

REVENUE - RENTAL

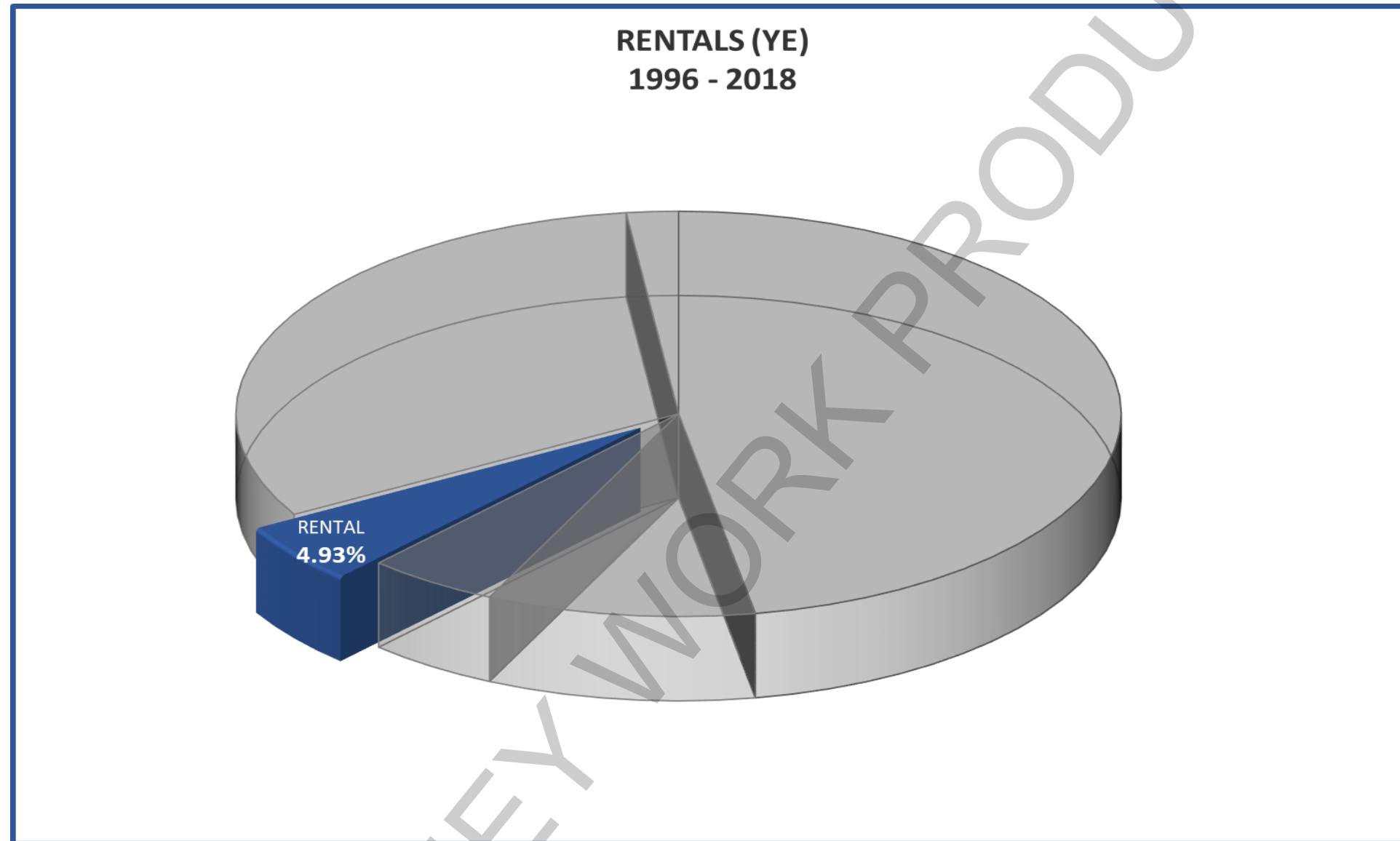
Origin of Information Analyzed:

- Schneider Downs and Co., Inc. (SD) obtained the December month-end MTD/YTD REVENUE PERIOD REPORTS (general ledger account summaries) for the years 1996 through 2018 from Karrie Martin – City of Hilliard Fiscal Officer which capture both month-to-date and year-to-date revenue totals for the City of Hilliard for all departments. Each general ledger account is unique as to the origin of the revenue and the associated department. Karrie Martin provided SD the reports in Excel format having extracted the information out of the Creative Microsystems, Incorporated (CMI) accounting system which is City of Hilliard’s system of record for financial capture and reporting.
- SD obtained City of Hilliard population data for the period 1996 through 2018 from the MID-OHIO REGIONAL PLANNING COMMISSION (MORPC). SD obtained the data for the period 2010 through 2018 directly from the MORPC website at www.morpc.org. The MORPC website currently maintains data from 2018 back to 2010. Prior to 2010, data is maintained in 10 year increments to coincide with the census. Therefore, for the period 2009 through 2001, SD obtained copies of the MORPC data from the Fiscal Officer. MORPC population data is used by the Finance Department to generate statistical tables in the Comprehensive Annual Financial Report (CAFR). As a result, MORPC data prior to 2010 was maintained on file by the Finance Department.
- SD analyzed gate admission revenue data beginning in 1996 in order to analyze trends in gate admission revenue prior to Heather Ernst’s promotion to West Pool manager in 2001.
- SD noted that prior to 2006, the CMI system is not capable of generated detailed expense or revenue reports. Per inquiry with the Finance Director and Fiscal Officer, in either 2005 or 2006, the City of Hilliard upgraded the CMI system from a DOS-based system to a Windows-based system. As a result, many accounts that exist prior to 2005 show no activity after 2005. Accounts with similar or identical descriptions, but with different account numbers, begin to show activity subsequent to 2005. Per inquiry with the Finance Director, this procedure was initiated during the set-up process of the upgraded CMI system in order to maintain a historical record of accounting data prior to the CMI upgrade.

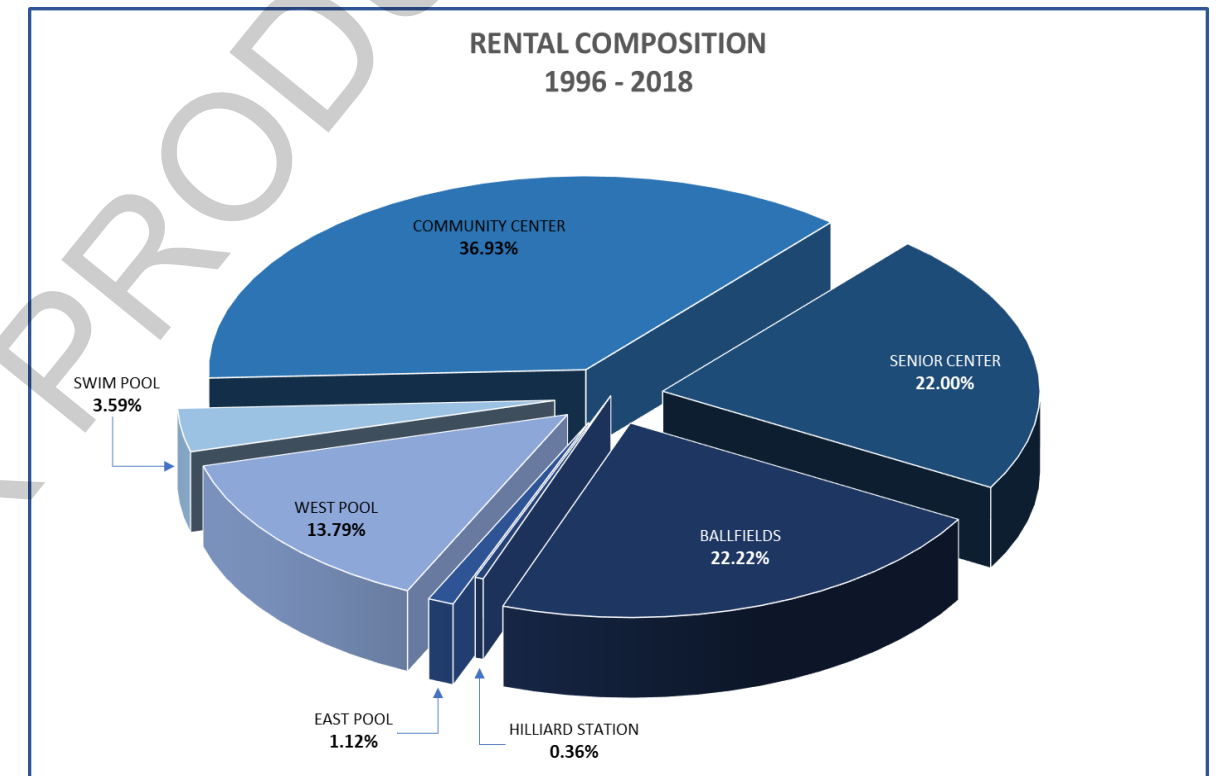
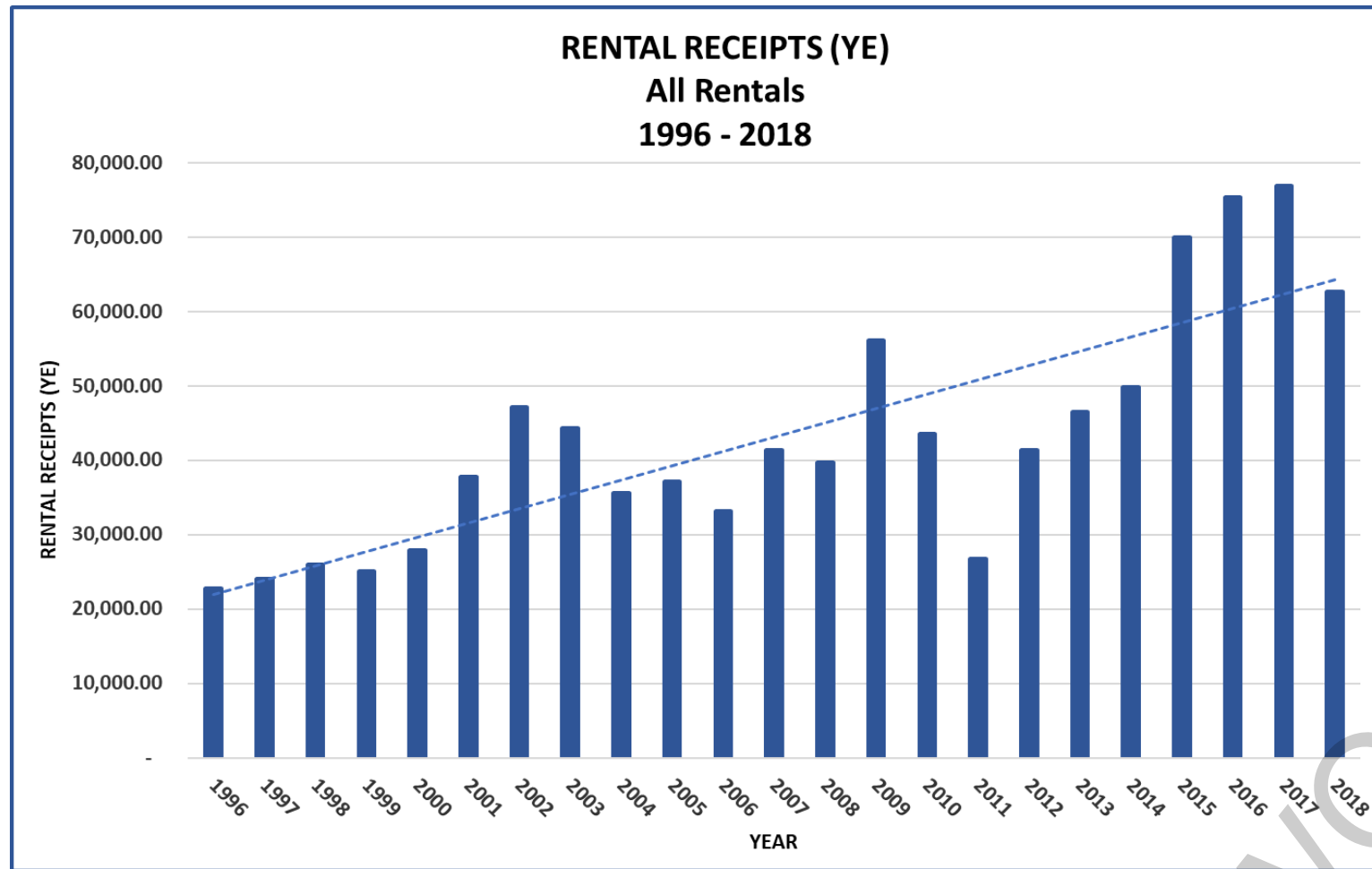
Analysis Performed:

- To arrive at the general ledger revenue accounts specific to the Recreation and Parks Department, SD met with both Karrie Martin – Fiscal Officer and Greg Tantari – City of Hilliard Deputy Finance Director who identified the revenue accounts specific to the Recreation and Parks Department.
- Having identified the Recreation and Parks Department revenue accounts, SD extracted from the MTD/YTD REVENUE PERIOD REPORTS the Recreation and Parks Department revenue accounts and respective annual revenue totals for years 1996 through 2018 and combined the information into a single report.
- SD then extracted those accounts specifically identified as rental general ledger revenue accounts. For comparative purposes, SD calculated the total rental revenue, \$991,107.38, obtained from the CMI accounting system for the period 1996 through 2018 relative to the total amount of revenue generated by the Recreation and Parks Department over the same time period, \$20,135,958.06. SD determined that rental revenue comprised 4.93%% of total Recreation and Parks Department revenues for the period.
- In analyzing rental revenue, SD identified an average annual increase of year-end rental revenue totals for the period 1996 through 2018 of 6.72%. SD performed a calculation of the composition of rental revenue for the period 1996 through 2018. Community Center rentals comprised 36.93% of total rental revenue, Ballfield rental comprised 22.22% of total rental revenue, Senior Center rentals comprised 22.00% of total rental revenue, West Pool rental comprised 13.79% of total rental revenue, East Pool rental comprised 1.12% of total rental revenue, and Hilliard Station rental (to include deposits) comprised 0.36% of rentals. Prior to 2004, all swim pool rental revenue was recorded in account 101.000.44232 (SWIM POOL) and comprised 3.59% of total rental revenue.

- SD performed a year-by-year comparison analysis of the City of Hilliard population and year-end rental revenue for the period 1996 through 2018. From 1996 through 2016, the average annual rental revenue increase was 7.14% and the corresponding average annual population increase was 3.41%.
- SD calculated a range of estimated year-end disbursements for the period 1996 through 2018.
 - SD estimated past year-to-year rental revenue for the period 1996 through 2018 beginning with the year 2018 and working backward. SD used 2018 as the base year to calculate estimated rental revenue. To determine the 2017 estimated rental revenue, SD divided the 2018 actual rental revenue, \$62,688.69, recorded in the CMI system by 1.0702 (1 plus the City of Hilliard population increase for the period 2017 through 2018). The 2017 estimated rental revenue was used to determine the estimated rental revenue for 2016 by dividing the 2017 estimated rental revenue, \$58,575.18, by 1.0062 (1 plus the City of Hilliard population increase for the period 2016 through 2017). SD repeated this process for each year back to 1996. SD calculated the total estimated rental revenue for the period 1996 through 2018 to be \$1,021,548.43. SD compared the estimated total rental revenue to the actual total rental revenue of \$991,107.38 recorded in the CMI system; a variance of \$93,129.74.
 - SD estimated the year-to-date rental revenue for the period 1996 through 2018 beginning with the year 1996 and working forward. SD used 1996 as the base year to calculate estimated rental revenue. This was as far back, historically, that rental year-to-date transaction totals could be retrieved from the CMI system. To determine the 1997 estimated rental revenue, SD multiplied the 1996 actual rental revenue, \$22,718.60, recorded in the CMI system by 1.048 (1 plus the City of Hilliard population increase for the period 1996 through 1997). The 1997 estimated rental revenue was used to determine the estimated rental revenue for 1998 by multiplying the 1997 estimated rental revenue, \$23,823.88, by 1.113 (1 plus the City of Hilliard population increase for the period 1997 through 1998). SD calculated the total estimated rental revenue for the period 1996 through 2018 to be \$790,732.40. SD compared the estimated rental revenue to the actual rental revenue of \$991,107.38 recorded in the CMI system; a variance of (\$162,000.00).
- SD identified three separate accounts used to record rental revenue: Account 101.000.44232 (RENTAL SWIM POOL), account 101.000.44232 (RENTAL – EAST POOL), and account 101.000.44233 (RENTAL – WEST POOL). Account 101.000.44232 is set-up with two different account descriptions: RENTAL SWIM POOL and RENTAL – EAST POOL. The RENTAL SWIM POOL account was use to record all pool rental revenues prior to 2004. Subsequent to 2004, pool rental revenue is recorded in either account 101.000.44232 (RENTAL –EAST POOL) or account 101.000.44233 (RENTAL – WEST POOL).
- SD identified a drop in East Pool rental revenue from 2007 through 2010 and 2014 through 2016.
 - SD calculated the year-end average East Pool rental revenue for the period 2004 through 2006 to be \$1,208.67 and the year-end average East Pool rental revenue for the period 2007 through 2010 to be \$400.00; a decrease in average year-end rental revenue of 66.91%.
 - SD calculated the year-end average East Pool rental revenue for the period 2014 through 2016 to be \$1,245.67 and the year-end average East Pool rental revenue for the period 2014 through 2016 to be \$622.33; an decrease in average year-end rental revenue of 50.40%. During the same period, SD identified a corresponding increase in average year-end West Pool rental revenues of 67.11%.
 - SD identified a drop in the 2017 year-end East Pool rental revenue of 29.42% from the 2016 year-end rental revenue. No East Pool rental revenue was recorded in CMI for 2018. Per inquiry with Megan Goudy – Program Manager and Kirsten Turner – Recreation Supervisor, East Pool renovations began in 2017 and continued through the 2018 swim season, resulting in lower rental revenues.
- SD noted that in 2009 there were no East Pool rental transactions recorded in CMI. SD noted that in 2009 the West Pool rental revenue recorded in CMI was \$6,145.00. This amount was \$520.00 greater than the East Pool rental revenue recorded in 2008 and \$495.00 greater than the East Pool rental revenue recorded in 2010. East Pool rental revenue may have been potentially recorded in account 101.000.44233 (RENTAL – WEST POOL) in error when it should have been recorded in account 101.000.44232 (RENTAL – EAST POOL).



SD calculated the total rental revenue - \$991,107.38, obtained from the CMI accounting system for the period 1996 through 2018 relative to the total amount of revenue generated by the Recreation and Parks Department over the same time period - \$20,135,958.06. SD determined that membership revenue comprised 4.93% of total Recreation and Parks Department revenues for the period.

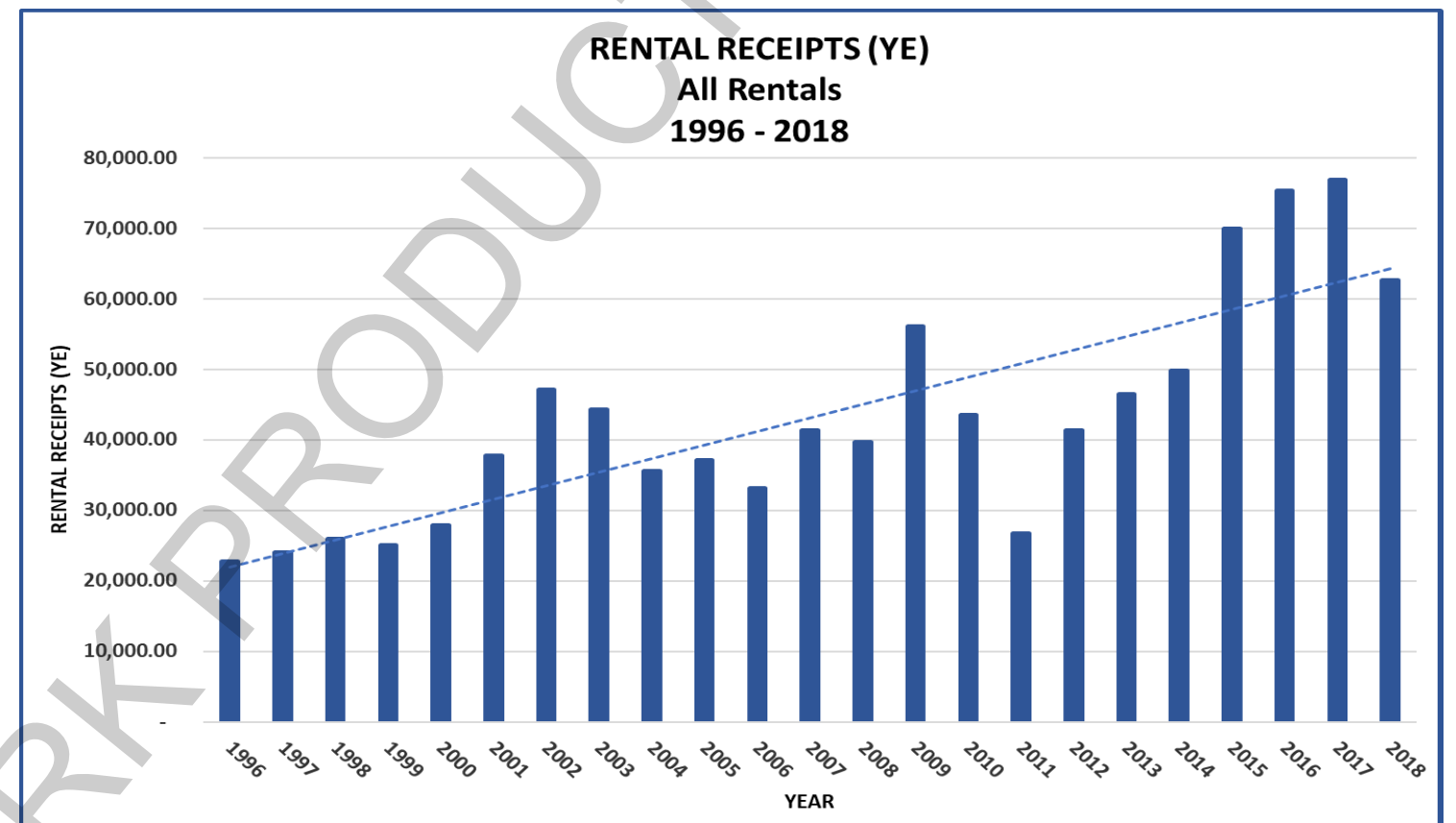
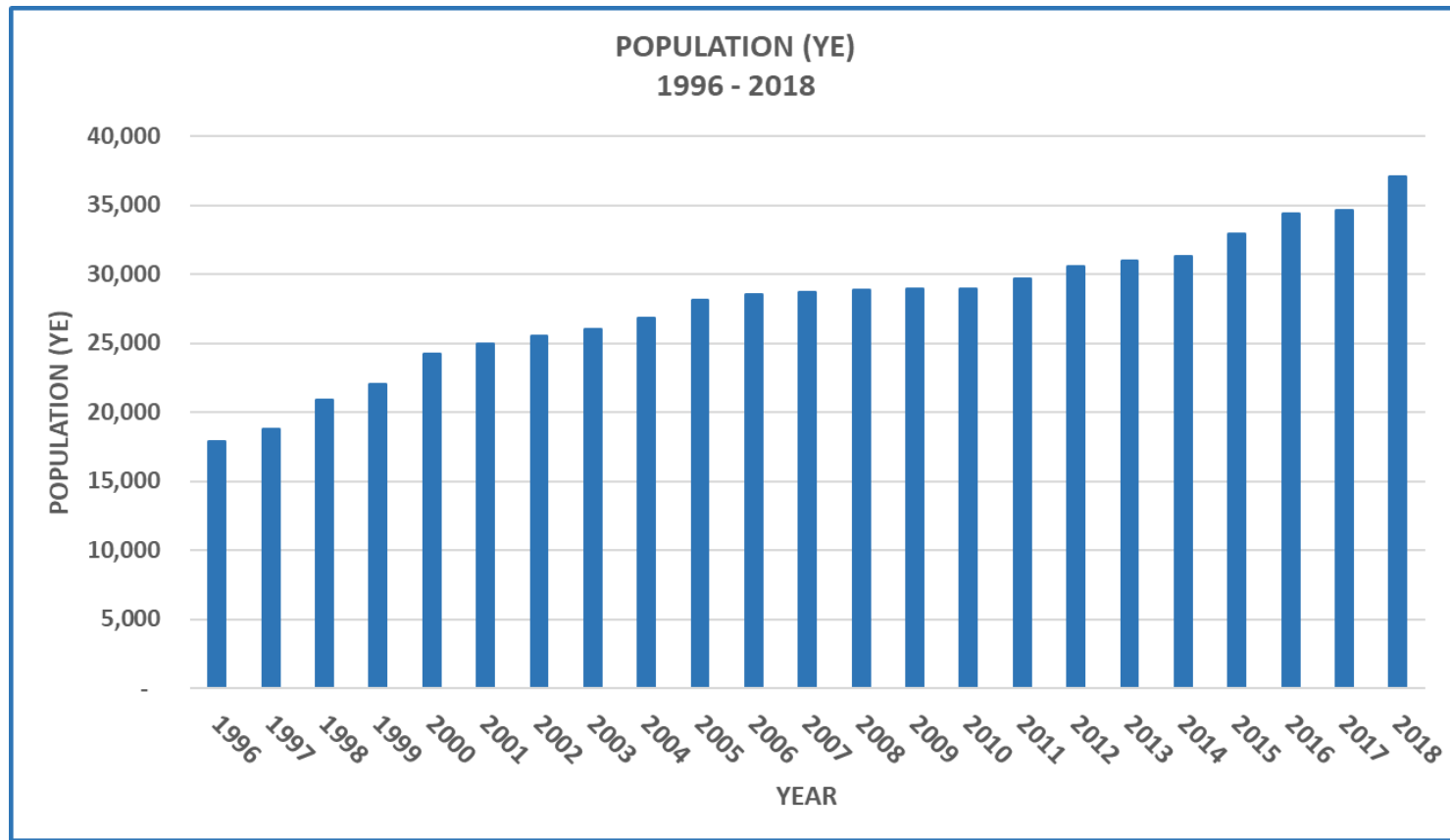


In analyzing membership revenue, SD identified an average annual increase of year-end membership revenue totals for the period 1996 through 2018 of 6.72%.

SD performed a calculation of the composition of rental revenue for the period 1996 through 2018. Community Center rentals comprised 36.93% of total rental revenue, Ballfield rental comprised 22.22% of total rental revenue, Senior Center rentals comprised 22.00% of total rental revenue, West Pool rental comprised 13.79% of total rental revenue, East Pool rental comprised 1.12% of total rental revenue, and Hilliard Station rental (to include deposits) comprised 0.36% of rentals. Prior to 2004, all swim pool rental revenue was recorded in account 101.000.44232 (SWIM POOL) and comprised 3.59% of total rental revenue.

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense
Total Rental Revenue (YE):	22,718.60	24,035.00	25,991.86	25,097.35	27,967.81	37,830.75	47,197.75	44,300.00	35,563.50	37,201.50	33,183.75	41,347.86
% Change in revenue from prior year EOY:		5.79%	8.14%	-3.44%	11.44%	35.27%	24.76%	-6.14%	-19.72%	4.61%	-10.80%	24.60%

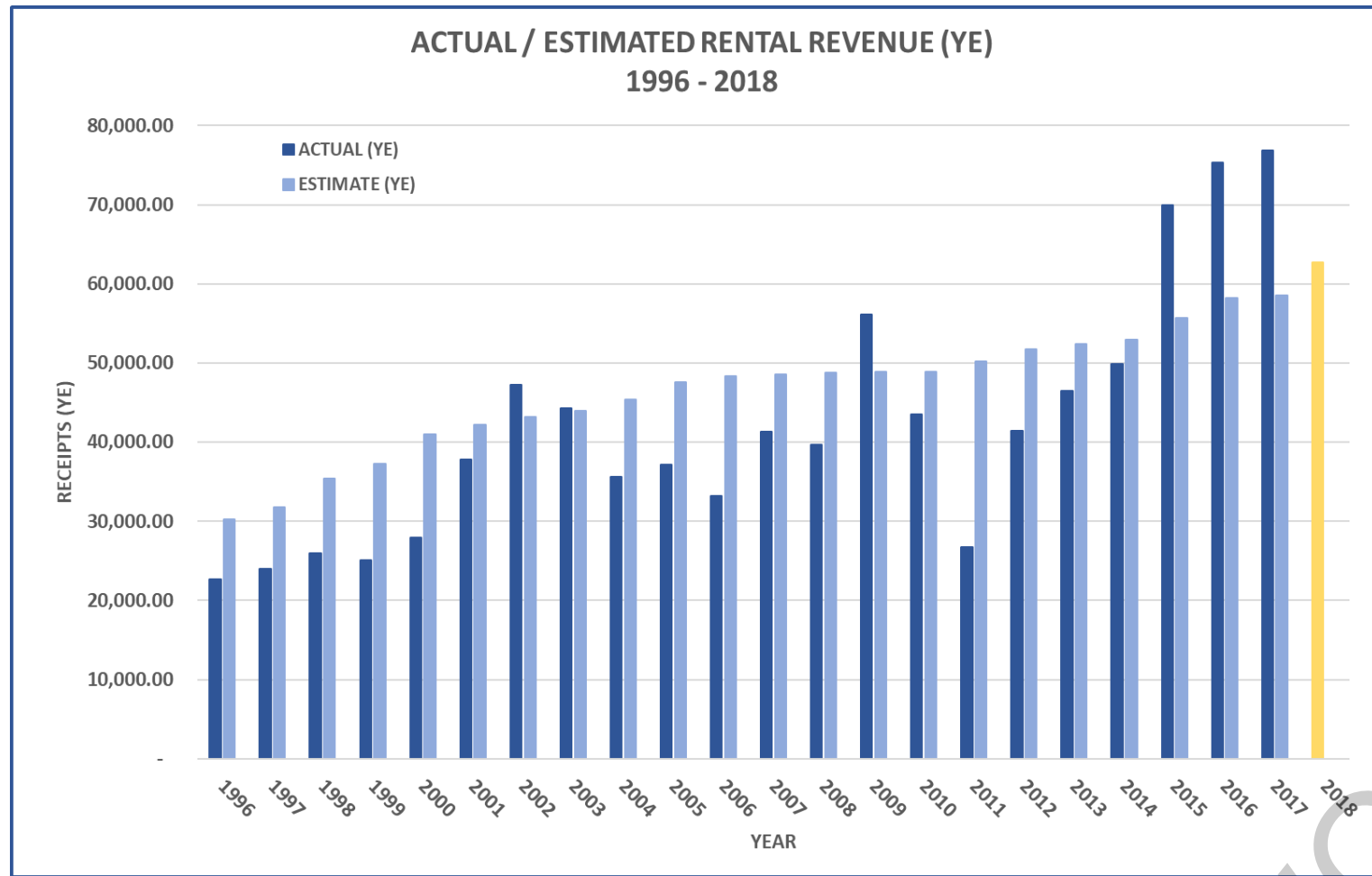
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TOTAL
	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts
	39,659.75	56,150.79	43,503.12	26,692.50	41,406.61	46,466.50	49,894.00	69,988.05	75,322.51	76,899.13	62,688.69	991,107.38
	-4.08%	41.58%	-22.52%	-38.64%	55.12%	12.22%	7.38%	40.27%	7.62%	2.09%	-18.48%	7.14%



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		
City of Hilliard Population	17,903	18,774	20,908	22,058	24,230	24,969	25,555	25,996	26,844	28,158	28,557		
%Δ in population	-	4.87%	11.37%	5.50%	9.85%	3.05%	2.35%	1.73%	3.26%	4.89%	1.42%		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	AVERAGE
	28,730	28,850	28,927	28,935	29,714	30,610	30,961	31,300	32,934	34,419	34,631	37,063	
	0.61%	0.42%	0.27%	0.03%	2.69%	3.02%	1.15%	1.09%	5.22%	4.51%	0.62%	7.02%	3.41%

SD performed a year-by-year comparison analysis of the City of Hilliard population and year-end rental revenue for the period 1996 through 2018. From 1996 through 2016, the average annual rental revenue increase was 7.14% and the corresponding average annual population increase was 3.41%.

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
YTD Expense	189,063.00	188,478.75	320,678.47	355,085.73	361,310.00	263,164.45	290,896.80	310,607.25	347,966.70	275,241.46	235,045.75	326,094.50
% Change in revenue from prior year:	-	-0.31%	70.14%	10.73%	1.75%	-27.16%	10.54%	6.78%	12.03%	-20.90%	-14.60%	38.74%
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TOTAL
YTD Receipts	432,870.00	510,694.00	557,339.50	609,814.56	662,830.27	587,107.50	584,541.25	535,215.97	537,073.00	556,591.50	548,139.00	9,585,849.41
	32.74%	17.98%	9.13%	9.42%	8.69%	-11.42%	-0.44%	-8.44%	0.35%	3.63%	-1.52%	6.72%

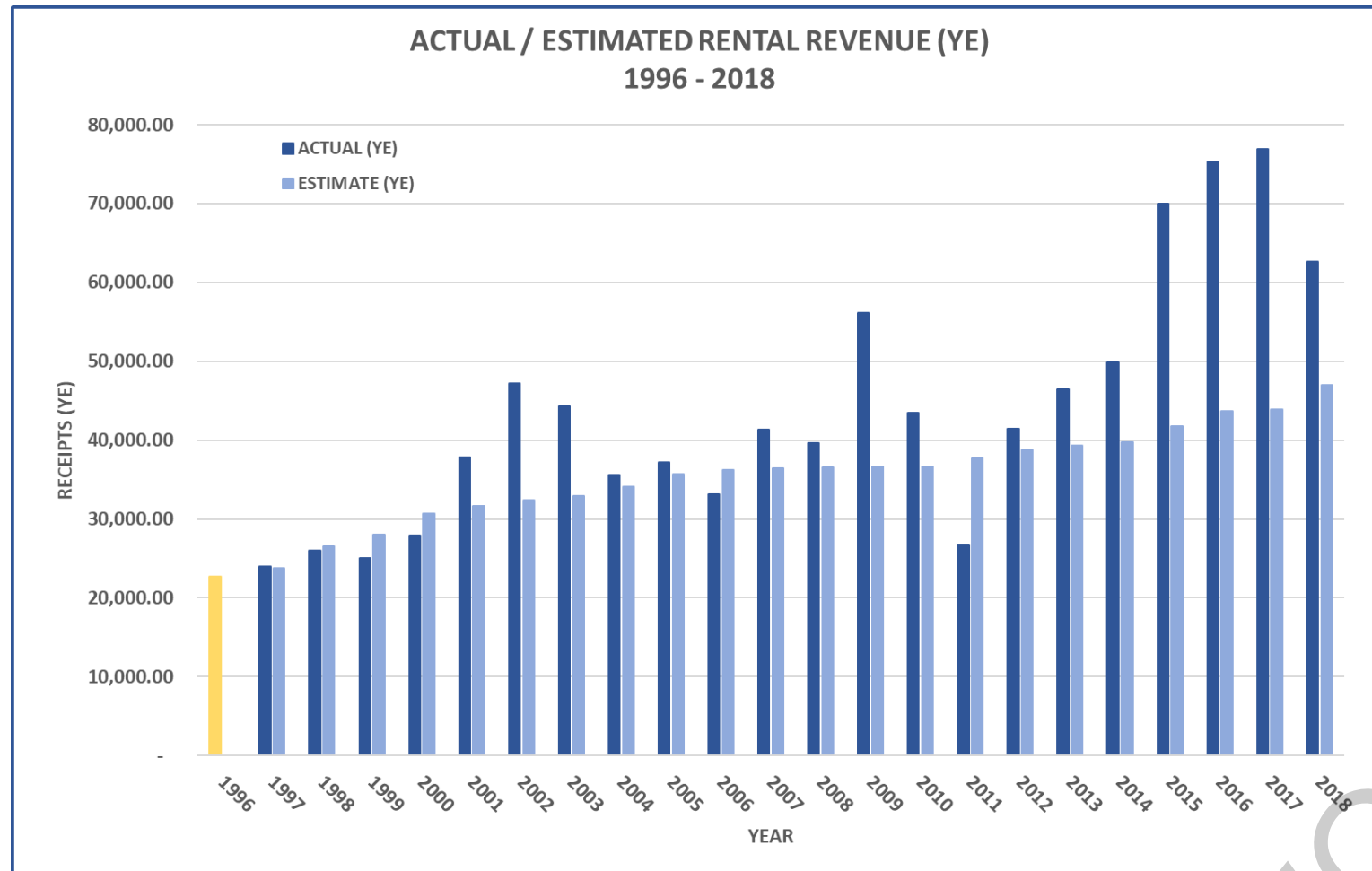


SD calculated a range of estimated year-end disbursements for the period 1996 through 2018.

SD estimated past year-to-year rental revenue for the period 1996 through 2018 beginning with the year 2018 and working backward. SD used 2018 as the base year to calculate estimated rental revenue. This was the first year in which the Rec-Trac system was used to record rental revenue. To determine the 2017 estimated rental revenue, SD divided the 2018 actual rental revenue, \$62,688.69, recorded in the CMI system by 1.0702 (1 plus the City of Hilliard population increase for the period 2017 through 2018). The 2017 estimated rental revenue was used to determine the estimated rental revenue for 2016 by dividing the 2017 estimated rental revenue, \$58,575.18, by 1.0062 (1 plus the City of Hilliard population increase for the period 2016 through 2017). SD repeated this process for each year back to 1996. SD calculated the total estimated rental revenue for the period 1996 through 2018 to be \$1,021,548.43. SD compared the estimated total rental revenue to the actual rental revenue of \$991,107.38 recorded in the CMI system; a variance of \$93,129.74.

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Actual Membership Revenues	22,718.60	24,035.00	25,991.86	25,097.35	27,967.81	37,830.75	47,197.75	44,300.00	35,563.50	37,201.50	33,183.75
% Change in population from prior year:	-	4.87%	11.37%	5.50%	9.85%	3.05%	2.35%	1.73%	3.26%	4.89%	1.42%
Estimated Membership Revenues	30,281.29	31,754.51	35,363.98	37,309.10	40,982.84	42,232.79	43,223.96	43,969.87	45,404.18	47,626.69	48,301.57
Variance between Actual and Estimated Membership Revenues	7,562.69	7,719.51	9,372.12	12,211.75	13,015.03	4,402.04	(3,973.79)	(330.13)	9,840.68	10,425.19	15,117.82

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Amounts
41,347.86	39,659.75	56,150.79	43,503.12	26,692.50	41,406.61	46,466.50	49,894.00	69,988.05	75,322.51	76,899.13	62,688.69	991,107.38
0.61%	0.42%	0.27%	0.03%	2.69%	3.02%	1.15%	1.09%	5.22%	4.51%	0.62%	7.02%	
48,594.18	48,797.15	48,927.39	48,940.92	50,258.53	51,774.03	52,367.71	52,941.10	55,704.86	58,216.60	58,575.18	-	1,021,548.43
7,246.32	9,137.40	(7,223.40)	5,437.80	23,566.03	10,367.42	5,901.21	3,047.10	(14,283.19)	(17,105.91)	(18,323.95)	-	93,129.74



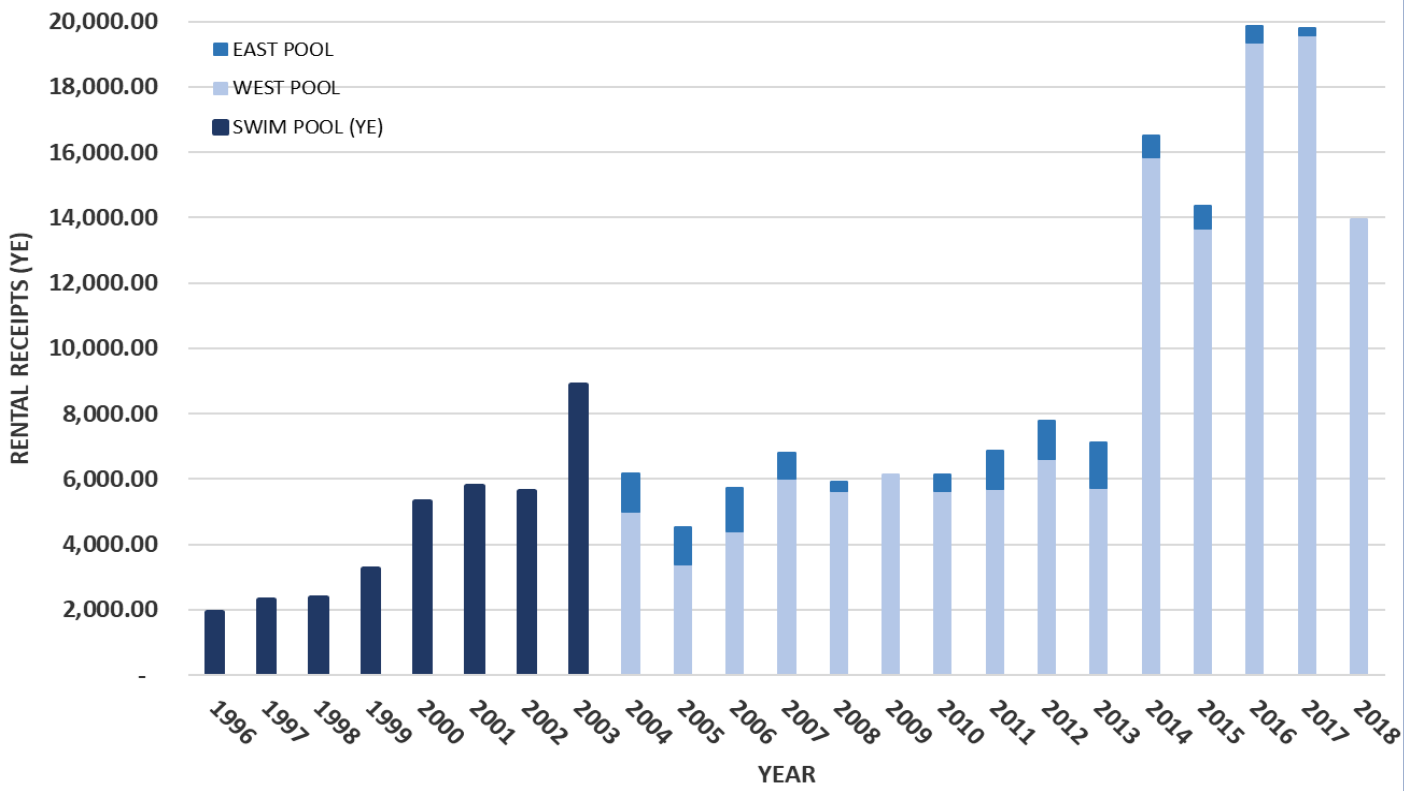
SD calculated a range of estimated year-end disbursements for the period 1996 through 2018.

SD estimated the year-to-date rental revenue for the period 1996 through 2018 beginning with the year 1996 and working forward. SD used 1996 as the base year to calculate estimated rental revenue. This was as far back, historically, that rental year-to-date transaction totals could be retrieved from the CMI system. To determine the 1997 estimated rental revenue, SD multiplied the 1996 actual rental revenue, \$22,718.60, recorded in the CMI system by 1.048 (1 plus the City of Hilliard population increase for the period 1996 through 1997). The 1997 estimated rental revenue was used to determine the estimated rental revenue for 1998 by multiplying the 1997 estimated rental revenue, \$23,823.88, by 1.113 (1 plus the City of Hilliard population increase for the period 1997 through 1998). SD calculated the total estimated rental revenue for the period 1996 through 2018 to be \$790,732.40. SD compared the estimated rental revenue to the actual rental revenue of \$991,107.38 recorded in the CMI system; a variance of (\$162,000.00).

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Actual Membership Revenues	22,718.60	24,035.00	25,991.86	25,097.35	27,967.81	37,830.75	47,197.75	44,300.00	35,563.50	37,201.50	33,183.75
% Change in population from prior year:	-	4.87%	11.37%	5.50%	9.85%	3.05%	2.35%	1.73%	3.26%	4.89%	1.42%
Estimated Membership Revenues	-	23,823.88	26,531.89	27,991.22	30,747.45	31,685.23	32,428.86	32,988.48	34,064.58	35,732.02	36,238.34
Variance between Actual and Estimated Membership Revenues	-	(211.12)	540.03	2,893.87	2,779.64	(6,145.52)	(14,768.89)	(11,311.52)	(1,498.92)	(1,469.48)	3,054.59

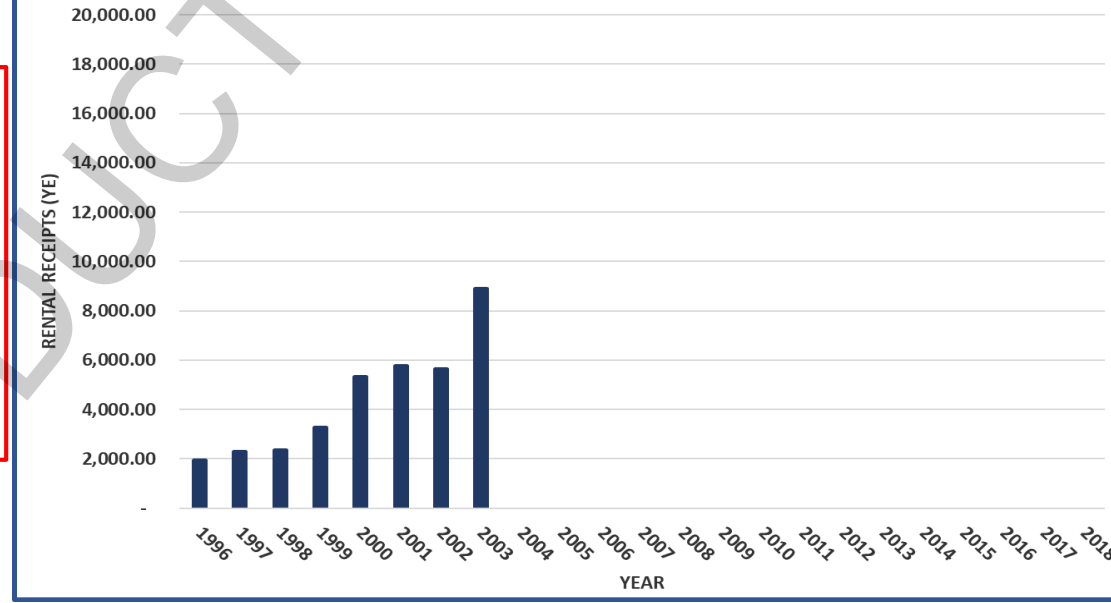
2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Amounts
41,347.86	39,659.75	56,150.79	43,503.12	26,692.50	41,406.61	46,466.50	49,894.00	69,988.05	75,322.51	76,899.13	62,688.69	991,107.38
0.61%	0.42%	0.27%	0.03%	2.69%	3.02%	1.15%	1.09%	5.22%	4.51%	0.62%	7.02%	
36,457.88	36,610.16	36,707.87	36,718.02	37,706.56	38,843.57	39,288.98	39,719.16	41,792.68	43,677.12	43,946.15	47,032.31	790,732.40
(4,889.98)	(3,049.59)	(19,442.92)	(6,785.10)	11,014.06	(2,563.04)	(7,177.52)	(10,174.84)	(28,195.37)	(31,645.39)	(32,952.98)	-	(162,000.00)

**TOTAL POOL RENTAL (YE)
1996 - 2018**

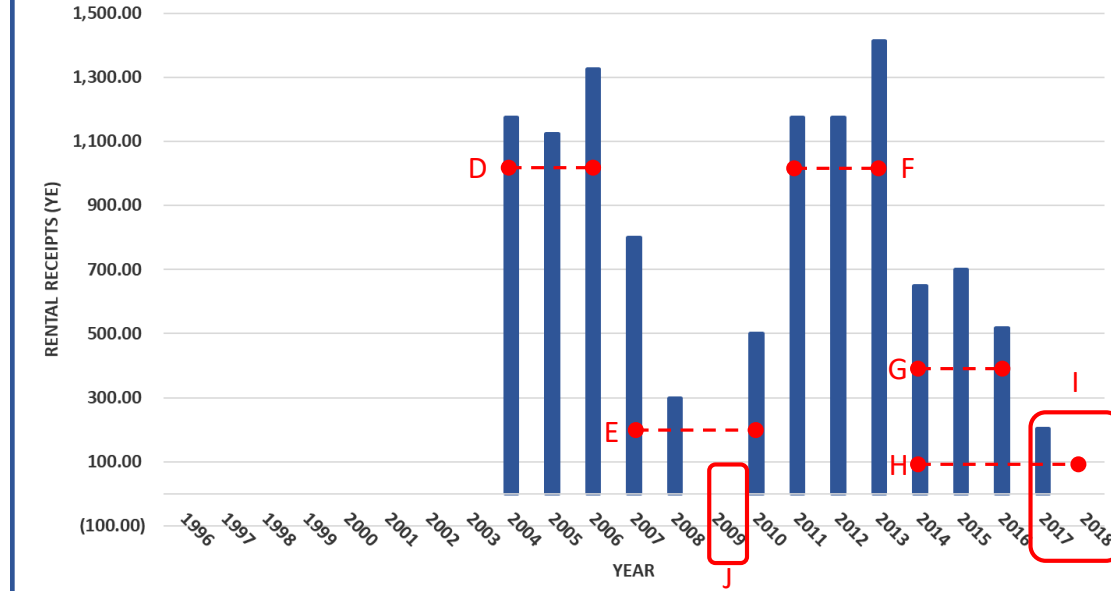


SD identified three separate accounts used to record pool revenue: Account 101.000.44232 (RENTAL SWIM OOL) [A], account 101.000.44232 (RENTAL – EAST POOL) [B], and account 101.000.44233 (RENTAL – WEST POOL) [C]. Account 101.000.44232 is set-up with two different account descriptions: RENTAL SWIM POOL and RENTAL – EAST POOL. The RENTAL SWIM POOL account was use to record all pool revenues prior to 2004. Subsequent to 2004, pool revenue is recorded in either account 101.000.44232 (RENTAL – EAST POOL) or account 101.000.44233 (RENTAL – WEST POOL).

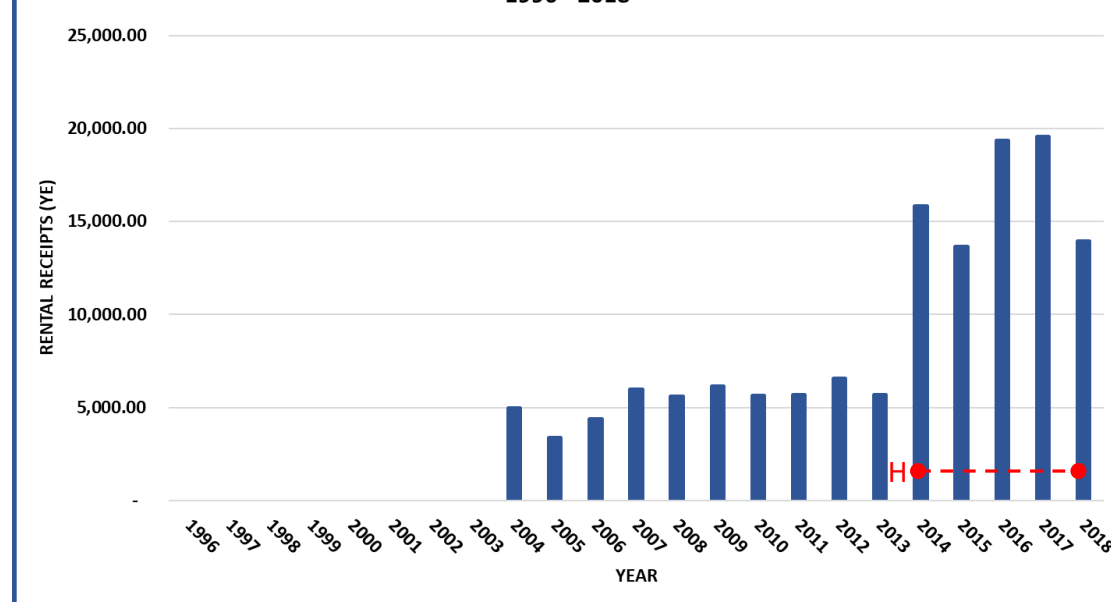
**A RENTAL - SWIM POOL (YE)
1996 - 2018**



**B RENTAL EAST POOL (YE)
1996 - 2018**



**C RENTAL WEST POOL (YE)
1996 - 2018**



SD identified a drop in East Pool Revenue from 2007 through 2010 and 2014 through 2016.

SD calculated the year-end average East Pool revenue for the period 2004 through 2006 to be \$1,208.67 [D] and the year-end average East Pool revenue for the period 2007 through 2010 to be \$400.00 [E]; a decrease in average year-end revenue of \$808.67 (66.91%).

SD calculated the year-end average East Pool revenue for the period 2014 through 2016 to be \$1,245.67 [F] and the year-end average East Pool revenue for the period 2014 through 2016 to be \$622.33 [G]; an decrease in average year-end revenue of 50.40%. During the same period, SD identified a corresponding increase in average year-end West Pool rental revenues of 67.11%.

SD identified a drop in the 2017 year-end East Pool rental revenue of 29.42% from the 2016 year-end revenue. No East Pool revenue was recorded in CMI for 2018 [I]. Per inquiry with Megan Goudy – Program Manager and Kirsten Turner – Recreation Supervisor, East Pool renovations began in 2017 and continued through the 2018 swim season, resulting in lower rental revenues while at the same time, USA Swim (competitive swim program) began renting the West Pool.

SD noted that in 2009 there were no East Pool rental transactions recorded in CMI [J]. SD noted that in 2009 the West Pool rental revenue recorded in CMI was \$6,145.00. This amount was \$520.00 greater than the East Pool rental revenue recorded in 2008 and \$495.00 greater than the East Pool rental revenue recorded in 2010. East Pool rental revenue may have been potentially recorded in account 101.000.44233 (RENTAL – WEST POOL) in error when it should have been recorded in account 101.000.44232 (RENTAL – EAST POOL).

Account No.	Account Description	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
		YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts
101.000.4423	RENTAL SWIM POOL	1,940.50	2,306.00	2,373.00	3,270.00	5,327.50	5,790.00	5,640.00	8,900.00				
101.000.4423	RENTAL - EAST POOL									1,175.00	1,125.00	1,326.00	800.00
101.000.4423	RENTAL - WEST POOL									4,990.00	3,400.00	4,402.00	6,000.00
	Total Rental Revenue (YE):	1,940.50	2,306.00	2,373.00	3,270.00	5,327.50	5,790.00	5,640.00	8,900.00	6,165.00	4,525.00	5,728.00	6,800.00
	% Change in revenue from prior year EOY:		18.84%	2.91%	37.80%	62.92%	8.68%	-2.59%	57.80%	-30.73%	-26.60%	26.59%	18.72%

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TOTAL
YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	YTD Receipts	
1,326.00	800.00	300.00	-	500.00	1,175.00	1,175.00	1,414.00	650.00	700.00	517.00	204.00	-	35,547.00
4,402.00	6,000.00	5,625.00	6,145.00	5,650.00	5,688.00	6,600.00	5,715.00	15,849.00	13,678.00	19,345.00	19,587.55	13,966.00	11,061.00
													136,640.55
5,728.00	6,800.00	5,925.00	6,145.00	6,150.00	6,863.00	7,775.00	7,129.00	16,499.00	14,378.00	19,862.00	19,791.55	13,966.00	183,248.55
26.59%	18.72%	-12.87%	3.71%	0.08%	11.59%	13.29%	-8.31%	131.43%	-12.86%	38.14%	-0.35%	-29.43%	14.03%