



OHIO AUDITOR OF STATE
KEITH FABER



**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT
ALLEN COUNTY
DECEMBER 31, 2021 AND 2020**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types – For the Year Ended December 31, 2021	5
Notes to the Financial Statements – For the Year Ended December 31, 2021	7
Statement of Receipts, Disbursements, and Change in Fund Balance (Cash Basis) – Governmental Funds - General Fund – For the Year Ended December 31, 2020	13
Notes to the Financial Statements – For the Year Ended December 31, 2020	15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	21
Schedule of Findings.....	23
Prepared by Management:	
Schedule of Prior Audit Findings	25

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

Johnny Appleseed Metropolitan Park District
Allen County
1682 Slabtown Road
Lima, Ohio 45801

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Johnny Appleseed Metropolitan Park District, Allen County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2021 and 2020, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by District on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 9 to the 2021 and 2020 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report date November 22, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

November 22, 2022

This page intentionally left blank.

Johnny Appleseed Metropolitan Park District

Allen County

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2021

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$2,660,506		\$2,660,506
Charges for Services	161,803		161,803
Fines, Licenses and Permits	221		221
Intergovernmental	268,732	\$16,583	285,315
Earnings on Investments	2,069		2,069
Gifts & Donations	1,314	1,191,088	1,192,402
Miscellaneous - Sundry Revenue	18,442		18,442
<i>Total Cash Receipts</i>	<u>3,113,087</u>	<u>1,207,671</u>	<u>4,320,758</u>
Cash Disbursements			
Current:			
Salaries	1,074,878		1,074,878
Public Employee Retirement	153,437		153,437
Workers Compensation	7,689		7,689
Medicare	14,626		14,626
Medical Fringe Benefits	234,990		234,990
Supplies	104,012		104,012
Materials	62,358		62,358
Equipment	63,241		63,241
Contracts - Repair	11,755		11,755
Contract - Services	127,287		127,287
Rentals	2,065		2,065
Advertising & Printing	17,384		17,384
Travel & Expenses	5,461		5,461
Clean Ohio Grant	0	16,583	16,583
Other	139,846		139,846
Auditor/ Treasurer Fees	50,255		50,255
Capital Outlay	250,525	955,508	1,206,033
<i>Total Cash Disbursements</i>	<u>2,319,809</u>	<u>972,091</u>	<u>3,291,900</u>
<i>Excess of Receipts Over Disbursements</i>	<u>793,278</u>	<u>235,580</u>	<u>1,028,858</u>
Other Financing Receipts (Disbursements)			
Transfers In		1,191,088	1,191,088
Transfers Out	(1,191,088)		(1,191,088)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,191,088)</u>	<u>1,191,088</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	(397,810)	1,426,668	1,028,858
<i>Fund Cash Balances, January 1</i>	<u>2,580,119</u>		<u>2,580,119</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,182,309</u>	<u>\$1,426,668</u>	<u>\$3,608,977</u>

See accompanying notes to the basic financial statements

This page intentionally left blank.

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS – January 1, 2021 to December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Johnny Appleseed Metropolitan Park, Allen County, (the District) as a body corporate and politic. The probate judge of Allen County appoints a three-member Board of Commissioners to govern the 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 Park District Foundation of Allen County is a related organization of the Park District. Financial information is not included in these statements. See additional information in Note 7.

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

B. Accounting Basis

Basis of Presentation:

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

Basis of Accounting:

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

C. Deposit and Investments

As the Ohio Revised Code permits, the Allen County Treasurer holds the District's deposits as the District's custodian. The County holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount.

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS – January 1, 2021 to December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

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

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported 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.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District had the following capital project funds:

Clean Ohio Grant Fund - The Clean Ohio Grant fund accounts for and reports proceeds of this grant. The proceeds are restricted for this project.

New Building Project Fund - This fund accounts for and reports donations and transfers for the project. The activities are restricted for this project.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) 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. The District 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 cash as of January 1. The County Budget Commission must approve estimated resources.

3. Encumbrances

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

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS – January 1, 2021 to December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Non-spendable

The District classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the nonspendable portion of the corpus in permanent funds.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Commissioners can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Commissioners amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by District Commissioners or a District official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS – January 1, 2021 to December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets

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

H. 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.

2. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2021 follows:

Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,963,167	\$3,113,087	\$149,920
Capital Projects	2,398,760	2,398,759	(1)
Total	\$5,361,927	\$5,511,846	\$149,919

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,213,167	\$3,792,914	\$1,420,253
Capital Projects	2,398,760	2,275,884	122,876
Total	\$7,611,927	\$6,068,798	\$1,543,129

3. 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 District.

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, OHIO**

NOTES TO THE FINANCIAL STATEMENTS – January 1, 2021 to December 31, 2021

4. RETIREMENT SYSTEM

The 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. OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2021.

5. POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. 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 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions

7. PARK DISTRICT FOUNDATION OF ALLEN COUNTY

The Park District Foundation of Allen County (the "Foundation") is a not-for-profit corporation that was incorporated on March 11, 1987. The Foundation was formed for charitable purposes by conducting supporting activities for the benefit of the Johnny Appleseed Metropolitan Park District.

Unaudited financial statements of the Foundation may be obtained by contacting Denise Graham, Treasurer/ Secretary of Johnny Appleseed Metropolitan Park District, 1682 Slabtown Road Lima, Ohio 45801.

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS – January 1, 2021 to December 31, 2021

8. FUND BALANCES

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Capital Projects	Total
Outstanding Encumbrances	\$282,017	\$1,303,793	\$1,585,810

The fund balance of capital projects funds are restricted, committed, or assigned. The restricted, committed, and assigned amounts in the capital projects would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

9. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the District did not receive any COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Johnny Appleseed Metropolitan Park District*Allen County**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2020*

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$2,711,252		\$2,711,252
Charges for Services	70,359		70,359
Fines, Licenses and Permits	20		20
Intergovernmental	268,583	\$544,179	812,762
Earnings on Investments	19,200		19,200
Gifts & Donations	8,121		8,121
Miscellaneous - Sundry Revenue	79,433		79,433
<i>Total Cash Receipts</i>	<u>3,156,968</u>	<u>544,179</u>	<u>3,701,147</u>
Cash Disbursements			
Current:			
Salaries	1,111,766		1,111,766
Public Employee Retirement	154,848		154,848
Medicare	15,415		15,415
Medical Fringe Benefits	206,072		206,072
Supplies	95,176		95,176
Materials	57,097		57,097
Equipment	124,608		124,608
Contracts - Repair	9,239		9,239
Contract - Services	172,081		172,081
Rentals	2,376		2,376
Advertising & Printing	6,455		6,455
Travel & Expenses	4,939		4,939
Clean Ohio Grant	94,735	434,579	529,314
Recreational Trails Grant	27,400	109,600	137,000
Other	126,945		126,945
Auditor/ Treasurer Fees	50,302		50,302
Capital Outlay	142,272		142,272
<i>Total Cash Disbursements</i>	<u>2,401,726</u>	<u>544,179</u>	<u>2,945,905</u>
<i>Excess of Receipts Over Disbursements</i>	<u>755,242</u>	<u>0</u>	<u>755,242</u>
<i>Fund Cash Balances, January 1</i>	<u>1,824,877</u>		<u>1,824,877</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,580,119</u>	<u>\$0</u>	<u>\$2,580,119</u>

See accompanying notes to the basic financial statements

This page intentionally left blank.

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS – January 1, 2020 to December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Johnny Appleseed Metropolitan Park, Allen County, (the District) as a body corporate and politic. The probate judge of Allen County appoints a three-member Board of Commissioners to govern the 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 Park District Foundation of Allen County is a related organization of the Park District. Financial information is not included in these statements. See additional information in Note 7.

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

B. Accounting Basis

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

Basis of Accounting:

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

C. Deposit and Investments

As the Ohio Revised Code permits, the Allen County Treasurer holds the District's deposits as the District's custodian. The County holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount.

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS – January 1, 2020 to December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

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

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported 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.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District had the following capital project funds:

Clean Ohio Grant Fund - The Clean Ohio Grant fund accounts for and reports proceeds of this grant. The proceeds are restricted for this project.

Recreational Trail Grant Fund - This fund accounts for and reports proceeds of this grant. The proceeds are restricted for this project.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) 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. The District 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 cash as of January 1. The County Budget Commission must approve estimated resources.

3. Encumbrances

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

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS – January 1, 2020 to December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Non-spendable

The District classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the nonspendable portion of the corpus in permanent funds.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Commissioners can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Commissioners amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by District Commissioners or a District official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS – January 1, 2020 to December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets

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

H. 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.

2. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2020 follows:

Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,198,233	\$3,156,968	(\$41,265)
Capital Projects	544,179	544,179	0
Total	\$3,742,412	\$3,701,147	(\$41,265)

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,191,670	\$2,625,741	\$2,565,929
Capital Projects	544,179	544,179	0
Total	\$5,735,849	\$3,169,920	\$2,565,929

3. 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 District.

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, OHIO**

NOTES TO THE FINANCIAL STATEMENTS – January 1, 2020 to December 31, 2020

4. RETIREMENT SYSTEM

The 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. OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2020.

5. POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. 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 2020. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2020.

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions

7. PARK DISTRICT FOUNDATION OF ALLEN COUNTY

The Park District Foundation of Allen County (the "Foundation") is a not-for-profit corporation that was incorporated on March 11, 1987. The Foundation was formed for charitable purposes by conducting supporting activities for the benefit of the Johnny Appleseed Metropolitan Park District.

Unaudited financial statements of the Foundation may be obtained by contacting Denise Graham, Treasurer/ Secretary of Johnny Appleseed Metropolitan Park District, 1682 Slabtown Road Lima, Ohio 45801.

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT
ALLEN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS – January 1, 2020 to December 31, 2020

8. FUND BALANCES

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Capital Projects	Total
Outstanding Encumbrances	\$224,015	\$0	\$224,015

The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the capital projects would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

9. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2020, the District did not receive any COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The impact on the District’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

10. CHANGE IN ACCOUNTING PRINCIPLE

For 2020, the District has made a change to their cash basis reporting model. This change removed the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) - all governmental fund types.

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Johnny Appleseed Metropolitan Park District
Allen County
1682 Slabtown Road
Lima, Ohio 45801

To the Board of Commissioners:

We have audited, 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, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Johnny Appleseed Metropolitan Park District, Allen County, (the District) and have issued our report thereon dated November 22, 2022, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2021-001 be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Finding

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

November 22, 2022

**JOHNNY APPLESEED METROPOLITAN PARK DISTRICT
ALLEN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020**

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

FINDING NUMBER 2021-001

Material Weakness – Accuracy of Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors were identified in the December 31, 2021 financial statements:

- Intergovernmental receipts in the amount of \$16,583, Clean Ohio grant disbursements in the amount of \$10,850, contract services disbursements in the amount of \$5,538, and materials disbursements in the amount of \$195 were overstated in the General Fund. This overstatement was the result of presenting the Clean Ohio grant, which was for property improvements, in the General Fund instead of a Capital Projects Fund as intergovernmental receipts and capital outlay disbursements;
- Due to the financial statements not presenting a Capital Projects Fund, gifts and donations in the amount of \$1,191,088 and contract service disbursements in the amount of \$955,508 for a new building project were presented on the financial statements as General Fund activity instead of in the Capital Projects Fund as it was recorded in the accounting system;
- Due to the financial statements not presenting a Capital Projects Fund, the District's share of the new building project, in the amount of \$1,191,099, which was recorded in the accounting system as a transfer-out of the General Fund and a transfer-in to the Capital Projects Fund, was not presented on the financial statements; and
- The January 1 balance of the General Fund was understated by \$5,002 from the December 31, 2020 balance.

The following errors were identified in the December 31, 2020 financial statements:

- Intergovernmental receipts in the amount of \$434,579, Clean Ohio grant disbursements in the amount of \$208,989, capital outlay disbursements in the amount of \$214,725, contract services in the amount of \$1,500, other disbursements in the amount of \$7,304, materials disbursements in the amount of \$1,746, and advertising & printing in the amount of \$315 were overstated in the General Fund. This overstatement was the result of presenting the Clean Ohio grant, which was for property improvements, in the General Fund instead of a Capital Projects Fund as intergovernmental receipts and capital outlay disbursements in the amount of \$434,579;
- Intergovernmental receipts and recreational trail grant disbursements in the amount of \$109,600 were overstated in the General Fund as the result of presenting the Recreational Trail grant, which was for park and trail improvements, in the General Fund instead of a Capital Projects Fund intergovernmental receipts and capital outlay disbursements in the amount of \$109,600;
- A worker's compensation refund in the amount of \$48,817, received subsequent to the year of payment, was recorded as a refund of workers compensation disbursement instead of miscellaneous receipts; and
- The local share of the Recreational Trail grant in the amount \$5,480 was classified in the General Fund as Clean Ohio grant disbursements instead of Recreational Trail grant disbursements.

**FINDING NUMBER 2021-001
(Continued)**

The 2021 and 2020 notes to the financial statements had errors, including but not limited to the amounts reported as budgeted receipts and appropriations in the budgetary activity note, and omission of the post-employment benefits and COVID-19 notes.

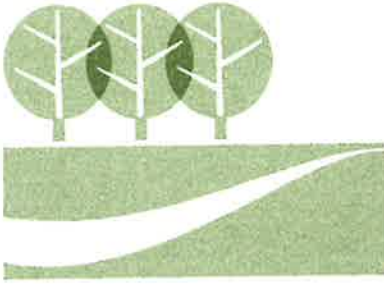
The accompanying financial statements and notes to the financial statements have been adjusted to correct these errors. There was no impact on the accounting records.

The failure to perform a final review of the financial statements and notes prior to filing may have contributed to the errors noted above.

Errors and omissions may result in the material misstatement of the financial statements and notes to the financial statements along with inhibiting the understanding of the results of operations.

The errors identified above should be reviewed when preparing subsequent years financial statements to help prevent similar errors. In addition, the financial statement note shells on the Auditor of State website at <https://ohioauditor.gov/> should be utilized to help ensure completeness of the notes to the financial statements.

OFFICIALS' RESPONSE: The Park District has reviewed the finding numbered 2021-001. The Park District will work to correct finding 2021-001 for improved reporting and for future audits.



1682 Slabtown Road • Lima, OH 45801 • Phone: 419-221-1232 • Fax: 419-225-5593
E-mail: jampd@jampd.com • Website: www.johnnyappleseedparks.com

**JOHNNY APPLESEED
METROPOLITAN
PARK DISTRICT**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2021 and 2020**

Finding Number	Finding Summary	Status	Additional Information
2019-001	Accuracy of Financial Reporting	Not corrected	Repeated as finding 2021-001

COMMISSIONERS
Robert K. Antibus
Kevin P. Bruin
Donna M. Creamer

DIRECTOR-SECRETARY
Tyler B. Black

OHIO AUDITOR OF STATE KEITH FABER



JOHNNY APPLESEED METROPOLITAN PARK DISTRICT

ALLEN 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 12/22/2022

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

This report is a matter of public record and is available online at
www.ohioauditor.gov