

**Tuscaloosa County Park  
and Recreation Authority**

**Tuscaloosa, Alabama**

**September 30, 2012**

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Tuscaloosa County Park and Recreation Authority  
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## LAWRENCE, HITT & PUGH, LLP

CERTIFIED PUBLIC ACCOUNTANTS

### Independent Auditor's Report

H. MACK HITT, CPA  
J. REESE PUGH, CPA

G. LEVERT LAWRENCE, CPA  
1938 - 2007

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

MEMBER  
AMERICAN INSTITUTE  
OF CERTIFIED PUBLIC  
ACCOUNTANTS  
  
ALABAMA SOCIETY  
OF CERTIFIED PUBLIC  
ACCOUNTANTS

We have audited the accompanying general purpose financial statements of the Tuscaloosa County Park and Recreation Authority, as of and for the year ended September 30, 2012, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of Tuscaloosa County Park and Recreation Authority. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Tuscaloosa County Park and Recreation Authority, as of September 30, 2012, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements referred to above taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Authority. Such information has been subjected to the auditing procedures applied in the audits of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements of the Authority taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

*Lawrence, Hitt & Pugh, LLP*

LAWRENCE, HITT & PUGH, LLP  
Certified Public Accountants

Tuscaloosa, Alabama  
January 2, 2013



## LAWRENCE, HITT & PUGH, LLP

CERTIFIED PUBLIC ACCOUNTANTS

H. MACK HITT, CPA

J. REESE PUGH, CPA

G. LEVERT LAWRENCE, CPA  
1938 - 2007

### Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

MEMBER  
AMERICAN INSTITUTE  
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ACCOUNTANTS  
ALABAMA SOCIETY  
OF CERTIFIED PUBLIC  
ACCOUNTANTS

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

We have audited the financial statements of the Tuscaloosa County Park and Recreation Authority, as of and for the year ended September 30, 2012, and have issued our report thereon dated January 2, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Tuscaloosa County Park and Recreation Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance

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 to be required to be reported under *Government Auditing Standards*.

This report is intended for the Board of Directors, the Board's Finance Committee, management, City of Tuscaloosa, Tuscaloosa County Commission, City of Northport and relevant pass-through entities and it is not intended to be and should not be used by anyone other than those specified parties.

*Lawrence, Hitt & Pugh, LLP*

LAWRENCE, HITT & PUGH, LLP  
Certified Public Accountants

Tuscaloosa, Alabama  
January 2, 2013

Tuscaloosa County Park and Recreation Authority  
Management's Discussion and Analysis  
September 30, 2012

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, 2011. 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 \$36,770,317 (net assets) for the fiscal year reported, and business-type activities (golf course) assets exceeded liabilities by \$1,258,160.
- Local government appropriations amounted to 85% of total governmental activities revenues in the current fiscal year as compared to 82% in the prior fiscal year.
- Revenues from charges for services were \$2,063,730 in the current fiscal year compared to \$1,852,097 in the prior fiscal year.
- The Authority's proprietary fund reported total revenues of \$1,718,004 this year. This compares to \$1,380,219 for the prior year.
- The Authority reduced outstanding debt by \$87,307 through regularly scheduled debt payments.
- The Authority increased capital assets by \$5,569,299 primarily through park improvements, purchase of equipment and construction of a new activity center.

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 Assets - The Authority's net assets increased \$1,651,534 during the year. A comparison of the Authority's net assets is shown as follows:

Tuscaloosa County Park and Recreation Authority  
Management's Discussion and Analysis  
September 30, 2012

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$ 5,539,077	\$ 4,644,585
Capital Assets	<u>33,590,941</u>	<u>29,383,044</u>
<u>Total Assets</u>	<u>39,130,018</u>	<u>34,027,629</u>
Other Liabilities	<u>2,359,701</u>	<u>1,960,878</u>
<u>Total Liabilities</u>	<u>2,359,701</u>	<u>1,960,878</u>
Net Assets:		
Invested in Capital Assets – Net of Related Debt	32,748,443	28,874,674
Unrestricted	2,935,809	2,333,117
Restricted	<u>1,086,065</u>	<u>858,960</u>
<u>Total Net Assets</u>	<u>\$ 36,770,317</u>	<u>\$ 32,066,751</u>
	<u>Business-Type Activities</u>	
	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$ 199,883	\$ 146,326
Capital Assets	<u>6,473,301</u>	<u>6,500,127</u>
<u>Total Assets</u>	<u>6,673,184</u>	<u>6,646,453</u>
Long-Term Liabilities	2,074,387	2,137,893
Other Liabilities	<u>3,340,637</u>	<u>3,074,808</u>
<u>Total Liabilities</u>	<u>5,415,024</u>	<u>5,212,701</u>
Net Assets:		
Invested in Capital Assets – Net of Related Debt	4,246,412	4,217,164
Unrestricted	<u>(2,988,252)</u>	<u>(2,783,412)</u>
<u>Total Net Assets</u>	<u>1,258,160</u>	<u>1,433,752</u>
<u>Government-Wide Total Net Assets</u>	<u>\$ 38,028,477</u>	<u>\$ 33,500,503</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.

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, 2012 in conjunction with the following statements.

Tuscaloosa County Park and Recreation Authority  
Management's Discussion and Analysis  
September 30, 2012

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 Assets  
September 30, 2012

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current Assets:			
Cash and Cash Equivalents	\$ 1,218,488	\$ 106,051	\$ 1,324,539
Due from Other Funds	2,676,439		2,676,439
Due from Other Governmental Units	506,208		506,208
Inventory - At Cost		52,175	52,175
Prepaid Expenses	51,877	-	51,877
<u>Total Current Assets</u>	<u>4,453,012</u>	<u>158,226</u>	<u>4,611,238</u>
Restricted Current Assets:			
Cash and Cash Equivalents	1,076,212		1,076,212
Due from Other Governmental Units	9,853	-	9,853
<u>Total Restricted Current Assets</u>	<u>1,086,065</u>	<u>-</u>	<u>1,086,065</u>
Property and Equipment, Net of Depreciation	33,590,941	6,473,301	40,064,242
Other Assets	-	41,657	41,657
<u>Total Assets</u>	<u>\$ 39,130,018</u>	<u>\$ 6,673,184</u>	<u>\$ 45,803,202</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$ 538,810	\$ 82,590	\$ 621,400
Accrued Payroll	49,758	5,692	55,450
Accrued Time Off	838,284	137,788	976,072
Accrued Lease Payable		150,000	150,000
Payroll Deductions Payable	46,484		46,484
Security Deposits Due Patrons	40,092		40,092
Loan Payable - Tuscaloosa County Commission	477,137		477,137
Deferred Revenue	369,136	135,626	504,762
Due to Other Funds		2,676,439	2,676,439
Bonds Payable - Series 2000 - Current		87,547	87,547
Capital Lease Obligations - Current	-	64,955	64,955
<u>Total Current Liabilities</u>	<u>2,359,701</u>	<u>3,340,637</u>	<u>5,700,338</u>
Long-Term Liabilities			
Bonds Payable - Series 2000		1,999,123	1,999,123
Obligations Under Capital Leases	-	75,264	75,264
<u>Total Long-Term Liabilities</u>	<u>-</u>	<u>2,074,387</u>	<u>2,074,387</u>
<u>Total Liabilities</u>	<u>2,359,701</u>	<u>5,415,024</u>	<u>7,774,725</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	32,748,443	4,246,412	36,994,855
Restricted Net Assets	1,086,065		1,086,065
Unrestricted Net Assets	2,935,809	(2,988,252)	(52,443)
<u>Total Net Assets</u>	<u>\$ 36,770,317</u>	<u>\$ 1,258,160</u>	<u>\$ 38,028,477</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, 2012

<u>Program Activities</u>	<u>Expenses</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Government Activities:				
Parks Division	\$ 3,599,229	\$ (3,599,229)	\$ -	\$ (3,599,229)
Recreation Division	1,446,777	(1,446,777)		(1,446,777)
Activity Center Operations	1,673,711	(1,673,711)		(1,673,711)
Arts Division	220,519	(220,519)		(220,519)
General Administrative Division	1,408,415	(1,408,753)		(1,408,753)
Special Revenue	181,659	(181,659)		(181,659)
Depreciation	1,334,849	(1,334,849)	-	(1,334,849)
<u>Total Governmental Activities</u>	<u>9,865,159</u>	<u>(9,865,497)</u>	<u>-</u>	<u>(9,865,497)</u>
Business-Type Activities				
Golf Course	-	-	(2,017,596)	(2,017,596)
<u>Total Business-Type Activities</u>	<u>-</u>	<u>-</u>	<u>(2,017,596)</u>	<u>(2,017,596)</u>
Revenues:				
Intergovernmental -				
Regular Appropriations		6,372,835		6,372,835
Intergovernmental -				
Special Appropriations		5,979,174		5,979,174
Charges for Services		2,063,730		2,063,730
Interest Income		18,555	-	18,555
Miscellaneous		134,769		134,769
Golf Course		-	1,718,004	1,718,004
<u>Total Revenues</u>		<u>14,569,063</u>	<u>1,718,004</u>	<u>16,287,067</u>
<u>Changes in Net Assets</u>		<u>4,703,566</u>	<u>(299,592)</u>	<u>4,403,974</u>
<u>Net Assets, Beginning</u>		<u>32,066,751</u>	<u>1,433,752</u>	<u>33,500,503</u>
Contributed Capital		-	124,000	124,000
<u>Net Assets, Ending</u>		<u>\$ 36,770,317</u>	<u>\$ 1,258,160</u>	<u>\$ 38,028,477</u>

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

Tuscaloosa County Park and Recreation Authority  
Balance Sheet  
Government Funds  
September 30, 2012

		Special	Capital	Total
	General	Revenue	Projects	Governmental
<u>Assets</u>				<u>Funds</u>
Cash and Cash Equivalents	\$ 1,218,488	\$ 701,650	\$ 374,562	\$ 2,294,700
Due from Other Funds	2,676,439	-	-	2,676,439
Prepaid Expenses	51,877			51,877
Due from Other Governmental Units and Age	506,208	-	9,853	516,061
<u>Total Assets</u>	<u>\$ 4,453,012</u>	<u>\$ 701,650</u>	<u>\$ 384,415</u>	<u>\$ 5,539,077</u>
<u>Liabilities and Fund Equity</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 173,449	\$ -	\$ -	\$ 173,449
Accrued Payroll	49,758			49,758
Accrued Time Off	838,284			838,284
Payroll Deductions Payable	46,484			46,484
Deferred Revenue	369,136			369,136
Security Deposits Due Patrons	40,092	-	-	40,092
<u>Total Liabilities</u>	<u>1,517,203</u>	<u>-</u>	<u>-</u>	<u>1,517,203</u>
<u>Fund Equity</u>				
Fund Balances:				
Restricted		701,650	384,415	1,086,065
Unreserved	2,935,809	-	-	2,935,809
<u>Total Fund Equity</u>	<u>2,935,809</u>	<u>701,650</u>	<u>384,415</u>	<u>4,021,874</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$ 4,453,012</u>	<u>\$ 701,650</u>	<u>\$ 384,415</u>	<u>\$ 5,539,077</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, 2012

		Special	Capital	Total
	General	Revenue	Projects	Governmental
<u>Revenues</u>				<u>Funds</u>
Intergovernmental Revenue - Regular	\$ 6,372,835	\$ -	\$ -	\$ 6,372,835
Intergovernmental Revenue - Special	5,870,637		108,537	5,979,174
Charges for Services	2,063,730			2,063,730
Interest and Miscellaneous	<u>148,514</u>	<u>297,374</u>	<u>3,191</u>	<u>449,079</u>
	<u>14,455,716</u>	<u>297,374</u>	<u>111,728</u>	<u>14,864,818</u>
 <u>Expenditures</u>				
Parks Division	3,599,229			3,599,229
Recreation Division	1,446,777			1,446,777
Activity Center Operations	1,673,711			1,673,711
Arts Division	220,519			220,519
General Administrative Division	1,408,753			1,408,753
Special Revenue		181,659		181,659
Assets Purchased	5,504,035			5,504,035
Employee Functions	<u>-</u>	<u>338</u>	<u>-</u>	<u>338</u>
<u>Total Expenditures</u>	<u>13,853,024</u>	<u>181,997</u>	<u>-</u>	<u>14,035,021</u>
 <u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	602,692	115,377	111,728	829,797
 <u>Fund Balance - Beginning</u>				
	<u>2,333,117</u>	<u>586,273</u>	<u>272,687</u>	<u>3,192,077</u>
 <u>Fund Balance - Ending</u>				
	<u>\$ 2,935,809</u>	<u>\$ 701,650</u>	<u>\$ 384,415</u>	<u>\$ 4,021,874</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, 2012

<u>Total Fund Balances - Governmental Funds</u>	\$ 4,021,874
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Amounts Reported for Governmental Activities in the  
Statement of Net Assets are Different Because:

Capital Assets, net of depreciation, are not current  
financial resources and are not included in the  
governmental funds

<u>32,748,443</u>
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Net Assets of Governmental Funds

<u>\$ 36,770,317</u>
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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 Year Ended September 30, 2012

<u>Net Change in Fund Balances - Total Governmental Funds</u>	\$ 829,797
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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 \$5,504,035 exceeded depreciation of \$1,334,849 in the current period less construction accounts payable of \$295,417.

3,873,769

<u>Changes in Net Assets of General Fund Activities</u>	<u>\$ 4,703,566</u>
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The accompanying notes are an integral part of the financial statements.

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, 2012

	Original	Final		Variance
	Budget	Budget	Actual	Favorable (Unfavorable)
<b><u>Revenues</u></b>				
Intergovernmental Revenue	\$ 6,399,750	\$ 6,399,750	\$ 6,372,835	\$ (26,915)
Charges for Services	2,070,141	2,070,141	2,063,730	\$ (6,411)
Interest and Miscellaneous	<u>33,500</u>	<u>33,500</u>	<u>153,324</u>	<u>\$ 119,824</u>
<b><u>Total Revenues</u></b>	<b><u>\$ 8,503,391</u></b>	<b><u>\$ 8,503,391</u></b>	<b><u>\$ 8,589,889</u></b>	<b><u>\$ 86,498</u></b>
<b><u>Expenditures</u></b>				
Current:				
Parks Division	\$ 3,593,324	\$ 3,593,324	\$ 3,599,229	\$ (5,905)
Recreation Division	1,418,546	1,418,546	1,446,777	\$ (28,231)
Activity Center Operations	2,014,245	2,014,245	1,673,711	\$ 340,534
Arts Division	220,350	220,350	220,519	\$ (169)
General Administrative Division	<u>1,256,926</u>	<u>1,256,926</u>	<u>1,408,753</u>	<u>\$ (151,827)</u>
<b><u>Total Expenditures</u></b>	<b><u>\$ 8,503,391</u></b>	<b><u>\$ 8,503,391</u></b>	<b><u>\$ 8,348,989</u></b>	<b><u>\$ 154,402</u></b>

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

Tuscaloosa County Park and Recreation Authority  
Enterprise Fund - Golf Course  
Statement of Net Assets  
September 30, 2012

Assets

Current Assets

Cash	\$ 106,051
Inventory - at Cost	52,175
<u>Total Current Assets</u>	<u>158,226</u>

Property and Equipment

Golf Course	4,784,743
Buildings and Equipment	3,255,791
	<u>8,040,534</u>
Less: Accumulated Depreciation	1,567,233
<u>Net Property and Equipment</u>	<u>6,473,301</u>

Other Assets

Unamortized Loan Costs	<u>41,657</u>
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<u>Total Assets</u>	<u>\$ 6,673,184</u>
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Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 82,590
Accrued Payroll and Withholding	5,692
Deferred Revenue	135,626
Accrued Time Off	137,788
Accrued Lease Payable	150,000
Due to General Fund	2,676,439
Bonds Payable - Current	87,547
Obligations Under Capital Leases - Current	64,955
<u>Total Current Liabilities</u>	<u>3,340,637</u>

Long-Term Liabilities

Revenue Bonds - Series 2000	1,999,123
Obligations Under Capital Leases	75,264
<u>Total Long-Term Liabilities</u>	<u>2,074,387</u>

<u>Total Liabilities</u>	<u>5,415,024</u>
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Net Assets

Contributed Capital	6,252,640
Retained Earnings (Deficit)	(4,994,480)
<u>Total Net Assets</u>	<u>1,258,160</u>

<u>Total Liabilities and Net Assets</u>	<u>\$ 6,673,184</u>
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The accompanying notes are an integral part of the financial statements.

Tuscaloosa County Park and Recreation Authority  
Statement of Revenues, Expenditures and Changes in Fund Net Assets  
Proprietary Fund  
September 30, 2012

<u>Operating Income</u>	
User Fees	\$ 1,273,958
Pro Shop and Concession Sales	<u>347,131</u>
<u>Total Operating Revenues</u>	<u>1,621,089</u>
<u>Operating Expenses</u>	
Salaries	699,179
Social Security	50,609
Employee Retirement	21,501
Group Insurance	87,079
Land Rent	150,000
Advertising	15,145
Fertilizer, Chemicals and Supplies	143,768
Building and Equipment Rent	77,014
Maintenance and Repairs	62,013
Utilities and Telephone	143,541
Insurance	61,943
Credit Card Fees	21,182
Office Supplies Expense	14,517
Pro Shop, Concession Merchandise and Supplies	281,754
Uniforms	3,598
Cash (Over) Short	53
Depreciation and Amortization	<u>138,147</u>
<u>Total Operating Expenses</u>	<u>1,971,043</u>
<u>Operating Income (Loss)</u>	<u>(349,954)</u>
<u>Other Revenues (Expenses)</u>	
Transfer from General Fund	96,915
Interest Expense	<u>(46,553)</u>
<u>Total Other Revenues (Expenses)</u>	<u>50,362</u>
<u>Net Income (Loss)</u>	<u>(299,592)</u>
<u>Retained Earnings - Beginning</u>	<u>(4,694,888)</u>
<u>Retained Earnings - Ending</u>	<u>(4,994,480)</u>
<u>Contributed Capital - Beginning</u>	6,128,640
Contributions in Fiscal Year Ended September 30, 2012	<u>124,000</u>
<u>Contributed Capital at End of Year</u>	<u>6,252,640</u>
<u>Fund Equity at End of Year</u>	<u>\$ 1,258,160</u>

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

Tuscaloosa County Park and Recreation Authority  
Statement of Revenues and Expenses - Budget and Actual  
Enterprise Fund  
September 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Operating Income</u></b>				
User Fees	\$ 1,222,050	\$ 1,222,550	\$ 1,273,958	\$ 51,408
Pro Shop and Concession Sales	273,000	273,000	347,131	74,131
<u>Total Operating Revenues</u>	<u>1,495,050</u>	<u>1,495,550</u>	<u>1,621,089</u>	<u>125,539</u>
<b><u>Operating Expenses</u></b>				
Salaries	683,000	683,000	699,179	(16,179)
Social Security	51,500	51,500	50,609	891
Employee Retirement	20,000	20,000	21,501	(1,501)
Group Insurance	85,500	85,500	87,079	(1,579)
Land Rent	150,000	150,000	150,000	
Advertising	20,000	20,000	15,145	4,855
Fertilizers, Chemicals and Supplies	129,000	129,000	143,768	(14,768)
Building and Equipment Rent	56,200	56,200	77,014	(20,814)
Maintenance and Repairs	66,500	66,500	62,013	4,487
Maintenance Equipment Rent	75,000	75,000		75,000
Utilities and Telephone	85,000	85,000	143,541	(58,541)
Insurance	55,750	55,750	61,943	(6,193)
Credit Card Fees	16,000	16,000	21,182	(5,182)
Office Supplies Expense	14,200	14,200	14,517	(317)
Pro Shop, Concession Merchandise and Supplies	116,700	116,700	281,754	(165,054)
First Tee Expense	42,000	42,000		42,000
Uniforms	4,850	4,850	3,598	1,252
Miscellaneous Expense	4,500	4,500		4,500
Cash (Over)/Short	200	200	53	147
Depreciation and Amortization	-	-	138,147	(138,147)
<u>Total Operating Expenses</u>	<u>1,675,900</u>	<u>1,675,900</u>	<u>1,971,043</u>	<u>(295,143)</u>
<b><u>Operating Income (Loss)</u></b>	<b>(180,850)</b>	<b>(180,350)</b>	<b>(349,954)</b>	<b>(169,604)</b>
<b><u>Other Revenues (Expenses)</u></b>				
Transfer from General Fund			96,915	96,915
Interest Income	500	500	-	(500)
Interest Expense	(100,000)	(100,000)	(46,553)	53,447
<b><u>Net Income (Loss)</u></b>	<b><u>\$ (280,350)</u></b>	<b><u>\$ (279,850)</u></b>	<b><u>(299,592)</u></b>	<b><u>\$ (19,742)</u></b>
<b><u>Net Assets - Beginning</u></b>			<b><u>(4,694,888)</u></b>	
<b><u>Net Assets - Ending</u></b>			<b><u>\$(4,994,480)</u></b>	

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

Tuscaloosa County Park and Recreation Authority  
Statement of Cash Flows  
Proprietary Fund  
Year Ended September 30, 2012

Cash Flows from Operating Activities

Cash from Customers	\$ 1,639,955
Cash Paid for Salaries	(681,706)
Cash Paid for Operating Expenses	(907,805)
<u>Net Cash Provided By Operating Activities</u>	<u>50,444</u>

Cash Flows from Non-Capital Financing Activities

Transfers from General Fund	96,915
<u>Net Cash Provided By Non-Capital Financing Activities</u>	<u>96,915</u>

Cash Flows from Capital and Related Financing Activities

Reduction of Debt - Net	(56,074)
Capital Contribution Received	124,000
Cost of Depreciable Assets Acquired	(110,559)
Interest on Debt	(46,553)
<u>Net Cash (Used in) Capital and Related Financing Activities</u>	<u>(89,186)</u>

<u>Net Increase in Cash</u>	58,173
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Cash - Beginning	<u>47,878</u>
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<u>Cash - Ending</u>	<u>\$ 106,051</u>
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Reconciliation of Net Operating (Loss) to Net Cash  
Provided by Operating Activities

Operating (Loss)	\$ (349,954)
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Adjustments to Reconcile Net Operating (Loss)  
to Net Cash Provided by Operating Activities:

Depreciation and Amortization	138,147
Change in Assets and Liabilities:	
(Increase) Decrease in Inventory	3,854
Increase (Decrease) in Accounts Payable	72,058
Increase (Decrease) in Accrued Lease Payable	150,000
Increase (Decrease) in Accrued Payroll and Time Off	17,473
Increase (Decrease) in Deferred Revenue	<u>18,866</u>

<u>Net Cash Provided by Operating Activities</u>	<u>\$ 50,444</u>
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The accompanying notes are an integral part of the financial statements.

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2012

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 – 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. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no component units included in the financial statements.

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.

Basis of Presentation

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the activities of the Authority. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities 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 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

(Continued)

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2012

Note 1: (Continued)

**Fund Financial Statements**

The Authority segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

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.

(Continued)

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2012

Note 1 (Continued)

Basis of Accounting

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

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

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

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.

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

Net Assets

Net assets represent 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, and adding back unspent proceeds. 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.

(Continued)

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2012

Note 1: (Continued)

The revenue that was accrued is the beer tax from Tuscaloosa County in fiscal year 2012 and reimbursement for capital expenses. Other revenues are not material or generally susceptible to accrual because they are not measurable until received in cash.

Cash – 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.

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.

The Financial Accounting Standards Board (FASB) requires the accrual of a liability for future vacation, sick or other leave benefits that meet all of the following conditions:

- a. the employer's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered,
- b. the obligation relates to rights that vest or accumulate,
- c. payment of the compensation is probable,
- d. the amount can be reasonably estimated.

The unpaid leave liability for all full time employees of the Authority at September 30, 2012 was \$976,072. A schedule by individual employee is available upon request by the Mayor of Northport, Mayor of Tuscaloosa, or the Probate Judge of Tuscaloosa County. The schedule is on file at the office of LAWRENCE, HITT & PUGH, LLP and Tuscaloosa County Park and Recreation Authority.

Fund Equity – Reserves represent those portions of fund equity not appropriated for expenditures or legally segregated for a specific future use.

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.

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2012

**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, travel and equipment. 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 generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the Authority's method (budget basis) in the Statement of Revenues, Expenditures, and Changes in Fund Balances – 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, 2012, the carrying amount of the Authority's deposits was \$2,400,751 and the bank balance was \$2,886,146. 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, 2012 were as follows:**

	<u>10/1/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>9/30/12</u>
Land	\$ 2,043,370	\$	\$	\$ 2,043,370
Buildings and Improvements	39,402,032	5,215,869		44,617,901
Furniture and Equipment	325,901	30,378	45,295	310,984
Other Equipment	336,471	152,708		489,179
Vehicles	667,030	105,080		772,110
<u>Totals</u>	<u>\$ 42,774,804</u>	<u>\$ 5,504,035</u>	<u>\$ 45,295</u>	<u>\$ 48,233,544</u>
Proprietary Fund - Golf Course	<u>\$ 7,929,975</u>	<u>\$ 110,559</u>	<u>\$</u>	<u>\$ 8,040,534</u>

A summary listing 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
<u>Total Land</u>	<u>2,043,370</u>

(Continued)

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2012

Note 4: (Continued)

Buildings and Improvements

Bowers Park Structures, Ball Fields and Light Poles	\$ 1,853,361
Sokol Park Ball Field, Light Poles and Shelter	693,409
Sokol Shelter	19,217
Sokol Park Multiple Purpose Outdoor Arena	170,203
Sokol Park Football/Soccer Field	222,150
Sokol Park North Entrance	84,137
Sokol Park Model Airfield	2,618
Monnish Park Pavilions (2)	10,000
Cardinal Park Pavilion	10,177
Kentuck Park Structures and Light Poles	15,852
A.L. Freeman Park Pool Complex	115,356
Hinton Park Structures	168,150
Hinton Park Project	115,464
Rock Quarry Park Structures	22,500
Downtown PARA Building and Improvements	826,400
Holt-Evans-Roshell Park	10,430
Holt Park Ball Field Light Poles	32,500
Lake Tuscaloosa Boat Docking Facilities	48,191
River Road West Park Structures	55,000
Palmore Park Pool and Structures	1,038,350
Belk Activity Center	3,123,522
Phelps Activity Center	2,369,074
McAbee Activity Center	2,657,781
McDonald Hughes Community Center and Furnishings	1,799,572
Warner Complex Improvements	134,064
Evans-Roshell Park Restroom	40,430
Monnish Park Walking Trail	51,047
Palmore Park Walking Trail	38,779
Palmore Park Walking Trail Lighting	56,132
Veteran's Memorial Park	448,140
Newt Hinton Park Improvements and Ballfields	1,010,097
Fosters Park Improvements	481,804
Monnish Park Lighting and Tables	64,278
Coaling Park	146,346
Northport Community Center Improvements	151,841
Binion Creek Ramp	8,793
Hasson Center Improvements	15,408
Bowers Park - Resurface Tennis Courts	181,377
Sokol Park Plaza	285,856
Flatwoods Park	83,871
Faucett-Vestavia School Playground	56,365
Cottondale Field	61,537
Miller Activity Center	6,590,223
Miller Center Sign	35,510
Westwood Elem. Activity Center	261,470
Crestmont Park - Playground	142,777
Maxwell Elem. Playgound Equip. and Walking Trails	34,224
Taylorville Ball Fields, Bleachers, Center and Concession	282,725
Fence - Brookwood Dixie Youth	83,920
Lighting - TCHS	111,526
Walker Elementary Courtyard and Playground	121,528
Sokol Park Upgrade	691,652
Sokol Park Restroom Renovation	317,543
TCHS Field Improvements	5,688
Bama Theater - Doors	\$ 6,595
Sokol Park Ball Field	3,673,680

(Continued)

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2012

Note 4: (Continued)

Maple Shelter Restroom Renovation	\$ 93,670
Belk Center – Equipment and HVAC	104,220
Phelps Center – Equipment and HVAC	36,157
McDonald Hughes Center – Equipment and HVAC	94,979
McAbee Center – Equipment and HVAC	28,465
Bike Path - Ol Colony	464,301
Queen City Park Trail	223,028
Freeman Pool Enclosure	1,244,139
Bowers Pool Upgrade	118,967
Jaycee Park Improvements	474,955
Hinton Park Restrooms	157,141
Vance Elementary - Equipment and Playground	38,057
Springbrook Park - Play Equipment	29,269
Maxwell Elementary Shelter	7,105
Cottondale Elementary Playground	38,317
Northside Park	281,241
Holt Gym and Cottondale Little League	184,071
Sokol Arena	48,302
Brookwood Fields	60,595
Bama Theater HVAC	361,104
Concession Building – Warrior Baseball	436,166
Verner Elementary Playground	74,117
Holt Elementary Playground	101,482
Taylorville Community Center	45,000
Myrtlewood Playground	46,863
Kaulton Park	89,663
West End Park	96,128
McKinney Park	6,490
Faucett Brothers Park and Center	7,643,890
Bleachers	48,891
Signs and Fence	60,091
Harmon and Kaulton Fields	25,102
Hinton Park Ball Fields	19,283
Duncanville Little League Fields	43,811
Northside Dixie Youth Fields	77,196
Vance Community Park	34,720
Lakeview Elementary Playground	21,513
Rock Quarry Playground	6,832
Playground Equipment	100,887
Northport Field	64,087
Binion Creek Landing Restroom	63,383
Northington Elementary	9,370
Sipsey Valley High - Equipment and Lights	57,338
Pool Improvements	70,103
Court/Track Replacements	79,001
Belk Gym Floor	69,771
<u>Total Buildings and Improvements</u>	<u>44,617,901</u>
<u>Office Furniture and Equipment</u>	
Furniture and Equipment	310,984
<u>Total Office Furniture and Equipment</u>	<u>310,984</u>
<u>Other Equipment</u>	
Concession Equipment	5,285
Maintenance Equipment	380,554
Recreational Equipment	103,340
<u>Total Other Equipment</u>	<u>489,179</u>
<u>Vehicles</u>	<u>772,110</u>
<u>Total Fixed Assets</u>	<u>\$ 48,233,544</u>
<u>Golf Course and Facilities</u>	<u>\$ 8,040,534</u>

(Continued)

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2012

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

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

School Sites

City of Northport

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

(Continued)

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2012

Note 4: (Continued)

City of Tuscaloosa

Alberta Elementary  
Arcadia Elementary  
Central Elementary  
Eastwood Middle School  
M.L. King, Jr. Elementary  
Northington Elementary  
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

Brookwood Elementary  
Brookwood High School  
Buhl Elementary  
Cottondale Elementary  
Englewood Elementary  
Hillcrest High School  
Hillcrest Middle School  
Holt Elementary  
Holt High School  
Maxwell Elementary  
Myrtlewood Elementary  
Northside High School  
Vance Elementary  
Walker Elementary  
Westwood Elementary

Note 5 Due from Other Governments and Agencies

Amounts due from other governments and agencies at September 30, 2012 totaled \$516,061. This amount is comprised of \$9,853 due from Tuscaloosa County Commission for beer tax proceeds and was received by October 31, 2012 and \$506,208 due from the City of Tuscaloosa and the Tuscaloosa County Commission for reimbursement of capital costs.

(Continued)

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2012

Note 6      Defined Benefit Pension Plan

Plan Description

Tuscaloosa County Park and Recreation Authority (PARA) contributes to the Employee's Retirement System of Alabama, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for the various state agencies and departments.

Substantially all employees are members of the Employees' Retirement System of Alabama. Membership is mandatory for covered or eligible employees of the Tuscaloosa County Park and Recreation Authority. Benefits vest after 10 years of creditable service. Vested employees may retire with full benefits at age 60 or after 25 years of service. Retirement benefits are calculated by two methods with the retiree receiving payment under the method that yields the highest monthly benefit. The methods are (1) minimum guaranteed, and (2) formula, of which the formula method usually produces the highest monthly benefit. Under this method retirees are allowed 2.0125% of their average final salary (best three of the last ten years) for each year of service. Disability retirement benefits are calculated in the same manner. Pre-retirement death benefits in the amount of the annual salary for the fiscal year preceding death is provided to plan members.

The Employees' Retirement System was established on 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, towns and quasi-public organizations. The Responsibility for general administration and operations of the Employees' Retirement System is vested in the Board of Control. Benefit provisions are established by the Code of Alabama 1975, Sections 36-27-1 through 36-27-103, as amended, and Sections 36-27-120 through 36-27-139, as amended, and Section 36-27B-1 through 36-27B-6. Authority to amend the plan rests with the Legislature of Alabama. However, the Legislature has granted the Commission authority to accept or reject various Cost-of-Living-Adjustments (COLAs) granted to retirees.

The Retirement Systems of Alabama issues a publicly available financial report that includes financial statements and required supplementary information for the Employees' Retirement System of Alabama. That report may be obtained by writing to The Retirement Systems of Alabama, 135 South Union Street, Montgomery, Alabama 36130-2150.

Funding Policy

PARA employees are required by statute to contribute 5% of their salary to the Employees' Retirement System. PARA is required to contribute at an actuarially determined rate of annual covered payroll. The contribution requirements of plan members and PARA are established and may be amended by the RSA Board of Control.

Annual Pension Cost

PARA has elected to implement GASB 27, Accounting for Pensions by State and Local Governmental Employers as of September 30, 1998. Retirement contributions were based on 4.65% of annual payroll as determined by RSA. This rate was based on the September 30, 1995 valuation report provided by Buck Consultants to RSA. For the September 30, 1996 valuation, RSA adopted GASB 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and GASB 27, Accounting for Pensions by State and Governmental Employers. The effect of this change resulted in PARA's annual required contribution rate decreasing initially to 3.86% of covered payroll. This rate is currently 3.17%, effective for contributions made during the 2003-2005 fiscal year ending September 30, 2005.

(Continued)

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2012

Note 6 (Continued)

For September 30, 2012 the Authority's annual pension cost of \$145,634 for PARA employee pensions was equal to PARA's required and actual contributions. The required contributions were determined as part of the September 30, 1998 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.0% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 4.61% to 7.75% per year, and (c) no cost of living adjustment. Both (a) and (b) included an inflation component of 4.5%. The actuarial value of PARA employee pension assets were determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. PARA unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2012 was 30 years.

Trend Information and Required Supplemental Information

As of the September 30, 1998 valuation report provided by RSA, the net pension benefit obligation (NPO) at transition was determined in accordance with GASB 27, and the balance at September 30, 1998 was zero. The following table shows the NPO trend information:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/08	\$ 150,307	100%	\$ 0
9/30/09	\$ 151,516	100%	\$ 0
9/30/10	\$ 141,299	100%	\$ 0

As of September 30, 2010 valuation report provided by RSA, the following table illustrates the funding progress of PARA's employee pension plan.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b) <sup>1</sup>	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
9/30/05	4,069,282	3,992,428	(76,854)	101.9	1,989,356	(3.9%)
9/30/06 <sup>2</sup>	4,273,542	4,439,936	166,393	96.3	2,131,486	7.8
9/30/07	4,612,653	4,736,106	123,453	97.4	2,539,861	4.9
9/30/08	4,790,770	5,286,442	495,672	90.6	2,737,747	18.1
9/30/09	4,840,127	5,709,365	869,238	84.8	2,920,087	29.8
9/30/10 <sup>3</sup>	4,881,109	6,356,155	1,475,046	76.8	2,955,777	49.9
9/30/10 <sup>4</sup>	4,881,109	6,388,590	1,507,481	76.4	2,955,777	51.0

<sup>2</sup> Reflects changes in actuarial assumptions.

<sup>3</sup> Reflects the impact of Act 2011-27, which closes the DROP program to new applicants after March 24, 2011.

<sup>4</sup> Reflects the impact of Act 2011-27 as well as Act 2011-676, which increases the member contribution rates by 2.25% beginning October 1, 2011 and by an additional 0.25% beginning October 1, 2012.

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2012

Note 7     Deferred Compensation

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

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

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

Note 8     Long-Term Debt

Proprietary Fund

Revenue Bonds – Series 2000 was issued to finance part of the cost of the golf course. Interest is payable quarterly, at a variable rate, with principal paid annually on September 1, beginning in 2003. Final maturity is September 1, 2020. 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:

FYE <u>September 30</u>	<u>Total</u>
2013	\$ 87,547
2014	95,885
2015	100,053
2016	104,222
2017	107,057
Thereafter	1,591,906

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. Following is a summary of property held under capital leases:

Turf Maintenance Equipment	\$ 5,586
Turf Maintenance Equipment	51,093
Turf Maintenance Equipment	13,569
Turf Maintenance Equipment	24,160
Turf Maintenance Equipment	26,500
Turf Maintenance Equipment	38,903
Turf Maintenance Equipment	<u>94,177</u>
	253,988
Less: Accumulated Depreciation	<u>67,648</u>
	<u>\$ 186,340</u>

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2012

Note 8 (Continued)

Minimum future lease payments under capital leases as of September 30, 2012 and for future years are:

FYE <u>September 30</u>	<u>Amount</u>
2013	\$ 64,955
2014	47,493
2015	27,771

Changes in long-term indebtedness during the fiscal year were:

Outstanding Debt at October 1, 2011	\$ 2,791,333
Redemptions and Payments	<u>(87,307)</u>
Outstanding Debt at September 30, 2012	<u>\$ 2,704,026</u>

Note 9: 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 10: Operating Leases – The Authority leases certain golf course equipment under leases from 36 to 48 months. Future minimum rental commitments are as follows:

FYE <u>September 30</u>	<u>Amount</u>
2013	\$ 24,475
2014	14,277

Note 11: Subsequent Events – The Authority has evaluated subsequent events through February , 2013, the date the financial statements were available to be issued.

Tuscaloosa County Park and Recreation Authority  
Combining Balance Sheet - All Special Revenue Funds  
September 30, 2012

Assets

	<u>Employee Fund</u>	<u>Foundation Fund</u>	<u>Veteran's Memorial Fund</u>	<u>Totals</u>
Cash	\$ 2,174	\$ 137,558	\$ 561,918	\$ 701,650
<u>Total Assets</u>	<u>\$ 2,174</u>	<u>\$ 137,558</u>	<u>\$ 561,918</u>	<u>\$ 701,650</u>

Liabilities and Fund Equity

Fund Equity

Unreserved Fund Balance	\$ 2,174	\$ 137,558	\$ 561,918	\$ 701,650
<u>Total Fund Equity</u>	<u>2,174</u>	<u>137,558</u>	<u>561,918</u>	<u>701,650</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$ 2,174</u>	<u>\$ 137,558</u>	<u>\$ 561,918</u>	<u>\$ 701,650</u>

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

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, 2012

	Employee Fund	Foundation Fund	Veteran's Memorial Fund	Totals
<u>Revenues</u>				
Interest Income	\$ -	\$ 466	\$ 5,252	\$ 5,718
Contributions		267,871	22,684	290,555
Employee Deposits	<u>1,101</u>	<u>-</u>	<u>-</u>	<u>1,101</u>
<u>Total Revenues</u>	<u>1,101</u>	<u>268,337</u>	<u>27,936</u>	<u>297,374</u>
<u>Expenditures</u>				
Current:				
Employee Functions	<u>338</u>	<u>-</u>	<u>-</u>	<u>338</u>
<u>Total Expenditures</u>	<u>338</u>	<u>-</u>	<u>-</u>	<u>338</u>
<u>Excess Revenues Over (Under) Expenditures</u>	763	268,337	27,936	297,036
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In (Out)	<u>-</u>	<u>(173,802)</u>	<u>(7,857)</u>	<u>(181,659)</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	763	94,535	20,079	115,377
<u>Fund Balance - October 1, 2011</u>	<u>1,411</u>	<u>43,023</u>	<u>541,839</u>	<u>586,273</u>
<u>Fund Balance - September 30, 2012</u>	<u>\$ 2,174</u>	<u>\$ 137,558</u>	<u>\$ 561,918</u>	<u>\$ 701,650</u>

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

Tuscaloosa County Park and Recreation Authority  
Schedule of Detail Expenditures - General Fund  
Year Ended September 30, 2012

Parks Division

Salaries - Full-time	\$ 1,210,404
Salaries - Part-time	287,334
Contract Maintenance	179,006
Group Insurance	351,581
General Maintenance Supplies/Repairs	591,910
Social Security	105,190
Vehicle and Equipment Repairs	65,391
Utilities	418,007
Vehicle Operating Cost	145,224
Employee Retirement	67,112
Office Equipment Lease	1,210
Uniforms	7,287
Telephone	17,868
Office Supplies	2,984
Miscellaneous	1,962
Park Improvements	128,930
Interest Expense	17,829
<u>Total Parks Division</u>	<u>\$ 3,599,229</u>

Recreation Division

Day Camp	\$ 223,770
Aquatics	251,434
Utilities	76,151
Special Events	11,650
Football	37,854
Instructional Classes	42,828
Salaries	313,223
Social Security	55,138
Employee Retirement	15,866
Group Insurance	56,082
Theraputic Programs	24,224
Basketball	32,669
Cheerleading	8,268
Tournaments	85
Teens Programs	1,476
Softball	64,707
Volleyball	3,654
Travel	13,981
Soccer	213,717
<u>Total Recreation Division</u>	<u>\$ 1,446,777</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  
Year Ended September 30, 2012

Activity Centers

Salaries - Full-time	\$ 514,879
Salaries - Part-time	378,214
Utilities	432,964
Social Security	66,895
Group Insurance	150,369
Travel Allowance	4,196
Office Supplies	14,733
Office Equipment Lease	8,897
Telephone	36,545
Miscellaneous	2,782
Uniforms	1,288
Community Programming	4,336
Contract Labor	27,263
Professional Development	2,299
Employee Retirement	28,051
<u>Total Activity Centers</u>	<u>\$ 1,673,711</u>

Arts Division

Salaries - Full-time	\$ 154,865
Salaries - Part-time	7,213
Group Insurance	37,294
Social Security	12,382
Employee Retirement	8,765
<u>Total Arts Division</u>	<u>\$ 220,519</u>

General Administrative Division

Salaries - Full-time	\$ 598,962
Salaries - Part-time	19,568
Casualty and Liability Insurance	345,361
Telephone	13,432
Group Insurance	81,302
Social Security	38,200
Utilities	47,100
Miscellaneous	92,107
Employee Retirement	25,840
Office Supplies and Postage	17,315
Meetings and Conferences	19,233
Travel Allowance	4,598
Dues	3,765
Office Equipment Lease	2,580
Professional Development	3,628
Personnel Expenses	13,960
Attorney and Accounting	48,733
Public Relations	33,069
<u>Total General Administrative Division</u>	<u>\$ 1,408,753</u>

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

Tuscaloosa County Park and Recreation Authority  
Schedule of Detail Operating Expenditures - Activity Centers - General Fund  
Year Ended September 30, 2012

	Miller Activity Center	Belk Activity Center	McAbee Activity Center	Phelps Activity Center	McDonald Hughes Community Center	Totals
Salaries - Full-time	\$ 100,402	\$ 100,076	\$ 106,677	\$ 95,713	\$ 112,011	\$ 514,879
Salaries - Part-time	93,277	85,056	91,603	72,118	36,160	378,214
Utilities	161,755	83,437	70,921	42,375	74,476	432,964
Social Security	14,471	13,907	14,810	12,626	11,081	66,895
Group Insurance	27,840	28,316	29,010	36,205	28,998	150,369
Travel Allowance	336	648	1,980	760	472	4,196
Office Supplies	3,789	3,305	1,970	2,832	2,837	14,733
Office Equipment Lease	2,070	2,651	1,250	1,676	1,250	8,897
Telephone	11,901	5,339	5,938	6,753	6,614	36,545
Miscellaneous	930	446	924	20	462	2,782
Uniforms	516				772	1,288
Community Programming	1,345	570	630	1,273	518	4,336
Contract Labor	7,819	2,032	3,827	2,067	11,518	27,263
Professional Development		1,702		597		2,299
Employee Retirement	5,550	5,490	6,014	4,651	6,346	28,051
Totals	<u>\$ 432,001</u>	<u>\$ 332,975</u>	<u>\$ 335,554</u>	<u>\$ 279,666</u>	<u>\$ 293,515</u>	<u>\$ 1,673,711</u>

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

**Tuscaloosa County Park and Recreation Authority  
Board Members and Officials  
September 30, 2012**

<b>Leroy McAbee</b>	<b>Member</b>	<b>1901 2<sup>nd</sup> Avenue NE Tuscaloosa, AL 35406</b>
<b>Sam Faucett</b>	<b>Member</b>	<b>1020 Hunter Creek Road Northport, AL 35473</b>
<b>Peggy Hogue</b>	<b>Member</b>	<b>364 Riverdale Tuscaloosa, AL 35406</b>
<b>Hezekiah Carstarphen</b>	<b>Member</b>	<b>3306 23<sup>rd</sup> Street Tuscaloosa, Al 35401</b>
<b>Joe Duckworth, Jr.</b>	<b>Member</b>	<b>1312 Greensboro Avenue Tuscaloosa, AL 35401</b>
<b>Bobby Franks</b>	<b>Member</b>	<b>824 Old Greensboro Road Tuscaloosa, AL 35405</b>
<b>Gary Falls</b>	<b>Member</b>	<b>9430 Earl Fields Circle Northport, AL 35473</b>
<b>Clarence Richardson</b>	<b>Member</b>	<b>22 Coke Avenue NE Tuscaloosa, AL 35404</b>

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