



**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Mill Creek Metropolitan Park District
Mahoning County
7574 Columbiana-Canfield Road
P.O. Box 596
Canfield, Ohio 44406-0596

To the Board of Park Commissioners:

We have audited the accompanying financial statements of Mill Creek Metropolitan Park District, Mahoning County, (the Park District) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Park District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Park District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Mill Creek Metropolitan Park District, Mahoning County, as of December 31 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2000 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, and contracts.

This report is intended solely for the information and use of the audit committee, management, Board of Park Commissioners, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

September 1, 2000

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**MILLCREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$4,310,313			\$4,310,313
Intergovernmental	1,145,217	\$9,875		1,354,227
Park District Activities	1,621,411			1,621,411
Gas and Oil Royalties		127,636		127,636
Earnings on Investments	80,749	39,491		120,240
Fellows Trust	30,388			30,388
Total Cash Receipts	<u>7,188,078</u>	<u>177,002</u>		<u>7,564,215</u>
Cash Disbursements:				
Operations	5,074,668			5,074,668
Capital Equipment	353,862			353,862
Capital Improvements	733,562			827,705
General Expenses	1,340,076			1,340,076
Total Cash Disbursements	<u>7,502,168</u>			<u>7,596,311</u>
Excess of Cash Receipts Over/ (Under) Cash Disbursements	<u>(314,090)</u>	<u>177,002</u>		<u>(32,096)</u>
Other Financing Sources/(Uses):				
Advances-In	208,568			208,568
Advances-Out		(7,024)		(208,568)
Transfers-In	403,117	42,928		551,883
Transfers-Out	(40,748)	(508,839)	(117)	(551,883)
Total Other Financing Sources/(Uses)	<u>570,937</u>	<u>(472,935)</u>	<u>(117)</u>	<u>(97,885)</u>
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing (Uses)	<u>256,847</u>	<u>(295,933)</u>	<u>(117)</u>	<u>(32,096)</u>
Fund Cash Balances - January 1, 1999	<u>1,483,389</u>	<u>1,079,911</u>	<u>117</u>	<u>2,563,417</u>
Fund Cash Balances - December 31, 1999	<u>\$1,740,236</u>	<u>\$783,978</u>	<u>\$7,107</u>	<u>\$2,531,321</u>
Reserve for Encumbrances, December 31, 1999	<u>\$321,986</u>	<u>\$42,950</u>	<u>\$37,887</u>	<u>\$402,823</u>

The notes to the financial statements are an integral part of this statement.

**MILLCREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>				Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$4,113,213		\$50,833		\$4,164,046
Intergovernmental	1,186,966	\$19,202		\$2,465	1,208,633
Park District Activities	1,764,859				1,764,859
Gas and Oil Royalties		111,748			111,748
Earnings on Investments	87,503	55,363			142,866
Fellows Trust	33,655				33,655
Total Cash Receipts	<u>7,186,196</u>	<u>186,313</u>	<u>50,833</u>	<u>2,465</u>	<u>7,425,807</u>
Cash Disbursements:					
Operations	4,838,556				4,838,556
Capital Equipment	222,235				222,235
Capital Improvements	883,281	23,716		266,325	1,173,322
General Expenses	1,188,798				1,188,798
Debt Service - Repayment of Principal			50,000		50,000
Debt Service - Interest & Fiscal Charges			716		716
Total Cash Disbursements	<u>7,132,870</u>	<u>23,716</u>	<u>50,716</u>	<u>266,325</u>	<u>7,473,627</u>
Excess of Cash Receipts Over/ (Under) Cash Disbursements	<u>53,326</u>	<u>162,597</u>	<u>117</u>	<u>(263,860)</u>	<u>(47,820)</u>
Other Financing Sources/(Uses):					
Advances-In		7,024		201,544	208,568
Advances-Out	(208,568)				(208,568)
Transfers-In	341,200	318,038		76,011	735,249
Transfers-Out	(304,038)	(417,211)		(14,000)	(735,249)
Total Other Financing Sources/(Uses)	<u>(171,406)</u>	<u>(92,149)</u>		<u>263,555</u>	
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing (Uses)	<u>(118,080)</u>	<u>70,448</u>	<u>117</u>	<u>(305)</u>	<u>(47,820)</u>
Fund Cash Balances - January 1, 1998	<u>1,601,469</u>	<u>1,009,463</u>		<u>305</u>	<u>2,611,237</u>
Fund Cash Balances - December 31, 1998	<u>\$1,483,389</u>	<u>\$1,079,911</u>	<u>\$117</u>		<u>\$2,563,417</u>
Reserve for Encumbrances, December 31, 1998	<u>\$294,918</u>	<u>\$42,950</u>			<u>\$337,868</u>

The notes to the financial statements are an integral part of this statement.

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Mill Creek Metropolitan Park District, Mahoning County, (the Park District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Park District is directed by a three-member Board of Commissioners appointed by the probate judge of Mahoning County. The Park District acquires lands for conversion into forest reserves and for the conservation of the 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 same as the Board deems conducive to the general welfare.

The Park District's management believes these financial statements present all activities for which the Park District is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer. The investment in repurchase agreements is valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

The Park District uses fund accounting to segregate cash and investments that are restricted as to use. The Park District classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Park District maintains the following significant Special Revenue Funds:

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Replacement Reserve Fund - In accordance with Ohio Revised Code § 1545.28, this Fund accounts for gas and oil royalties and interest earnings utilized for restoration projects.

Mahoning County Bikeway Fund - This Fund accounts for grant proceeds received from the Ohio Department of Transportation to fund the construction of a bikeway within the Park District.

3. Debt Service Fund

Debt Service Funds are used to accumulate resources for the payment of bonds and note indebtedness. The Park District maintains the following Debt Service Fund:

Note Retirement Fund - This Fund accounts for proceeds from the Park District's general operating levy designated for the debt service of a permanent improvement note issued to provide funding for improvements made to the Park District's full service maintenance garage at the thirty-six hole golf course.

4. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Park District maintains the following significant Capital Project Funds:

Lake Newport Fund - This Fund accounts for general operating property taxes transferred from the General Fund for the construction of a floating walkway within the wetlands of Lake Newport.

Parapet Bridge Fund - This Fund accounts for grant proceeds received from the Ohio Department of Transportation and Ohio Department of Natural Resources to fund the Park District's bridge rehabilitation project.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board of Park Commissioners must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Park District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 1999 and 1998 budgetary activity appears in Note 4.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Park District.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Park District maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$350,714	\$335,670
STAR Ohio	1,680,607	1,727,747
Repurchase Agreements	500,000	500,000
Total deposits and investments	<u>\$2,531,321</u>	<u>\$2,563,417</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments: Repurchase agreements are uninsured and unregistered investments for which the securities are held by the broker or dealer or by its trust department but not in the Park District's name. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. DEBT

The Park District issued a \$500,000, 4.5% permanent improvement note in 1993 for a term of five years to improve the Park District's full service maintenance garage located at the thirty-six hole golf course. The note required quarterly payments of interest and principal over a five year period ending May 1, 1998. The Park District met the requirements of this obligation in 1998.

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$7,426,531	\$7,591,195	\$164,664
Special Revenue	236,153	219,930	(16,223)
Debt Service	0	0	0
Capital Projects	1,863,710	304,973	(1,558,737)
Total	\$9,526,394	\$8,116,098	(\$1,410,296)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$9,070,861	\$7,864,902	\$1,205,959
Special Revenue	1,307,084	551,789	755,295
Debt Service	117	117	0
Capital Projects	1,662,166	134,209	1,527,957
Total	\$12,040,228	\$8,551,017	\$3,489,211

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$7,226,473	\$7,527,396	\$300,923
Special Revenue	713,175	504,351	(208,824)
Debt Service	50,833	50,833	0
Capital Projects	426,361	78,476	(347,885)
Total	\$8,416,842	\$8,161,056	(\$255,786)

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

4. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$8,550,388	\$7,731,826	\$818,562
Special Revenue	1,403,639	483,877	919,762
Debt Service	50,833	50,716	117
Capital Projects	426,666	280,325	146,341
Total	\$10,431,526	\$8,546,744	\$1,884,782

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Park District.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

Mahoning County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Park District.

6. RETIREMENT SYSTEMS

The Park District's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

The Ohio Revised Code prescribes PERS contribution rates. For 1999 and 1998, PERS requires members to contribute 8.5% of their gross salaries. The Park District contributed an amount equal to 13.55% of participants' gross salaries. The Park District paid all contributions required through December 31, 1999.

**MILL CREEK METROPOLITAN PARK DISTRICT
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

7. RISK MANAGEMENT

The Park District is a member of the Public Entities Pool of Ohio, (the Pool). The Pool assumes the risk of loss up to the limits of the Park District's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General Liability Package
- Buildings and Contents Package
- Public Officials Errors and Omissions Package
- Police Department Package
- Vehicle Package
- Employee Blanket Package

The Park District also provides medical benefits to full-time employees through a private carrier.



STATE OF OHIO
OFFICE OF THE AUDITOR

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Mill Creek Metropolitan Park District
Mahoning County
7574 Columbiana-Canfield Road
P.O. Box 596
Canfield, Ohio 44406-0596

To the Board of Park Commissioners:

We have audited the financial statements of Mill Creek Metropolitan Park District, Mahoning County, (the Park District) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated September 1, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Park District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Park District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Mill Creek Metropolitan Park District
Mahoning County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of the audit committee, management, and Board of Park Commissioners and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

September 1, 2000



STATE OF OHIO
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MILL CREEK METROPOLITAN PARK DISTRICT

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 19, 2000**