

Tuscaloosa County Park and Recreation Authority
Table of Contents
September 30, 2019

| | |
|--|---------|
| Independent Auditor's Report | 1 - 2 |
| Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 3 - 4 |
| Management's Discussion and Analysis | 5 - 7 |
| Basic Financial Statements | |
| Government-Wide Financial Statements | |
| Statement of Net Position | 8 |
| Statement of Activities | 9 |
| Fund Financial Statements | |
| Major Government Funds | |
| Balance Sheet | 10 |
| Statement of Revenues and Expenditures | 11 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 12 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Government Funds to the Statement of Activities | 13 |
| Proprietary Fund | |
| Statement of Net Position - Golf Course | 14 |
| Statement of Revenues, Expenses and Changes in Net Position | 15 |
| Statement of Cash Flows | 16 |
| Notes to Financial Statements | 17 - 29 |
| Required Supplemental Information | |
| Statement of Revenues and Expenditures, Budget and Actual (Budgetary Basis) | 30 |
| Statement of Revenues and Expenses - Budget to Actual | 31 |
| Schedule of Changes in the Net Pension Liability | 32 |
| Schedule of Employer Contributions | 33 |
| Notes to Schedule of Required Supplementary Information | 34 |
| Supplemental Information | |
| Special Revenue Funds | |
| Combining Balance Sheet | 35 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 36 |
| Schedule of Detail Expenditures - General Fund | 37 - 38 |
| Schedule of Detail Operating Revenues - Activity Centers - General Fund | 39 |
| Schedule of Detail Operating Expenditures - Activity Centers - General Fund | 40 |
| Board Members | 41 |
| Single Audit Reports | |
| Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance | 42 - 43 |
| Schedule of Expenditures of Federal Awards | 44 |
| Notes to Schedule of Expenditures of Federal Awards | 45 |
| Schedule of Prior Audit Findings | 46 |
| Schedule of Findings and Questioned Costs | 47 |



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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Board of Directors
Tuscaloosa County Park and Recreation Authority
Tuscaloosa, Alabama

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tuscaloosa County Park and Recreation Authority, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority'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 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 performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 is sufficient 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, the business-type activities, each major fund, and the aggregate remaining fund information of Tuscaloosa County Park and Recreation Authority, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 5 - 7, budgetary comparison information on pages 30 - 31, and the pension information on pages 32 - 34 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 an 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements which collectively comprise the Tuscaloosa County Park and Recreation Authority's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, detailed schedules, and board information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and related 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 audits 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 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and board information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Lawrence, Hitt & Pugh, LLP

LAWRENCE, HITT & PUGH, LLP
Certified Public Accountants

Tuscaloosa, Alabama
November 30, 2020



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Independent Auditor's 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*

Board of Directors
Tuscaloosa County Park and Recreation Authority
Tuscaloosa, Alabama

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, the business-type activities, each major fund, and the aggregate remaining fund information of the Tuscaloosa County Park and Recreation Authority, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Tuscaloosa County Park and Recreation Authority's basic financial statements, and have issued our report thereon dated November 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Tuscaloosa County Park and Recreation Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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 significant deficiency, or combination of significant 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 over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily 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 Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This 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.

Lawrence, Hitt & Pugh, LLP

LAWRENCE, HITT & PUGH, LLP
Certified Public Accountants

Tuscaloosa, Alabama
November 30, 2020

Tuscaloosa County Park and Recreation Authority
Management's Discussion and Analysis
September 30, 2019

This section of the Tuscaloosa County Park and Recreation Authority's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year that ended September 30, 2019. Please read it in conjunction with the Authority's financial statements, which follow this section.

Financial Highlights

- The Authority's governmental assets exceeded its liabilities by \$60,012,228 (net position) for the fiscal year reported, and business-type activities (golf course) assets exceeded liabilities by \$1,104,409.
- Local government appropriations amounted to 70% of total governmental activities revenues in the current fiscal year as compared to 78% in the prior fiscal year.
- Revenues from charges for services were \$4,345,660 in the current fiscal year compared to \$4,045,298 in the prior fiscal year.
- The Authority's proprietary fund reported total revenues of \$1,851,906 this year. This compares to \$1,923,463 for the prior year.
- The Authority reduced outstanding bond debt by \$135,750 through regularly scheduled payments.
- The Authority increased capital assets by \$519,360 primarily through park improvements, purchase of equipment and improvements to activity centers.

Overview of the Financial Statements

- This annual report consists of three parts – management's discussion and analysis, basic financial statements, and required supplementary information. The basic financial statements include: (1) Authority-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. The Authority also includes in this report information to supplement the basic financial statements.

The GASB Statement 34 concept of government-wide reporting focuses on reporting information about entities as a whole, using methods similar to those of private sector companies. They report net assets – the difference between assets and liabilities – as one way to measure financial health.

Financial Analysis of the Authority taken as a Whole

Net Position - The Authority's net position increased \$270,534 during the year. A comparison of the Authority's net assets is shown as follows:

Tuscaloosa County Park and Recreation Authority
Management's Discussion and Analysis
September 30, 2019

Governmental Activities

| | <u>2019</u> | <u>2018</u> |
|---|------------------|------------------|
| Current and Other Assets | \$ 6,440,380 | \$ 7,265,118 |
| Capital Assets | 56,657,056 | 55,966,006 |
| Deferred Outflows | <u>516,157</u> | <u>517,261</u> |
| <u>Total Assets and Deferred Outflows</u> | 63,613,593 | 63,748,385 |
| Other Liabilities | 1,581,006 | 1,984,258 |
| Non-Current Liabilities | <u>1,692,204</u> | <u>1,827,850</u> |
| <u>Total Liabilities and Deferred Inflows</u> | 3,273,210 | 3,812,108 |
| Net Position | | |
| Invested in Capital Assets - | | |
| Net of Related Debt | 56,318,007 | 55,605,722 |
| Unrestricted | 1,421,029 | 1,238,670 |
| Restricted | <u>2,273,192</u> | <u>2,848,037</u> |
| <u>Total Net Position</u> | \$ 60,012,228 | \$ 59,692,429 |

Business-Type Activities

| | <u>2019</u> | <u>2018</u> |
|---|----------------------|----------------------|
| Current and Other Assets | \$ 225,405 | \$ 244,533 |
| Capital Assets | 6,277,114 | 6,448,804 |
| Deferred Outflows | <u>61,763</u> | <u>65,562</u> |
| <u>Total Assets and Deferred Outflows</u> | 6,564,282 | 6,758,899 |
| Other Liabilities | 3,922,322 | 3,884,368 |
| Non-Current Liabilities | <u>1,498,052</u> | <u>1,690,719</u> |
| <u>Total Liabilities and Deferred Inflows</u> | 5,420,374 | 5,575,087 |
| Net Position | | |
| Invested in Capital Assets - | | |
| Net of Related Debt | 4,844,298 | 4,834,548 |
| Unrestricted | <u>(3,739,889)</u> | <u>(3,680,874)</u> |
| <u>Total Net Position</u> | \$ 1,104,409 | \$ 1,153,674 |
| <u>Government-Wide Total Net Position</u> | <u>\$ 61,116,637</u> | <u>\$ 60,846,103</u> |

Revenues in the governmental fund are derived from local government appropriations and charges for services. Revenues in the proprietary fund are derived from charges and fees for use of the golf course.

Tuscaloosa County Park and Recreation Authority
Management's Discussion and Analysis
September 30, 2019

Economic Factors

Tuscaloosa County Park and Recreation Authority's impact on quality of life within the community is evidenced by consistently steady increases in park attendance and growth in program offerings. Despite the Authority's less than average funding as compared to Alabama's top population centers, its staff, facilities and programs are frequent state level award winners.

Park and Recreation has three intrinsic values that are essential to any successful community:

Economic Value

- Parks improve the local tax base and increase property values. It is proven that nearby park land increases the value of privately owned land the closer such land is to parks.
- Quality parks and recreation are specified as one of the top three reasons that business cites in relocation decisions in a number of studies.

Health and Environmental Benefits

- Parks are the places that people go to get healthy and stay fit.
- Parks and protected public lands are proven to improve water quality, protect groundwater, prevent flooding, improve the quality of the air we breathe, provide vegetative buffers to development, produce habitat for wildlife, and provide a place for children and families to connect with nature and recreate outdoors together.

Social Importance

- Parks are a tangible reflection of the quality of life in a community. They provide identity for citizens and are a major factor in the perception of quality of life in a given community.
- Parks and recreation services are essential in creating healthy, sustainable and equitable communities for all people.

Contacting the Authority's Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the Authority's financial operations and to demonstrate our commitment to public accountability for the funds received. If you have questions about this report or would like to request additional information, contact the Tuscaloosa County Park and Recreation Authority, Gary Minor, Executive Director.

Tuscaloosa County Park and Recreation Authority
Statement of Net Position
September 30, 2019

| | Governmental Activities | Business- Type Activities | Total |
|---|----------------------------|---------------------------------|----------------------|
| <u>Assets and Deferred Outflows</u> | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 1,397,462 | \$ 162,753 | \$ 1,560,215 |
| Accounts Receivable | 72,022 | | 72,022 |
| Due from Other Funds | 3,366,439 | | 3,366,439 |
| Due from Other Governmental Units | 103,657 | 8,989 | 112,646 |
| Inventory - At Cost | | 53,663 | 53,663 |
| Prepaid Expenses | 79,771 | - | 79,771 |
| <u>Total Current Assets</u> | <u>5,019,351</u> | <u>225,405</u> | <u>5,244,756</u> |
| Restricted Current Assets: | | | |
| Cash Investments | 1,402,134 | | 1,402,134 |
| Due from Other Governmental Units | 18,895 | - | 18,895 |
| <u>Total Restricted Current Assets</u> | <u>1,421,029</u> | <u>-</u> | <u>1,421,029</u> |
| Property and Equipment, Net of Depreciation | 56,657,056 | 6,277,114 | 62,934,170 |
| Deferred Outflows | | | |
| Employer Pension Contributions | 516,157 | 61,763 | 577,920 |
| <u>Total Assets and Deferred Outflows</u> | <u>63,613,593</u> | <u>6,564,282</u> | <u>70,177,875</u> |
| <u>Liabilities and Deferred Inflows</u> | | | |
| Current Liabilities: | | | |
| Accounts Payable | 165,756 | 21,392 | 187,148 |
| Accrued Payroll | 186,083 | 28,106 | 214,189 |
| Accrued Time Off | 799,431 | 125,982 | 925,413 |
| Payroll Deductions Payable | 22,532 | | 22,532 |
| Facility Deposits | 68,155 | | 68,155 |
| Loan Payable - Tuscaloosa County Commission | 339,049 | | 339,049 |
| Deferred Revenue | | 203,558 | 203,558 |
| Due to Other Funds | | 3,366,439 | 3,366,439 |
| Bonds Payable - Series 2000 - Current | | 144,000 | 144,000 |
| Capital Lease Obligations - Current | - | 32,845 | 32,845 |
| <u>Total Current Liabilities</u> | <u>1,581,006</u> | <u>3,922,322</u> | <u>5,503,328</u> |
| Non-Current Liabilities | | | |
| Bonds Payable - Series 2000 | | 1,214,000 | 1,214,000 |
| Obligations Under Capital Leases | | 41,971 | 41,971 |
| Net Pension Liability | 1,692,204 | 242,081 | 1,934,285 |
| <u>Total Long-Term Liabilities</u> | <u>1,692,204</u> | <u>1,498,052</u> | <u>3,190,256</u> |
| Deferred Inflows | | | |
| Employer Pension Costs | 328,155 | 39,499 | 367,654 |
| <u>Total Liabilities</u> | <u>3,601,365</u> | <u>5,459,873</u> | <u>9,061,238</u> |
| <u>Net Position</u> | | | |
| Invested in Capital Assets, Net of Related Debt | 56,318,007 | 4,844,298 | 61,162,305 |
| Restricted | 1,421,029 | | 1,421,029 |
| Unrestricted | 2,273,192 | (3,739,889) | (1,466,697) |
| <u>Total Net Position</u> | <u>\$ 60,012,228</u> | <u>\$ 1,104,409</u> | <u>\$ 61,116,637</u> |

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

Tuscaloosa County Park and Recreation Authority
Statement of Activities
For the Fiscal Year Ended September 30, 2019

| <u>Program Activities</u> | <u>Expenses</u> | <u>Governmental Activities</u> | <u>Business- Type Activities</u> | <u>Total</u> |
|---------------------------------------|-------------------|------------------------------------|--|----------------------|
| Government Activities: | | | | |
| Parks Division | \$ 3,983,991 | \$ (3,983,991) | \$ - | \$ (3,983,991) |
| Recreation Division | 2,245,837 | (2,245,837) | | (2,245,837) |
| Activity Center Operations | 3,250,972 | (3,250,972) | | (3,250,972) |
| Arts Division | 245,036 | (245,036) | | (245,036) |
| General Administrative Division | 1,595,766 | (1,595,766) | | (1,595,766) |
| Special Revenue | 285,998 | (285,998) | | (285,998) |
| Depreciation | 2,737,133 | (2,737,133) | - | (2,737,133) |
| <u>Total Governmental Activities</u> | <u>14,344,733</u> | <u>(14,344,733)</u> | <u>-</u> | <u>(14,344,733)</u> |
| Business-Type Activities | | | | |
| Golf Course | - | - | (1,901,171) | (1,901,171) |
| <u>Total Business-Type Activities</u> | <u>-</u> | <u>-</u> | <u>(1,901,171)</u> | <u>(1,901,171)</u> |
| Revenues: | | | | |
| Intergovernmental - | | | | |
| Regular Appropriations | | 7,545,964 | | 7,545,964 |
| Intergovernmental - | | | | |
| Special Appropriations | | 2,711,674 | | 2,711,674 |
| Charges for Services | | 4,345,660 | | 4,345,660 |
| Interest Income | | 12,534 | | 12,534 |
| Miscellaneous | | 48,700 | | 48,700 |
| Golf Course | | - | 1,851,906 | 1,851,906 |
| <u>Total Revenues</u> | | <u>14,664,532</u> | <u>1,851,906</u> | <u>16,516,438</u> |
| <u>Changes in Net Position</u> | | <u>319,799</u> | <u>(49,265)</u> | <u>270,534</u> |
| <u>Net Position, Beginning</u> | | <u>59,692,429</u> | <u>1,153,674</u> | <u>60,846,103</u> |
| <u>Net Position, Ending</u> | | <u>\$ 60,012,228</u> | <u>\$ 1,104,409</u> | <u>\$ 61,116,637</u> |

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

Tuscaloosa County Park and Recreation Authority

Balance Sheet

Government Funds

September 30, 2019

| | | | | Total |
|---|-------------------------|-------------------------|-----------------------|-------------------------|
| | General | Special | Capital | Governmental |
| <u>Assets</u> | | Revenue | Projects | Funds |
| Cash Investments | \$ 1,397,462 | \$ 1,229,325 | \$ 172,810 | \$ 2,799,597 |
| Accounts Receivable | 72,022 | | | 72,022 |
| Due from Other Funds | 3,366,439 | | | 3,366,439 |
| Prepaid Expenses | 79,771 | | | 79,771 |
| Due from Other Governmental Units | 103,657 | - | 18,895 | 122,552 |
| <u>Total Assets</u> | <u>\$ 5,019,351</u> | <u>\$ 1,229,325</u> | <u>\$ 191,705</u> | <u>\$ 6,440,381</u> |
| <u>Liabilities and Fund Balance</u> | | | | |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 165,756 | \$ - | \$ - | \$ 165,756 |
| Accrued Payroll | 186,083 | | | 186,083 |
| Accrued Time Off | 799,431 | | | 799,431 |
| Payroll Deductions Payable | 22,532 | | | 22,532 |
| Security Deposits Due Patrons | 68,155 | - | - | 68,155 |
| <u>Total Liabilities</u> | <u>1,241,957</u> | <u>-</u> | <u>-</u> | <u>1,241,957</u> |
| <u>Fund Balances</u> | | | | |
| Restricted | | 1,226,100 | 191,704 | 1,417,804 |
| Committed | | 3,225 | | 3,225 |
| Unassigned | 3,777,395 | - | - | 3,777,395 |
| <u>Total Fund Balances</u> | <u>3,777,395</u> | <u>1,229,325</u> | <u>191,704</u> | <u>5,198,424</u> |
| <u>Total Liabilities and Fund Balance</u> | <u>\$ 5,019,352</u> | <u>\$ 1,229,325</u> | <u>\$ 191,704</u> | <u>\$ 6,440,381</u> |

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

Tuscaloosa County Park and Recreation Authority
Statement of Revenues and Expenditures - Government Funds
For the Fiscal Year Ended September 30, 2019

| | | | | Total |
|--|---------------------|---------------------|-------------------|---------------------|
| | General | Special | Capital | Governmental |
| <u>Revenues</u> | | Revenue | Projects | Funds |
| Intergovernmental Revenue - Regular | \$ 7,545,964 | \$ - | \$ - | \$ 7,545,964 |
| Intergovernmental Revenue - Special | 2,191,312 | 421,491 | 98,871 | 2,711,674 |
| Charges for Services | 4,345,660 | | | 4,345,660 |
| Interest and Miscellaneous | 45,373 | 14,841 | 1,020 | 61,234 |
| | <u>14,128,309</u> | <u>436,332</u> | <u>99,891</u> | <u>14,664,532</u> |
| <u>Expenditures</u> | | | | |
| Parks Division | 4,105,131 | | | 4,105,131 |
| Recreation Division | 2,245,837 | | | 2,245,837 |
| Activity Center Operations | 3,250,972 | | | 3,250,972 |
| Arts Division | 245,036 | | | 245,036 |
| General Administrative Division | 1,594,945 | | | 1,594,945 |
| Special Revenue | | 285,964 | | 285,964 |
| Assets Purchased | 3,311,469 | 17,045 | 50,000 | 3,378,514 |
| Employee Functions | - | 855 | - | 855 |
| <u>Total Expenditures</u> | <u>14,753,390</u> | <u>303,864</u> | <u>50,000</u> | <u>15,107,254</u> |
| <u>Excess (Deficiency) of Revenues</u> | | | | |
| <u>Over Expenditures</u> | (625,081) | 132,468 | 49,891 | (442,722) |
| <u>Fund Balance - Beginning</u> | <u>4,402,476</u> | <u>1,096,857</u> | <u>141,813</u> | <u>5,641,146</u> |
| <u>Fund Balance - Ending</u> | <u>\$ 3,777,395</u> | <u>\$ 1,229,325</u> | <u>\$ 191,704</u> | <u>\$ 5,198,424</u> |

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

Tuscaloosa County Park and Recreation Authority
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
September 30, 2019

| | |
|--|----------------------|
| <u>Total Fund Balances - Governmental Funds</u> | \$ 5,198,424 |
| Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because: | |
| Capital Assets, net of depreciation and related debt, are not current financial resources and are not included in the governmental funds. | 56,318,007 |
| Net pension liabilities are not due and payable in the current period and are therefore not reported in the funds. | <u>(1,504,203)</u> |
| <u>Net Assets of Governmental Funds</u> | <u>\$ 60,012,228</u> |

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

Tuscaloosa County Park and Recreation Authority
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 September 30, 2019

| | |
|---|--------------|
| <u>Net Change in Fund Balances - Total Governmental Funds</u> | \$ (442,722) |
|---|--------------|

Amounts Reported for Governmental Activities in the
Statement of Activities are Different Because:

| | |
|--|---------|
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount which capital asset purchases of \$3,428,184 exceeded depreciation of \$2,737,133 | 691,078 |
|--|---------|

| | |
|---|--------|
| Debt proceeds and the subsequent principal payments are reported as revenues and expenditures as incurred in fund statements. Principal payments on debt were \$21,235. | 21,235 |
|---|--------|

| | |
|--|---------------|
| Certain pension contributions and changes in pension plan net position are reported as deferred outflows and deferred inflows of resources in the statement of net position, but are reported as expenditures in the governmental funds. | <u>50,208</u> |
|--|---------------|

| | |
|---|-------------------|
| <u>Changes in Net Assets of General Fund Activities</u> | <u>\$ 319,799</u> |
|---|-------------------|

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

Tuscaloosa County Park and Recreation Authority
Enterprise Fund - Golf Course
Statement of Net Position
September 30, 2019

Assets and Deferred Outflows

| | |
|---|---------------------|
| <u>Current Assets</u> | |
| Cash | \$ 162,753 |
| Due from Other Governmental Units | 8,989 |
| Inventory - at Cost | 53,663 |
| <u>Total Current Assets</u> | <u>225,405</u> |
| <u>Property and Equipment</u> | |
| Golf Course | 4,733,374 |
| Buildings and Equipment | 3,828,632 |
| | 8,562,006 |
| Less: Accumulated Depreciation | 2,284,892 |
| <u>Net Property and Equipment</u> | <u>6,277,114</u> |
| <u>Deferred Outflows</u> | |
| Employer Pension Contributions | 61,763 |
| <u>Total Assets and Deferred Outflows</u> | <u>\$ 6,564,282</u> |

Liabilities, Deferred Inflows, and Net Position

| | |
|--|---------------------|
| <u>Current Liabilities</u> | |
| Accounts Payable | \$ 21,392 |
| Accrued Payroll and Withholding | 28,106 |
| Accrued Time Off | 125,982 |
| Deferred Revenue | 203,558 |
| Due to General Fund | 3,366,439 |
| Bonds Payable - Current | 144,000 |
| Obligations Under Capital Leases - Current | 32,845 |
| <u>Total Current Liabilities</u> | <u>3,922,322</u> |
| <u>Long-Term Liabilities</u> | |
| Revenue Bonds - Series 2000 | 1,214,000 |
| Obligations Under Capital Leases | 41,971 |
| Net Pension Liabilities | 242,081 |
| <u>Total Long-Term Liabilities</u> | <u>1,498,052</u> |
| <u>Deferred Inflows</u> | |
| Employer Pension Costs | 39,499 |
| <u>Total Liabilities and Deferred Inflows</u> | <u>5,459,873</u> |
| <u>Net Position</u> | |
| Net Investment in Capital Assets | 4,844,298 |
| Unrestricted | (3,739,889) |
| <u>Total Net Position</u> | <u>1,104,409</u> |
| <u>Total Liabilities, Deferred Inflows, and Net Position</u> | <u>\$ 6,564,282</u> |

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

Tuscaloosa County Park and Recreation Authority
Statement of Revenues, Expenditures and Changes in Net Position
Enterprise Fund
For the Fiscal Year Ended September 30, 2019

| | |
|---|---------------------|
| <u>Operating Revenue</u> | |
| User Fees | \$ 1,332,669 |
| Pro Shop and Concession Sales | 334,396 |
| <u>Total Operating Revenues</u> | <u>1,667,065</u> |
| <u>Operating Expenses</u> | |
| Salaries | 767,294 |
| Pro Shop, Concession Merchandise and Supplies | 251,831 |
| Depreciation | 195,504 |
| Fertilizer, Chemicals and Supplies | 122,455 |
| Group Insurance | 84,733 |
| Maintenance and Repairs | 66,814 |
| Utilities and Telephone | 119,801 |
| Building and Equipment Rent | 64,191 |
| Social Security | 53,219 |
| Insurance | 29,418 |
| Employee Retirement | 26,816 |
| Credit Card Fees | 32,657 |
| Office Supplies Expense | 24,819 |
| Uniforms | 3,568 |
| Advertising | 1,085 |
| Cash (Over) Short | 194 |
| <u>Total Operating Expenses</u> | <u>1,844,399</u> |
| <u>Operating Income (Loss)</u> | <u>(177,334)</u> |
| <u>Other Revenues (Expenses)</u> | |
| Transfer from General Fund | 184,841 |
| Other Income | - |
| Interest Expense | (56,772) |
| <u>Total Other Revenues (Expenses)</u> | <u>128,069</u> |
| <u>Change in Net Position</u> | <u>(49,265)</u> |
| <u>Retained Earnings - Beginning</u> | <u>(6,232,206)</u> |
| <u>Retained Earnings - Ending</u> | <u>(6,281,471)</u> |
| <u>Contributed Capital - Beginning</u> | 7,385,880 |
| Contributions in Fiscal Year Ended September 30, 2019 | - |
| <u>Contributed Capital at End of Year</u> | <u>7,385,880</u> |
| <u>Total Net Position - Ending</u> | <u>\$ 1,104,409</u> |

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

Tuscaloosa County Park and Recreation Authority
Statement of Cash Flows
Enterprise Fund
For the Fiscal Year Ended September 30, 2019

| | |
|--|-------------------|
| <u>Cash Flows from Operating Activities</u> | |
| Receipts from Customers | \$ 1,714,259 |
| Payments to Employees | (723,281) |
| Payments to Suppliers | (926,432) |
| <u>Net Cash Provided By Operating Activities</u> | <u>64,546</u> |
| <u>Cash Flows from Non-Capital Financing Activities</u> | |
| Transfers from General Fund | 184,841 |
| <u>Net Cash Provided By Non-Capital Financing Activities</u> | <u>184,841</u> |
| <u>Cash Flows from Capital and Related Financing Activities</u> | |
| Reduction of Debt - Net | (181,440) |
| Cost of Depreciable Assets Acquired | (23,813) |
| Interest on Debt | (56,772) |
| <u>Net Cash (Used In) Capital and Related Financing Activities</u> | <u>(262,025)</u> |
| <u>Net (Decrease) in Cash</u> | (12,638) |
| Cash - Beginning | 175,391 |
| <u>Cash - Ending</u> | <u>\$ 162,753</u> |
| <u>Reconciliation of Net Operating (Loss) to Net Cash Provided By Operating Activities</u> | |
| Operating (Loss) | \$ (177,334) |
| Adjustments to Reconcile Net Operating (Loss) to Net Cash (Provided By) Operating Activities: | |
| Depreciation | 195,503 |
| Pension Expense | (1,912) |
| Change in Assets and Liabilities: | |
| (Increase) Decrease in: | |
| Inventory | (8,937) |
| Due from Other Governmental Units | 15,427 |
| Increase (Decrease) in: | |
| Accounts Payable | (33,981) |
| Accrued Payroll | 1,529 |
| Time Off | 42,484 |
| Deferred Revenue | 31,767 |
| <u>Net Cash Provided By Operating Activities</u> | <u>\$ 64,546</u> |

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

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2019

Note 1

Summary of Significant Accounting Policies

The financial statements of the Tuscaloosa County Park and Recreation Authority, hereinafter referred to as the "Authority", have been prepared in conformity with United States of America generally accepted accounting principles (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. The more significant of the government's policies are described below.

Reporting Entity

The Tuscaloosa County Park and Recreation Authority, an eight member body, was originally established on September 3, 1969, under the provisions of Act No. 1248, Acts of Alabama 1969. The Authority reincorporated September 1, 2000 under the provisions of Act 2001-106 of the Alabama Legislature.

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GAAP. Based upon the application of these criteria, there are no component units included in the financial statements.

Basic Financial Statements – Government-Wide Statements

The Authority's basic financial statements include both government-wide (reporting the Authority as a whole) and the fund financial statements (reporting the Authority's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Authority's parks, recreation and arts divisions, activity centers and general administrative division are classified as governmental activities. The Authority's golf course division is classified as a business-type activity.

In the government-wide Statement of Net Position, both the government and business-type activities columns are presented on a consolidated basis by column, and are reported on a full accrual economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reports both the gross and net cost of each of the Authority's functions and business-type activity. The reporting demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to members, customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

The net costs (by function or business-type) are normally covered by general revenue (charges for services and intergovernmental revenues). Except for transfers between the Authority's enterprise fund and its governmental funds, all interfund activity has been eliminated.

Basic Financial Statements – Fund Financial Statements

The financial statements of the Authority are reported in individual fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures/expenses.

Governmental funds are those through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources. The Authority has presented the following major governmental funds:

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2019

Note 1 (Continued)

General Fund – The Authority primarily received revenues from appropriations from local governing bodies and charges for services provided by the Authority.

Special Revenue Funds – The Authority had the following Special Revenue Funds:

Employee Fund to account for the receipt and expenditures of funds contributed solely by the employees. No public funds are involved.

Foundation Fund to account for the expenditure of resources for the Park and Recreation Foundation.

Veterans Memorial Fund to account for the expenditure of donations to the Veteran's Memorial Fund.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Authority has the following Capital Projects Funds:

Beer Tax Fund to account for the expenditure of the beer tax distribution that is restricted for capital outlay expenditures.

Capital Improvements Fund to account for the expenditure of resources allocated for capital improvements.

Facility Fund to account for damage deposits paid by individuals and organizations to reserve picnic shelters, ball fields, and other facilities.

Proprietary Fund Type – Enterprise Fund is used to account for the operations of an 18-hole public golf course, Ol Colony Golf Course, on land leased under a long-term lease from the State of Alabama. The measurement focus is on determination of net income.

Basis of Accounting

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

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements presented increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment has matured and will be payable shortly after year-end.

Cash and Cash Equivalents includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2019

Note 1 (Continued)

Inventories consist of items available for sale within the Ol' Colony Golf Course Pro Shop and are valued at cost using the First-in/First-out (FIFO) method.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Management capitalizes individual items with a cost of \$2,000 or greater.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

| | |
|-------------------------|-------------|
| Buildings | 20-40 Years |
| Parks and Improvements | 10-25 Years |
| Machinery and Equipment | 5-10 Years |

Deferred Outflows and Inflows of Resources

The Authority reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary fund statements of net position. Deferred outflows of resources reported in this year's financial statements include a deferred outflow of resources for contributions made to the Authority's defined benefit pension plan between the measurement date of the net pension liabilities from the plan and the end of the Authority's fiscal year. Deferred outflows for the pension contributions will be recognized in the subsequent fiscal year. The deferred amount related to the actuarial assumptions for demographic factors in the pension fund will be recognized over a closed period equal to the average of the expected remaining service lives of all employees participating in the plan. No deferred outflows of resources affect the governmental funds financial statement.

Deferred inflows reflect an increase in net assets that applies to a future period. There were no deferred inflows for the year ended September 30, 2019.

Net Position

Net position represents the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

The restricted revenue that was accrued is the beer tax from Tuscaloosa County in fiscal year 2019, which is restricted for capital expenses. Other revenues are not material or generally susceptible to accrual because they are not measurable until received in cash.

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2019

Note 1 (Continued)

Estimates and Assumptions – The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Compensated Absences – The Authority has a standard leave policy for its full time employees as to sick and annual leave. Permanent employees begin to accrue annual leave after successful completion of the probationary period, but may not utilize such leave until one full year of service. Thereafter, annual leave is accrued on the individual's employment anniversary date. An employee may not accrue more than twenty days of annual leave. Sick leave is accrued at the rate of 1.25 days per calendar month.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as restricted when amounts can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors. Committed amounts can be used for specific purposes determined by action of the board. All other amounts are unassigned.

Interfund Transactions

Routine transfers of resources between Authority funds which are intended to be repaid are classified separately from fund revenues and expenditures. Such routine interfund transfers are identified as Operating Transfers In/Out in the Authority's operating statements.

Pensions – The Employees' Retirement System of Alabama (the Plan or ERS) financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the GASB. Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Comprehensive Annual Financial Report

Note 2 Budgets and Appropriations

The Authority's enabling legislation requires adoption of an annual budget.

The budget is usually divided into two parts, an operating budget and a capital budget. The operating budget addresses the immediate problems of providing services, paying personnel, and administrative costs. The capital budget addresses major equipment and furniture purchases, and public works projects. The Authority accounts for capital outlay expenditures in the General Fund therefore the operating budget and the capital outlay budget were integrated.

The Authority prepares its annual budget on a basis (budget basis), which differs from GAAP. The budget and all transactions are presented in accordance with the Authority's method (budget basis) in the Statement of Revenues and Expenditures - Budget and Actual – (Budgetary Basis) – General Fund, to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP basis are that in the capital outlay portion of the budget, encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP).

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2019

Note 3 Deposits

At September 30, 2019, the carrying amount of the Authority's deposits was \$2,974,987 and the bank balance was \$3,426,721. All accounts are fully insured by FDIC insurance and under the SAFE program of the State of Alabama.

Note 4 Capital Assets – Capital asset activities for the year ended September 30, 2019 were as follows:

| | <u>10/1/18</u> | <u>Additions</u> | <u>Deletions</u> | <u>9/30/19</u> |
|--------------------------------|----------------------|---------------------|---------------------|----------------------|
| Land | \$ 2,395,341 | \$ | \$ | \$ 2,395,341 |
| Activity Centers | 8,671,470 | 3,183,637 | | 41,855,107 |
| Parks and Communities | 33,339,761 | 183,210 | 979,286 | 32,543,685 |
| Administrative Building | 1,165,784 | | | 1,165,784 |
| School Improvements | 2,739,433 | | | 2,739,433 |
| Maintenance Equipment | 725,657 | 17,879 | | 743,536 |
| Office Equipment | 284,840 | | 57,895 | 226,945 |
| Vehicles | 1,120,649 | 43,458 | | 1,164,107 |
| <u>Totals</u> | <u>\$ 80,442,935</u> | <u>\$ 3,428,184</u> | <u>\$ 1,037,181</u> | <u>\$ 82,833,938</u> |
| Proprietary Fund - Golf Course | <u>\$ 8,538,193</u> | <u>\$ 55,808</u> | <u>\$ 31,995</u> | <u>\$ 8,562,006</u> |

Accumulated depreciation was \$26,176,875 for governmental activities and \$2,284,892 for business-type activities. A summary listing of capital assets is as follows:

Property

Bama Rock Garden
Braughton Park
Evans-Roshell Park
Faucett Brothers Park
Fosters Boat Landing
Hurricane Creek Park
Miners Community Park
Montgomery Park
Munny Sokol Park
Northside Park
Newt Hinton Park
PARA Administrative Building/BAMA Theatre

Activity Centers

Bobby Miller Activity Center
Faucett Brothers Activity Center
Jerry Belk Activity Center
Jerry Tingle Activity Center
Leroy McAbee, Sr. Activity Center
Mary Ann Phelps Activity Center
McDonald Hughes Community Center
Tuscaloosa Tennis Center

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2019

Note 4: Capital Assets (Continued)

Parks

A.L. Freeman Park
Bowers Park
Braughton Park
Burrell Odom Park
Capital Park
Cardinal Park
Evans-Roshell Park
Faucett Brothers Park
Harmon Park
Hurricane Creek Park
Jaycee Park
Kaulton Park
Kentuck Park
McKinney Park
Miners Community Park
Monnish Park
Montgomery Park
Munny Sokol Park
Newt Hinton Park
Northport Community Park
Northside Park
Palmore Park
Queen City Park
Rosedale Park
Sexton Park
Snow Hinton Park
Springbrook Park
Taylorville Ballfields
Tuscaloosa Tennis Center
Van de Graaff Arboretum and Historic Bridge
Veterans Memorial Park

Note 5: Due from Other Governments and Agencies

Amounts due from other governments and agencies at September 30, 2019 represent amounts due from the City of Tuscaloosa and from the Tuscaloosa County Commission for project reimbursements.

Note 6: Defined Benefit Pension Plan

Plan Description

The ERS, an agent multiple-employer public employee retirement system, was established October 1, 1945 pursuant to the *Code of Alabama 1975, Title 36, Chapter 27* (Act 515 of the Legislature of 1945). The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police, and on an elective basis to all cities, counties, Authority and quasi-public organizations. The responsibility for general administration and operation of the ERS is vested in its Board of Control which consists of 13 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). The *Code of Alabama 1975, Title 36-Section 27* grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available comprehensive annual financial report that can be obtained at www.rsa-al.gov.

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2019

Note 6 Defined Benefit Pension Plan (Continued)

The ERS Board of Control consists of 13 trustees as follows:

- 1) The Governor, ex officio.
- 2) The State Treasurer, ex officio.
- 3) The State Personnel Director, ex officio.
- 4) The State Director of Finance, ex officio.
- 5) Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
- 6) Six members of ERS who are elected by members from the same category of ERS for a term of four years as follows:
 - a. Two retired members with one from the ranks of retired state employees and one from the ranks of retired employees of a city, county, or a public agency each of whom is an active beneficiary of ERS.
 - b. Two vested active state employees.
 - c. Two vested active employees of an employer participating in ERS pursuant to § 36-27-6.

Benefits Provided

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. State employees who retire after age 60 with 10 years or more of creditable service or with 25 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more creditable service or with 25 or 30 years of service (regardless of age), depending on the participating entity's election, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with a member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service.

Members are eligible for disability retirement if they have 10 years of creditable service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits are calculated and paid to the beneficiary on the member's age, service credit, employment status and eligibility for retirement.

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2019

Note 6 Defined Benefit Pension Plan (Continued)

The ERS serves approximately 909 local participating employers. The ERS membership includes approximately 90,999 participants. As of September 30, 2018, membership consisted of:

| | |
|---|---------------|
| Retirees and beneficiaries currently receiving benefits | 24,818 |
| Terminated employees entitled to but not yet receiving benefits | 1,426 |
| Terminated employees not entitled to a benefit | 7,854 |
| | 56,760 |
| Post-DROP participants who are still in active service | <u>141</u> |
| Total | <u>90,999</u> |

Contributions

Covered members of the ERS contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, covered members of the ERS are required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the ERS are required by statute to contribute 7.5% of earnable compensation. ERS local participating employers are not required by statute to increase contribution rates for their members.

Tier 2 covered members of the ERS contribute 6% of earnable compensation as required by statute. The contribution rates are the same for Tier 2 covered member of ERS local participating employers.

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the plan. For the year ended September 30, 2019, the Authority's active employee contribution rate was 4.64% of covered employee payroll, and the Authority's average contribution rate to fund the normal and accrued liability costs was 33.11% of pensionable payroll.

The Authority's contractually required contribution rate for the year ended September 30, 2019 was 7.96% of pensionable pay for Tier 1 employees and 5.40% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2016, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the Authority were \$288,425 for the year ended September 30, 2019.

Membership as of the Measurement Date of September 30, 2018

| | |
|--|------------|
| Inactive Members or Their Beneficiaries Currently Receiving Benefits | 21 |
| Vested Inactive Members | 3 |
| Non-vested Inactive Members | 19 |
| Active Members | <u>98</u> |
| Total | <u>141</u> |

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2019

Note 6 Defined Benefit Pension Plan (Continued)

Net Pension Liability

The Authority's net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2015 rolled forward to September 30, 2017 as shown in the following table:

| | <u>Expected</u> | <u>Actual</u> | <u>Actual</u> |
|---|----------------------|----------------------|----------------------|
| (a) TPL as of September 30, 2017 | \$ 10,106,497 | \$ 10,038,726 | \$ 10,092,576 |
| (b) Discount Rate | 7.75% | 7.75% | 7.70% |
| (c) Entry Age Normal Cost for the Period October 1, 2017 – September 30, 2018 | 307,302 | 307,302 | 309,788 |
| (d) Transfers Among Employers: | 0 | 0 | 0 |
| (e) Actual Benefit Payments and Refunds for the Period October 1, 2017 – September 30 2018 | <u>(516,569)</u> | <u>(516,569)</u> | <u>(516,569)</u> |
| (f) TPL as of September 30, 2018 = [(a) x (1+(b))] + (c) + (d) + [(e) x (1+0.5*(b))] | <u>\$ 10,660,466</u> | <u>\$ 10,587,444</u> | <u>\$ 10,643,036</u> |
| (g) Difference Between Expected and Actual: | | \$ (73,022) | |
| (h) Less Liability Transferred for Immediate Recognition: | | <u>0</u> | |
| (i) Experience (Gain)/Loss = (g) – (h) | | \$ (73,022) | |
| (j) Difference Between Actual 7.70% and Actual at 7.75%: | | | \$ 55,592 |

Actuarial assumptions. The total pension liability in the September 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement.

| | |
|--|---------------|
| Inflation | 2.75% |
| Salary increases | 3.25% - 5.00% |
| Investment rate of return (net of pension plan investment expense) | 7.70% |

Mortality rates were based on the sex distinct RP-2000 Blue Collar Mortality Table Projected with Scale BB to 2020 with an adjustment of 125% at all ages for males and 120% for females at ages on and after age 78. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disabled Retiree Mortality Table Projected with Scale BB to 2020 with an adjustment of 130% at all ages for females.

The actuarial assumptions used in the September 30, 2017 valuation were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2015. The Board of Control accepted and approved these changes in September 2016, which became effective at the beginning of fiscal year 2016.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimated of geometric real rates of return for each major asset class is as follows:

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2019

Note 6 Defined Benefit Pension Plan (Continued)

| | Target Allocation | Long-Term Expected Rate of Return* |
|---------------------------------------|----------------------|--|
| Fixed Income | 17.0% | 4.4% |
| U.S. Large Stocks | 32.0% | 8.0% |
| U.S. Mid Stocks | 9.0% | 10.0% |
| U.S. Small Stocks | 4.0% | 11.0% |
| International Developed Market Stocks | 12.0% | 9.5% |
| International Emerging Market Stocks | 3.0% | 11.0% |
| Alternatives | 10.0% | 10.1% |
| Real Estate | 10.0% | 7.5% |
| Cash Equivalents | 3.0% | 1.5% |
| <u>Total</u> | <u>100.00%</u> | |

*Includes assumed rate of inflation of 2.50%.

Discount Rate - The discount rate used to measure the total pension liability was the long-term rate of return, 7.70%. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

| | Increase (Decrease) | | |
|--|-----------------------------------|--|---------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) – (b) |
| Balances at September 30, 2015 | \$ 10,106,497 | \$ 8,021,494 | \$ 2,085,003 |
| Charges for the Year: | | | |
| Service Cost | 307,3027 | | 307,302 |
| Interest | 763,236 | | 763,236 |
| Changes of Assumptions | 55,592 | | 55,592 |
| Difference Between Expected and Actual Experience | (73,022) | | (73,022) |
| Contributions – Employer | | 258,065 | (258,065) |
| Contributions – Employee | | 205,831 | (205,831) |
| Net Investment Income | | 739,930 | (739,930) |
| Benefit Payments, Including Refunds of Employee Contributions | (516,569) | (516,569) | 0 |
| Transfers Among Employers | <u>0</u> | <u>0</u> | <u>0</u> |
| Balances at September 30, 2016 | <u>\$ 10,643,036</u> | <u>\$ 8,708,751</u> | <u>\$ 1,934,285</u> |

Required Supplemental Information

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2019

Note 6 Defined Benefit Pension Plan (Continued)

Sensitivity of the net pension liability to changes in the discount rate. The following table presents the Authority's net pension liability calculated using the discount rate of 7.70%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.70%) or 1-percentage point higher (8.70%) than the current rate.

| | 1% Decrease (6.70%) | Current Discount Rate (7.70%) | 1% Increase (8.70%) |
|--------------------------------------|------------------------|-------------------------------------|------------------------|
| Plan's Net Pension Liability (Asset) | \$ 3,161,104 | \$ 1,934,285 | \$ 895,721 |

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2018. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2017. The auditor's report dated August 17, 2019 on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at www.rsa-al.gov.

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

For the year ended September 30, 2019, the Authority recognized pension expense of \$386,606. At September 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

| | Deferred Outflows of <u>Resources</u> | Deferred Inflows of <u>Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 127,893 | \$ 86,964 |
| Changes of assumptions | 161,601 | 0 |
| Net difference between projected and actual earnings on pension plan investments | 0 | 280,696 |
| Employer contributions subsequent to measurement date | <u>288,425</u> | <u>0</u> |
| <u>Total</u> | <u>\$ 517,919</u> | <u>\$ 367,660</u> |

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

| <u>Year ended September 30</u> | |
|--------------------------------|-----------|
| 2020 | \$ 23,496 |
| 2021 | (64,370) |
| 2022 | (41,792) |
| 2023 | (14,826) |
| 2024 | 6,863 |
| Thereafter | (2,363) |

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2019

Note 7 Deferred Compensation

Employees of the Tuscaloosa County Park and Recreation Authority may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457.

The deferred compensation plan is available to all employees of the Authority. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by an unrelated financial institution. The assets of the plan are held by a trust for the exclusive benefit of participants and their beneficiaries. Accordingly, these funds are not shown as assets of the Authority, as provided in Statement 32 of the Governmental Accounting Standards Board.

Note 8 Long-Term Debt – Proprietary Fund

Revenue Bonds – Series 2000 was issued to finance part of the cost of the golf course. Payments are made monthly, including principal and interest, at a variable rate. Effective April 1, 2018, the bonds were converted to a new indexed interest mode. The new interest rate is based on the formula of 1.5% plus 79% of LIBOR. Final maturity is September 1, 2027. These bonds are guaranteed by Tuscaloosa County, which provides annual appropriations to pay principal and interest payments due. Principal payment requirements in future years are:

| FYE <u>September 30</u> | <u>Total</u> |
|----------------------------|--------------|
| 2020 | \$ 144,000 |
| 2021 | 150,000 |
| 2022 | 159,000 |
| 2023 | 165,000 |
| 2024 | 175,000 |

Capital Lease – Certain equipment used in the golf course operations is leased under capital leases. The assets and liabilities under the capital lease are recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The assets are depreciated over the lower of then related lease terms or their estimated useful lives. Depreciation of assets under capital leases is included in depreciation expense. Property held under capital leases consists of golf course maintenance equipment:

| | |
|--------------------------------|------------------|
| Turf Maintenance Equipment | \$ 373,823 |
| Less: Accumulated Depreciation | <u>302,548</u> |
| | <u>\$ 71,275</u> |

Minimum future lease payments under capital leases as of September 30, 2019 and for future years are:

| FYE <u>September 30</u> | <u>Amount</u> |
|----------------------------|---------------|
| 2020 | \$ 32,845 |
| 2021 | 21,333 |
| 2022 | 20,638 |

Changes in indebtedness during the fiscal year were:

| | |
|--|---------------------|
| Outstanding Debt at October 1, 2018 | \$ 1,614,256 |
| Payments | <u>(181,440)</u> |
| Outstanding Debt at September 30, 2019 | <u>\$ 1,432,816</u> |

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2019

Note 9 Loan Payable – Tuscaloosa County Commission – These funds were used to purchase land in Tuscaloosa County on Hurricane Creek. The loan is payable monthly with interest at 2.5%.

Note 10 Operating Leases – The Authority leases certain golf course equipment under leases from 36 to 48 months. Future minimum rental commitments are as follows:

| FYE | <u>Amount</u> |
|---------------------|---------------|
| <u>September 30</u> | |
| 2020 | |
| | \$ 22,111 |

Note 11 Subsequent Events – The Authority has evaluated subsequent events through November 30, 2020, the date the financial statements were available to be issued.

Tuscaloosa County Park and Recreation Authority
Statement of Revenues and Expenditures
Budget and Actual - (Budgetary Basis) - All Government Fund Types
For the Fiscal Year Ended September 30, 2019

| | Original | Final | | Variance |
|---------------------------------|----------------------|----------------------|----------------------|----------------------------|
| | Budget | Budget | Actual | Favorable (Unfavorable) |
| <u>Revenues</u> | | | | |
| Intergovernmental Revenue | \$ 7,541,104 | \$ 7,541,104 | \$ 7,545,964 | \$ 4,860 |
| Charges for Services | 4,153,750 | 4,153,750 | 4,345,660 | 191,910 |
| Interest and Miscellaneous | <u>34,950</u> | <u>34,950</u> | <u>61,234</u> | <u>26,284</u> |
| <u>Total Revenues</u> | <u>\$ 11,729,804</u> | <u>\$ 11,729,804</u> | <u>\$ 11,952,858</u> | <u>\$ 223,054</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Parks Division | \$ 4,655,606 | \$ 4,655,606 | \$ 3,983,991 | \$ 671,615 |
| Recreation Division | 1,549,722 | 1,549,722 | 2,245,837 | (696,115) |
| Activity Center Operations | 3,509,815 | 3,509,815 | 3,250,972 | 258,843 |
| Arts Division | 256,309 | 256,309 | 245,036 | 11,273 |
| General Administrative Division | <u>1,758,352</u> | <u>1,758,352</u> | <u>1,595,766</u> | <u>162,586</u> |
| <u>Total Expenditures</u> | <u>\$ 11,729,804</u> | <u>\$ 11,729,804</u> | <u>\$ 11,321,602</u> | <u>\$ 408,202</u> |

See independent auditor's report.

Tuscaloosa County Park and Recreation Authority
Statement of Revenues and Expenses - Budget and Actual
Enterprise Fund
For the Fiscal Year Ended September 30, 2019

| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
|----------------------------------|--------------------|------------------|-----------------------|--|
| <u>Operating Income</u> | | | | |
| Course Fees | \$ 1,261,802 | \$ 1,261,802 | \$ 1,152,289 | \$ (109,513) |
| Pro Shop | 147,194 | 147,194 | 155,709 | 8,515 |
| Concession | 226,507 | 226,507 | 176,922 | (49,585) |
| First Tee | 136,074 | 136,074 | 179,750 | 43,676 |
| <u>Total Operating Revenues</u> | <u>1,771,577</u> | <u>1,771,577</u> | <u>1,664,670</u> | <u>(106,907)</u> |
| <u>Operating Expenses</u> | | | | |
| Course Maintenance | 751,715 | 751,715 | 655,589 | 96,126 |
| Pro Shop | 654,342 | 654,342 | 638,414 | 15,928 |
| Concession | 194,534 | 194,534 | 199,829 | (5,295) |
| First Tee | 170,986 | 170,986 | 152,668 | 18,318 |
| <u>Total Operating Expenses</u> | <u>1,771,577</u> | <u>1,771,577</u> | <u>1,646,500</u> | <u>125,077</u> |
| <u>Operating Income (Loss)</u> | | | 18,170 | |
| <u>Other Revenues (Expenses)</u> | | | | |
| Transfer from General Fund | 197,200 | 197,200 | 184,841 | |
| Interest and Depreciation | <u>(197,200)</u> | <u>(197,200)</u> | <u>(252,276)</u> | <u>(55,076)</u> |
| <u>Change in Net Position</u> | | | \$ (49,265) | |
| <u>Net Position - Beginning</u> | | | <u>(6,232,206)</u> | |
| <u>Net Position - Ending</u> | | | <u>\$ (6,281,471)</u> | |

See independent auditor's report.

Tuscaloosa County Park and Recreation Authority
Schedule of Changes in the Net Pension Liability
For the Last 10 Fiscal Years Ended September 30

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <u>Total Pension Liability</u> | | | | | |
| Service Cost | \$ 307,302 | \$ 308,127 | \$ 316,518 | \$ 302,884 | \$ 299,920 |
| Interest | 763,236 | 724,219 | 687,476 | 635,388 | 597,680 |
| Difference between expected and actual experience | (73,022) | (37,464) | 80,866 | 197,189 | |
| Changes of assumptions | 55,592 | | 199,619 | | |
| Benefit Payments, including refund of employee contributions | (516,569) | (462,690) | (500,896) | (467,833) | (384,677) |
| Transfers among employees | <u>-</u> | <u>(1,807)</u> | <u>(51,365)</u> | <u>-</u> | <u>-</u> |
| Net Change in Total Pension Liability | 536,539 | 530,385 | 732,218 | 667,628 | 512,923 |
| Total Pension Liability - beginning | <u>10,106,497</u> | <u>9,576,112</u> | <u>8,843,894</u> | <u>8,176,266</u> | <u>7,663,343</u> |
| Total Pension Liability - ending (a) | <u>\$10,643,036</u> | <u>\$10,106,497</u> | <u>\$ 9,576,112</u> | <u>\$ 8,843,894</u> | <u>\$ 8,176,266</u> |
| <u>Plan Fiduciary Net Position</u> | | | | | |
| Contributions - employer | \$ 258,065 | \$ 268,712 | \$ 257,424 | \$ 276,870 | \$ 291,882 |
| Contributions - member | 205,831 | 201,107 | 192,544 | 201,623 | 221,652 |
| Net Investment Income | 739,930 | 910,195 | 661,520 | 76,493 | 681,456 |
| Benefit Payments, including refund of employee contributions | (516,569) | (462,690) | (500,896) | (467,833) | (384,677) |
| Transfers Among Employers | <u>-</u> | <u>(1,807)</u> | <u>(51,365)</u> | <u>34,741</u> | <u>(5,981)</u> |
| Net Change in Plan Fiduciary Net Position | 687,257 | 915,517 | 559,227 | 121,894 | 804,332 |
| Plan Net Position - beginning | <u>8,021,494</u> | <u>7,105,977</u> | <u>6,546,750</u> | <u>6,424,856</u> | <u>5,620,524</u> |
| Plan Net Position - ending (b) | <u>\$ 8,708,751</u> | <u>\$ 8,021,494</u> | <u>\$ 7,105,977</u> | <u>\$ 6,546,750</u> | <u>\$ 6,424,856</u> |
| Net Pension Liability - ending (a) - (b) | <u>\$ 1,934,285</u> | <u>\$ 2,085,003</u> | <u>\$ 2,470,135</u> | <u>\$ 2,297,144</u> | <u>\$ 1,751,410</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 81.83% | 79.37% | 74.21% | 74.03% | 78.58% |
| Covered-employee Payroll | \$ 5,841,352 | \$ 3,810,893 | \$ 4,002,239 | \$ 3,750,643 | \$ 3,675,911 |
| Net Pension Liability (Asset) as a Percentage of the Covered-employee Payroll | 33.11% | 54.71% | 61.72% | 61.25% | 47.65% |

See independent auditor's report.

Tuscaloosa County Park and Recreation Authority
Schedule of Employer Contributions
Last 10 Years

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|----------------|----------------|----------------|----------------|----------------|
| Actuarially Determined Contribution | \$ 288,425 | \$ 271,152 | \$ 279,160 | \$ 269,617 | \$ 289,157 |
| Contributions Related to the Actuarially Determined Contribution | <u>288,425</u> | <u>271,152</u> | <u>279,160</u> | <u>269,617</u> | <u>289,157</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered-employee Payroll | \$ 3,881,665 | \$ 5,841,352 | \$ 3,810,893 | \$ 4,002,239 | \$ 3,677,744 |
| Contributions as a Percentage of Covered Payroll | 7.43% | 4.64% | 7.33% | 6.74% | 7.86% |

See independent auditor's report.

Tuscaloosa County Park and Recreation Authority
Notes to Required Supplementary Information
For the Year Ended September 30, 2019

Note 1: Valuation Date – Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for fiscal years 2019, 2018, 2017, 2016 and 2015 were based on the actuarial valuations at September 30, 2016, 2015, 2014, 2013 and 2012, respectively.

Note 2: Methods and Assumptions Used to Determine Contribution Rates for the Period October 1, 2018 to September 30, 2019

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age |
| Amortization Method | Level Percent Closed |
| Remaining Amortization Period | 21.5 years |
| Asset Valuation Method | Five Year Smoothed Market |
| Inflation | 2.875% |
| Salary Increases | 3.375 – 5.125%, Including Inflation |
| Investment Rate of Return | 7.875%, Net of Pension Plan Expense, Including Inflation |

Note 3: Trend Information – Until a full 10-year trend is compiled, information is presented as available.

Note 4: Contribution Period – The amount of employer contributions related to normal and accrued liability components of employer rate net of any refunds or err service payments. The Schedule of Employer Contributions is based on the 12 month period of the underlying financial statement.

Note 5: Covered-employee Payroll – Employer's covered payroll for each year is the total covered payroll for the twelve-month period of the underlying financial statements.

See independent auditor's report.

Supplemental Information

Tuscaloosa County Park and Recreation Authority
Combining Balance Sheet - All Special Revenue Funds
September 30, 2019

| <u>Assets</u> | <u>Employee Fund</u> | <u>Foundation Fund</u> | <u>Veteran's Memorial Fund</u> | <u>Totals</u> |
|--|--------------------------|----------------------------|--|---------------------|
| Cash | \$ 3,225 | \$ 394,670 | \$ 831,430 | \$ 1,229,325 |
| <u>Total Assets</u> | <u>\$ 3,225</u> | <u>\$ 394,670</u> | <u>\$ 831,430</u> | <u>\$ 1,229,325</u> |
| <u>Liabilities and Fund Equity</u> | | | | |
| <u>Fund Equity</u> | | | | |
| Unreserved Fund Balance | \$ 3,225 | \$ 394,670 | \$ 831,430 | \$ 1,229,325 |
| <u>Total Fund Equity</u> | <u>3,225</u> | <u>394,670</u> | <u>831,430</u> | <u>1,229,325</u> |
| <u>Total Liabilities and Fund Equity</u> | <u>\$ 3,225</u> | <u>\$ 394,670</u> | <u>\$ 831,430</u> | <u>\$ 1,229,325</u> |

See independent auditor's report

Tuscaloosa County Park and Recreation Authority
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended September 30, 2019

| | Employee Fund | Foundation Fund | Veteran's Memorial Fund | Totals |
|--|------------------|--------------------|-------------------------------|---------------------|
| <u>Revenues</u> | | | | |
| Interest Income | \$ - | \$ 1,265 | \$ 12,938 | \$ 14,203 |
| Contributions | | 407,595 | 13,896 | 421,491 |
| Employee Deposits | <u>638</u> | <u>-</u> | <u>-</u> | <u>638</u> |
| <u>Total Revenues</u> | <u>638</u> | <u>408,860</u> | <u>26,834</u> | <u>436,332</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Employee Functions | <u>855</u> | <u>-</u> | <u>-</u> | <u>855</u> |
| <u>Total Expenditures</u> | <u>855</u> | <u>-</u> | <u>-</u> | <u>855</u> |
| <u>Excess Revenues Over (Under) Expenditures</u> | (217) | 408,860 | 26,834 | 435,477 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Operating Transfers In (Out) | <u>-</u> | <u>(285,964)</u> | <u>(17,045)</u> | <u>(303,009)</u> |
| <u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u> | (217) | 122,896 | 9,789 | 132,468 |
| <u>Fund Balance - Beginning</u> | <u>3,442</u> | <u>271,774</u> | <u>821,641</u> | <u>1,096,857</u> |
| <u>Fund Balance - Ending</u> | <u>\$ 3,225</u> | <u>\$ 394,670</u> | <u>\$ 831,430</u> | <u>\$ 1,229,325</u> |

See independent auditor's report

Tuscaloosa County Park and Recreation Authority
Schedule of Detail Expenditures - General Fund
For the Fiscal Year Ended September 30, 2019

Parks Division

| | |
|--------------------------------------|---------------------|
| Salaries - Full-time | \$ 1,451,504 |
| General Maintenance Supplies/Repairs | 742,776 |
| Utilities | 448,238 |
| Group Insurance | 419,332 |
| Salaries - Part-time | 344,860 |
| Contract Maintenance | 183,985 |
| Vehicle Operating Cost | 122,486 |
| Social Security | 120,891 |
| Employee Retirement | 92,093 |
| Telephone | 26,879 |
| Uniforms | 14,020 |
| Interest Expense | 8,765 |
| Miscellaneous | 4,517 |
| Office Supplies | 2,443 |
| Office Equipment Lease | 1,202 |
| <u>Total Parks Division</u> | <u>\$ 3,983,991</u> |

Recreation Division

| | |
|----------------------------------|---------------------|
| Salaries | \$ 349,446 |
| Aquatics | 512,587 |
| Day Camp | 341,434 |
| Soccer | 176,178 |
| Instructional Classes | 235,714 |
| Travel | 189,235 |
| Social Security | 101,135 |
| Group Insurance | 45,743 |
| Utilities | 48,135 |
| Baseball | 33,882 |
| Basketball | 36,322 |
| Softball | 37,715 |
| Football | 37,349 |
| Tournaments | 23,140 |
| Employee Retirement | 16,157 |
| Therapeutic Programs | 25,878 |
| Special Events | 30,121 |
| Cheerleading | 3,265 |
| Volleyball | 554 |
| Teens Programs | 1,847 |
| <u>Total Recreation Division</u> | <u>\$ 2,245,837</u> |

Tuscaloosa County Park and Recreation Authority
Schedule of Detail Expenditures - General Fund
For the Fiscal Year Ended September 30, 2019

Activity Centers

| | |
|-------------------------------|---------------------|
| Salaries - Full-time | \$ 1,019,620 |
| Utilities | 811,538 |
| Salaries - Part-time | 655,928 |
| Group Insurance | 262,005 |
| Social Security | 124,944 |
| Contract Labor | 121,963 |
| Employee Retirement | 50,365 |
| Telephone | 48,620 |
| Maintenance Supplies | 36,037 |
| Community Programming | 28,557 |
| Miscellaneous | 27,338 |
| Office Supplies | 21,693 |
| Travel Allowance | 16,172 |
| Office Equipment Lease | 13,381 |
| Security | 10,915 |
| Uniforms | 1,162 |
| Professional Development | 734 |
| <u>Total Activity Centers</u> | <u>\$ 3,250,972</u> |

Arts Division

| | |
|----------------------------|-------------------|
| Salaries - Full-time | \$ 188,306 |
| Group Insurance | 28,114 |
| Social Security | 14,318 |
| Employee Retirement | 10,151 |
| Salaries - Part-time | 4,147 |
| <u>Total Arts Division</u> | <u>\$ 245,036</u> |

General Administrative Division

| | |
|--|---------------------|
| Salaries - Full-time | \$ 628,251 |
| Casualty and Liability Insurance | 363,061 |
| Miscellaneous | 143,084 |
| Group Insurance | 93,467 |
| Public Relations | 87,210 |
| Social Security | 51,260 |
| Attorney and Accounting | 45,756 |
| Employee Retirement | 41,335 |
| Salaries - Part-time | 40,198 |
| Utilities | 31,168 |
| Telephone | 17,442 |
| Personnel Expenses | 17,336 |
| Office Supplies and Postage | 13,650 |
| Meetings and Conferences | 11,786 |
| Travel Allowance | 5,121 |
| Office Equipment Lease | 2,767 |
| Dues | 2,589 |
| Professional Development | 285 |
| <u>Total General Administrative Division</u> | <u>\$ 1,595,766</u> |

See independent auditor's report.

Tuscaloosa County Park and Recreation Authority
Schedule of Detail Operating Revenues - Activity Centers - General Fund
For the Fiscal Year Ended September 30, 2019

| | Miller Activity Center | Belk Activity Center | McAbee Activity Center | Phelps Activity Center | McDonald Hughes Community Center | Faucett Brothers Center | Tennis Center | East Tuscaloosa | Totals |
|--------------------|------------------------------|----------------------------|------------------------------|------------------------------|---|-------------------------------|-------------------|--------------------|---------------------|
| Rentals | \$ 130,337 | \$ 62,401 | \$ 16,251 | \$ 49,701 | \$ 95,208 | \$ 35,263 | 18,229 | 15,646 | \$ 423,036 |
| Membership | 315,500 | 25,249 | 28,333 | 46,066 | 3,252 | 782,401 | 92,135 | 154,747 | 1,447,683 |
| User Fees | 96,236 | 59,326 | 19,157 | 46,461 | 6,974 | 123,082 | 187,635 | 33,797 | 572,668 |
| Community Programs | 5,608 | 720 | - | 164 | 13,681 | 14,148 | 21,263 | - | 55,584 |
| Concession/Vending | 3,427 | 5,583 | 1,444 | 1,269 | 849 | 2,674 | 4,080 | 922 | 20,248 |
| Other | | | 18,200 | 2,152 | | | 2,250 | | 22,602 |
| Totals | <u>\$ 551,108</u> | <u>\$ 153,279</u> | <u>\$ 83,385</u> | <u>\$ 145,813</u> | <u>\$ 119,964</u> | <u>\$ 957,568</u> | <u>\$ 325,592</u> | <u>\$ 205,112</u> | <u>\$ 2,541,821</u> |

See independent auditor's report.

Tuscaloosa County Park and Recreation Authority
Schedule of Detail Operating Expenditures - Activity Centers - General Fund
For the Fiscal Year Ended September 30, 2019

| | Miller Activity Center | Belk Activity Center | McAbee Activity Center | Phelps Activity Center | McDonald | | | Faucett Brothers Center | Tennis Center | East Tuscaloosa | Totals |
|--------------------------|------------------------------|----------------------------|------------------------------|------------------------------|------------|------------|--|-------------------------------|------------------|--------------------|--------|
| | | | | | | | | | | | |
| Salaries - Full-time | \$ 134,781 | \$ 129,909 | \$ 111,334 | \$ 105,444 | \$ 108,117 | \$ 189,193 | | 140,768 | 100,074 | \$ 1,019,620 | |
| Utilities | 154,649 | 69,609 | 89,630 | 49,612 | 79,443 | 195,181 | | 57,812 | 115,602 | 811,538 | |
| Salaries - Part-time | 76,367 | 71,142 | 97,334 | 66,086 | 58,495 | 175,552 | | 82,814 | 28,138 | 655,928 | |
| Group Insurance | 32,721 | 28,374 | 16,675 | 29,689 | 33,007 | 53,940 | | 37,805 | 29,794 | 262,005 | |
| Social Security | 15,664 | 14,983 | 15,724 | 12,851 | 12,300 | 27,371 | | 16,580 | 9,471 | 124,944 | |
| Contract Labor | 3,079 | 3,161 | 2,876 | 2,434 | 3,439 | 17,404 | | 86,629 | 2,941 | 121,963 | |
| Employee Retirement | 7,529 | 5,763 | 6,088 | 5,552 | 7,421 | 13,001 | | 5,011 | | 50,365 | |
| Telephone | 8,107 | 4,824 | 5,281 | 3,971 | 3,857 | 12,221 | | 4,254 | 6,105 | 48,620 | |
| Maintenance Supplies | | | | | | | | 36,037 | | 36,037 | |
| Community Programs | 860 | 107 | 764 | 56 | 1,218 | 352 | | 25,200 | | 28,557 | |
| Miscellaneous | 1,173 | 136 | 2,020 | 15,688 | 435 | 226 | | 2,735 | 4,925 | 27,338 | |
| Office Supplies | 2,984 | 2,206 | 3,236 | 2,957 | 1,036 | 4,542 | | 3,058 | 1,674 | 21,693 | |
| Travel Allowance | 903 | 2,334 | 4,090 | 2,373 | | 4,014 | | 612 | 1,846 | 16,172 | |
| Office Equipment Lease | 2,111 | 2,967 | 1,102 | 2,155 | 1,118 | 3,052 | | | 876 | 13,381 | |
| Security | | 450 | | 4,325 | 6,140 | | | | | 10,915 | |
| Uniforms | 641 | | | | 521 | | | | | 1,162 | |
| Professional Development | | | | | | 435 | | 299 | | 734 | |
| Totals | \$ 441,569 | \$ 335,965 | \$ 356,154 | \$ 303,193 | \$ 316,547 | \$ 696,484 | | \$ 499,614 | \$ 301,446 | \$ 3,250,972 | |

See independent auditor's report.

Tuscaloosa County Park and Recreation Authority
Board Members and Officials
September 30, 2019

| | | |
|----------------------|--------|--|
| Elizabeth Winter | Member | 7234 Commodore Drive, NE Tuscaloosa, AL 35406 |
| Sam Faucett | Member | 1020 Hunter Creek Road Northport, AL 35473 |
| Peggy Hogue | Member | 364 Riverdale Tuscaloosa, AL 35406 |
| Hezekiah Carstarphen | Member | 3306 23rd Street Tuscaloosa, AL 35401 |
| Joe Duckworth, Jr. | Member | 1312 Greensboro Avenue Tuscaloosa, AL 35401 |
| Bobby Franks | Member | 824 Old Greensboro Road Tuscaloosa, AL 35405 |
| Gary Falls | Member | 9430 Earl Fields Circle Northport, AL 35473 |
| Curtis Travis | Member | 620 Haymarket Lane Tuscaloosa, AL 35405 |

See independent auditor's report.

Single Audit Reports



LAWRENCE, HITT & PUGH, LLP
CERTIFIED PUBLIC ACCOUNTANTS

H. MACK HITT, CPA
J. REESE PUGH, CPA
DANA M. ROBERTSON, CPA

G. LEVERT LAWRENCE, CPA
1938 - 2007

MEMBER
AMERICAN INSTITUTE
OF CERTIFIED PUBLIC
ACCOUNTANTS

ALABAMA SOCIETY
OF CERTIFIED PUBLIC
ACCOUNTANTS

Independent Auditor's Report on Compliance
For Each Major Program and on Internal Control
Over Compliance Required by the Uniform Guidance

Board of Directors
Tuscaloosa County Park and Recreation Authority
Tuscaloosa, Alabama

Report on Compliance for Each Major Federal Program

We have audited Tuscaloosa County Park and Recreation Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of Tuscaloosa County Park and Recreation Authority's major federal programs for the year ended September 30, 2019. Tuscaloosa County Park and Recreation Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Tuscaloosa County Park and Recreation Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tuscaloosa County Park and Recreation Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Tuscaloosa County Park and Recreation Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, Tuscaloosa County Park and Recreation Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended September 30, 2019.

Report on Internal Control over Compliance

Management of Tuscaloosa County Park and Recreation Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Tuscaloosa County Park and Recreation Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tuscaloosa County Park and Recreation Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lawrence, Hitt & Pugh, LLP

Lawrence, Hitt & Pugh, LLP
Certified Public Accountants

Tuscaloosa, Alabama
November 30, 2020

Tuscaloosa County Park and Recreation Authority
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2019

| <u>Federal Grantor/ Pass Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Project Number</u> | <u>Disbursements/ Expenditures from Direct Awards</u> |
|--|------------------------------------|---------------------------|---|
| Department of Homeland Security Alabama Emergency Management Agency | | | |
| Hazard Mitigation Grant | 97.039 | 1971-724 | \$ <u>1,419,858</u> |
| Total Federal Awards Expended | | | \$ <u>1,419,858</u> |

See independent auditor's report.

Tuscaloosa County Park and Recreation Authority
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2019

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of Tuscaloosa County Park and Recreation Authority under programs of the federal government for the year ended September 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operation of the Tuscaloosa County Park and Recreation Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Tuscaloosa County Park and Recreation Authority

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Tuscaloosa County Park and Recreation Authority has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Tuscaloosa County Park and Recreation Authority
Schedules of Prior Audit Findings
For the Year Ended September 30, 2019

Tuscaloosa County Park and Recreation Authority did not have any audit findings for the year ended September 30, 2019.

See independent auditor's report.

Tuscaloosa County Park and Recreation Authority
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2019

Section 1 – Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on whether the financial statements of Tuscaloosa County Park and Recreation Authority were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses are reported in the Independent Auditor's Report.
3. No instances of noncompliance material to the financial statements of Tuscaloosa County Park and Recreation Authority were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control are reported in the Independent Auditor's 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*.
5. The auditor's report on compliance for the major federal award programs for Tuscaloosa County Park and Recreation Authority expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in Section 3 of this Schedule.
7. The program tested as a major program is the Department of Homeland Security Hazard Mitigation Grant - CFDA #97.039
8. The dollar threshold used to distinguish between Type A and B programs was \$750,000.
9. Tuscaloosa County Park and Recreation Authority was determined to be a high-risk auditee.

Section 2 – Findings – Financial Statement Audit

No findings.

Section 3 – Findings and Questioned Costs – Major Federal Awards Programs Audit

No questioned costs.

See independent auditor's report.