

DISBURSEMENTS – CONTRACTUAL SERVICES

Origin of Information Analyzed:

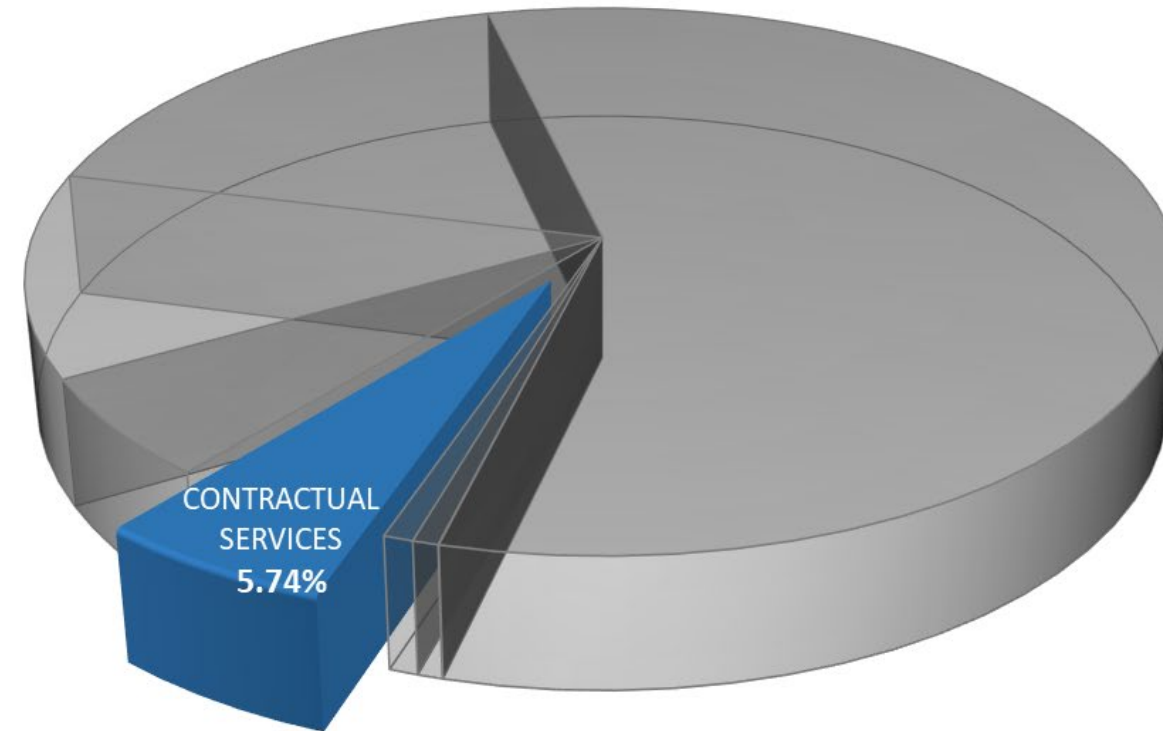
- Schneider Downs and Co., Inc. (SD) obtained the December month-end MTD/YTD EXPENSE PERIOD REPORT (general ledger account summaries) for the years 1996 through 2018 from Karrie Martin – Fiscal Officer which capture both month-to-date and year-to-date expense totals for the City of Hilliard for all departments. 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. 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. Instead, accounts with similar or same descriptions, but with different account numbers, begin to show activity in 2005 onward. Per inquiry with the Finance Director, this procedure was initiated during the set-up 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 contractual services expense general ledger accounts, based on object code 53 (Contractual Services), for analysis. For comparative purposes, SD calculated the percentage of the Recreation and Parks Department contractual services expenses for the period 1996 through 2018 to be 5.74%% (\$4,029,731.04) 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 contractual services expenses, SD identified inconsistent year-end totals for the period 1996 through 2018.
 - SD identified a spike in contractual services disbursements in 1997 of \$466,510.06 which was recorded in account 338.306.53530 (CONSTRUCTION). Due to the limitations of the CMI system, SD was unable to identify the purpose of this transaction.
 - For the period 1998 through 2004, the year-end contractual services disbursements remained consistent with an average annual increase in disbursements of 7.25% and an average annual disbursement of \$40,094.82.

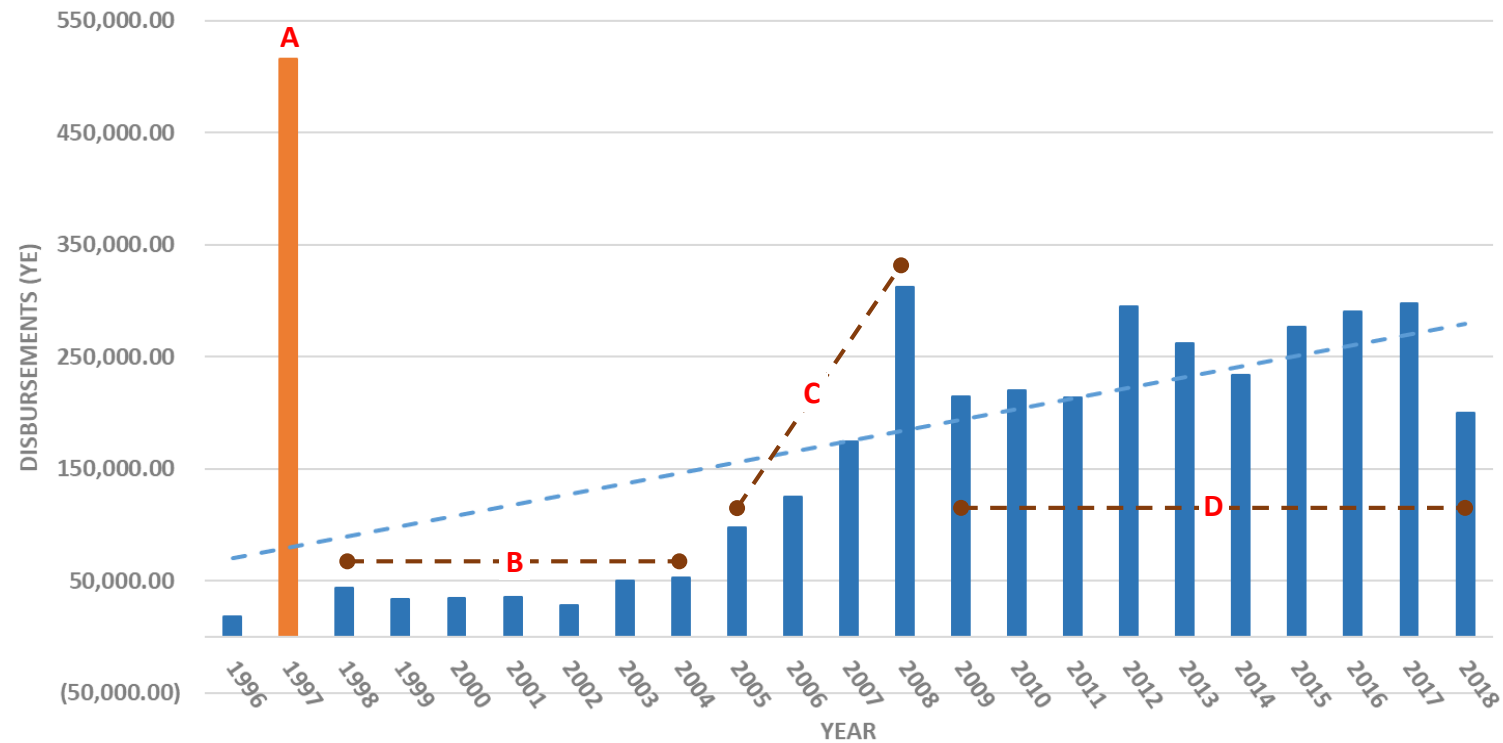
- For the period 2005 through 2008, the year-end contractual services disbursements increased, on average, 48.97% with an average year-end disbursement of \$177,469.03.
- For the period 2008 through 2018, the year-end contractual services disbursements remained consistent with an average annual increase in disbursements of 0.93% and an average annual disbursement of \$250,504.55.
- SD compared the average year-end disbursements for the period 1998 through 2004 of \$40,094.82 to the average year-end disbursements for the period 2009 through 2018 of \$250,504.55; a variance of \$210,409.73. This increase in year-end average contractual services disbursements is attributed to an increase in disbursements from the following Recreation and Parks Department funds: 208 (Park Maintenance), 250 (General Government Grant Fund), 304 (Capital Improvement Muni Tax), and 338 (Recreation Ballfields). SD footed the total disbursement amounts recorded in these funds for the period 1998 through 2018; a total of \$536,971.77. The total contractual services disbursements for these funds was a total of \$57,059.17 (10.63% of the total amount) for period 1998 through 2007 and a total of \$479,912.60 (89.37% of the total amount) for the period 2008 through 2018; a variance of \$422,853.43.
- 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 2004 there were no expensed recorded in account 101.306.53217 (FIREWORKS) and that a \$23,000.00 expense was recorded in account 101.306.53696 (HILLIARD'S STATION). Per inquiry with the Finance Director, it was determined that the \$23,000.00 expense recorded in account 101.306.53696 (HILLIARD'S ;STATION) was incorrectly recorded in this account and should have been recorded in account 101.306.53217 (FIREWORKS).

**CONTRACTUAL SERVICES (YE)
1996 - 2018**



SD calculated the percentage of the Recreation and Parks Department contractual services expenses for the period 1996 through 2018 to be 5.74% (\$4,029,731.04) of the \$70,208,645.48 total disbursements made over the same time period based on data obtained from the CMI system.

**CONTRACTUAL SERVICES (YE)
1996 - 2018**



In analyzing annual contractual services expenses, SD identified inconsistent year-end totals for the period 1996 through 2018.

[A] SD identified a spike in contractual services disbursements in 1997 of \$466,510.06 which was recorded in account 338.306.53530 (CONSTRUCTION). Due to the limitations of the CMI system, SD was unable to identify the purpose of this transaction.

[B] For the period 1998 through 2004, the year-end contractual services disbursements remained consistent with an average annual increase in disbursements of 7.25% and an average annual disbursement of \$40,094.82.

[C] For the period 2005 through 2008, the year-end contractual services disbursements increased, on average, 48.97% with an average year-end disbursement of \$177,469.03.

[D] For the period 2008 through 2018, the year-end contractual services disbursements remained consistent with an average annual increase in disbursements of 0.93% and an average annual disbursement of \$250,504.55.

	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 Contractual Services Disbursements:	18,462.47	515,683.16	44,288.69	33,592.52	34,670.28	35,531.58	28,803.98	50,428.70	53,348.00	97,706.91	124,873.79	174,375.98
%Δ in Contractual Services Disbursements:		2693.14%	-91.41%	-24.15%	3.21%	2.48%	-18.93%	75.08%	5.79%	83.15%	27.80%	39.64%

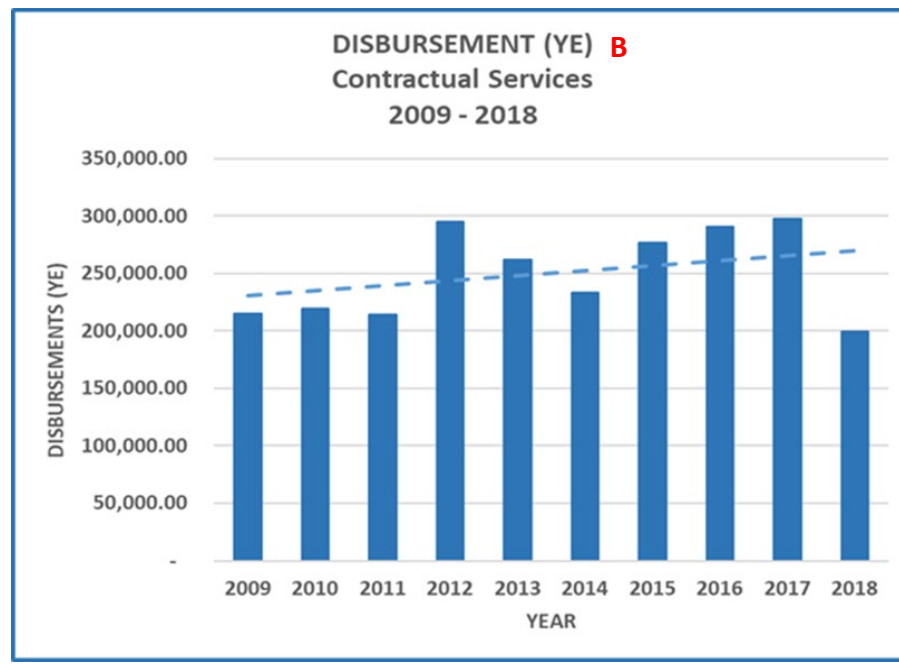
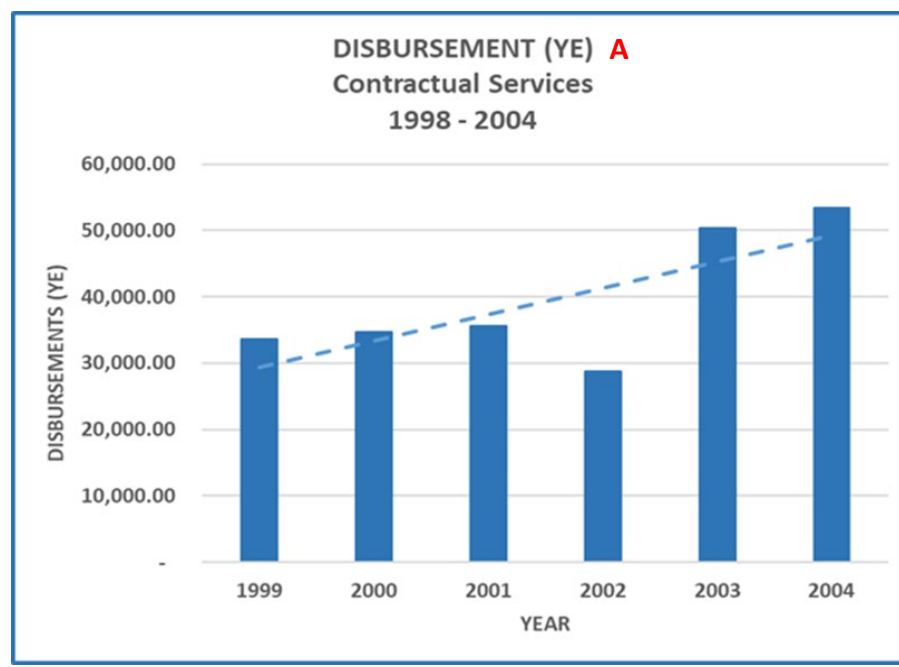
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TOTAL
	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense	YTD Expense
	312,919.44	215,222.49	219,960.50	213,935.19	294,843.02	262,341.86	233,639.97	276,689.06	290,919.89	297,541.79	199,951.77	4,029,731.04
	79.45%	-31.22%	2.20%	-2.74%	37.82%	-11.02%	-10.94%	18.43%	5.14%	2.28%	-32.80%	7.58%

1998	1999	2000	2001	2002	2003	2004	TOTAL/AVERAGE
44,288.69	33,592.52	34,670.28	35,531.58	28,803.98	50,428.70	53,348.00	40,094.82
-	-24.15%	3.21%	2.48%	-18.93%	75.08%	5.79%	7.25%

2005	2006	2007	2008	TOTAL/AVERAGE
97,706.91	124,873.79	174,375.98	312,919.44	177,469.03
-	27.80%	39.64%	79.45%	48.97%

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TOTAL/AVERAGE
215,222.49	219,960.50	213,935.19	294,843.02	262,341.86	233,639.97	276,689.06	290,919.89	297,541.79	199,951.77	250,504.55
0.00%	2.20%	-2.74%	37.82%	-11.02%	-10.94%	18.43%	5.14%	2.28%	-32.80%	0.93%

Account #	Account Description	1996 YTD Expense	1997 YTD Expense	1998 YTD Expense	1999 YTD Expense	2000 YTD Expense	2001 YTD Expense	2002 YTD Expense	2003 YTD Expense	2004 YTD Expense	2005 YTD Expense	2006 YTD Expense	2007 YTD Expense
101.306.53156	PROGRAM INSTRUCTORS								45,428.70	27,855.00	47,009.13	53,434.00	53,772.13
101.306.53216	Van, Lease of Socce	3,462.47	10,921.35	7,000.00	10,592.52	11,670.28	12,531.58	5,803.98	-	-	-	-	-
101.306.53217	Fireworks	15,000.00	18,000.00	20,000.00	23,000.00	23,000.00	23,000.00	23,000.00	-	-	-	-	-
101.306.53218	FIREWORKS								5,000.00	-	23,000.00	23,000.00	23,000.00
101.306.53232	VARIOUS									2,493.00	27,697.78	48,439.79	16,272.82
101.306.53330	POOL CONTRACTS												41,560.55
101.306.53696	HILLIARD'S STATION									23,000.00	-	-	-
101.306.53900	AMENDED BUDGET												-
208.306.53156	PROGRAMS / INSTRUCT												
208.306.53214	CONTRACTS - LEASED												4,130.48
208.306.53232	MAINTENANCE - CONTR												35,640.00
208.306.53250	PARK SERVICES												
208.306.53251	LB-4 VARIOUS IMPROV												
208.306.53252	Slide Resurfacing												
208.306.53320	Hilliard Station Pa												
208.306.53321	FIREWORKS												
208.306.53323	PRESCHOOL												
208.306.53350	LEADERSHIP HILLIARD												
208.306.53361	LB-5 PARK IMPROVEME												
208.306.53710	Heritage Trail Dog												
208.306.53900	AMENDED BUDGET												
231.306.53214	Heritage Trail Cont												
250.306.53204	EPA LITTER												
304.306.53100	CONTRACTS												
304.306.53730	LB-9 MUNI PARK IMPR												
304.306.53740	LB-17 NEW PARKS												
304.306.53750	LB-11 RECREATION AN												
338.306.53530	Construction		466,510.06	10,878.81									
338.306.53531	Design & Miscellane		20,251.75	6,409.88									
338.306.53819	Contractural Servic												
895.306.53001	REFUNDS - HILLIARD												
Total Supp. & Mat. Disbursements:		18,462.47	515,683.16	44,288.69	33,592.52	34,670.28	35,531.58	28,803.98	50,428.70	53,348.00	97,706.91	124,873.79	174,375.98
%Δ in Supp. & Mat. Disbursements:			2693.14%	-91.41%	-24.15%	3.21%	2.48%	-18.93%	75.08%	5.79%	83.15%	27.80%	39.64%



Account #	Account Description	2008 YTD Expense	2009 YTD Expense	2010 YTD Expense	2011 YTD Expense	2012 YTD Expense	2013 YTD Expense	2014 YTD Expense	2015 YTD Expense	2016 YTD Expense	2017 YTD Expense	2018 YTD Expense	TOTAL
101.306.53156	PROGRAM INSTRUCTORS	53,970.50	58,013.11	63,492.95	53,758.45	67,603.67	75,401.78	63,747.20	74,337.70	79,927.27	65,021.49	40,844.65	923,617.73
101.306.53216	Van, Lease of Socce												61,982.18
101.306.53217	Fireworks												145,000.00
101.306.53218	FIREWORKS	23,000.00	20,000.00	24,900.00	24,900.00	25,000.00	24,900.00	24,900.00	25,000.00	28,000.00	27,300.00	28,000.00	349,900.00
101.306.53232	VARIOUS	49,475.42	49,442.81	65,945.20	56,885.73	51,624.54	55,860.46	52,876.69	58,562.17	60,061.45	63,776.70	27,810.73	687,225.29
101.306.53330	POOL CONTRACTS	54,953.44	71,350.54	62,177.35	54,118.72	71,490.58	64,726.07	68,641.15	66,461.66	72,023.23	68,832.32	40,015.99	736,351.60
101.306.53696	HILLIARD'S STATION												101,920.66
101.306.53900	AMENDED BUDGET												-
208.306.53156	PROGRAMS / INSTRUCT												-
208.306.53214	CONTRACTS - LEASED	107,765.52	3,000.00			4,235.00							119,131.00
208.306.53232	MAINTENANCE - CONTR	20,714.52	12,226.72	3,445.00	14,387.29								86,413.53
208.306.53250	PARK SERVICES	3,040.00					3,982.33	938.97		6,460.00		3,050.00	17,471.30
208.306.53251	LB-4 VARIOUS IMPROV					17,191.56							17,191.56
208.306.53252	Slide Resurfacing							22,750.00	13,000.00				35,750.00
208.306.53320	Hilliard Station Pa									15,000.00	22,845.00	32,110.65	69,955.65
208.306.53321	FIREWORKS										500.00		500.00
208.306.53323	PRESCHOOL												-
208.306.53350	LEADERSHIP HILLIARD		1,189.31										1,189.31
208.306.53361	LB-5 PARK IMPROVEME								26,062.00	3,855.13			29,917.13
208.306.53710	Heritage Trail Dog					48,355.87	14,721.22						63,077.09
208.306.53900	AMENDED BUDGET					3,696.80							3,696.80
231.306.53214	Heritage Trail Cont												-
250.306.53204	EPA LITTER											5,313.69	5,313.69
304.306.53100	CONTRACTS	0.04			9,885.00	5,645.00		1,500.00					17,030.04
304.306.53730	LB-9 MUNI PARK IMPR							8,035.96	23,960.34				31,996.30
304.306.53740	LB-17 NEW PARKS												-
304.306.53750	LB-11 RECREATION AN								2,305.19	18,744.49			21,049.68
338.306.53530	Construction												477,388.87
338.306.53531	Design & Miscellane												26,661.63
338.306.53819	Contractural Servic												-
895.306.53001	REFUNDS - HILLIARD												-
Total Supp. & Mat. Disbursements:		312,919.44	215,222.49	219,960.50	213,935.19	294,843.02	262,341.86	233,639.97	276,689.06	290,919.89	297,541.79	199,951.77	4,029,731.04
%Δ in Supp. & Mat. Disbursements:		79.45%	-31.22%	2.20%	-2.74%	37.82%	-11.02%	-10.94%	18.43%	5.14%	2.28%	-32.80%	7.58%

SD compared the average year-end disbursements for the period 1998 through 2004 [A] of \$40,094.82 to the average year-end disbursements for the period 2009 through 2018 [B] of \$250,504.55; a variance of \$210,409.73. This increase in year-end average contractual services disbursements is attributed to an increase in disbursements from the following Recreation and Parks Department funds: 208 (Park Maintenance), 250 (General Government Grant Fund), 304 (Capital Improvement Muni Tax), and 338 (Recreation Ballfields). SD footed the total disbursement amounts recorded in these funds for the period 1998 through 2018; a total of \$536,971.77. The total contractual services disbursements for these funds was a total of \$57,059.17 (10.63% of the total amount) for period 1998 through 2007 [D] and a total of \$479,912.60 (89.37% of the total amount) for the period 2008 through 2018 [C]; a variance of \$422,853.43.

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101.306.53216	Van, Lease of Socce	10,592.52	11,670.28	12,531.58	5,803.98	-	-
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101.306.53218	FIREWORKS				-	5,000.00	-
101.306.53232	VARIOUS						2,493.00
101.306.53330	POOL CONTRACTS						
101.306.53696	HILLIARD'S STATION						23,000.00
101.306.53900	AMENDED BUDGET						
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304.306.53740	LB-17 NEW PARKS						
304.306.53750	LB-11 RECREATION AN						
338.306.53530	Construction	-	-	-	-	-	-
338.306.53531	Design & Miscellane	-	-	-	-	-	-
338.306.53819	Contractural Servic	-	-	-	-	-	-
895.306.53001	REFUNDS - HILLIARD						
Total Supp. & Mat. Disbursements:		33,592.52	34,670.28	35,531.58	28,803.98	50,428.70	53,348.00
%Δ in Supp. & Mat. Disbursements:		-24.15%	3.21%	2.48%	-18.93%	75.08%	5.79%

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 2004 there were no expensed recorded in account 101.306.53217 (FIREWORKS) and that a \$23,000.00 expense was recorded in account 101.306.53696 (HILLIARD'S STATION). Per inquiry with the Finance Director, it was determined that the \$23,000.00 expense recorded in account 101.306.53696 (HILLIARD'S STATION) was incorrectly recorded in this account and should have been recorded in account 101.306.53217 (FIREWORKS).