



**BALTIMORE CITY**  
**RECREATION & PARKS**

Annual Financial Report

Year Ended June 30, 2012

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**City of Baltimore**  
**Department of Recreation and Parks**  
Annual Financial Report  
Year Ended June 30, 2012

Ernest W. Burkeen, Jr.  
*Director*

Prepared by Recreation and Parks  
Fiscal Services Division

Kenn L. King, *Chief of Fiscal Services II*

Makponse F. Yamonche, *Accountant II*

Sherrea D. Lassiter, *Fiscal Technician*



**BALTIMORE CITY**  
**RECREATION & PARKS**

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CITY OF BALTIMORE

STEPHANIE RAWLINGS-BLAKE, Mayor



DEPARTMENT OF RECREATION AND PARKS

ERNEST W. BURKEEN JR., Director  
DR. RALPH W. E. JONES, JR. BUILDING  
3001 East Drive - Druid Hill Park  
Baltimore, Maryland 21217  
410-396-6132

April 9, 2014

Honorable President and Members of  
The Board of Estimates  
City of Baltimore, Maryland

Enclosed is the Annual Financial Report for the Baltimore City Department of Recreation and Parks (BCRP) for the fiscal year ended June 30, 2012 (FY 2012). This is the first Annual Financial Report the agency will present to the public. The Annual Financial Report was prepared by the Fiscal Services Division with some assistance from the Bureau of Accounting and Payroll Services. The Fiscal Services Division is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. We believe that the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and changes in financial position of Recreation and Parks; and, that all disclosures necessary to enable the reader to gain the maximum understanding of the agency's financial affairs have been provided.

The FY 2012 Annual Financial Report is presented in three sections: introductory, financial and supplementary. The introductory section includes this transmittal letter, Recreation and Parks organization chart, a list of the executive management team, and maps of all recreation and park facilities and locations. The financial section includes the Independent Auditor's Report, Management's Discussion and Analysis and basic financial statements and related notes. The supplementary section provides other meaningful financial schedules and measures of performance for BCRP services.

Management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Recreation and Parks MD&A can be found immediately following the report of the independent auditor in the financial section of the Annual Report.

**Reporting entity**

The Baltimore City Department of Recreation and Parks was created under Article VII, Section 65 of the Charter of Baltimore City. It is a unit of the primary government. Under the duties and powers of the Director, Recreation and Parks shall, along with the acquiring and disposing of real property; establish, maintain, operate and control parks, zoos, squares, City-owned monuments, athletic and recreational facilities, all of which provide activities for the people of Baltimore City. Duties and powers also include the provision of concerts, symphonies and other musical entertainment for the people of Baltimore.



In FY 2012, the Department was operating 55 community recreation centers, two ice rinks, one sports pavilion, one nature center, one conservatory, one greenhouse, 6,000 acres of park lands, 20 miles of trail, 162 athletic fields, 128 playgrounds, 86 tennis courts, 101 basketball courts, six park pools, 13 neighborhood pools, seven wading pools, three indoor pools and two splash pads. The Urban Forestry Division removed dead and other dangerous trees which threatened the safety of residents while planting and nurturing new ones to grow the City's tree canopy. The Youth and Adult Sports division hosted a number of sports clinics and competitive activities for more than 1,000 sports teams. Seniors' programming is held for 98 Golden Age Clubs located throughout the City. The Therapeutic Recreation division provided a host of adaptive programs for the physically and mentally challenged residents.

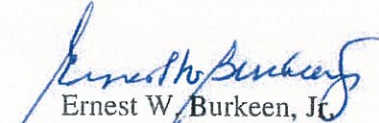
### Acknowledgement

The preparation of this report could not be accomplished without the dedicated efforts of the Fiscal Services Division and other members of the Recreation and Parks staff.

This report will be presented to the Baltimore City Board of Estimates. BCRP believes that the Board of Estimates and members of the public will find this report informative and helpful.

Please contact Kenn King, Chief of Fiscal Service by phone at 410-396-7604 or via email at [KennL.King@Baltimorecity.gov](mailto:KennL.King@Baltimorecity.gov) with any additional questions or concerns.

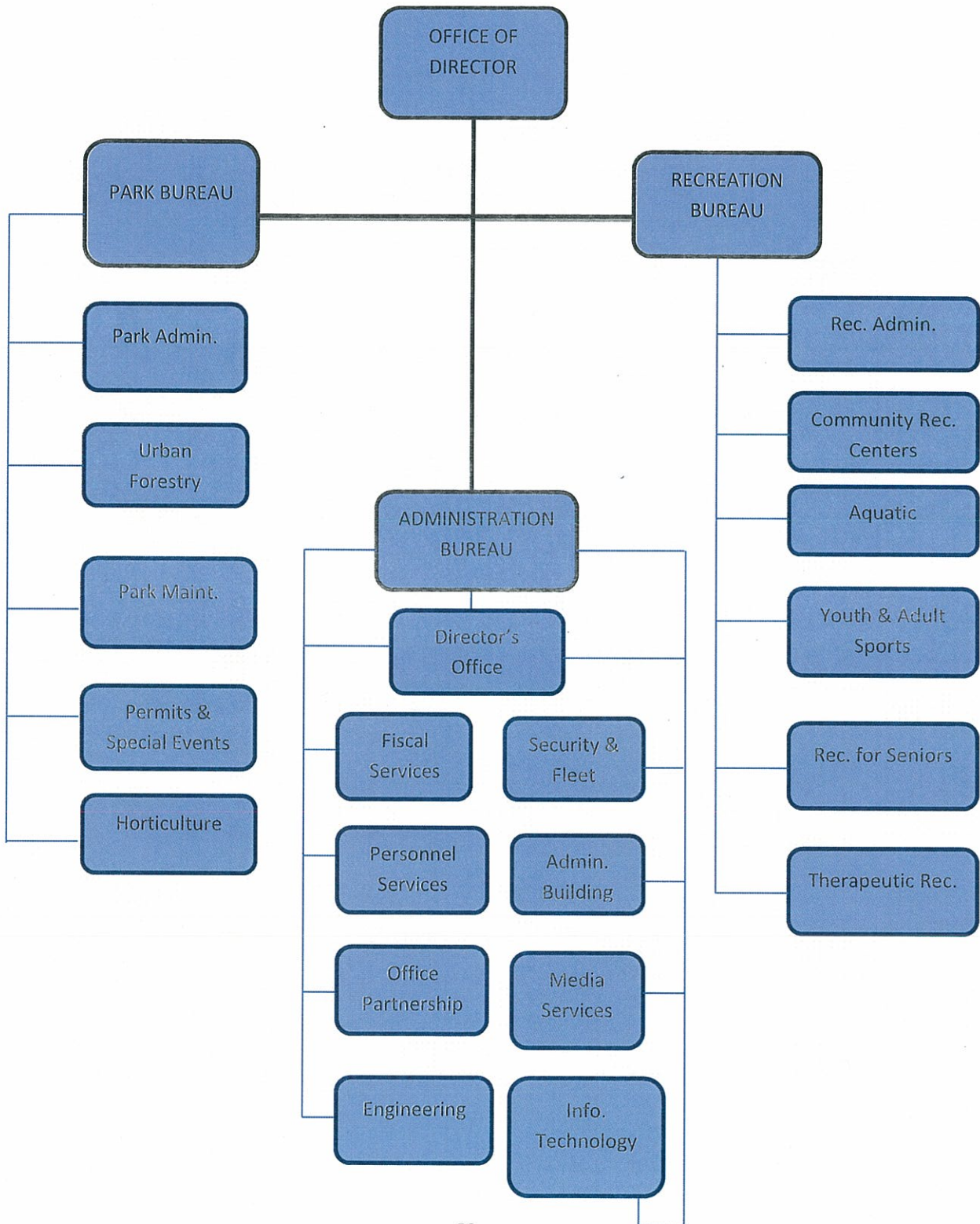
Respectively submitted,

  
Ernest W. Burkeen, Jr.  
Director

  
Kenn L. King  
Chief of Fiscal Services

City of Baltimore  
Department of Recreation and Parks

Organization Chart



City of Baltimore  
Department of Recreation and Parks  
Executive Management Team

Agency Director: Ernest Burkeen, Jr.

Executive Assistant: Valerie Scott-Oliver

Bureau Chief for Capital Development: Gennady Schwartz

Chief of Communications: Gwendolyn Chambers

Network Engineer: Jerilyn Saunders

Chief of Fiscal Services: Kenn L. King

Human Resources Manager: Yvonne Carter

Contract Manager: Sara Chaconas-Macri

Security Safety and Risk Management: Robert Dallas

Bureau Chief for Recreation: Robert (Bob) Wall

Chief of Recreation Center Operations: Tracy Estep

Aquatics Manager: Darryl Sutton

Chief of Youth & Adults Sports and Special Facilities: Rashaan Brave

Chief of Special Population Services: JoAnn Cason

Bureau Chief for Parks: William (Bill) Vondrasek

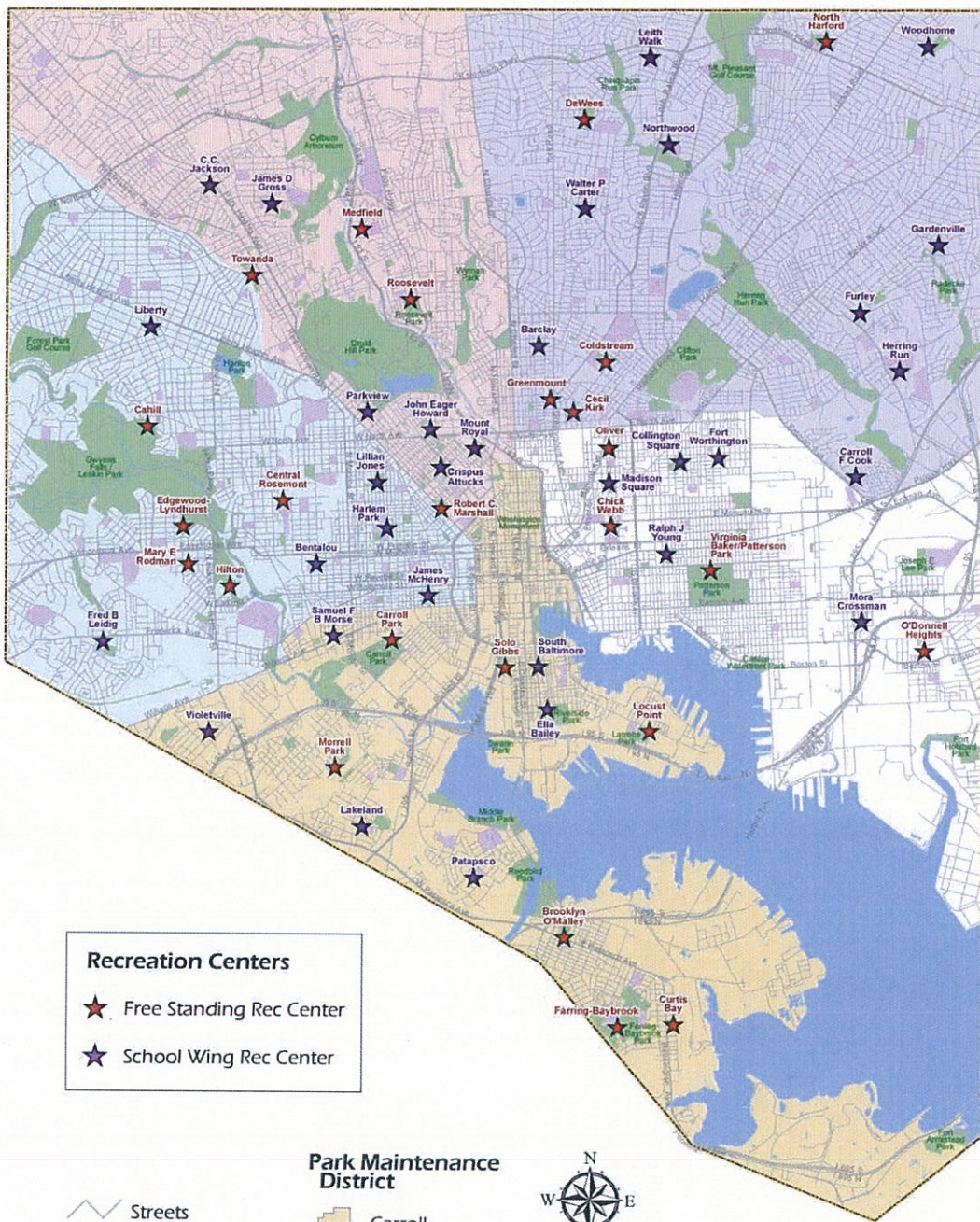
Deputy Chief of Parks – Park Maintenance: Thomas (Tom) Jeannetta

Deputy Chief of Parks – Permits, Special Events and Partnership: Fran Spero

Chief of Horticulture: Melissa Grim

City Arborist/Urban Forestry: Erik Dihle

# Recreation Centers



**Recreation Centers**

- ★ Free Standing Rec Center
- ★ School Wing Rec Center

**Park Maintenance District**

Streets	Carroll
City Parks	Clifton
School Property	Druid Hill
Water	Gwynns Falls
City Boundary	Patterson



City of Baltimore  
**Recreation & Parks**

Gregory Bayor  
 Director

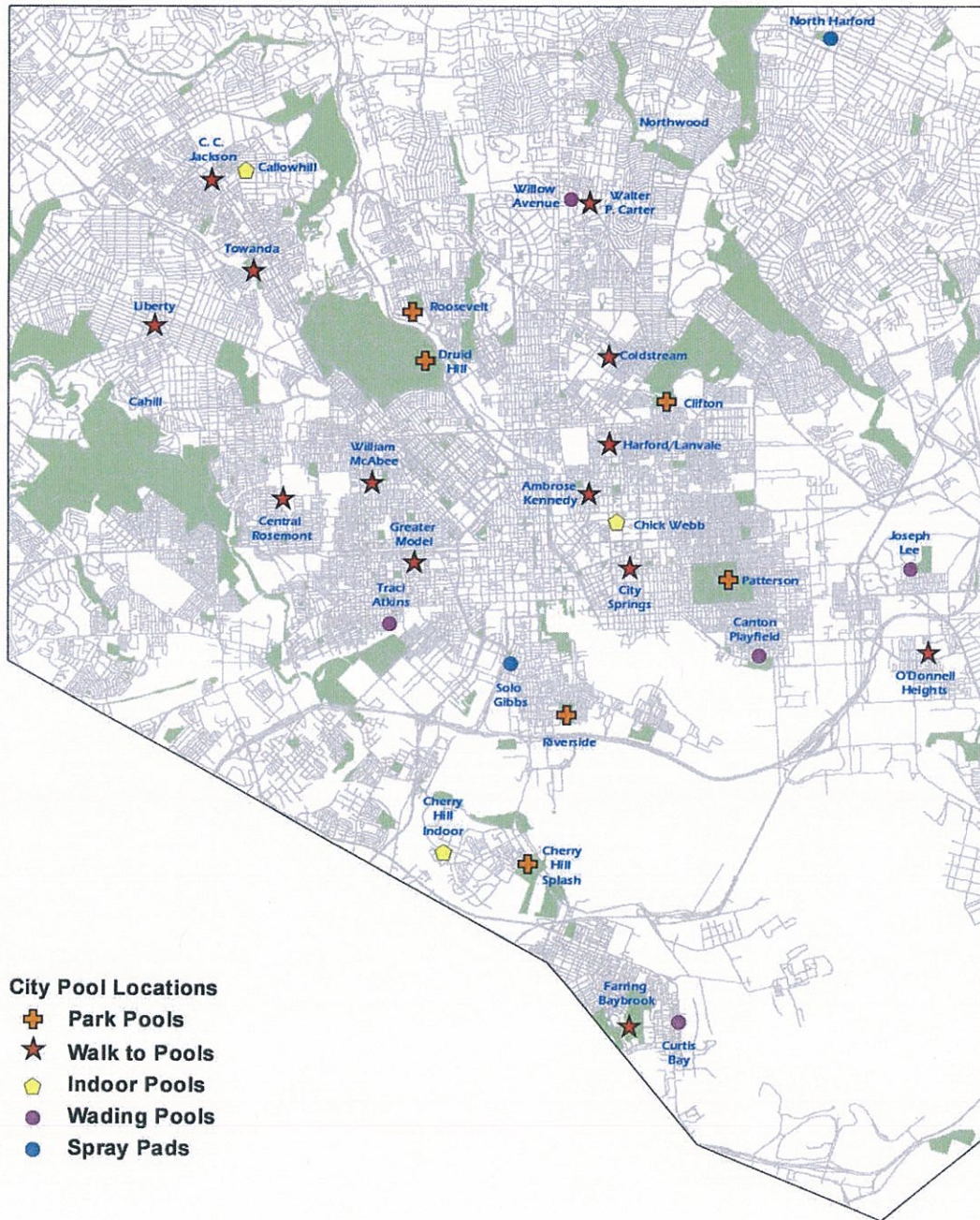
Stephanie Rawlings-Blake  
 Mayor

Map Publication Date July 2010



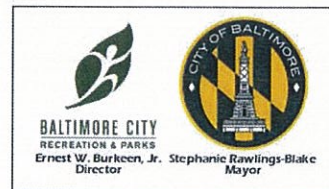


# Existing BCRP Pool Locations



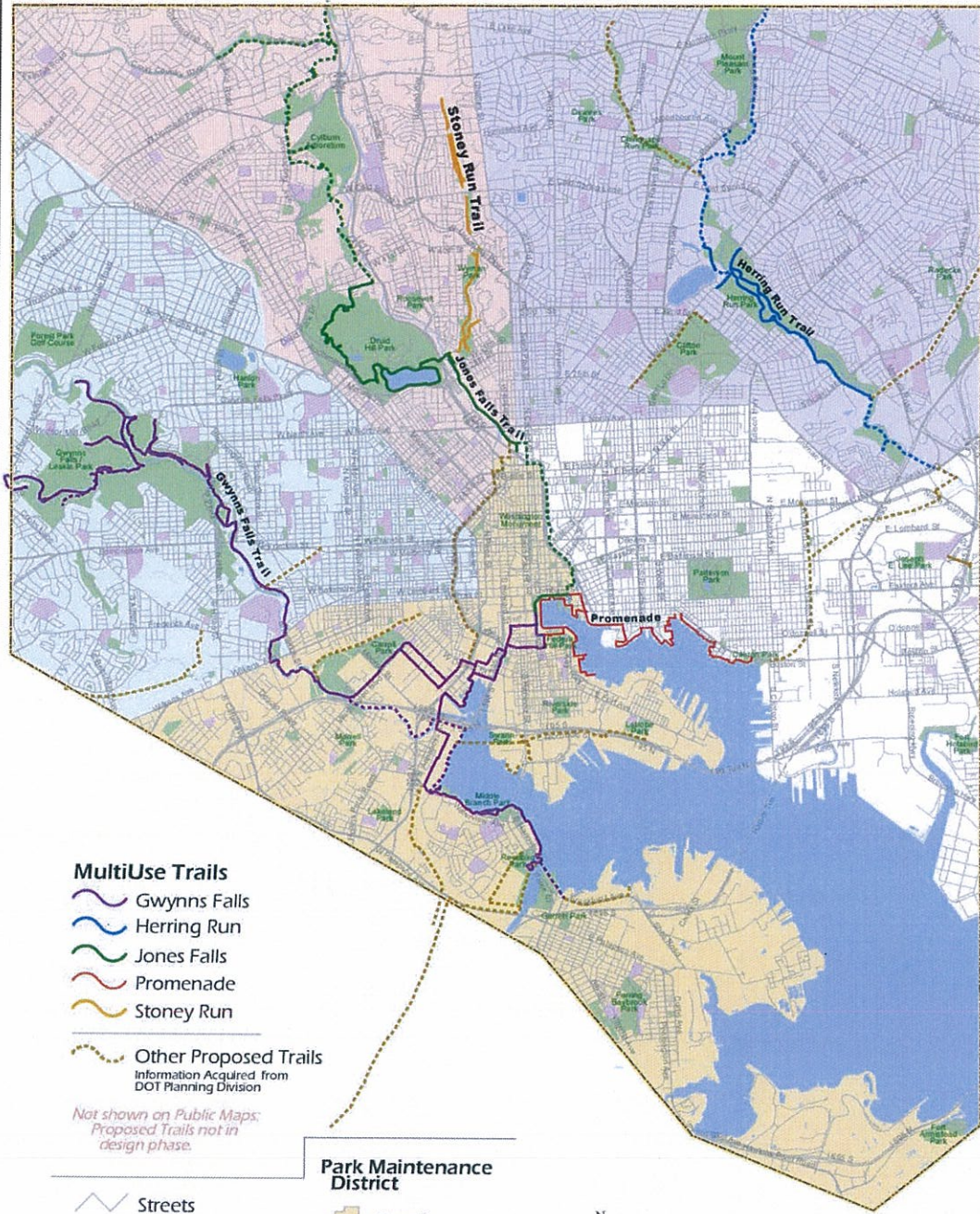
## City Pool Locations

-  Park Pools
-  Walk to Pools
-  Indoor Pools
-  Wading Pools
-  Spray Pads



Map Publication Date: May 2013

# Multi-Use Trails



## MultiUse Trails

- Gwynns Falls
- Herring Run
- Jones Falls
- Promenade
- Stoney Run


Other Proposed Trails  
Information Acquired from  
DOT Planning Division

*Not shown on Public Maps:  
Proposed Trails not in  
design phase.*


## Park Maintenance District

- Streets
- City Parks
- School Property
- Water
- City Boundary
- Carroll
- Clifton
- Druid Hill
- Gwynns Falls
- Patterson





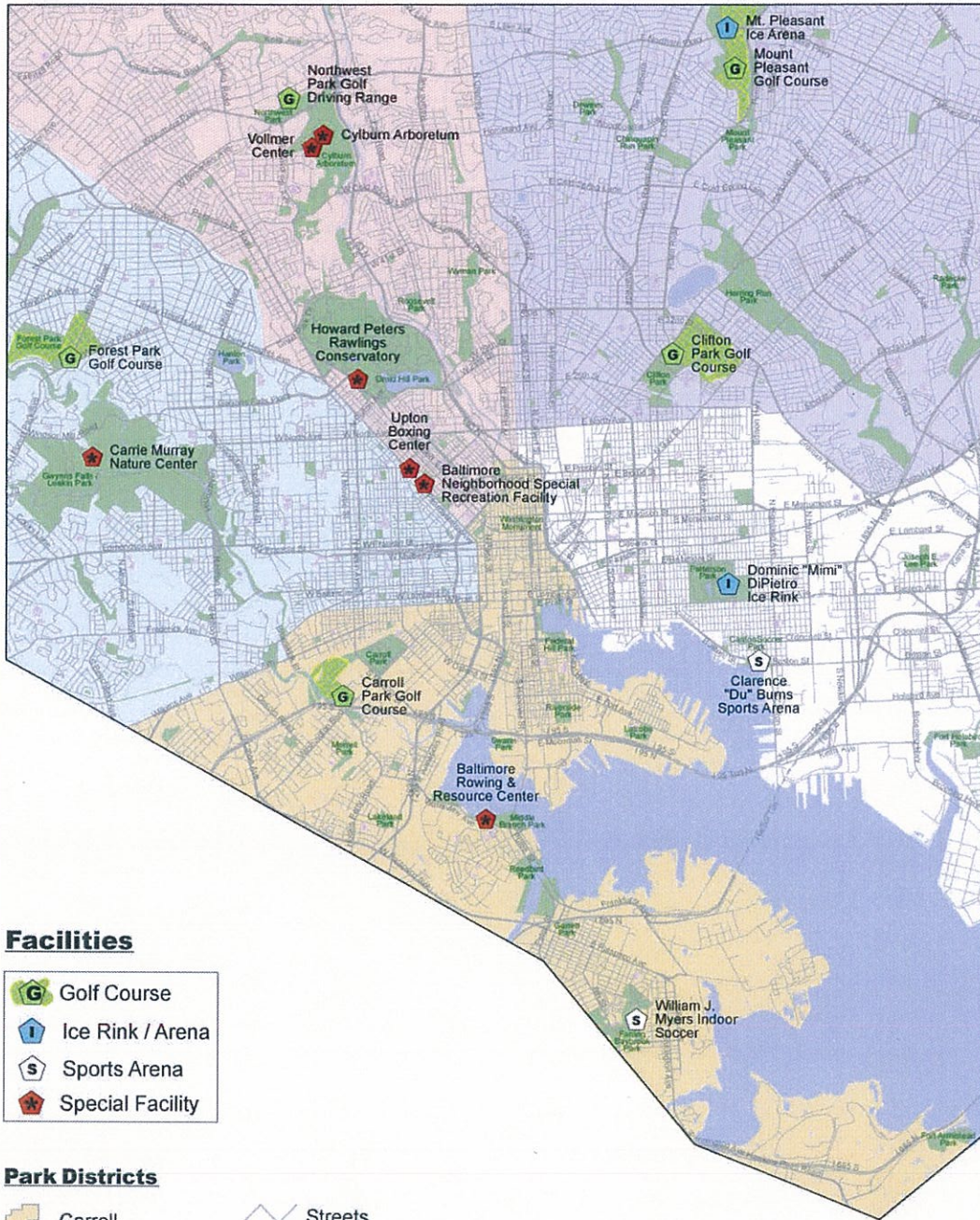
**BALTIMORE CITY**  
RECREATION & PARKS  
Gregory Bayor  
Director



**CITY OF BALTIMORE**  
Stephanie Rawlings-Blake  
Mayor

Map Publication Date May 2011

# Special Facilities in Baltimore City



## Facilities

- Golf Course
- Ice Rink / Arena
- Sports Arena
- Special Facility

## Park Districts

- Carroll
- Clifton
- Druid Hill
- Gwynns Falls
- Patterson
- Streets
- City Parks
- School Property
- Water
- City Boundary



**BALTIMORE CITY**  
RECREATION & PARKS  
Ernest W. Burkeen, Jr.  
Director

**CITY OF BALTIMORE**  
Stephanie Rawlings-Blake  
Mayor

Map Publication Date: March 2014

## FINANCIAL SECTION



# **BALTIMORE CITY**

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## **RECREATION & PARKS**

- Report of Independent Auditors
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Basic Financial Statements

CITY OF BALTIMORE

STEPHANIE RAWLINGS-BLAKE, Mayor



DEPARTMENT OF AUDITS

ROBERT L. McCARTY, JR., CPA

City Auditor  
100 N. Holliday Street  
Room 321, City Hall  
Baltimore, Maryland 21202  
Telephone: 410-396-4783  
Telefax: 410-545-3961

INDEPENDENT AUDITOR'S REPORT

April 9, 2014

Honorable Joan M. Pratt, Comptroller  
And Other Members of the  
Board of Estimates  
City of Baltimore

We have audited the accompanying Balance Sheet – Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balances, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Department of Recreation and Parks, a unit of the primary government, City of Baltimore, Maryland, as of and for the year ended June 30, 2012, which collectively comprise Department of Recreation and Parks' basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Department of Recreation and Parks management. 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 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. We were not engaged to perform an audit of the Department of Recreation and Parks' internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department of Recreation and Parks' internal control over financial reporting. Accordingly, we express no such opinion. 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 opinions.

In our opinion, based on our audit, the financial statements referred to above presents fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information, of the Department of Recreation and Parks as of June 30, 2012, and the respective changes in the financial position thereof and the respective budgetary comparison for all the major funds, special revenue or accessory funds for the year then ended, in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report, dated April 9, 2014, on our consideration of the Department of Recreation and Parks internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 assessing the results of our audit.

The management's discussion and analysis, on pages 3 to 4, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standard 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 an opinion on the financial statements that collectively comprise the Department of Recreation and Parks' basic financial statements. The introductory section, other information and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Department of Recreation and Parks. The introductory section, other information and statistical information have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Respectfully submitted,



Robert L. McCarty, Jr., CPA  
City Auditor

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Financial Report**  
**June 30, 2012**

**Management's Discussion and Analysis**

This section of the Baltimore City Recreation and Parks Department (BCRP) financial report seeks to present a discussion and analysis of the agency's financial activities for the fiscal year beginning July 01, 2011 to June 30, 2012.

**Overview of the Financial Statements**

The financial statements presented provide information on the stewardship of the agency to manage the funds entrusted to it by the public to provide important services. The basic financial statements comprise of three components: (1) balance sheet, (2) changes in fund balances and notes to the financial statements, and (3) the report on other supplementary information.

These financial statements are only of the Department of Recreation and Parks' operations and are not intended to present the financial position, changes in financial position, or, where applicable, cash flows of the City of Baltimore.

*Balance Sheet*

The Balance Sheet is a statement of the assets, liabilities and resulting fund balance generated from operational activities throughout the fiscal year. The assets are valued at \$2.4 million while the liabilities are valued at \$6.2 million. The assessed value of the liabilities is largely influenced by the capital liability "Due to the City." All the assets are owned by the Mayor and City Council of Baltimore. All debt and long-term liabilities are the responsibility of the Mayor and the City Council of Baltimore. Therefore no mention of buildings or debt is in this statement because BCRP is an agency within the incorporated municipal government. The Fixed Assets Supplementary report on page 16 provides information on the agency's fixed assets.

*Statement of Changes in Fund Balances*

The Statement of Revenues, Expenditures and Changes in Fund Balances provides an overview of the financial operations. Total revenues appropriated and generated was \$37.4 million while the expenses incurred amounted to \$44.2 million. The operation resulted in a net fund balance (deficit) of \$3.6 million. This deficit is largely driven by the \$13.4 million in capital expenditures. Capital projects' expenditures are charged against current year funds even though they were approved in the past years' budget and capitalized in the future years.

*Financial Analysis*

In an environment of budget reductions, hiring freezes, and furloughs, fiscal year 2012 was a challenging year for BCRP. The challenges the agency faced were compounded with painful efforts to implement a new plan to manage the 55 recreation centers it had in its inventory. The new plan was driven by the recommendations in the Mayor's Task Force Report on Recreation Centers. One key recommendation in the report is the call for quality over quantity with regards to the operation of the recreation centers. To satisfy this recommendation, a plan was developed



**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Financial Report**  
**June 30, 2012**

to reduce the number of recreation centers from 55 to 31. The other 24 centers were scheduled to either to be closed or turned over to private operators.

The implementation of this plan was central to the allocation of funds in the budget. The General Fund budget appropriation for fiscal year 2011 and fiscal year 2012 remained flat at \$25.9 million per year. This allocation was based on anticipated savings from the expected reduction in the number of recreation centers the agency will operate. At the same time, the Motor Vehicle Fund was reduced by 17.9%. The Aquatics Service budget was increased by about 41% to provide for safer pools operating for more hours. About \$300 thousand of the increase was provided for pool security. The Park Maintenance Service budget received an increase of about 12%. This increase was due mainly to a reallocation of utilities and maintenance expenses that were previously charged against the Department of General Services' budget. Therefore, the Park Maintenance Service budget did not receive any real increase in its operating funds.

Expenditures in the General Funds amounted to \$24.6 million, resulting in a surplus of \$200 thousand, for FY 2012. The surplus was achieved through closure of some recreation centers, the strategic reallocation of existing staff and not hiring of additional staff as BCRP developed a more effective staffing model. The Special Fund is a combination of fees and expenditures generated from operating activities in the Special Facilities, Permits, Youth and Adult Sports, and Urban Forestry services.

The Accessory Accounts shows a deficit of \$335 thousand after collecting revenues of \$1.930 million and expenses totaling \$2.265 million. This deficit was driven by the front loading of the summer camp expenses in anticipation of registration revenues.

***Requests for Information***

This financial report is designed to provide a general overview of BCRP finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Kenn L. King  
Chief of Fiscal Service  
City of Baltimore  
Department of Recreation and Parks  
3001 East Dr.  
Baltimore, Md. 21217

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**

**Balance Sheet - Governmental Funds**  
**June 30, 2012**

	General Fund	Grant Revenue Fund	Capital Projects Fund	Total
<b>Assets:</b>				
Appropriation Receivable	\$ 649,140			\$ 649,140
Accounts Receivable - State			\$ 1,910,927	1,910,927
Total Assets	<u>649,140</u>		<u>1,910,927</u>	<u>2,560,067</u>
<b>Liabilities:</b>				
Accounts Payable	449,140	\$ 65,055	61,724	575,919
Due to the City		107,936	4,117,361	4,225,297
Retainage Payable			691,846	691,846
Advance from Grantors		712,510		712,510
Total Liabilities	<u>449,140</u>	<u>885,501</u>	<u>4,870,931</u>	<u>6,205,572</u>
Fund Balance Unassigned(Deficit)	<u>200,000</u>	<u>(885,501)</u>	<u>(2,960,004)</u>	<u>(3,645,505)</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 649,140</u>	<u>\$</u>	<u>\$ 1,910,927</u>	<u>\$ 2,560,067</u>

*The notes to the basic financial statements are an integral part of this statement.*

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**

**Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)**  
**For the Year Ended June 30, 2012**

	General Fund	Motor Vehicle Fund	Grants Revenue Fund	Capital Projects Fund	Total	Accessory Fund
<b>Revenues:</b>						
Appropriation Revenue	\$ 24,807,341	\$ 2,822,614			\$ 27,629,955	
General Fund Contribution				\$ 423,000	423,000	
Motor Vehicle Fund Contribution				5,941	5,941	
State Grant Revenue			\$ 410,215	6,231,019	6,641,234	
Federal Grant Revenue				82,719	82,719	
Other/ Grant Revenue			2,366,960	257,704	2,624,664	\$ 1,930,463
<b>Total Revenue</b>	<b>24,807,341</b>	<b>2,822,614</b>	<b>2,777,175</b>	<b>7,000,383</b>	<b>37,407,513</b>	<b>1,930,463</b>
<b>Expenditures:</b>						
Administration	3,324,931	149,164	203,507		3,677,602	232,680
Aquatics	1,899,061		20,492		1,919,553	15,014
Park Maintenance	8,157,789		537,962		8,695,751	42,708
Youth & Adult Sports	560,275		256,628		816,903	7,624
Community Recreation Centers	8,813,963		401,741		9,215,704	1,516,321
Horticulture	783,465	21,135	101,552		906,152	277,216
Therapeutic Recreation	323,177				323,177	23,579
Seniors Recreation	335,590				335,590	99,708
Permits/Special Events	269		477,718		477,987	19,536
Urban Forestry	287,639	2,652,315	71,450		3,011,404	22,355
Special Facilities	121,182		1,281,340		1,402,522	8,716
Capital Outlay				13,422,578	13,422,578	
<b>Total Expenditures</b>	<b>24,607,341</b>	<b>2,822,614</b>	<b>3,352,390</b>	<b>13,422,578</b>	<b>44,204,923</b>	<b>2,265,457</b>
<i>Excess/Deficiency Revenues over Expenditures</i>	200,000		(575,215)	(6,422,195)	(6,797,410)	(334,994)
<i>Fund Balances-Beginning(Deficit)</i>			(310,286)	3,462,191	3,151,905	
<b>Funding Balance -Ending(Deficit)</b>	<b>\$ 200,000</b>	<b>\$</b>	<b>\$ (885,501)</b>	<b>\$ (2,960,004)</b>	<b>\$ (3,645,505)</b>	<b>\$ (334,994)</b>

*The notes to the basic financial statements are an integral part of this statement.*

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Notes to the Financial Statements**  
**June 30, 2012**

**1. Description of the Recreation and Parks Department**

The City of Baltimore's Department of Recreation and Parks is the primary provider of leisure, recreational and park programming to the citizens of the City of Baltimore. The agency is headed by a Director (appointed by the Mayor) and operates under three main bureaus. These are the Bureau of Administration, Bureau of Parks and Bureau of Recreation.

The Bureau of Administration provides for the control and administration of the department. The control and administration of the agency is provided through the following divisions: Director's Office, Engineering/Capital, Information and Technology, Fiscal Services, Office of Personnel, Office of Development and Media Services, Office of Partnerships, and Security, Risk and Fleet Management.

The Bureau of Recreation provides a wide range of sports, constructive leisure time and out-of-school activities for the citizens of Baltimore. The Bureau operates 55 year-round recreation centers, three indoor pools; five park pools; and 12 neighborhood pools throughout the City. In addition, specialized recreational activities are provided through Carrie Murray Nature Center, Mount Pleasant Ice Skating Rink, Patterson Park Sport Complex, Middle Branch Rowing Club, Myers Sports Pavilion, therapeutic recreation for the physically and emotionally challenged, and senior citizens.

The Bureau of Parks provides for the beautification, management and general maintenance of 6,000 acres of parkland. The Bureau also plans, organizes and implements outdoor programs and activities in City parks. The Horticulture Division plants and displays colorful flower beds and other special plantings throughout the City. The Division also manages the Rawlings P. Conservatory and Cylburn Arboretum. The Forestry Division plants and cares for all trees in the public rights-of-way and in City Parks.

**2. Fund Financial Statements**

The Department's services are reported in the governmental funds of the City of Baltimore. The City maintains four major governmental funds (general, motor vehicle, grants revenue, and capital projects). Information for each fund is presented separately in the Balance Sheet and in the Statement of Revenues, Expenditures, and Changes in Fund Balances.

*General Fund*

The general fund accounts for the activity of the Department which is funded by appropriation from the City of Baltimore's general fund.

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Notes to the Financial Statements**  
**June 30, 2012**

*Motor Vehicle Fund*

The motor vehicle fund accounts for the activities of the Department which are funded by appropriation from the City of Baltimore's motor vehicle fund.

*Grants Revenue Fund*

The grants revenue fund is used to account for operating revenues received from Federal, State and private sources. The funds are restricted by law, contract or regulations to expenditures for specific purposes.

*Capital Projects Fund*

The capital project fund is used to account for capital improvements, acquisitions and related activity all of which is funded by proceeds of bond issuances, grants and other revenue sources.

*Accessory Fund*

The accessory fund is used to account for fee based transactions associated with the community centers and recreational activities provided by the Department. This Fund is intended to be self-supporting; there is no expectation of other funding sources to support these activities.

**3. Summary of Significant Accounting Policies**

*Basis of Accounting*

The accounting and financial reporting policies of the Department of Recreation and Parks conform to accounting principles generally accepted in the United States and reporting standards as promulgated by the Governmental Accounting Standards Board for governmental funds.

The financial statements have been prepared on the modified-accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues applicable to the current fiscal year and collected soon after year-end are recognized as revenue. Expenditures expected to be paid from currently available resources are recorded when the related fund liability is incurred, except for payments for compensated absences, which are recognized as expenditures when paid.

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Notes to the Financial Statements**  
**June 30, 2012**

*Sick, Vacation, and Personal Leave*

Employees earn one day of sick leave for each completed month of service; there is no limitation on the number of sick leave days that may be accumulated. A portion of unused sick leave earned annually during each twelve-month period may be converted to cash for a maximum of three days, computed on an attendance formula.

Upon retirement with pension benefits, or termination of employment after completion of twenty or more years of service without pension benefits, employees receive one day's pay for every four sick leave days accumulated and unused at the date of separation; under any other conditions of separation, unused sick leave is forfeited. At June 30, 2012, it is estimated that accumulated non-vested sick leave for the Department of Recreation and Parks approximated \$2,704,000. Sick leave benefit expenses are recorded as a percent of conversion value based on years of service, with a maximum of 100% for employees with twenty years or more of service.

Employees can accumulate a maximum of 224 vacation and personal leave days depending upon length of service, which either may be taken through time off or carried until paid upon termination or retirement. Accumulated vacation and personal leave expenses are recorded when leave is earned.

The total vested vacation, personal leave, and conversion value of unused sick leave as of June 30, 2012 was \$2,907,000. The expenditures for these liabilities will be recorded when used.

**4. Due to the City**

Balances due to the City at June 30, 2012 were \$108,000. This interfund balance is primarily the result of the City's policy not to reflect cash deficits in its individual funds. Also, at June 30, 2012, certain transactions between funds had not been completed.

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Notes to the Financial Statements**  
**June 30, 2012**

**5. Fund Balances and Deficits**

The following funds had fund balances (deficits) at June 30, 2012:

	Fund Balance (Deficit)
General Fund	\$ 200,000
Grants Revenue Fund	\$ (885,501)
Capital Projects Fund	\$ (2,960,004)
Accessory Fund	\$ (334,994)

The balance of \$200 thousand in the general fund is the total approved carry forward of appropriations into fiscal year 2013 from fiscal year 2012.

The deficit in the grants revenue fund and accessory funds are the result of timing differences. Revenues to cover these deficits are expected to be received in fiscal year 2013.

The deficit in the capital projects fund represents expenditures which will be recovered through City bond issuances.

**6. Pension Plan**

Classified employees of the Department of Recreation and Parks are required to join the City of Baltimore's Employees' Retirement System (ERS). The ERS is a cost-sharing multiple-employer defined benefit pension plan which provides retirement, disability and death benefits to plan members and beneficiaries. The plan is managed by a Board of Trustees in accordance with Article 22 of the Baltimore City Code. Plan provisions may be amended only by the City Council.

**7. Other Postemployment Benefits**

Baltimore City administrative policy provides that other postemployment benefits, other than pension benefits, be provided to all employees of the City. These benefits include certain healthcare and life insurance benefits. All employees who retire are eligible to receive these benefits. The City of Baltimore provides other postemployment benefits (OPEB) to all qualified City employees. The OPEB Plan (Plan) is a contributory, single employer defined benefit plan. The benefit and contribution provisions of the Plan are established and may be amended by the City. The Plan provides postemployment healthcare, prescription and life insurance benefits to retirees and their beneficiaries. In order to effectively manage the Plan, the City established an OPEB Trust Fund. All retiree and City contributions are deposited into the Trust Fund and all retiree related health and life insurance benefits are paid from the Trust Fund. The City also contracted

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Notes to the Financial Statements**  
**June 30, 2012**

with the Board of Trustees of the Employees' Retirement System to act as investment manager for the Trust Fund. BNY Mellon Bank Asset Servicing is the Trust Fund's asset custodian. The Plan does not issue stand alone financial statements: however, the OPEB Trust Fund is included in the City's financial statements as a Trust and Agency Fund.

At June 30, 2012, the City policy to fund benefits on a pay as you go basis plus make additional contributions comprising the Federal retiree drug subsidy payments and additional annual appropriations. Retirees are required to contribute at various rates ranging from approximately \$3 to \$2,288 on a monthly basis, depending on the health plan and level of coverage elected and whether Medicare supplemental coverage is present. As of June 30, 2012, there were 14,332 City retirees eligible for these benefits.

**8. Program Contributions**

During fiscal year 2012, the Baltimore City Foundation, Inc. contributed \$597,500 to the Department of Recreation and Parks programs. Their contributions are not included in the operating income of the Department of Recreation and Parks as reported in the Statement of Revenues, Expenses, and Changes in Fund Balances.

Baltimore City Foundation, Inc. (the Foundation) was incorporated on January 5, 1981 under the laws of the State of Maryland as a non-stock, not-for-profit corporation to foster and promote the growth, progress and general welfare of the City of Baltimore. The Foundation serves as a channel for the collection and disbursement of funds for various programs administered by local community organizations and Baltimore City agencies. The Foundation's support comes primarily from individual and business donor's contributions.

The following table shows the amount of expenditure by type:

<u>Type</u>	<u>Expenditure</u>
Playground Supplies	\$ 4,900
Municipal Concerts	700
Junior Cotillion	32,900
Shape & Fit Baltimore	17,200
Tree Baltimore	500
R&P Activities:	
Program Contractual Services	201,500
Program Dues & Fees	106,400
Program Travel	73,300
Other R&P Activities	143,200
Rawlings Conservatory	4,800
Believe Greener Baltimore	12,100
Total Contribution	<u>\$ 597,500</u>



**CITY OF BALTIMORE**  
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**June 30, 2012**

**9. Budget Process**

The Department of Recreation and Parks participates in the City of Baltimore's Outcome-based Budgeting process. Outcome Based Budgeting is a budget process that aligns resources with results produced. This budgeting tool integrates strategic planning, long-range financial planning and performance management, and is a recommended practice of the Government Finance Officers Association.

**10. Risk Management**

The Department of Recreation and Parks is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and members of the public; and natural disasters. The Department is a chartered agency within the City of Baltimore municipal government. Therefore, its exposure to the various outlined risks is managed by the City's Department of Risk Management.

SUPPLEMENTARY  
INFORMATION



**BALTIMORE CITY**  

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**RECREATION & PARKS**

- Budget to Actual – General Fund
- Budget to Actual – Motor Vehicle Fund
- Fixed Assets
- Statement of Revenues, Expenditures and Changes in Fund Balances by Activity
- Key Performance Measures

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**

**Schedule of Revenue, Expenditures and Encumbrances and Changes in Fund Balances**  
**Budget and Actual - Budgetary Basis - General Fund**  
**For the Year Ended June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Original Budget Positive(Negative)	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>					
General Fund Appropriations	\$ 25,909,758	\$ 25,909,758	\$ 24,807,341		
Total Revenues	25,909,758	25,909,758	24,807,341		
<b>Expenditures and Encumbrances:</b>					
Administration	3,315,207	3,315,207	3,324,931	\$ (9,724)	\$ (9,724)
Aquatics	2,031,597	2,031,597	1,899,061	132,536	132,536
Park Maintenance	8,085,333	8,085,333	8,157,789	(72,456)	(72,456)
Youth & Adult Sports	529,519	529,519	560,275	(30,756)	(30,756)
Community Recreation Centers	10,111,429	10,111,429	8,813,963	1,297,466	1,297,466
Horticulture	689,105	689,105	783,465	(94,360)	(94,360)
Therapeutic Recreation	346,532	346,532	323,177	23,355	23,355
Seniors	430,051	430,051	335,590	94,461	94,461
Urban Forestry	167,060	167,060	287,639	(120,579)	(120,579)
Special facilities	203,925	203,925	121,182	82,743	82,743
Special Events			269	(269)	(269)
Total Expenditure	25,909,758	25,909,758	24,607,341	1,302,417	1,302,417
Excess of Revenue Over Expenditure			200,000	200,000	200,000
Net Change in Fund Balance			200,000	200,000	200,000
Fund Balances- Beginning					
Fund balances- Ending			\$ 200,000	\$ 200,000	\$ 200,000
<b>Adjustments to reconcile to GAAP basis:</b>					
Addition of encumbrances outstanding			1,395,838		
Less: Accounts Payable not recorded for budgetary purposes			(322,561)		
Fund Balance - June 30 (GAAP Basis)			\$ 1,273,277		

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**

Schedule of Revenue, Expenditures and Encumbrances and Changes in Fund Balances  
 Budget and Actual - Budgetary Basis - Motor Vehicle Fund  
 For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Original Budget Positive(Negative)	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>					
General Fund Appropriations	\$ 2,822,614	\$ 2,822,614	\$ 2,822,614		
Total Revenues	<u>2,822,614</u>	<u>2,822,614</u>	<u>2,822,614</u>		
<b>Expenditures and Encumbrances:</b>					
Administration	149,164	149,164	149,164		
Horticulture			21,135	\$ (21,135)	\$ (21,135)
Urban Forestry	2,673,450	2,673,450	2,652,315	21,135	21,135
Total Expenditure	<u>2,822,614</u>	<u>2,822,614</u>	<u>2,822,614</u>		
Excess of Revenue Over Expenditure					
<b>Net Change in Fund Balance</b>					
Fund Balances- Beginning					
Fund balances- Ending					
<b>Adjustments to reconcile to GAAP basis:</b>					
Addition of encumbrances outstanding			(188,720)		
Less: Accounts Payable not recorded for budgetary purposes			75		
Fund Balance - June 30 (GAAP Basis)			<u>\$ (188,645)</u>		

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**

**Fixed Assets**  
**For the Year Ended June 30, 2012**

Class	Balance June, 30 2011	Additions	Deductions	Balance June, 30 2012
Capital assets, not being depreciated:				
Land	\$ 144,263,593			\$ 144,263,593
Construction-in-progress	3,846,973		\$ (25,000)	3,821,973
Total asset not being depreciated	<u>148,110,566</u>		<u>(25,000)</u>	<u>148,085,566</u>
Capital assets , being depreciated:				
Buildings and improvement	256,159,735	\$ 13,312,480		269,472,215
Equipment	7,635,184			7,635,184
Infrastructure		1,617,494		1,617,494
Total assets being depreciated	<u>263,794,919</u>	<u>14,929,974</u>		<u>278,724,893</u>
Less: accumulated depreciation for:				
Buildings and improvements	85,939,378	5,443,131		91,382,509
Equipment	6,473,229	282,492		6,755,721
Infrastructure		16,175		16,175
Total accumulated depreciation	<u>92,412,607</u>	<u>5,741,798</u>		<u>98,154,405</u>
Total assets, being depreciated, net	<u>171,382,312</u>	<u>9,188,176</u>		<u>180,570,488</u>
Governmental activities capital assets, net	<u>\$ 319,492,878</u>	<u>\$ 9,188,176</u>	<u>\$ (25,000)</u>	<u>\$ 328,656,054</u>

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**

**Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)**  
**For the Year Ended June 30, 2012**

	Administration	Capital Development	Aquatics	Park Maintenance	Youth & Adult Sports	Community Recreation Center	Horticulture	Seniors	Therapeutics	Urban Forestry	Special Facilities -	Special Events & Permits	Total
<b>Revenues:</b>													
<i>Governmental Revenues</i>													
General Fund-Appropriation	\$ 3,372,717	\$ 423,000	\$ 1,761,635	\$ 8,225,591	\$ 538,705	\$ 9,040,159	\$ 701,059	\$ 437,511	\$ 352,543	\$ 169,958	\$ 207,463	\$ 24,807,341	
General Fund-Contribution	149,164	5,941											423,000
Motor Vehicle Fund-Appropriation	128,000	6,231,019		9,000		273,215				2,673,450			2,828,555
State Grants													6,641,234
Federal Grant		82,719											82,719
Other Government Revenue	3,649,881	7,000,383	1,869,347	8,234,591	538,705	249,746	701,059	437,511	352,543	2,843,408	207,463		615,162
<b>Other Revenues</b>													35,398,011
Total Government Revenues	3,649,881	7,000,383	1,869,347	8,234,591	538,705	249,746	701,059	437,511	352,543	2,843,408	207,463		35,398,011
<i>Special Fund</i>													
Accessory Fund	204,431		800	13,363	195,975	90,234	10,000	92,696	26,326	186,142	1,030,365	\$ 495,986	2,009,502
Total other revenues	204,431		6,859	13,363	195,975	1,362,409	317,833	92,696	26,326	186,142	1,030,365	503,566	1,930,463
<b>Total Revenues</b>	3,854,312	7,000,383	1,876,206	8,247,954	734,680	10,925,529	1,018,892	530,207	378,869	3,029,550	1,237,828	503,566	39,337,976
<b>Expenditures:</b>													
General Fund	(3,324,931)		(1,899,061)	(8,157,789)	(560,275)	(8,813,963)	(783,465)	(335,590)	(323,177)	(287,639)	(121,182)	(269)	(24,607,341)
Motor Vehicle Fund	(149,164)						(21,135)			(2,652,315)			(2,822,614)
Capital Projects Fund		(13,422,578)				(249,746)							(13,422,578)
<b>Other Govt Expenditures</b>													(249,746)
<i>Other Expenditures</i>													
Operating Grants-State	(190,111)			(719,121)		(78,534)	(82,136)						(1,069,902)
Special Fund	(13,396)		(20,492)	181,159	(256,628)	(73,461)	(19,416)			(71,450)	(1,281,340)	(477,718)	(2,032,742)
Accessory Fund	(232,680)		(15,014)	(42,708)	(7,624)	(1,516,321)	(277,216)	(99,708)	(23,579)	(22,355)	(8,716)	(19,536)	(2,265,457)
Total Other Expenditures	(436,187)		(35,506)	(580,670)	(264,252)	(1,668,316)	(378,768)	(99,708)	(23,579)	(93,805)	(1,290,056)	(497,254)	(5,368,101)
<b>Total Expenditures</b>	(3,910,282)	(13,422,578)	(1,934,567)	(8,738,459)	(824,527)	(10,732,025)	(1,183,368)	(435,298)	(346,756)	(3,033,759)	(1,411,238)	(497,523)	(46,470,380)
Excess(Deficit) Revenue over Expenditures	(55,970)	(6,422,195)	(88,361)	(490,505)	(89,847)	193,504	(164,476)	94,909	32,113	(4,209)	(175,410)	6,043	(7,132,404)
Beginning Balance (Deficit)	3,462,191			(103,429)							(206,857)		3,151,905
<b>Ending Fund Balance (Deficit)</b>	\$ (55,970)	\$ (2,960,004)	\$ (88,361)	\$ (593,934)	\$ (89,847)	\$ 193,504	\$ (164,476)	\$ 94,909	\$ 32,113	\$ (4,209)	\$ (380,268)	\$ 6,043	\$ (3,980,499)

**CITY OF BALTIMORE DEPARTMENT OF RECREATION AND PARKS**  
**Key Performance Measures**  
**For the Year Ended June 30, 2012**

Service	Type	Measure	FYE 2012 Actual
<b>Aquatics</b>	Output	# visitors to pools	100,327
	Efficiency	Cost per visitor	\$31.20
	Outcome	% of citizens satisfied with service	57%
<b>Park Maintenance</b>	Output	# of playground maintained	128
	Efficiency	Operating cost per playground	\$2,750
	Effectiveness	# of Playground 100% functional	104
	Outcome	# Playground service requests	108
<b>Youth &amp; Adult Sports</b>	Output	Sports participants	16,000
	Efficiency	% cost recovery	25%
	Effectiveness	Repeat participant	90%
	Outcome	% of patrons satisfied with programs	57%
<b>Comm Rec. Center</b>	Output	# youth attending programs	350,000
	Efficiency	Cost per attendant	\$30.66
	Effectiveness	Youth in programs 3 wks or more	95%
	Outcome	Program rating good or excellent	90%
<b>Special Facilities</b>	Efficiency	% cost recovery	77%
	Outcome	Program ratings good or excellent	90%
<b>Horticulture</b>	Output	Visitors to Rawlings Conseratory	59,000
	Efficiency	Cost recovery	28%
	Effectiveness	% rating visit good or excellent	91%
<b>Recreation for Seniors</b>	Output	# Seniors in various programs	8,012
	Efficiency	Cost per event	\$54.33
	Outcome	# seniors satisfied with programs	90%
<b>Therapeutic Recreation</b>	Output	# of participants	16,000
	Efficiency	Cost per participant	\$21.62
	Outcome	Participants rated program good	75%
<b>Special Events</b>	Output	# musical concerts held	12
	Efficiency	Average cost per concert	\$900.00
<b>Urban Forestry</b>	Output	Service Requests closed	10,599
	Efficiency	Average cost per SR	\$286.23
	Effectiveness	Days from inspection to tree removal	190
	Outcome	Tree related liability claims	83

Source: CitiStat reported detail