,885	(9,885)
Attorney fees	6,000	6,000	5,004	996
Equipment repairs and maintenance	11,000	11,000	10,640	360
Secretary fees	20,000	20,000	18,500	1,500
Concerts	5,600	5,600	6,200	(600)
Interest	15,000	15,000	17,901	(2,901)
Miscellaneous	4,000	4,000	10,637	(6,637)
Total Expenditures	917,896	917,896	892,533	25,363
Excess of Revenues Over Expenditures	-	-	1,346	1,346
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance -End of Year	$ -	$ -	$ 1,346	$ 1,346

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

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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 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 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 Commission's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the 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 Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government 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 are supported by taxes and intergovernmental revenues.

The Statement of Net Position 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. Other items not identified as program revenues are reported as general revenues. The Commission does not allocate indirect expenses to functions in the Statement of Activities.

Note 1 - Summary of Significant Accounting Policies (Continued)

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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, 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 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. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain 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

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

General Fund - The General Fund constitutes the primary operating fund of the Commission 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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

The government-wide 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. 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. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Deposits, Investments and Risk Disclosure

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

The Commission's deposits and investment policies are governed by State statutes. The Commission has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The 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, and accordingly, the Commission's policy provides for no credit risk on investments.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Due From/To Other Funds - During the course of its operations, the Commission has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2012, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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 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 assets 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
Infrastructure	10-50
Machinery and Equipment	5-20

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.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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 its 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 position on the Statement of Net Position includes, net investment in capital assets. The balance is classified as unrestricted.

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

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

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

Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Commissioners is the highest level of decision making authority for the Commission that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Commission removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Commission.

Assigned fund balance, in the General Fund, will represent amounts constrained either by the Commission Board for amounts assigned for balancing the subsequent year's budget or the Commission Treasurer for amounts assigned for encumbrances. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds

Note 1 - Summary of Significant Accounting Policies (Continued)

other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

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

F. Use of Estimates

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

G. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 9, 2013.

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 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.

B. Compliance with Statute

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

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 or other obligations or interest thereon of the Rye Town Park, shall be born and paid in the proportions of 49.835% by the City and 50.165% 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. For capital projects related expenditures, the sponsoring agencies share the expense in the proportions of 39.278% by the City and 60.722% by the Town.

D. Application of Accounting Standards

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

E. Excess of Actual Expenditures Over Budget

The following expenditure categories of the General Fund exceeded their budgetary authorization by the amounts indicated:

Culture and Recreation		
Utilities, telephone and refuse	$	1,332
Blind Brook sewer tax		4,333
Audit fees		9,885
Concerts		600
Interest		2,901
Miscellaneous		6,637

Note 3 - Detailed Notes on All Funds

A. Due From/To Other Funds

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

Fund	Due From	Due To
General	$ -	$ 66,430
Capital Projects	66,430	-
	$ 66,430	$ 66,430

The outstanding balances between funds results 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.

B. Capital Assets

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

Class	Balance January 1, 2012	Additions	Balance December 31, 2012
Governmental Activities			
Capital Assets, not being depreciated			
Land	$ 50,000	$ -	$ 50,000
Capital Assets, being depreciated			
Buildings and improvements	$ 3,676,931	$ -	$ 3,676,931
Infrastructure	1,267,580	-	1,267,580
Machinery and equipment	691,520	-	691,520
Total Capital Assets, being Depreciated	5,636,031	-	5,636,031
Less Accumulated Depreciation for			
Buildings and improvements	798,211	123,022	921,233
Infrastructure	347,128	27,007	374,135
Machinery and equipment	580,682	44,661	625,343
Total Accumulated Depreciation	1,726,021	194,690	1,920,711
Total Capital Assets, being Depreciated, net	$ 3,910,010	$ (194,690)	$ 3,715,320
Governmental Activities Capital Assets, net	$ 3,960,010	$ (194,690)	$ 3,765,320

Note 3 - Detailed Notes on All Funds (Continued)

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

Governmental Activities	
Culture and Recreation	$194,690

C. Pension Plans

The Commission participates in the New York State and Local Employees' Retirement System ("ERS") ("System"). The System is cost-sharing, multiple-employer defined benefit pension plans. 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 Employees' Retirement System, 110 State Street, Albany, New York 12224.

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

Tier/Plan/Option	Rate
4 A15	18.4 %

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

	ERS
2012	$ 5,500
2011	4,950
2010	6,600

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

The current ERS contribution was charged to the General Fund.

Note 3 - Detailed Notes on All Funds (Continued)

D. Long-Term Liabilities

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, 2012 for unused sick and vacation leave.

E. Net Position

The components of net position are detailed below:

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

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

F. Fund Balance

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

Unassigned fund balance of $1,346 in the General Fund represents amounts not classified as nonspendable, restricted or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Commission, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damage or personal injury. There are numerous tort claims pending against the Commission. Commission management has indicated there are individual tort claims for amounts in excess of insurance coverage. However, it is anticipated that insurance coverage will be sufficient to satisfy any resolution of the tort claims pending against the Commission.

B. Risk Management

The Commission purchases various conventional insurance coverages 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, umbrella liability insurance coverage with policy limits of $3 million and commercial auto insurance coverage

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

with a limit of $1 million is also purchased. Workers' compensation insurance is secured with statutory coverages. The Commission does not provide health insurance for its employees. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

C. Contingencies

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

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Rye Town Park Commission, New York

General Fund
Balance Sheet
December 31, 2012

ASSETS		
Cash and equivalents	$	148,703
Investments		14,766
Due from other governments		90,418
Total Assets	$	253,887
LIABILITIES AND FUND BALANCE		
Accounts payable	$	52,428
Due to other funds		66,430
Due to other governments		129,448
Security deposit		4,235
Total Liabilities		252,541
FUND BALANCE		
Unassigned		1,346
Total Liabilities and Fund Balance	$	253,887

Rye Town Park Commission, New York

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Sales of permits	$ 94,000	$ 94,000	$ 105,505	$ 11,505
Parking	282,950	282,950	283,649	699
North gate guests	43,727	43,727	41,204	(2,523)
Mid gate guests	257,062	257,062	231,743	(25,319)
South gate guests	93,753	93,753	84,044	(9,709)
Rent - Concessions	89,554	89,554	89,014	(540)
Investment income	200	200	67	(133)
Federal aid	-	-	1,141	1,141
Other	56,650	56,650	57,512	862
Total Revenues	917,896	917,896	893,879	(24,017)
EXPENDITURES				
Current				
Culture and recreation				
Personal services	462,467	462,467	440,074	22,393
Employee benefits	89,345	89,345	87,439	1,906
Equipment	10,000	10,000	4,850	5,150
Supplies and printing	26,000	26,000	20,205	5,795
Utilities, telephone and refuse	50,300	50,300	51,632	(1,332)
Building and grounds repairs	108,072	108,072	98,036	10,036
Insurance	41,612	41,612	41,462	150
Office	6,600	6,600	5,014	1,586
Blind Brook sewer tax	30,000	30,000	34,333	(4,333)
Uniforms	7,500	7,500	6,321	1,179
Accounting fees	14,400	14,400	14,400	-
Audit fees	10,000	10,000	19,885	(9,885)
Attorney fees	6,000	6,000	5,004	996
Equipment repairs and maintenance	11,000	11,000	10,640	360
Secretary fees	20,000	20,000	18,500	1,500
Concerts	5,600	5,600	6,200	(600)
Interest	15,000	15,000	17,901	(2,901)
Miscellaneous	4,000	4,000	10,637	(6,637)
Total Expenditures	917,896	917,896	892,533	25,363
Excess of Revenues Over Expenditures	-	-	1,346	1,346
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance -End of Year	$ -	$ -	$ 1,346	$ 1,346

Rye Town Park Commission, New York

Capital Projects Fund
Balance Sheet
December 31, 2012

ASSETS		
Due from other governments	$	11,000
State and Federal aid receivable		15,831
Due from other funds		66,430
Total Assets	$	93,261
LIABILITIES		
Due to other governments	$	93,261

Rye Town Park Commission, New York

Capital Projects Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance
Year Ended December 31, 2012

REVENUES		
Federal aid	$	37,120
EXPENDITURES		
Capital outlay		65,126
Deficiency of Revenues Over Expenditures		(28,006)
OTHER FINANCING SOURCES		
Sponsor funding capital - Town (60.722%)		17,006
Sponsor funding capital - City (39.278%)		11,000
Total Other Financing Sources		28,006
Net Change in Fund Balance		-
Fund Balance - Beginning of Year		-
Fund Balance - End of Year	$	-