



Dave Yost • Auditor of State

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Mill Creek Metropolitan Park District
Mahoning County
7574 Columbiana-Canfield Road
P.O. Box 596
Canfield, Ohio 44406

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Mill Creek Metropolitan Park District, Mahoning County, Ohio (the District), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Mill Creek Metropolitan Park District, Mahoning County, Ohio, as of December 31, 2014, and the respective changes in financial position thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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 District's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

November 1, 2016

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2014

The discussion and analysis of the Mill Creek Metropolitan Park District's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2014. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- ❑ Net position decreased \$387,621, which represents a 2% decrease from 2013.
- ❑ General revenues accounted for \$7,229,778 in revenue or 76% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$2,298,065 or 24% of total revenues of \$9,527,843.
- ❑ The District had \$9,915,464 in expenses related to governmental activities; only \$2,298,065 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and unrestricted intergovernmental revenues) of \$7,229,778 were not adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$8,848,762 in revenues and \$9,225,812 in expenditures. The general fund's fund balance decreased \$183,582 to \$1,548,878.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – *management's discussion and analysis* and the *basic financial statements*. The basic financial statements include two kinds of statements that present different views of the District:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the District's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2014

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, liabilities, and deferred outflows/inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net-position is one way to measure the District's financial health.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as the District's tax base and the condition of the District's capital assets.

The government-wide financial statements of the District are reported in the following category:

- *Governmental Activities* – All of the District's basic services are reported here, including administration, park operations, golf course operations and law enforcement. State and federal grants, property taxes and user fees finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2014***

Government-Wide Financial Analysis

The following table provides a comparison of the District's net position at December 31, 2014 and 2013:

	Governmental Activities	
	2014	2013
Current and Other Assets	\$10,955,332	\$11,295,375
Capital Assets, Net	13,990,539	13,982,915
Total Assets	24,945,871	25,278,290
Long-Term Debt Outstanding	396,069	468,322
Other Liabilities	709,958	582,503
Total Liabilities	1,106,027	1,050,825
Deferred Inflows of Resources	5,705,822	5,705,822
Net Position		
Net Investment in Capital Assets	13,990,539	13,982,915
Restricted	1,643,505	1,845,263
Unrestricted	2,499,978	2,693,465
Total Net Position	\$18,134,022	\$18,521,643

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MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2014

Changes in Net Position – The following table provides the changes in net position for fiscal years 2014 and 2013:

	Governmental Activities	
	2014	2013
Revenues		
Program Revenues:		
Charges for Services and Sales	\$1,569,356	\$1,649,107
Operating Grants and Contributions	332,641	0
Capital Grants and Contributions	396,068	428,199
Total Program Revenues	<u>2,298,065</u>	<u>2,077,306</u>
General Revenues:		
Property Taxes	5,675,372	5,593,824
Intergovernmental Revenue, Unrestricted	1,172,804	1,154,086
Investment Earnings	23,512	23,947
Miscellaneous	358,090	568,909
Total General Revenues	<u>7,229,778</u>	<u>7,340,766</u>
Total Revenues	<u>9,527,843</u>	<u>9,418,072</u>
Program Expenses		
Administration	1,621,443	1,676,014
Park Operations	6,203,555	6,489,089
Golf Course	1,123,858	1,315,742
Law Enforcement	966,608	881,251
Total Expenses	<u>9,915,464</u>	<u>10,362,096</u>
Change in Net Position	(387,621)	(944,024)
Beginning Net Position	<u>18,521,643</u>	<u>19,465,667</u>
Ending Net Position	<u>\$18,134,022</u>	<u>\$18,521,643</u>

Governmental Activities

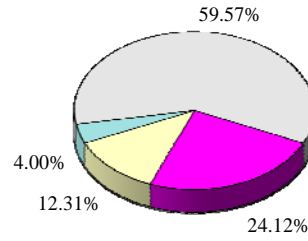
Net position of governmental activities decreased \$387,621, or 2% during 2014. Overall, revenues and expenses were consistent with the previous year. An increase in operating grants can be attributed to insurance proceeds.

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

**Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2014**

Property taxes made up 60% of revenues for governmental activities for the District in fiscal year 2014. The District's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2014	Percent of Total
Property Taxes	\$5,675,372	59.57%
Program Revenues	2,298,065	24.12%
Intergovernmental, Unrestricted	1,172,804	12.31%
General Other	381,602	4.00%
Total Revenue	<u>\$9,527,843</u>	<u>100.00%</u>



The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

For the General Fund, original budgeted, final budgeted and actual budget basis revenues were not materially different. Original and final budgeted appropriations were not materially different. Actual budget basis expenditures were 6% less than final budget appropriations.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$3,081,676, which is a decrease from last year's balance of \$3,541,156. The schedule below indicates the fund balance and the total change in fund balance at December 31, 2014 and 2013:

	Fund Balance December 31, 2014	Fund Balance December 31, 2013	Increase (Decrease)
General	\$1,548,878	\$1,732,460	(\$183,582)
Replacement Reserve	1,530,392	1,952,160	(421,768)
Other Governmental	2,406	(143,464)	145,870
Total	<u>\$3,081,676</u>	<u>\$3,541,156</u>	<u>(\$459,480)</u>

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2014

General Fund – The District's General Fund balance change is due to several factors. The tables that follow assist in illustrating the financial activities of the General Fund:

	2014 Revenues	2013 Revenues	Increase (Decrease)
Property Taxes	\$5,698,584	\$5,664,219	\$34,365
Intergovernmental Revenues	1,180,463	1,266,861	(86,398)
Fines and Forfeitures	12,758	18,705	(5,947)
Charges for Services	1,556,598	1,630,402	(73,804)
Donations	136,768	0	136,768
Investment Earnings	22,315	19,926	2,389
All Other Revenue	241,276	556,259	(314,983)
Total	<u>\$8,848,762</u>	<u>\$9,156,372</u>	<u>(\$307,610)</u>

General Fund revenues remained stable in 2014, decreasing approximately 3% when compared to revenues in 2013. A decrease in intergovernmental revenues can be attributed to a decrease in estate taxes while the decrease in charges for services was the result of decreased revenues generated by the golf course.

	2014 Expenditures	2013 Expenditures	Increase (Decrease)
Administration	\$1,659,205	\$1,689,289	(\$30,084)
Park Operations	5,473,697	5,291,398	182,299
Golf Course	1,134,696	1,219,713	(85,017)
Law Enforcement	958,214	878,280	79,934
Total	<u>\$9,225,812</u>	<u>\$9,078,680</u>	<u>\$147,132</u>

General Fund expenditures increased \$147,132, or 2% when compared with the previous year.

Replacement Reserve Fund – The Replacement Reserve Fund reported a decrease in fund balance of \$421,768, or 22%. Revenues and expenditures were consistent with the prior year.

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2014***

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2014 the District had \$13,990,539 net of accumulated depreciation invested in land, land improvements, buildings and improvements, machinery and equipment and infrastructure. The following table shows fiscal year 2014 and 2013 balances:

	Governmental Activities		Increase (Decrease)
	2014	2013	
Land	\$3,580,807	\$3,392,602	\$188,205
Construction In Progress	112,894	0	112,894
Land Improvements	2,192,758	2,028,357	164,401
Buildings and Improvements	15,328,372	15,204,387	123,985
Infrastructure	7,688,155	7,525,177	162,978
Machinery and Equipment	4,259,799	4,198,537	61,262
Less: Accumulated Depreciation	(19,172,246)	(18,366,145)	(806,101)
Totals	<u>\$13,990,539</u>	<u>\$13,982,915</u>	<u>\$7,624</u>

Land purchases included wetlands purchased for preservation, as well as land purchases near Fellows Riverside Gardens as part of the Garden Master Plan expansion. Land improvements consisted of golf course drainage system improvements and playground equipment and surfacing work at Wick Recreation Center. Building improvements consisted of various repairs to several District buildings. Infrastructure additions can be attributed to the resurfacing of Robinson Hill Drive and West Golf Drive.

Additional information on the District's capital assets can be found in Note 7.

Debt

At December 31, 2014, the District had \$396,069 in noncurrent liabilities, \$118,445 due within one year. The following table summarizes the District's noncurrent liabilities outstanding as of December 31, 2014 and 2013:

	2014	2013
Governmental Activities:		
Compensated Absences	<u>\$396,069</u>	<u>\$468,322</u>
Total Governmental Activities	<u>\$396,069</u>	<u>\$468,322</u>

Additional information on the District's long term liabilities can be found in Note 10.

***MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO***

***Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2014***

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Kevin Smith, Treasurer/Administrative Services Director, Mill Creek Metropolitan Park District, 7574 Columbiana-Canfield Road, P.O. Box 596, Canfield, Ohio 44406.

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO

Statement of Net Position
December 31, 2014

	Governmental Activities	Component Unit Mill Creek Foundation
Assets:		
Pooled Cash and Investments	\$ 3,583,148	\$ 0
Cash and Cash Equivalents	0	81,676
Investments	0	794,196
Receivables:		
Property Taxes	6,772,176	0
Accounts	30,380	0
Intergovernmental	569,628	0
Restricted Assets:		
Investments	0	835,750
Non-Depreciable Capital Assets	3,693,701	0
Depreciable Capital Assets, Net	10,296,838	0
Total Assets	24,945,871	1,711,622
Liabilities:		
Accounts Payable	284,528	0
Accrued Wages and Benefits Payable	315,881	0
Intergovernmental Payable	517	0
Unearned Revenue	109,032	0
Noncurrent liabilities:		
Due within one year	118,445	0
Due in more than one year	277,624	0
Total Liabilities	1,106,027	0
Deferred Inflows of Resources:		
Property Tax Levy for Next Fiscal Year	5,705,822	0
Net Position:		
Net Investment in Capital Assets	13,990,539	0
Restricted For:		
Capital Projects	1,641,099	0
Other Purposes	2,406	0
Unrestricted	2,499,978	1,711,622
Total Net Position	\$ 18,134,022	\$ 1,711,622

See accompanying notes to the basic financial statements

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

**Statement Of Activities
For The Year Ended December 31, 2014**

	Program Revenues			
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:				
Administration	\$ 1,621,443	\$ 0	\$ 0	\$ 0
Park Operations	6,203,555	822,429	330,236	396,068
Golf Course	1,123,858	734,169	0	0
Law Enforcement	966,608	12,758	2,405	0
Total Primary Government	\$ 9,915,464	\$ 1,569,356	\$ 332,641	\$ 396,068
 Component Unit:				
Mill Creek Foundation	\$ 110,450	\$ 0	\$ 0	\$ 0

General Revenues:

Property Taxes
Intergovernmental Revenues, Unrestricted
Investment Earnings
Miscellaneous
Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

Net (Expense) Revenue and Changes in Net Position	Component Unit
Governmental Activities	Mill Creek Foundation
\$ (1,621,443)	
(4,654,822)	
(389,689)	
(951,445)	
\$ (7,617,399)	
	\$ (110,450)
5,675,372	0
1,172,804	0
23,512	34,840
358,090	370,602
7,229,778	405,442
(387,621)	294,992
18,521,643	1,416,630
\$ 18,134,022	\$ 1,711,622

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

**Balance Sheet
Governmental Funds
December 31, 2014**

	General	Replacement Reserve	Other Governmental Funds	Total Governmental Funds
Assets:				
Pooled Cash and Investments	\$ 1,916,486	\$ 1,664,256	\$ 2,406	\$ 3,583,148
Receivables:				
Property Taxes	6,772,176	0	0	6,772,176
Accounts	24,907	5,473	0	30,380
Intergovernmental	569,628	0	0	569,628
Total Assets	\$ 9,283,197	\$ 1,669,729	\$ 2,406	\$ 10,955,332
Liabilities:				
Accounts Payable	\$ 145,191	\$ 139,337	\$ 0	\$ 284,528
Accrued Wages and Benefits Payable	315,881	0	0	315,881
Intergovernmental Payable	517	0	0	517
Unearned Revenue	109,032	0	0	109,032
Compensated Absences Payable	11,770	0	0	11,770
Total Liabilities	582,391	139,337	0	721,728
Deferred Inflows of Resources:				
Unavailable Amounts	1,446,106	0	0	1,446,106
Property Tax Levy for Next Fiscal Year	5,705,822	0	0	5,705,822
Total Deferred Inflows of Resources	7,151,928	0	0	7,151,928
Fund Balances:				
Restricted	0	1,530,392	2,406	1,532,798
Assigned	1,009,409	0	0	1,009,409
Unassigned	539,469	0	0	539,469
Total Fund Balances	1,548,878	1,530,392	2,406	3,081,676
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,283,197	\$ 1,669,729	\$ 2,406	\$ 10,955,332

See accompanying notes to the basic financial statements

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2014***

Total Governmental Fund Balances	\$ 3,081,676
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	13,990,539
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	1,446,106
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	<u>(384,299)</u>
<i>Net Position of Governmental Activities</i>	<u>\$ 18,134,022</u>

See accompanying notes to the basic financial statements

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General	Replacement Reserve	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 5,698,584	\$ 0	\$ 0	\$ 5,698,584
Intergovernmental Revenues	1,180,463	0	356,750	1,537,213
Fines and Forfeitures	12,758	0	0	12,758
Charges for Services	1,556,598	0	0	1,556,598
Gas Royalties	0	121,096	0	121,096
Donations	136,768	0	0	136,768
Investment Earnings	22,315	1,197	0	23,512
All Other Revenue	241,276	26,358	0	267,634
Total Revenues	8,848,762	148,651	356,750	9,354,163
Expenditures:				
Current:				
Administration	1,659,205	0	0	1,659,205
Park Operations	5,473,697	0	311,058	5,784,755
Golf Course	1,134,696	0	5,579	1,140,275
Law Enforcement	958,214	0	1,350	959,564
Capital Outlay	0	459,712	3,600	463,312
Total Expenditures	9,225,812	459,712	321,587	10,007,111
Excess (Deficiency) of Revenues Over (Under) Expenditures	(377,050)	(311,061)	35,163	(652,948)
Other Financing Sources (Uses):				
Insurance Proceeds	193,468	0	0	193,468
Transfers In	0	0	110,707	110,707
Transfers Out	0	(110,707)	0	(110,707)
Total Other Financing Sources (Uses)	193,468	(110,707)	110,707	193,468
Net Change in Fund Balance	(183,582)	(421,768)	145,870	(459,480)
Fund Balances at Beginning of Year	1,732,460	1,952,160	(143,464)	3,541,156
Fund Balances End of Year	\$ 1,548,878	\$ 1,530,392	\$ 2,406	\$ 3,081,676

See accompanying notes to the basic financial statements

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended December 31, 2014***

Net Change in Fund Balances - Total Governmental Funds \$ (459,480)

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	813,725	
Depreciation Expense	(806,101)	7,624

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (19,788)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences		84,023
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Change in Net Position of Governmental Activities \$ (387,621)

See accompanying notes to the basic financial statements

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

**Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 5,779,088	\$ 5,637,818	\$ 5,698,584	\$ 60,766
Intergovernmental Revenues	1,205,954	1,176,474	1,178,751	2,277
Fines and Forfeitures	25,626	25,000	12,495	(12,505)
Charges for Services	1,762,587	1,719,500	1,578,446	(141,054)
Investment Earnings	5,125	5,000	22,315	17,315
All Other Revenue	202,449	197,500	570,688	373,188
Total Revenues	<u>8,980,829</u>	<u>8,761,292</u>	<u>9,061,279</u>	<u>299,987</u>
Expenditures:				
Current:				
Administration	1,757,673	1,791,482	1,695,144	96,338
Park Operations	5,985,654	6,100,788	5,710,480	390,308
Golf Course	1,190,765	1,213,669	1,179,957	33,712
Law Enforcement	959,265	977,716	966,510	11,206
Total Expenditures	<u>9,893,357</u>	<u>10,083,655</u>	<u>9,552,091</u>	<u>531,564</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(912,528)	(1,322,363)	(490,812)	831,551
Other Financing Sources (Uses):				
Transfers In	0	0	16,118	16,118
Transfers Out	0	0	(16,118)	(16,118)
Total Other Financing Sources (Uses):	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(912,528)	(1,322,363)	(490,812)	831,551
Fund Balance at Beginning of Year	1,718,756	1,718,756	1,718,756	0
Prior Year Encumbrances	332,972	332,972	332,972	0
Fund Balance at End of Year	<u>\$ 1,139,200</u>	<u>\$ 729,365</u>	<u>\$ 1,560,916</u>	<u>\$ 831,551</u>

See accompanying notes to the basic financial statements

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The constitution and laws of the State of Ohio Revised Code Section 1545 establish the rights and privileges of the Mill Creek Metropolitan Park District, Mahoning County, (the District) as a body corporate and politic. The probate judge of Mahoning County appoints a three member Board of Commissioners to govern the Park District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units*," and GASB Statement No. 61, "*The Financial Reporting Entity - Omnibus*" in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, the District. Based on the foregoing, the District has one component unit, the Mill Creek Foundation.

Discretely Presented Component Unit - The component unit column in the government-wide financial statements includes the financial data of the District's component unit. It is reported in a separate column to emphasize that it is legally separate from the District. The Mill Creek Foundation was created in March of 1979 and is operated exclusively for charitable and educational purposes, to wit, for the purpose of making capital improvements within the District. The Foundation is a tax exempt trust as determined by 501(c) (3) of the Internal Revenue Code. The Foundation operates under a 3 person Board consisting of the Park Board's President, a person selected by the Mahoning County Probate Judge and the third member appointed by these two members.

Financial information on the Foundation can be obtained by contacting Terry Cloonan, C/O Huntington National Bank, 23 Federal Plaza, Youngstown, Ohio 44501.

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The accounting policies and financial reporting practices of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows of resources, fund equity, revenues and expenditures/expenses.

Governmental Funds - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's major governmental funds:

General Fund - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Replacement Reserve Fund - The Replacement Reserve Fund is used to account for royalties generated by oil and gas leases and investment income restricted to be used for capital improvements.

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

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**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities, and deferred outflows/inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Revenue considered susceptible to accrual at year end includes interest on investments and grants and entitlements. Other revenue, including fines, fees, sales, certain charges for services and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Property taxes measurable as of December 31, 2014 but which are not intended to finance 2014 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 4.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements. Revenues are recognized when they are earned and expenses are recognized when incurred.

Revenues – Exchange and Non-exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

All governmental funds are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each fund. Budgetary modifications may only be made by resolution of the District Board.

1. **Tax Budget**

The District Treasurer/Administrative Services Director submits an annual tax budget for the following fiscal year to the District Board of Commissioners by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year. This requirement is waived by the County Budget Commission.

2. **Estimated Resources**

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the District by September 1 of each year. As part of the certification process, the District receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2014.

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations

A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 through December 31. The appropriation resolution establishes spending controls at object level within each fund, and may be modified during the year by resolution of the District Board of Commissioners. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level within each fund. The allocation of appropriations within a fund may be modified with the approval of the District Board Commissioners. During the year several supplemental appropriations measures were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) for the General Fund is presented on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

4. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

5. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund:

	Net Change in Fund Balance
	General Fund
GAAP Basis (as reported)	(\$183,582)
Increase (Decrease):	
Accrued Revenues at December 31, 2014 received during 2015	(105,751)
Accrued Revenues at December 31, 2013 received during 2014	124,800
Accrued Expenditures at December 31, 2014 paid during 2015	473,359
Accrued Expenditures at December 31, 2013 paid during 2014	(444,068)
Outstanding Encumbrances	(355,570)
Budget Basis	(\$490,812)

F. Cash and Investments

Cash and cash equivalents include amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). The amounts in STAR Ohio are considered cash equivalents because they are highly liquid investments with original maturity dates of three months or less.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 3, "Cash, Cash Equivalents and Investments."

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value. See Note 3, "Cash, Cash Equivalents and Investments."

The District invested funds in STAR Ohio during 2014. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2014.

H. Capital Assets and Depreciation

Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,500.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, land improvements, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets and Depreciation (Continued)

2. Depreciation

All capital assets, other than land and construction in progress, are depreciated. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in Years)</u>
Land Improvements	15 - 40
Buildings and Improvements	15 - 50
Infrastructure	10 - 30
Machinery and Equipment	5 - 15

I. Long-Term Obligations

Long-term liabilities are being repaid from the following fund:

<u>Obligation</u>	<u>Fund</u>
Compensated Absences	General Fund

J. Compensated Absences

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences (Continued)

For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net position, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account.

K. Pensions

The provision for pension cost is recorded when the related payroll is accrued and the obligation is incurred.

L. Net Position

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

M. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision making authority. For the District, these constraints consist of ordinances passed by the District Board of Commissioners. Committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed.

O. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 2 – FUND BALANCE CLASSIFICATION

Fund balance is classified as nonspendable, restricted, committed, assigned and unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Replacement Reserve	Other Governmental Funds	Total Governmental Funds
Restricted:				
Capital Improvements	\$0	\$1,530,392	\$0	\$1,530,392
Law Enforcement	0	0	2,406	2,406
Total Restricted	<u>0</u>	<u>1,530,392</u>	<u>2,406</u>	<u>1,532,798</u>
Assigned:				
Budget Resource	799,550		0	799,550
Encumbrances	209,859	0	0	209,859
Total Assigned	<u>1,009,409</u>	<u>0</u>	<u>0</u>	<u>1,009,409</u>
Unassigned	539,469	0	0	539,469
Total Fund Balances	<u>\$1,548,878</u>	<u>\$1,530,392</u>	<u>\$2,406</u>	<u>\$3,081,676</u>

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**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of District cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the District's deposits was \$3,583,148 and the bank balance was \$3,730,919. The Federal Deposit Insurance Corporation (FDIC) covered \$1,597,456 of the bank balance, and \$2,133,463 was uninsured. Of the remaining uninsured bank balance, the District was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the District's name	\$2,133,463
Total Balance	\$2,133,463

B. Investments

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The District has no policy that limits investment purchases beyond the requirements of the Ohio Revised Code.

Investment Credit Risk – The District has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

Concentration of Credit Risk – The District places no limit on the amount the District may invest in one issuer.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

C. Component Unit

At year end the carrying amount of the Mill Creek Foundation's deposits was \$81,676, which was equal to the bank balance. The entire bank balance was covered by the Federal Deposit Insurance Corporation (FDIC).

The Mill Creek Foundation's investments at December 31, 2014 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>	
			<u>1-3 years</u>	<u>3-5 years</u>
US Money Market	\$161,150	AA+ ¹	\$161,150	\$0
Bond Mutual Funds	732,454	NA	732,454	0
Equity Mutual Funds	736,342	NA	736,342	0
Total Investments	<u>\$1,629,946</u>		<u>\$1,629,946</u>	<u>\$0</u>

¹ Standard & Poor's

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MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 4- PROPERTY TAXES

Property taxes include amounts levied against all real estate and public utility property located in the District. Real property taxes (other than public utility) collected during 2014 were levied after October 1, 2013 on assessed values as of January 1, 2013, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2011. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the Mill Creek Metropolitan Park District. The County Auditor periodically remits to the District its portion of the taxes collected. The full tax rate for all District operations for the year ended December 31, 2014 was \$1.75 per \$1,000 of assessed value. The assessed value upon which the 2014 levy was based was \$4,005,403,140. This amount constitutes \$3,780,617,820 in real property assessed value and \$224,785,320 in public utility assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of one percent of assessed value without a vote of the people. Under current procedures, the District's share is .175% (1.75 mills) of assessed value.

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**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 5 - RECEIVABLES

Receivables at December 31, 2014 consisted of taxes, accounts and intergovernmental receivables.

NOTE 6 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2014:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
Replacement Reserve Fund	\$0	\$110,707
Other Governmental Funds	<u>110,707</u>	<u>0</u>
Totals	<u><u>\$110,707</u></u>	<u><u>\$110,707</u></u>

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**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 7 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at December 31, 2014:

<i>Historical Cost:</i>				
Class	2013	Additions	Deletions	2014
<i>Capital assets not being depreciated:</i>				
Land	\$3,392,602	\$188,205	\$0	\$3,580,807
Construction in Progress	0	112,894	0	112,894
Subtotal	3,392,602	301,099	0	3,693,701
<i>Capital assets being depreciated:</i>				
Land Improvements	2,028,357	164,401	0	2,192,758
Buildings and Improvements	15,204,387	123,985	0	15,328,372
Infrastructure	7,525,177	162,978	0	7,688,155
Machinery and Equipment	4,198,537	61,262	0	4,259,799
Total Cost	<u>\$32,349,060</u>	<u>\$813,725</u>	<u>\$0</u>	<u>\$33,162,785</u>
 <i>Accumulated Depreciation:</i>				
Class	2013	Additions	Deletions	2014
Land Improvements	(\$1,192,015)	(\$75,310)	\$0	(\$1,267,325)
Buildings and Improvements	(8,013,692)	(329,018)	0	(8,342,710)
Infrastructure	(5,965,033)	(249,340)	0	(6,214,373)
Machinery and Equipment	(3,195,405)	(152,433)	0	(3,347,838)
Total Depreciation	<u>(\$18,366,145)</u>	<u>(\$806,101) *</u>	<u>\$0</u>	<u>(\$19,172,246)</u>
<i>Net Value:</i>	<u>\$13,982,915</u>			<u>\$13,990,539</u>

* Depreciation expenses were charged to governmental functions as follows:

Park Operations	\$725,724
Golf Course	73,385
Law Enforcement	6,992
Total Depreciation Expense	<u>\$806,101</u>

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 8 – DEFINED BENEFIT PENSION PLANS

All of the District’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

A. Ohio Public Employees Retirement System (“OPERS”)

The following information was provided by OPERS to assist the District in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

All employees of the District, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2014, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). For all employees other than law enforcement the contribution rate is 10.0%. The contribution rate for law enforcement employees is 13.0%. The 2014 employer contribution rate for local government employer units was 14.00% of covered payroll for all employees other than law enforcement and 18.10% for law enforcement employees, which is the maximum contribution rate set by State statute. Employer contribution rates are actuarially determined. A portion of the District’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The portion of employer contributions allocated to pension obligations for members in the Traditional and Combined Plans was 12.0% for all employees other than law enforcement and 16.10% for law enforcement employees for calendar year 2014.

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

A. Ohio Public Employees Retirement System (“OPERS”) (Continued)

The contribution requirements of plan members and the District are established and may be amended by the OPERS Board. The District's contributions for pension obligations to OPERS for the years ending December 31, 2014, 2013, and 2012 were \$380,985, \$415,329 and \$358,974, respectively, which were equal to the required contributions for each year.

NOTE 9 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (“OPERS”)

Plan Description – OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B Premium reimbursement, to qualifying member of both the Traditional Pension and the Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, local government employers contributed at a rate of 14.00% of covered payroll for all employees other than law enforcement and 18.10% for law enforcement employees, which was equal to the limits currently set by the ORC. Active members do not make contributions to the OPEB plan.

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

A. Ohio Public Employees Retirement System (“OPERS”) (Continued)

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional and Combined Plans was 2.0% for calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to healthcare remains at 2% for both plans, as recommended by the OPERS actuary. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The District's contributions for health care to the OPERS for the years ending December 31, 2014, 2013, and 2012 were \$59,582, \$30,029 and \$131,054, respectively, which were equal to the required contributions for each year.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 10 - LONG-TERM DEBT AND OTHER OBLIGATIONS

Detail of the changes in long-term debt and other long-term obligations of the District for the year ended December 31, 2014 are as follows:

	Balance at December 31, 2013	Additions	Deductions	Balance at December 31, 2014	Amount Due Within One Year
Governmental Activities:					
Compensated Absences	\$468,322	\$46,581	(\$118,834)	\$396,069	\$118,445

NOTE 11 -RISK MANAGEMENT

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2014, PEP retained \$350,000 for casualty claims and \$100,000 for property claims. The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 11 -RISK MANAGEMENT (Continued)

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2014 and 2013:

	2014	2013
Assets	\$35,402,177	\$34,411,883
Liabilities	(12,363,257)	(12,760,194)
Net Assets	\$23,038,920	\$21,651,689

At December 31, 2013 and 2014, respectively, the liabilities above include approximately \$11.6 million and \$11.1 million of estimated incurred claims payable. The assets above also include approximately \$11.1 million and \$10.8 million of unpaid claims to be billed. The Pool's membership increased from 475 members in 2013 to 488 members in 2014. These amounts will be included in future contributions from members when the related claims are due for payment. The District's share of these unpaid claims collectible in future years is approximately \$144,395.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

Contributions to PEP

2013	\$168,767
2014	\$218,781

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY, OHIO**

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 11 -RISK MANAGEMENT (Continued)

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

Workers' Compensation claims are covered through the District's participation in the State of Ohio's program. The District pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

NOTE 12 -CONTINGENT LIABILITIES

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at December 31, 2014.

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Mill Creek Metropolitan Park District
Mahoning County
7574 Columbiana-Canfield Road
P.O. Box 596
Canfield, Ohio 44406

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Mill Creek Metropolitan Park District, Mahoning County, (the District) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 1, 2016.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2014-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Entity's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

November 1, 2016

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2014

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Finding Number	2014-001
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Material Weakness

AU-C Section 265 Communicating Internal Control Related Matters Identified in an Audit, establishes standards on communicating matters related to an entity's internal control as they apply to financial reporting.

Entities must have controls in place to ensure:

- The financial information submitted is accurate in all material respects and that all necessary disclosures were made.
- The internal control structure and procedures provide reasonable assurance as to the proper recording of financial transactions and balances.
- Management evaluated the effectiveness of the internal control structure over the financial information.

The Park District converted advances to transfers in 2014. However, they failed to remove the interfund loan receivable and interfund loan payable from the balance sheet in the amount totaling \$110,707. The Park District did adjust the accompanying financials statements and notes to have the interfund loan receivable and interfund loan payable removed.

We recommend the Park District implement controls and procedures related to financial reporting that will enable management to identify, prevent, detect and correct potential misstatements in the financial statements.

Officials' Response:

Interfund loans receivable and payable are not reported on the entity wide statements, and as such, this adjustment had zero impact on the entity wide statement of net position and entity wide statement of activities.

On the fund basis statement, interfund loans receivable equal interfund loans payable. The Park District's assets and liabilities were high by \$110,707. However, this results in a zero net effect on total fund balance.

This was an oversight during the Generally Accepted Accounting Principles (GAAP) conversion process and was corrected immediately when discovered. Additional review procedures will be implemented to ensure a more thorough review of the converted figures.

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Dave Yost • Auditor of State

MILL CREEK METROPOLITAN PARK DISTRICT

MAHONING COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 22, 2016**