



Mary Taylor, CPA  
Auditor of State



MILL CREEK METROPOLITAN PARK DISTRICT  
MAHONING COUNTY

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Mary Taylor, CPA  
Auditor of State

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

To the Board of Commissioners:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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**Mary Taylor, CPA**  
Auditor of State

August 12, 2010

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Commissioners:

We have audited the accompanying financial statements of Mill Creek Metropolitan Park District, Mahoning County, (Park District) as of and for the years ended December 31, 2009 and 2008. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Park District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Park District's larger (i.e. major) funds separately. While the Park District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Park Districts to reformat their statements. The Park District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Park District as of December 31, 2009 and December 31, 2008, or its changes in financial position for the years then ended.

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Also, 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, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Park District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

August 12, 2010



**MILL CREEK 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, 2009**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$6,891,928	\$0	\$0	\$6,891,928
Charges for Services:				
Golf Fees	1,142,575			1,142,575
Rentals and Programs	402,871			402,871
Concessions	83,436			83,436
Intergovernmental	681,215	3,120	189,126	873,461
Lease Royalties		286,701		286,701
Miscellaneous	65,855			65,855
Donations	45,391			45,391
Earnings on Investments	37,952	23,132		61,084
	<u>9,351,223</u>	<u>312,953</u>	<u>189,126</u>	<u>9,853,302</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
Conservation - Recreation				
Salaries, Wages and Benefits	7,187,517			7,187,517
Services, Material & Supplies	1,688,198	876		1,689,074
Capital Equipment	125,401			125,401
Capital Improvements	610,684		319,531	930,215
Other	2,272			2,272
	<u>9,614,072</u>	<u>876</u>	<u>319,531</u>	<u>9,934,479</u>
<b>Total Cash Disbursements</b>				
Total Receipts Over/(Under) Disbursements	<u>(262,849)</u>	<u>312,077</u>	<u>(130,405)</u>	<u>(81,177)</u>
<b>Other Financing Receipts / (Disbursements):</b>				
Advances-In			130,405	130,405
Advances-Out		(130,405)		(130,405)
	<u>0</u>	<u>(130,405)</u>	<u>130,405</u>	<u>0</u>
<b>Total Other Financing Receipts / (Disbursements)</b>				
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	(262,849)	181,672	0	(81,177)
Fund Cash Balances, January 1	<u>2,925,264</u>	<u>2,183,046</u>	<u>13,549</u>	<u>5,121,859</u>
<b>Fund Cash Balances, December 31, 2009</b>	<u><b>\$2,662,415</b></u>	<u><b>\$2,364,718</b></u>	<u><b>\$13,549</b></u>	<u><b>\$5,040,682</b></u>
Reserve for Encumbrances, December 31	<u>\$190,838</u>	<u>\$0</u>	<u>\$13,467</u>	<u>\$204,305</u>

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

**MILL CREEK 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, 2008**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$6,886,064	\$0	\$0	\$6,886,064
Charges for Services:				
Golf Fees	1,023,641			1,023,641
Rentals and Programs	342,438			342,438
Concessions	90,380			90,380
Intergovernmental	684,878	1,608,021	396,639	2,689,538
Lease Royalties		382,268		382,268
Donations	103,920			103,920
Miscellaneous	99,979			99,979
Earnings on Investments	78,001	29,140		107,141
	<u>9,309,300</u>	<u>2,019,429</u>	<u>396,639</u>	<u>11,725,368</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
Conservation - Recreation				
Salaries, Wages and Benefits	6,485,193			6,485,193
Services, Material & Supplies	2,012,902			2,012,902
Capital Equipment	206,741			206,741
Capital Improvements	401,768		485,074	886,842
Other	2,622			2,622
	<u>9,109,227</u>	<u>0</u>	<u>485,074</u>	<u>9,594,301</u>
<b>Total Cash Disbursements</b>				
<b>Total Receipts Over/(Under) Disbursements</b>	<u>200,073</u>	<u>2,019,429</u>	<u>(88,435)</u>	<u>2,131,067</u>
<b>Other Financing Receipts / (Disbursements):</b>				
Transfers-In		4,139	87,660	91,799
Transfers-Out		(87,660)	(4,139)	(91,799)
Advances-In		196,248	22,000	218,248
Advances-Out		(22,000)	(196,248)	(218,248)
	<u>0</u>	<u>90,727</u>	<u>(90,727)</u>	<u>0</u>
<b>Total Other Financing Receipts / (Disbursements)</b>				
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	200,073	2,110,156	(179,162)	2,131,067
Fund Cash Balances, January 1	2,725,191	72,890	192,711	2,990,792
<b>Fund Cash Balances, December 31, 2008</b>	<u><b>\$2,925,264</b></u>	<u><b>\$2,183,046</b></u>	<u><b>\$13,549</b></u>	<u><b>\$5,121,859</b></u>
Reserve for Encumbrances, December 31	<u>\$294,543</u>	<u>\$300</u>	<u>\$13,467</u>	<u>\$308,310</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, 2009 AND 2008**

**1. Summary of Significant Accounting Policies**

**A. Description of the 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 Park District) as a body corporate and politic. The probate judge of Mahoning County appoints a three-member Board of Commissioners to govern the Park District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

The Mill Creek Foundation is also associated with the Park District. The Foundation was created on March of 1979 and is operated exclusively for charitable and educational purposes, to wit, for the purpose of making capital improvements within the Park District. The Foundation is a tax exempt trust as determined by 501(c) (3) of the Internal Revenue Code. The Foundation operates under a 3 person Board consisting of the Park Board's President, a person selected by the Mahoning County Probate Judge and the third member appointed by these two members.

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

The Fellows Trust is also associated with the Park District. The Trust was created through the last will and testament of Elizabeth A. Fellows in April of 1942, as a perpetual endowment for the upkeep of land donated to the Park from the Fellow's estate, now known as the Fellows Riverside Garden. The monies were bequeathed to Union National Bank in 1942, as the Trustee, currently held by JP Morgan Chase Bank, and invested by said Trustee, of which only interest income is to be paid each year from this account to the Park District for the creation, care and maintenance of the Fellows Riverside Garden. The interest payments received by the Park District are reflected on the financial statements of this report. The current values of the trust account with JP Morgan Chase Bank are \$480,517 as of December 31, 2009 and \$464,124 as of December 31, 2008.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Park District recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

**MILL CREEK METROPOLITAN PARK DISTRICT  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**C. Deposit and Investments**

The Park District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Park District values the investment in STAR Ohio at share values reported by the State Treasurer. The investments in purchase agreements are valued at cost.

**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 reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

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

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

**3. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Park District had the following significant capital project funds:

*Wetland Restoration Fund* – This fund accounts for state monies received to maintain land used as a conservation area.

*East Cohasset Drive* - This fund accounts for state and federal monies received to repair a retaining wall, and repave the drive.

*Slippery Rock Bridge* - This fund accounts for federal monies received to repair Slippery Rock Bridge located within the Park District.

**MILL CREEK METROPOLITAN PARK DISTRICT  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**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 Park District Board 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.

**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 re-appropriated.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

The Park District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**MILL CREEK METROPOLITAN PARK DISTRICT  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**2. Equity in Pooled Deposits and Investments**

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

	<u>2009</u>	<u>2008</u>
Demand deposits	(\$19,358)	(\$60,039)
Money Market	242,867	0
Total deposits	<u>223,509</u>	<u>(60,039)</u>
STAR Ohio	2,261,410	2,490,470
Repurchase agreement	2,555,763	1,779,172
Certificate of Deposits	0	912,257
Total investments	<u>4,817,173</u>	<u>5,181,899</u>
Total deposits and investments	<u>\$5,040,682</u>	<u>\$5,121,859</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**Investments:** The Park District's financial institution transfers securities to the Park District's agent to collateralize repurchase agreements. The securities are not in the Park District's name. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2009 and December 31, 2008 follows:

<u>2009 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	
	<u>Receipts</u>	<u>Receipts</u>	<u>Variance</u>
General	\$9,257,879	\$9,351,223	\$93,344
Special Revenue	375,120	312,953	(62,167)
Capital Projects	321,070	189,126	(131,944)
Total	<u>\$9,954,069</u>	<u>\$9,853,302</u>	<u>(\$100,767)</u>

<u>2009 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation</u>	<u>Budgetary</u>	
	<u>Authority</u>	<u>Expenditures</u>	<u>Variance</u>
General	\$11,430,201	\$9,804,910	\$1,625,291
Special Revenue	2,558,167	876	2,557,291
Capital Projects	334,619	332,998	1,621
Total	<u>\$14,322,987</u>	<u>\$10,138,784</u>	<u>\$4,184,203</u>

**MILL CREEK METROPOLITAN PARK DISTRICT  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**3. Budgetary Activity (Continued)**

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$9,840,973	\$9,309,300	(\$531,673)
Special Revenue	550,248	2,023,568	1,473,320
Capital Projects	570,326	484,299	(86,027)
Total	\$10,961,547	\$11,817,167	\$855,620

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$11,566,433	\$9,403,771	\$2,162,662
Special Revenue	623,139	87,960	535,179
Capital Projects	763,037	502,680	260,357
Total	\$12,952,609	\$9,994,411	\$2,958,198

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

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

**MILL CREEK METROPOLITAN PARK DISTRICT  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**5. Retirement Systems**

The Park District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, full time police officers contributed 10.1% and the Park District contributed an amount equaling 17.63% and 17.4%, respectively, of participants' gross salaries. For 2009 and 2008 OPERS members contributed 10% of their gross salaries and the Park District contributed an amount equaling 14% of participants' gross salaries. The Park District has paid all contributions required through December 31, 2009.

**6. Risk Management**

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

The Park District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2008, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

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



**MILL CREEK METROPOLITAN PARK DISTRICT  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**6. Risk Management (Continued)**

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$35,769,535	\$37,560,071
Liabilities	<u>(15,310,206)</u>	<u>(17,340,825)</u>
Net Assets	<u>\$20,459,329</u>	<u>\$20,219,246</u>

At December 31, 2008 and 2007, respectively, the liabilities above include approximately \$13.8 million and \$15.9 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2008, and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Park District's share of these unpaid claims collectible in future years is approximately \$133,000.

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.

<b><u>Contributions to PEP</u></b>	
2008	\$135,815
2009	\$136,506

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

**MILL CREEK METROPOLITAN PARK DISTRICT  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**6. Risk Management (Continued)**

**Self Insurance**

The Park District is also self insured for medical, dental, and prescription drugs. Rates are charged based on claims approved by Professional Risk Management Inc. (PRM) the claims administrator. The Park District obtains an actuarial report that provides an estimate of runoff liability for incurred but not reported (IBNR) claims of the self-insurance program based on generally accepted actuarial assumptions, methods and principles, with particular regard to the standards set forth in the Actuarial Standard of Practice No. 5 of the Actuarial Standards Board of the American Academy of Actuaries. The actuarial recommends the Park District maintain a reserve amount of \$158,022, \$172,601, \$83,978 as of July 31, 2009 through 2007 respectively. The District's reserve funds available to pay IBNR claims were \$181,195, \$178,814, \$172,435 as of July 31, 2009 through 2007 respectively.

The Park District uses reinsurance agreements (stop-loss agreements of \$60,000) to reduce its risk to the possibility of large losses on medical claims. These reinsurance agreements allow the Park District to recover a portion of the losses from reinsurers, although it does not discharge the primary liability of the Park District.

**7. Subsequent Events**

On January 1, 2010 the number of commissioners on the Board was expended from three to five member pursuant to Section 1545.05(B) of the Revised Code.



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' 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  
P.O. Box 596  
Canfield, Ohio 44406-0596

To the Board of Commissioners:

We have audited the financial statements of the Mill Creek Metropolitan Park District (Park District) as of and for the year ended December 31, 2009 and 2008, and have issued our report thereon dated August 12, 2010, wherein we noted the Park District prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We qualified our report on Governmental fund type because these practices differ from accounting principles generally accepted in the United States of America (GAAP). Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *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 as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Park District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Park District's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the Park District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **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, providing an opinion 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*.

We did note certain matters not requiring inclusion in this report that we reported to the Park District's management in a separate letter dated August 12, 2010.

We intend this report solely for the information and use of management, the Board of Commissioners, and others within the Park District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

August 12, 2010



**Mary Taylor, CPA**  
Auditor of State

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

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED**  
**AUGUST 24, 2010**