

RECREATION AND PARKS COMMISSION
of

Maryville, Alcoa, and Blount County
Maryville, Tennessee

FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2010

RECREATION AND PARKS COMMISSION

of

Maryville, Alcoa, and Blount County

Maryville, Tennessee

June 30, 2010

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RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee

SECTION ONE

INTRODUCTORY SECTION

RECREATION AND PARKS COMMISSION

of

Maryville, Alcoa, and Blount County

Maryville, Tennessee

LIST OF PRINCIPAL OFFICERS

June 30, 2010

BOARD MEMBERS:

Nelson Russell Chairperson

Todd Davis

Lily Brown

Mike Lewis

Frank Cameron

Clint Abbott

Andy White

Joe Huff Executive Director

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee

SECTION TWO

FINANCIAL SECTION



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January 6, 2011

INDEPENDENT AUDITORS' REPORT

Commissioners and Director
Recreation and Parks Commission
of Maryville, Alcoa, and Blount County
Maryville, Tennessee

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Recreation and Parks Commission of Maryville, Alcoa, and Blount County as of and for the year ended June 30, 2010 which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Recreation and Parks Commission of Maryville, Alcoa, and Blount County's management. Our responsibility is to express an opinion 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 General 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 financial statements. 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 our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Recreation and Parks Commission of Maryville, Alcoa, and Blount County as of June 30, 2010, and the respective changes in financial position and the respective budgetary comparisons for the General Fund, Equipment Replacement Fund, and Everett Equipment Replacement Fund and the changes in fund balance – General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report, dated January 6, 2011, on our consideration of the Recreation and Parks Commission of Maryville, Alcoa, and Blount County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis, immediately following this letter, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. 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 opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying information listed as supplemental information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Ingram, Overholt & Bean, PC



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January 6, 2011

Our discussion and analysis of the Recreation and Parks Commission of Maryville, Alcoa, and Blount County's financial performance provides an overview of the Commission's activities for the year ended June 30, 2010.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the Commission as a whole and present a long-term view of the Commission's finances.

THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

One of the most important questions asked about the Commission's finances is "Is the Commission better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Commission and about its activities that help answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the Commission's net assets and changes in them, respectively. You can think of the Commission's net assets – the difference between assets and liabilities – as one way to measure the Commission's financial health, or financial position. Over time, increases or decreases in the Commission's net assets are one indicator of whether its financial health is improving or deteriorating.

FINANCIAL HIGHLIGHTS

The operations of the Recreation and Parks Commission of Maryville, Alcoa, and Blount County are primarily funded as follows:

	<u>2010</u>	<u>2009</u>
Governmental appropriations – from Maryville, Alcoa and Blount County, Tennessee	65%	64%
Concessions	4%	5%
Pool admissions	7%	8%
Recreational programs	18%	19%
Facility rental	2%	2%
Other	4%	2%
Total funding	<u>100%</u>	<u>100%</u>

Operational costs for the Commission were \$2,612,233 and \$2,631,090 for the fiscal years ended June 30, 2010 and 2009 respectively.

NET ASSETS

The analysis below focuses on the net assets and changes in net assets of the Commission:

	<u>2010</u>	<u>2009</u>
Current assets	\$ 1,157,816	\$ 1,060,972
Capital assets, net	<u>179,852</u>	<u>176,957</u>
Total Assets	<u>1,337,668</u>	<u>1,237,929</u>
Current liabilities	204,384	175,456
Long-term liabilities	<u>53,227</u>	<u>52,608</u>
Total Liabilities	<u>257,611</u>	<u>228,064</u>
Net Assets:		
Invested in capital assets	179,852	176,957
Restricted	238,500	219,636
Unrestricted	<u>661,705</u>	<u>613,272</u>
Total Net Assets	<u>\$ 1,080,057</u>	<u>\$ 1,009,865</u>

Net assets of the Commission increased 6.95% during the current year. Unrestricted net assets, the part of the net assets that can be used to finance day-to-day operations, increased by 7.90%.

FINANCIAL RATIOS

The ratios of Working Capital and Days Cash demonstrate the continuing ability to finance operations with cash. The stability of the current ratio and the liabilities to net assets ratio demonstrate that the Commission has not financed its working capital and days cash with an increased proportion of debt. The following is a related schedule of ratios:

	<u>2010</u>	<u>2009</u>
Working Capital (the amount by which current assets exceed current liabilities)	\$ 953,432	\$ 885,517
Current Ratio (compares current assets to current liabilities – as an indicator of the ability to pay current obligations)	5.66	6.05
Days Cash and Investments (represents the number of days normal operations could continue with no revenue collections)	158.6	151.4

CAPITAL ASSETS

At the fiscal year ended June 30, 2010, the Commission had \$179,852 invested in capital assets as outlined below (a 1.64% increase from the prior year):

Depreciable:	<u>2010</u>	<u>2009</u>
Equipment:		
Administration	\$ 300,222	\$ 261,946
Concession equipment	23,581	23,581
Pool equipment	21,572	16,473
Senior citizens center	72,788	72,831
Maintenance	337,617	334,074
Everett Center	46,313	40,770
Martin Luther King Center	<u>25,056</u>	<u>22,525</u>
Total Capital Assets	827,149	772,200
Accumulated Depreciation	<u>(647,297)</u>	<u>(595,243)</u>
Net Capital Assets	<u>\$ 179,852</u>	<u>\$ 176,957</u>

DEBT

At the fiscal year end, the Commission had no debts payable. However, the Commission has a commitment to Blount County, Tennessee for \$400,500 due 2026. During the next year, the Commission plans to continue equipment replacement. During the current year, several equipment items were purchased as well as an extension to the main office was constructed and furnished.

BUDGETS

The variances between the originally adopted budget for the fiscal year ended June 30, 2010, and the final budget were caused by increased participation in recreational programs, youth football, and soccer. Other categories were amended as deemed necessary by the Board of Directors.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens with a general view of the Commission's finances and to show the Commission's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Director of the Recreation and Parks Commission of Maryville, Alcoa, and Blount County, 316 S. Everett High Road, Maryville, TN 37804.


Joe Huff
Executive Director

RECREATION AND PARKS COMMISSION

of

Maryville, Alcoa, and Blount County

Maryville, Tennessee

GOVERNMENT-WIDE FINANCIAL STATEMENTS

June 30, 2010

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
STATEMENT OF NET ASSETS
June 30, 2010

<u>ASSETS</u>	<u>Governmental Activities</u>
Current Assets:	
Cash in bank	\$ 895,475
Certificates of Deposit.....	239,596
Inventory	<u>22,745</u>
Total Current Assets	1,157,816
Depreciable Capital Assets, net of depreciation	<u>179,852</u>
Total Assets.....	<u>\$ 1,337,668</u>
 <u>LIABILITIES AND NET ASSETS</u> 	
Liabilities:	
Current Liabilities:	
Accounts payable.....	\$ 93,982
Accrued payroll	66,442
Accrued expenses	36,960
Deferred revenue	<u>7,000</u>
Total Current Liabilities.....	<u>204,384</u>
Long-term Liabilities:	
Compensated absences	<u>53,227</u>
Total Liabilities	<u>257,611</u>
Net Assets:	
Invested in capital assets.....	179,852
Unrestricted	661,705
Restricted for:	
Equipment replacement.....	231,360
Memorial trees.....	6,671
Everett Renovations	206
Blount County Appropriation for Grants to teams	<u>263</u>
Total Net Assets	<u>1,080,057</u>
Total Liabilities and Net Assets.....	<u>\$ 1,337,668</u>

See accompanying independent auditors' report and notes.

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
STATEMENT OF ACTIVITIES
June 30, 2010

	Revenues				Net (Expense)
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes Net Assets Governmental Activities</u>
Function/ Programs					
Governmental Activities:					
General and Administrative	\$ 1,859,406	\$ 57,250	\$ 1,736,181	\$ -	\$ (65,975)
Concessions	83,455	117,813	-	-	34,358
Pool Admissions	178,431	194,033	-	-	15,602
Recreational Programs	<u>490,941</u>	<u>495,915</u>	<u>27,534</u>	<u>-</u>	<u>32,508</u>
Totals	<u>\$ 2,612,233</u>	<u>\$ 865,011</u>	<u>\$ 1,763,715</u>	<u>\$ -</u>	<u>16,493</u>
General Revenues:					
Interest earned					2,834
Miscellaneous					<u>50,865</u>
Total General Revenues					<u>53,699</u>
Change in net assets					70,192
Net Assets – Beginning					<u>1,009,865</u>
Net Assets – Ending					<u>\$ 1,080,057</u>

See accompanying independent auditors' report and notes.

RECREATION AND PARKS COMMISSION

of

Maryville, Alcoa, and Blount County
Maryville, Tennessee

FUND FINANCIAL STATEMENTS

June 30, 2010

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2010

<u>ASSETS</u>	<u>General</u>	<u>Equipment Replacement Fund</u>	<u>Everett Equipment Replacement Fund</u>	<u>Total</u>
Cash in bank	\$ 753,606	\$ 115,984	\$ 25,885	\$ 895,475
Certificates of Deposit	150,105	89,491	-	239,596
Inventory	<u>22,745</u>	<u>-</u>	<u>-</u>	<u>22,745</u>
Total Assets.....	<u>\$ 926,456</u>	<u>\$ 205,475</u>	<u>\$ 25,885</u>	<u>\$1,157,816</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable.....	\$ 93,982	\$ -	\$ -	\$ 93,982
Accrued payroll	66,442	-	-	66,442
Accrued expenses	36,960	-	-	36,960
Deferred revenue	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>7,000</u>
Total Liabilities	<u>204,384</u>	<u>-</u>	<u>-</u>	<u>204,384</u>
Fund Balance:				
Undesignated, unreserved.....	<u>714,932</u>	<u>-</u>	<u>-</u>	<u>714,932</u>
Designated for:				
Equipment replacement.....	-	205,475	25,885	231,360
Memorial trees.....	6,671	-	-	6,671
Everett Renovations	206	-	-	206
Blount County Appropriations for Grants to teams	<u>263</u>	<u>-</u>	<u>-</u>	<u>263</u>
Total Designated.....	<u>7,140</u>	<u>205,475</u>	<u>25,885</u>	<u>238,500</u>
Total Fund Balance.....	<u>722,072</u>	<u>205,475</u>	<u>25,885</u>	<u>953,432</u>
Total Liabilities and Fund Balance	<u>\$ 926,456</u>	<u>\$ 205,475</u>	<u>\$ 25,885</u>	<u>\$1,157,816</u>

See accompanying independent auditors' report and notes.

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
RECONCILITATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2010

Fund balances – total governmental funds	\$ 953,432
Amounts reported for the governmental activities in the statement of net assets are different because:	
Capital assets, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	179,852
Compensated absences are not due and payable in the current period, and, therefore, are not reported in the governmental funds	<u>(53,227)</u>
Net assets of governmental activities	<u>\$ 1,080,057</u>

See accompanying independent auditors' report and notes.

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa and Blount County
Maryville, Tennessee
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**
GOVERNMENT FUNDS
For the Fiscal Year ended June 30, 2010

	<u>General</u>	Equipment Replacement <u>Fund</u>	Everett Equipment Replacement <u>Fund</u>	<u>Total</u>
Revenues:				
Government appropriations.....	\$ 1,736,181	\$ -	\$ -	\$ 1,736,181
Concessions	117,813	-	-	117,813
Pool Admissions	194,033	-	-	194,033
Program Revenue	495,915	-	-	495,915
Facility rental	57,250	-	-	57,250
Other revenues	50,865	-	-	50,865
Grant – Office on Aging	27,534	-	-	27,534
Interest.....	-	2,545	289	2,834
Total Revenues	<u>2,679,591</u>	<u>2,545</u>	<u>289</u>	<u>2,682,425</u>
Expenditures:				
Concessions	83,455	-	-	83,455
Pools.....	178,431	-	-	178,431
Program expenditures	490,941	-	-	490,941
General and administrative.....	1,798,674	-	-	1,798,674
Capital Outlay	22,775	40,234	-	63,009
Total Expenditures	<u>2,574,276</u>	<u>40,234</u>	<u>-</u>	<u>2,614,510</u>
Excess (Deficiency) of Revenues Over Expenditures.....				
	<u>105,315</u>	<u>(37,689)</u>	<u>289</u>	<u>67,915</u>
Other Financing Sources (Uses):				
Operating transfers	<u>(70,510)</u>	<u>71,160</u>	<u>(650)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses				
	34,805	33,471	(361)	67,915
Fund Balance – July 1 st	<u>687,267</u>	<u>172,004</u>	<u>26,246</u>	<u>885,517</u>
Fund Balance – June 30 th	<u>\$ 722,072</u>	<u>\$ 205,475</u>	<u>\$ 25,885</u>	<u>\$ 953,432</u>

See accompanying independent auditors' report and notes.

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
RECONCILITATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALACE
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

Net change in fund balances – total governmental funds	\$ 67,915
Amounts reported for the 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.	55,504
Expenses related to compensated absences are recorded in the statement of activities, but do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>(53,227)</u>
Changes in net assets of governmental activities	<u>\$ 70,192</u>

See accompanying independent auditors' report and notes.

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee

GENERAL FUND

June 30, 2010

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES -
COMPARED TO BUDGET
For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>			Variance -
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable (Unfavorable)
REVENUES:				
APPROPRIATIONS:				
City of Maryville.....	\$ 628,550	\$ 628,550	\$ 628,550	\$ -
City of Alcoa.....	450,981	450,981	450,981	-
Blount County.....	<u>656,650</u>	<u>656,650</u>	<u>656,650</u>	-
Total Appropriations	<u>1,736,181</u>	<u>1,736,181</u>	<u>1,736,181</u>	-
CONCESSIONS:				
Everett Park	15,750	8,821	8,821	-
Everett Football Field	21,604	18,078	18,078	-
Everett Recreation Center	8,000	7,563	7,563	-
Sandy Springs Park	13,125	8,182	8,182	-
Springbrook Park	4,000	-	-	-
John Sevier Pool.....	17,500	16,941	16,941	-
Springbrook Pool	40,000	57,422	57,422	-
Vending	<u>1,500</u>	<u>806</u>	<u>806</u>	-
Total Concessions	<u>121,479</u>	<u>117,813</u>	<u>117,813</u>	-
POOL ADMISSIONS:				
John Sevier Pool.....	62,000	69,401	69,401	-
Springbrook Pool	<u>122,000</u>	<u>124,632</u>	<u>124,632</u>	-
Total Pool Admissions.....	<u>184,000</u>	<u>194,033</u>	<u>194,033</u>	-
RECREATIONAL PROGRAM INCOME:				
Swim Team.....	14,000	17,570	17,570	-
Learn to Swim.....	10,500	12,798	12,798	-
Adult Softball.....	92,600	62,393	62,393	-
Smoky Mountain Classic	55,000	54,421	54,421	-
Tennis.....	11,800	11,719	11,719	-
Therapeutics.....	3,150	2,136	2,136	-
Recreation programs.....	12,865	19,736	19,736	-
Adult Basketball.....	11,700	6,956	6,956	-
Youth Basketball.....	38,375	43,964	43,964	-
Adult Volleyball.....	7,650	7,200	7,200	-
Soccer Camp.....	1,300	1,627	1,627	-
Youth Performing Arts	3,375	1,579	1,579	-
Volleyball Camp	2,250	2,731	2,731	-
Environmental Camp.....	2,000	1,214	1,214	-
Spring Arts & Craft Show.....	3,350	2,760	2,760	-

(Continued)

See accompanying independent auditors' report and notes.

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES -
COMPARED TO BUDGET (Continued)
For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>			Variance -
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
RECREATIONAL PROGRAM INCOME				
(CONTINUED):				
Basketball Camp	2,000	5,451	5,451	-
Youth Football Camp	4,500	4,638	4,638	-
Youth Soccer Pictures.....	14,000	13,976	13,976	-
Christmas Basketball Tournament.....	1,700	2,167	2,167	-
Youth Football	23,200	44,250	44,250	-
Youth Soccer.....	60,875	63,251	63,251	-
Day Camp	7,175	7,955	7,955	-
Kiddie Korner	17,325	12,670	12,670	-
Everett Park Adult Center	23,000	32,269	32,269	-
Road races.....	18,425	22,302	22,302	-
Special Events.....	31,000	14,164	14,164	-
Fishing Derby.....	2,325	2,526	2,526	-
Halloween Fun.....	2,350	2,269	2,269	-
Dog Obedience.....	2,100	1,474	1,474	-
Preschool Programs	14,050	17,749	17,749	-
Total Recreational Program Income	<u>493,940</u>	<u>495,915</u>	<u>495,915</u>	<u>-</u>
FACILITY RENTAL:				
Springbrook Gym rental	9,000	12,500	12,500	-
Martin Luther King Center rental	8,000	8,185	8,185	-
Pavilion rental	18,000	19,403	19,403	-
Everett Gym rental	12,000	13,867	13,867	-
Hometown Christmas	<u>3,300</u>	<u>3,295</u>	<u>3,295</u>	<u>-</u>
Total Facility Rental	<u>50,300</u>	<u>57,250</u>	<u>57,250</u>	<u>-</u>
OTHER REVENUES:				
Miscellaneous	6,000	6,680	6,680	-
Utility reimbursements	30,000	32,445	32,445	-
Marketing	<u>7,500</u>	<u>11,740</u>	<u>11,740</u>	<u>-</u>
Total Other Revenues	<u>43,500</u>	<u>50,865</u>	<u>50,865</u>	<u>-</u>
GRANT REVENUE.....	<u>20,202</u>	<u>27,534</u>	<u>27,534</u>	<u>-</u>
TOTAL REVENUES	<u>2,649,602</u>	<u>2,679,591</u>	<u>2,679,591</u>	<u>-</u>
EXPENDITURES:				
RECREATIONAL PROGRAMS				
Day Camp	5,125	5,819	5,819	-
Swim Team.....	6,200	6,584	6,858	(274)
Adult Softball.....	85,900	52,376	54,544	(2,168)
Smoky Mountain Classic	31,700	26,382	22,530	3,852
Tennis	10,500	10,898	10,322	576
Spring Sprint.....	3,000	3,774	3,774	-

(Continued)

See accompanying independent auditors' report and notes.

RECREATION AND PARKS COMMISSION

of

Maryville, Alcoa, and Blount County

Maryville, Tennessee

GENERAL FUND

STATEMENT OF REVENUES AND EXPENDITURES -

COMPARED TO BUDGET (Continued)

For the Fiscal Year Ended June 30, 2010

	Budget			Variance -
	Original	Final	Actual	Favorable (Unfavorable)
EXPENDITURES (CONTINUED):				
RECREATIONAL PROGRAMS (CONTINUED)				
Recreation Programs.....	6,125	10,438	10,458	(20)
Reindeer Run	4,275	5,364	5,364	-
Triple Crown.....	7,475	6,345	6,345	-
Youth Performing Arts	2,125	744	744	-
Volleyball Camp	1,725	1,613	2,097	(484)
Environmental Camp	1,650	1,488	1,338	150
Arts and Craft Show	2,125	2,004	2,004	-
Christmas Basketball Tournament.....	350	368	368	-
Everett Senior Center.....	182,122	180,292	180,264	28
Soccer Camp	900	1,172	1,239	(67)
Basketball Camp	1,475	2,776	3,893	(1,117)
Youth Baseball.....	3,600	-	-	-
Adult Basketball.....	9,050	6,211	6,211	-
Adult Volleyball.....	3,550	2,914	2,914	-
Youth Football	28,300	53,590	53,590	-
Supervised Gym.....	3,550	414	29	385
Learn to swim	6,825	7,642	7,661	(19)
Therapeutics.....	4,300	2,853	2,838	15
Youth Basketball.....	20,500	25,084	25,084	-
Youth Soccer.....	25,850	25,299	25,299	-
Special Events.....	28,000	19,164	19,164	-
Hometown Christmas	3,250	2,383	2,383	-
Kiddie Korner	12,825	11,137	11,137	-
Fishing Derby.....	1,350	578	578	-
Halloween Fun	1,350	1,424	1,424	-
Dog Obedience.....	1,375	645	645	-
Preschool Program	9,300	14,023	14,023	-
Total Recreational Programs	515,747	491,798	490,941	857
POOL ADMISSIONS				
John Sevier Pool.....	61,650	61,071	62,358	(1,287)
Alcoa Springbrook Pool.....	112,900	115,070	116,073	(1,003)
Total Pool Admissions	174,550	176,141	178,431	(2,290)
CONCESSIONS				
Everett Park Concessions	13,400	9,330	9,571	(241)
Sandy Springs Park Concessions	12,875	6,716	7,007	(291)
Springbrook Park Concessions	5,650	-	-	-
Everett Football Field Concessions.....	13,600	12,146	12,146	-
Everett Recreation Center Concessions.....	5,075	6,587	6,587	-
John Sevier Pool Concessions	14,200	13,716	13,450	266
Alcoa Springbrook Pool Concessions	31,800	35,359	34,694	665
Total Concessions	96,600	83,854	83,455	399

(Continued)

See accompanying independent auditors' report and notes.

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES -
COMPARED TO BUDGET (Continued)
For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>		<u>Actual</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable <u>(Unfavorable)</u>
OTHER EXPENDITURES				
Springbrook Recreation Center	100,100	96,907	97,079	(172)
Louisville Point Park	12,800	18,251	18,267	(16)
Everett Recreation Center	128,925	130,734	131,274	(540)
Parks' Maintenance	735,000	765,729	713,358	52,371
Administration	739,730	716,410	710,894	5,516
Marketing	17,500	15,285	15,285	-
Martin Luther King Center.....	77,875	84,331	84,517	(186)
Debt Retirement	28,000	28,000	28,000	-
Capital Outlay	<u>22,775</u>	<u>22,775</u>	<u>22,775</u>	<u>-</u>
Total Other Expenditures	<u>1,862,705</u>	<u>1,878,422</u>	<u>1,821,449</u>	<u>56,973</u>
 Total Expenditures	 <u>2,649,602</u>	 <u>2,630,215</u>	 <u>2,574,276</u>	 <u>55,939</u>
 EXCESS OF REVENUES OVER				
EXPENDITURES	<u>\$ -</u>	<u>\$ 49,376</u>	<u>\$ 105,315</u>	<u>\$ 55,939</u>

See accompanying independent auditors' report and notes.

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
GENERAL FUND
STATEMENT OF CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2010

FUND BALANCE – July 1, 2009	\$ 687,267
ADD: Excess of Revenues Over Expenditure (Page 16)	105,315
LESS: Operating transfers to Equipment Replacement Fund and Everett Equipment Replacement Fund	<u>(70,510)</u>
FUND BALANCE – June 30, 2010.....	<u>\$ 722,072</u>

See accompanying independent auditors' report and notes.

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
EQUIPMENT REPLACEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET ASSETS – COMPARED TO BUDGET
For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Interest on investments	\$ 2,545	\$ 2,545	\$ 2,545	\$ -
EXPENDITURES:				
Capital outlay	40,234	40,234	40,234	-
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(37,689)	(37,689)	(37,689)	-
OTHER FINANCING SOURCES (USES):				
Operating transfer from General Fund	71,160	71,160	71,160	-
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES.....	33,471	33,471	33,471	
FUND BALANCE – JULY 1, 2009	172,004	172,004	172,004	-
FUND BALANCE – JUNE 30, 2010	<u>\$ 205,475</u>	<u>\$ 205,475</u>	<u>\$ 205,475</u>	<u>\$ -</u>

See accompanying independent auditors' report and notes.

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
EVERETT EQUIPMENT REPLACEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – COMPARED TO BUDGET
For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>		<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest on investments	\$ 289	\$ 289	\$ 289	\$ -
EXPENDITURES – Capital Outlay.....	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	289	289	289	-
OTHER FINANCING SOURCES (USES):				
Operating transfer to General Fund.....	(650)	(650)	(650)	-
EXCESS (DEFICIT) OF REVENUES AND SOURCES OVER EXPENDITURES EXPENDITURES AND OTHER USES....	(361)	(361)	(361)	-
FUND BALANCE – JULY 1, 2009	<u>26,246</u>	<u>26,246</u>	<u>26,246</u>	-
FUND BALANCE – JUNE 30, 2010	<u>\$ 25,885</u>	<u>\$ 25,885</u>	<u>\$ 25,885</u>	<u>\$ -</u>

See accompanying independent auditors' report and notes.

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 – GENERAL INFORMATION:

The Recreation and Parks Commission of Maryville, Alcoa, and Blount County was created on January 1, 1970, by an agreement executed by the three participating government entities. A similar, updated agreement was signed by the governments on July 1, 1987. The Commission is responsible for providing recreation services and maintaining facilities for all three governments. The Commission is governed by a seven-member board comprised of two members each from the three governments and one member appointed at-large. Each board commissioner serves a four-year term. The Commission employs a Director and staff to plan and coordinate recreation programs. Financial support for the Commission is provided by recreation program revenues and by annual appropriations from Blount County and the Cities of Maryville and Alcoa.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. REPORTING ENTITY

The Commission is a joint venture between the three participating governments as permitted by the Tennessee Code Annotated 12-9-101 and 11-24-101, the Inter-Local Cooperation Act. The Administration Board is responsible for hiring an Executive Director. The Commission operates under its own by-laws and employees are governed under a personnel policy manual and job classification system. The Commission maintains parks and facilities owned by the three participating entities, which have an ongoing financial responsibility for the maintenance of those properties.

B. BASIS OF PRESENTATION

Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets by providing a separate set of self-balancing accounts that constitute its liabilities, fund equity, revenues, and expenditure/expenses.

(Continued)

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 – GENERAL INFORMATION (Continued):

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements (Continued):

Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Commission or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.
- c. Any fund which government officials believe is important. The Commission considers all funds as major funds.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the Commission and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Capital Project Funds

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets.

(Continued)

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

B. BASIS OF PRESENTATION (Continued)

Major and Nonmajor Funds

The funds are further classified as major or non-major as follows:

<u>Major Fund:</u>	<u>Brief Description</u>
General	It is used to account for all activities except those legally or administratively required to be accounted for in other funds.
Capital Project Funds:	
Equipment Replacement Fund	It is funded annually by the General Fund to enable the Commission to replace large equipment items on a timely basis.
Everett Equipment Replacement Fund	It is funded annually by the General Fund to enable the Commission to replace the large equipment items at the Everett facilities on a timely basis.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as follows:

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

(Continued)

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectively within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

D. ASSETS, LIABILITIES, AND EQUITY

Cash and Cash Equivalents

The Commission considers all highly liquid investments (Certificates of Deposit) with an original maturity of three months or less, at date of acquisition, to be cash equivalents.

Interfund Receivables and Payables

During the course of operations, transactions may occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

Fixed Assets

The accounting treatment used for property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2003.

(Continued)

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

D. ASSETS, LIABILITIES, AND EQUITY (Continued)

Fixed Assets (Continued)

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. This range of estimated useful lives by type of assets is as follows:

Machinery and Equipment	05 – 10 years
-------------------------	---------------

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Inventory

Inventory of supplies and materials is valued using the consumption method for recording inventory (first-in, first-out basis).

Equity Classifications

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Equity is classified as net assets and displayed in three components:

- b. Restricted net assets – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

(Continued)

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

E. REVENUES, EXPENDITURES, AND EXPENSES

Revenues and Expenses

Revenues and expenses include all items not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

F. BUDGETARY ACCOUNTING

At least forty-five (45) days before the beginning of the budgetary fiscal year, the Executive Director submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them. Prior to July 1st, the budget is legally enacted. The Executive Director is authorized to transfer appropriations between departments of any fund without the approval of the Board of Commissioners. However, any revisions that alter the total expenditures of any fund and all other budget amendments must be approved by the Board of Commissioners. Formal budgetary integration is employed as a management control device during the year for the General Fund, Equipment Replacement Fund, and Everett Equipment Replacement Fund. Budgets for the General Fund, Equipment Replacement Fund, and Everett Equipment Replacement Fund are adopted on a basis consistent with generally accepted accounting principles.

G. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent

(Continued)

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

G. USE OF ESTIMATES (Continued)

assets and liabilities at the date of the financial statements and the reported amounts of revenues and expense during the reporting period. Actual results could differ from those estimates.

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

By its nature as a local governmental component unit, the Commission is subject to various federal, state, and local laws and contractual regulations. An analysis of the Commission’s compliance with significant laws and regulations and demonstration of its stewardship over the Commission’s resources follows:

A. FUND ACCOUNTING REQUIREMENTS

The Commission complies with all state and local laws and regulations requiring the use of separate funds. There are no legally required funds used by the Commission.

B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with state law, all deposits of municipal funds in financial institutions must be federally insured or secured with acceptable collateral.

C. FUND EQUITY RESTRICTIONS

Deficit Prohibition

State of Tennessee Statutes prohibits the creation of a deficit fund balance in any individual fund. The Commission complied with this statute in all material respects for the year ended June 30, 2010.

NOTE 4 – CASH:

Total cash with a carrying value of \$1,135,071 at June 30, 2010, is summarized as follows:

Type	<u>Amount</u>
Petty cash – office, pools, concessions	\$ 2,548
Local financial institutions:	
Checking accounts (Varies)	608,563
Savings accounts (0.75% to 1.15%).....	314,540
Certificate of Deposit -	
(1.50% maturing 11/19/10)	75,000
(2.00% maturing 04/17/11)	49,729
(2.00% maturing 04/17/11)	75,105
(2% maturing 09/29/10).....	9,586
Total Cash and Investments	<u>\$ 1,135,071</u>

As of June 30, 2010, total cash on deposit in four financial institutions includes deposits insured up to \$250,000 by either the Federal Deposit Insurance Corporation, the Mutual Guaranty Corporation, or by the Tennessee Bank Collateral Pool.

(Continued)

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 5 – LEASES:

Effective April 1, 1999, the Commission leased a warehouse and storage building located on Evan Circle, Maryville, Tennessee, for use in storing supplies and maintenance items. The Commission is continuing to lease the facility for \$700 per month.

NOTE 6 – VACATION AND SICK LEAVE:

Vacation leave, computed as of January 1st each year based on preceding year, is as follows:

- (1) Less than one year, earned at 6.6 hours per month.
- (2) From one through six years of completed continuous service, 10 days vacation.
- (3) After completion of seven years of continuous service, 15 days vacation.
- (4) After completion of fourteen years of continuous service, 20 days vacation.

Employee sick leave accumulates at the rate of one day per month. Employees are allowed to trade one (1) day of vacation for every two (2) accumulated sick days over 90 days. Resigned or dismissed employees lose all accrued sick leave credit and are not paid for accrued sick leave; therefore, sick pay is not recorded as an expenditure until paid.

An employee may “carry over” into the next calendar year any unused, accrued vacation leave subject to approval. The “carry over” and unused accrued vacation is subject to a maximum of 25 days.

The Commission accounts for compensated absences in conformity with the *Governmental Accounting Standards Board (GASB) Statement Number 16*, whereby a liability is accrued for the amounts employees are entitled to receive for future absences. The liability as of June 30, 2010 is \$53,227.

NOTE 7 – EMPLOYEES’ RETIREMENT PLAN:

During the fiscal year under examination, certain employees of the Commission were member of the Tennessee Consolidated Retirement System (TCRS). The TCRS is a defined benefit retirement plan covering general employees and teachers of the State, as well as employees of political subdivisions that have elected coverage. Benefits are determined by a formula using the high five-year average salary and years of service of each employee.

Contributions to the system are determined on an actuarial reserve basis and provide funding for both normal and supplemental liability costs. The frozen initial liability method, a projected benefit cost method, is used to value the plan. All supplemental liabilities are amortized over a 40-year period which began July 1, 1975 (or the political subdivision’s date of participation, if later). The supplemental liability for the basic benefits and cost-of-living benefits is amortized as a level dollar amount. It is the policy of the plan to fund pension costs accrued.

Political subdivisions, such as the Commission, participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan.

(Continued)

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 7 – EMPLOYEES’ RETIREMENT PLAN (Continued):

For the year ended June 30, 2010, the Commission contributed \$74,598 to the plan.

An actuarial valuation is made every two years, the most recent having been completed June 30, 2009. For valuation purposes, equities were valued based on a five-year moving market average, while debt securities are valued at amortized costs.

An experience study of the system is conducted every four years, the most recent as of June 30, 2008. The 2008 valuation was conducted using assumptions that resulted from the June 30, 2004 study.

Amounts pertaining to the supplemental liability for the pension plan and accumulated assets in the plan, and the actuarially computed present value of vested benefits in excess of net assets of the pension fund, are not identifiable for the Commission.

NOTE 8 – RISK FINANCING ACTIVITIES:

It is the policy of the Commission to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, worker’s compensation, and employee health and accident. Settled claims have not exceeded this commercial coverage in any of the past three (3) fiscal years.

NOTE 9 – COMMITMENTS:

During the fiscal year ended June 30, 1998, Blount County, Tennessee, borrowed \$275,000 to finance the construction of an administrative office building for the Commission. In exchange, the Commission will make annual payments to Blount County in amounts ranging from \$18,000 to \$33,000 (through June 2016, including interest at 5.81%) as follows:

Year ending <u>June 30,</u>	
2011	\$ 28,000
2012	30,500
2013	30,500
2014	30,500
2015	<u>33,000</u>
Subtotal	<u>152,500</u>
2016	<u>33,000</u>
	<u>\$ 185,500</u>

Neither the fixed assets (administrative office building) nor the \$275,000 borrowed by Blount County is reflected in the financial statements of the Commission since the Commission is a joint venture between the three participating governments who have a revisionary interest upon dissolution of the Commission.

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 10 – CAPITAL ASSETS

A summary of capital assets and depreciation is as follows:

	<u>Balance</u> <u>7/1/09</u>	<u>Current</u> <u>Additions</u>	<u>Current</u> <u>Retirements/</u> <u>Reclassifications</u>	<u>Balance</u> <u>6/30/10</u>
<u>Depreciable Capital Assets:</u>				
Equipment:				
Administration	\$ 261,946	\$ 42,298	\$ (4,022)	\$ 300,222
Concessions Equipment	23,581	-	-	23,581
Pool Equipment	16,473	5,099	-	21,572
Senior Citizens Center	72,831	1,388	(1,431)	72,788
Maintenance	334,074	6,150	(2,607)	337,617
Everett Center	40,770	5,543	-	46,313
Martin Luther King Center	<u>22,525</u>	<u>2,531</u>	<u>-</u>	<u>25,056</u>
Total Capital Assets	772,200	63,009	(8,060)	827,149
Less Accumulated Depreciation	<u>(595,243)</u>	<u>(59,781)</u>	<u>7,727</u>	<u>(647,297)</u>
Net Capital Assets	<u>\$ 176,957</u>	<u>\$ 3,228</u>	<u>\$ (333)</u>	<u>\$ 179,852</u>
<u>Accumulated Depreciation:</u>				
Equipment:				
Administration	\$ 212,163	\$ 19,368	\$ (4,331)	\$ 227,200
Concessions Equipment	20,229	516	-	20,745
Pool Equipment	11,760	1,130	-	12,890
Senior Citizens Center	52,767	10,014	(317)	62,464
Maintenance	235,792	28,176	(3,079)	260,889
Everett Center	40,007	390	-	40,397
Martin Luther King Center	<u>22,525</u>	<u>187</u>	<u>-</u>	<u>22,712</u>
	<u>\$ 595,243</u>	<u>\$ 59,781</u>	<u>\$ (7,727)</u>	<u>\$ 647,297</u>

NOTE 11 – SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2010, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is January 6, 2011, which is the date on which the financial statements were issued.

RECREATION AND PARKS COMMISSION

Of

Maryville, Alcoa and Blount County

Maryville, Tennessee

SUPPLEMENTAL SCHEDULES

June 30, 2010

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
GENERAL FUND – SCHEDULE OF EXPENDITURES
June 30, 2010

	<u>Budget</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable (Unfavorable)
RECREATIONAL PROGRAMS				
Personnel expenses	\$ 147,925	\$ 177,583	\$ 176,754	\$ 829
Small equipment	6,700	5,342	5,342	-
Repairs and maintenance	19,100	18,999	18,999	-
Utilities and telephone	3,000	406	406	-
Dues	40,400	12,213	12,213	-
Travel	1,500	395	395	-
Supplies	<u>115,000</u>	<u>96,568</u>	<u>96,568</u>	<u>-</u>
Subtotal	<u>333,625</u>	<u>311,506</u>	<u>310,677</u>	<u>829</u>
POOL ADMISSIONS				
Personnel expenses	106,950	97,038	99,328	(2,290)
Repair and Maintenance	6,900	12,058	12,058	-
Chemicals and supplies	23,500	23,544	23,544	-
Utilities and telephone	<u>37,200</u>	<u>43,501</u>	<u>43,501</u>	<u>-</u>
Subtotal	<u>174,550</u>	<u>176,141</u>	<u>178,431</u>	<u>(2,290)</u>
CONCESSIONS				
Supplies	42,375	49,485	50,765	(1,280)
Personnel expenses	51,650	32,708	31,029	1,679
Small equipment/repairs	<u>2,575</u>	<u>1,661</u>	<u>1,661</u>	<u>-</u>
Subtotal	<u>96,600</u>	<u>83,854</u>	<u>83,455</u>	<u>399</u>
OTHER EXPENDITURES				
Springbrook Recreation Center				
Personnel expenses	70,000	71,802	71,974	(172)
Supplies	800	1,184	1,184	-
Repair and maintenance	3,000	4,792	4,792	-
Conferences and training	400	80	80	-
Utilities and telephone	<u>25,900</u>	<u>19,049</u>	<u>19,049</u>	<u>-</u>
Subtotal	<u>100,100</u>	<u>96,907</u>	<u>97,079</u>	<u>(172)</u>
Everett Adult Center				
Personnel expenses	137,097	138,860	138,832	28
Repairs and maintenance	4,500	6,269	6,269	-
Conference and training	825	120	120	-
Utilities	22,000	20,675	20,675	-
Postage	850	771	771	-
Printing/Programs	13,000	12,907	12,907	-
Office Supplies	<u>3,850</u>	<u>690</u>	<u>690</u>	<u>-</u>
Subtotal	<u>182,122</u>	<u>180,292</u>	<u>180,264</u>	<u>28</u>

(Continued)

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
GENERAL FUND – SCHEDULE OF EXPENDITURES (Continued)
June 30, 2010

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
OTHER EXPENDITURES (Continued)				
Everett Recreation Center				
Personnel expenses	84,725	82,120	82,660	(540)
Supplies	2,500	644	644	-
Repair and maintenance	6,000	15,123	15,123	-
Conferences and training	1,000	380	380	-
Utilities and telephone	34,700	32,467	32,467	-
Subtotal	<u>128,925</u>	<u>130,734</u>	<u>131,274</u>	<u>(540)</u>
Martin Luther King Center				
Personnel expenses	60,750	62,059	62,245	(186)
Supplies	3,925	4,222	4,222	-
Repair and maintenance	2,900	6,751	6,751	-
Conferences and training	500	135	135	-
Utilities and telephone	9,800	11,164	11,164	-
Subtotal	<u>77,875</u>	<u>84,331</u>	<u>84,517</u>	<u>(186)</u>
Maintenance				
Personnel expenses	439,100	411,488	425,645	(14,157)
Supplies	21,100	21,122	21,122	-
Small equipment	225	53,113	300	52,813
Repair and maintenance	86,400	115,164	101,449	13,715
Conferences and training	2,000	433	433	-
Utilities and telephone	93,375	88,850	88,850	-
Rent	8,400	8,400	8,400	-
Insurance	84,400	67,159	67,159	-
Subtotal	<u>735,000</u>	<u>765,729</u>	<u>713,358</u>	<u>52,371</u>
Administration				
Personnel services	510,325	481,615	476,115	5,500
Insurance	156,980	149,836	149,836	-
Supplies	32,700	51,756	51,756	-
Utilities and telephone	15,500	12,189	12,189	-
Postage	5,100	9,653	9,653	-
Dues and publications	3,200	3,639	3,639	-
Conferences and training	8,000	6,327	6,327	-
Contract services	20,725	19,646	19,646	-
Marketing	17,500	15,285	15,285	-
Debt Retirement	28,000	28,000	28,000	-
Capital Outlay	22,775	22,775	22,775	-
Subtotal	<u>820,805</u>	<u>800,721</u>	<u>795,221</u>	<u>5,500</u>
Total Other Expenditures	<u>2,044,827</u>	<u>2,058,714</u>	<u>2,001,713</u>	<u>57,001</u>
Total Recreational Programs	<u>\$ 2,649,602</u>	<u>\$ 2,630,215</u>	<u>\$ 2,574,276</u>	<u>\$ 55,939</u>

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
CAPTIAL ASSETS USED IN GOVERNMENTAL ACTIVITIES
SCHEDULE OF GENERAL CAPITAL ASSETS
June 30, 2010

Depreciable Capital Assets:	
Equipment	<u>\$ 179,852</u>
 Investment in Capital Assets	 <u>\$ 179,852</u>

See accompanying independent auditors' report and notes.

RECREATION AND PARKS COMMISSION

of

Maryville, Alcoa, and Blount County

Maryville, Tennessee

SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION

For the Fiscal Year Ended June 30, 2010

	Capital Assets			Accumulated Depreciation				Net Book Value	
	Balance <u>7/1/09</u>	Current <u>Additions</u>	Current Retirements/ <u>Reclassifications</u>	Balance <u>6/30/10</u>	Balance <u>7/01/09</u>	Current <u>Additions</u>	Current <u>Retirements</u>		Balance <u>6/30/10</u>
Equipment:									
Administration	\$ 261,946	\$ 42,298	\$ (4,022)	\$ 300,222	\$ 212,163	\$ 19,368	\$ (4,331)	\$ 227,200	\$ 73,022
Concessions Equipment.....	23,581	-	-	23,581	20,229	516	-	20,745	2,836
Pool Equipment.....	16,473	5,099	-	21,572	11,760	1,130	-	12,890	8,682
Senior Citizens Center	72,831	1,388	(1,431)	72,788	52,767	10,014	(317)	62,464	10,324
Maintenance.....	334,074	6,150	(2,607)	337,617	235,792	28,176	(3,079)	260,889	76,728
Everett Center	40,770	5,543	-	46,313	40,007	390	-	40,397	5,916
Martin Luther King Center ...	<u>22,525</u>	<u>2,531</u>	<u>-</u>	<u>25,056</u>	<u>22,525</u>	<u>187</u>	<u>-</u>	<u>22,712</u>	<u>2,344</u>
Totals.....	<u>\$ 772,200</u>	<u>\$ 63,009</u>	<u>\$ (8,060)</u>	<u>\$ 827,149</u>	<u>\$ 595,243</u>	<u>\$ 59,781</u>	<u>\$ (7,727)</u>	<u>\$ 647,297</u>	<u>\$ 179,852</u>

Current additions are reflected as expenditures in the financial statements as follows:

Equipment Replacement Fund.....	\$ 40,234
General Fund	<u>22,775</u>
Total	<u>\$ 63,009</u>

See accompanying independent auditors' report and notes.

RECREATION AND PARKS COMMISSION
of
Maryville, Alcoa, and Blount County
Maryville, Tennessee
SCHEDULE OF INSURANCE IN FORCE
June 30, 2010

<u>Insurance Company/Agency</u>	<u>Policy Number</u>	<u>Period</u>	<u>Description</u>
TML Risk Management Pool	TMP-0699	7-12-09 to 7-12-10	<p>\$50,000 Contents coverage at 80% co-insurance – Everett Rec. Center, 318 So. Everett High Road</p> <p>\$40,000 Contents coverage at 80% co-insurance – Bldgs. On Birchfield St., (Senior Citizens Center)</p> <p>\$65,000 Contents coverage at 80% co-insurance -Bldg. at 316 Everett High Rd.</p> <p>\$50,000 Contents coverage at 80% co-insurance - Bldg. at 614 Evan Cir.</p> <p>\$5,000 Contents coverage at 80% co-insurance – Bldg. on Dalton St.</p> <p>\$40,000 Contents coverage at 80% co-insurance – MLK Bldg. At 209 E. Franklin Street</p>
The Ohio Casualty Insurance Company/Crum & Blazer Insurance, Inc.	91383710	10-25-09 to 10-25-10	\$10,000 Surety Bond, Recreation and Parks Dir., Superintendent of Recreation, Accounting Technician, Assistant Director of Athletics and Secretary. Senior Citizens: Dir., Assistant Dir., and Clerk
Tennessee Municipal League Pool	TML-362	12-31-09 to 12-31-10	\$600,000 Public Officials Personal Liability; \$250,000 General Liability - Bodily Injury, Property Damage, Automobile
Tennessee Municipal League Pool	WC-0347	7-1-09 to 7-1-10	Statutory Workmen's Compensation

See accompanying independent auditors' report and notes.

RECREATION AND PARKS COMMISSION

of

Maryville, Alcoa, and Blount County
Maryville, Tennessee

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLAINE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

June 30, 2010

Ingram Overholt & Bean, P.C.

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January 6, 2011

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*

Commissioners and Director
Recreation and Parks Commission
of Maryville, Alcoa, and Blount County
Maryville, Tennessee

We have audited the financial statements of the governmental activities and each major fund of the Recreation and Parks Commission of Maryville, Alcoa, and Blount County as of and for the year ended June 30, 2010, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated January 6, 2011. 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 the Commission's internal control over financial reporting as a basis for designing our auditing procedures 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 Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 deficiency, or a combination of 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the governing body, Commission's management, and the State of Tennessee and is not intended to be and should not be used by anyone other than these specified parties.

Ingram, Overholt & Bean, PC