MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

OHIO AUDITOR OF STATE
KEITH FABER

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY

TABLE OF CONTENTS

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY

TABLE OF CONTENTS – Continued

TITLE	**PAGE**

OHIO AUDITOR OF STATE
KEITH FABER

101 Central Plaza South
700 Chase Tower
Canton, Ohio 44702-1509
(330) 438-0617 or (800) 443-9272
EastRegion@ohioauditor.gov

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 the Mill Creek Metropolitan Park District, Mahoning County, Ohio (the Park District), as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Park 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 Park 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 Park District's internal control. Accordingly, we express no such 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 the Mill Creek Metropolitan Park District, Mahoning County, Ohio, as of December 31, 2019 and 2018, and the respective changes in financial position thereof and the budgetary comparison for the General fund thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 2 to the financial statements, during 2018, the Park District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.* As discussed in Note 10 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinion regarding this matter.

We did not modify our opinion regarding these matters.

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*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions 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 October 1, 2020, on our consideration of the Park 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 Park District's internal control over financial reporting and compliance.

Keith Faber

Keith Faber
Auditor of State

Columbus, Ohio

October 1, 2020

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2019

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, 2019. 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 2019 are as follows:

- Net position increased $289,276, which represents a 2% increase from 2018.
- General revenues accounted for $8,490,505 in revenue or 77% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for $2,593,173 or 23% of total revenues of $11,083,678.
- The District had $10,794,402 in expenses related to governmental activities; only $2,593,173 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and unrestricted intergovernmental revenues) of $8,490,505 were adequate to provide for these programs.
- Among major funds, the general fund had $10,522,308 in revenues and $10,280,694 in expenditures. The general fund's fund balance increased $271,008 to $3,222,108.

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.

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.

Government-Wide Financial Analysis

The following table provides a comparison of the District's net position at December 31, 2019 and 2018:

	Governmental Activities	
	2019	2018
Current and Other Assets	$13,244,098	$13,119,964
Capital Assets, Net	19,011,720	17,475,001
Total Assets	32,255,818	30,594,965
Deferred Outflows of Resources	2,567,920	1,296,848
Net Pension Liability	7,731,627	4,444,554
Net OPEB Liability	3,704,255	3,086,498
Long-Term Liabilities	390,328	350,831
Other Liabilities	455,329	344,824
Total Liabilities	12,281,539	8,226,707
Deferred Inflows of Resources	7,360,794	8,772,977
Net Position		
Net Investment in Capital Assets	19,011,720	17,475,001
Restricted	1,072,455	1,210,354
Unrestricted	(4,902,770)	(3,793,226)
Total Net Position	$15,181,405	$14,892,129

The net pension liability (NPL) is reported by the District pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net OPEB liability (NOL) is reported by the District pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2019

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2019

Changes in Net Position – The following table provides the changes in net position for fiscal years 2019 and 2018:

	Governmental Activities	
	2019	2018
Revenues		
Program Revenues:		
Charges for Services and Sales	$1,586,703	$1,613,385
Operating Grants and Contributions	331,540	217,862
Capital Grants and Contributions	674,930	768,254
Total Program Revenues	2,593,173	2,599,501
General Revenues:		
Property Taxes	6,840,395	7,276,111
Intergovernmental Revenue, Unrestricted	1,353,539	1,325,815
Investment Earnings	110,207	87,403
Miscellaneous	186,364	195,503
Total General Revenues	8,490,505	8,884,832
Total Revenues	11,083,678	11,484,333
Program Expenses		
Administration	2,268,946	2,799,547
Park Operations	5,021,845	3,831,909
Golf Course	1,833,106	1,953,966
Law Enforcement	1,670,505	1,326,065
Total Expenses	10,794,402	9,911,487
Change in Net Position	289,276	1,572,846
Beginning Net Position	14,892,129	13,319,283
Ending Net Position	$15,181,405	$14,892,129

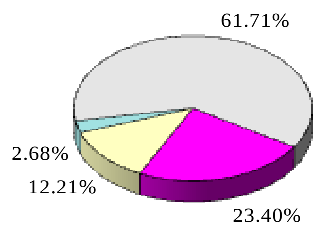
Governmental Activities

The District's net position increased $289,276 in 2019. Revenues remained consistent with the prior year. An increase in administration in the prior year due to the pass through of donations to the Mill Creek MetroParks Foundation resulted in a subsequent decrease in administration expense in the current year. An increase in park operations and law enforcement expense can be attributed to changes in the net pension and net OPEB liabilities.

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2019

Property taxes made up 62% of revenues for the District in fiscal year 2019. The District's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2019	Percent of Total
Property Taxes	$6,840,395	61.71%
Program Revenues	2,593,173	23.40%
Intergovernmental, Unrestricted	1,353,539	12.21%
General Other	296,571	2.68%
Total Revenue	$11,083,678	100.00%



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.

The General Fund original budget included $3,000,000 of donations from the Mill Creek Metroparks Foundation for renovations to the Ford Nature Center. These donations were not received in 2019, which resulted in adjustments to final budget figures. Final and actual budget basis revenues were not materially different. Actual budget basis expenditures were 15% less than final budget appropriations.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of $4,294,563, which is an increase from last year's balance of $4,161,454. The schedule below indicates the fund balance and the total change in fund balance at December 31, 2019 and 2018:

	Fund Balance December 31, 2019	Fund Balance December 31, 2018	Increase (Decrease)
General	$3,222,108	$2,951,100	$271,008
Other Governmental	1,072,455	1,210,354	(137,899)
Total	$4,294,563	$4,161,454	$133,109

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2019

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:

	2019 Revenues	2018 Revenues	Increase (Decrease)
Property Taxes	$7,054,175	$6,995,924	$58,251
Intergovernmental Revenues	1,352,887	1,336,923	15,964
Fines and Forfeitures	3,122	8,967	(5,845)
Charges for Services	1,579,478	1,596,076	(16,598)
Donations	319,276	270,512	48,764
Investment Earnings	85,989	67,282	18,707
All Other Revenue	127,381	127,313	68
Total	$10,522,308	$10,402,997	$119,311

General Fund revenues remained stable in 2019, increasing 1% when compared to revenues in 2018.

	2019 Expenditures	2018 Expenditures	Increase (Decrease)
Administration	$2,059,766	$2,766,528	($706,762)
Park Operations	5,089,788	4,604,262	485,526
Golf Course	1,815,419	2,235,932	(420,513)
Law Enforcement	1,315,721	1,376,487	(60,766)
Total	$10,280,694	$10,983,209	($702,515)

General Fund expenditures decreased $702,515, or 6% when compared with the previous year. An increase in administration in the prior year due to the pass through of donations to the Mill Creek MetroParks Foundation resulted in a subsequent decrease in administration expenditures in the current year. An increase in park operations was the result of various capital projects as well as increases in salaries and benefits. Costs in the prior year for capital purchases and projects resulted in a subsequent decrease in golf course and law enforcement expenditures in the current year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2019 the District had $19,011,720 net of accumulated depreciation invested in land, land improvements, buildings and improvements, machinery and equipment, and infrastructure. The following table shows fiscal year 2019 and 2018 balances:

	Governmental Activities		Increase (Decrease)
	2019	2018	
Land	$4,158,887	$3,689,932	$468,955
Land Improvements	4,234,983	3,918,950	316,033
Buildings and Improvements	16,598,404	16,415,299	183,105
Infrastructure	11,454,019	10,339,456	1,114,563
Machinery and Equipment	4,753,468	4,497,614	255,854
Less: Accumulated Depreciation	(22,188,041)	(21,386,250)	(801,791)
Totals	$19,011,720	$17,475,001	$1,536,719

Land additions included the purchase of 26 acres of property which will be maintained as a natural preserve, as well as bikeway land acquisition. Land improvement additions can mostly be attributed to golf course drainage improvements. Infrastructure additions included bikeway improvements, Idora bridge and Sycamore bridge improvements, as well as parking lot and roadway improvements. Additions to machinery and equipment included a truck, various equipment for grounds maintenance, and computer hardware.

During 2019 the District increased its capitalization threshold from $2,500 to $3,000.

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

Long Term Obligations

The following table summarizes the District's noncurrent liabilities outstanding as of December 31, 2019 and 2018:

	2019	2018
Governmental Activities:		
Compensated Absences	$390,328	$350,831
Total Governmental Activities	$390,328	$350,831

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

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, Finance Director/Treasurer, Mill Creek Metropolitan Park District, 7574 Columbiana-Canfield Road, Canfield, Ohio 44406, or by calling 330-702-3000.

This Page Intentionally Left Blank

This Page Intentionally Left Blank

Statement of Net Position
December 31, 2019

		Component Unit
	Governmental Activities	Mill Creek MetroParks Foundation
Assets:		
Pooled Cash and Investments	$ 4,502,126	$ 0
Investments	0	1,273,553
Receivables:		
Property Taxes	8,079,894	0
Accounts	40,610	0
Intergovernmental	621,468	0
Prepaid Items	0	382
Restricted Assets:		
Investments	0	1,778,007
Non-Depreciable Capital Assets	4,158,887	0
Depreciable Capital Assets, Net	14,852,833	0
Total Assets	32,255,818	3,051,942
Deferred Outflows of Resources:		
Pension	2,277,418	0
OPEB	290,502	0
Total Deferred Outflows of Resources	2,567,920	0
Liabilities:		
Accounts Payable	152,662	0
Accrued Wages and Benefits Payable	165,660	0
Intergovernmental Payable	1,961	0
Unearned Revenue	135,046	0
Noncurrent Liabilities:		
Due Within One Year	123,921	0
Due in More Than One Year:		
Net Pension Liability	7,731,627	0
Net OPEB Liability	3,704,255	0
Other Amounts Due in More Than One Year	266,407	0
Total Liabilities	12,281,539	0
Deferred Inflows of Resources:		
Property Tax Levy for Next Fiscal Year	7,106,336	0
Pension	197,963	0
OPEB	56,495	0
Total Deferred Inflows of Resources	7,360,794	0

	Governmental Activities	Component Unit Mill Creek MetroParks Foundation
Net Position:		
Net Investment in Capital Assets	19,011,720	0
Restricted For:		
Capital Projects	1,058,935	0
Other Purposes	13,520	0
Unrestricted (Deficit)	(4,902,770)	3,051,942
Total Net Position	$ 15,181,405	$ 3,051,942

See accompanying notes to the basic financial statements

Statement Of Activities
For The Year Ended December 31, 2019

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Administration	$ 2,268,946	$ 0	$ 0	$ 0
Park Operations	5,021,845	754,178	321,582	674,930
Golf Course	1,833,106	822,152	0	0
Law Enforcement	1,670,505	10,373	9,958	0
Total Primary Government	$ 10,794,402	$ 1,586,703	$ 331,540	$ 674,930
Component Unit:				
Mill Creek MetroParks Foundation	$ 81,093	$ 0	$ 850,336	$ 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

Net (Expense) Revenue and Changes in Net Position	Component Unit
Governmental Activities	Mill Creek MetroParks Foundation
$ (2,268,946)	
(3,271,155)	
(1,010,954)	
(1,650,174)	
$ (8,201,229)	
	$ 769,243
6,840,395	0
1,353,539	0
110,207	285,227
186,364	0
8,490,505	285,227
289,276	1,054,470
14,892,129	1,997,472
$ 15,181,405	$ 3,051,942

Balance Sheet
Governmental Funds
December 31, 2019

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled Cash and Investments	$ 3,432,539	$ 1,069,587	$ 4,502,126
Receivables:			
Property Taxes	8,079,894	0	8,079,894
Accounts	37,742	2,868	40,610
Intergovernmental	621,468	0	621,468
Total Assets	$ 12,171,643	$ 1,072,455	$ 13,244,098
Liabilities:			
Accounts Payable	$ 152,662	$ 0	$ 152,662
Accrued Wages and Benefits Payable	165,660	0	165,660
Intergovernmental Payable	1,961	0	1,961
Unearned Revenue	135,046	0	135,046
Total Liabilities	455,329	0	455,329
Deferred Inflows of Resources:			
Unavailable Amounts	1,387,870	0	1,387,870
Property Tax Levy for Next Fiscal Year	7,106,336	0	7,106,336
Total Deferred Inflows of Resources	8,494,206	0	8,494,206
Fund Balances:			
Nonspendable	1,015	0	1,015
Restricted	0	1,072,455	1,072,455
Assigned	2,418,804	0	2,418,804
Unassigned	802,289	0	802,289
Total Fund Balances	3,222,108	1,072,455	4,294,563
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 12,171,643	$ 1,072,455	$ 13,244,098

See accompanying notes to the basic financial statements

Reconciliation Of Total Governmental Fund Balances To Net Position Of Governmental Activities December 31, 2019

Total Governmental Fund Balances		$	4,294,563
Amounts reported for governmental activities in the statement of net position are different because			
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.			19,011,720
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			1,387,870
The net pension/OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred Outflows - Pension	2,277,418		
Deferred Inflows - Pension	(197,963)		
Net Pension Liability	(7,731,627)		
Deferred Outflows - OPEB	290,502		
Deferred Inflows - OPEB	(56,495)		
Net OPEB Liability	(3,704,255)		(9,122,420)
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			(390,328)
Net Position of Governmental Activities		$	15,181,405

See accompanying notes to the basic financial statements

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	$ 7,054,175	$ 0	$ 7,054,175
Intergovernmental Revenues	1,352,887	647,842	2,000,729
Fines and Forfeitures	3,122	4,103	7,225
Charges for Services	1,579,478	0	1,579,478
Gas Royalties	0	58,983	58,983
Donations	319,276	0	319,276
Investment Earnings	85,989	24,218	110,207
All Other Revenue	127,381	0	127,381
Total Revenues	10,522,308	735,146	11,257,454
Expenditures:			
Current:			
Administration	2,059,766	0	2,059,766
Park Operations	5,089,788	0	5,089,788
Golf Course	1,815,419	0	1,815,419
Law Enforcement	1,315,721	8,957	1,324,678
Capital Outlay	0	864,088	864,088
Total Expenditures	10,280,694	873,045	11,153,739
Excess (Deficiency) of Revenues Over (Under) Expenditures	241,614	(137,899)	103,715
Other Financing Sources (Uses):			
Insurance Proceeds	29,394	0	29,394
Total Other Financing Sources (Uses)	29,394	0	29,394
Net Change in Fund Balance	271,008	(137,899)	133,109
Fund Balances at Beginning of Year	2,951,100	1,210,354	4,161,454
Fund Balances End of Year	$ 3,222,108	$ 1,072,455	$ 4,294,563

See accompanying notes to the basic financial statements

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, 2019

Net Change in Fund Balances - Total Governmental Funds		$ 133,109
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 outlay exceeded depreciation in the current period.		
Capital Outlay	2,518,615	
Depreciation Expense	(949,109)	1,569,506
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net position.		
The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.		(32,787)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(203,170)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	554,606	
OPEB	0	554,606
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(1,400,521)	
OPEB	(291,970)	(1,692,491)
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		(39,497)
Change in Net Position of Governmental Activities		$ 289,276

See accompanying notes to the basic financial statements

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) General Fund For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 7,097,724	$ 7,054,175	$ 7,054,175	$ 0
Intergovernmental Revenues	1,350,655	1,342,368	1,363,951	21,583
Fines and Forfeitures	0	0	6,370	6,370
Charges for Services	744,358	739,791	1,589,751	849,960
Donations	3,350,000	376,394	376,467	73
Investment Earnings	90,078	89,525	85,989	(3,536)
All Other Revenue	748,671	744,078	123,196	(620,882)
Total Revenues	13,381,486	10,346,331	10,599,899	253,568
Expenditures:				
Current:				
Administration	3,841,924	3,174,822	2,224,290	950,532
Park Operations	6,843,001	5,654,799	5,334,947	319,852
Golf Course	3,105,695	2,566,430	1,856,248	710,182
Law Enforcement	1,692,013	1,398,216	1,404,865	(6,649)
Total Expenditures	15,482,633	12,794,267	10,820,350	1,973,917
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,101,147)	(2,447,936)	(220,451)	2,227,485
Other Financing Sources (Uses):				
Insurance Proceeds	0	35,155	35,156	1
Total Other Financing Sources (Uses):	0	35,155	35,156	1
Net Change in Fund Balance	(2,101,147)	(2,412,781)	(185,295)	2,227,486
Fund Balance at Beginning of Year	2,479,706	2,479,706	2,479,706	0
Prior Year Encumbrances	436,852	436,852	436,852	0
Fund Balance at End of Year	$ 815,411	$ 503,777	$ 2,731,263	$ 2,227,486

See accompanying notes to the basic financial statements

Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 five 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 MetroParks 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 MetroParks 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 Board includes two members from the District Board, three members selected by the District Board, and two members selected by the Mahoning County Probate Judge.

Financial information on the Foundation can be obtained by contacting the Mill Creek Metropolitan Park District.

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 is the District's only major governmental fund:

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.

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

This space intentionally left blank

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.

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, 2019 but which are not intended to finance 2019 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 5.

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.

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 fund level. Budgetary modifications must be approved by 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 2019.

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 fund level. The allocation of appropriations within a fund may be modified with the approval of the District Board of 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.

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 statement to the budgetary basis statement for the General Fund:

Net Change in Fund Balance	General Fund
GAAP Basis (as reported)	$271,008
Increase (Decrease):	
Accrued Revenues at December 31, 2019 received during 2020	(244,898)
Accrued Revenues at December 31, 2018 received during 2019	311,155
Accrued Expenditures at December 31, 2019 paid during 2020	455,329
Accrued Expenditures at December 31, 2018 paid during 2019	(329,105)
2018 Prepaids for 2019	52,492
Outstanding Encumbrances	(700,261)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	(1,015)
Budget Basis	($185,295)

F. Cash and Investments

Cash and cash equivalents include amounts in demand deposits, a money market account, 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 4, "Cash, Cash Equivalents and Investments."

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. The District allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*" and GASB Statement No. 72, *"Fair Value Measurement and Application,"* the District records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 4, "Cash, Cash Equivalents and Investments."

The District's investment in the State Treasury Asset Reserve of Ohio (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 and is recognized as an external investment pool by the District. The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets and Depreciation

Capital assets are defined by the District as assets with an initial, individual cost of more than $3,000.

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 acquisition 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.

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:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Long-Term Obligations

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

Obligation	Fund
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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Pension/OPEB

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

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 of 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.

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.

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. For the District, deferred outflows of resources are reported for pension/OPEB amounts on the government-wide statement of net position. See Notes 8 and 9.

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. Deferred inflows of resources related to pension/OPEB are reported on the government-wide statement of net position. See Notes 8 and 9.

Q. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2019, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 83, “Certain Asset Retirement Obligations,” Statement No. 84, “Fiduciary Activities,” Statement No. 88, “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,” and Statement No. 90, “Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61.”

GASB Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments.

GASB Statement No. 88 revises the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements.

GASB Statement No. 90 establishes criteria for reporting a government’s majority equity interest in a legally separate organization.

These changes were incorporated in the District’s 2019 financial statements; however, there was no effect on beginning net position/fund balance.

This Space Intentionally Left Blank

NOTE 3 – 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	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Unclaimed Funds	$1,015	$0	$1,015
Total Nonspendable	1,015	0	1,015
Restricted:			
Capital Improvements	0	1,058,935	1,058,935
Law Enforcement	0	13,520	13,520
Total Restricted	0	1,072,455	1,072,455
Assigned:			
Budget Resource	1,729,444	0	1,729,444
Encumbrances	689,360	0	689,360
Total Assigned	2,418,804	0	2,418,804
Unassigned	802,289	0	802,289
Total Fund Balances	$3,222,108	$1,072,455	$4,294,563

This space intentionally left blank

NOTE 4 - 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).

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At year end the carrying amount of the District's deposits was $3,436,611 and the bank balance was $3,507,292. The Federal Deposit Insurance Corporation (FDIC) covered $1,104,652 of the bank balance, and $2,402,640 was uninsured and was collateralized with securities held in the Ohio Pooled Collateral System.

B. Investments

The District's investments at December 31, 2019 are summarized below:

			Investment Maturities (in Years)		
	Fair Value[2]	Credit Rating	less than 1	1-3	3-5
STAR Ohio	$1,065,515	AAAm [1]	$1,065,515	$0	$0
Total Investments	$1,065,515		$1,065,515	$0	$0

[1] Standard & Poor's
[2] Reported at amortized cost

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued)

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.

C. Component Unit

The Mill Creek MetroParks Foundation's investments at December 31, 2019 were as follows:

				Investment Maturities (in Years)	
	Fair Value	Credit Rating	Fair Value Hierarchy	Less than 1	1-3 years
US Money Market[2]	$515,586	AA+[1]	NA	$515,586	$0
US Treasury Notes & Bonds	200,532	AA+[1]	Level 1	200,532	0
FFCB	100,022	AA+[1]	Level 2	0	100,022
FHLMC	99,910	AA+[1]	Level 2	99,910	0
Corporate Bonds	306,827	A[1]	Level 2	0	306,827
Mutual Funds[2]	1,828,683	NA	NA	1,828,683	0
Total Investments	$3,051,560			$2,644,711	$406,849

[1] Standard & Poor's
[2] Reported at amortized cost

Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 5- 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 2019 were levied after October 1, 2018 on assessed values as of January 1, 2018, 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 2018. 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, 2019 was $2.00 per $1,000 of assessed value. The assessed value upon which the 2019 levy was based was $4,247,525,940. This amount constitutes $3,937,442,840 in real property assessed value and $310,083,100 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 .20% (2.00 mills) of assessed value.

This space intentionally left blank

NOTE 6 - RECEIVABLES

Receivables at December 31, 2019 consisted of taxes, accounts, and intergovernmental receivables.

NOTE 7 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at December 31, 2019:

Historical Cost:

Class	2018	Additions	Deletions	2019
Capital assets not being depreciated:				
Land	$3,689,932	$468,955	$0	$4,158,887
Capital assets being depreciated:				
Land Improvements	3,918,950	340,593	(24,560)	4,234,983
Buildings and Improvements	16,415,299	240,596	(57,491)	16,598,404
Infrastructure	10,339,456	1,139,301	(24,738)	11,454,019
Machinery and Equipment	4,497,614	329,170	(73,316)	4,753,468
Total Cost	$38,861,251	$2,518,615	($180,105)	$41,199,761

Accumulated Depreciation:

Class	2018	Additions	Deletions	2019
Land Improvements	($1,672,359)	($154,135)	$17,322	($1,809,172)
Buildings and Improvements	(9,689,349)	(367,127)	43,118	(10,013,358)
Infrastructure	(7,158,355)	(260,205)	21,903	(7,396,657)
Machinery and Equipment	(2,866,187)	(167,642)	64,975	(2,968,854)
Total Depreciation	($21,386,250)	($949,109) *	$147,318	($22,188,041)
Net Value:	$17,475,001			$19,011,720

* Depreciation expenses were charged to governmental functions as follows:

Park Operations	$804,152
Golf Course	112,426
Law Enforcement	32,531
Total Depreciation Expense	$949,109

NOTE 8 – DEFINED BENEFIT PENSION PLAN

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the District's proportionate share of the pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	**Public Safety**	**Public Safety**
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements: Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	**Public Safety and Law Enforcement**	**Public Safety and Law Enforcement**
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Public Safety	Law Enforcement
2019 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2019 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** This rate is determined by OPERS' Board and has no maximum rate established by ORC.

*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District’s contractually required contribution was $554,606 for 2019. Of this amount, $44,286 is reported as an intergovernmental payable.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportionate Share of the Net Pension Liability	$7,731,627
Proportion of the Net Pension Liability-2019	0.028230%
Proportion of the Net Pension Liability-2018	0.028331%
Percentage Change	(0.000101%)
Pension Expense	$1,400,521

At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outflows of Resources	
Changes in assumptions	$673,057
Differences between expected and actual experience	357
Net difference between projected and actual earnings on pension plan investments	1,049,398
District contributions subsequent to the measurement date	554,606
Total Deferred Outflows of Resources	$2,277,418
Deferred Inflows of Resources	
Differences between expected and actual experience	$101,524
Change in proportionate share	96,439
Total Deferred Inflows of Resources	$197,963

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

$554,606 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Year Ending December 31:	
2020	$600,966
2021	338,485
2022	97,351
2023	488,047
Total	$1,524,849

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018 and December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2018
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

	December 31, 2017
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	$11,421,858	$7,731,627	$4,665,008

NOTE 9 - DEFINED BENEFIT OPEB PLAN

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions–between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the District's proportionate share of the OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

NOTE 9 - DEFINED BENEFIT OPEB PLAN (Continued)

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (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 trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

NOTE 9 - DEFINED BENEFIT OPEB PLAN (Continued)

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was $0 for 2019.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The District's proportion of the net OPEB liability was based on the District's share of contributions to the retirement plan relative to the contributions of all participating entities.

NOTE 9 - DEFINED BENEFIT OPEB PLAN (Continued)

Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportionate Share of the Net OPEB Liability	$3,704,255
Proportion of the Net OPEB Liability-2019	0.028412%
Proportion of the Net OPEB Liability-2018	0.028423%
Percentage Change	(0.000011%)
OPEB Expense	$291,970

At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Changes in assumptions	$119,430
Differences between expected and actual experience	1,255
Net difference between projected and actual earnings on OPEB plan investments	169,817
Total Deferred Outflows of Resources	$290,502
Deferred Inflows of Resources	
Differences between expected and actual experience	$10,051
Change in proportionate share	46,444
Total Deferred Inflows of Resources	$56,495

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Year Ending December 31:	
2020	$90,223
2021	30,266
2022	27,970
2023	85,548
Total	$234,007

NOTE 9 - DEFINED BENEFIT OPEB PLAN (Continued)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.50 percent
Municipal Bond Rate:	
Current measurement date	3.71 percent
Prior Measurement date	3.31 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Prior Measurement date	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

NOTE 9 - DEFINED BENEFIT OPEB PLAN (Continued)

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.60 percent for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent.

NOTE 9 - DEFINED BENEFIT OPEB PLAN (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
District's proportionate share of the net OPEB liability	$4,739,122	$3,704,255	$2,881,261

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
District's proportionate share of the net OPEB liability	$3,560,592	$3,704,255	$3,869,714

NOTE 10 - LONG-TERM OBLIGATIONS

Detail of the changes in long-term obligations of the District for the year ended December 31, 2019 is as follows:

	Balance December 31, 2018	Additions	Deductions	Balance December 31, 2019	Amount Due Within One Year
Governmental Activities:					
Compensated Absences	$350,831	$149,245	($109,748)	$390,328	$123,921
Total Long-Term Obligations	$350,831	$149,245	($109,748)	$390,328	$123,921

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. 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 York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

<u>Casualty and Property Coverage</u>
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, 2018 (the latest information available) PEP retained $500,000 for casualty claims and $250,000 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.

NOTE 11 - RISK MANAGEMENT (Continued)

Financial Position

PEP's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2018 and 2017 (the latest information available):

	2018	2017
Assets	$49,921,998	$44,452,326
Liabilities	(14,676,199)	(13,004,011)
Net Position	$35,245,799	$31,448,315

At December 31, 2017 and 2018, respectively, the liabilities above include approximately $11.8 million and $13.0 million of estimated incurred claims payable. The assets above also include approximately $11.2 million and $11.8 million of unpaid claims to be billed. The Pool's membership increased from 527 members in 2017 to 538 members in 2018. These amounts will be included in future contributions from members when the related claims are due for payment.

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 (the latest information available).

Contributions to PEP	
2018	$229,672

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.

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 - SIGNIFICANT COMMITMENTS

At December 31, 2019 the District had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	$700,260
Other Governmental Funds	196,556
Total Governmental Funds	$896,816

NOTE 13 - 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, 2019.

NOTE 14 – SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

On May 12, 2020 the District issued a $3,500,000 note for the purpose of completing certain renovations and improvements to the Ford Nature Center. The note carries an interest rate of 2.99% and matures in 2029.

This Page Intentionally Left Blank

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of District's Proportionate Share of the Net Pension Liability
Last Six Years

Ohio Public Employees Retirement System

Fiscal Year	2014	2015	2016
District's proportion of the net pension liability (asset)	0.037853%	0.037853%	0.034535%
District's proportionate share of the net pension liability (asset)	$4,462,376	$4,565,496	$5,981,919
District's covered payroll	$4,622,537	$4,509,778	$4,133,194
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	96.54%	101.24%	144.73%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Notes: The District implemented GASB Statement 68 in 2015.
The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2014 is not available.
The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.
See notes to the required supplementary information

2017	2018	2019
0.029901%	0.028331%	0.028230%
$6,789,915	$4,444,554	$7,731,627
$3,626,331	$3,561,397	$3,634,434
187.24%	124.80%	212.73%
77.25%	84.66%	74.70%

Schedule of District Pension Contributions
Last Seven Years

Ohio Public Employees Retirement System

Fiscal Year	2013	2014	2015
Contractually required contribution	$624,967	$564,746	$519,817
Contributions in relation to the contractually required contribution	624,967	564,746	519,817
Contribution deficiency (excess)	$0	$0	$0
District's covered payroll	$4,622,537	$4,509,778	$4,133,194
Contributions as a percentage of covered payroll	13.52%	12.52%	12.58%

Source: Treasurer and the Ohio Public Employees Retirement System

Notes: The District implemented GASB Statement 68 in 2015.
Information prior to 2013 is not available.
See notes to the required supplementary information

2016	2017	2018	2019
$466,233	$487,362	$534,021	$554,606
466,233	487,362	534,021	554,606
$0	$0	$0	$0
$3,626,331	$3,561,397	$3,634,434	$3,768,218
12.86%	13.68%	14.69%	14.72%

This Page Intentionally Left Blank

Schedule of District's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability
Last Three Years

Ohio Public Employees Retirement System

Year	2017	2018	2019
District's proportion of the net OPEB liability (asset)	0.029725%	0.028423%	0.028412%
District's proportionate share of the net OPEB liability (asset)	$3,002,328	$3,086,498	$3,704,255
District's covered payroll	$3,626,331	$3,561,397	$3,634,434
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	82.79%	86.67%	101.92%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Notes: The District implemented GASB Statement 75 in 2018.
Information prior to 2016 is not available.
The schedule is reported as of the measurement date of the Net OPEB Liability.
See notes to the required supplementary information

Schedule of District's Other Postemployment Benefit (OPEB) Contributions
Last Seven Years

Ohio Public Employees Retirement System

Year	2013	2014	2015
Contractually required contribution	$46,225	$90,196	$82,664
Contributions in relation to the contractually required contribution	46,225	90,196	82,664
Contribution deficiency (excess)	$0	$0	$0
District's covered payroll	$4,622,537	$4,509,778	$4,133,194
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Notes: The District implemented GASB Statement 75 in 2018.
Information prior to 2013 is not available.
See notes to the required supplementary information

2016	2017	2018	2019
$72,527	$35,614	$0	$0
72,527	35,614	0	0
$0	$0	$0	$0
$3,626,331	$3,561,397	$3,634,434	$3,768,218
2.00%	1.00%	0.00%	0.00%

Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2019.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:
- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality Table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:
- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

NET OPEB LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2019.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2018

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, 2018. 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 2018 are as follows:

- Net position increased $1,572,846, which represents a 12% increase from 2017.
- General revenues accounted for $8,884,832 in revenue or 77% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for $2,599,501 or 23% of total revenues of $11,484,333.
- The District had $9,911,487 in expenses related to governmental activities; only $2,599,501 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and unrestricted intergovernmental revenues) of $8,884,832 were adequate to provide for these programs.
- Among major funds, the general fund had $10,402,997 in revenues and $10,983,209 in expenditures. The general fund's fund balance decreased $886,747 to $2,951,100.

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.

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:

- <u>*Governmental Activities*</u> – 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.

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2018

Government-Wide Financial Analysis

The following table provides a comparison of the District's net position at December 31, 2018 and 2017:

	Governmental Activities	
	2018	Restated 2017
Current and Other Assets	$13,119,964	$13,314,849
Capital Assets, Net	17,475,001	15,593,574
Total Assets	30,594,965	28,908,423
Deferred Outflows of Resources	1,296,848	2,620,318
Net Pension Liability	4,444,554	6,789,915
Net OPEB Liability	3,086,498	3,002,328
Long-Term Liabilities	350,831	381,230
Other Liabilities	344,824	455,171
Total Liabilities	8,226,707	10,628,644
Deferred Inflows of Resources	8,772,977	7,580,814
Net Position		
Net Investment in Capital Assets	17,475,001	15,593,574
Restricted	1,210,354	711,383
Unrestricted	(3,793,226)	(2,985,674)
Total Net Position	$14,892,129	$13,319,283

The net pension liability (NPL) is reported by the District pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017 from $16,285,997 to $13,319,283.

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2018

Changes in Net Position – The following table provides the changes in net position for fiscal years 2018 and 2017:

	Governmental Activities	
	2018	2017
Revenues		
Program Revenues:		
Charges for Services and Sales	$1,613,385	$1,675,245
Operating Grants and Contributions	217,862	467,078
Capital Grants and Contributions	768,254	312,436
Total Program Revenues	2,599,501	2,454,759
General Revenues:		
Property Taxes	7,276,111	6,911,338
Intergovernmental Revenue, Unrestricted	1,325,815	1,301,945
Investment Earnings	87,403	50,336
Miscellaneous	195,503	166,545
Total General Revenues	8,884,832	8,430,164
Total Revenues	11,484,333	10,884,923
Program Expenses		
Administration	2,799,547	2,146,864
Park Operations	3,831,909	4,089,426
Golf Course	1,953,966	2,067,284
Law Enforcement	1,326,065	1,385,297
Total Expenses	9,911,487	9,688,871
Change in Net Position	1,572,846	1,196,052
Beginning Net Position - Restated	13,319,283	N/A
Ending Net Position - Restated	$14,892,129	$13,319,283

Governmental Activities

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of $35,614 for Governmental Activities computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of $211,564 for Governmental Activities.

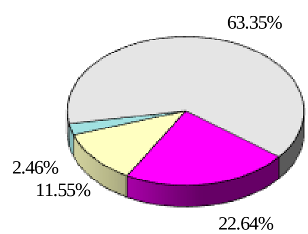
Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2018

Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities
Total 2018 program expenses under GASB 75	$9,911,487
OPEB expense under GASB 75	(211,564)
2018 contractually required contribution	0
Adjusted 2018 program expenses	9,699,923
Total 2017 program expenses under GASB 45	9,688,871
Change in program expenses not related to OPEB	$11,052

Property taxes made up 63% of revenues for the District in fiscal year 2018. The District's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2018	Percent of Total
Property Taxes	$7,276,111	63.35%
Program Revenues	2,599,501	22.64%
Intergovernmental, Unrestricted	1,325,815	11.55%
General Other	282,906	2.46%
Total Revenue	$11,484,333	100.00%



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 11% less than final budget appropriations.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of $4,161,454, which is a decrease from last year's balance of $4,549,230. The schedule below indicates the fund balance and the total change in fund balance at December 31, 2018 and 2017:

	Fund Balance December 31, 2018	Fund Balance December 31, 2017	Increase (Decrease)
General	$2,951,100	$3,837,847	($886,747)
Other Governmental	1,210,354	711,383	498,971
Total	$4,161,454	$4,549,230	($387,776)

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2018

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:

	2018 Revenues	2017 Revenues	Increase (Decrease)
Property Taxes	$6,995,924	$6,846,602	$149,322
Intergovernmental Revenues	1,336,923	1,305,521	31,402
Fines and Forfeitures	8,967	9,304	(337)
Charges for Services	1,596,076	1,663,456	(67,380)
Donations	270,512	666,129	(395,617)
Investment Earnings	67,282	42,569	24,713
All Other Revenue	127,313	102,195	25,118
Total	$10,402,997	$10,635,776	($232,779)

General Fund revenues decreased 2% when compared to revenues in 2017. This decrease can mostly be attributed to donations received in the prior year from the Mill Creek Foundation and individuals.

	2018 Expenditures	2017 Expenditures	Increase (Decrease)
Administration	$2,766,528	$2,011,920	$754,608
Park Operations	4,604,262	4,142,723	461,539
Golf Course	2,235,932	2,292,179	(56,247)
Law Enforcement	1,376,487	1,258,689	117,798
Total	$10,983,209	$9,705,511	$1,277,698

General Fund expenditures increased $1,277,698, or 13% when compared with the previous year. Increases in administration can mostly be attributed to the pass through of donations to the Mill Creek Foundation. An increase in park operations was the result of various capital projects. In 2018 the District began utilizing the Austintown-Boardman-Mahoning County Joint Communications District for dispatch services. The initial, upfront costs associated with using the new dispatch service contributed to an increase in law enforcement expenditures.

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2018 the District had $17,475,001 net of accumulated depreciation invested in land, land improvements, buildings and improvements, machinery and equipment, and infrastructure. The following table shows fiscal year 2018 and 2017 balances:

	Governmental Activities		Increase (Decrease)
	2018	2017	
Land	$3,689,932	$3,593,440	$96,492
Land Improvements	3,918,950	3,318,615	600,335
Buildings and Improvements	16,415,299	15,951,302	463,997
Infrastructure	10,339,456	9,312,978	1,026,478
Machinery and Equipment	4,497,614	4,949,043	(451,429)
Less: Accumulated Depreciation	(21,386,250)	(21,531,804)	145,554
Totals	$17,475,001	$15,593,574	$1,881,427

Land improvements included golf course bunker restoration, and improvements to the waterwheel at Lanterman's Mill. Building and improvement additions included improvements to the Ford Nature Center. Infrastructure additions included phase three bikeway improvements, improvements to East Cohasset Drive, and resurfacing of West Newport Drive.

Additional information on the District's capital assets can be found in Note 8.

Debt

The following table summarizes the District's noncurrent liabilities outstanding as of December 31, 2018 and 2017:

	2018	Restated 2017
Governmental Activities:		
Compensated Absences	$350,831	$381,230
Net Pension Liability	4,444,554	6,789,915
Net OPEB Liability	3,086,498	3,002,328
Total Governmental Activities	$7,881,883	$10,173,473

Additional information on the District's long term liabilities can be found in Note 11.

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2018

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, Finance Director/Treasurer, Mill Creek Metropolitan Park District, 7574 Columbiana-Canfield Road, P.O. Box 596, Canfield, Ohio 44406, or by calling 330-702-3000.

This Page Intentionally Left Blank

This Page Intentionally Left Blank

Statement of Net Position
December 31, 2018

	Governmental Activities	Component Unit Mill Creek MetroParks Foundation
Assets:		
Pooled Cash and Investments	$ 4,123,935	$ 0
Investments	0	635,049
Receivables:		
Property Taxes	8,209,984	0
Accounts	105,423	0
Intergovernmental	628,130	0
Prepaid Items	52,492	382
Restricted Assets:		
Investments	0	1,362,041
Non-Depreciable Capital Assets	3,689,932	0
Depreciable Capital Assets, Net	13,785,069	0
Total Assets	30,594,965	1,997,472
Deferred Outflows of Resources:		
Pension	1,069,714	0
OPEB	227,134	0
Total Deferred Outflows of Resources	1,296,848	0
Liabilities:		
Accounts Payable	77,024	0
Accrued Wages and Benefits Payable	146,220	0
Intergovernmental Payable	2,046	0
Unearned Revenue	119,534	0
Noncurrent Liabilities:		
Due Within One Year	109,748	0
Due in More Than One Year:		
Net Pension Liability	4,444,554	0
Net OPEB Liability	3,086,498	0
Other Amounts Due in More Than One Year	241,083	0
Total Liabilities	8,226,707	0
Deferred Inflows of Resources:		
Property Tax Levy for Next Fiscal Year	7,022,646	0
Pension	1,431,417	0
OPEB	318,914	0
Total Deferred Inflows of Resources	8,772,977	0

	Governmental Activities	Component Unit: Mill Creek MetroParks Foundation
Net Position:		
Net Investment in Capital Assets	17,475,001	0
Restricted For:		
Capital Projects	1,191,980	0
Other Purposes	18,374	0
Unrestricted (Deficit)	(3,793,226)	1,997,472
Total Net Position	$ 14,892,129	$ 1,997,472

See accompanying notes to the basic financial statements

Statement Of Activities
For The Year Ended December 31, 2018

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Administration	$ 2,799,547	$ 0	$ 0	$ 0
Park Operations	3,831,909	752,433	201,742	768,254
Golf Course	1,953,966	843,643	0	0
Law Enforcement	1,326,065	17,309	16,120	0
Total Primary Government	$ 9,911,487	$ 1,613,385	$ 217,862	$ 768,254
Component Unit:				
Mill Creek MetroParks Foundation	$ 220,580	$ 0	$ 639,990	$ 0
	General Revenues:			
	Property Taxes			
	Intergovernmental Revenues, Unrestricted			
	Investment Earnings			
	Miscellaneous			
	Total General Revenues			
	Change in Net Position			
	Net Position Beginning of Year - Restated			
	Net Position End of Year			

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position	Component Unit
Governmental Activities	Mill Creek MetroParks Foundation
$ (2,799,547)	
(2,109,480)	
(1,110,323)	
(1,292,636)	
$ (7,311,986)	
	$ 419,410
7,276,111	0
1,325,815	0
87,403	(93,561)
195,503	0
8,884,832	(93,561)
1,572,846	325,849
13,319,283	1,671,623
$ 14,892,129	$ 1,997,472

Balance Sheet
Governmental Funds
December 31, 2018

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled Cash and Investments	$ 2,916,558	$ 1,207,377	$ 4,123,935
Receivables:			
Property Taxes	8,209,984	0	8,209,984
Accounts	91,999	13,424	105,423
Intergovernmental	622,858	5,272	628,130
Prepaid Items	52,492	0	52,492
Total Assets	$ 11,893,891	$ 1,226,073	$ 13,119,964
Liabilities:			
Accounts Payable	$ 61,305	$ 15,719	$ 77,024
Accrued Wages and Benefits Payable	146,220	0	146,220
Intergovernmental Payable	2,046	0	2,046
Unearned Revenue	119,534	0	119,534
Total Liabilities	329,105	15,719	344,824
Deferred Inflows of Resources:			
Unavailable Amounts	1,591,040	0	1,591,040
Property Tax Levy for Next Fiscal Year	7,022,646	0	7,022,646
Total Deferred Inflows of Resources	8,613,686	0	8,613,686
Fund Balances:			
Nonspendable	52,492	0	52,492
Restricted	0	1,210,354	1,210,354
Assigned	2,049,860	0	2,049,860
Unassigned	848,748	0	848,748
Total Fund Balances	2,951,100	1,210,354	4,161,454
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 11,893,891	$ 1,226,073	$ 13,119,964

See accompanying notes to the basic financial statements

Reconciliation Of Total Governmental Fund Balances To Net Position Of Governmental Activities December 31, 2018

Total Governmental Fund Balances		$	4,161,454
Amounts reported for governmental activities in the statement of net position are different because			
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.			17,475,001
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			1,591,040
The net pension/OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred Outflows - Pension	1,069,714		
Deferred Inflows - Pension	(1,431,417)		
Net Pension Liability	(4,444,554)		
Deferred Outflows - OPEB	227,134		
Deferred Inflows - OPEB	(318,914)		
Net OPEB Liability	(3,086,498)		(7,984,535)
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			(350,831)
Net Position of Governmental Activities		$	14,892,129

See accompanying notes to the basic financial statements

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	$ 6,995,924	$ 0	$ 6,995,924
Intergovernmental Revenues	1,336,923	679,071	2,015,994
Fines and Forfeitures	8,967	8,342	17,309
Charges for Services	1,596,076	0	1,596,076
Gas Royalties	0	68,190	68,190
Donations	270,512	0	270,512
Investment Earnings	67,282	20,121	87,403
All Other Revenue	127,313	0	127,313
Total Revenues	10,402,997	775,724	11,178,721
Expenditures:			
Current:			
Administration	2,766,528	0	2,766,528
Park Operations	4,604,262	0	4,604,262
Golf Course	2,235,932	0	2,235,932
Law Enforcement	1,376,487	0	1,376,487
Capital Outlay	0	876,753	876,753
Total Expenditures	10,983,209	876,753	11,859,962
Excess (Deficiency) of Revenues Over (Under) Expenditures	(580,212)	(101,029)	(681,241)
Other Financing Sources (Uses):			
Sale of Capital Assets	273,052	0	273,052
Transfers In	0	600,000	600,000
Transfers Out	(600,000)	0	(600,000)
Insurance Proceeds	20,413	0	20,413
Total Other Financing Sources (Uses)	(306,535)	600,000	293,465
Net Change in Fund Balance	(886,747)	498,971	(387,776)
Fund Balances at Beginning of Year	3,837,847	711,383	4,549,230
Fund Balances End of Year	$ 2,951,100	$ 1,210,354	$ 4,161,454

See accompanying notes to the basic financial statements

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, 2018

Net Change in Fund Balances - Total Governmental Funds		$ (387,776)
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	2,831,245	
Depreciation Expense	(833,435)	1,997,810
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net position.		
The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.		(116,383)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		285,199
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	534,021	
OPEB	0	534,021
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(558,860)	
OPEB	(211,564)	(770,424)
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		30,399
Change in Net Position of Governmental Activities		$ 1,572,846

See accompanying notes to the basic financial statements

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) General Fund For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 7,032,130	$ 6,838,175	$ 6,995,924	$ 157,749
Intergovernmental Revenues	1,323,929	1,287,414	1,317,113	29,699
Fines and Forfeitures	6,663	6,480	6,629	149
Charges for Services	1,607,076	1,562,751	1,598,802	36,051
Donations	266,503	259,153	265,131	5,978
Investment Earnings	67,630	65,765	67,282	1,517
All Other Revenue	127,153	123,643	126,497	2,854
Total Revenues	10,431,084	10,143,381	10,377,378	233,997
Expenditures:				
Current:				
Administration	3,255,541	3,423,161	2,860,339	562,822
Park Operations	5,349,167	5,624,582	4,962,944	661,638
Golf Course	2,276,865	2,394,095	2,318,864	75,231
Law Enforcement	1,444,658	1,519,040	1,416,591	102,449
Total Expenditures	12,326,231	12,960,878	11,558,738	1,402,140
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,895,147)	(2,817,497)	(1,181,360)	1,636,137
Other Financing Sources (Uses):				
Sale of Capital Assets	0	273,052	273,052	0
Transfers Out	(600,000)	(600,000)	(600,000)	0
Insurance Proceeds	0	14,651	14,651	0
Total Other Financing Sources (Uses):	(600,000)	(312,297)	(312,297)	0
Net Change in Fund Balance	(2,495,147)	(3,129,794)	(1,493,657)	1,636,137
Fund Balance at Beginning of Year	2,814,425	2,814,425	2,814,425	0
Prior Year Encumbrances	1,158,938	1,158,938	1,158,938	0
Fund Balance at End of Year	$ 1,478,216	$ 843,569	$ 2,479,706	$ 1,636,137

See accompanying notes to the basic financial statements

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 five 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 MetroParks 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 MetroParks 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 Board includes two members from the District Board, three members selected by the District Board, and two members selected by the Mahoning County Probate Judge.

Financial information on the Foundation can be obtained by contacting the Mill Creek Metropolitan Park District.

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 is the District's only major governmental fund:

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.

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

This space intentionally left blank

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.

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, 2018 but which are not intended to finance 2018 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 5.

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.

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 fund level. 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 2018.

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 fund level. The allocation of appropriations within a fund may be modified with the approval of the District Board of 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.

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 statement to the budgetary basis statement for the General Fund:

Net Change in Fund Balance	General Fund
GAAP Basis (as reported)	($886,747)
Increase (Decrease):	
Accrued Revenues at December 31, 2018 received during 2019	(311,155)
Accrued Revenues at December 31, 2017 received during 2018	272,358
Accrued Expenditures at December 31, 2018 paid during 2019	329,105
Accrued Expenditures at December 31, 2017 paid during 2018	(452,171)
2017 Prepaids for 2018	44,297
2018 Prepaids for 2019	(52,492)
Outstanding Encumbrances	(436,852)
Budget Basis	($1,493,657)

F. Cash and Investments

Cash and cash equivalents include amounts in demand deposits, a money market account, 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 4, "Cash, Cash Equivalents and Investments."

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. The District allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*" and GASB Statement No. 72, *"Fair Value Measurement and Application,"* the District records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 4, "Cash, Cash Equivalents and Investments."

The District's investment in the State Treasury Asset Reserve of Ohio (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 and is recognized as an external investment pool by the District. The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $50 million, requiring the excess amount to be transacted the following business day(s), but only to the $50 million limit. All accounts of the participant will be combined for these purposes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 acquisition 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.

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:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Long-Term Obligations

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

Obligation	Fund
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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Pension/OPEB

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

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 of 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.

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.

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. For the District, deferred outflows of resources are reported for pension/OPEB amounts on the government-wide statement of net position. See Notes 9 and 10.

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. Deferred inflows of resources related to pension/OPEB are reported on the government-wide statement of net position. See Notes 9 and 10.

Q. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For 2018, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," Statement No. 85, "Omnibus 2017," and Statement No. 86, "Certain Debt Extinguishment Issues."

GASB Statement No. 75 addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to OPEB.

GASB Statement No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

The implementation of GASB 75 had the following effect on net position as reported December 31, 2017:

	Governmental Activities
Net position December 31, 2017	$16,285,997
Adjustments:	
Net OPEB Liability	(3,002,328)
Deferred Outflow - Payments Subsequent to the Measurement Date	35,614
Restated Net Position December 31, 2017	$13,319,283

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

NOTE 3 – 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	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Prepaid Items	$52,492	$0	$52,492
Total Nonspendable	52,492	0	52,492
Restricted:			
Capital Improvements	0	1,191,980	1,191,980
Law Enforcement	0	18,374	18,374
Total Restricted	0	1,210,354	1,210,354
Assigned:			
Budget Resource	1,664,296	0	1,664,296
Encumbrances	385,564	0	385,564
Total Assigned	2,049,860	0	2,049,860
Unassigned	848,748	0	848,748
Total Fund Balances	$2,951,100	$1,210,354	$4,161,454

This space intentionally left blank

NOTE 4 - 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).

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At year end the carrying amount of the District's deposits was $2,633,838 and the bank balance was $2,934,562. The Federal Deposit Insurance Corporation (FDIC) covered $584,590 of the bank balance, and $2,349,972 was uninsured and was collateralized with securities held in the Ohio Pooled Collateral System.

B. Investments

The District's investments at December 31, 2018 are summarized below:

			Investment Maturities (in Years)		
	Fair Value[2]	Credit Rating	less than 1	1-3	3-5
STAR Ohio	$1,490,097	AAAm [1]	$1,490,097	$0	$0
Total Investments	$1,490,097		$1,490,097	$0	$0

[1] Standard & Poor's
[2] Reported at amortized cost

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued)

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.

C. Component Unit

The Mill Creek MetroParks Foundation's investments at December 31, 2018 were as follows:

				Investment Maturities (in Years)	
	Fair Value	Credit Rating	Fair Value Hierarchy	Less than 1	1-3 years
US Money Market[2]	$237,096	AA+[1]	NA	$237,096	$0
US Treasury Notes & Bonds	199,203	AA+[1]	Level 1	99,094	100,109
Corporate Bonds	100,381	A[1]	Level 2	0	100,381
Bond Mutual Funds[2]	686,727	NA	NA	686,727	0
Equity Mutual Funds[2]	773,683	NA	NA	773,683	0
Total Investments	$1,997,090			$1,796,600	$200,490

[1] Standard & Poor's
[2] Reported at amortized cost

NOTE 5- 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 2018 were levied after October 1, 2017 on assessed values as of January 1, 2017, 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 2017. 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, 2018 was $2.00 per $1,000 of assessed value. The assessed value upon which the 2018 levy was based was $4,221,394,560. This amount constitutes $3,923,471,520 in real property assessed value and $297,923,040 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 .20% (2.00 mills) of assessed value.

NOTE 6 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2018:

Fund	Transfer In	Transfer Out
General Fund	$0	$600,000
Other Governmental Funds	600,000	0
Totals	$600,000	$600,000

NOTE 7 - RECEIVABLES

Receivables at December 31, 2018 consisted of taxes, accounts and intergovernmental receivables.

NOTE 8 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at December 31, 2018:

Historical Cost:

Class	2017	Additions	Deletions	2018
Capital assets not being depreciated:				
Land	$3,593,440	$96,492	$0	$3,689,932
Capital assets being depreciated:				
Land Improvements	3,318,615	600,335	0	3,918,950
Buildings and Improvements	15,951,302	463,997	0	16,415,299
Infrastructure	9,312,978	1,026,478	0	10,339,456
Machinery and Equipment	4,949,043	643,943	(1,095,372)	4,497,614
Total Cost	$37,125,378	$2,831,245	($1,095,372)	$38,861,251

Accumulated Depreciation:

Class	2017	Additions	Deletions	2018
Land Improvements	($1,537,497)	($134,862)	$0	($1,672,359)
Buildings and Improvements	(9,336,224)	(353,125)	0	(9,689,349)
Infrastructure	(6,951,223)	(207,132)	0	(7,158,355)
Machinery and Equipment	(3,706,860)	(138,316)	978,989	(2,866,187)
Total Depreciation	($21,531,804)	($833,435) *	$978,989	($21,386,250)
Net Value:	$15,593,574			$17,475,001

* Depreciation expenses were charged to governmental functions as follows:

Park Operations	$711,922
Golf Course	95,026
Law Enforcement	26,487
Total Depreciation Expense	$833,435

NOTE 9 – DEFINED BENEFIT PENSION PLAN

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the District's proportionate share of the pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	**Public Safety**	**Public Safety**
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements: Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	**Public Safety and Law Enforcement**	**Public Safety and Law Enforcement**
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Law Enforcement
2018 Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee	10.0 %	*
2018 Actual Contribution Rates		
Employer:		
Pension	14.0 %	18.1 %
Post-employment Health Care Benefits	0.0	0.0
Total Employer	14.0 %	18.1 %
Employee	10.0 %	13.0 %

* This rate is determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was $534,021 for 2018. Of this amount, $41,586 is reported as an intergovernmental payable.

NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportionate Share of the Net Pension Liability	$4,444,554
Proportion of the Net Pension Liability-2018	0.028331%
Proportion of the Net Pension Liability-2017	0.029901%
Percentage Change	(0.001570%)
Pension Expense	$558,860

At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outflows of Resources	
Changes in assumptions	$531,154
Differences between expected and actual experience	4,539
District contributions subsequent to the measurement date	534,021
Total Deferred Outflows of Resources	$1,069,714
Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$954,190
Differences between expected and actual experience	87,588
Change in proportionate share	389,639
Total Deferred Inflows of Resources	$1,431,417

NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

$534,021 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Year Ending December 31:	
2019	$104,913
2020	(188,371)
2021	(420,173)
2022	(392,093)
Total	($895,724)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	$7,892,392	$4,444,554	$1,570,092

NOTE 10 - DEFINED BENEFIT OPEB PLAN

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the District's proportionate share of the OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

NOTE 10 - DEFINED BENEFIT OPEB PLAN (Continued)

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (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 trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

NOTE 10 - DEFINED BENEFIT OPEB PLAN (Continued)

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was $0 for 2018.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The District's proportion of the net OPEB liability was based on the District's share of contributions to the retirement plan relative to the contributions of all participating entities.

NOTE 10 - DEFINED BENEFIT OPEB PLAN (Continued)

Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportionate Share of the Net OPEB Liability	$3,086,498
Proportion of the Net OPEB Liability-2018	0.028423%
Proportion of the Net OPEB Liability-2017	0.029725%
Percentage Change	(0.001302%)
OPEB Expense	$211,564

At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Changes in assumptions	$224,730
Differences between expected and actual experience	2,404
Total Deferred Outflows of Resources	$227,134
Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$229,923
Change in proportionate share	88,991
Total Deferred Inflows of Resources	$318,914

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Year Ending December 31:	
2019	$8,566
2020	8,566
2021	(51,432)
2022	(57,480)
Total	($91,780)

NOTE 10 - DEFINED BENEFIT OPEB PLAN (Continued)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases,	3.25 to 10.75 percent
including inflation	including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial
	3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

NOTE 10 - DEFINED BENEFIT OPEB PLAN (Continued)

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

NOTE 10 - DEFINED BENEFIT OPEB PLAN (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
District's proportionate share of the net OPEB liability	$4,100,545	$3,086,498	$2,266,143

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
District's proportionate share of the net OPEB liability	$2,953,120	$3,086,498	$3,224,273

NOTE 11 - LONG-TERM OBLIGATIONS

Detail of the changes in long-term obligations of the District for the year ended December 31, 2018 is as follows:

	Restated Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018	Amount Due Within One Year
Governmental Activities:					
Compensated Absences	$381,230	$94,415	($124,814)	$350,831	$109,748
Net Pension Liability:					
Ohio Public Employees Retirement System	6,789,915	0	(2,345,361)	4,444,554	0
Net OPEB Liability:					
Ohio Public Employees Retirement System	3,002,328	84,170	0	3,086,498	0
Total Long-Term Obligations	$10,173,473	$178,585	($2,470,175)	$7,881,883	$109,748

NOTE 12 -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. 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 York. 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, 2017 (the latest information available), 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.

NOTE 12 -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 net position at December 31, 2017 (the latest information available):

	2017
Assets	$44,452,326
Liabilities	(13,004,011)
Net Position	$31,448,315

At December 31, 2017 (the latest information available) the liabilities above include approximately $11.8 million of estimated incurred claims payable. The assets above also include approximately $11.2 million of unpaid claims to be billed. The Pool's membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the District's share of these unpaid claims collectible in future years is approximately $146,961 (the latest information available).

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	
2017	$233,271

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.

NOTE 12 -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 13 - SIGNIFICANT COMMITMENTS

At December 31, 2018 the District had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	$436,851
Other Governmental Funds	384,691
Total Governmental Funds	$821,542

NOTE 14 -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, 2018.

REQUIRED SUPPLEMENTAL INFORMATION

Schedule of District's Proportionate Share of the Net Pension Liability Last Five Years

Ohio Public Employees Retirement System

Fiscal Year	2014	2015	2016
District's proportion of the net pension liability (asset)	0.037853%	0.037853%	0.034535%
District's proportionate share of the net pension liability (asset)	$4,462,376	$4,565,496	$5,981,919
District's covered payroll	$4,622,537	$4,509,778	$4,133,194
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	96.54%	101.24%	144.73%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Notes: The District implemented GASB Statement 68 in 2015.
The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2014 is not available.
The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

2017	2018
0.029901%	0.028331%
$6,789,915	$4,444,554
$3,626,331	$3,561,397
187.24%	124.80%
77.25%	84.66%

Schedule of District Pension Contributions
Last Six Years

Ohio Public Employees Retirement System

Fiscal Year	2013	2014	2015	2016
Contractually required contribution	$624,967	$564,746	$519,817	$466,233
Contributions in relation to the contractually required contribution	624,967	564,746	519,817	466,233
Contribution deficiency (excess)	$0	$0	$0	$0
District's covered payroll	$4,622,537	$4,509,778	$4,133,194	$3,626,331
Contributions as a percentage of covered payroll	13.52%	12.52%	12.58%	12.86%

Source: Treasurer and the Ohio Public Employees Retirement System

Notes: The District implemented GASB Statement 68 in 2015.
Information prior to 2013 is not available.

2017	2018
$487,362	$534,021
487,362	534,021
$0	$0
$3,561,397	$3,634,434
13.68%	14.69%

This Page Intentionally Left Blank

Schedule of District's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability
Last Two Years

Ohio Public Employees Retirement System

Year	2017	2018
District's proportion of the net OPEB liability (asset)	0.029725%	0.028423%
District's proportionate share of the net OPEB liability (asset)	$3,002,328	$3,086,498
District's covered payroll	$3,626,331	$3,561,397
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	82.79%	86.67%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Notes: The District implemented GASB Statement 75 in 2018.
Information prior to 2016 is not available.
The schedule is reported as of the measurement date of the Net OPEB Liability.

Schedule of District's Other Postemployment Benefit (OPEB) Contributions
Last Six Years

Ohio Public Employees Retirement System

Year	2013	2014	2015	2016
Contractually required contribution	$46,225	$90,196	$82,664	$72,527
Contributions in relation to the contractually required contribution	46,225	90,196	82,664	72,527
Contribution deficiency (excess)	$0	$0	$0	$0
District's covered payroll	$4,622,537	$4,509,778	$4,133,194	$3,626,331
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%	2.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Notes: The District implemented GASB Statement 75 in 2018.
Information prior to 2013 is not available.

2017	2018
$35,614	$0
35,614	0
$0	$0
$3,561,397	$3,634,434
1.00%	0.00%

Notes to the Required Supplemental Information
For the Year Ended December 31, 2018

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2018.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date
- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

Notes to the Required Supplemental Information
For the Year Ended December 31, 2018

NET OPEB LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: For 2018, there were no changes in benefit terms.

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%.

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

101 Central Plaza South
700 Chase Tower
Canton, Ohio 44702-1509
(330) 438-0617 or (800) 443-9272
EastRegion@ohioauditor.gov

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 the Mill Creek Metropolitan Park District, County, (the Park District) as of and for the s ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Park District's basic financial statements and have issued our report thereon dated October 1, 2020, wherein we noted the Park District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* and also noted the District included a disclosure regarding the potential financial impact of COVID-19 and the ensuing emergency measures.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Park 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 Park 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 Park 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Park 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*.

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 Park District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Park District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State

Columbus, Ohio

October 1, 2020

OHIO AUDITOR OF STATE
KEITH FABER

MILL CREEK METROPOLITAN PARK DISTRICT

MAHONING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 11/5/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370