



INTERNAL AUDIT REPORT

DATE: July 5, 2016

TO: Jim Gray, Mayor

CC: Sally Hamilton, Chief Administrative Officer
Glenn Brown, Deputy Chief Administrative Officer
Aldona Valicenti, Chief Information Officer
Janet Graham, Commissioner of Law
William O'Mara, Commissioner of Finance & Administration
Geoff Reed, Commissioner of General Services
Monica Conrad, Director of Parks & Recreation
Phyllis Cooper, Director of Accounting
Todd Slatin, Director of Purchasing
Susan Straub, Communications Director
Urban County Council
Internal Audit Board

FROM: Bruce Sahli, CIA, CFE, Director of Internal Audit
Jasie Curtis, CFE, Internal Auditor

RE: Parks & Recreation Catering and Food Service Function Audit

Background

The catering and food service function within the Division of Parks & Recreation serves as an in-house caterer option for LFUCG events, manages the food vendors and concessions for some of the Parks & Recreation events and sports leagues, has occasionally been commissioned for special request events on behalf of the Mayor's



Office and other LFUCG agencies, and also serves as a concession vendor at some of the events it manages on behalf of the LFUCG. One full time employee supervises this function, and there are approximately 11 part-time employees utilized throughout the year who will assist when needed.

An audit of this function was requested by the Commissioner of General Services and approved by the Internal Audit Board.

Scope and Objectives

The general control objectives for the audit were to determine that:

- Policies and procedures exist to ensure adequate oversight and implementation of the catering and food service function
- The catering and food service function is effectively managed
- Disbursement controls are effective
- Cash controls are effective and comply with CAO Policy #40
- Inventory controls are effective and comply with CAO Policy #47
- Food service contracts are appropriate and properly approved
- Seasonal employees are used in an effective and cost efficient manner

The scope of the audit included activity for the period January 1, 2013 through December 31, 2015.

Audit results are based on observations, inquiries, transaction examinations, and the examination of other audit evidence and provide reasonable, but not absolute, assurance controls are in place and effective. In addition, effective controls in place during an audit may subsequently become ineffective as a result of technology changes or reduced standards of performance on the part of management.

Statement of Auditing Standards

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions



regarding the organization, program, activity or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

Audit Opinion

In our opinion, the controls and procedures did not provide reasonable assurance that the general control objectives were being met. Opportunities to improve controls are included in the Summary of Audit Findings.

Priority Rating Process

To assist management in its evaluation, the findings have been assigned a qualitative assessment of the need for corrective action. Each item is assessed a high, moderate, or low priority as follows:

High - Represents a finding requiring immediate action by management to mitigate risks and/or costs associated with the process being audited.

Moderate – Represents a finding requiring timely action by management to mitigate risks and/or costs associated with the process being audited.

Low - Represents a finding for consideration by management for correction or implementation associated with the process being audited.

SUMMARY OF AUDIT FINDINGS

Finding #1: Falsified and Inconsistent Documentation Regarding Collection Activity

Priority Rating: High

Condition:

The catering and food service function's activity was reported on revenue tracking sheets (see example in Attachment I). Our review noted six instances where the



revenue tracking sheet deposits contained one or two checks ranging from \$62.00 to \$1,150.97 that were not related to the event listed on the revenue tracking sheet. This included a revenue tracking sheet for “concert 13” which indicated the sale of numerous grilled foods, drinks, chips, and candy, but the entire reported gross sales of \$875 was covered by the deposit of an \$875 check from the Center for Family and Community Services for the HEP Graduation Reception. We also noted the April 18, 2015 Kite Fest event deposit contained a \$1,150.97 check dated March 3, 2015 from the Kentucky Recreation & Parks Society which made reference to Inv#2262015 (i.e., to an invoice dated February 26, 2015). We further noted that the 2014 Thriller event deposit made on November 4, 2014 contained a \$178.41 check dated August 26, 2014 for the Metro Credit Union Member Appreciation Day Picnic. See Attachment II for the details of all six anomalies.

Despite the existence of unrelated checks in each of the six instances noted, the overall deposits agreed with the amount of reported event gross sales included in the revenue tracking sheets. These six events were such that all or virtually all sales would have been paid for via cash, not checks, as they were for the sale of grilled foods, snacks, candy, and drinks.

These six anomalies therefore had the appearance that some or all of the cash collected at the events was not deposited, but rather that an unrelated check or checks from an unrelated event or events with no corresponding revenue tracking sheet was deposited in lieu of the cash. When we inquired about this anomaly, the responsible Recreation Supervisor informed us that she had been instructed many years ago to disguise any non-revenue generating event collections as if they had been obtained from a revenue generating event by commingling collections and then falsifying the revenue tracking sheets to match the overall deposit. The Recreation Supervisor used the term “non-revenue generating event” to mean any event where no profit was earned, and where some, all, or none of the cost of the event was covered by the benefiting entity.

When we inquired how long she had been falsifying the revenue tracking sheets to commingle non-revenue generating collections, she replied, “Oh, 30 years, since I started here, my bosses at the time said so.” She did not disclose who those “bosses” were. No reliable evidence of the number of non-revenue generating events or the amount of guests served at them could be obtained.



The responsible Recreation Supervisor also stated that one way she would determine the amount of collections at an event was to simply count the money, and she also stated that she would sometimes count the ending inventory to determine sales. Since these events did not utilize a cash register, the proper method would have been to consistently track specific sales by category and reconcile beginning and ending inventory to identify sales, waste, and shrinkage, and then reconcile calculated sales to cash collected to determine cash over/short.

The admission by the responsible Recreation Supervisor that she falsified some of the revenue tracking sheets, and the fact that event sales were not properly calculated, generated concerns about missing cash and the reliability of all reported collections.

This information was provided to the Commissioner of General Services and the Director of Parks, who referred the matter to the Division of Police. As of the date of this report, the investigation is still ongoing.

Effect:

In a cash-based operation, the absence of reliable revenue reporting and proper accounting for inventory and cost of goods sold creates an environment where theft and misappropriation of assets can occur.

Recommendation:

A process should be developed to create and maintain accurate accounting records that provide conclusive proof of sales activity, the related collections and any cash over/short, and any use of inventory including waste and shrinkage. This process should be regularly reviewed by management, including unannounced audits of cash and inventory.

Director of Parks & Recreation Response:

Division management concurs with this finding. Commissioner of General Services notified the Director regarding concerns in this area upon hire, and initial discussions determined the need for an audit. The Recreation Supervisor responsible for the Parks Catering Service began an extended leave from November 2015 - April 2016, essentially ceasing operations and resulting in delayed findings. Based on initial audit findings, Parks discontinued the Catering service as of May, 2016. This practice is not in line with any of the Division's revenue management policies and has resulted in the termination of services. The Commissioner and Director have requested additional audits of cash operations to insure compliance with all accounting/inventory policies



and procedures. In addition, increased management oversight and accountability of revenue producing areas are being addressed immediately.

Commissioner of General Services Response:

I concur with the auditor's finding and agree with the Director's response.

There was a flagrant disregard for the policies in place and an absence of administrative oversight of this operation for many years. Policies and procedures were willfully ignored at multiple levels. A review of previous issues involving the operation of the catering program documented attempts to address the lack of adequate controls. Dating back more than 20 years, corrective plans were created and timeframes for revisions to the operation were provided by management to the program manager. While some limited compliance with management directives occurred in the past, it is clear that no accountability was demanded and no effort to comply with earlier management directives occurred in recent years. Why former management did not react in a more aggressive way to shortcomings in the operation is not known. However, now that this information has been provided we are addressing the problem comprehensively.

Finding #2: Written Policies and Procedures Needed

Priority Rating: High

Condition:

During the audit, we requested copies of all policies and procedures relating to the governance and implementation of the catering and food service function. The only policy given was an outdated Parks & Recreation Fiscal Management Policy/Procedure from 2011 which was not in complete agreement with CAO Policy #40, and was also found to have not been followed by the catering and food service function. No other policies or procedures were ever provided, indicating they did not exist.

Effect:

Written policies and procedures are an important control that provides process instruction, performance standards, and a basis for measuring compliance and enforcing management expectations. The absence of related policies and procedures reduces management's ability to provide proper oversight and to hold employees accountable for non-compliance with management expectations.



Recommendation:

Policies and procedures should be developed to effectively govern the catering and food service function. These policies and procedures should be clearly communicated to employees with an interactive training period to provide for complete understanding of each area and management expectations. Employees should then be held accountable to comply with the policies and procedures.

Director of Parks & Recreation Response:

Division management concurs with this finding. Failure to adhere to both Divisional and CAO policies have resulted in the termination of this service. Division management has deemed the issue untenable and terminated service.

Commissioner of General Services Response:

I concur with the Director's response. The Commissioner and Director have requested additional audits of cash operations to insure compliance with all accounting/inventory policies and procedures. In addition, increased management oversight and accountability of revenue producing areas are being addressed immediately.

While this service has been terminated, it is important to ensure that recommendations of the auditor for this service are applied to all areas of Parks.

Finding #3: Inadequate Cash Controls and Lack of Compliance with CAO Policy #40

Priority Rating: High

Condition:

We tested 52 deposits and noted numerous instances where CAO Policy #40-Policy and Procedure for Cash and Check Handling was not complied with. We also noted other instances where internal controls over cash reporting were not being applied. Specific observations are provided below.

- 85% of deposits tested were deposited from one to 46 days late, with the average deposit being 22 days late. This is a violation of CAO Policy #40, which requires cash received in satellite locations to be deposited within 48 hours. One 2013 event's revenue (Wine Fest) reported to have sales in the amount of \$673.00 could



not be traced directly to a bank deposit because the deposit slip was lost and the funds would have been deposited through a bank that LFUCG no longer uses. Since this deposit would have been part of a batch included in the LFUCG Concentration Account and there was clearly a pattern of significantly late deposits, it would have been very problematic to locate this specific deposit.

- A \$2,000 check from KHSAA was identified that was never deposited into LFUCG's accounts and remains outstanding, although now stale dated.
- We found no evidence of a collections tracking system to ensure all vendor payments or reimbursements were received.
- The catering and food service function did not have a safe. We were informed that some deposits were kept overnight in the Metro Credit Union (MECU) night deposit box, but MECU personnel informed us that such deposits were typically only left there for one night. It is therefore unclear where many of the late deposits were stored prior to deposit. CAO Policy #40 requires that all funds be properly safeguarded prior to deposit.

Effect:

Failure to adhere to CAO Policy #40 and other internal control processes over cash creates the opportunity for lost or misappropriated funds.

Recommendation:

CAO Policy #40 cash deposit requirements should be consistently complied with. The practice of storing funds in the MECU night deposit box should be discontinued. Management should also contact the KHSAA to have a new check issued in the amount of \$2,000 to cover the undeposited stale dated check.

Director of Parks & Recreation Response:

We concur with the audit findings. The Parks & Recreation concession, catering and foodservice operation was closed on May 23, 2016 due to initial audit findings. The practice of storing funds in the MECU ceased with the concession operations. Although the Deputy Director was aware the MECU was used to hold deposits, this process was not approved or in compliance with CAO policies. KHSAA has been contacted and a check received in the amount of \$2,000. All cash handling employees were required to attend a cash handling session with the Division of Revenue in April 2016. Parks & Recreation will conduct annual training for cash handling and review of CAO policies.



Commissioner of General Services Response:

I concur with the Director's response but again note a willful disregard for the procedures in place and an absence of managerial financial oversight. Clearly there was little if any attempt to comply with CAO Policy#40 by those involved. Steps will be taken to ensure that this Policy is being complied with by all Parks programs.

Finding #4: Lack of Cash Control Separation of Duties**Priority Rating: High****Condition:**

Appropriate cash control separation of duties does not exist within the catering and food service function. The same employee who receives cash payments also prepares the revenue tracking sheet and the related deposit. There is no dual verification of the deposit and no deposit review by management. Although the responsible Recreation Supervisor claimed that another employee located in the same building as her office would help her count deposits, the other employee informed us he had not been involved in deposit verification for at least two years.

Effect:

Lack of cash control separation of duties increases the risk that collections will be misappropriated.

Recommendation:

Appropriate separation of cash control duties should be established in compliance with CAO Policy #40.

Director of Parks & Recreation Response:

Division management concurs with this finding and has discontinued the service. Revenue shall no longer be generated by this section. All cash handling employees were required to attend a cash handling session with Division of Revenue in spring 2016. Parks & Recreation will conduct annual training for cash handling and review of CAO policies.

Commissioner of General Services Response:

I concur with the Director's response.



Finding #5: Inadequate Inventory Management**Priority Rating: High****Condition:**

We were informed by the responsible Recreation Supervisor that catering and food service function physical inventory counts do not occur, and there is no waste/spoilage log. Our on-site visit of the food service function's location found numerous expired food items in dry storage, refrigerator, and freezers. Per the LFUCG contract with Lexington Foods, any expired food items purchased through that company can be returned for credit or a fresh product; however, our on-site visit indicated this option had not been utilized, forgoing a cost savings for the LFUCG. The lack of inventory management likely contributed to increased inventory expense, the extent of which cannot be determined due to the absence of inventory records.

Our review of 211-5 and P-Card purchases made by the catering and food services function noted they often did not provide descriptions of the event the items were purchased for. As a result, it was not possible to tie all purchases to a given event's revenue tracking sheet.

During our visit to inspect the catering and food service function's area at the distribution center, we noted that inventory was not adequately secured. Freezers and food carts were not secured in a locked area of the building, and the freezers and food carts were not consistently locked. Loose inventory items (i.e., Pepsi beverage bottles) were found sitting on top of a freezer in the building's common area, which could have easily been lost due to theft or misplacement.

We also noted that frozen meats were inadequately packaged, freezer burned, and stored above ready-to-eat food items. This was identified as a violation in an August 2015 Health Department inspection.

Effect:

The absence of reliable inventory records and inventory management increases the risk of inventory misappropriation and excess inventory costs and is a violation of CAO Policy #47 Financial Asset Policy. Lack of proper food storage could cause cross contamination, foodborne illnesses, and spoilage of inventory. Lack of secure storage for LFUCG inventory increases the risk of misappropriation.



Recommendation:

A procedure should be developed requiring a regular and thorough physical inventory with recordkeeping sufficient to verify the accuracy of the inventory count and provide inventory information useful to Parks management, consistent with CAO Policy #47. Food and supply purchases should contain descriptions adequate to ensure a correct determination of book inventory. The inventory results, including any shortages, should be reviewed by Parks management with a signoff indicating management review. A spoilage/waste log should also be required, noting the amount of waste and justification thereof. Inventory and waste records should reconcile to the revenue tracking sheets which include beginning and ending inventory for events.

A thorough cleaning and reorganization of all food storage areas should also be completed, disposing of any items that were improperly stored or expired and utilizing the return products feature in the Lexington Foods contract for credit. Procedures and training to ensure appropriate future food storage should be implemented. Random audits of food storage should be performed, and supplies and inventory should be securely stored to reduce the risk of misuse or misappropriation.

Director of Parks & Recreation Response:

Division management concurs with audit findings. The service has been discontinued and staff sent to the facility in question to organize, clean, and create a waste log for items discarded.

Commissioner of General Services Response:

I concur with the Director's response.

Finding #6: Lack of Management Oversight

Priority Rating: High

Condition:

Adequate management oversight does not exist within the catering and food service function. The direct supervisor did not have a working knowledge of procedures, inventory activities, recordkeeping practices, deposit activity, or events this department serviced. There was no documented evidence of management review of events, collections, disbursements, or inventory.



Effect:

Lack of management oversight increases the risk that LFUCG resources will be mismanaged or misappropriated.

Recommendation:

The catering and food services function is a cash-based collections operation with purchasing authority for food inventory and related supplies. Procedures should be developed to ensure adequate management oversight and accountability for the catering and food service function.

Director of Parks & Recreation Response:

Division management concurs and is looking at strategies to reorganize the Enterprise section to better allow for proper oversight of each section. In addition, increased management oversight and accountability of revenue producing areas throughout the Division are being addressed immediately. Reorganization should take place by the end of 2016.

Commissioner of General Services Response:

I concur with the auditor's report and in part with the Director's response. While reorganization is needed, the lack of administrative oversight of this program was not an organizational issue. The extent of the non-compliance in accounting and inventory procedures, coupled with the apparent non-existence of managerial involvement in the program's operation, creates the need for remedies in addition to reorganization. We will provide updates to additional steps taken to ensure that adequate oversight occurs in all our programs.

Finding #7: Inappropriate P-Card Activity and Account Code Selection for Expenditures

Priority Rating: High

Condition:

During a review of P-Card and 211-5 Form expenditures completed by the catering and food service function, we identified 48 transactions charged to accounts unrelated to the actual transaction. In some instances, the expenditures were also charged to another Parks cost center, e.g., a washing machine purchased for the catering and food service function was charged to the Volleyball budgeted cost center.



There were also three instances noted where P-Card transactions were obvious split transactions designed to circumvent the \$1,000 P-Card purchase limit. On June 30, 2013 split purchases were made in the amounts of \$992 and \$998 for “staff clothing” and “jackets” at Gameday Fanatic. On February 26, 2015 a washing machine was purchased from HH Gregg for \$999.99 and on February 27, 2015 a dryer was purchased from HH Gregg for \$999.99. On September 2, 2015 a purchase was made for \$997.50 from PDQ Market and on September 3, 2015 another purchase was made for \$994.00 from PDQ Market (the description was left blank; however per discussion with the responsible Recreation Supervisor and verification from the vendor, this was the purchase of ice for summer events.) The cost of the transactions indicates quotes would have been required under Purchasing Procedures, but we found no evidence of quotes.

Effect:

Inappropriate account code and cost center selection results in incorrect recording of transactions and does not allow for the proper analysis of budget to actual costs or accurate reviewing of expenditures. Split transactions that collectively exceed \$1,000 are a violation of Purchasing Procedures.

Recommendation:

All purchases should be properly coded to the correct account and cost center to ensure accurate accounting and budget to actual cost comparison. P-Card Purchasing Procedures should be consistently adhered to.

Director of Parks & Recreation Response:

Division management concurs and is looking at a revision of Division policies to better restrict P-Card usage throughout the Division. Currently, it is noted that P-Card purchases should be approved and budget checked prior to the purchase to provide better oversight of credit card purchases. P-Card usage has been a great benefit to the Division, in short because they allow purchases to occur in the month of June. Current purchasing deadlines constrict Division personnel during what is perhaps the Division’s busiest month.

The Division would like to work with the Division of Purchasing to ensure the continued usage of P-Cards in an effective, prudent manner that will provide proper oversight.



Commissioner of General Services Response:

I concur with the Director's response.

Finding #8: Employee Personal Use of LFUCG Van a Taxable Noncash Fringe Benefit

Priority Rating: High

Condition:

The Recreation Supervisor responsible for the catering and food service function informed us she retains an LFUCG van for business use, and parks it near her home at a Fayette County school bus parking area. She also stated she used this van to commute to and from work.

Effect:

According to IRS regulations, the commuting value of a vehicle owned by a public entity usually represents taxable income to the employee as a noncash fringe benefit. The only exclusion to this rule appears to be for clearly marked public safety vehicles.

Recommendation:

Division of Parks management should consult with the Division of Accounting to determine the proper method to calculate the noncash fringe benefit provided to this employee and report this as taxable income on the employee's Form W-2.

Director of Parks & Recreation Response:

Division management concurs. However, immediate supervisory personnel were under the impression that the van in question was being parked at an LFUCG facility located on Liberty Road called North Base and not a FCPS facility. Management will further investigate vehicle usage and work with Division of Accounting to determine the method for noncash fringe benefit.

The Division shall work to ensure that all employees are using LFUCG vehicles in accordance with policy to ensure no employee is gaining a non cash fringe benefit.

Commissioner of General Services Response:

I concur with the Director's response.



Finding #9: Inappropriate Contractual Requirements**Priority Rating: Medium****Condition:**

We reviewed the 2015 Concession Agreement signed by the vendors who were working sporting events hosted at LFUCG Parks. We noted that this Concession Agreement required those vendors to purchase exclusively from Lexington Foods. LFUCG's contract with Lexington Foods does not have an exclusivity clause, and we found no justification for making this requirement on the vendors.

We also noted that the responsible catering and food services employee did not use Lexington Foods exclusively. A review of the employee's P-Card transactions identified food purchases from various retailers such as Kroger, Gordon Food Service (GFS), Meijer, Marksbury Farm Market, Sysco Louisville Food Service, Wilson's Grocery, Walmart, and Critchfield Meats, in addition to retailers with a specific food offering such as Boone Creek Creamery or Blair Candy Company.

Effect:

Unjustified exclusivity requirements could limit the number of vendors willing to serve future LFUCG events due to a lack of cost effectiveness, inconvenience, or their own contractual agreements with other suppliers.

Recommendation:

The 2016 Concession Agreement should be examined to ensure it does not contain the exclusivity requirement, and if so, the requirement should be removed.

Director of Parks & Recreation Response:

Division management concurs and is looking to combine the Concession Agreement in question with another facility agreement used for the same group. The Department of Law has been consulted and is assisting in the development of a comprehensive facility agreement that will not include the exclusivity requirement.

This new document shall be used for the 2017 spring ball season.

Commissioner of General Services Response:

I concur with the Director's response.



Finding #10: Inadequate Recordkeeping Concerning the use of Seasonal Employment

Priority Rating: Medium

Condition:

The absence of sufficient event records and event calendars prevented us from being able to determine whether or not the use of catering and food service part-time employees was appropriate.

Effect:

Unnecessary payroll costs may occur if the use of part-time employees is not properly documented and managed.

Recommendation:

A procedure should be developed to ensure adequate records exist to document events and the use of seasonal employment at those events.

Director of Parks & Recreation Response:

Division management concurs and has discontinued this service. Current employees have been transferred where appropriate and otherwise terminated as of June 2016.

Commissioner of General Services Response:

I concur with the Director's response.

Finding #11: Cost Inefficiency

Priority Rating: Medium

Condition:

We found no evidence that the catering and food service function had a focus on cost savings. Per discussion with the responsible catering and food service employee and her supervisor, we determined that the food supplier obtained under contract was not based upon cost efficiency, but rather the ability for a Saturday delivery. It is questionable whether this is an adequate reason to pay more for products year round, when Monday through Friday delivery should be effective with only minimal planning for any events occurring on Saturdays. The food supplier contract also included the option to return any expired products to receive credit on the LFUCG account or to switch out stale dated items for fresh products, but the responsible Recreation



Supervisor stated they did not utilize this option. This employee also informed us she retains an LFUCG van for business use, and parks it near her home at a Fayette County school bus parking area. We were informed that it remained there for approximately five months while the employee was off work, rather than being made available for other use.

We also noted that a washer and dryer were purchased for this function to wash linens after events for a total cost of \$1,999.98. This washer/dryer set was not industrial strength or a larger load size than a standard washer and dryer. The responsible catering and food service function employee stated that seasonal employees have the option to take linens home to wash and then be credited working hours, which was the most common approach. Per evaluation of these two appliances, it appears this was a frivolous purchase due to their top of the line quality with excessive features unnecessary to wash basic linens. The necessity of this purchase is even more questionable when considering that linens were reportedly often washed at employees' homes and not through the purchased appliances.

Effect:

A lack of cost efficient practices may result in waste and mismanagement.

Recommendation:

Cost savings and efficient use of resources should have a greater focus in all areas of the catering and food service function.

Director of Parks & Recreation Response:

Division management concurs and has discontinued the service and all payroll expenses associated with the service. Although the washer and dryer in question were not used exclusively by the catering section, management should have questioned the necessity for such a premium product. These machines are used to wash athletic equipment as well as jerseys, leggings, and uniforms, none of which would require a top of the line appliance of this nature.

Commissioner of General Services Response:

I concur with the Director's response.



EVENT

concert 13

July 3, 2013

July 13

	begin inv	added	wasted	ending	DLC	price	total sales	total money	t per	foodcost
drink	528			240	67	\$ 2.00	221	\$ 442.00	\$0.53	\$ 117.13
candy						\$ 1.00		\$ -	\$0.48	\$ -
suckers	194			182		\$ 0.25	12	\$ 3.00	\$0.03	\$ 0.36
chips	200			139	40	\$ 1.00	21	\$ 21.00	\$0.26	\$ 5.46
ringpop	49			24		\$ 1.00	25	\$ 25.00	\$0.45	\$ 11.25
burger	100		13	34	24	\$ 3.00	29	\$ 87.00	\$1.10	\$ 31.90
hot dog	160		14	64	6	\$ 2.00	76	\$ 152.00	\$0.45	\$ 34.20
chicken	72			65	2	\$ 2.00	5	\$ 10.00	\$1.20	\$ 6.00
sausage	90		5	40	21	\$ 5.00	24	\$ 120.00	\$0.85	\$ 20.40
watermelon						\$ 1.00	15	\$ 15.00	\$0.45	\$ 6.75
								\$ -		\$ -

TOTAL GROSS SALES:

ACTUAL

\$ 875.00

STAFF MEALS

DLC

\$ 367.00

LABOR:

19%

\$ 240.00

FREEBIES

FOODCOST:

19%

\$ 231.94

PROFIT:

62%

\$ 765.06

Attachment II
Six Deposits Anomalies Related
to Falsified Revenue Tracking Sheets

Event Name	Date of Event	Total Deposit	Deposit Date	Unrelated Check #1	Unrelated Check #2
1 Concert	7/3/2013	\$ 875.00	8/1/2013	\$875 from Center for Family and Community Services with the memo line reading "HEP Graduation Reception" dated 6/19/13	
Woodland Arts					\$134.90 from the Metro Employees Credit Union which was payment for the Member Appreciation Day cookout, this pays for the food and drinks provided, dated 8/20/13
2 Fair	8/16-18,2013	\$ 4,688.00	8/21/2013	\$1,000 from Bluegrass Kettle Masters with the memo line reading "BGSC" (Bluegrass State Games?) dated 8/9/13	
3 Christmas	11/29/2013	\$ 1,260.00	12/30/2013	\$186 from Downtown Lexington Corp with the memo line reading "Inv #06-3-2013" (the responsible Recreation Supervisor always has her invoice numbers read the date of the event) dated 12/5/13	\$62 from the Downtown Lexington Corp with the memo line reading "Inv #06-3-2013" dated 12/5/13
4 Friday Flicks	6/13/2014	\$ 1,034.25	6/30/2014	\$800 from the Center for Family and Community Services with the memo line reading "Catering for 2014 HEP GED Graduation" dated 6/20/14.	
5 Thriller	10/27/2014	\$ 1,490.00	11/4/2014	\$178.41 from Metro Employee Credit Union with an invoice dated 8/26/14 which was obtained from the MECU which was to pay for Member Appreciation Day Picnic food and drink costs.	
6 Kite Fest	4/18/2015	\$ 1,808.00	5/27/2015	\$1,150.97 from the KY Recreation & Park Society, Inc. with the memo line reading "Inv #2262015" dated 3/3/15.	