

**Tuscaloosa County Park  
and Recreation Authority**

**Tuscaloosa, Alabama**

**September 30, 2011**

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Tuscaloosa County Park and Recreation Authority  
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## 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

MEMBER  
AMERICAN INSTITUTE  
OF CERTIFIED PUBLIC  
ACCOUNTANTS

MEMBER  
ALABAMA SOCIETY  
OF CERTIFIED PUBLIC  
ACCOUNTANTS

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

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, 2011, 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, 2011, 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 17, 2012



## LAWRENCE, HITT & PUGH, LLP

CERTIFIED PUBLIC ACCOUNTANTS

H. MACK HITT, CPA

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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  
OF CERTIFIED PUBLIC  
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MEMBER  
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, 2011, and have issued our report thereon dated January 17, 2012. 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 17, 2012

Tuscaloosa County Park and Recreation Authority  
Management's Discussion and Analysis  
September 30, 2011

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 \$32,066,751 (net assets) for the fiscal year reported, and business-type activities (golf course) assets exceeded liabilities by \$1,888,541.
- Local government appropriations amounted to 82% of total governmental activities revenues in the current fiscal year as compared to 77% in the prior fiscal year.
- Revenues from charges for services were \$1,852,097 in the current fiscal year compared to \$1,892,724 in the prior fiscal year.
- The Authority's proprietary fund reported total revenues of \$1,380,219 this year. This compares to \$1,353,200 for the prior year.
- The Authority's proprietary fund reduced outstanding debt by \$236,529 through regularly scheduled debt payments.
- The Authority increased capital assets by \$2,926,349 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 \$1,548,797 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, 2011

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$ 4,644,585	\$ 4,337,179
Capital Assets	<u>29,383,044</u>	<u>27,541,197</u>
<u>Total Assets</u>	<u>34,027,629</u>	<u>31,878,376</u>
Other Liabilities	<u>1,960,878</u>	<u>1,917,948</u>
<u>Total Liabilities</u>	<u>1,960,878</u>	<u>1,917,948</u>
Net Assets:		
Invested in Capital Assets – Net of Related Debt	28,874,674	26,769,527
Unrestricted	2,333,117	2,375,542
Restricted	<u>858,960</u>	<u>815,359</u>
<u>Total Net Assets</u>	<u>\$ 32,066,751</u>	<u>\$ 29,960,428</u>
	<u>Business-Type Activities</u>	
	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$ 146,326	\$ 212,030
Capital Assets	<u>6,500,127</u>	<u>6,563,258</u>
<u>Total Assets</u>	<u>6,646,453</u>	<u>6,775,288</u>
Long-Term Liabilities	2,137,893	2,355,722
Other Liabilities	<u>3,074,808</u>	<u>2,531,025</u>
<u>Total Liabilities</u>	<u>5,212,701</u>	<u>4,886,747</u>
Net Assets:		
Invested in Capital Assets –		
Net of Related Debt	4,217,164	4,060,505
Unrestricted	<u>(2,783,412)</u>	<u>(2,171,964)</u>
<u>Total Net Assets</u>	<u>1,433,752</u>	<u>1,888,541</u>
<u>Government-Wide Total Net Assets</u>	<u>\$ 33,500,503</u>	<u>\$ 31,848,969</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, 2011 in conjunction with the following statements.

Tuscaloosa County Park and Recreation Authority  
Management's Discussion and Analysis  
September 30, 2011

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, 2011

<u>Assets</u>	Governmental Activities	Business- Type Activities	Total
Current Assets:			
Cash and Cash Equivalents	\$ 897,659	\$ 47,878	\$ 945,537
Due from Other Funds	2,676,439		2,676,439
Due from Other Agencies	163,475		
Inventory - At Cost		56,029	56,029
Prepaid Expenses	48,052	-	48,052
<u>Total Current Assets</u>	<u>3,785,625</u>	<u>103,907</u>	<u>3,726,057</u>
Restricted Current Assets:			
Cash and Cash Equivalents	847,489		847,489
Due from Other Governmental Units	11,471	-	11,471
<u>Total Restricted Current Assets</u>	<u>858,960</u>	<u>-</u>	<u>858,960</u>
Property and Equipment, Net of Depreciation	29,383,044	6,500,127	35,883,171
Other Assets	-	42,419	42,419
<u>Total Assets</u>	<u>\$ 34,027,629</u>	<u>\$ 6,646,453</u>	<u>\$ 40,510,607</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$ 247,862	\$ 10,532	\$ 258,394
Accrued Payroll	28,319	5,388	33,707
Accrued Time Off	732,182	120,619	852,801
Payroll Deductions Payable	39,896		39,896
Security Deposits Due Patrons	35,113		35,113
Loan Payable - Tuscaloosa County Commission	508,370		508,370
Deferred Revenue	369,136	116,760	485,896
Due to Other Funds		2,676,439	2,676,439
Note Payable - Bank		14,459	14,459
Bonds Payable - Series 2000 - Current		83,378	83,378
Capital Lease Obligations - Current	-	47,233	47,233
<u>Total Current Liabilities</u>	<u>1,960,878</u>	<u>3,074,808</u>	<u>5,035,686</u>
Long-Term Liabilities			
Bonds Payable - Series 2000		2,086,670	2,086,670
Obligations Under Capital Leases	-	51,223	51,223
<u>Total Long-Term Liabilities</u>	<u>-</u>	<u>2,137,893</u>	<u>2,137,893</u>
<u>Total Liabilities</u>	<u>1,960,878</u>	<u>5,212,701</u>	<u>7,173,579</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	28,874,674	4,217,164	33,091,838
Restricted Net Assets	858,960		858,960
Unrestricted Net Assets	2,333,117	(2,783,412)	(450,295)
<u>Total Net Assets</u>	<u>\$ 32,066,751</u>	<u>\$ 1,433,752</u>	<u>\$ 33,500,503</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, 2011

<u>Program Activities</u>	<u>Expenses</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Government Activities:				
Parks Division	\$ 3,182,600	\$ (3,182,600)	\$ -	\$ (3,182,600)
Recreation Division	1,201,769	(1,201,769)		(1,201,769)
Activity Center Operations	1,610,537	(1,610,537)		(1,610,537)
Arts Division	209,108	(209,108)		(209,108)
General Administrative Division	1,060,487	(1,060,487)		(1,060,487)
Special Revenue	51,696	(51,696)		(51,696)
Depreciation	1,320,195	(1,320,195)	-	(1,320,195)
<u>Total Governmental Activities</u>	<u>8,636,392</u>	<u>(8,636,392)</u>	<u>-</u>	<u>(8,636,392)</u>
Business-Type Activities				
Golf Course	-	-	(2,058,020)	(2,058,020)
<u>Total Business-Type Activities</u>	<u>-</u>	<u>-</u>	<u>(2,058,020)</u>	<u>(2,058,020)</u>
Revenues:				
Intergovernmental -				
Regular Appropriations		5,598,097		5,598,097
Intergovernmental -				
Special Appropriations		3,275,641		3,275,641
Charges for Services		1,852,097		1,852,097
Interest Income		26,077	354	26,431
Miscellaneous		93,132		93,132
Golf Course		-	1,379,865	1,379,865
<u>Total Revenues</u>		<u>10,845,044</u>	<u>1,380,219</u>	<u>12,225,263</u>
<u>Changes in Net Assets</u>		<u>2,208,652</u>	<u>(677,801)</u>	<u>1,530,851</u>
<u>Net Assets, Beginning</u>		<u>29,858,099</u>	<u>1,888,541</u>	<u>31,746,640</u>
Contributed Capital		-	223,012	223,012
<u>Net Assets, Ending</u>		<u>\$ 32,066,751</u>	<u>\$ 1,433,752</u>	<u>\$ 33,500,503</u>

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

Tuscaloosa County Park and Recreation Authority  
Balance Sheet  
Government Funds  
September 30, 2011

		Special	Capital	Total
	General	Revenue	Projects	Governmental
<u>Assets</u>				<u>Funds</u>
Cash and Cash Equivalents	\$ 897,659	\$ 586,273	\$ 261,216	\$ 1,745,148
Due from Other Funds	2,676,439	-	-	2,676,439
Prepaid Expenses	48,052			48,052
Due from Other Governmental Units and Age	163,475	-	11,471	174,946
<u>Total Assets</u>	<u>\$ 3,785,625</u>	<u>\$ 586,273</u>	<u>\$ 272,687</u>	<u>\$ 4,644,585</u>
<u>Liabilities and Fund Equity</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 247,862	\$ -	\$ -	\$ 247,862
Accrued Payroll	28,319			28,319
Accrued Time Off	732,182			732,182
Payroll Deductions Payable	39,896			39,896
Deferred Revenue	369,136			369,136
Security Deposits Due Patrons	35,113	-	-	35,113
<u>Total Liabilities</u>	<u>1,452,508</u>	<u>-</u>	<u>-</u>	<u>1,452,508</u>
<u>Fund Equity</u>				
Fund Balances:				
Restricted		586,273	272,687	858,960
Unreserved	2,333,117	-	-	2,333,117
<u>Total Fund Equity</u>	<u>2,333,117</u>	<u>586,273</u>	<u>272,687</u>	<u>3,192,077</u>
 <u>Total Liabilities and Fund Equity</u>	 <u>\$ 3,785,625</u>	 <u>\$ 586,273</u>	 <u>\$ 272,687</u>	 <u>\$ 4,644,585</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, 2011

		Special	Capital	Total
	General	Revenue	Projects	Governmental
<u>Revenues</u>				<u>Funds</u>
Intergovernmental Revenue - Regular	\$ 5,598,097			\$ 5,598,097
Intergovernmental Revenue - Special	3,165,243		110,398	3,275,641
Charges for Services	1,852,097			1,852,097
Interest and Miscellaneous	<u>114,421</u>	<u>71,535</u>	<u>4,788</u>	<u>190,744</u>
	<u>10,729,858</u>	<u>71,535</u>	<u>115,186</u>	<u>10,916,579</u>
<u>Expenditures</u>				
Parks Division	3,182,600			3,182,600
Recreation Division	1,201,769			1,201,769
Activity Center Operations	1,610,537			1,610,537
Arts Division	209,108			209,108
General Administrative Division	1,060,487			1,060,487
Special Revenue		51,696		51,696
Assets Purchased	3,507,782			3,507,782
Employee Functions		709		709
Capital Projects	<u>-</u>	<u>-</u>	<u>90,715</u>	<u>90,715</u>
<u>Total Expenditures</u>	<u>10,772,283</u>	<u>52,405</u>	<u>90,715</u>	<u>10,915,403</u>
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	(42,425)	19,130	24,471	1,176
<u>Fund Balance - Beginning</u>	<u>2,375,542</u>	<u>567,143</u>	<u>248,216</u>	<u>3,190,901</u>
<u>Fund Balance - Ending</u>	<u>\$ 2,333,117</u>	<u>\$ 586,273</u>	<u>\$ 272,687</u>	<u>\$ 3,192,077</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, 2011

<u>Total Fund Balances - Governmental Funds</u>	\$ 3,192,077
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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>28,874,674</u>
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<u>Net Assets of Governmental Funds</u>	<u>\$ 32,066,751</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, 2011

<u>Net Change in Fund Balances - Total Governmental Funds</u>	\$ 1,176
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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 \$3,527,671 exceeded depreciation of \$1,320,195 in the current period.

<u>2,207,476</u>
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<u>Changes in Net Assets of General Fund Activities</u>
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<u>\$ 2,208,652</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, 2011

	Original	Final		Variance
	Budget	Budget	Actual	Favorable (Unfavorable)
<b><u>Revenues</u></b>				
Intergovernmental Revenue	\$ 5,644,015	\$ 5,644,015	\$ 5,598,097	\$ (45,918)
Charges for Services	2,114,186	2,114,186	1,852,097	\$ (262,089)
Interest and Miscellaneous	<u>39,550</u>	<u>39,550</u>	<u>119,209</u>	<u>\$ 79,659</u>
<b><u>Total Revenues</u></b>	<b><u>\$ 7,797,751</u></b>	<b><u>\$ 7,797,751</u></b>	<b><u>\$ 7,569,403</u></b>	<b><u>\$ (228,348)</u></b>
<b><u>Expenditures</u></b>				
Current:				
Parks Division	\$ 3,296,972	\$ 3,296,972	\$ 3,182,600	\$ 114,372
Recreation Division	1,339,596	1,339,596	1,201,769	\$ 137,827
Activity Center Operations	1,804,254	1,804,254	1,610,537	\$ 193,717
Arts Division	212,117	212,117	209,108	\$ 3,009
General Administrative Division	<u>1,144,812</u>	<u>1,144,812</u>	<u>1,060,487</u>	<u>\$ 84,325</u>
<b><u>Total Expenditures</u></b>	<b><u>\$ 7,797,751</u></b>	<b><u>\$ 7,797,751</u></b>	<b><u>\$ 7,264,501</u></b>	<b><u>\$ 533,250</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, 2011

Assets

Current Assets

Cash	\$ 47,878
Inventory - at Cost	56,029
<u>Total Current Assets</u>	<u>103,907</u>

Property and Equipment

Golf Course	4,784,743
Buildings and Equipment	3,145,232
	<u>7,929,975</u>
Less: Accumulated Depreciation	1,429,848
<u>Net Property and Equipment</u>	<u>6,500,127</u>

Other Assets

Unamortized Loan Costs	<u>42,419</u>
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<u>Total Assets</u>	<u>\$ 6,646,453</u>
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Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 10,532
Accrued Payroll and Withholding	5,388
Deferred Revenue	116,760
Accrued Time Off	120,619
Due to General Fund	2,676,439
Bonds Payable - Current	83,378
Note Payable - Bank	14,459
Obligations Under Capital Leases - Current	47,233
<u>Total Current Liabilities</u>	<u>3,074,808</u>

Long-Term Liabilities

Revenue Bonds - Series 2000	2,086,670
Obligations Under Capital Leases	51,223
<u>Total Long-Term Liabilities</u>	<u>2,137,893</u>

<u>Total Liabilities</u>	<u>5,212,701</u>
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Net Assets

Contributed Capital	6,128,640
Retained Earnings (Deficit)	(4,694,888)
<u>Total Net Assets</u>	<u>1,433,752</u>

<u>Total Liabilities and Net Assets</u>	<u>\$ 6,646,453</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, 2011

<u>Operating Income</u>	
User Fees	\$ 1,060,435
Pro Shop and Concession Sales	275,637
<u>Total Operating Revenues</u>	<u>1,336,072</u>
<u>Operating Expenses</u>	
Salaries	761,323
Social Security	50,802
Employee Retirement	20,506
Group Insurance	84,418
Land Rent	150,000
Advertising	13,519
Fertilizer, Chemicals and Supplies	149,817
Building and Equipment Rent	74,083
Maintenance and Repairs	68,261
Utilities and Telephone	147,392
Insurance	50,349
Credit Card Fees	18,133
Office Supplies Expense	17,241
Pro Shop, Concession Merchandise and Supplies	242,965
Uniforms	1,578
Cash (Over) Short	(11)
Depreciation and Amortization	142,752
<u>Total Operating Expenses</u>	<u>1,993,128</u>
<u>Operating Income (Loss)</u>	<u>(657,056)</u>
<u>Other Revenues (Expenses)</u>	
Transfer from General Fund	43,793
Interest Income	354
Interest Expense	(64,892)
<u>Total Other Revenues (Expenses)</u>	<u>(20,745)</u>
<u>Net Income (Loss)</u>	(677,801)
<u>Retained Earnings - Beginning</u>	<u>(4,017,087)</u>
<u>Retained Earnings - Ending</u>	<u>(4,694,888)</u>
<u>Contributed Capital - Beginning</u>	5,905,628
Contributions in Fiscal Year Ended September 30, 2011	223,012
<u>Contributed Capital at End of Year</u>	<u>6,128,640</u>
<u>Fund Equity at End of Year</u>	<u>\$ 1,433,752</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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Operating Income</u>				
User Fees	\$ 1,314,200	\$ 1,314,200	\$ 1,060,435	\$ (253,765)
Pro Shop and Concession Sales	278,000	278,000	275,637	(2,363)
<u>Total Operating Revenues</u>	<u>1,592,200</u>	<u>1,592,200</u>	<u>1,336,072</u>	<u>(256,128)</u>
<u>Operating Expenses</u>				
Salaries	759,000	759,000	761,323	(2,323)
Social Security	58,000	58,000	50,802	7,198
Employee Retirement	22,500	22,500	20,506	1,994
Group Insurance	84,500	84,500	84,418	82
Land Rent	150,000	150,000	150,000	
Advertising	20,000	20,000	13,519	6,481
Fertilizers, Chemicals and Supplies	151,000	151,000	149,817	1,183
Building and Equipment Rent	61,200	61,200	74,083	(12,883)
Maintenance and Repairs	84,700	84,700	68,261	16,439
Maintenance Equipment Rent	78,000	78,000		78,000
Utilities and Telephone	132,000	132,000	147,392	(15,392)
Insurance	66,000	66,000	50,349	15,651
Credit Card Fees	15,635	15,635	18,133	(2,498)
Office Supplies Expense	20,900	20,900	17,241	3,659
Pro Shop, Concession Merchandise and Supplies	176,700	176,700	242,965	(66,265)
First Tee Expense	84,500	84,500		84,500
Uniforms	4,750	4,750	1,578	3,172
Miscellaneous Expense	7,000	7,000		7,000
Cash (Over)/Short	500	500	(11)	511
Depreciation and Amortization	-	-	142,752	(142,752)
<u>Total Operating Expenses</u>	<u>1,976,885</u>	<u>1,976,885</u>	<u>1,993,128</u>	<u>(16,243)</u>
<u>Operating Income (Loss)</u>	(384,685)	(384,685)	(657,056)	(272,371)
<u>Other Revenues (Expenses)</u>				
Transfer from General Fund			43,793	43,793
Interest Income	1,000	1,000	354	(646)
Interest Expense	(155,198)	(155,198)	(64,892)	90,306
<u>Net Income (Loss)</u>	<u>\$ (538,883)</u>	<u>\$ (538,883)</u>	<u>(677,801)</u>	<u>\$ (138,918)</u>
<u>Net Assets - Beginning</u>			<u>(4,017,087)</u>	
<u>Net Assets - Ending</u>			<u>\$ (4,694,888)</u>	

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, 2011

Cash Flows from Operating Activities

Cash from Customers	\$ 1,357,878
Cash Paid for Salaries	(760,793)
Cash Paid for Operating Expenses	<u>(1,067,461)</u>
Net Cash (Used In) Operating Activities	<u>(470,376)</u>

Cash Flows from Non-Capital Financing Activities

Transfers from General Fund	<u>43,793</u>
Net Cash Provided By Non-Capital Financing Activities	<u>43,793</u>

Cash Flows from Capital and Related Financing Activities

Cash from Interest Income	354
Reduction of Debt - Net	(236,529)
Capital Contribution Received	223,012
Cost of Depreciable Assets Acquired	(72,311)
Interest on Debt	(64,892)
Advance from General Fund	<u>507,000</u>
Net Cash Provided by Capital and Related Financing Activities	<u>356,634</u>

Net Increase (Decrease) in Cash (69,949)

Cash - Beginning 117,827

Cash - Ending \$ 47,878

Reconciliation of Net Operating (Loss) to Net Cash  
(Used in) Operating Activities

Operating (Loss) \$ (657,056)

Adjustments to Reconcile Net Operating (Loss)  
to Net Cash (Used in) Operating Activities:

Depreciation and Amortization	142,752
Change in Assets and Liabilities:	
(Increase) Decrease in Inventory	(150)
(Increase) Decrease in Prepaid Expense	5,945
Increase (Decrease) in Accounts Payable	9,920
Increase (Decrease) in Accrued Payroll and Time Off	6,407
Increase (Decrease) in Deferred Revenue	<u>21,806</u>

Net Cash (Used in) Operating Activities \$ (470,376)

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

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2011

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, 2011

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.

Agency Funds – These funds are used to account for assets which belong to other organizations and individuals. The Authority collects these assets and transfers them to the proper parties. The Authority has one Agency Fund:

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, 2011

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, 2011

Note 1: (Continued)

The revenue that was accrued is the beer tax from Tuscaloosa County in fiscal year 2011 and reimbursement for tornado damage 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, 2011 was \$852,802. 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, 2011

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, 2011, the carrying amount of the Authority's deposits was \$1,793,026 and the bank balance was \$2,657,949. 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, 2011 were as follows:

	<u>10/1/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>9/30/11</u>
Land	\$ 2,043,370	\$	\$	\$ 2,043,370
Buildings and Improvements	36,559,461	3,068,159	225,588	39,402,032
Furniture and Equipment	358,749		32,848	325,901
Other Equipment	382,871	3,200	49,600	336,471
Vehicles	576,315	90,715		667,030
<u>Totals</u>	<u>\$ 39,920,766</u>	<u>\$ 3,162,074</u>	<u>\$ 308,036</u>	<u>\$ 42,774,804</u>
Proprietary Fund - Golf Course	\$ 7,857,664	\$ 72,311	\$	\$ 7,929,975

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	<u>608,370</u>
<u>Total Land</u>	<u>2,043,370</u>

(Continued)



Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2011

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	767,640
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 and Center	193,866
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

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2011

Note 4: (Continued)

Sokol Park Ball Field	\$ 3,673,680
Maple Shelter Restroom Renovation	93,670
Belk Center – Equipment and HVAC	104,220
Phelps Center – Equipment and HVAC	17,025
McDonald Hughes Center – Equipment and HVAC	67,008
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	267,157
Holt Gym and Cottondale Little League	184,071
Sokol Arena	48,302
Brookwood Baseball Field	25,595
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	58,823
West End Park	96,128
McKinney Park	6,490
Faucett Brothers Park and Center	3,053,447
Bleachers	43,469
Signs and Fence	60,091
Harmon and Kaulton Fields	25,102
Hinton Park Ball Fields	6,883
Duncanville Little League Fields	43,811
Northside Dixie Youth Fields	70,196
Vance Community Park	24,720
Lakeview Elementary Playground	21,513
Rock Quarry Playground	6,832
Playground Equipment	66,087
Northport Field	64,087
Binion Creek Landing Restroom	63,383
Northington Elementary	9,370
Sipsey Valley High – Equipment	7,338
<u>Total Buildings and Improvements</u>	<u>39,402,032</u>
<u>Office Furniture and Equipment</u>	
Furniture and Equipment	325,901
<u>Total Office Furniture and Equipment</u>	<u>325,901</u>
<u>Other Equipment</u>	
Concession Equipment	5,285
Maintenance Equipment	227,846
Recreational Equipment	103,340
<u>Total Other Equipment</u>	<u>336,471</u>
<u>Vehicles</u>	<u>667,030</u>
<u>Total Fixed Assets</u>	<u>\$ 42,774,804</u>
<u>Golf Course and Facilities</u>	<u>\$ 7,929,975</u>

(Continued)

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2011

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, 2011

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, 2011 totaled \$174,946. This amount is comprised of \$11,471 due from Tuscaloosa County Commission for beer tax proceeds and was received by October 31, 2011 and \$163,475 due from Red Cross and State of Alabama for reimbursement of storm damage costs.

(Continued)

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2011

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, 2011

Note 6 (Continued)

For September 30, 2011 the Authority's annual pension cost of \$134,734 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, 2011 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 for the year of transition:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/06	\$ 121,241	100%	\$ -0-

As of September 30, 2009 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
9/30/04 <sup>2</sup>	3,828,486	3,669,563	(158,923)	104.3	2,006,641	(7.9)%
9/30/05	4,069,282	3,992,428	(76,854)	101.9	1,989,356	(3.9)
9/30/06 <sup>3</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	29.80

2. Reflects effect of DROP if unit elected to enroll prior to August 4, 2005.
3. Reflects changes in actuarial assumptions.

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.

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2011

Note 7 (Continued)

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:

<u>FYE</u> <u>September 30</u>	<u>Total</u>
2012	\$ 83,378
2013	87,547
2014	95,885
2015	100,053
2016	104,222
Thereafter	1,698,963

Capital Lease – Certain equipment used in the golf course operations is leased under capital leases. The assets and liabilities under the capital lease is 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
	<u>159,811</u>
Less: Accumulated Depreciation	46,118
	<u>\$ 113,693</u>

Minimum future lease payments under capital leases as of September 30, 2010 and for future years are:

<u>FYE</u> <u>September 30</u>	<u>Amount</u>
2012	\$ 47,233
2013	35,669
2014	15,554

(Continued)

Tuscaloosa County Park and Recreation Authority  
Notes to Financial Statements  
September 30, 2011

Note 8 (Continued)

Note Payable – Bank – Loan secured by golf course maintenance equipment, payable \$2,433.71 per month, including interest at 4.2%. Principal payments are as follows:

FYE <u>September 30</u> 2012	<u>Amount</u>
	\$ 14,459

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

Outstanding Debt at October 1, 2010	\$ 3,274,423
Redemptions and Payments	<u>(483,090)</u>
Outstanding Debt at September 30, 2011	<u>\$ 2,791,333</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>
2012	\$ 38,539
2013	24,475
2014	14,277

Note 11: Subsequent Events – The Authority has evaluated subsequent events through March 1, 2012, 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, 2011

Assets

	<u>Employee Fund</u>	<u>Foundation Fund</u>	<u>Veteran's Memorial Fund</u>	<u>Totals</u>
Cash	\$ 1,411	\$ 43,023	\$ 541,839	\$ 586,273
<u>Total Assets</u>	<u>\$ 1,411</u>	<u>\$ 43,023</u>	<u>\$ 541,839</u>	<u>\$ 586,273</u>

Liabilities and Fund Equity

Fund Equity

Unreserved Fund Balance	\$ 1,411	\$ 43,023	\$ 541,839	\$ 586,273
<u>Total Fund Equity</u>	<u>1,411</u>	<u>43,023</u>	<u>541,839</u>	<u>586,273</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$ 1,411</u>	<u>\$ 43,023</u>	<u>\$ 541,839</u>	<u>\$ 586,273</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, 2011

	Employee Fund	Foundation Fund	Veteran's Memorial Fund	Totals
<u>Revenues</u>				
Interest Income	\$ -	\$ 202	\$ 9,415	\$ 9,617
Contributions		25,500	35,138	60,638
Employee Deposits	1,280	-	-	1,280
<u>Total Revenues</u>	<u>1,280</u>	<u>25,702</u>	<u>44,553</u>	<u>71,535</u>
<u>Expenditures</u>				
Current:				
Employee Functions	709	-	-	709
<u>Total Expenditures</u>	<u>709</u>	<u>-</u>	<u>-</u>	<u>709</u>
<u>Excess Revenues Over (Under) Expenditures</u>	571	25,702	44,553	70,826
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In (Out)	-	(7,685)	(44,011)	(51,696)
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	571	18,017	542	19,130
<u>Fund Balance - October 1, 2009</u>	<u>840</u>	<u>25,006</u>	<u>541,297</u>	<u>567,143</u>
<u>Fund Balance - September 30, 2010</u>	<u>\$ 1,411</u>	<u>\$ 43,023</u>	<u>\$ 541,839</u>	<u>\$ 586,273</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, 2011

Parks Division

Salaries - Full-time	\$ 1,152,465
Salaries - Part-time	255,179
Contract Maintenance	126,762
Group Insurance	317,311
General Maintenance Supplies/Repairs	405,564
Social Security	100,529
Vehicle and Equipment Repairs	60,472
Utilities	408,036
Vehicle Operating Cost	145,803
Employee Retirement	62,830
Office Equipment Lease	1,200
Uniforms	4,070
Telephone	23,161
Office Supplies	3,786
Miscellaneous	3,303
Park Improvements	84,808
Interest Expense	27,321
<u>Total Parks Division</u>	<u>\$ 3,182,600</u>

Recreation Division

Day Camp	\$ 175,262
Aquatics	238,733
Utilities	78,938
Special Events	9,182
Football	27,491
Instructional Classes	43,641
Salaries	272,024
Social Security	47,063
Employee Retirement	15,458
Group Insurance	58,743
Theraputic Programs	22,392
Basketball	37,366
Cheerleading	6,097
Tournaments	391
Teens Programs	1,104
Softball	60,546
Travel	12,392
Soccer	94,946
<u>Total Recreation Division</u>	<u>\$ 1,201,769</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, 2011

Activity Centers

Salaries - Full-time	\$ 505,962
Salaries - Part-time	345,290
Utilities	430,485
Social Security	63,738
Group Insurance	129,132
Travel Allowance	3,469
Community Programming	1,008
Office Supplies	14,998
Office Equipment Lease	10,716
Telephone	43,741
Miscellaneous	2,068
Uniforms	1,643
Employee Retirement	27,011
Contract Labor	31,276
<u>Total Activity Centers</u>	<u>\$ 1,610,537</u>

Arts Division

Salaries - Full-time	\$ 147,180
Salaries - Part-time	7,814
Group Insurance	34,446
Social Security	11,951
Employee Retirement	7,717
<u>Total Arts Division</u>	<u>\$ 209,108</u>

General Administrative Division

Salaries - Full-time	\$ 350,260
Salaries - Part-time	41,904
Casualty and Liability Insurance	306,329
Telephone	17,335
Group Insurance	70,330
Social Security	35,874
Utilities	34,782
Miscellaneous	73,351
Employee Retirement	21,718
Office Supplies and Postage	9,533
Meetings and Conferences	10,889
Travel Allowance	4,157
Dues	3,014
Office Equipment Lease	2,544
Professional Development	2,193
Personnel Expenses	14,197
Attorney and Accounting	41,568
Public Relations	20,509
<u>Total General Administrative Division</u>	<u>\$ 1,060,487</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, 2011

	Miller Activity Center	Belk Activity Center	McAbee Activity Center	Phelps Activity Center	McDonald Hughes Community Center	Totals
Salaries - Full-time	\$ 100,906	\$ 93,277	\$ 103,232	\$ 95,163	\$ 113,384	\$ 505,962
Salaries - Part-time	72,024	85,042	80,949	70,971	36,304	345,290
Utilities	168,133	75,323	75,145	35,178	76,706	430,485
Social Security	13,004	13,397	13,698	12,484	11,155	63,738
Group Insurance	22,644	21,385	25,255	33,758	26,090	129,132
Travel Allowance	564	503	1,098	702	602	3,469
Office Supplies	3,756	3,784	2,224	2,131	3,103	14,998
Office Equipment Lease	2,544	3,480	1,344	2,004	1,344	10,716
Telephone	8,562	9,204	8,697	8,720	8,558	43,741
Miscellaneous	27	697	1,225	119	-	2,068
Uniforms	858				785	1,643
Community Programming	585	10		177	236	1,008
Contract Labor	6,499	1,795	6,491	5,541	10,950	31,276
Employee Retirement	5,303	4,904	5,549	5,160	6,095	27,011
Totals	<u>\$ 405,409</u>	<u>\$ 312,801</u>	<u>\$ 324,907</u>	<u>\$ 272,108</u>	<u>\$ 295,312</u>	<u>\$ 1,610,537</u>

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

**Tuscaloosa County Park and Recreation Authority  
Board Members and Officials  
September 30, 2011**

Leroy McAbee	Member	1901 2 <sup>nd</sup> 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 23 <sup>rd</sup> 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
Clarence Richardson	Member	22 Coke Avenue NE Tuscaloosa, AL 35404

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