



**FRANKLIN PARK CONSERVATORY**  
General Purpose Financial Statements  
December 31, 1999  
(With Independent Auditors' Report Thereon)

**FRANKLIN PARK CONSERVATORY**

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Board of Directors  
Franklin Park Conservatory  
Columbus, Ohio 43215

We have reviewed the Independent Auditor's Report of the Franklin Park Conservatory, Franklin County, prepared by KPMG, for the audit period January 1, 1999 through December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Franklin Park Conservatory is responsible for compliance with these laws and regulations.



JIM PETRO  
Auditor of State

June 6, 2000



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## Independent Auditors' Report

Board of Directors  
Franklin Park Conservatory:

We have audited the accompanying general purpose financial statements of the Franklin Park Conservatory Joint Recreation District (the Conservatory) as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Conservatory's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Conservatory as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2000 on our consideration of the Conservatory's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information included in the Supplemental Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget vs. Actual—General Fund—Budget Basis is presented for purposes of additional analysis and is not a required part of the financial statements of the Conservatory. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

**KPMG LLP**

March 17, 2000



**FRANKLIN PARK CONSERVATORY**

Combined Balance Sheet  
All Fund Types and Account Groups

December 31, 1999

	Governmental fund type	Account Groups		Totals (memorandum only)		
		General	General fixed assets	General long-term obligations	1999	1998
<b>Assets and other debits:</b>						
Cash and investments (note 3)	\$ 538,670	-	-	538,670	502,823	
Receivables	23,434	-	-	23,434	6,384	
Property, plant and equipment (note 4)	-	7,758,714	-	7,758,714	7,620,563	
Amount to be provided for retirement of general long-term obligations	-	-	67,478	67,478	44,334	
<b>Total assets and other debits</b>	<b>\$ 562,104</b>	<b>7,758,714</b>	<b>67,478</b>	<b>8,388,296</b>	<b>8,174,104</b>	
<b>Liabilities:</b>						
Accounts payable	\$ 144,771	-	-	144,771	85,745	
Deferred revenue	45,000	-	-	45,000	42,862	
Customer deposits	84,986	-	-	84,986	121,401	
Due to other:						
Governments	29,633	-	-	29,633	34,504	
Capital lease obligations (note 7)	-	-	15,172	15,172	-	
Accrued payroll	46,618	-	-	46,618	29,750	
Accrued vacation and sick leave	24,575	-	52,306	76,881	49,037	
<b>Total liabilities</b>	<b>375,583</b>	<b>-</b>	<b>67,478</b>	<b>443,061</b>	<b>363,299</b>	
<b>Equity and other credits:</b>						
Investment in general fixed assets	-	7,758,714	-	7,758,714	7,620,563	
Fund balance:						
Reserved for endowment	90,000	-	-	90,000	90,000	
Unreserved	96,521	-	-	96,521	100,242	
<b>Total fund balance</b>	<b>186,521</b>	<b>-</b>	<b>-</b>	<b>186,521</b>	<b>190,242</b>	
<b>Total equity and other credits</b>	<b>186,521</b>	<b>7,758,714</b>	<b>-</b>	<b>7,945,235</b>	<b>7,810,805</b>	
<b>Contingencies (note 8)</b>						
<b>Total liabilities, equity and other credits</b>	<b>\$ 562,104</b>	<b>7,758,714</b>	<b>67,478</b>	<b>8,388,296</b>	<b>8,174,104</b>	

See accompanying notes to the general purpose financial statements.

**FRANKLIN PARK CONSERVATORY**

Statement of Revenues, Expenditures and Changes  
In Fund Balances – General Fund

Year ended December 31, 1999

	<u>1999</u>	<u>1998</u> (Memorandum Only)
Revenues:		
Intergovernmental:		
City	\$ 897,542	871,400
County	350,000	303,182
Charges for services	836,010	686,461
Donations and grants	349,282	365,841
Investment income	36,111	23,632
Other	13,854	56,098
	<u>2,482,799</u>	<u>2,306,614</u>
Total revenues		
Expenditures:		
Current:		
Horticulture/Engineering department	733,932	671,169
Administrative	445,625	364,801
Facilities management department	534,199	423,846
Development department	262,193	210,567
Special events department	196,533	153,672
Education department	191,815	183,082
Capital outlay	135,640	-
Debt service:		
Principal retirement	5,552	-
Interest and fiscal charges	1,755	-
	<u>2,507,244</u>	<u>2,007,137</u>
Total expenditures		
Excess (deficiency) of revenues over expenditures	(24,445)	299,477
Other financing sources -		
Inception of capital leases	20,724	-
	<u>20,724</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources	(3,721)	299,477
Fund balance (deficit) at beginning of year	<u>190,242</u>	<u>(109,235)</u>
Fund balance at end of year	\$ <u><u>186,521</u></u>	\$ <u><u>190,242</u></u>

See accompanying notes to the general purpose financial statements.

## FRANKLIN PARK CONSERVATORY

### Notes to the General Purpose Financial Statements

Year ended December 31, 1999

#### (1) Reporting Entity

The City of Columbus (City) and Franklin County (County) agreed in 1990 to establish the Franklin Park Conservatory Joint Recreation District (the Conservatory) pursuant to the authority contained in Section 755.14 (B) of the Ohio Revised Code (ORC) upon the conclusion of Ameriflora 1992, Inc.'s horticulture exposition held at Franklin Park. The original agreement allows the Conservatory to exist for a term of 40 years ending August 31, 2032. However, the City and County may renew and extend the agreement for additional successive terms of 10 years, with the title to the Conservatory reverting back to the City at the end of the agreement.

The Conservatory is governed by a 17-member board, eight of whom shall be appointed by the City of Columbus Mayor subject to confirmation by the City Council and six appointed by Franklin County. Additionally, the Governor, the Speaker of the House of Representatives, and the President of the Senate of the State of Ohio shall each appoint one member to the Conservatory board. State appointed members are non-voting members if they also serve as members of the Ohio General Assembly; no member presently serves both roles.

The accompanying general purpose financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, in that the general purpose financial statements include all organizations, activities, and functions for which the Conservatory is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (i) the Conservatory's ability to impose its will over a component unit, or (ii) the possibility that the component unit will provide a financial benefit or impose a financial burden on the Conservatory. On that basis, the reporting entity of the Conservatory includes the services of the Conservatory only (i.e., there are no component units).

The arrangement between the City and the County establishing the Conservatory possesses the characteristics of an entity classified as a joint venture. The City contributed certain fixed assets to the Conservatory at the time of its inception and both the City and County have agreed to annual operating subsidies. In 1999, the subsidies totaled approximately \$1,250,000; 50% of the Conservatory's revenue and support. In event of the Conservatory's liquidation, its assets will be transferred to the City. Based on above, the Conservatory is a joint venture between the City and the County.

#### (2) Summary of Significant Accounting Policies

The general purpose financial statements of the Conservatory have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. The Conservatory's significant accounting policies are described below.

## FRANKLIN PARK CONSERVATORY

### Notes to the General Purpose Financial Statements

Year ended December 31, 1999

**(a) Basis of Presentation - Fund Accounting**

The accounts of the Conservatory are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The various funds are summarized by type in the general purpose financial statements. The Conservatory uses the following fund types and account groups:

• **GOVERNMENTAL FUNDS**

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

• **ACCOUNT GROUPS**

General Fixed Assets Account Group—This group of accounts is established to account for all fixed assets of the Conservatory.

General Long-Term Obligations Account Group—This group of accounts is established to account for all long-term obligations of the Conservatory.

**(b) Measurement Focus/Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is followed for the General Fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter (i.e. 60 days after year-end) to be used to pay liabilities of the current period. Revenue accrued at the end of the year includes grants and charges for services.

Expenditures are recognized in the period in which the fund liability is incurred except for the costs of accumulated unpaid vacation and sick leave which are reported as expenditures in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.



**FRANKLIN PARK CONSERVATORY**

Notes to the General Purpose Financial Statements

Year ended December 31, 1999

**(c) Budgetary Data**

The Conservatory's budgetary basis of accounting is maintained on a cash basis, which differs from generally accepted accounting principles. State statute does not require a specific budgetary basis of accounting under ORC 755.14 (B).

The budgetary process begins in July of each year. The executive director and the department directors meet and estimate total revenue for the year based on history, projected changes, and market trends within the Conservatory's industry. Fixed costs (i.e. utilities, payroll, etc.) are subtracted from the estimated revenue and the remaining balance is allocated to each department based on needs discussed in the directors' meeting. Each director prepares a discussion to justify his or her allocation. The budget is presented to the Finance Committee and then the entire Board for approval. The Board can amend the budget subsequent to adoption. There were no amendments approved during 1999.

Several line item expenditures exceeded budgeted amounts for the year ended December 31, 1999. The unfavorable balances were due to unforeseen activities occurring during the year. The line items with expenditures exceeding budget amounts were as follows:

Administrative expenses (\$24,305)	Development department (\$20,016)
Education department (\$6,826)	Facilities management (\$40,781)
Grant expense (\$404)	Horticulture/Engineering (\$26,124)
Special events department (\$15,834)	Contingency (\$22,323)
Capital expenditures (\$13,399)	

**(d) Investments**

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Conservatory records all its investments at fair value, as defined by the statement.

**(e) Fixed Assets and Depreciation**

General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and deletions during the year in the General Fixed Assets Account Group. Donated fixed assets are recorded at their fair market values as of the date donated. No depreciation is recognized for assets in the General Fixed Assets Account Group. The Conservatory does not possess any infrastructure.

**(f) Compensated Absences**

The Conservatory follows GASB Statement No. 16, *Accounting for Compensated Absences*, which requires that a liability be accrued for sick leave if it is probable that the employee will be compensated through cash payment.

## FRANKLIN PARK CONSERVATORY

### Notes to the General Purpose Financial Statements

Year ended December 31, 1999

**(g) Long-Term Obligations**

Capital leases are recognized as a liability in the general fund when due. For vacation, only the portion expected to be financed from expendable available financial resources is reported as a fund liability of the general fund. The remaining portion of capital leases and vacation are reported in the General Long-Term Obligation Account Group.

**(h) Memorandum Only—Total Column**

Total column on the general purpose financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with GAAP. Such data is not comparable to a consolidation because interfund eliminations have not been made.

**(i) Comparative Data**

Comparative total data for the prior year has been presented in the accompanying general purpose financial statements and is presented only to facilitate financial analysis. Certain prior year comparative total data has been reclassified to conform to current account classifications.

**(3) Cash and Investments**

**(a) Cash and Cash Equivalents**

The provisions of the Ohio Revised Code (ORC) govern the investment and deposit of the Conservatory's monies. In accordance with these statutes, the Conservatory is authorized to invest in United States and State of Ohio bonds, notes, and other obligations; bank certificates of deposit; banker acceptances; commercial paper notes rated prime and issued by United States corporations; repurchase agreements secured by United States obligations; and STAROhio. Earnings on investments are credited to the general fund.

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2-a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 1999.

According to state law public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 110% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within 5 years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the Conservatory's name.

**FRANKLIN PARK CONSERVATORY**

Notes to the General Purpose Financial Statements

Year ended December 31, 1999

**(b) Deposits with financial institutions**

At year-end, the Conservatory carried account balances at one bank. The carrying amount of all Conservatory deposits was \$111,095 and the total bank balance was \$126,521, \$100,000 of which was insured by the FDIC and \$26,521 was uncollateralized as defined by GASB. These uncollateralized deposits were, however, covered by a pledged collateral pool, as discussed above. In addition, the Conservatory had cash on hand of \$1,310.

**(c) Investments**

The Conservatory's entire investment balance of \$426,265 is invested in STAROhio and is not required to be categorized due to its nature.

**(4) Property, Plant and Equipment**

A summary of the changes in the General Fixed Asset Account Group for the fiscal year follows:

	<u>Balance December 31, 1998</u>	<u>Additions</u>	<u>Disposals/ deletions</u>	<u>Balance December 31, 1999</u>
Land	\$ 100,000	-	-	100,000
Buildings	6,980,580	-	-	6,980,580
Improvements other than buildings	477,542	78,577	-	556,119
Equipment and fixtures	62,441	30,189	-	92,630
Vehicles	-	29,385	-	29,385
	<u>\$ 7,620,563</u>	<u>138,151</u>	<u>-</u>	<u>7,758,714</u>

**(5) Defined Benefit Pension Plan**

**(a) Plan Description**

The Conservatory contributes to the Public Employees Retirement System of Ohio (PERS), a cost sharing, multiple-employer public employee retirement system. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code assigns the authority to establish and amend benefit provisions to the PERS Board of Trustees. PERS issues a publicly available financial report that includes its financial statements and required supplementary information. That report may be obtained by writing to Public Employees Retirement System, 277 East Town Street, Columbus, Ohio, 43215 or by calling 614-266-2085 or 1-800-222-7377.

## FRANKLIN PARK CONSERVATORY

### Notes to the General Purpose Financial Statements

Year ended December 31, 1999

#### **(b) Funding Policy**

Plan members are required to contribute 8.5% of their annual covered salary and the Conservatory is required to contribute an actuarially determined rate. The current rate is 13.55% of annual covered payroll. The contribution requirements of plan members and the Conservatory are established and may be amended by PERS Board of Trustees. The Conservatory's contributions to PERS for the years ending December 31, 1999, 1998, and 1997 were approximately \$159,000, \$134,000, and \$125,000, respectively; 91.8% has been contributed for 1999 and 100% has been contributed for 1998 and 1997. The unpaid contribution for 1999, in the amount of \$13,041 is recorded as a liability within the general fund.

#### **(c) Other Postemployment Benefits**

PERS also provides postemployment health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is available. As required by state statute, a portion of each employer's contribution to PERS is set aside for the funding of the post retirement health care. For local government employer units, the rate was 13.55% of covered payroll; 4.2% was the portion that was used to fund health care for the year 1999. The Conservatory's contributions actually made to fund postemployment benefits were approximately \$6,700 in 1999. Employer contributions are advance-funded on an actuarially determined basis and are determined by state statute.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS.

Other postemployment benefits (OPEB) are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

Expenditures for OPEB for PERS as a whole during 1999 were \$523,599,349. As of December 31, 1999 the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

During 1997, PERS adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

**FRANKLIN PARK CONSERVATORY**

Notes to the General Purpose Financial Statements

Year ended December 31, 1999

**(6) General Long-Term Obligation Account**

A summary of changes in the general long-term obligation account group follows:

	<u>Balance December 31, 1998</u>	<u>Additions</u>	<u>Reduction</u>	<u>Balance December 31, 1999</u>
Vacation and sick leave	\$ 44,334	7,972	-	52,306
Capital lease obligations	-	20,724	5,552	15,172
	<u>\$ 44,334</u>	<u>28,696</u>	<u>5,552</u>	<u>67,478</u>

Additions and reductions of vacation and sick leave are shown net, since it is impractical for the Conservatory to determine these separately.

**(7) Capital Leases**

The Conservatory is leasing certain equipment under capital leases. Future minimum payments, by year, and in the aggregate, under these leases with initial or remaining terms of one year or more, consisted of the following at December 31, 1999:

	<u>Capital leases</u>
2000	\$ 9,536
2001	7,027
2002	- 436
Total minimum lease payments	16,999
Less: amount representing interest	<u>(1,827)</u>
Present value of minimum lease payments under capitalized lease	\$ <u>15,172</u>

The interest rate for capital leases were approximately 12.9% and 11.8% at December 31, 1999. The net book value of this equipment at December 31, 1999 was \$20,724.

**(8) Contingencies**

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Conservatory expects such amounts, if any, to be immaterial.

## FRANKLIN PARK CONSERVATORY

### Notes to the General Purpose Financial Statements

Year ended December 31, 1999

#### (9) Risk Management

The Conservatory maintains comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

In addition, the Conservatory provides medical benefits to most of its employees on a fully insured basis with an independent insurance company. The premium rate is calculated based on claim history and administrative costs.

The Conservatory is part of the state-wide plan for Workers' Compensation insurance coverage.

There were no changes to the above policies during the current fiscal year. Claims experience over the past three years indicates that there were no instances of losses exceeding insurance coverage.

#### (10) Endowment Funds

In December 1998, the Women's Sustaining Board created a new endowment fund for the Conservatory. As of December 31, 1999, this endowment fund had assets with a fair value of \$90,000 and is recorded as "Cash and Investments" and as a reservation in fund balance on the combined balance sheet.

Additionally, in 1996, the Women's Sustaining Board created an Endowment Fund (the Fund) for the Conservatory at the Columbus Foundation, an Ohio not-for-profit corporation. The Fund is controlled by the Governing Committee of the Columbus Foundation (the Committee). The Board of Trustees of the Conservatory has reserved the right to suggest to the Committee the manner of distribution of the principal and income of the Fund. As of December 31, 1999, the Fund had assets with a fair value of \$130,504. The Fund is not included in the Conservatory's financial statements as the fund's assets are subject to the variance power of the Committee.

#### (11) Friends of the Conservatory

In July 1999, the Conservatory created Friends of the Conservatory (Friends), a separate legal not for profit corporation, in accordance with section 501 (c)(3) of the Internal Revenue Code, to support the common good of the general public through the support and assistance of and the cooperation with the Conservatory. Friends will promote the Conservatory and raise capital and solicit funds in support of the Conservatory. Friends had minimal activity by December 31, 1999.

## FRANKLIN PARK CONSERVATORY

### Supplemental Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund – Budget Basis

Year ended December 31, 1999

	<i>Budget</i>	<i>Actual</i>	<b>Variance favorable (unfavorable)</b>
<b>Revenues:</b>			
City of Columbus	\$ 900,000	897,542	(2,458)
Franklin County	350,000	350,000	-
General admissions	285,000	297,040	12,040
Concession contracts	35,000	62,086	27,086
Development	275,000	320,772	45,772
Memberships	230,000	103,746	(126,254)
Education	50,000	44,088	(5,912)
Grants	-	1,000	1,000
Horticulture	20,000	27,510	7,510
Special events	230,000	322,007	92,007
Vending machines	5,000	12,603	7,603
Interest income	25,000	36,111	11,111
Other income	2,000	1,251	(749)
	<b>2,407,000</b>	<b>2,475,756</b>	<b>68,756</b>
<b>Expenditures:</b>			
Administrative expenses	45,000	69,305	(24,305)
Contract services	35,000	30,890	4,110
Development department	75,000	95,016	(20,016)
Education department	55,000	61,826	(6,826)
Facilities management	61,000	101,781	(40,781)
Grant expense	-	404	(404)
Horticulture/Engineering	160,000	186,124	(26,124)
Insurance	48,000	38,586	9,414
Personnel	1,465,000	1,420,702	44,298
Special events department	130,000	145,834	(15,834)
Utilities	210,000	159,258	50,742
Contingency	13,000	35,323	(22,323)
Capital expenditures	100,000	113,399	(13,399)
	<b>2,397,000</b>	<b>2,458,448</b>	<b>(61,448)</b>
Excess of revenues over expenditures	10,000	17,308	7,308
Fund deficits at beginning of year	190,242	190,242	-
Fund balance at end of year	\$ 200,242	207,550	7,308

See accompanying independent auditors' report.



Two Nationwide Plaza  
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**Independent Auditors' Report on Compliance and Internal Control  
Over Financial Reporting Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

Board of Directors  
Franklin Park Conservatory:

and

The Honorable Jim Petro  
Auditor of State

We have audited the financial statements of the Franklin Park Conservatory Joint Recreation District (the Conservatory) as of and for the year ended December 31, 1999, and have issued our report thereon dated March 17, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Conservatory'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 a matter involving compliance that we have reported to management of the Conservatory in a separate letter dated March 17, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Conservatory'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 we have reported to management of the Conservatory in a separate letter dated March 17, 2000.





This report is intended for the information of the Conservatory's management, the City of Columbus, and the Ohio Auditor of State and is not intended to be and should not be used by anyone other than those specified parties.

KPMG LLP

March 17, 2000



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FRANKLIN PARK CONSERVATORY

FRANKLIN 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.

By: *Susan Babbitt*

Date: JUNE 22, 2000