

KINSER PARK COMMISSION

Financial Statements
with Supplementary Information

Year Ended June 30, 2013

KINSER PARK COMMISSION
Financial Statements with Supplementary Information
Year Ended June 30, 2013

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KINSER PARK COMMISSION
Roster of Officials and Board Members
Year Ended June 30, 2013

Officials

Mr. Todd Smith
Shari Oster
Mrs. Carol Susong

Town of Greeneville Administrator
Park Manager
Town of Greeneville Recorder

Board Members

Mr. Lloyd Bowers
Dr. Hayden Scott
Mr. Keith Paxton
Mr. M.C. Rollins
Mr. Max Cox
Mr. Phil King
Mr. Marshall Brown

Chairman
Member
Member
Member
Member
Member
Member

- Certified Public Accountants
- Business Advisors

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Independent Auditors' Report

Kinser Park Commission
Greeneville, Tennessee

Report on the Financial Statements

We have audited the accompanying 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, 2013, 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.

Auditor's 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 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 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 entity'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 entity'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.

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 general fund of the Commission, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of retirement plan funding progress information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2013, on our consideration of the 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Rodger Moss & Co, PLLC

Greenville, Tennessee
December 12, 2013

KINSER PARK COMMISSION
Management's Discussion and Analysis
June 30, 2013

This section of Kinser Park's financial report presents a narrative overview and analysis of the Park's financial performance for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the Park's financial statements, which follow this section.

Financial Highlights

- The assets of Kinser Park exceeded its liabilities by \$133 thousand (net position).
- During the year, the Park's total net position decreased by \$49 thousand.
- At the close of the current fiscal year, the Park's general fund reported a fund balance of \$6 thousand, a decrease of \$37 thousand 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 required 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 position presents information on all of the Park's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Park is improving or deteriorating.

The statement of activities presents information showing how the Park's net position 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.

Financial Analysis of the Park as a Whole

Net position may serve over time as a useful indicator of a government's financial position. In the case of Kinser Park, assets exceeded liabilities by \$133,162 at the close of the most recent fiscal year. The largest portion of the Park's net position (96 percent) reflects its investment in capital assets. Because capital assets are used to provide services to citizens, the assets are not available for future spending.

The remaining balance of \$6 thousand may be used to meet the Park's ongoing obligations.

KINSER PARK COMMISSION
Management's Discussion and Analysis (Continued)

At the end of the fiscal year, the Park is able to report positive balances in all categories of net position.

	<u>2013</u>	<u>2012</u>
Kinser Park's Net Position		
Current and other assets	\$ 76,246	\$ 108,610
Capital assets	<u>127,569</u>	<u>139,409</u>
Total assets	<u>203,815</u>	<u>248,019</u>
Current liabilities	<u>70,653</u>	<u>65,707</u>
Net position:		
Invested in capital assets	127,569	139,409
Unrestricted	<u>5,593</u>	<u>42,903</u>
	<u>\$ 133,162</u>	<u>\$ 182,312</u>

Kinser Park's net position decreased by \$49,150 during the current fiscal year. The following is a summary of financial activities for the Park during the fiscal year ended June 30, 2013:

	<u>2013</u>	<u>2012</u>
Kinser Park's Changes in Net Position		
Revenues		
Program revenues:		
Charges for services	\$ 153,542	\$ 175,335
Intergovernmental revenues	<u>49,400</u>	<u>49,400</u>
	<u>202,942</u>	<u>224,735</u>
Expenses		
Park operations	<u>252,092</u>	<u>257,907</u>
Decrease in net position	<u>\$ (49,150)</u>	<u>\$ (33,172)</u>

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, unassigned 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 total fund balance was \$5,593, with unassigned funds of \$1,990 and nonspendable funds of \$3,603. This was a decrease of \$37,310 in total fund balance over the prior year and a decrease of \$37,738 in unassigned funds compared to unassigned funds from the prior year.

KINSER PARK COMMISSION
Management's Discussion and Analysis (Continued)

Capital Assets

At the end of this year, Kinser Park had \$127,569 (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>2013</u>	<u>2012</u>
Land	\$ 7,624	\$ 7,624
Land Improvements	125,385	125,385
Buildings	207,033	207,033
Equipment	80,321	80,321
Less Accumulated Depreciation	<u>(292,794)</u>	<u>(280,954)</u>
Total capital assets	<u>\$ 127,569</u>	<u>\$ 139,409</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 Position
June 30, 2013

ASSETS

Current assets

Cash and cash equivalents	\$ 43,604
Accounts receivable	29,039
Prepaid expenses	<u>3,603</u>
Total current assets	<u>76,246</u>

Capital assets

Land	7,624
Land improvements	125,385
Buildings	207,033
Machinery and equipment	80,321
Less: accumulated depreciation	<u>(292,794)</u>
Total capital assets	<u>127,569</u>
Total assets	<u>203,815</u>

LIABILITIES

Accounts payable	11,245
Accrued liabilities	8,370
Unearned revenue	<u>51,038</u>
Total liabilities	<u>70,653</u>

NET POSITION

Net investment in capital assets	127,569
Unrestricted	<u>5,593</u>
Total net position	<u>\$ 133,162</u>

KINSER PARK COMMISSION
Statement of Activities
Year Ended June 30, 2013

<u>Function/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Capital Grants and Contributions	Primary Government	
			Governmental Activities	Total	
Primary Government					
Governmental activities					
Park operations	\$ 252,092	\$ 153,542	\$ -	\$ (98,550)	\$ (98,550)
General revenues					
Intergovernmental revenues				49,400	49,400
Change in net position				(49,150)	(49,150)
Net position at the beginning of the year				182,312	182,312
Net position at the end of the year				\$ 133,162	\$ 133,162

KINSER PARK COMMISSION
Balance Sheet
Governmental Fund
June 30, 2013

ASSETS

Cash and cash equivalents	\$	43,604
Accounts receivable		29,039
Prepaid expenses		<u>3,603</u>
Total assets	\$	<u><u>76,246</u></u>

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable	\$	11,245
Unearned revenue		51,038
Accrued liabilities		<u>8,370</u>
Total liabilities		<u>70,653</u>

Fund balances

Nonspendable:

Prepays		3,603
Unassigned		<u>1,990</u>

Total fund balances		5,593
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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.		<u>127,569</u>
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Net position of governmental activities	\$	<u><u>133,162</u></u>
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KINSER PARK COMMISSION
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
Year Ended June 30, 2013

Revenues	
Charges for services	\$ 153,542
Intergovernmental revenues	<u>49,400</u>
Total revenues	<u>202,942</u>
Expenditures	
Park operations	
Labor and benefits	101,571
Utilities	63,913
Maintenance	20,170
Insurance	13,982
Supplies	15,116
Professional services	8,909
Improvements	8,451
Equipment operations	6,559
Telephone	<u>1,581</u>
Total expenditures	<u>240,252</u>
Excess of expenditures over revenues	(37,310)
Fund balance, July 1, 2012	<u>42,903</u>
Fund balance, June 30, 2013	<u>\$ 5,593</u>

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

Net change in fund balance	(37,310)
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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 (\$11,840) exceeded capital outlay (\$0) in the current period.

	<u>(11,840)</u>
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Change in net position of governmental activities	<u>\$ (49,150)</u>
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KINSER PARK COMMISSION
Notes to Financial Statements
June 30, 2013

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 Greene County, Tennessee, when it became apparent that TVA 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 include: (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 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.

In the government-wide Statement of Net Position, 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 position is reported in three parts - net investment in capital assets, restricted; and unrestricted, 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 operational 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).

KINSER PARK COMMISSION
Notes to Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements - Government-Wide Statements (Continued)

This government-wide focus is more on the sustainability of the Commission as an entity and the changes in the Commission's net position 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 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.

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.

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

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

Unearned Revenue - The Commission collects certain revenues for seasonal campsites in advance. These collections are recorded as Unearned revenue.

Fund Balance Items - The Commission has implemented GASB Statement 54 employing new terminology and classifications for fund balance items.

Non-spendable items - This category includes items that can not be spent because of their form. This includes prepaid expenses at June 30, 2013.

Restricted items - This category includes fund balances that are constrained by external parties, constitutional provisions, or enabling legislation. There was no balance in this category at year end.

KINSER PARK COMMISSION
Notes to Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Items (Continued)

Committed items - This category includes fund balances that contain self-imposed constraints of the government from its highest level of decision making authority, which would be a majority vote of the board. There was no balance in this category at year end.

Assigned items - This category includes fund balances that contain self-imposed constraints by the board or management of the government to be used for a particular purpose. There was no balance in this category at year end.

Unassigned items - Represents the remainder of the Commission's fund balance that is not constrained for any particular purpose.

When both restricted and unrestricted fund balances are available for use, it is the Commission's policy to use restricted fund balance first, then use unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

New Accounting Pronouncements - GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASB 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. This statement is effective for periods beginning after June 15, 2012. Management implemented Statement 61 in the current year. The adoption of GASB 61 did not have any impact on the Commission's financial statements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources as defined by GASB's Concepts Statement No. 4. It also amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis-for State and Local Governments*, and other pronouncements by incorporating deferred outflows and deferred inflows of resources into the definition of net assets and by renaming it as net position, rather than net assets. The requirements of this Statement will improve financial reporting by standardizing the presentation and their effects on a government's net position. Management implemented Statement 63 in the current year. The adoption of GASB 63 required mainly changes in titles.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The Commission elected to early implement Statement 65 in current fiscal year. The adoption of GASB 65 did not have any impact on the Commission's financial statements.

GASB Statement No. 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. GASB 66 improves accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre- November 30, 1989 FASB and AICPA Pronouncements*. The Commission implemented Statement 66 in current fiscal year. The adoption of GASB 66 does not have any impact on the Commission's financial statements.

Date of Managements Review - Management has evaluated events and transactions for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through December 12, 2013, the date these financial statements were available to be issued.

KINSER PARK COMMISSION
Notes to Financial Statements (Continued)

NOTE 2 - GRANT OF EASEMENT

The park and recreational facilities are situated on approximately 225 acres of land on the Davy Crockett Lake in Greene County, Tennessee. 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.

NOTE 3 - OPERATING LEASE REVENUES

The Commission has leased land for the construction and operation of a baseball complex with an agreement date of May 28, 1999. The lease term was for a period of 10 years and renewed for another 10 years. The agreement is for the Commission to receive 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, 2013 totaled \$0 due to no activity at the field. The lease is classified as an operating lease.

NOTE 4 - CASH AND INVESTMENTS

The Town is responsible for receiving and disbursing funds of the Commission. Various restrictions on deposits are imposed by state statutes. The Commission held no investments as of June 30, 2013. The Commission's deposits are held in the Town's general operating bank account. At June 30, 2013, the carrying amount of the Commission's deposits was \$43,604. Deposits include demand deposits and sweep accounts. The Town's bank balance at June 30, 2013, was fully covered by FDIC insurance and through the bank's participation in the Tennessee Bank Collateral Pool.

The Town does not have a policy for interest rate risk or other credit risk other than pledging of securities for amounts in excess of FDIC coverage. The Commission is exposed to a concentration of credit risk by placing its deposits in financial institutions. The Commission, through the Town, has mitigated the risk because the bank balance in excess of the FDIC limit is collateralized by the State of Tennessee Bank Collateral Pool.

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 asset activity for the year ended June 30, 2013, was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities				
Capital assets not being depreciated				
Land	\$ 7,624	\$ -	\$ -	\$ 7,624
Total assets not being depreciated	\$ 7,624	\$ -	\$ -	\$ 7,624

KINSER PARK COMMISSION
Notes to Financial Statements (Continued)

NOTE 6 - CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2013, was as follows (Continued):

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Capital assets, being depreciated				
Land improvements	\$ 125,385	\$ -	\$ -	\$ 125,385
Buildings	207,033	-	-	207,033
Other fixed assets	<u>80,321</u>	<u>-</u>	<u>-</u>	<u>80,321</u>
Total other capital assets	<u>412,739</u>	<u>-</u>	<u>-</u>	<u>412,739</u>
Less accumulated depreciation for				
Land improvements	(70,187)	(3,758)	-	(73,945)
Buildings and improvements	(152,714)	(5,040)	-	(157,754)
Other fixed assets	<u>(58,053)</u>	<u>(3,042)</u>	<u>-</u>	<u>(61,095)</u>
Total accumulated depreciation	<u>(280,954)</u>	<u>(11,840)</u>	<u>-</u>	<u>(292,794)</u>
Total capital assets, being depreciated, net	<u>131,785</u>	<u>(11,840)</u>	<u>-</u>	<u>119,945</u>
Governmental activities capital assets, net	<u>\$ 139,409</u>	<u>\$ (11,840)</u>	<u>\$ -</u>	<u>\$ 127,569</u>
Depreciation was charged as follows:				
General government				<u>\$ 11,840</u>

NOTE 7 - PENSION PLAN

Plan Description

Employees of Kinser Park are members of the Political Subdivision Pension Plan (PSPP), an 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 provisions 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 Kinser Park 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.tn.gov/treasury/tcrs/PS/>.

KINSER PARK COMMISSION
Notes to Financial Statements (Continued)

NOTE 7 - PENSION PLAN (Continued)

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, 2013 was 0.00% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Kinser Park is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ending June 30, 2013, Kinser Park's annual pension cost of \$0 to TCRS was equal to Kinser Park's required and actual contributions. The required contribution was determined as part of the July 1, 2011 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 3.0 percent annual rate of inflation, (c) 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 (d) 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, 2011 was 7 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2013	\$ -	100%	\$ -
June 30, 2012	\$ -	100%	\$ -
June 30, 2011	\$ -	100%	\$ -

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 100 percent funded. The actuarial accrued liability for benefits was \$0.05 million, and the actuarial value of assets was \$0.05 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$0.0 million. The covered payroll (annual payroll of active employees covered by the plan) was \$0.00 million, and the ratio of the UAAL to the covered payroll was 0.00 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.

REQUIRED SUPPLEMENTARY INFORMATION

KINSER PARK COMMISSION
Schedule of Retirement Plan Funding Progress - Unaudited
Year Ended June 30, 2013

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL) -Entry Age	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, 2011	\$ 48	\$ 48	\$ -	100%	\$ -	0%
July 1, 2009	\$ 37	\$ 37	\$ -	100%	\$ 35	0%
July 1, 2007	\$ 27	\$ 27	\$ -	100%	\$ 34	0%

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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, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated December 12, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rodger Moss & Co, PLLC

Greeneville, Tennessee
December 12, 2013

