



**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT  
ALLEN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2001 - 2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT  
ALLEN COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Johnny Appleseed Metropolitan Park District  
Allen County  
2355 Ada Road  
Lima, Ohio 45801

To the Board of Commissioners:

We have audited the accompanying financial statements of the Johnny Appleseed Metropolitan Park District, Allen County. (the District) as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the 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 *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 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 the District as of December 31, 2001 and 2000, 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 March 25, 2002, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Johnny Appleseed Metropolitan Park District  
Allen County  
Report of Independent Accountants  
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This report is intended solely for the information and use of the management, Board of 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

March 25, 2002

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT  
ALLEN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPE AND COMPONENT UNIT  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>General</b>	<b>Component Unit</b>	<b>Totals</b>
<b>Cash Receipts:</b>			
General Property Tax - Real Estate	\$816,585		\$816,585
Tangible Personal Property Tax	311,529		311,529
Grants	28,031		28,031
Investment Income	68,199	\$16,995	85,194
Gifts and Donations	24,437		24,437
Fees	71,332		71,332
Devises and Bequests		1,470	1,470
Other Receipts	132,937		132,937
	<u>1,453,050</u>	<u>18,465</u>	<u>1,471,515</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits- Employees	664,573		664,573
Supplies	69,482		69,482
Materials	24,975		24,975
Equipment	3,760		3,760
Contracts - Repair	7,933		7,933
Contracts - Services	115,895		115,895
Rentals	5,438		5,438
Travel	5,062		5,062
Public Employees Retirement	74,819		74,819
Unemployment Compensation	906		906
Capital Outlay	455,134		455,134
Other	8,283	125	8,408
	<u>1,436,260</u>	<u>125</u>	<u>1,436,385</u>
<b>Total Cash Disbursements</b>			
Total Receipts Over/(Under) Disbursements	<u>16,790</u>	<u>18,340</u>	<u>35,130</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Other Sources	10,113		10,113
Other Uses- Grants	(48,549)		(48,549)
	<u>(38,436)</u>		<u>(38,436)</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(21,646)	18,340	(3,306)
Fund Cash Balances, January 1	<u>1,362,923</u>	<u>270,393</u>	<u>1,633,316</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$1,341,277</u></b>	<b><u>\$288,733</u></b>	<b><u>\$1,630,010</u></b>

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

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT  
ALLEN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPE AND COMPONENT UNIT  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<b>General</b>	<b>Component Unit</b>	<b>Totals</b>
<b>Cash Receipts:</b>			
General Property Tax - Real Estate	\$804,508		\$804,508
Tangible Personal Property Tax	302,021		302,021
Investment Income	111,509	\$15,338	126,847
Gifts and Donations	27,446		27,446
Fees	56,815		56,815
Devises and Bequests		1,630	1,630
Other Receipts	116,467		116,467
 Total Cash Receipts	 1,418,766	 16,968	 1,435,734
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits- Employees	582,655		582,655
Supplies	73,901		73,901
Materials	26,491		26,491
Contracts - Repair	8,235		8,235
Contracts - Services	240,370		240,370
Rentals	6,500		6,500
Travel	5,775		5,775
Public Employees Retirement	66,755		66,755
Workers' Compensation	360		360
Capital Outlay	635,135		635,135
Other	11,318	3,872	15,190
 Total Cash Disbursements	 1,657,495	 3,872	 1,661,367
 Total Receipts Over/(Under) Disbursements	 (238,729)	 13,096	 (225,633)
<b>Other Financing Receipts/(Disbursements):</b>			
Other Sources	6,624		6,624
Other Uses- Grants	(49,557)		(49,557)
 Total Other Financing Receipts/(Disbursements)	 (42,933)		 (42,933)
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 (281,662)	 13,096	 (268,566)
 Fund Cash Balances, January 1	 1,644,585	 257,297	 1,901,882
 <b>Fund Cash Balances, December 31</b>	 <b>\$1,362,923</b>	 <b>\$270,393</b>	 <b>\$1,633,316</b>
 Reserves for Encumbrances, December 31	 \$384,387	 \$0	 \$384,387

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

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Johnny Appleseed Metropolitan Park District, Allen County, (the 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 District is directed by a three-member Board of Commissioners appointed by the probate judge of Allen County.

The 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 reporting entity is composed of the primary government and a component unit that is included to ensure that the financial statements of the District is not misleading. The primary government consists of the District.

The component unit is a legally separate organization for which the District is financially accountable. The District is financially accountable for an organization if it appoints a voting majority of the organization's governing board and (1) is able to significantly influence the programs and services performed or provided by the organization; or (2) is legally entitled to or can otherwise access the organization's resources; is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or is obligated for the debt of the organization.

**1. Component Unit**

The component unit column in the financial statements identifies the financial data of the District's component unit. The component unit is reported separately to emphasize that it is legally separate from the District. The discretely presented component unit is defined as follows:

**Park District Foundation of Allen County** - (the "Foundation") is a non-profit organization that was incorporated under Internal Revenue Code 501(c) (3), for the purpose of accepting bequests and donations for the support and benefit of the Johnny Appleseed Metropolitan Park District. Kevin Haver, Park District Director, serves as the statutory agent for this Foundation.

Active and inactive status designations are used in the Foundation's service. Active status is utilized when the Foundation is soliciting funds or receives a bequest or donation; at all other times inactive status is used. The revenues it receives stem from three sources, donations by industry and corporations, donations by individuals and donations through will and bequests. The organization is tax exempt.

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

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**1. Component Unit**

The financial statements are prepared on the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

**C. Cash and Investments**

As permitted by the Ohio Revised Code, the Allen County Treasurer holds the District's cash as custodian for the District. The District's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

**1. Component Unit**

Investments are included in fund cash balances. 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.

Certificates of deposit and common stock are valued at cost or fair value when donated. Money market mutual funds are recorded at share values reported by the mutual fund.

**D. Fund Accounting**

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

**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.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources.

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. 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.

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. Starting with calendar year 2001, encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the District uses.

**2. CASH AND INVESTMENTS**

**Component Unit**

The Park District Foundation maintains its cash balances in demand deposits and certificates of deposit. The carrying amount on the Foundations records at December 31 was as follows:

	<b>2001</b>	<b>2000</b>
Demand deposits	\$57,324	\$40,673
Certificates of deposit	231,409	229,720
Total deposits	\$288,733	\$270,393

**Deposits:** Deposits are insured up to the amount of \$100,000, by the Federal Depository Insurance Corporation; the remaining amounts are uninsured and uncollateralized.

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

<b>2001 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$1,628,350	\$1,463,163	(\$165,187)

<b>2001 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$2,605,547	\$1,484,809	\$1,120,738

<b>2000 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$1,379,350	\$1,425,390	\$46,040

<b>2000 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$3,009,331	\$2,091,439	\$917,892

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Park Commissioners. 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 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 District.

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**5. RETIREMENT SYSTEM**

The District's full-time 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 postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. PERS temporarily reduced employer contributions to 8.13% effective July 1, 2001. The contribution rate returned to 13.55 percent as of January 1, 2001. The District has paid all contributions required through December 31, 2001.

**6. RISK MANAGEMENT**

The District is exposed to a variety of risks of loss related to torts; theft or damage to, and destruction of assets; errors or omissions; injuries to employees and natural disasters. The District maintains comprehensive insurance coverage with private carriers for building contents. Real property is insured through the Allen County Commissioners. The District also contracted for the following various types of coverage:

<b>Company</b>	<b>Type of Insurance</b>	<b>Maximum</b>	<b>Deductible</b>
Webb Insurance	Commercial General Liability	\$4,000,000	
	Employee Benefits Liability	4,000,000	\$1,000
	Law Enforcement Wrongful Acts Liability	4,000,000	\$1,000
	Public Officials Liability	4,000,000	\$2,500
	Building & Personal Property	1,093,500	\$250
	Employee Crime Coverage	25,000	\$250
	Stop Gap Liability	1,000,000	
	Commercial Auto Coverage	4,000,000	\$250

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

Johnny Appleseed Metropolitan Park District  
Allen County  
2355 Ada Road  
Lima, Ohio 45801

To the Board of Commissioners:

We have audited the accompanying financial statements of the Johnny Appleseed Metropolitan Park District, Allen County, (the District) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated March 25, 2002. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated March 25, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated March 25, 2002.

Johnny Appleseed Metropolitan Park District  
Allen County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended solely for the information and use of the management and the Board of Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

March 25, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT**

**ALLEN 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  
MAY 9, 2002**