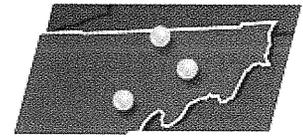


KINSER PARK COMMISSION
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended June 30, 2008

KINSER PARK COMMISSION
TABLE OF CONTENTS
June 30, 2008

	<u>PAGE NUMBER</u>
I. FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
FINANCIAL STATEMENTS	
Statement of Net Assets	6
Statement of Activities	7
Governmental Fund Balance Sheet	8
Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	10
Notes to the Financial Statements	11
II. REQUIRED SUPPLEMENTARY INFORMATION SECTION	
Schedule of Retirement Plan Funding Progress - Unaudited	20
III. INTERNAL CONTROL AND COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	21
Schedule of Findings and Responses	23



INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
Kinser Park Commission
Greeneville, Tennessee

We have audited the accompanying financial statements of the governmental activities and the major fund of the Kinser Park Commission (the "Commission") as of and for the year ended June 30, 2008, which collectively comprise the Kinser Park 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 basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 the major fund of the Kinser Park Commission as of June 30, 2008, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2009, on our consideration of the Kinser Park Commission'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis on pages 3 through 5 and the schedule of retirement plan funding progress on page 20 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Blackburn, Childers + Steagall, PLLC
BLACKBURN, CHILDERS & STEAGALL, PLLC

April 20, 2009

KINSER PARK COMMISSION
Management's Discussion and Analysis
June 30, 2008

This section of Kinser Park's financial report presents an overview and analysis of the Park's financial performance for the fiscal year ended June 30, 2008. Please read it in conjunction with the financial statements which follow this section.

Financial Highlights

- The assets of Kinser Park exceeded its liabilities by \$233,643 (net assets).
- The Park's total net assets increased by \$22,578.
- At the close of the current fiscal year, the Park's general fund reported a fund balance of \$54,196, an increase of \$28,446 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Kinser Park's financial statements. The basic financial statements consist of these parts: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The statement of activities presents information showing how the Park's net assets changed during the most recent fiscal year. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

Fund financial statements. The fund financial statements provide more detailed information about the Park's only governmental fund. The focus of this fund is on (1) how cash and other financial assets that can readily be converted to cash were received and used and (2) what remains at the end of the fiscal year for future spending.

Notes to the financial statements. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The additional information contained in these notes is essential to a full understanding of the information provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements discussed above, the report also presents required supplementary information about the Park's progress in funding its obligation to provide pension benefits to its employees.

KINSER PARK COMMISSION
Management's Discussion and Analysis
June 30, 2008

Financial Analysis of the Park as a Whole

Net assets may serve over time as a useful indicator of a government's financial position. In the case of Kinser Park, assets exceeded liabilities by \$233,643 at the close of the most recent fiscal year. The largest portion of the Park's net assets reflects its investment in capital assets. Because capital assets are used to provide services to citizens, the assets are not available for future spending.

At the end of the fiscal year, Kinser Park was able to report positive balances in all categories of net assets.

Kinser Park's Net Assets

	<u>2008</u>	<u>2007</u>
Current and Other Assets	\$ 65,878	35,859
Capital Assets	<u>171,110</u>	<u>185,315</u>
Total Assets	<u>236,988</u>	<u>221,174</u>
Other Liabilities	<u>3,345</u>	<u>10,109</u>
Total Liabilities	<u>3,345</u>	<u>10,109</u>
Invested in Capital Assets, Net of Related Debt	171,110	185,315
Restricted	12,690	12,690
Unrestricted	<u>49,843</u>	<u>13,060</u>
Total Net Assets	<u>\$ 233,643</u>	<u>211,065</u>

The Park's net assets increased by \$22,578 during the fiscal year. The following is a summary of financial activities for the Park during the fiscal year ended June 30, 2008:

Kinser Park's Changes in Net Assets

	<u>2008</u>	<u>2007</u>
Revenues		
Program revenues		
Charges for Services	\$ 186,682	174,201
Grants	306	6,169
General Revenues		
Intergovernmental Revenues	<u>57,000</u>	<u>47,000</u>
Total Revenues	<u>243,988</u>	<u>227,370</u>
Expenses		
Park Operations	<u>221,410</u>	<u>214,864</u>
Total Expenses	221,410	214,864
Change in Net Assets	22,578	12,506
Net Assets, Beginning of Period	<u>211,065</u>	<u>198,559</u>
Net Assets, End of Period	<u>\$ 233,643</u>	<u>211,065</u>

KINSER PARK COMMISSION
Management's Discussion and Analysis
June 30, 2008

Financial Analysis of Kinser Park's Funds

Governmental funds focus on providing information on the near-term flow of resources and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of the Park's net resources available for spending at the end of the fiscal year.

The general fund is the only operating fund of Kinser Park. At the end of the current fiscal year, the unreserved fund balance was \$41,506, while the total fund balance was \$54,196, an increase of \$28,446 from the prior year.

Capital Assets

At the end of this year, Kinser Park had \$171,100 (net of accumulated depreciation) invested in capital assets. This investment includes land, buildings and improvements, and equipment. The table below shows the investment in capital assets for the current and previous fiscal year.

Kinser Park's Capital Assets

	<u>2008</u>	<u>2007</u>
Land	\$ 7,624	7,624
Buildings and Improvements	207,033	207,033
Other Fixed Assets	125,385	125,385
Machinery and Equipment	65,137	65,137
Less Accumulated Depreciation	<u>(234,069)</u>	<u>(219,864)</u>
	<u>\$ 171,110</u>	<u>185,315</u>

Requests for Information

This financial report is designed to provide a general overview of Kinser Park's finances for all those with an interest in the Park's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Town of Greeneville, Recorder's Office, 200 North College Street, Greeneville, Tennessee 37745.

KINSER PARK COMMISSION
STATEMENT OF NET ASSETS
June 30, 2008

	<u>Total Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 57,541
Prepaid Insurance	<u>8,337</u>
Total Current Assets	<u>65,878</u>
CAPITAL ASSETS	
Land	7,624
Buildings	207,033
Land Improvements	125,385
Machinery and Equipment	65,137
Less: Accumulated Depreciation	<u>(234,069)</u>
Net Capital Assets	<u>171,110</u>
TOTAL ASSETS	<u>236,988</u>
LIABILITIES	
Accounts Payable	244
Accrued Liabilities	<u>3,101</u>
TOTAL LIABILITIES	<u>3,345</u>
NET ASSETS	
Invested in Capital Assets	171,110
Restricted for Capital Projects	12,690
Unrestricted	<u>49,843</u>
TOTAL NET ASSETS	<u><u>\$ 233,643</u></u>

The accompanying notes are an integral part of these financial statements.

KINSER PARK COMMISSION
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2008

<u>FUNCTIONS/PROGRAMS</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>	<u>Total</u>
Primary Government Governmental Activities Park Operations	\$ 221,410	186,682	306	(34,422)	(34,422)
GENERAL REVENUES					
Intergovernmental Revenues				57,000	57,000
CHANGE IN NET ASSETS				22,578	22,578
NET ASSETS - BEGINNING				211,065	211,065
NET ASSETS - ENDING				\$ 233,643	233,643

The accompanying notes are an integral part of these financial statements.

KINSER PARK COMMISSION
BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2008

	Total General Fund
ASSETS	
Cash and Cash Equivalents	\$ 57,541
TOTAL ASSETS	\$ 57,541
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	\$ 244
Accrued Liabilities	3,101
TOTAL LIABILITIES	3,345
FUND BALANCES	
Reserved for Capital Projects	12,690
Unreserved	41,506
TOTAL FUND BALANCES	54,196
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	171,110
Prepays are expensed when disbursed in the governmental activities and are not recognized based upon economic benefit or recorded as assets in the funds.	8,337
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 233,643

The accompanying notes are an integral part of these financial statements.

KINSER PARK COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
For the Fiscal Year Ended June 30, 2008

	Total General Fund
REVENUES	
Charges for Sales and Services	\$ 186,682
Intergovernmental Revenues	57,000
Other Revenues	306
Total Revenues	243,988
EXPENDITURES	
Labor and Benefits	97,186
Utilities	42,843
Maintenance	5,629
Insurance	25,011
Supplies	13,029
Equipment Operations	11,974
Professional Services	9,185
Improvements	9,491
Telephone	1,194
Total Expenditures	215,542
NET CHANGE IN FUND BALANCE	28,446
FUND BALANCE, JULY 1, 2007	25,750
FUND BALANCE, JUNE 30, 2008	\$ 54,196

The accompanying notes are an integral part of these financial statements.

KINSER PARK COMMISSION
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended June 30, 2008

Amounts reported for governmental activities in the statement
 of activities are different because:

Net Change in Fund Balance - Total Governmental Funds	\$	28,446
Certain expenditures have been reflected in the governmental funds for amounts that have economic benefits in future periods. The prepaid items have not been reflected in the statement of activities		8,337
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 as depreciation expense. This is the amount by which depreciation (\$14,205) exceeded capital outlay in the current period.		<u>(14,205)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$</u>	<u>22,578</u>

The accompanying notes are an integral part of these financial statements.

KINSER PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Kinser Park Commission (the “Commission”) is a joint venture of the Town of Greeneville, Tennessee (the “Town”) and Greene County, Tennessee (the “County”). The Commission was created in April 1962 by resolution of the Quarterly County Court of the County, when it became apparent that the Tennessee Valley Authority was to transfer certain property on the Davy Crockett Lake to the Town and the County for the establishment of a park and recreational facilities. The Commission was established as an administrative body for the purpose of holding, operating and maintaining such facilities.

Development of the park and recreational facilities was minor until 1972 when substantial development commenced. Financing of the development has been provided by the general funds of the Town and the County and grants from the U.S. Government.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions to this general rule included: (1) accumulated unpaid sick pay, which is not accrued; and (2) principal and interest on general obligation long-term debt, which is recognized when due.

The financial statements of the Commission have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basic Financial Statements – Government-Wide Statements

The Commission’s basic financial statements include both the government-wide (reporting the Commission as a whole) and fund financial statements (reporting the Commission’s major fund). The Commission has only one fund, the General Fund.

KINSER PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Government-Wide Statements (Continued)

In the government-wide Statement of Net Assets, the governmental activities are reported on the full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Commission's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets, as applicable. When both unrestricted and restricted fund resources are available for use, it is the Commission's policy to use restricted resources first.

The government-wide Statement of Activities reports both the gross and net costs of the Commission's function. The function is also supported by the general government revenues (use taxes, certain intergovernmental revenues, fees and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues. Program revenues must be directly associated with the function. Program revenues include 1) charges to customers who use or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions for operation or capital requirements of a particular function or program. Taxes and other items not identifiable with a program are reported as general revenues.

The net cost (by function) is normally covered by general revenue (use taxes, intergovernmental revenues, interest income, etc.)

This government-wide focus is more on the sustainability of the Commission as an entity and the changes in the Commission's net assets resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the Commission are reported in the general fund in the fund financial statements. The fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund is reported by generic classification within the financial statements.

Governmental Fund

The Governmental Fund is used by the Commission. The focus of the governmental fund measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of the financial resources) rather than upon net income. The General Fund is the general operating fund of the Commission. All financial resources are accounted for in the General Fund.

Budgets and Budgetary Accounting

The Commission is not required to operate within an approved budget. However, budgets are used internally for managerial purposes.

KINSER PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Commission considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America required management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets

Capital assets, which include land, land improvements, buildings and equipment, are reported in the government-wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation.

All purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year. Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

Land Improvements	30 – 40 years
Buildings	40 years
Equipment	5 – 25 years

NOTE 2 – GRANT OF EASEMENT

The park and recreational facilities are situated on approximately 225 acres of land on the Davy Crockett Lake in the County. The land was conveyed to the Town and the County from the Tennessee Valley Authority by a grant of easement dated January 26, 1976. The agreement provides for continued use of the property in perpetuity as long as the property is developed as agreed and used exclusively for public recreation for the benefit and enjoyment of the general public.

KINSER PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 3 - LEASES

The Commission has leased operating rights on the park golf course. The lease term is for a period of 10 years with options to extend the lease for two additional 10 year periods. The Commission receives rent equal to 10 percent of all green fees and cart fees collected by the lessee each month. Rent received for the year ended June 30, 2008 on the golf course totaled \$140. The lease is classified as an operating lease.

The Commission has also leased land for the construction and operation of a baseball complex. The lease term is for a period of 10 years with an option to lease for an additional 10 year period. The Commission receives rent equal to 15 percent of all gate receipts each month and rent equal to 15 percent of net profits from the operation of the concession stands. The rental income from the baseball complex for the year ended June 30, 2008 totaled \$0. The lease is classified as an operating lease.

The Commission also leases two cabins. Rental income from the cabins was \$5,700 for the year ended June 30, 2008.

NOTE 4 – DEPOSITS AND INVESTMENTS

The Town of Greeneville is responsible for receiving and disbursing funds of the Commission. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized as follows:

DEPOSITS: All deposits with financial institutions must be collateralized in an amount equal to 105% of the market value of uninsured deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the Town. Deposits with savings and loan associations must be collateralized by one of the following methods: 1) by an amount equal to 110% of the face amount of uninsured deposits if the collateral is of the same character as that required for other financial institutions; 2) by an irrevocable letter of credit issued by the Federal Home Loan Bank; or 3) by providing notes secured by first mortgages or first deeds of trust upon residential real property located in Tennessee. The promissory notes must be in an amount equal to 150% of the amount of uninsured deposits.

KINSER PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS: State statutes authorize the Town to invest in treasury bonds, notes or bills of the United States; nonconvertible debt securities of the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank and the State Loan Marketing Association; other obligations not listed above which are guaranteed as to principal and interest by the United States or any of its agencies; other evidence of deposit at State and Federal chartered banks and Savings and Loan Associations, obligations of the United States or its agencies under a repurchase agreement and money market funds whose portfolios consist of any of the foregoing investments if approved by the State Director of Local Finance and made in accordance with procedures established by the State Funding Board; the State of Tennessee Local Government Investment Pool; obligations of the Public Housing Authority and bonds of the Tennessee Valley Authority. Specifically, the LGIP was established under Tennessee Code Annotated Title 9, Chapter 4, Part 7. This investment pool is established for the use of idle funds of local governments located within the State of Tennessee. These funds are placed by the participating entity into accounts that are held and invested by the State Treasurer. The LGIP invests in time deposits, such as certificates of deposit, commercial paper, United States of America agency securities, repurchase agreements, and United States of America treasuries. By law, the LGIP is required to maintain a 90-day or less weighted-average-maturity. The fair value of shares held in the LGIP is the same as the value of the LGIP shares. The TN LGIP has not been rated by a nationally recognized statistical rating organization.

The Commission does not have a policy for interest rate risk or other credit risk other than pledging securities for amounts in excess of FDIC coverage.

State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of the deposits, less the amount as insured by federal deposit insurance. The collateral must be held by the Commission or its agent in the Commission's name, or by the Federal Reserve in the Commission's name.

The Commission's deposits are held in the Town's general operating bank account. The carrying amount of the Commission's deposits was \$57,541 at June 30. Deposits include demand deposits and sweep accounts. The bank deposits are insured by FDIC insurance up to \$100,000. Amounts in excess of \$100,000 are either secured by the financial institution through the state collateral pool or the financial institution has pledged securities. The Town does not have a policy for interest rate risk or other credit risk other than pledging securities for amounts in excess of FDIC coverage. The Commission is exposed to concentration of credit risk by placing its deposits in financial institutions. The Commission through the Town has mitigated the risks because the bank balance in excess of the FDIC limit is collateralized by the State of Tennessee bank collateral pool.

As of June 30, 2008, the Commission held no investments.

KINSER PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 5 – RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission’s risks of loss are covered by a commercial package insurance policy carried by the Town. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2008, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 7,624	-	-	7,624
Total Capital Assets, Not Being Depreciated	<u>7,624</u>	<u>0</u>	<u>0</u>	<u>7,624</u>
Capital Assets, Being Depreciated				
Buildings	207,033	-	-	207,033
Land Improvements	125,385	-	-	125,385
Machinery and Equipment	65,137	-	-	65,137
Total Capital Assets, Being Depreciated	<u>397,555</u>	<u>0</u>	<u>0</u>	<u>397,555</u>
Less Accumulated Depreciation For:				
Buildings	(126,703)	(5,311)	-	(132,014)
Land Improvements	(50,094)	(5,061)	-	(55,155)
Machinery and Equipment	(43,067)	(3,833)	-	(46,900)
Total Accumulated Depreciation	<u>(219,864)</u>	<u>(14,205)</u>	<u>0</u>	<u>(234,069)</u>
Total Capital Assets, Being Depreciated, Net	<u>177,691</u>	<u>(14,205)</u>	<u>0</u>	<u>163,486</u>
Government-Type Activities, Capital Assets, Net	<u>\$ 185,315</u>	<u>(14,205)</u>	<u>0</u>	<u>171,110</u>

Depreciation expense of \$14,205 was changed to the function of park operations in the Statement of Activities.

KINSER PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 7 – PENSION PLAN

Plan Description

Employees of the Commission are members of the Political Subdivision Pension Plan (PSPP), and agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979 become vested after five years of service, and members joining prior to July 1, 1979 were vested after four years of service. Benefit provision are established by state statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the Commission participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.treasury.state.tn.us/tcrs/PS/>.

Funding Policy

The Commission has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to 5.0 percent of annual covered payroll.

The Commission is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2008 was 13.03% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the Commission is established and may be amended by the TCRS Board of Trustees.

KINSER PARK COMMISSION
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2008

NOTE 7 – PENSION PLAN (CONTINUED)

Annual Pension Cost

For the year ending June 30, 2008, the Commission’s annual pension cost of \$4,563 to TCRS was equal to the Commission’s required and actual contributions. The required contribution was determined as part of the July 1, 2005 actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), and (c) projected 3.5 percent annual increase in the Social Security wage base. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. The Commission’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005 was 13 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	\$ 4,563	100.00%	\$ 0
6/30/2007	3,910	100.00%	0
6/30/2006	2,780	100.00%	0

Funding Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 82.94% percent funded. The actuarial accrued liability for benefits was \$0.03 million, and the actuarial value of assets was \$0.03 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$0.01 million. The covered payroll (annual payroll of active employees covered by the plan) was \$0.03 million, and the ratio of the UAAL to the covered payroll was 16.34% percent.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

The annual required contribution (ARC) was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

KINSER PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 7 – PENSION PLAN (CONTINUED)

Schedule of Funding Progress (Dollar amounts in thousands)						
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) (AAL) Actuarial Accrued Liability	(b) - (a) (UAAL) Unfunded AAL	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a % of Covered Payroll
July 1, 2007	\$ 27	\$ 33	\$ 6	82.94%	\$ 34	16.34%

SECTION II
REQUIRED SUPPLEMENTARY INFORMATION

KINSER PARK COMMISSION
SCHEDULE OF RETIREMENT PLAN FUNDING PROGRESS - UNAUDITED
For the Year Ended June 30, 2008

(Dollar amounts in thousands)

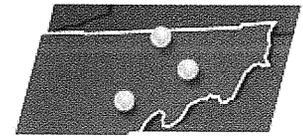
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b) - (a)	(a/b)	(c)	((b-a)/c)
July 1, 2007	\$ 27	\$ 33	\$ 6	82.94%	\$ 34	16.34%

The Governmental Accounting Standards Board (GASB) requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the Entry Age actuarial cost method was a change made during the year and therefore only the most current year is presented.

See Independent Auditors' Report.

SECTION III

INTERNAL CONTROL AND COMPLIANCE



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Kinser Park Commission
Greeneville, Tennessee

We have audited the financial statements of the governmental activities and the general fund of the Kinser Park Commission (the "Commission") as of and for the year ended June 30, 2008, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated April 20, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of the Commission's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies and another deficiency we consider to be a material weakness.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting. These include 2008-01, 2008-02, 2008-03 and 2007-02.

Kinser Park Commission
Independent Auditors' Report on Internal Control
Over Financial Reporting and on
Compliance and Other Matters

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 2008-03 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Commission in a separate letter dated April 20, 2009.

The Commission's written response to the significant deficiencies and material weakness identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Commission, management, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

Blackburn, Childers & Steagall, PLC
BLACKBURN, CHILDERS & STEAGALL, PLC

April 20, 2009

KINSER PARK COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2008

Current Year Findings

2008-01: Significant Deficiency - Agreement

Condition: A written agreement was not located for the arrangement with the Town.

Criteria: To provide a more clear understanding of accounting functions, reporting requirements, policies and procedures that are to be followed, a detailed and written agreement with the Town should be developed. This agreement should designate what the Town's responsibilities are for reporting, what purchasing and bid procedures are to be followed and the timing of reporting should be defined.

Effect: The effect of this deficiency creates an area of uncertainty as to the procedures that are to be followed.

Recommendation: We recommend the Town's attorney work in conjunction with the Town and the Commission to develop a detailed and written agreement. This agreement should designate what the Town's responsibilities are for reporting, what purchasing and bid procedures are to be followed and the timing of reporting should be defined.

Management's Response: The recommendations will be reviewed by the appropriate parties in a timely manner.

2008-02: Significant Deficiency – Cash Receipts

Condition: (6-30-07 Report, Page 17 with additional current year items noted) During our cash receipt testing, we noted some receipts were not timely deposited in the bank. For instance, the receipt range would be for about one week and the deposit was made on the last receipt date.

Criteria: Internal controls over cash receipts should ensure all collections are properly safeguarded, supported and timely deposited.

Effect: The effect of this deficiency results in a weakness in the control environment thus exposing the Commission to the opportunity for funds to be misappropriated.

Recommendation: We recommend all receipts be properly supported with original documentation such as cash register receipt tapes and signed concession and collection reports. Collections should be timely receipted and deposited at the bank within three business days of receipt.

Collections should be properly secured and controlled until deposited. We further recommend cash collections not be left on the premises or taken off-site other than to be deposited at the bank.

Management's Response: The recommendations will be reviewed by the appropriate parties in a timely manner.

KINSER PARK COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2008

2008-03: Material Weakness

Condition: Several material audit adjustments were necessary to properly state account balances. These entries included accounts payable and net assets. Additional audit entries were required to properly record the government wide presentation including capital assets.

Criteria: General ledger accounts should be timely reviewed, reconciled to the corresponding subsidiary reports and adjusted. Timely and accurate financial reports should be prepared and submitted to the Board for review and approval.

Effect: The effect of this weakness creates the possibility that misstatements may not be timely noted or corrected.

Recommendation: A reconciliation of accounts payable from the general ledger to the outstanding accounts payable register should be prepared to determine that all additions to, and payments of, accounts payable are correctly recorded and to determine whether there are any disputed items.

These reconciliations and adjustments will ensure meaningful and accurate financial statements. Balance sheet reconciliations quickly identify errors and needed corrections. If reconciliations are performed infrequently, errors and adjustments can occur, resulting in the need for significant corrections when the reconciliations are performed. Any reconciling differences should be corrected before the books are closed for the month end.

We recommend a procedure be in place for making routine, monthly and year-end adjustments. The procedures should require that supporting documentation be maintained for all entries and transfers including indication of appropriate review and approval.

Management's Response: The recommendations will be reviewed by the appropriate parties in a timely manner.

KINSER PARK COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2008

Prior Year Findings Not Implemented

2007-02: Significant Deficiency

Condition: (6-30-07 Report, Page 17) During audit procedures, it was determined there is a lack of adequate documentation of golf course commissions. There is a lack of ample documentation from the operator to support the amounts received in connection with the contract. The Commission also had not received any commissions for baseball events.

Criteria: The Commission should verify all contracts and agreements are current and develop the necessary internal control procedures to verify commissions and funds due are properly documented and received.

Effect: The effect of this deficiency could result in the Commission not receiving the proper amount of revenues.

Recommendation: We recommend the Board develop and implement procedures that will ensure commissions that are to be received are properly tracked, evaluated and ultimately received.

Management's Response: The recommendations will be reviewed by the appropriate parties in a timely manner.

PRIOR YEAR FINDINGS IMPLEMENTED

June 30, 2007 Report, Page 17: Segregation of Duties.