

**Tuscaloosa County Park
and Recreation Authority**

Tuscaloosa, Alabama

September 30, 2014

This page intentionally left blank.

Tuscaloosa County Park and Recreation Authority
Table of Contents
September 30, 2014

Independent Auditor's Report	1-2
Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3-4
Management's Discussion and Analysis	5-7
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	8
Statement of Activities	9
Fund Financial Statements	
Major Government Funds	
Balance Sheet	10
Statement of Revenues and Expenditures	11
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Government Funds to the Statement of Activities	13
General Fund	
Statement of Revenues and Expenditures, Budget and Actual (Budgetary Basis)	14
Proprietary Fund	
Statement of Net Assets - Golf Course	15
Statement of Revenues, Expenses and Changes in Fund Net Assets	16
Statement of Revenues and Expenses - Budget to Actual	17
Statement of Cash Flows	18
Notes to Financial Statements	19-30
Supplemental Information	
Special Revenue Funds	
Combining Balance Sheet	31
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	32
Schedule of Detail Expenditures - General Fund	33-34
Schedule of Detail Operating Expenditures - Activity Centers - General Fund	35
Board Members	36



LAWRENCE, HITT & PUGH, LLP

CERTIFIED PUBLIC ACCOUNTANTS

H. MACK HITT, CPA

J. REESE PUGH, CPA

DANA M. ROBERTSON, CPA

G. LEVERT LAWRENCE, CPA
1938 - 2007

MEMBER
AMERICAN INSTITUTE
OF CERTIFIED PUBLIC
ACCOUNTANTS

ALABAMA SOCIETY
OF CERTIFIED PUBLIC
ACCOUNTANTS

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tuscaloosa County Park and Recreation Authority, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence is sufficient to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tuscaloosa County Park and Recreation Authority, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis and budgetary comparison information on pages 5-7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements the collectively comprise the Tuscaloosa County Park and Recreation Authority's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, detailed schedules, and board information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Lawrence, Hitt & Pugh, LLP

LAWRENCE, HITT & PUGH, LLP
Certified Public Accountants

Tuscaloosa, Alabama
February 6, 2015



LAWRENCE, HITT & PUGH, LLP
CERTIFIED PUBLIC ACCOUNTANTS

H. MACK HITT, CPA
J. REESE PUGH, CPA
DANA M. ROBERTSON, CPA
G. LEVERT LAWRENCE, CPA
1938 - 2007

MEMBER
AMERICAN INSTITUTE
OF CERTIFIED PUBLIC
ACCOUNTANTS

ALABAMA SOCIETY
OF CERTIFIED PUBLIC
ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tuscaloosa County Park and Recreation Authority, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Tuscaloosa County Park and Recreation Authority's basic financial statements, and have issued our report thereon dated February 6, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Tuscaloosa County Park and Recreation Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are to be required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Lawrence, Hitt & Pugh, LLP

LAWRENCE, HITT & PUGH, LLP
Certified Public Accountants

Tuscaloosa, Alabama
February 6, 2015

Tuscaloosa County Park and Recreation Authority
Management's Discussion and Analysis
September 30, 2014

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, 2014. 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 \$43,748,412 (net assets) for the fiscal year reported, and business-type activities (golf course) assets exceeded liabilities by \$1,925,312.
- Local government appropriations amounted to 79% of total governmental activities revenues in the current fiscal year as compared to 84% in the prior fiscal year.
- Revenues from charges for services were \$3,034,092 in the current fiscal year compared to \$2,438,441 in the prior fiscal year.
- The Authority's proprietary fund reported total revenues of \$1,710,118 this year. This compares to \$1,543,450 for the prior year.
- The Authority reduced outstanding debt by \$111,260 through regularly scheduled debt payments.
- The Authority increased capital assets by \$5,015,105 primarily through park improvements, purchase of equipment and improvements to activity centers.

Overview of the Financial Statements

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

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

Financial Analysis of the Authority taken as a Whole

Net Assets - The Authority's net assets increased \$2,451,298 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, 2014

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
Current and Other Assets	\$ 7,750,003	\$ 8,150,702
Capital Assets	<u>38,584,423</u>	<u>35,359,321</u>
<u>Total Assets</u>	<u>46,334,426</u>	<u>43,510,023</u>
Other Liabilities	<u>2,586,014</u>	<u>2,212,909</u>
<u>Total Liabilities</u>	<u>2,586,014</u>	<u>2,212,909</u>
Net Assets:		
Invested in Capital Assets – Net of Related Debt	38,144,308	34,900,464
Unrestricted	2,409,738	2,916,921
Restricted	<u>3,194,366</u>	<u>3,479,729</u>
<u>Total Net Assets</u>	<u>43,748,412</u>	<u>41,297,114</u>
	<u>Business-Type Activities</u>	
	<u>2014</u>	<u>2013</u>
Current and Other Assets	\$ 248,792	\$ 273,558
Capital Assets	<u>7,008,333</u>	<u>7,154,932</u>
<u>Total Assets</u>	<u>7,257,125</u>	<u>7,428,490</u>
Long-Term Liabilities	1,856,348	1,950,747
Other Liabilities	<u>3,475,465</u>	<u>3,702,794</u>
<u>Total Liabilities</u>	<u>5,331,813</u>	<u>5,653,541</u>
Net Assets:		
Invested in Capital Assets –		
Net of Related Debt	5,001,946	5,056,027
Unrestricted	<u>(3,076,634)</u>	<u>(3,281,078)</u>
<u>Total Net Assets</u>	<u>1,925,312</u>	<u>1,774,949</u>
<u>Government-Wide Total Net Assets</u>	<u>\$ 45,673,724</u>	<u>\$ 43,072,063</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, 2014 in conjunction with the following statements.

Tuscaloosa County Park and Recreation Authority
Management's Discussion and Analysis
September 30, 2014

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, 2014

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current Assets:			
Cash and Cash Equivalents	\$ 2,090,968	\$ 142,258	\$ 2,233,226
Due from Other Funds	3,056,439		3,056,439
Due from Other Governmental Units	159,444		159,444
Inventory - At Cost		72,876	72,876
Prepaid Expenses	33,415	-	33,415
<u>Total Current Assets</u>	<u>5,340,266</u>	<u>215,134</u>	<u>5,555,400</u>
Restricted Current Assets:			
Cash and Cash Equivalents	2,399,884		2,399,884
Due from Other Governmental Units	9,853	-	9,853
<u>Total Restricted Current Assets</u>	<u>2,409,737</u>	<u>-</u>	<u>2,409,737</u>
Property and Equipment, Net of Depreciation	38,584,423	7,008,333	45,592,756
Other Assets	-	33,658	33,658
<u>Total Assets</u>	<u>\$ 46,334,426</u>	<u>\$ 7,257,125</u>	<u>\$ 53,591,551</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$ 799,612	\$ 29,381	\$ 828,993
Accrued Payroll	69,662	13,341	83,003
Accrued Time Off	745,157	107,070	852,227
Payroll Deductions Payable	111,558		111,558
Security Deposits Due Patrons	50,774		50,774
Loan Payable - Tuscaloosa County Commission	440,115		440,115
Deferred Revenue	369,136	119,195	488,331
Due to Other Funds		3,056,439	3,056,439
Bonds Payable - Series 2000 - Current		100,053	100,053
Capital Lease Obligations - Current	-	49,986	49,986
<u>Total Current Liabilities</u>	<u>2,586,014</u>	<u>3,475,465</u>	<u>6,061,479</u>
Long-Term Liabilities			
Bonds Payable - Series 2000		1,822,641	1,822,641
Obligations Under Capital Leases	-	33,707	33,707
<u>Total Long-Term Liabilities</u>	<u>-</u>	<u>1,856,348</u>	<u>1,856,348</u>
<u>Total Liabilities</u>	<u>2,586,014</u>	<u>5,331,813</u>	<u>7,917,827</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	38,144,308	5,001,946	43,146,254
Restricted Net Assets	2,409,737		2,409,737
Unrestricted Net Assets	3,194,367	(3,076,634)	117,733
<u>Total Net Assets</u>	<u>\$ 43,748,412</u>	<u>\$ 1,925,312</u>	<u>\$ 45,673,724</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, 2014

<u>Program Activities</u>	<u>Expenses</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Government Activities:				
Parks Division	\$ 4,049,015	\$ (4,049,015)	\$ -	\$ (4,049,015)
Recreation Division	1,899,331	(1,899,331)		(1,899,331)
Activity Center Operations	2,332,980	(2,332,980)		(2,332,980)
Arts Division	246,867	(246,867)		(246,867)
General Administrative Division	1,632,289	(1,632,289)		(1,632,289)
Special Revenue	281,634	(281,634)		(281,634)
Depreciation	1,790,004	(1,790,004)	-	(1,790,004)
<u>Total Governmental Activities</u>	<u>12,232,120</u>	<u>(12,232,120)</u>	<u>-</u>	<u>(12,232,120)</u>
Business-Type Activities				
Golf Course	-	-	(1,944,659)	(1,944,659)
<u>Total Business-Type Activities</u>	<u>-</u>	<u>-</u>	<u>(1,944,659)</u>	<u>(1,944,659)</u>
Revenues:				
Intergovernmental -				
Regular Appropriations		7,095,349		7,095,349
Intergovernmental -				
Special Appropriations		4,520,145		4,520,145
Charges for Services		3,034,092		3,034,092
Interest Income		14,723		14,723
Miscellaneous		19,109		19,109
Golf Course		-	1,710,118	1,710,118
<u>Total Revenues</u>		<u>14,683,418</u>	<u>1,710,118</u>	<u>16,393,536</u>
<u>Changes in Net Assets</u>		<u>2,451,298</u>	<u>(234,541)</u>	<u>2,216,757</u>
<u>Net Assets, Beginning</u>		<u>41,297,114</u>	<u>1,774,949</u>	<u>43,072,063</u>
Contributed Capital		-	384,904	384,904
<u>Net Assets, Ending</u>		<u>\$ 43,748,412</u>	<u>\$ 1,925,312</u>	<u>\$ 45,673,724</u>

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

Tuscaloosa County Park and Recreation Authority
Balance Sheet
Government Funds
September 30, 2014

		Special	Capital	Total
	General	Revenue	Projects	Governmental
<u>Assets</u>				<u>Funds</u>
Cash and Cash Equivalents	\$ 3,191,188	\$ 1,140,025	\$ 159,639	\$ 4,490,852
Due from Other Funds	3,056,439			3,056,439
Prepaid Expenses	33,415			33,415
Due from Other Governmental Units	159,444	-	9,853	169,297
<u>Total Assets</u>	<u>\$ 6,440,486</u>	<u>\$ 1,140,025</u>	<u>\$ 169,492</u>	<u>\$ 7,750,003</u>
<u>Liabilities and Fund Equity</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 799,612	\$ -	\$ -	\$ 799,612
Accrued Payroll	69,662			69,662
Accrued Time Off	745,157			745,157
Payroll Deductions Payable	111,558			111,558
Deferred Revenue	369,136			369,136
Security Deposits Due Patrons	50,774	-	-	50,774
<u>Total Liabilities</u>	<u>2,145,899</u>	<u>-</u>	<u>-</u>	<u>2,145,899</u>
<u>Fund Equity</u>				
Fund Balances:				
Restricted	1,100,220	1,140,025	169,492	2,409,737
Unreserved	3,194,367	-	-	3,194,367
<u>Total Fund Equity</u>	<u>4,294,587</u>	<u>1,140,025</u>	<u>169,492</u>	<u>5,604,104</u>
 <u>Total Liabilities and Fund Equity</u>	 <u>\$ 6,440,486</u>	 <u>\$ 1,140,025</u>	 <u>\$ 169,492</u>	 <u>\$ 7,750,003</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, 2014

		Special	Capital	Total
	General	Revenue	Projects	Governmental
<u>Revenues</u>				<u>Funds</u>
Intergovernmental Revenue - Regular	\$ 7,095,349	\$ -	\$ -	\$ 7,095,349
Intergovernmental Revenue - Special	3,864,405	544,828	104,937	4,514,170
Charges for Services	3,034,092			3,034,092
Interest and Miscellaneous	33,832	4,768	1,207	39,807
	<u>14,027,678</u>	<u>549,596</u>	<u>106,144</u>	<u>14,683,418</u>
 <u>Expenditures</u>				
Parks Division	3,857,848			3,857,848
Recreation Division	1,899,331			1,899,331
Activity Center Operations	2,332,980			2,332,980
Arts Division	246,867			246,867
General Administrative Division	1,632,289			1,632,289
Special Revenue		281,634		281,634
Assets Purchased	5,015,105		209,000	5,224,105
Employee Functions	-	910	-	910
<u>Total Expenditures</u>	<u>14,984,420</u>	<u>282,544</u>	<u>209,000</u>	<u>15,475,964</u>
 <u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	(956,742)	267,052	(102,856)	(792,546)
 <u>Fund Balance - Beginning</u>	<u>5,251,329</u>	<u>872,973</u>	<u>272,348</u>	<u>6,396,650</u>
 <u>Fund Balance - Ending</u>	<u>\$ 4,294,587</u>	<u>\$ 1,140,025</u>	<u>\$ 169,492</u>	<u>\$ 5,604,104</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, 2014

<u>Total Fund Balances - Governmental Funds</u>	\$ 5,604,104
---	--------------

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

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

<u>38,144,308</u>

<u>Net Assets of Governmental Funds</u>	<u>\$ 43,748,412</u>
---	----------------------

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

Tuscaloosa County Park and Recreation Authority
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2014

<u>Net Change in Fund Balances - Total Governmental Funds</u>	\$ (792,546)
---	--------------

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 \$5,015,105 exceeded depreciation of \$1,790,004 in the current plus loan principal of \$18,743.

<u>3,243,844</u>

<u>Changes in Net Assets of General Fund Activities</u>	<u>\$ 2,451,298</u>
---	---------------------

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, 2014

	Original	Final		Variance
	Budget	Budget	Actual	Favorable (Unfavorable)
<u>Revenues</u>				
Intergovernmental Revenue	\$ 7,123,775	\$ 7,123,775	\$ 7,095,349	\$ (28,426)
Charges for Services	2,699,900	2,699,900	3,034,092	334,192
Interest and Miscellaneous	26,000	26,000	33,832	7,832
<u>Total Revenues</u>	<u>\$ 9,849,675</u>	<u>\$ 9,849,675</u>	<u>\$ 10,163,273</u>	<u>\$ 313,598</u>
<u>Expenditures</u>				
Current:				
Parks Division	\$ 4,010,482	\$ 4,010,482	\$ 4,049,015	\$ (38,533)
Recreation Division	1,759,818	1,759,818	1,899,331	(139,513)
Activity Center Operations	2,372,930	2,372,930	2,332,980	39,950
Arts Division	241,988	241,988	246,867	(4,879)
General Administrative Division	1,464,457	1,464,457	1,632,289	(167,832)
<u>Total Expenditures</u>	<u>\$ 9,849,675</u>	<u>\$ 9,849,675</u>	<u>\$ 10,160,482</u>	<u>\$ (310,807)</u>

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

Tuscaloosa County Park and Recreation Authority
Enterprise Fund - Golf Course
Statement of Net Assets
September 30, 2014

Assets

Current Assets

Cash	\$ 142,258
Inventory - at Cost	72,876
<u>Total Current Assets</u>	<u>215,134</u>

Property and Equipment

Golf Course	4,784,743
Buildings and Equipment	4,137,402
	8,922,145
Less: Accumulated Depreciation	1,913,812
<u>Net Property and Equipment</u>	<u>7,008,333</u>

Other Assets

Unamortized Loan Costs	33,658
------------------------	--------

<u>Total Assets</u>	<u>\$ 7,257,125</u>
---------------------	---------------------

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 29,381
Accrued Payroll and Withholding	13,341
Accrued Time Off	107,070
Deferred Revenue	119,195
Due to General Fund	3,056,439
Bonds Payable - Current	100,053
Obligations Under Capital Leases - Current	49,986
<u>Total Current Liabilities</u>	<u>3,475,465</u>

Long-Term Liabilities

Revenue Bonds - Series 2000	1,822,641
Obligations Under Capital Leases	33,707
<u>Total Long-Term Liabilities</u>	<u>1,856,348</u>

<u>Total Liabilities</u>	<u>5,331,813</u>
--------------------------	------------------

Net Assets

Contributed Capital	7,371,780
Retained Earnings (Deficit)	(5,446,468)
<u>Total Net Assets</u>	<u>1,925,312</u>

<u>Total Liabilities and Net Assets</u>	<u>\$ 7,257,125</u>
---	---------------------

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

Tuscaloosa County Park and Recreation Authority
Statement of Revenues, Expenditures and Changes in Fund Net Assets
Enterprise Fund
For the Fiscal Year Ended September 30, 2014

<u>Operating Income</u>	
User Fees	\$ 1,271,531
Pro Shop and Concession Sales	<u>385,161</u>
<u>Total Operating Revenues</u>	<u>1,656,692</u>
<u>Operating Expenses</u>	
Salaries	710,188
Pro Shop, Concession Merchandise and Supplies	253,640
Depreciation and Amortization	206,235
Fertilizer, Chemicals and Supplies	142,977
Utilities and Telephone	141,647
Group Insurance	111,416
Building and Equipment Rent	80,383
Maintenance and Repairs	74,924
Social Security	56,932
Insurance	51,827
Employee Retirement	35,896
Credit Card Fees	24,537
Office Supplies Expense	17,476
Uniforms	1,798
Advertising	570
Cash (Over) Short	<u>71</u>
<u>Total Operating Expenses</u>	<u>1,910,517</u>
<u>Operating Income (Loss)</u>	<u>(253,825)</u>
<u>Other Revenues (Expenses)</u>	
Transfer from General Fund	53,426
Interest Expense	<u>(34,142)</u>
<u>Total Other Revenues (Expenses)</u>	<u>19,284</u>
<u>Net Income (Loss)</u>	(234,541)
<u>Retained Earnings - Beginning</u>	<u>(5,211,927)</u>
<u>Retained Earnings - Ending</u>	<u>(5,446,468)</u>
<u>Contributed Capital - Beginning</u>	6,986,876
Contributions in Fiscal Year Ended September 30, 2014	<u>384,904</u>
<u>Contributed Capital at End of Year</u>	<u>7,371,780</u>
<u>Fund Equity at End of Year</u>	<u>\$ 1,925,312</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
For the Fiscal Year Ended September 30, 2014

	Original	Final		Variance
	Budget	Budget	Actual	Favorable (Unfavorable)
<u>Operating Income</u>				
User Fees	\$ 1,306,450	\$ 1,306,450	\$ 1,271,531	\$ (34,919)
Pro Shop and Concession Sales	347,500	347,500	385,161	37,661
<u>Total Operating Revenues</u>	<u>1,653,950</u>	<u>1,653,950</u>	<u>1,656,692</u>	<u>2,742</u>
 <u>Operating Expenses</u>				
Salaries	755,000	755,000	710,188	44,812
Pro Shop, Concession Merchandise and Supplies	170,500	170,500	253,640	(83,140)
Depreciation and Amortization			206,235	(206,235)
Fertilizer, Chemicals and Supplies	143,600	143,600	142,977	623
Utilities and Telephone	101,000	101,000	141,647	(40,647)
Group Insurance	87,700	87,700	111,416	(23,716)
Building and Equipment Rent	127,000	127,000	80,383	46,617
Maintenance and Repairs	53,250	53,250	74,924	(21,674)
Social Security	64,000	64,000	56,932	7,068
Insurance	54,400	54,400	51,827	2,573
Employee Retirement	28,000	28,000	35,896	(7,896)
Credit Card Fees	19,000	19,000	24,537	(5,537)
Office Supplies Expense	18,750	18,750	17,476	1,274
Uniforms	5,500	5,500	1,798	3,702
Advertising	26,000	26,000	570	25,430
Cash (Over) Short	250	250	71	179
<u>Total Operating Expenses</u>	<u>1,653,950</u>	<u>1,653,950</u>	<u>1,910,517</u>	<u>(256,567)</u>
 <u>Operating Income (Loss)</u>			(253,825)	(253,825)
 <u>Other Revenues (Expenses)</u>				
Transfer from General Fund			53,426	53,426
Interest Expense	(124,000)	(124,000)	(34,142)	89,858
<u>Net Income (Loss)</u>	<u>\$ (124,000)</u>	<u>\$ (124,000)</u>	<u>\$ (234,541)</u>	<u>\$ (163,967)</u>
 <u>Net Assets - Beginning</u>			(5,211,927)	
 <u>Net Assets - Ending</u>			<u>\$ (5,446,468)</u>	

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

Tuscaloosa County Park and Recreation Authority
Statement of Cash Flows
Enterprise Fund
For the Fiscal Year Ended September 30, 2014

Cash Flows from Operating Activities

Cash from Customers	\$ 1,757,990
Cash Paid for Salaries	(758,535)
Cash Paid for Operating Expenses	<u>(1,258,954)</u>
Net Cash (Used By) Operating Activities	<u>(259,499)</u>

Cash Flows from Non-Capital Financing Activities

Transfers from General Fund	<u>53,426</u>
Net Cash Provided By Non-Capital Financing Activities	<u>53,426</u>

Cash Flows from Capital and Related Financing Activities

Reduction of Debt - Net	(92,518)
Increase in Due to General Fund	50,363
Capital Contribution Received	384,905
Cost of Depreciable Assets Acquired	(52,400)
Interest on Debt	<u>(34,142)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>256,208</u>

Net Increase in Cash 50,135

Cash - Beginning 92,123

Cash - Ending \$ 142,258

Reconciliation of Net Operating (Loss) to Net Cash
Provided by Operating Activities

Operating (Loss) \$ (253,825)

Adjustments to Reconcile Net Operating (Loss)
to Net Cash Provided by Operating Activities:

Depreciation and Amortization	206,235
Change in Assets and Liabilities:	
(Increase) Decrease in Due from Governments	84,804
(Increase) Decrease in Inventory	(17,139)
Increase (Decrease) in Accounts Payable	(247,720)
Increase (Decrease) in Accrued Payroll and Time Off	(48,348)
Increase (Decrease) in Deferred Revenue	<u>16,494</u>

Net Cash (Used by) Operating Activities \$ (259,499)

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

Tuscaloosa County Park and Recreation Authority
Notes to Financial Statements
September 30, 2014

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, 2014

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, 2014

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. Management capitalizes individual items with a cost of \$2,000 or greater.

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

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

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, 2014

Note 1: (Continued)

The restricted revenue that was accrued is the beer tax from Tuscaloosa County in fiscal year 2014 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.

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

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, 2014 was \$852,227. 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, 2014

Note 2 Budgets and Appropriations

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

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

The Authority prepares its annual budget on a basis (budget basis), which differs from 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, 2014, the carrying amount of the Authority's deposits was \$4,633,109 and the bank balance was \$5,057,456. 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, 2014 were as follows:

	<u>10/1/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>9/30/14</u>
Land	\$ 2,063,736	\$ 240,890	\$	\$ 2,304,626
Activity Centers	27,167,114	753,301		27,920,415
Parks and Communities	16,958,313	3,891,839		20,850,152
Administrative Building	1,152,536			1,152,536
School Improvements	2,568,104	81,676		2,649,780
Maintenance Equipment	523,055	22,586		545,641
Office Equipment	280,443	4,397		284,840
Vehicles	911,841	20,416	81,615	850,642
<u>Totals</u>	<u>\$ 51,625,142</u>	<u>\$ 5,015,105</u>	<u>\$ 81,615</u>	<u>\$ 56,558,632</u>
Proprietary Fund - Golf Course	<u>\$ 8,869,745</u>	<u>\$ 52,400</u>	<u>\$</u>	<u>\$ 8,922,145</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
Holt/Rochell Park	20,366
Bama Rock Garden	230,640
Abernant Park	10,250
<u>Total Land</u>	<u>\$ 2,304,626</u>

(Continued)

Tuscaloosa County Park and Recreation Authority
Notes to Financial Statements
September 30, 2014

Note 4: (Continued)

Activity Centers

Belk	\$ 3,541,186
Bobby Miller	6,873,664
Mary Ann Phelps	2,666,562
McAbee	3,002,094
McDonald Hughes	2,226,897
Faucett Brothers	<u>9,610,012</u>
	<u>\$ 27,920,415</u>

Parks and Communities

Abernant Park	\$ 148,507
Binion Creek	146,667
Bowers Park	2,780,410
Broughton Park	141,111
Brookwood Community	123,980
Capital Park	5,870
Cardinal Park	10,177
Coaling Community	146,346
Cottondale Community	114,482
Duncanville Community	45,210
Fosters Community	481,805
Freeman Park	1,386,981
Hasson Center	15,408
Holt Park	184,778
Hurricane Creek	29,205
Jaycee Park	521,002
Jaycee Tennis Complex	1,089,645
Kaulton Park	175,988
Kentuck	482,222
Lake Tuscaloosa	48,191
McKinney Park	6,491
Monnish	170,436
Northport Community	196,234
Northside Community	378,459
Ol' Colony Bike Path	464,301
Palmore	2,062,795
Queen City Park	292,074
River Road Park	200,852
Rosedale Community	73,398
Shelby Park	7,774
Snow Hinton	1,570,764
Sokol	6,476,526
Springbrook Park	30,639
Taylorville Community	242,326
Van DeGraffe Park	12,461
Vance Community	34,720
Veterans	448,139
West End Park	<u>103,778</u>
	<u>\$ 20,850,152</u>

(Continued)

Tuscaloosa County Park and Recreation Authority
Notes to Financial Statements
September 30, 2014

Note 4: (Continued)

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

District Government

(Tuscaloosa County Governmental Districts)

District I

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

District II

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

District III

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

District IV

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

School Sites

City of Northport

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

(Continued)

Tuscaloosa County Park and Recreation Authority
Notes to Financial Statements
September 30, 2014

Note 4: (Continued)

City of Tuscaloosa

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

Tuscaloosa County

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

Note 5 Due from Other Governments and Agencies

Amounts due from other governments and agencies at September 30, 2014 totaled \$169,297. This amount is comprised of \$9,853 due from Tuscaloosa County Commission for beer tax proceeds and was received by October 31, 2014 and \$159,444 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, 2014

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. 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.

Tuscaloosa County Park and Recreation Authority
Notes to Financial Statements
September 30, 2014

Note 6 (Continued)

For September 30, 2014 the Authority's annual pension cost of \$297,454 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, 2014 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
9/30/11	\$ 161,181	100%	\$ 0
9/30/12	\$ 167,247	100%	\$ 0
9/30/13	\$ 224,140	100%	\$ 0

As of September 30, 2013 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) ¹	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
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 ²	4,881,109	6,356,155	1,475,046	76.8	2,955,777	49.9
9/30/11 ⁴	4,854,185	6,942,373	2,088,188	69.9	2,890,519	72.2
9/30/12 ⁵	4,832,688	6,681,581	1,848,893	72.3	2,915,192	63.4
9/30/13 ⁶	5,367,128	7,377,357	2,010,229	72.8	3,466,641	58.0
9/30/13 ^{3,6}	5,367,128	7,403,615	2,036,487	72.5	3,466,641	58.7

¹ Reflects liability for cost of living benefit increases granted on or after October 1, 1978.

² Reflects the impact of Act 2011-27, which closes the DROP program to new applicants after March 24, 2011.

³ 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.

⁴ Reflects changes in actuarial assumptions.

⁵ Reflects changes to interest smoothing methodology.

⁶ Reflects implementation of Board Funding Policy.

(Continued)

Tuscaloosa County Park and Recreation Authority
Notes to Financial Statements
September 30, 2014

Note 7 Deferred Compensation

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

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

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

Note 8 Long-Term Debt

Proprietary Fund

Revenue Bonds – Series 2000 was issued to finance part of the cost of the golf course. Payments are made monthly, including principal and interest, at a variable rate. Final maturity is September 1, 2027. These bonds are guaranteed by Tuscaloosa County, which provides annual appropriations to pay principal and interest payments due.

Debt service requirements in future years are:

<u>FYE</u> <u>September 30</u>	<u>Total</u>
2015	\$ 100,053
2016	104,222
2017	107,057
2018	117,533
2019	135,000
Thereafter	1,358,829

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

Turf Maintenance Equipment	\$ 228,356
Less: Accumulated Depreciation	<u>85,351</u>
	<u>\$ 143,005</u>

(Continued)

Tuscaloosa County Park and Recreation Authority
Notes to Financial Statements
September 30, 2014

Note 8 (Continued)

Minimum future lease payments under capital leases as of September 30, 2014 and for future years are:

FYE <u>September 30</u>	<u>Amount</u>
2015	\$ 49,986
2016	20,997
2017	12,710

Changes in indebtedness during the fiscal year were:

Outstanding Debt at October 1, 2013	\$ 2,098,905
Redemptions and Payments	<u>(92,225)</u>
Outstanding Debt at September 30, 2014	<u>\$ 2,006,680</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>
2015	\$ 53,572
2016	53,572
2017	8,929

Note 11: Subsequent Events – The Authority has evaluated subsequent events through February 15, 2015, 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, 2014

Assets

	Employee Fund	Foundation Fund	Veteran's Memorial Fund	Totals
Cash	\$ 2,540	\$ 464,263	\$ 673,222	\$ 1,140,025
<u>Total Assets</u>	<u>\$ 2,540</u>	<u>\$ 464,263</u>	<u>\$ 673,222</u>	<u>\$ 1,140,025</u>

Liabilities and Fund Equity

Fund Equity

Unreserved Fund Balance	\$ 2,540	\$ 464,263	\$ 673,222	\$ 1,140,025
<u>Total Fund Equity</u>	<u>2,540</u>	<u>464,263</u>	<u>673,222</u>	<u>1,140,025</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$ 2,540</u>	<u>\$ 464,263</u>	<u>\$ 673,222</u>	<u>\$ 1,140,025</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, 2014

	Employee Fund	Foundation Fund	Veteran's Memorial Fund	Totals
<u>Revenues</u>				
Interest Income	\$ -	\$ 1,462	\$ 2,125	\$ 3,587
Contributions		464,756	80,072	544,828
Employee Deposits	<u>1,181</u>	<u>-</u>	<u>-</u>	<u>1,181</u>
<u>Total Revenues</u>	<u>1,181</u>	<u>466,218</u>	<u>82,197</u>	<u>549,596</u>
<u>Expenditures</u>				
Current:				
Employee Functions	<u>910</u>	<u>-</u>	<u>-</u>	<u>910</u>
<u>Total Expenditures</u>	<u>910</u>	<u>-</u>	<u>-</u>	<u>910</u>
<u>Excess Revenues Over (Under) Expenditures</u>	271	466,218	82,197	548,686
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In (Out)	<u>-</u>	<u>(281,634)</u>	<u>-</u>	<u>(281,634)</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	271	184,584	82,197	267,052
<u>Fund Balance - October 1, 2013</u>	<u>2,269</u>	<u>279,679</u>	<u>591,025</u>	<u>872,973</u>
<u>Fund Balance - September 30, 2014</u>	<u>\$ 2,540</u>	<u>\$ 464,263</u>	<u>\$ 673,222</u>	<u>\$ 1,140,025</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, 2014

Parks Division

Salaries - Full-time	\$ 1,437,615
Salaries - Part-time	231,552
Contract Maintenance	223,658
Group Insurance	419,264
General Maintenance Supplies/Repairs	728,297
Social Security	118,542
Vehicle and Equipment Repairs	64,821
Utilities	411,149
Vehicle Operating Cost	139,981
Employee Retirement	114,895
Office Equipment Lease	1,380
Uniforms	9,926
Telephone	18,243
Office Supplies	2,258
Miscellaneous	5,638
Park Improvements	110,538
Interest Expense	11,258
<u>Total Parks Division</u>	<u>\$ 4,049,015</u>

Recreation Division

Day Camp	\$ 253,144
Aquatics	379,897
Utilities	68,400
Special Events	18,522
Football	48,790
Instructional Classes	42,467
Salaries	403,458
Social Security	74,776
Employee Retirement	32,143
Group Insurance	90,133
Theraputic Programs	24,144
Basketball	36,616
Cheerleading	2,713
Tournaments	18
Teens Programs	1,603
Softball	67,239
Volleyball	671
Travel	39,726
Soccer	228,192
Baseball	86,679
<u>Total Recreation Division</u>	<u>\$ 1,899,331</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, 2014

Activity Centers

Salaries - Full-time	\$ 656,729
Salaries - Part-time	484,767
Utilities	703,255
Social Security	84,001
Group Insurance	201,874
Travel Allowance	3,357
Office Supplies	17,479
Office Equipment Lease	12,574
Telephone	47,208
Miscellaneous	24,246
Uniforms	1,201
Community Programming	13,212
Contract Labor	27,155
Professional Development	1,285
Employee Retirement	54,637
<u>Total Activity Centers</u>	<u>\$ 2,332,980</u>

Arts Division

Salaries - Full-time	\$ 167,258
Salaries - Part-time	10,091
Group Insurance	41,703
Social Security	13,566
Employee Retirement	14,249
<u>Total Arts Division</u>	<u>\$ 246,867</u>

General Administrative Division

Salaries - Full-time	\$ 555,188
Salaries - Part-time	59,485
Casualty and Liability Insurance	436,476
Telephone	18,668
Group Insurance	88,271
Social Security	43,807
Utilities	43,171
Miscellaneous	110,782
Employee Retirement	52,614
Office Supplies and Postage	22,823
Meetings and Conferences	12,283
Travel Allowance	8,426
Dues	4,542
Office Equipment Lease	2,787
Professional Development	2,184
Personnel Expenses	26,690
Attorney and Accounting	57,045
Public Relations	87,047
<u>Total General Administrative Division</u>	<u>\$ 1,632,289</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, 2014

	Miller Activity Center	Belk Activity Center	McAbee Activity Center	Phelps Activity Center	McDonald Hughes Community Center	Faucett Brothers Center	Totals
Salaries - Full-time	\$124,447	\$ 86,986	\$108,227	\$100,879	\$104,208	\$131,982	\$ 656,729
Salaries - Part-time	76,067	71,397	82,682	56,953	36,623	161,045	484,767
Utilities	165,261	99,251	82,824	44,472	80,795	230,652	703,255
Social Security	14,234	11,111	14,186	11,951	10,527	21,992	84,001
Group Insurance	41,770	28,711	32,938	17,199	31,382	49,874	201,874
Travel Allowance	-	190	2,261	685	221	-	3,357
Office Supplies	2,184	2,381	1,399	2,461	3,392	5,662	17,479
Office Equipment Lease	1,546	2,826	1,380	2,020	1,380	3,422	12,574
Telephone	14,035	6,195	5,707	5,974	5,633	9,664	47,208
Miscellaneous	1,119	4,480	6,493	1,677	9,456	1,021	24,246
Uniforms	689	-	11	-	501	-	1,201
Community Programming	2,012	-	78	3,019	140	7,963	13,212
Contract Labor	3,895	3,006	6,000	2,000	2,088	10,166	27,155
Professional Development	225	-	315	225	-	520	1,285
Employee Retirement	10,572	6,954	9,125	8,466	8,790	10,730	54,637
Totals	<u>\$458,056</u>	<u>\$323,488</u>	<u>\$353,626</u>	<u>\$257,981</u>	<u>\$295,136</u>	<u>\$644,693</u>	<u>\$ 2,332,980</u>

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

Tuscaloosa County Park and Recreation Authority
Board Members and Officials
September 30, 2014

Leroy McAbee	Member	1901 2 nd 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 rd 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.