

## DISBURSEMENTS - CAPITAL

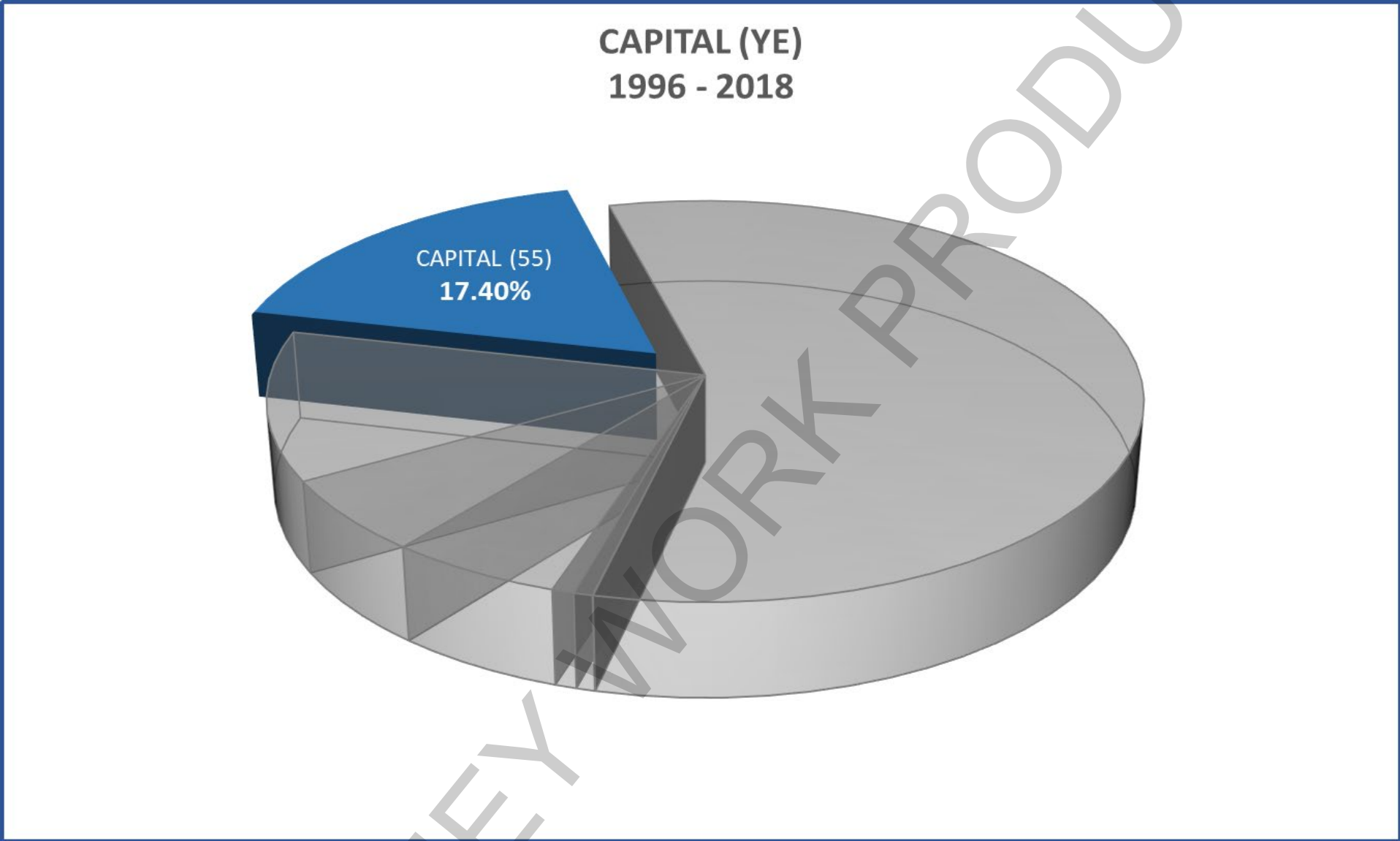
### Origin of Information Analyzed:

- Schneider Downs and Co., Inc. (SD) obtained the December month-end MTD/YTD EXPENSE PERIOD REPORT (general ledger account summaries) for the years 1996 through 2018 from Karrie Martin – Fiscal Officer which capture both month-to-date and year-to-date expense totals for the City of Hilliard for all departments. Each general ledger account is unique as to the origin of the expense and associated department. The Fiscal Officer provided SD the reports in EXCEL format having extracted the information out of the Creative Microsystems, Incorporated (CMI) accounting system which is the City of Hilliard's system of record for financial capture and reporting.
- SD obtained the 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](http://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 back to 2001, SD obtained copy 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 the Recreation and Parks Department expenses beginning in 1996 in order to analyze trends in expenses 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.

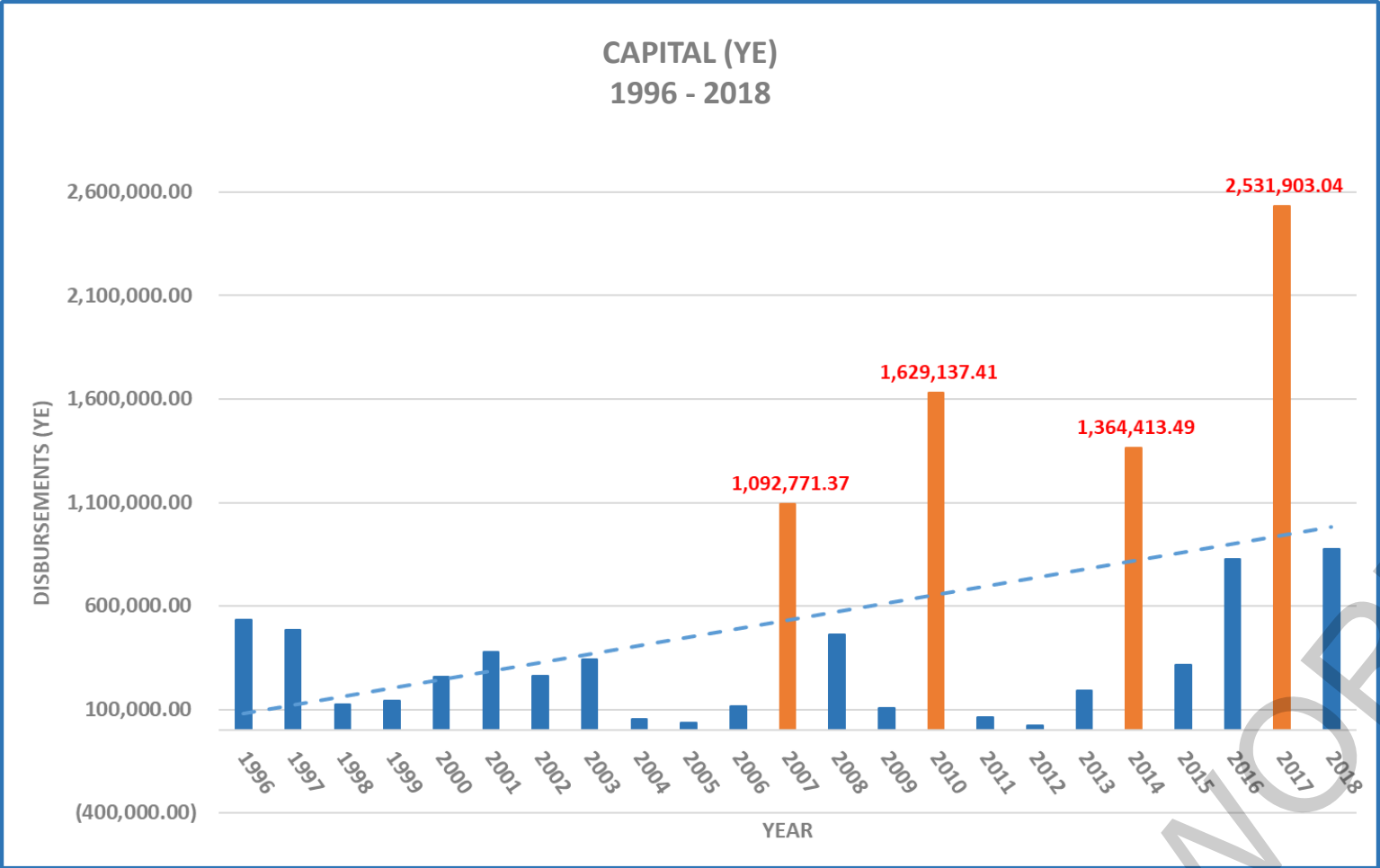
### Analysis Performed:

- To arrive at the general ledger accounts specific to the Recreation and Parks Department, SD requested a comprehensive list of all expense accounts attributed to Department 306 (Recreation and Parks) regardless of the fund to which the expense accounts were assigned.
- Having identified the Recreation and Parks disbursement accounts, SD extracted the from the MTD/YTD EXPENSE PERIOD REPORT the Recreation and Parks Department disbursement accounts and respective annual disbursement totals for the period 1996 through 2018 and combined the data into a single report.
- SD then extracted those accounts specifically identified as Recreation and Parks capital expense general ledger accounts, based on object code 55 (Capital), for analysis. For comparative purposes, SD calculated the percentage of the Recreation and Parks Department capital expenses for the period 1996 through 2018 to be 17.40% (\$12,214,555.62) of the \$70,208,645.48 total disbursements made over the same time period based on data obtained from the CMI system.
- In analyzing annual capital expenses, SD identified an average annual increase in total Recreation and Parks capital expenses, to include all funds and object code 55 (Capital), of 170.96% for the period 1996 through 2018. The 170.96% average year-end capital disbursement increase was due to spikes occurring for the year-end capital disbursements in 2007, 2010, 2014, and 2017. SD removed the annual increase in capital disbursement calculations for 2007, 2010, 2014, and 2017. SD recalculated the average annual increase in capital disbursement for the period 1996 through 2018. The average annual increase was 31.15%.
- In analyzing annual capital expenses, SD identified inconsistent year-end totals for the period 1996 through 2018. Due to the irregular time frames of capital projects, inconsistencies in year-end capital expenses would be expected.

- In 2007, the year-end capital disbursement amount spiked to \$1,092,771.37, an 857.81% increase from the previous year. SD identified a \$968,696.88 expense to account 304.306.55708 (LB-14 EAST SWIMMING POOL). SD obtained the Detailed Expense Register for account 304.306.55708 from the Fiscal Officer. SD noted that the \$968,696.88 expense was attributed to the second phase of the West Pool renovation project per the transaction description recorded in the Remarks section of the Detailed Expense Register for account 304.306.55708. Per inquiry with the Deputy Finance Director and the Fiscal Officer, account 304.306.55708 was incorrectly labeled as LB-14 EAST POOL and should have been labeled as LB-14 WEST POOL.
- In 2010, the year-end capital disbursement amount spiked to \$1,629,137.41, a 1,414.32% increase from the previous year. SD identified a \$1,523,395.76 expense to account 304.306.55740 (LB-17 FIRST RESPONDER PARK). SD obtained the Detailed Expense Register for account 304.306.55740 from the Fiscal Officer. SD noted that the \$1,523,395.76 expense was attributed to the development of the City of Hilliard's First Responder Park.
- In 2014, the year-end capital disbursement amount spiked to \$1,264,413.49, a 604.71% increase from the previous year. SD identified a \$1,221,689.76 expense to account 304.306.55760 (HILLIARD SWIMMING POOLS). SD obtained the Detailed Expense Register for account 304.306.55760 from the Fiscal Officer. SD noted that the \$1,221,689.76 expense was attributed to work and development of Hilliard Station Park.
- In 2017, the year-end capital disbursement amount spiked to \$2,531,903.04, a 206.47% increase from the previous year. SD identified a \$1,829,894.24 expense to account 304.306.55730 (LB-9 MUNI PARK IMPROVEMENTS). SD obtained the Detailed Expense Register for account 304.306.55730 from the Fiscal Officer. SD noted that the \$1,829,894.24 expense was attributed to developer reimbursement, building design, restoration projects, upgrade projects, pool improvements, park studies, playground equipment, traffic control and event supplies, garbage disposal for Senior Center, Bobcat repairs, and security monitoring.
- SD identified a trend in account 101.306.53217 (FIREWORKS) in which year-end disbursements of \$23,000.00 were expensed beginning in 1999. SD noted that in 2003, there were no expenses recorded in account 101.306.53217 and that a \$23,000.00 expense was recorded in the capital account 101.306.55696 (FIREWORKS). Per inquiry with the Deputy Finance Director, Fireworks are not capitalized. The \$23,000.00 expense recorded in account 101.306.55696 was an error and should have been recorded in the contractual services account 101.306.53217 (FIREWORKS).



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	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense
Total Travel Disbursements:	-	-	-	-	-	-	-	-	-	1,736.22	571.12
%Δ in Travel Disbursements:		-	-	-	-	-	-	-	-	-	-67.11%

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TOTAL
YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	
1,653.39	285.00	-	597.05	673.00	2,349.82	155.53	1,003.79	691.14	999.99	1,000.00	182.73	11,898.78
189.50%	-82.76%	-100.00%	100.00%	12.72%	249.16%	-93.38%	545.40%	-31.15%	44.69%	0.00%	-81.73%	31.15%

Account #	Account Description
101.306.55307	CAPITAL OUTLAY
101.306.55691	Park
101.306.55692	Van Lease - Parks &
101.306.55693	P118, P119, P120 Pa
101.306.55694	P34 Pool Misc.
101.306.55695	Arts Council
101.306.55696	FIREWORKS
101.306.55697	CONTRACTS
101.306.55698	Capital Outlay P12
101.306.55699	P94/104 St. Brendan
101.306.55700	P99 E. POOL EXP.
101.306.55701	P 100 Shelter MP
101.306.55702	Leases

2003
YTD Expense
-
5,166.64
-
-
-
23,000.00
15,109.92
-
-
-
-
-

Account #	Account Description
101.306.53156	PROGRAM INSTRUCTORS
101.306.53216	Van, Lease of Socce
101.306.53217	Fireworks
101.306.53218	FIREWORKS
101.306.53232	VARIOUS
101.306.53330	POOL CONTRACTS
101.306.53696	HILLIARD'S STATION
101.306.53900	AMENDED BUDGET

1998	1999	2000	2001	2002	2003
YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense
					45,428.70
7,000.00	10,592.52	11,670.28	12,531.58	5,803.98	-
20,000.00	23,000.00	23,000.00	23,000.00	23,000.00	-
				-	5,000.00

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