



**CITY OF BALTIMORE  
DEPARTMENT RECREATION AND PARKS  
BIENNIAL FINANCIAL AUDIT  
Fiscal Years Ended June 30, 2019 and 2018**

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## CITY OF BALTIMORE

JOAN M. PRATT, CPA  
Comptroller



## DEPARTMENT OF AUDITS JOSH PASCH, CPA

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### INDEPENDENT AUDITOR'S REPORT

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

#### ***Report on the Financial Statements***

We have audited the accompanying cash basis financial statements of the governmental activities, of the Department of Recreation and Parks (Agency), an Agency of the primary government of the City of Baltimore (City), Maryland, which comprise the *Schedule of Revenues, Expenditures and Encumbrances and Change in Fund Balance – Budget and Actual – Budgetary Basis – General Fund; Statement of Revenues, Expenditures and Change in Fund Balance – Capital Projects; Statement of Revenues, Expenditures and Change in Fund Balance – Accessory Fund; Statement of Revenues and Expenditures – Community Development Block Grant; Statement of Revenues, Expenditures and Changes in Grant Cash Balance; Schedule of Revenues, Expenditures and Encumbrances – Budget and Actual – Budgetary Basis – Baltimore Casino; Schedule of Revenues, Expenditures and Encumbrances – Budget and Actual – Budgetary Basis – State Video Lottery; and Schedule of Revenues, Expenditures and Encumbrances – Budget and Actual – Budgetary Basis – State Table Games Revenue* for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 3. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the auditor's unmodified audit opinion.

***Opinion***

In our opinion, the financial statements referred to in the first paragraph present fairly, the revenues collected, expenses paid and balances reported for governmental activities, of the Agency, for the years ended June 30, 2019 and 2018 in accordance with the cash basis of accounting described in Note 3.

***Basis of Accounting***

The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Report on Other Legal and Regulatory Requirements***

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on

the financial statements is not affected by this missing information.

In accordance with *Government Auditing Standards*, we have also issued our report, dated November 12, 2020, on our consideration of the Agency'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 (see page 17). 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Respectfully,



Josh Pasch, CPA  
City Auditor  
Baltimore, MD  
November 12, 2020

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Schedule of Revenues, Expenditures and Encumbrances, and Change in Fund Balance**  
**Budget and Actual – Budgetary Basis – General Fund**  
**For Fiscal Years Ended June 30, 2019 and 2018**

<b>Fiscal Year 2019</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>			
Appropriation Revenue	\$41,720,309	\$38,962,080	\$(2,758,229)
<b>Expenditures and Encumbrances:</b>			
Administration	4,814,490	4,438,357	376,133
Aquatics	2,699,595	2,210,958	488,637
Parks Maintenance	11,087,075	10,568,415	518,660
Youth and Adult Sports	745,304	670,498	74,806
Community Recreation Centers	14,415,129	14,403,055	12,074
Special Facilities Management	-	257,943	(257,943)
Horticulture	1,253,106	1,112,012	141,094
Recreation for Seniors	319,590	389,006	(69,416)
Therapeutic Recreations	456,009	308,617	147,392
Park Programs and Events	-	-	-
Urban Forestry	5,930,011	4,603,219	1,326,792
<b>Total Expenditures and Encumbrances</b>	<b>41,720,309</b>	<b>38,962,080</b>	<b>2,758,229</b>
<b>Excess of Revenues over Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Opening Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Schedule of Revenues, Expenditures and Encumbrances, and Change in Fund Balance**  
**Budget and Actual – Budgetary Basis – General Fund**  
**For Fiscal Years Ended June 30, 2019 and 2018**

<b>Fiscal Year 2018</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>			
Appropriation Revenue	\$41,295,416	\$36,962,921	\$(4,332,495)
<b>Expenditures and Encumbrances:</b>			
Administration	4,724,305	4,052,823	671,482
Aquatics	2,788,210	1,889,581	898,629
Parks Maintenance	11,380,538	11,715,879	(335,341)
Youth and Adult Sports	706,936	680,904	26,032
Community Recreation Centers	13,551,416	12,833,656	717,760
Special Facilities Management	1,381	245,596	(244,215)
Horticulture	1,364,734	1,392,811	(28,077)
Recreation for Seniors	159,898	157,257	2,641
Therapeutic Recreations	466,614	397,246	69,368
Park Programs and Events	-	14,886	(14,886)
Urban Forestry	6,151,384	3,582,282	2,569,102
<b>Total Expenditures and Encumbrances</b>	<b>41,295,416</b>	<b>36,962,921</b>	<b>4,332,495</b>
<b>Excess of Revenues over Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Opening Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Statement of Revenues, Expenditures and Change in Fund Balance**  
**Capital Projects**  
**For Fiscal Years Ended June 30, 2019 and 2018**

	Fiscal Year 2019	Fiscal Year 2018
<b>Revenues</b>		
General Fund	\$ 4,646,000	\$ 2,000,000
Federal Grant Revenue	639,757	1,603,417
State Grant Revenue	1,638,581	4,022,114
State Construction Revenue	-	1,911,056
Mayor & City Council Revenue	956,000	-
Recreation and Parks Bond Revenue	8,378,233	3,555,266
Table Games Revenue	-	2,000,000
Other Fund Revenue	1,954,250	1,732,000
<b>Total Revenues</b>	<b>18,212,821</b>	<b>16,823,853</b>
<b>Expenditures</b>		
Capital Outlay	13,348,533	9,400,663
<b>Total Expenditures</b>	<b>13,348,533</b>	<b>9,400,663</b>
<b>Excess (Deficit) of Revenues over Expenditures</b>	<b>4,864,288</b>	<b>7,423,190</b>
<b>Beginning Fund Balance</b>	<b>10,918,153</b>	<b>3,494,963</b>
<b>Ending Fund Balance</b>	<b>\$ 15,782,441</b>	<b>\$ 10,918,153</b>

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



**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Statement of Revenues, Expenditures and Change in Fund Balance**  
**Accessory Fund**  
**For Fiscal Years Ended June 30, 2019 and 2018**

	Fiscal Year 2019	Fiscal Year 2018
<b>Revenues</b>		
Administration	\$ 27,720	\$ 184,953
Aquatics	46,921	32,451
Community Recreation Centers	545,206	266,282
Horticulture	-	-
Parks Maintenance	60,873	40,582
Recreation for Seniors	84,674	19,954
Special Events Recreation	175,985	-
Special Facilities Management	550	-
Youth and Adult Sports	5,125	4,500
<b>Total Revenues</b>	<b>947,054</b>	<b>548,722</b>
<b>Expenditures</b>		
Administration	28,258	-
Aquatics	36,596	7,562
Community Recreation Centers	492,593	448,726
Horticulture	38,858	52,794
Parks Maintenance	84,961	64,912
Recreation for Seniors	66,473	1,220
Special Events Recreation	80,295	45,124
Special Facilities Management	34	375
Youth and Adult Sports	4,391	6,259
<b>Total Expenditures</b>	<b>832,459</b>	<b>626,972</b>
<b>Excess (Deficit) of Revenues over Expenditures</b>	<b>\$ 114,595</b>	<b>\$ (78,250)</b>

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

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Statement of Revenues and Expenditures**  
**Community Development Block Grant**  
**For Fiscal Years Ended June 30, 2019 and 2018**

	Fiscal Year 2019	Fiscal Year 2018
<b>Revenues</b>		
Transfers from Housing and Community Development	-	-
<b>Total Revenues</b>	-	-
<b>Expenditures</b>		
Community Recreation Centers	289,372	-
<b>Total Expenditures</b>	289,372	-
<b>Excess (Deficit) of Revenues over Expenditures</b>	\$ (289,372)	\$ -

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

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Statement of Revenues, Expenditures and Changes in Grant Cash Balance**  
**For Fiscal Years Ended June 30, 2019 and 2018**

	Cash Balance July 1, 2018 (Deficit)	Revenues	Expenditures	Transfers (to) / from Other Funds	Cash Balance June 30, 2019 (Deficit)
<b>State Grants</b>					
Administration	\$(151,365)	\$ -	\$ 652,461	\$37,038	\$ (766,788)
Parks Maintenance	904,521	1,500,000	1,642,686	269,797	1,031,632
Community Recreation Centers	(151,715)	-	-	151,716	1
Park Programs and Events	-	-	36,014	-	(36,014)
Urban Forestry	(476,473)	402,543	114,485	-	(188,415)
<b>Total revenues, expenditures and change in grant balances - State</b>	<b>\$ 124,968</b>	<b>\$1,902,543</b>	<b>\$2,445,646</b>	<b>\$458,551</b>	<b>\$ 40,416</b>
<b>Other Grants</b>					
Administration	\$(123,684)	\$ -	\$ -	\$ -	\$ (123,684)
Aquatics	29,989	-	1,214	-	28,775
Parks Maintenance	30,035	-	-	(3,609)	26,426
Youth and Adult Sports	(376,524)	97,689	298,315	-	(577,150)
Community Recreation Centers	221,308	-	-	-	221,308
Special Facilities Management	(255,336)	1,196,895	1,821,182	-	(879,623)
Horticulture	45,302	459,527	348,936	-	155,893
Recreation for Seniors	62,856	14,833	26,388	-	51,301
Therapeutic Recreations	25,616	-	19,435	-	6,181
Park Programs and Events	629,285	\$520,893	\$ 804,260	-	\$345,918
Urban Forestry	1,312,188	-	384,177	-	928,011
<b>Total revenues, expenditures and change in grant balances - Other</b>	<b>\$1,601,035</b>	<b>\$2,289,837</b>	<b>\$3,703,907</b>	<b>\$ (3,609)</b>	<b>\$ 183,356</b>

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Statement of Revenues, Expenditures and Changes in Grant Cash Balance**  
**For Fiscal Years Ended June 30, 2019 and 2018**

	Cash Balance July 1, 2017 (Deficit)	Revenues	Expenditures	Transfers (to) / from Other Fund	Cash Balance June 30, 2018 (Deficit)
<b>State Grants</b>					
Administration	\$ (562,878)	\$ 86,103	\$ -	\$ 325,410	\$ (151,365)
Parks Maintenance	561,067	1,696,785	1,603,961	250,630	904,521
Community Recreation Centers	(271,915)			120,200	(151,715)
Park Programs and Events	-	-	-	-	-
Urban Forestry	(916,577)	-	282,308	722,412	(476,473)
<b>Total revenues, expenditures and change in grant balances - State</b>	<b>\$ (1,190,303)</b>	<b>\$ 1,782,888</b>	<b>\$1,886,269</b>	<b>\$1,418,652</b>	<b>\$ 124,968</b>
<b>Other Grants</b>					
Administration	\$ (124,629)	\$ -	\$ -	\$ 945	\$ (123,684)
Aquatics	30,746	-	757	-	29,989
Parks Maintenance	(19,412)	-	-	49,447	30,035
Youth and Adult Sports	(255,054)	163,155	279,029	(5,596)	(376,524)
Community Recreation Centers	(261,299)	-	460	483,067	221,308
Special Facilities Management	16,511	1,144,170	1,416,017	-	(255,336)
Horticulture	(18,215)	444,545	381,028	-	45,302
Recreation for Seniors	-	73,956	11,100	-	62,856
Therapeutic Recreations	42,163	-	16,547	-	25,616
Park Programs and Events	520,166	701,284	592,165	-	629,285
Urban Forestry	249,456	1,440,566	376,204	(1,630)	1,312,188
<b>Total revenues, expenditures and change in grant balances - Other</b>	<b>\$ 180,433</b>	<b>\$ 3,967,676</b>	<b>\$3,073,307</b>	<b>\$ 526,233</b>	<b>\$1,601,035</b>

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Schedule of Revenues, Expenditures and Encumbrances**  
**Budget and Actual – Budgetary Basis – Baltimore Casino**  
**For Fiscal Years Ended June 30, 2019 and 2018**

<b>Fiscal Year 2019</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>			
Appropriation revenues	\$214,341	\$ 260,477	\$ 46,136
<b>Expenditures and Encumbrances:</b>			
Salaries and Wages	-	49,210	(49,210)
Other Personnel Cost	-	9,763	(9,763)
Contractual Services	214,341	201,504	12,837
Material and Supplies	-	-	-
Minor Equipment	-	-	-
Other	-	-	-
<b>Total Expenditures and Encumbrances</b>	<b>214,341</b>	<b>260,477</b>	<b>(46,136)</b>
<b>Excess of Revenues over Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Fiscal Year 2018</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>			
Appropriation revenues	\$288,701	\$ 250,867	\$ (37,834)
<b>Expenditures and Encumbrances:</b>			
Salaries and Wages	-	74,440	(74,440)
Other Personnel Cost	-	5,905	(5,905)
Contractual Services	288,701	166,992	121,709
Material and Supplies	-	3,530	(3,530)
Minor Equipment	-	-	-
Other	-	-	-
<b>Total Expenditures and Encumbrances</b>	<b>288,701</b>	<b>250,867</b>	<b>37,834</b>
<b>Excess of Revenues over Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Schedule of Revenues, Expenditures and Encumbrances**  
**Budget and Actual – Budgetary Basis – State Video Lottery**  
**For Fiscal Years Ended June 30, 2019 and 2018**

Fiscal Year 2019	Final Budget	Actual	Variance
<b>Revenues:</b>			
Appropriation revenues	\$ 25,930	\$ 32,454	\$ 6,524
<b>Expenditures and Encumbrances:</b>			
Salaries and Wages	-	25,921	(25,921)
Other Personnel Cost	-	1,983	(1,983)
Contractual Services	25,750	4,550	21,200
Material and Supplies	180	-	180
Minor Equipment	-	-	-
Other	-	-	-
<b>Total Expenditures and Encumbrances</b>	<b>25,930</b>	<b>32,454</b>	<b>(6,524)</b>
<b>Excess of Revenues over Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Fiscal Year 2018	Final Budget	Actual	Variance
<b>Revenues:</b>			
Appropriation revenues	\$ 180	\$ 39,127	\$ 38,947
<b>Expenditures:</b>			
Salaries and Wages	-	27,317	(27,317)
Other Personnel Cost	-	2,083	(2,083)
Contractual Services	-	9,727	(9,727)
Material and Supplies	180	-	180
Minor Equipment	-	-	-
Other	-	-	-
<b>Total Expenditures and Encumbrances</b>	<b>180</b>	<b>39,127</b>	<b>(38,947)</b>
<b>Excess of Revenues over Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Schedule of Revenues, Expenditures and Encumbrances**  
**Budget and Actual – Budgetary Basis – State Table Games Revenue**  
**For Fiscal Years Ended June 30, 2019 and 2018**

Fiscal Year 2019	Final Budget	Actual	Variance
<b>Revenues:</b>			
Appropriation revenues	\$ 2,818,052	\$ 945,448	\$ (1,872,604)
<b>Expenditures and Encumbrances:</b>			
Salaries and Wages	64,822	730,014	(665,192)
Other Personnel Cost	-	4,033	(4,033)
Contractual Services	9,065	211,258	(202,193)
Material and Supplies	4,015	143	3,872
Minor Equipment	2,740,150	-	2,740,150
Other	-	-	-
<b>Total Expenditures and Encumbrances</b>	<b>2,818,052</b>	<b>945,448</b>	<b>1,872,604</b>
<b>Excess of Revenues over Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Fiscal Year 2018	Final Budget	Actual	Variance
<b>Revenues:</b>			
Appropriation revenues	\$ 64,944	\$ 2,517,563	\$ 2,452,619
<b>Expenditures:</b>			
Salaries and Wages	994	1,767,081	(1,766,087)
Other Personnel Cost	-	226,844	(226,844)
Contractual Services	34,244	374,416	(340,172)
Material and Supplies	8,343	145,075	(136,732)
Minor Equipment	21,363	4,147	17,216
Other	-	-	-
<b>Total Expenditures and Encumbrances</b>	<b>64,944</b>	<b>2,517,563</b>	<b>(2,452,619)</b>
<b>Excess of Revenues over Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Notes to the Financial Statements**  
**For Fiscal Years Ended June 30, 2019 and 2018**

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

The Agency is the primary provider of fun filled life changing cultural and physical activities to the citizens of the City. Active lifestyles and a connection to nature have been scientifically proven to improve both physical and mental health in all age groups. The Agency consists of Bureau of Recreation, Bureau of Parks and Horticulture Division.

- The Bureau of Recreation provides a wide range of activities in its sports facilities and 43 community centers. There are specialized recreational activities for the physically and emotionally challenged, and senior citizen programs. City residents can participate in indoor / outdoor aquatics, ice and roller skating, hockey, soccer, basketball, football, dancing, acting, music, tennis, track and field, boxing, afterschool and out-of-school programs.
- The Bureau of Parks is responsible for the beautification, management and maintenance of 4,600 acres of parkland. The Bureau also plans and implements outdoor recreation programs in City parks, including nature and environmental education at Carrie Murray. Regular park maintenance functions include grass mowing, ball fields preparations, buildings and playground repairs.
- The Horticulture Division is responsible for the Rawlings Conservatory and the Cylburn Arboretum. The Urban Forestry Division is responsible for the planting and care of all trees in the public right-of-way and in City parks. Park programs and Events is responsible for the Rhythm and Reels, park permits, park volunteer program, the '\$5 5K' running series, biking, kayaking, hiking and camping in city parks.

**2. Fund Financial Statements**

These financial statements have been prepared on a cash basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, they do not represent the financial position of the City or the Agency. The Agency reports its financial activities in the following funds:

- *Annually Funded Governmental Funds* – These funds include general fund, Baltimore casino fund, state video lottery fund and state table games revenue fund. Appropriations for these funds expire at the end of the year.
- *Special Revenue Funds* – These funds include the Grant Revenue Fund, Community Development Block Grant and Capital Projects Funds.



**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Notes to the Financial Statements**  
**For Fiscal Years Ended June 30, 2019 and 2018**

Appropriations for these funds do not expire at the end of the year but continue until they are used for specific purposes.

- *Agency Funds* – Recreational Accessory Fund does not receive appropriation from the City. It is a separate Fiduciary Fund from which the Agency can spend monies received for specific purposes.

Because of these differences, the financial statements of the Agency's annually appropriated funds are reported on a budgetary basis. The financial statements of the capital projects fund, special revenue funds and agency funds are reported on a cash receipts and disbursements basis.

### **3. Summary of Significant Accounting Policies**

The financial statements of the Agency are prepared on a cash basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than *Generally Accepted Accounting Principles* (GAAP). This basis of presentation differs from accounting principles generally accepted in the United States of America in that revenues are recognized when received rather than earned and expenses are recognized when paid rather than when the obligation is incurred. The accompanying financial statements are not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

### **4. Budget Process**

The Agency participates in the City'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.

### **5. Beginning Grant Balance Adjustment**

The FY 2017 beginning grant balances for federal, state, and other were adjusted because certain cash adjustments related to FY 2017 (See note 6) were not included in the reported ending balances in the FY 2017 financial report. The effect to the Agency's beginning grant cash balance as of July 1, 2017 as follows:

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Notes to the Financial Statements**  
**For Fiscal Years Ended June 30, 2019 and 2018**

Table I

**Summary of FY 2018 Grant Opening Adjustments**

Type	Previously Reported Balance	Adjustment	Adjusted Cash Balance
Federal	\$ 6,919	\$ (6,919)	\$ 0
State	(1,043,615)	(146,688)	(1,190,303)
Other	(170,908)	(9,525)	(180,433)

**6. Cash Deficits**

Cash deficits represent cash advances by the City that have not been reimbursed by the grantor. Cash advances not reimbursed by the grantor will be the responsibility of the City. During the year, the City evaluates the cash surplus and deficits in various grants to determine the actions needed to correct mis-postings and where necessary to transfer cash between grants and the general fund to reduce deficits. This activity is reported as transfers in the financial statements.

**7. Risk Management**

The City 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 Agency is a chartered Agency within the City municipal government. Therefore, its exposure to various risks is managed the City's Office of Risk Management.

**8. Subsequent Events**

No subsequent events have occurred that would require recognition or disclosure in the financial statements as of October 23, 2020.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

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## CITY OF BALTIMORE

JOAN M. PRATT, CPA  
Comptroller



## DEPARTMENT OF AUDITS JOSH PASCH, CPA

City Auditor  
100 N. Holliday  
Street Room  
321, City Hall  
Baltimore, MD  
21202  
Telephone: 410-396-1173  
Telefax: 410-545-3961

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

In planning and performing our audit of the financial statements of the Department of Recreation and Parks (Agency) as of and for the years ended June 30, 2019 and 2018 in accordance with auditing standards generally accepted in the United States of America, except for peer review requirements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses, significant deficiencies, or control deficiencies and therefore, material weaknesses, significant deficiencies, or control deficiencies may exist that were not identified. However, as described in the accompanying schedule of finding, we identified a deficiency in internal control that we consider to be a control deficiency.

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 Agency's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of finding to be control deficiencies for Findings 1 through 4.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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*.

## **Agency and the Department of Finance's Responses to Findings**

The Agency's and the Department of Finance's (DOF) responses to the findings (see Schedule of Finding) identified in our audit are described in Appendix I. The responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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

Respectfully,



Josh Pasch, CPA  
City Auditor  
Baltimore, Maryland  
November 12, 2020

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Schedule of Finding**  
**Fiscal Years Ended June 30, 2019 and 2018**

**Finding #1: The City and the Agency need to monitor revenues to ensure that all receivables are collected and recorded in the appropriate agencies' accounts.**

There is no assurance that revenue billings for reimbursement of funds are received and revenues are properly classified at an agency level. As a result, the risk of theft or misappropriation is increased. For example,

- For 13 of 15 grant and capital revenues tested totaling approximately \$2.4 million, or 87 percent and for eight of 15 grant and capital revenues tested totaling approximately \$3 million, or 53 percent in FYs 2019 and 2018 respectively, the receipts cannot be traced back to the bank statements of the City.

- One item for a capital project totaling \$120,307.81 was billed in **April 2019** and the receivable was set up at that time; however, three payments totaling \$7,098.31 made in **2014 and 2015** were applied to this receivable. According to the Agency, the initial bill was rejected because it included unallowable expenditures. A new bill was sent in June 2019 for \$61,609.96 which were the allowable costs incurred. This bill however was not entered into the Agency's receivable system due to ransomware. A payment of \$61,609.96 was received in July 2019 and applied to the original receivable. In January of 2020, a credit in the amount of \$51,599.55 was applied to the receivable to bring it to zero. This amount was the unallowable portion of the original billing. (See textbox for recording practice of revenue billings for capital projects.)

**Revenue Billing and  
Collection Responsibilities**

Revenue billings for reimbursement of funds spent on capital projects is completed by the Agency and approved by the Bureau of Accounting and Payroll Services (BAPS) Capital Projects Accounting group and sent out for billing. When the bill is sent, revenue is recognized, and a receivable is set up. When revenue is received, the Bureau of Revenue Collection (BRC) receives the money and allocates the receipts to the proper revenue account or receivable.

The lack of assurance that revenues are properly classified at an agency level is because there are no effective processes to ensure that all receivables are collected and recorded in the appropriate agencies' accounts. Specifically,

- The receipt system and billing system are not integrated making it more difficult for the BRC to correctly identify receipts and allocate them to the proper account. When agencies bill for the reimbursement of grant revenues, it is completed outside of the accounting system; therefore, no receivable is set up. Therefore, BRC has no way of knowing what is due to the City and from who unless the agency reports to BAPS that a billing was done. When payments come in without a remittance slip, BRC must identify the purpose of the payment by inquiring

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Schedule of Finding**  
**Fiscal Years Ended June 30, 2019 and 2018**

different agencies of what billings they have outstanding.

- State and federal agencies will often wire a large sum of money to the City. It is the responsibility of an individual in BAPS to obtain the breakdown of the payment often from an online system which is available for limited time. BAPS prints out and maintains manual paperwork in boxes rather than filing them in an organized manner; as a result, the process to identify documents to support accounting transactions when audited not effective and efficient.

Administrative Manual 402-01, *Collection of Revenue* effective March 27, 2012 states “the Collection Division of the Department of Finance is responsible for the collection of all revenue due Baltimore City.”

**Recommendation #1:** We recommend:

- The Director of DOF:
  - Upgrade their accounting system to integrate the cash receipt and billing systems to allow for easier matching of billing to revenue received;
  - Record and monitor all receivables within the accounting system;
  - Electronically file and save the breakdown of payments wired to the bank so that they can be traced to ensure accurate recording to accounts; and
  - Integrate the grant billings into one system and set up receivables that would allow BRC to know what monies are expected and where to post them when received.
- The Director of Agency ensure that reimbursable expenditures are billed timely, receivables are tracked and recorded in the applicable projects and grants.

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Schedule of Finding**  
**Fiscal Years Ended June 30, 2019 and 2018**

**Finding #2: Inconsistent recording information in the systems used for revenue collection and recording might have caused challenges in revenue reconciliation.**

During the scope of the audit, neither the Agency nor the City ensured all revenues collected at recreation centers were deposited and properly recorded in the City's Accounting System called Dynamics. Although the reconciliation had been completed, it could not be completed efficiently because there were inconsistencies between the general ledger accounts charged in the Agency's standalone system called Recpro and Civic Rec (see textbox), the automated cash deposit system (see textbox), and the general ledger in Dynamics. Reconciliation is a key financial control to reduce the risk of theft or misappropriation, especially in the environment where a daily deposit is not required<sup>1</sup>.

Additionally, certain revenues are posted in a prior year account rather than a current year. Specifically, 10 of 30 items tested for FY 2019, or 33 percent were recorded in a prior year account. In FY 2018, nine of 30 items tested, or 30 percent were posted to a prior year account.

The inability to reconcile the information in the Recpro and Civic Rec systems to the general ledger is because the City financial systems are not integrated. Additionally, every year, the City changes general ledger accounts in the special revenue fund, where some of the recreation centers revenue are posted, making the accounting much more complicated. The automated cash slip deposit system used by the Agency to record receipts when they submit them to the City is still using accounting codes from the legacy system rather than the new 26-digit codes. When the cash slip is prepared and processed, the system converts the account number entered to a 26-digit codes using an account map and creates a general ledger entry. This requires the City to create new legacy accounts each year and map them to the correct 26-digit codes.

**Cash Collection and Cash Deposit Systems**

**Collection System:** The Agency collects revenues at various locations throughout the City for services provided to the citizens and residents of Baltimore City. When a payment for services is made at any location, it is logged into a standalone system which was purchased by Agency. In FY 2018 through sometime in May 2019, Agency used Recpro software at its locations. During May 2019, Agency converted it to Civic Rec. An advantage of the Civic Rec system is that it closes out receipts once they are submitted to Agency Fiscal Office; therefore, the Agency can see if receipts are outstanding and need to be remitted to the City.

**Automated Cash Deposit System:** The Agency's policy requires the recreation centers to submit revenues collected on a weekly basis to the Agency Fiscal Office. The Fiscal Office deposits the money and completes automated cash slips in the automated cash deposit system. The Baltimore City Information Technology runs reports from this system, which are placed in the general ledger. The cash deposit slips direct where to recognize the revenues in Dynamics.

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<sup>1</sup> The Agency's policy requires the recreation centers to submit revenues collected on a weekly basis to the Agency Fiscal Office; however, due to many factors such as the minimal amount collected and the distance between recreation centers and Fiscal Office, this policy is not enforced.



**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Schedule of Finding**  
**Fiscal Years Ended June 30, 2019 and 2018**

According to *the Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States (Green Book), transaction control activities are actions built directly into operational processes to support the entity in achieving its objectives and addressing related risks. Management may design a variety of transaction control activities for operational processes, which may include verifications, reconciliations, authorizations and approvals, physical control activities, and supervisory control activities.

**Recommendation #2:** We recommend:

- The Director of DOF:
  - Eliminate the practice of updating accounting codes in special revenue funds annually;
  - Stop using legacy account numbers and update all systems to be using the same account numbers; and
  - Examine the possibility of integrating the collection system used at the individual recreation centers into the City's overall accounting system.
- The Director of Agency require the Agency Fiscal Office to perform reconciliation of information in the systems to ensure the completeness of revenue deposited and the accuracy of revenue recorded in the City's financial system.

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Schedule of Finding**  
**Fiscal Years Ended June 30, 2019 and 2018**

**Finding #3: The City needs to improve system controls in the time keeping and payroll systems.**

There was a design flaw in the City's E-time system<sup>2</sup> (time keeping system) and HRIS system<sup>3</sup> (Human Resources Management system). Specifically, the systems were designed in a way that does not clearly connect historical edits to the period where the payment was made (see textbox). For example, out of four historical edits totaling \$1,415 that were included in the FY 2018 payroll samples selected for testing, three historical edits were not able to be substantiated.

**Historical Edits and Off Cycle Checks**

When an employee paycheck is incorrect due to hours not being recorded correctly in e-time, the Agency can either perform a historical correction or request an off-cycle check be issued. The decision as to what to do would depend on whether the employee is willing to wait to receive the payment or not.

When a historical edit is completed, E-time will show the edit in the time period that the work was performed. In that period, it will show as a historical correction and tell you what pay PPE the correction was made and the payment was received. In the PPE the correction was made, the detailed hours worked in the period were shown. However, the totals which are communicated to HRIS to produce the check will include the additional hours. In the summary, the hours will be included in total hours, however, the detail will show only the hours actually worked that pay period.

- In the first case, time sheets were provided showing that three overtime (OT) hours were worked on January 23, 2018 for which an employee was not paid. In E-time, it shows a historical edit on January 23, 2018 for seven and a half hours. In the pay period end date (PPE) February 7, 2018, the employee was paid for an additional 10.5 hours, which was the historical edit and an additional three hours for which the system did not have documentation to support.
- In the second case, the employee was a temporary employee, and a historical edit shows in E-time for the prior pay period for an entry of 54 hours which was recorded as a single amount. However, there was no indication of when the actual work was performed.
- In the third case, an employee was paid for additional three hours which could not be substantiated in E-time.

Also, when off cycle checks are issued, the HRIS system does not have a method whereby the backup support can be stored within the HRIS system. Instead, it is manually filed by the Agency as well as Central Payroll. However, no supporting documentation

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<sup>2</sup> ADP is the time and attendance software utilized by all agencies within the City to record the number of hours worked and / or the amount of leave taken.

<sup>3</sup> HRIS is an online software used for data entry, data tracking, and data information for Human Resources - payroll, management, and accounting functions within the City.

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Schedule of Finding**  
**Fiscal Years Ended June 30, 2019 and 2018**

was provided for the following off-cycle checks, which were noted in the samples selected for FY 2019 and FY 2018 payroll testing.

- FY 2019, two off-cycle checks issued totaling approximately \$2,000; and
- FY 2018, one off cycle check issued for approximately \$2,300.

Additionally, the following control deficiencies were noted.

- **Payment without Time and Attendance Records in E-time:** The E-time and HRIS systems interfaced and the HRIS should not have processed a payment without the associated hours recorded. An employee was paid \$2,155 for 66.5 hours of work; however, the hours that the employee worked was not recorded in E-time. An e-mail indicated that time was not included prior to payroll being cut off; however, the hours were added to HRIS so that a check was issued.
- **Excessive Hours in E-time Records:** The E-time should not have allowed recording excessive hours of daily time and attendance. Of the 49 samples selected for payroll testing the FY 2019 and FY 2018 payroll activities, employee work hours were not recorded on a daily basis in E-time for one sample and eight samples for FY 2019 and 2018, respectively. For example, the records for one employee during payroll testing period showed **71**, nine, and three regular hours which resulted in **83** regular hours for the sample in FY 2019. As a result, the hours worked (each day) cannot effectively be reviewed / approved; and the hours above 80 were not captured and compensated as overtime.

The design flaw contributed the ineffective and inefficient documentation process; and the control deficiencies increased the risk of management override and payroll inaccuracy.

According to the Green Book,

- “Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. Documentation and records are properly managed and maintained.”
- “Control activities can be implemented in either an automated or a manual manner. Automated control activities are either wholly or partially automated through the entity’s information technology. Manual control activities are performed by individuals with minor use of the entity’s information technology. Automated control activities tend to be more reliable because they are less susceptible to human error and are typically more efficient. If the entity relies on information technology in its operations, management designs control activities so that the information

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Schedule of Finding**  
**Fiscal Years Ended June 30, 2019 and 2018**

technology continues to operate properly.”

- Daily time and attendance records are important to ensure employees get paid properly; identify potential attendance issues; provide proof for a wage and hour audit or lawsuit; etc.

**Recommendation #3:** We recommend the BAPS ensure the following auditable documentation and controls are included in the timekeeping and payroll systems.

- A reference for historical edits to the day the hours were worked as well as the date the hours were paid which is linked to both of the time periods;
- A reference for any off-cycle checks which are issued to the day the hours were worked as well and the date of payment and include the hours worked in the system;
- Documentation and approval of all hours worked which should minimize the need for adjustments; and
- A validity check for excessive hours reported for regular, OT or compensatory hours; and documentation of reasons for management override.

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Schedule of Finding**  
**Fiscal Years Ended June 30, 2019 and 2018**

**Finding #4: The Agency needs to retain documentation to demonstrate it is compliant with the City’s payroll policies and improve the Agency’s alarm callback policy.**

As shown in Table I below, the Agency was not able to completely provide documentation for the selected FY 2019 and 2018 payroll activities for testing. As a result, The Agency is not in compliant with the Administrative Manual (AM) 205-10. Also, the Agency was not able to demonstrate whether the selected payroll activities were accurately recorded to process correct payments, which may result in financial losses including inaccurate payments, accruals and final payouts to employees.

**Table I**  
**Summary of Occurrences Noted for Selected Payroll Activities**

Document Type	2019		2018	
	No.	Percent	No.	Percent
No records for pay periods	11 of 49	22	11 of 49	22
Missing attendance or timesheet approvals <sup>1</sup>	18 of 38	47	18 of 38	47
Missing OT and leave slips <sup>2</sup>	34 of 35	97	36 of 41	88
Missing Agency approval and or sign off in e-time	41 of 49	84	49 of 49	100
Bi-weekly timesheet did not agree with ADP	23 of 49	47	28 of 49	57

**Notes:** <sup>1</sup> The denominator is based on available timesheets.

<sup>2</sup> The denominator is based on individuals who took leave or worked OT during the pay period under review. The total amounts for these selected samples are \$ 23,007 (750 hours) and \$19,884 (676 hours) for FY 2019 and FY 2018, respectively.

Additionally, of the 49 samples selected for testing the FY 2019 and FY 2018 payroll activities, 52 OT hours totaling \$1,881 for alarm call-back<sup>4</sup> were noted for two employees. One of the two individuals requested 28 hours (seven callbacks) totaling \$1,006 of OT for alarm call backs over a period of four months (historical edit – see definition in Finding 3). The Agency was unable to substantiate that alarm callback occurred and alarm callback procedures were properly followed for both employees.

The missing documentation are mainly due to the lack of a retention schedule, which is required by the Baltimore City’s Code. Additionally, the large number of employees in the

<sup>4</sup> According to the City Union of Baltimore agreement, a minimum of four hours of OT is earned for each alarm callback when alarm needs to be re-set.

**CITY OF BALTIMORE**  
**Department of Recreation and Parks**  
**Schedule of Finding**  
**Fiscal Years Ended June 30, 2019 and 2018**

Agency and managers not having proper training resulting in managers unable to complete their required duties to ensure that payroll records are accurate. Also, the Standard Operating Procedures (SOP) are not adequately and formally written (approved, dated). The SOP does not require documentation and retention requirements such as sign in / out log and alarm company's report to evidence the occurrence of alarm call backs as well as supervisors' verification and approval of OT for alarm callbacks.

The AM 205-10 requires each agency / bureau head to establish internal controls in administering payroll systems to provide reasonable protection against various payroll errors and fraud schemes. The policy requires using a positive documented system to determine the presence or absence of employees. In addition, supervisors are responsible for assuring the accuracy of time and attendance of individuals under their immediate supervision.

According to the Baltimore City Code, Article I, § 11-6, Disposal of records, (b) Agencies to prepare retention schedules,

- "It shall be the duty of each department to prepare records retention schedules to assure the orderly retention of records required for the operation of the department, as well as the prompt disposal of records having no further value."
- "Such schedules shall be prepared and submitted in the manner prescribed and will become effective when approved by the Records Committee."

**Recommendation #4:** We recommend the Agency:

- Develop and implement a record retention schedule for the Agency and file with City Archivist;
- Update the SOP for alarm callbacks;
- Enforce all divisions to comply with the retention policy, alarm callback policy, and the AM; and
- Train personnel responsible for time and attendance and payroll activities.

**APPENDIX I**

**Management's Response to the Audit Report**

Date: November 6, 2020

To: Josh Pasch, City Auditor

Subject: Management Response to Audit Report:  
Biennial Financial Audit Report on Department of Recreation and  
Parks for the Fiscal Years Ended June 30, 2019 and 2018

Our responses to the audit findings and recommendations are as follows:

**Recommendation #1**

We recommend:

- The Director of DOF:
  - Upgrade their accounting system to integrate the cash receipt and billing systems to allow for easier matching of billing to revenue received;
  - Record and monitor all receivables within the accounting system;
  - Electronically file and save the breakdown of payments wired to the bank so that they can be traced to ensure accurate recording to accounts; and
  - Integrate the grant billings into one system and set up receivables that would allow BRC to know what monies are expected and where to post them when received.
- The Director of Agency ensure that reimbursable expenditures are billed timely, receivables are tracked and recorded in the applicable projects and grants.

**Management Response/Corrective Action Plan**

Agree       Disagree

- DOF: The City is in the process of implementing Workday which is a fully integrated personnel and accounting system. Implementation of the personnel and payroll modules of Workday is expected in January of 2021 with full

## **Biennial Financial Audit Report on Department of Recreation and Parks**

implementation scheduled for the spring or early summer of 2021. We believe implementation of the Workday will address all of the audit recommendations.

- Agency will develop and provide a monthly Receivable Report to Agency's Chief Financial Officer (CFO)

### **Implementation Date**

- DOF: Fiscal 2021
- Agency: January 1, 2021

### **Responsible Personnel**

- Henry Raymond, Director of Finance, DOF
- Carmella Scott, Fiscal Technician, Agency
- Makponse Yamonche, Accountant Supervisor, Agency



**Recommendation #2:**

We recommend:

- The Director of DOF:
  - Eliminate the practice of updating accounting codes in special revenue funds annually;
  - Stop using legacy account numbers and update all systems to be using the same account numbers; and
  - Examine the possibility of integrating the collection system used at the individual recreation centers into the City’s overall accounting system.
- The Director of Agency require the Agency Fiscal Office to perform reconciliation of information in the systems to ensure the completeness of revenue deposited and the accuracy of revenue recorded in the City’s financial system.

**Management Response/Corrective Action Plan**

**Agree**       **Disagree**

- DOF: The City is in the process of implementing Workday which is a fully integrated personnel and accounting system. Implementation of the personnel and payroll modules of Workday is expected in January of 2021 with full implementation scheduled for the spring or early summer of 2021. We believe implementation of the Workday will address all of the audit recommendations.
- Agency will prepare and distribute monthly revenue reconciliation reports to CFO and other program managers.

**Implementation Date**

- DOF: Fiscal 2021
- Agency: January 1, 2021

**Responsible Personnel**

- Henry Raymond, Director of Finance, DOF
- Makponse Yamonche, Accountant Supervisor, Agency

**Recommendation #3**

We recommend the BAPS ensure the following auditable documentation and controls are included in the timekeeping and payroll systems.

- A reference for historical edits to the day the hours were worked as well as the date the hours were paid which is linked to both of the time periods;
- A reference for any off-cycle checks which are issued to the day the hours were worked as well and the date of payment and include the hours worked in the system;
- Documentation and approval of all hours worked which should minimize the need for adjustments; and
- A validity check for excessive hours reported for regular, OT or compensatory hours; and documentation of reasons for management override.

**Management Response/Corrective Action Plan**

**Agree**       **Disagree**

The City is in the process of implementing Workday which is a fully integrated personnel and accounting system. Implementation of the personnel and payroll modules of Workday is expected in January of 2021 with full implementation scheduled for the spring or early summer of 2021. We believe implementation of the Workday will address all of the audit recommendations.

**Implementation Date**

Fiscal 2021

**Responsible Personnel**

Henry Raymond, Director of Finance, DOF

**Recommendation #4:**

We recommend the Agency:

- Develop and implement a record retention schedule for the Agency and file with City Archivist;
- Update the SOP for alarm callbacks;
- Enforce all divisions to comply with the retention policy, alarm callback policy, and the AM; and
- Train personnel responsible for time and attendance and payroll activities.

**Management Response/Corrective Action Plan**

**Agree**       **Disagree**

Agency will update the Time and Attendance Policy to include "Callback Policy." Implementation of Workday – electronic payroll system in December 2020 will address other issues/recommendations.

**Implementation Date**

January 1, 2021

**Responsible Personnel**

- Lynette Cromer, Payroll Admin. Co-Ord, Agency
- Kenn King, CFO, Agency