

**Tuscaloosa County Park
and Recreation Authority**

Tuscaloosa, Alabama

September 30, 2016

This page intentionally left blank.

Tuscaloosa County Park and Recreation Authority
Table of Contents
September 30, 2016

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 - 31
Required Supplemental Information	
Statement of Revenues and Expenditures, Budget and Actual (Budgetary Basis)	32
Statement of Revenues and Expenses - Budget to Actual	33
Schedule of Changes in the Net Pension Liability	34
Schedule of Employer Contributions	35
Notes to Schedule of Required Supplementary Information	36
Supplemental Information	
Special Revenue Funds	
Combining Balance Sheet	37
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	38
Schedule of Detail Expenditures - General Fund	39 - 40
Schedule of Detail Operating Revenues - Activity Centers - General Fund	41
Schedule of Detail Operating Expenditures - Activity Centers - General Fund	42
Board Members	43
Single Audit Reports	
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	44 - 45
Schedule of Expenditures of Federal Awards	46
Schedule of Prior Audit Findings	47
Schedule of Findings and Questioned Costs	48
Notes to Schedule of Expenditures of Federal Awards	49



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

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, 2016, 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, 2016, 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 32 and 33, and the pension information on pages 34 - 36 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 the 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 and the schedule of expenditures of federal awards 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 and the schedule of expenditures of federal awards 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
March 31, 2017



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 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, 2016, 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 March 31, 2017.

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
March 31, 2017

Tuscaloosa County Park and Recreation Authority
Management's Discussion and Analysis
September 30, 2016

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, 2016. 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 \$54,528,869 (net position) for the fiscal year reported, and business-type activities (golf course) assets exceeded liabilities by \$1,245,363.
- Local government appropriations amounted to 77% of total governmental activities revenues in the current fiscal year as compared to 84% in the prior fiscal year.
- Revenues from charges for services were \$3,767,483 in the current fiscal year compared to \$3,185,618 in the prior fiscal year.
- The Authority's proprietary fund reported total revenues of \$1,750,003 this year. This compares to \$1,994,300 for the prior year.
- The Authority reduced outstanding bond debt by \$104,222 through regularly scheduled payments. New capital leases for golf equipment totaled \$13,963 while payments on leases totaled \$47,285.
- The Authority increased capital assets by \$5,402,511 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 \$3,051,201 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, 2016

Governmental Activities

	<u>2016</u>	<u>2015</u>
Current and Other Assets	\$ 5,880,605	\$ 6,181,271
Capital Assets	52,164,025	48,845,339
Deferred Outflows	<u>579,626</u>	<u>253,346</u>
<u>Total Assets and Deferred Outflows</u>	<u>58,624,256</u>	<u>55,279,956</u>
Other Liabilities	2,078,732	2,360,414
Non-Current Liabilities	2,016,655	1,532,330
Deferred Inflows	<u>0</u>	<u>158,813</u>
<u>Total Liabilities and Deferred Inflows</u>	<u>4,095,387</u>	<u>4,051,557</u>
Net Position:		
Invested in Capital Assets – Net of Related Debt	51,762,829	48,424,441
Unrestricted	1,593,294	1,429,576
Restricted	<u>1,172,746</u>	<u>1,374,382</u>
<u>Total Net Position</u>	<u>\$ 54,528,869</u>	<u>\$ 51,228,399</u>

Business-Type Activities

	<u>2016</u>	<u>2015</u>
Current and Other Assets	\$ 180,172	\$ 223,236
Capital Assets	6,686,382	6,879,373
Deferred Outflows	<u>73,493</u>	<u>35,811</u>
<u>Total Assets and Deferred Outflows</u>	<u>6,940,047</u>	<u>7,138,420</u>
Other Liabilities	3,763,843	3,617,823
Non-Current Liabilities	1,930,841	2,003,160
Deferred Inflows	<u>0</u>	<u>22,706</u>
<u>Total Liabilities and Deferred Inflows</u>	<u>5,694,684</u>	<u>5,643,689</u>
Net Position:		
Invested in Capital Assets – Net of Related Debt	4,885,864	4,945,132
Unrestricted	<u>(3,640,501)</u>	<u>(3,450,401)</u>
<u>Total Net Position</u>	<u>1,245,363</u>	<u>1,494,731</u>
<u>Government-Wide Total Net Position</u>	<u>\$ 55,774,232</u>	<u>\$ 52,723,130</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, 2016

Economic Factors

Please read the following annual financial report illustrating Tuscaloosa County Park & Recreation Authority's financial performance during the fiscal year ended September 30, 2016 in conjunction with the following statements.

PARA's growth during this time is due in part to a dedicated staff and elected officials. The vital need for recreation opportunities in this growing community is matched by PARA's need to constantly upgrade its current facilities as well as to expand. With an active, growing university population and a diverse industrial community that includes major automobile manufacturers, continuing growth is both inevitable and desired. Studies show economic growth often stems from a rising number of residents who wish to live and work in places surrounded by maintained park spaces and recreational opportunities provided by these spaces. Additionally, scenery and recreational opportunities are influencing decisions about where people choose to live and do business.

By providing a safe, healthy environment for citizens to enjoy a variety of parks and open spaces, PARA is making an investment in economic progress. The following report includes details and a listing of sites managed by PARA. The report shows PARA offers this community a large variety of amenities with the only debt the financing of construction costs from the golf course, park land and certain equipment. You are invited to Live, Learn, Play! PARA.

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, 2016

	Governmental Activities	Business- Type Activities	Total
<u>Assets and Deferred Outflows</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,233,885	\$ 116,235	\$ 1,350,120
Accounts Receivable	25,898		25,898
Due from Other Funds	3,316,439		3,316,439
Due from Other Governmental Units	71,684		71,684
Inventory - At Cost		63,937	63,937
Prepaid Expenses	59,953	-	59,953
<u>Total Current Assets</u>	<u>4,707,859</u>	<u>180,172</u>	<u>4,888,031</u>
Restricted Current Assets:			
Cash and Cash Equivalents	1,162,746		1,162,746
Due from Other Governmental Units	10,000	-	10,000
<u>Total Restricted Current Assets</u>	<u>1,172,746</u>	<u>-</u>	<u>1,172,746</u>
Property and Equipment, Net of Depreciation	52,164,025	6,686,382	58,850,407
Deferred Outflows			
Employer Pension Contributions	579,626	73,493	653,119
<u>Total Assets and Deferred Outflows</u>	<u>58,624,256</u>	<u>6,940,047</u>	<u>65,564,303</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	250,736	18,274	269,010
Accrued Payroll	136,876	20,407	157,283
Accrued Time Off	794,750	97,571	892,321
Payroll Deductions Payable	74,539		74,539
Security Deposits Due Patrons	51,499		51,499
Loan Payable - Tuscaloosa County Commission	401,196		401,196
Deferred Revenue	369,136	160,986	530,122
Due to Other Funds		3,316,439	3,316,439
Bonds Payable - Series 2000 - Current		107,057	107,057
Capital Lease Obligations - Current	-	43,109	43,109
<u>Total Current Liabilities</u>	<u>2,078,732</u>	<u>3,763,843</u>	<u>5,842,575</u>
Non-Current Liabilities			
Bonds Payable - Series 2000		1,619,351	1,619,351
Obligations Under Capital Leases		31,001	31,001
Net Pension Liability	2,016,655	280,489	2,297,144
<u>Total Long-Term Liabilities</u>	<u>2,016,655</u>	<u>1,930,841</u>	<u>3,947,496</u>
<u>Total Liabilities</u>	<u>4,095,387</u>	<u>5,694,684</u>	<u>9,790,071</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	51,762,829	4,885,864	56,648,693
Restricted	1,172,746		1,172,746
Unrestricted	1,593,294	(3,640,501)	(2,047,207)
<u>Total Net Position</u>	<u>\$ 54,528,869</u>	<u>\$ 1,245,363</u>	<u>\$ 55,774,232</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, 2016

<u>Program Activities</u>	<u>Expenses</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Government Activities:				
Parks Division	\$ 4,279,081	\$ (4,279,081)	\$ -	\$ (4,279,081)
Recreation Division	2,291,301	(2,291,301)		(2,291,301)
Activity Center Operations	2,629,552	(2,629,552)		(2,629,552)
Arts Division	256,909	(256,909)		(256,909)
General Administrative Division	1,710,600	(1,710,600)		(1,710,600)
Special Revenue	546,705	(546,705)		(546,705)
Depreciation	2,069,871	(2,069,871)	-	(2,069,871)
<u>Total Governmental Activities</u>	<u>13,784,019</u>	<u>(13,784,019)</u>	<u>-</u>	<u>(13,784,019)</u>
Business-Type Activities				
Golf Course	-	-	(1,982,733)	(1,982,733)
<u>Total Business-Type Activities</u>	<u>-</u>	<u>-</u>	<u>(1,982,733)</u>	<u>(1,982,733)</u>
Revenues:				
Intergovernmental -				
Regular Appropriations		7,272,797		7,272,797
Intergovernmental -				
Special Appropriations		5,974,405		5,974,405
Charges for Services		3,767,483		3,767,483
Interest Income		16,797		16,797
Miscellaneous		53,007		53,007
Golf Course		-	1,750,003	1,750,003
<u>Total Revenues</u>		<u>17,084,489</u>	<u>1,750,003</u>	<u>18,834,492</u>
<u>Changes in Net Position</u>		<u>3,300,470</u>	<u>(232,730)</u>	<u>3,067,740</u>
<u>Net Position, Beginning</u>		<u>51,228,399</u>	<u>1,494,731</u>	<u>52,723,130</u>
Contributions			14,100	
Prior Period Adjustment				
Related to Debt Issuance Costs		-	(30,738)	(30,738)
<u>Net Position, Ending</u>		<u>\$ 54,528,869</u>	<u>\$ 1,245,363</u>	<u>\$ 55,774,232</u>

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

Tuscaloosa County Park and Recreation Authority

Balance Sheet

Government Funds

September 30, 2016

		Special	Capital	Total
<u>Assets</u>	<u>General</u>	<u>Revenue</u>	<u>Projects</u>	<u>Governmental</u>
				<u>Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,233,885	\$ 975,704	\$ 187,042	\$ 2,396,631
Accounts Receivable	25,898			25,898
Due from Other Funds	3,316,439			3,316,439
Prepaid Expenses	59,953			59,953
Due from Other Governmental Units	71,684	-	10,000	81,684
<u>Total Assets</u>	<u>\$ 4,707,859</u>	<u>\$ 975,704</u>	<u>\$ 197,042</u>	<u>\$ 5,880,605</u>
 <u>Liabilities and Fund Balance</u>				
 <u>Liabilities</u>				
Accounts Payable	\$ 250,736	\$ -	\$ -	\$ 250,736
Accrued Payroll	136,876			136,876
Accrued Time Off	794,750			794,750
Payroll Deductions Payable	74,539			74,539
Deferred Revenue	369,136			369,136
Security Deposits Due Patrons	51,499	-	-	51,499
<u>Total Liabilities</u>	<u>1,677,536</u>	<u>-</u>	<u>-</u>	<u>1,677,536</u>
 <u>Fund Balances</u>				
Restricted	-	973,306	197,042	1,170,348
Committed		2,398		2,398
Unassigned	3,030,323	-	-	3,030,323
<u>Total Fund Balances</u>	<u>3,030,323</u>	<u>975,704</u>	<u>197,042</u>	<u>4,203,069</u>
 <u>Total Liabilities and Fund Balance</u>	<u>\$ 4,707,859</u>	<u>\$ 975,704</u>	<u>\$ 197,042</u>	<u>\$ 5,880,605</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, 2016

		Special	Capital	Total
	General	Revenue	Projects	Governmental
<u>Revenues</u>				<u>Funds</u>
Intergovernmental Revenue - Regular	\$ 7,272,797	\$ -	\$ -	\$ 7,272,797
Intergovernmental Revenue - Special	5,573,311	299,334	101,760	5,974,405
Charges for Services	3,767,483			3,767,483
Interest and Miscellaneous	71,852	10,995	908	83,755
	<u>16,685,443</u>	<u>310,329</u>	<u>102,668</u>	<u>17,098,440</u>
<u>Expenditures</u>				
Parks Division	4,279,081			4,279,081
Recreation Division	2,291,302			2,291,302
Activity Center Operations	2,629,552			2,629,552
Arts Division	256,908			256,908
General Administrative Division	1,710,600			1,710,600
Special Revenue		546,705		546,705
Assets Purchased	5,299,856	22,645	100,000	5,422,501
Employee Functions	-	477	-	477
<u>Total Expenditures</u>	<u>16,467,299</u>	<u>569,827</u>	<u>100,000</u>	<u>17,137,126</u>
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	218,144	(259,498)	2,668	(38,686)
<u>Fund Balance - Beginning</u>	<u>2,812,179</u>	<u>1,235,202</u>	<u>194,374</u>	<u>4,241,755</u>
<u>Fund Balance - Ending</u>	<u>\$ 3,030,323</u>	<u>\$ 975,704</u>	<u>\$ 197,042</u>	<u>\$ 4,203,069</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, 2016

<u>Total Fund Balances - Governmental Funds</u>	\$ 4,203,069
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.	51,762,829
Net pension liabilities are not due and payable in the current period and are therefore not reported in the funds.	<u>(1,437,029)</u>
<u>Net Assets of Governmental Funds</u>	<u>\$ 54,528,869</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, 2016

<u>Net Change in Fund Balances - Total Governmental Funds</u>	\$ (38,686)
---	-------------

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 assets of \$5,402,506 exceeded depreciation of \$2,069,870.	3,332,636
--	-----------

Debt proceeds and the subsequent principal payments are reported as revenues and expenditures as incurred in fund statements. Principal payments on debt were \$19,702.	19,702
---	--------

The statement of activities reports asset retirements net of undepreciated book value of \$13,951.	(13,951)
--	----------

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>769</u>
--	------------

<u>Changes in Net Assets of General Fund Activities</u>	<u>\$ 3,300,470</u>
---	---------------------

Tuscaloosa County Park and Recreation Authority
Enterprise Fund - Golf Course
Statement of Net Position
September 30, 2016

Assets and Deferred Outflows

Current Assets

Cash	\$ 116,235
Inventory - at Cost	63,937
<u>Total Current Assets</u>	<u>180,172</u>

Property and Equipment

Golf Course	4,733,374
Buildings and Equipment	3,915,713
	8,649,087
Less: Accumulated Depreciation	1,962,705
<u>Net Property and Equipment</u>	<u>6,686,382</u>

Deferred Outflows

Employer Pension Contributions	73,493
--------------------------------	--------

<u>Total Assets and Deferred Outflows</u>	<u>\$ 6,940,047</u>
---	---------------------

Liabilities and Net Position

Current Liabilities

Accounts Payable	18,274
Accrued Payroll and Withholding	20,407
Accrued Time Off	97,571
Deferred Revenue	160,986
Due to General Fund	3,316,439
Bonds Payable - Current	107,057
Obligations Under Capital Leases - Current	43,109
<u>Total Current Liabilities</u>	<u>3,763,843</u>

Long-Term Liabilities

Revenue Bonds - Series 2000	1,619,351
Obligations Under Capital Leases	31,001
Net Pension Liabilities	280,489
<u>Total Long-Term Liabilities</u>	<u>1,930,841</u>

<u>Total Liabilities</u>	<u>5,694,684</u>
--------------------------	------------------

Net Position

Net Investment in Capital Assets	4,885,864
Unrestricted	(3,640,501)
<u>Total Net Position</u>	<u>1,245,363</u>

<u>Total Liabilities and Net Position</u>	<u>\$ 6,940,047</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, 2016

<u>Operating Revenue</u>	
User Fees	\$ 1,284,187
Pro Shop and Concession Sales	333,576
<u>Total Operating Revenues</u>	<u>1,617,763</u>
<u>Operating Expenses</u>	
Salaries	770,761
Pro Shop, Concession Merchandise and Supplies	256,714
Depreciation	227,578
Fertilizer, Chemicals and Supplies	153,894
Group Insurance	102,772
Maintenance and Repairs	102,286
Utilities and Telephone	87,046
Building and Equipment Rent	64,668
Social Security	53,851
Insurance	41,940
Employee Retirement	31,360
Credit Card Fees	28,883
Office Supplies Expense	20,498
Uniforms	6,350
Advertising	279
Cash (Over) Short	(278)
<u>Total Operating Expenses</u>	<u>1,948,602</u>
<u>Operating Income (Loss)</u>	<u>(330,839)</u>
<u>Other Revenues (Expenses)</u>	
Transfer from General Fund	132,240
Interest Expense	(34,131)
<u>Total Other Revenues (Expenses)</u>	<u>98,109</u>
<u>Change in Net Position</u>	<u>(232,730)</u>
<u>Retained Earnings - Beginning</u>	<u>(5,877,049)</u>
Prior Period Adjustment Related to Debt Issuance Costs	(30,738)
<u>Retained Earnings - Ending</u>	<u>(6,140,517)</u>
<u>Contributed Capital - Beginning</u>	<u>7,371,780</u>
Contributions in Fiscal Year Ended September 30, 2016	14,100
<u>Contributed Capital at End of Year</u>	<u>7,385,880</u>
<u>Total Net Position - Ending</u>	<u>\$ 1,245,363</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, 2016

<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 1,638,785
Payments to Employees	(748,388)
Payments to Suppliers	(959,676)
<u>Net Cash (Used In) Operating Activities</u>	<u>(69,279)</u>
<u>Cash Flows from Non-Capital Financing Activities</u>	
Transfers from General Fund	132,240
<u>Net Cash Provided By Non-Capital Financing Activities</u>	<u>132,240</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Reduction of Debt - Net	(133,723)
Increase in Due to General Fund	110,000
Capital Contribution	14,100
Cost of Depreciable Assets Acquired	(34,587)
Interest on Debt	(34,131)
<u>Net Cash (Used In) Capital and Related Financing Activities</u>	<u>(78,341)</u>
<u>Net (Decrease) in Cash</u>	(15,380)
Cash - Beginning	<u>131,615</u>
<u>Cash - Ending</u>	<u>\$ 116,235</u>
<u>Reconciliation of Net Operating (Loss) to Net Cash</u>	
<u>Provided by Operating Activities</u>	
Operating (Loss)	\$ (330,839)
Adjustments to Reconcile Net Operating (Loss)	
to Net Cash (Used in) Operating Activities:	
Depreciation	227,578
Pension Expense	1,021
Change in Assets and Liabilities:	
(Increase) Decrease in:	
Inventory	(3,054)
Increase (Decrease) in:	
Accounts Payable	(7,380)
Accrued Payroll	3,773
Time Off	18,600
Deferred Revenue	<u>21,022</u>
<u>Net Cash (Used In) Operating Activities</u>	<u>\$ (69,279)</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, 2016

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.

The Authority is accountable for all of the information presented in the financial statements. The Authority is considered a related organization under the Government Accounting Standards Board (GASB) requirements, which defines organization's for which a primary government (the county) is accountable because that government appoints a voting majority of the board, but is not financially accountable.

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.

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2016

Note 1: (Continued)

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:

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.

Fiduciary Fund Types are used to account for resources held by the Authority in a trustee capacity or as an agent for other organizations or individuals. Assets of fiduciary fund types do not belong to the Authority; the Authority has a liability to disburse those assets to specific individuals or organizations.

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.

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2016

Note 1: (Continued)

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 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.

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, 2016.

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2016

Note 1: (Continued)

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 2016, 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.

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) 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

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2016

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).

Note 3 Deposits

At September 30, 2016, the carrying amount of the Authority's deposits was \$2,512,866 and the bank balance was \$2,807,720. 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, 2016 were as follows:

	10/1/15	Additions	Deletions	9/30/16
Land	\$ 2,395,341	\$	\$	\$ 2,395,341
Activity Centers	30,122,666	1,532,795		31,655,461
Parks and Communities	30,502,327	3,791,019	(232,937)	34,060,409
Administrative Building	1,165,784			1,165,784
School Improvements	2,739,433			2,739,433
Maintenance Equipment	577,466	48,846		626,312
Office Equipment	284,840			284,840
Vehicles	962,741	29,851	(20,416)	972,176
<u>Totals</u>	<u>\$ 68,750,598</u>	<u>\$ 5,402,511</u>	<u>\$ (253,353)</u>	<u>\$ 73,899,756</u>
Proprietary Fund - Golf Course	\$ 8,665,916	\$ 34,586	\$ (51,415)	\$ 8,649,087

Accumulated depreciation was \$21,735,732 for governmental activities and \$1,962,705 for business-type activities. A summary listing of capital assets is as follows:

<u>Land</u>	
Newt Hinton Park	\$ 800,000
Sokol Park - 325 Acres	325,000
Holt Park	5,000
Fosters Boat Landing	5,000
Faucett Brothers Park	300,000
Hurricane Creek	608,370
Holt-Roshell Park	20,366
Bama Rock Garden	230,640
Abernant Park	10,250
Evans-Roshell Lot	90,715
<u>Total Land</u>	<u>\$ 2,395,341</u>

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2016

Note 4: (Continued)

Activity Centers

Belk	\$ 3,541,186
Bobby Miller	8,599,571
Mary Ann Phelps	2,688,545
McAbee	3,002,094
McDonald Hughes	3,944,308
Faucett Brothers	9,610,012
East Tuscaloosa	<u>269,745</u>
	<u>\$ 31,655,461</u>

Parks and Communities

Abernant Park	\$ 221,594
Binion Creek	146,667
Bowers Park	6,683,969
Broughton Park	146,053
Brookwood Community	123,980
Capital Park	5,870
Cardinal Park	10,177
Coaling Community	146,346
Cottondale Community	114,482
Duncanville Community	45,210
Fosters Community	481,805
Freeman Park	1,473,302
Hasson Center	15,408
Holt Park	434,603
Hurricane Creek	423,962
Jaycee Park	491,378
Jaycee Tennis Complex	3,358,831
Kaulton Park	175,988
Kentuck	482,222
Lake Tuscaloosa	48,191
McKinney Park	6,491
Monnish	170,436
Northport Community	199,462
Northside Community	528,312
Ol' Colony Bike Path	464,301
Palmore	2,511,495
Queen City Park	292,074
River Road Park	200,852
Rosedale Community	1,078,925
Shelby Park	7,774
Snow Hinton	2,310,264
Sokol	10,192,131
Springbrook Park	39,626
Taylorville Community	242,326
Van DeGraffe Park	151,180
Vance Community	34,720
Veterans	496,224
West End Park	<u>103,778</u>
	<u>\$ 34,060,409</u>

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2016

Note 4: (Continued)

In addition to the previously listed assets, the Authority provides programs and funding for supplies and materials for the following sites and locations:

District Government

(Tuscaloosa County Governmental Districts)

District I

Buhl Elementary Track
Civitan Park – Fence Installation
Collins Riverside Middle School – Track
Huntington Elementary – Track
Northside Lion's Club – Community Equestrian Facility Lighting
Northside Little League Ball Field Fencing
Northside Storm Shelter
Warrior Baseball Little League Park Improvements
Westwood Elementary – Walking Track

District II

Abernant – Baseball Field Improvements/Park Development
Brookwood High School Football
Cottondale – Little League Complex/Park Development
Cottondale Little League Complex/Picnic Pavilion

District III

Duncanville – Little League Fields Improved
Taylorville – Little League Fields Improved/Developed

District IV

Matthews Elementary – Play Equipment Installed
Myrtlewood Elementary – Activity Building
Myrtlewood Elementary – Play Equipment Installed
Romulus Community – Game Equipment and Play Equipment Purchased
Westlawn Middle School/PAL – Regulation Size Track

School Sites

City of Northport

Collins Riverside Middle School
Crestmont Elementary
Echols Middle School
Faucett Vestavia Elementary School
Flatwoods Elementary
Huntington Place Elementary
Lloyd Wood Middle School
Matthews Elementary
Regional Education Center
Tuscaloosa County High School

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2016

Note 4: (Continued)

City of Tuscaloosa

Alberta Elementary
Arcadia Elementary
Central Elementary
Eastwood Middle School
M.L. King, Jr. Elementary
Northington Elementary
Northridge High School
Oakdale Elementary
Oak Hill Elementary
Parkview Learning Center
Skyland Elementary
Stafford Elementary
Stillman Heights Elementary
Tuscaloosa Middle School
University Place Elementary
Verner Elementary
Westlawn Middle School
Woodland Forrest Elementary

Tuscaloosa County

Big Sandy Elementary
Brookwood Elementary
Brookwood High School
Buhl Elementary
Cottondale Elementary
Englewood Elementary
Hillcrest High School
Hillcrest Middle School
Holt Elementary
Holt High School
Lakeview Elementary
Maxwell Elementary
Myrtlewood Elementary
Northside High School
Sipsey Valley High School
Sipsey Valley Middle School
Taylorville Elementary
Vance Elementary
Walker Elementary
Westwood Elementary

Note 5 Due from Other Governments and Agencies

Amounts due from other governments and agencies at September 30, 2016 totaled \$71,684 due from the City of Tuscaloosa for the ongoing renovations to Sokol Park and \$10,000 due from Tuscaloosa County Commission for beer tax proceeds. Amounts were received by October 31, 2016.

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2016

Note 6 New Accounting Pronouncements

In 2016, the Authority adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* which improves accounting and financial reporting by state and local governments for costs associated with debt issuance. Net position has been retroactively restated for the change, which resulted in a decrease to beginning net position of \$30,738.

Note 7 Defined Benefit Pension Plan

Plan Description

The Authority participates in the Employees Retirement System of Alabama (ERS, the System), an agent multiple-employer public employee retirement system, which acts as a common investment and administrative agent for the governing bodies of cities, towns, or public or quasi-public organizations of the State of Alabama.

The Employees Retirement System was established October 1, 1945, under the provisions of Act 515, Acts of Alabama 1945, for the purpose of providing 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 Employees Retirement System is vested in its Board of Control. The ERS Board of Control consists of 13 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). Title 36-Section 27 of the Code of Alabama 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.

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, 2016

Note 7 Defined Benefit Pension Plan (Continued)

The ERS serves approximately 846 local participating employers. These participating employers include 294 cities, 65 counties, and 517 other public entities. The ERS membership includes approximately 84,393 participants. As of September 30, 2016, membership consisted of:

Retirees and beneficiaries currently receiving benefits	22,211
Terminated employees entitled to but not yet receiving benefits	1,353
Terminated employees not entitled to a benefit	5,451
Active members	<u>55,378</u>
Total	<u>84,393</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, 2016, the Authority's active employee contribution rate was 5.00 – 6.00% of covered employee payroll, and the Authority's average contribution rate to fund the normal and accrued liability costs was 6.74% of covered employee payroll.

The Authority's contractually required contribution rate for the year ended September 30, 2016 was 8.00% of pensionable pay for Tier 1 employees and 4.58% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2013, 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 \$269,617 for the year ended September 30, 2016.

Membership as of the Measurement Date of September 30, 2015

Inactive Members or Their Beneficiaries Currently Receiving Benefits	19
Vested Inactive Members	2
Inactive Members Entitled to But Not Yet Receiving Benefits	6
Active Members	<u>103</u>
Total	<u>130</u>

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2016

Note 7 Defined Benefit Pension Plan (Continued)

Net Pension Liability

The Authority's net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2014 rolled forward to September 30, 2015 using standard roll-forward procedures. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions for all participating employers actuarially determined, as shown in the following table:

	Expected	Actual
Total pension liability as of September 30, 2013 (a)	\$ 8,176,266	\$ 8,358,848
Entry age normal cost for FYE September 30, 2014 (b)	302,884	302,884
Actual benefit payments and refunds for the period October 1, 2013 – September 30, 2014 (c)	(467,833)	(467,833)
Total pension liability as of September 30, 2014 = [(a) x (1.08)] + (b) – [(c) x (1.04)]	\$ 8,646,705	\$8,843,894
Difference between Expected and Actual Experience (Gain)/Loss		\$197,189

Actuarial assumptions. The total pension liability in the September 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement.

Inflation	3.00%
Salary increases	3.75% - 7.25%
Investment rate of return (net of pension plan investment expense)	8.00%

Mortality rates for ERS were based on the RP-2000 Combined Mortality Table Projected with Scale AA to 2015 set forward three years for males and two years for females. The rates of mortality for the period after disability retirements are according to the sex distinct RP-2000 Disability Mortality Table.

The actuarial assumptions used in the September 30, 2014 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, 2010. The Board of Control accepted and approved these changes on January 27, 2012, which became effective at the beginning of fiscal year 2012.

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.

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2016

Note 7 Defined Benefit Pension Plan (Continued)

The target asset allocation and best estimated of geometric real rates of return for each major asset class is as follows:

	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	25.00%	5.00%
U.S. Large Stocks	34.00%	9.00%
U.S. Mid Stocks	8.00%	12.00%
U.S. Small Stocks	3.00%	15.00%
International Developed Market Stocks	15.00%	11.00%
International Emerging Market Stocks	3.00%	16.00%
Real Estate	10.00%	7.50%
Cash	2.00%	1.50%
Total	<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, 8.00%. 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, 2014	\$ 8,176,266	\$ 6,424,856	\$ 1,751,410
Charges for the year:			
Service Cost	302,884		302,884
Interest	635,388		635,388
Difference Between Expected and Actual Experience	197,189		197,189
Contributions – employer		276,870	(276,870)
Contributions – employee		201,623	(201,623)
Net Investment Income		76,493	(76,493)
Benefit Payments, including refunds of employee contributions	(467,833)	(467,833)	0
Transfers Among Employers	0	34,741	(34,741)
Balances at September 30, 2015	<u>\$ 8,843,894</u>	<u>\$ 6,546,750</u>	<u>\$ 2,297,144</u>

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2016

Note 7 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 8%, 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 (7%) or 1-percentage point higher (9%) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Plan's Net Pension Liability (Asset)	\$ 3,319,813	\$ 2,297,144	\$ 1,430,863

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, 2015. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2015. The auditor's report dated October 17, 2016 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 Recourses and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2016, the Authority recognized pension expense of \$269,860. At September 30, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 168,191	\$ 0
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	215,311	0
Employer contributions subsequent to measurement date	269,617	0
Total	<u>\$ 653,119</u>	<u>\$ 0</u>

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

Year ended September 30:	
2017	\$ 71,480
2018	71,480
2019	71,480
2020	116,862
2021	28,998
Thereafter	23,201

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2016

Note 8 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 9 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. Final maturity is September 1, 2027. These bonds are guaranteed by Tuscaloosa County, which provides annual appropriations to pay principal and interest payments due. Debt service requirements in future years are:

<u>FYE</u> <u>September 30</u>	<u>Total</u>
2017	\$ 107,057
2018	117,533
2019	135,000
2020	145,000
2021	150,000

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	\$ 278,358
Less: Accumulated Depreciation	<u>172,285</u>
	<u>\$ 103,073</u>

Minimum future lease payments under capital leases as of September 30, 2016 and for future years are:

<u>FYE</u> <u>September 30</u>	<u>Amount</u>
2017	\$ 43,109
2018	26,550
2019	4,453

Changes in indebtedness during the fiscal year were:

Outstanding Debt at October 1, 2015	\$ 1,934,241
Acquisitions – Capital Leases	13,963
Payments	<u>(147,686)</u>
Outstanding Debt at September 30, 2016	<u>\$ 1,800,518</u>

Tuscaloosa County Park and Recreation Authority
Notes to the Financial Statements
September 30, 2016

Note 10: Loan Payable – Tuscaloosa County Commission – These funds were used to purchase land in Tuscaloosa County on Hurricane Creek. The loan is due on demand with interest payable monthly at 2.5%.

Note 11: 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>September 30</u>	<u>Amount</u>
2017	\$ 21,862
2018	12,933
2019	12,933
2020	5,389

Note 12: Subsequent Events – The Authority has evaluated subsequent events through April 15, 2017, the date the financial statements were available to be issued.

Required Supplemental Information

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>				
Intergovernmental Revenue	\$ 7,459,533	\$ 7,459,533	\$ 7,272,797	\$ (186,736)
Charges for Services	3,602,019	3,602,019	3,767,483	165,464
Interest and Miscellaneous	22,325	22,325	69,804	47,479
<u>Total Revenues</u>	<u>\$ 11,083,877</u>	<u>\$ 11,083,877</u>	<u>\$ 11,110,084</u>	<u>\$ 26,207</u>
<u>Expenditures</u>				
Current:				
Parks Division	\$ 4,183,625	\$ 4,183,625	\$ 4,279,081	\$ (95,456)
Recreation Division	1,984,744	1,984,744	2,291,301	(306,557)
Activity Center Operations	2,947,869	2,947,869	2,629,552	318,317
Arts Division	249,944	249,944	256,909	(6,965)
General Administrative Division	1,717,701	1,717,701	1,710,600	7,101
<u>Total Expenditures</u>	<u>\$ 11,083,883</u>	<u>\$ 11,083,883</u>	<u>\$ 11,167,443</u>	<u>\$ (83,560)</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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Operating Income</u>				
Course Fees	\$ 1,143,391	\$ 1,143,391	\$ 1,171,930	\$ 28,539
Pro Shop	135,000	135,000	130,418	(4,582)
Concession	230,000	230,000	200,200	(29,800)
First Tee	181,094	181,094	115,313	(65,781)
<u>Total Operating Revenues</u>	<u>1,689,485</u>	<u>1,689,485</u>	<u>1,617,861</u>	<u>(71,624)</u>
<u>Operating Expenses</u>				
Course Maintenance	744,551	744,551	724,985	19,566
Pro Shop	560,403	560,403	650,852	(90,449)
Concession	203,844	203,844	208,305	(4,461)
First Tee	237,502	237,502	136,717	100,785
<u>Total Operating Expenses</u>	<u>1,746,300</u>	<u>1,746,300</u>	<u>1,720,859</u>	<u>25,441</u>
<u>Operating Income (Loss)</u>			(102,998)	
<u>Other Revenues (Expenses)</u>				
Transfer from General Fund	132,240	132,240	132,240	
Interest and Depreciation	(132,240)	(132,240)	(261,972)	(129,732)
<u>Change in Net Position</u>			\$ (232,730)	
<u>Net Position - Beginning - as adjusted</u>			<u>(5,907,787)</u>	
<u>Net Position - Ending</u>			<u>\$ (6,140,517)</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

	2014	2015
<u>Total Pension Liability</u>		
Service Cost	\$ 299,920	\$ 302,884
Interest	597,680	635,388
Difference between expected and actual experience		197,189
Benefit Payments, including refund of employee contributions	<u>(384,677)</u>	<u>(467,833)</u>
Net Change in Total Pension Liability	512,923	667,628
Total Pension Liability - beginning	<u>7,663,343</u>	<u>8,176,266</u>
Total Pension Liability - ending (a)	<u>\$ 8,176,266</u>	<u>\$ 8,843,894</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - employer	\$ 291,882	\$ 276,870
Contributions - member	221,652	201,623
Net Investment Income	681,456	76,493
Benefit Payments, including refund of employee contributions	(384,677)	(467,833)
Transfers Among Employers	<u>(5,981)</u>	<u>34,741</u>
Net Change in Plan Fiduciary Net Position	804,332	121,894
Plan Net Position - beginning	<u>5,620,524</u>	<u>6,424,856</u>
Plan Net Position - ending (b)	<u>\$ 6,424,856</u>	<u>\$ 6,546,750</u>
Net Pension Liability (Asset) - ending (a) - (b)	<u>\$ 1,751,410</u>	<u>\$ 2,297,144</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.58%	74.03%
Covered-employee Payroll	\$ 3,675,911	\$ 3,750,643
Net Pension Liability (Asset) as a Percentage of the Covered-employee Payroll	47.65%	61.25%

See independent auditor's report.

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

	2015	2016
Actuarially Determined Contribution	\$ 289,157	\$ 269,617
Contributions in Relation to the Actuarially Determined Contribution	<u>289,157</u>	<u>269,617</u>
Contribution Deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee Payroll	\$ 3,750,643	\$ 4,002,239
Contributions as a Percentage of Covered-employee Payroll	7.71%	6.74%

See independent auditor's report.

Tuscaloosa County Park and Recreation Authority
Notes to Required Supplementary Information
For the Year Ended September 30, 2016

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 2016 and 2015 were based on the actuarial valuations at September 30, 2013 and 2012, respectively.

Note 2: Methods and Assumptions Used to Determine Contribution Rates for the Period October 1, 2015 to September 30, 2016

Actuarial Cost Method	Entry Age
Amortization Method	Level Percent Closed
Remaining Amortization Period	21 years
Asset Valuation Method	Five Year Smoothed Market
Inflation	3%
Salary Increases	3.75 – 7.25%, Including Inflation
Investment Rate of Return	8.00%, 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 – For 2016 and 2015, the fiscal year is the twelve-month period beginning after June 15, 2015 and 2014, respectively.

Note 5: Covered-employee Payroll – For 2016, 2015 and 2014, the fiscal year is the twelve-month period beginning after June 15, 2015, 2014 and 2013, respectively.

See independent auditor's report.

Supplemental Information

Tuscaloosa County Park and Recreation Authority
Combining Balance Sheet - All Special Revenue Funds
September 30, 2016

<u>Assets</u>	<u>Employee Fund</u>	<u>Foundation Fund</u>	<u>Veteran's Memorial Fund</u>	<u>Totals</u>
Cash	\$ 2,398	\$ 190,901	\$ 782,405	\$ 975,704
<u>Total Assets</u>	<u>\$ 2,398</u>	<u>\$ 190,901</u>	<u>\$ 782,405</u>	<u>\$ 975,704</u>
 <u>Liabilities and Fund Equity</u>				
<u>Fund Equity</u>				
Unreserved Fund Balance	\$ 2,398	\$ 190,901	\$ 782,405	\$ 975,704
<u>Total Fund Equity</u>	<u>2,398</u>	<u>190,901</u>	<u>782,405</u>	<u>975,704</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$ 2,398</u>	<u>\$ 190,901</u>	<u>\$ 782,405</u>	<u>\$ 975,704</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, 2016

	Employee Fund	Foundation Fund	Veteran's Memorial Fund	Totals
<u>Revenues</u>				
Interest Income	\$ -	\$ 870	\$ 9,473	\$ 10,343
Contributions		275,488	23,846	299,334
Employee Deposits	652	-	-	652
<u>Total Revenues</u>	<u>652</u>	<u>276,358</u>	<u>33,319</u>	<u>310,329</u>
<u>Expenditures</u>				
Current:				
Employee Functions	477	-	-	477
<u>Total Expenditures</u>	<u>477</u>	<u>-</u>	<u>-</u>	<u>477</u>
<u>Excess Revenues Over (Under) Expenditures</u>	175	276,358	33,319	309,852
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In (Out)	-	(546,705)	(22,645)	(569,350)
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	175	(270,347)	10,674	(259,498)
<u>Fund Balance - Beginning</u>	<u>2,223</u>	<u>461,248</u>	<u>771,731</u>	<u>1,235,202</u>
<u>Fund Balance - Ending</u>	<u>\$ 2,398</u>	<u>\$ 190,901</u>	<u>\$ 782,405</u>	<u>\$ 975,704</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, 2016

Parks Division

Salaries - Full-time	\$ 1,600,625
General Maintenance Supplies/Repairs	816,221
Utilities	467,463
Group Insurance	421,438
Salaries - Part-time	249,882
Contract Maintenance	198,665
Social Security	127,085
Employee Retirement	109,494
Vehicle Operating Cost	95,281
Vehicle and Equipment Repairs	88,766
Park Improvements	44,528
Telephone	20,462
Uniforms	15,886
Interest Expense	10,298
Miscellaneous	7,356
Office Supplies	4,530
Office Equipment Lease	1,101
<u>Total Parks Division</u>	<u>\$ 4,279,081</u>

Recreation Division

Salaries	\$ 466,281
Aquatics	445,134
Day Camp	340,809
Soccer	210,138
Travel	150,844
Instructional Classes	102,818
Social Security	94,003
Group Insurance	86,644
Baseball	78,315
Utilities	73,737
Basketball	59,310
Softball	52,348
Football	43,214
Employee Retirement	28,373
Theraputic Programs	28,149
Special Events	19,866
Cheerleading	5,642
Tournaments	2,774
Teens Programs	1,701
Volleyball	1,201
<u>Total Recreation Division</u>	<u>\$ 2,291,301</u>

(Continued)

The accompanying notes are an integral part of this financial statement.

Tuscaloosa County Park and Recreation Authority
Schedule of Detail Expenditures - General Fund
For the Fiscal Year Ended September 30, 2016

Activity Centers

Salaries - Full-time	\$ 815,271
Utilities	688,353
Salaries - Part-time	529,499
Group Insurance	215,082
Social Security	101,096
Contract Labor	83,705
Telephone	45,977
Employee Retirement	42,687
Office Supplies	26,357
Community Programming	20,156
Security	18,258
Office Equipment Lease	11,723
Travel Allowance	11,653
Miscellaneous	8,723
Maintenance Supplies	7,977
Professional Development	2,149
Uniforms	886
<u>Total Activity Centers</u>	<u>\$ 2,629,552</u>

Arts Division

Salaries - Full-time	\$ 174,794
Group Insurance	45,109
Social Security	14,072
Employee Retirement	13,709
Salaries - Part-time	9,225
<u>Total Arts Division</u>	<u>\$ 256,909</u>

General Administrative Division

Salaries - Full-time	\$ 629,389
Casualty and Liability Insurance	330,986
Miscellaneous	142,922
Public Relations	124,317
Group Insurance	96,883
Attorney and Accounting	93,936
Salaries - Part-time	52,192
Social Security	50,296
Utilities	49,463
Employee Retirement	43,958
Personnel Expenses	25,594
Office Supplies and Postage	19,281
Telephone	16,636
Travel Allowance	14,355
Meetings and Conferences	8,290
Professional Development	5,698
Dues	3,651
Office Equipment Lease	2,753
<u>Total General Administrative Division</u>	<u>\$ 1,710,600</u>

The accompanying notes are an integral part of this financial statement.

Tuscaloosa County Park and Recreation Authority
Schedule of Detail Operating Revenues - Activity Centers - General Fund
For the Fiscal Year Ended September 30, 2016

	Miller Activity Center	Belk Activity Center	McAbee Activity Center	Phelps Activity Center	McDonald Hughes Community Center	Faucett Brothers Center	Tennis Center	Totals
Rentals	\$ 137,429	\$ 102,281	\$ 51,048	\$ 54,997	\$ 50,067	\$ 38,365	16,609	\$ 450,796
Membership	176,263	61,802	35,201	54,938	1,216	712,707	46,545	1,088,672
User Fees	40,521	43,596	11,786	7,588	14	54,983	132,188	290,676
Community Programs	7,688	2,965	155	1,683	12,345	17,674	36,619	79,129
Concession/Vending	3,389	4,492	2,054	1,490	485	3,218	2,681	17,809
Other	-	-	22,000	-	-	-	-	22,000
Totals	<u>\$ 365,290</u>	<u>\$ 215,136</u>	<u>\$ 122,244</u>	<u>\$ 120,696</u>	<u>\$ 64,127</u>	<u>\$ 826,947</u>	<u>\$ 234,642</u>	<u>\$ 1,949,082</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, 2016

	Miller Activity Center	Belk Activity Center	McAbee Activity Center	Phelps Activity Center	McDonald Hughes Community Center	Faucett Brothers Center	Tennis Center	Totals
Salaries - Full-time	\$ 129,821	\$ 115,829	\$ 91,081	\$ 105,097	\$ 103,934	\$ 152,319	117,190	\$ 815,271
Utilities	163,312	68,187	99,987	42,765	64,478	210,588	39,036	688,353
Salaries - Part-time	64,680	61,668	65,618	73,676	39,291	179,639	44,927	529,499
Group Insurance	40,371	15,476	21,808	31,660	32,097	53,770	19,900	215,082
Social Security	14,444	13,475	11,732	13,366	10,584	25,093	12,402	101,096
Contract Labor	1,731	3,170	1,480	1,265	2,535	15,573	57,951	83,705
Telephone	7,920	6,663	4,885	5,001	4,521	11,662	5,325	45,977
Employee Retirement	9,304	5,834	2,226	6,677	7,983	10,663		42,687
Office Supplies	4,202	5,693	4,877	2,423	1,122	4,707	3,333	26,357
Community Programming	545	28		768	1,799	511	16,505	20,156
Security	3,290	4,603		6,510	3,185	670		18,258
Office Equipment Lease	2,123	2,727	1,101	1,881	1,020	2,871		11,723
Travel Allowance	999	551	4,093	2,388	164	3,001	457	11,653
Miscellaneous	495	450	2,616	138	309	1,714	3,001	8,723
Maintenance Supplies							7,977	7,977
Professional Development	758	341		255			795	2,149
Uniforms	315				571			886
Totals	\$ 444,310	\$ 304,695	\$ 311,504	\$ 293,870	\$ 273,593	\$ 672,781	\$ 328,799	\$ 2,629,552

See independent auditor's report.

Tuscaloosa County Park and Recreation Authority
Board Members and Officials
September 30, 2016

Leroy McAbee	Member	1901 2nd Avenue 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 Information



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, 2016. 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, 2016.

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
March 31, 2017

Tuscaloosa County Park and Recreation Authority
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2016

Federal Grantor/ Pass Through Grantor/Program Title	Federal CFDA Number	Disbursements/ Expenditures from Direct Awards
Department of Housing and Urban Development Community Development Block Grants	14.218	\$ 817,016
United States Department of Agriculture Summer Food Servie Program for Children	10.559	<u>11,368</u>
<u>Total Federal Awards Expended</u>		<u>\$ 828,384</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, 2016

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, 2016. 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, 2016

Tuscaloosa County Park and Recreation Authority did not have any audit findings for the year ended September 30, 2015.

See independent auditor's report.

Tuscaloosa County Park and Recreation Authority
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2016

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 Housing and Urban Development Community Development Block Grants/Entitlement Grants - CFDA #14.218.
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.