



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

**CLEVELAND METROPOLITAN PARK DISTRICT
CUYAHOGA COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021**

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Park Commissioners
Cleveland Metropolitan Park District
4101 Fulton Parkway
Cleveland, Ohio 44144

We have reviewed the *Independent Auditor's Report* of Cleveland Metropolitan Park District, Cuyahoga County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2021 through December 31, 2021. 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. Cleveland Metropolitan Park District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 07, 2022

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TABLE OF CONTENTS

Schedule of Expenditures of Federal Awards..... 1 – 3

Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards*..... 4 – 5

Independent Auditors’ Report on Compliance for Each Major Federal Program; Report on Internal
Control Over Compliance; and Report on Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance 6 – 8

Schedule of Findings and Questioned Costs..... 9

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Cleveland Metropolitan Park District
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u> | <u>Federal AL Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Total Federal Expenditures</u> |
|---|--------------------------|---|-----------------------------------|
| <u>U.S. Department of Agriculture</u> | | | |
| Cooperative Forestry Assistance | | | |
| Emerald Ash Borer | 10.664 | | \$ 40,821 |
| Euclid Creek Soil | 10.664 | | 4,281 |
| Total Cooperative Forestry Assistance | | | <u>45,102</u> |
| Forest Health Protection (Beech Leaf Disease) | 10.680 | | 51,331 |
| Total U.S. Department of Agriculture | | | <u>96,433</u> |
| <u>U.S. Department of Commerce</u> | | | |
| <i>(Passed through National Fish and Wildlife Foundation)</i> | | | |
| Office for Coastal Management (Cleveland Harbor Resilience Study) | 11.473 | n/a | 26,364 |
| Total U.S. Department of Commerce | | | <u>26,364</u> |
| <u>U.S. Department of the Interior</u> | | | |
| <i>(Passed through Ohio Department of Natural Resources)</i> | | | |
| Sportfishing and Boating Safety Act | | | |
| Docks at Heritage Park | 15.622 | n/a | 33,801 |
| Docks at Rivergate Park | 15.622 | n/a | 36,306 |
| Total Sportfishing and Boating Safety Act | | | <u>70,107</u> |
| Partners for fish and wildlife | 15.631 | n/a | 8,496 |
| Great Lakes Restoration | | | |
| Wallace Hydrilla | 15.662 | n/a | 147,077 |
| Brookside Reservation | 15.662 | n/a | 118,863 |
| Total Great Lakes Restoration | | | <u>265,940</u> |
| Total U.S. Department of the Interior | | | <u>344,543</u> |
| <u>U.S. Department of Transportation</u> | | | |
| <i>Highway Planning and Construction Cluster:</i> | | | |
| <i>(Passed through Ohio Department of Transportation)</i> | | | |
| Highway Planning and Construction (Red Line Greenway) | 20.205 | PID 104804 | 889,545 |
| <i>(Passed through Ohio Department of Natural Resources)</i> | | | |
| Recreational Trails Program Grants (Engle Road Connector Trail) | 20.219 | n/a | 49,136 |
| Total Highway Planning and Construction Cluster | | | <u>938,681</u> |
| National Infrastructure Investments | | | |
| Red Line Greenway | 20.933 | | 6,145 |
| Whiskey Island Connector | 20.933 | | 589,019 |
| Wendy Park Bridge | 20.933 | | 14,356 |
| Connectors | 20.933 | | 23,576 |
| Total National Infrastructure Investments | | | <u>633,096</u> |
| Total U.S. Department of Transportation | | | <u>1,571,777</u> |

Cleveland Metropolitan Park District
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2021

U.S. Small Business Administration

| | | | |
|--|--------|--|------------------|
| COVID-19 - Shuttered Venue Operators Grant | 59.075 | | <u>9,123,319</u> |
| Total U.S. Small Business Administration | | | <u>9,123,319</u> |

U.S. Environmental Protection Agency

(Passed through Ohio Environmental Protection Agency)

Nonpoint Source Implementation Grants:

| | | | |
|--|--------|-----|----------------|
| Chagrin River Restoration at Jackson Field | 66.460 | n/a | 180,453 |
| Beecher's Brook Restoration | 66.460 | n/a | <u>116,145</u> |

Total Nonpoint Source Implementation Grants 296,598

Total U.S. Environmental Protection Agency 296,598

Total \$ 11,459,034

See Notes to the Schedule of Expenditures of Federal Awards

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Cleveland Metropolitan Park District (the “District”) under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The District did not pass any awards through to subrecipients.

NOTE C – MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS' REPORT

To the Board of Park Commissioners
Cleveland Metropolitan Park District:

We have audited, in accordance with the 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 governmental activities, the discretely presented component unit, and the major fund of the Cleveland Metropolitan Park District ("District") as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 16, 2022. Our report includes a reference to other auditors who audited the financial statements of the Cleveland Zoological Society, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Reports on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 16, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Park Commissioners
Cleveland Metropolitan Park District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Cleveland Metropolitan Park District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended December 31, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the discretely presented component unit, and the major fund of the District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated June 16, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 16, 2022

**CLEVELAND METROPOLITAN PARK DISTRICT
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

| | |
|--|---------------|
| Type of auditors’ report issued: | Unmodified |
| Internal control over financial reporting: | |
| • Material weakness(es) identified? | No |
| • Significant deficiency(ies) identified not considered to be material weaknesses? | None reported |
| Noncompliance material to the financial statements noted? | No |

Federal Awards

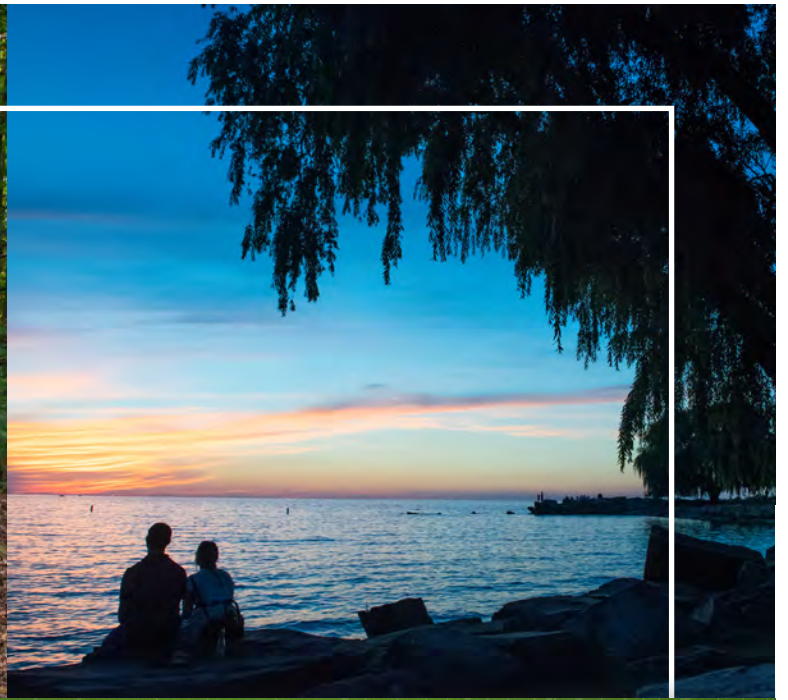
| | |
|--|---------------|
| Internal control over major programs: | |
| • Material weakness(es) identified? | No |
| • Significant deficiency(ies) identified not considered to be material weaknesses? | None reported |
| Type of auditors’ report issued on compliance for major programs: | Unmodified |
| Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| Identification of major programs: | |
| • ALN 59.075 – COVID-19 Shuttered Venue Operations Grant | |
| Dollar threshold to distinguish between Type A and Type B Programs: | \$750,000 |
| Auditee qualified as low-risk auditee? | Yes |

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None



**Cleveland
Metroparks**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2021



 **Cleveland Metroparks**
FIND YOUR PATH

Serving Cuyahoga County and Hinckley Township in Medina County, Ohio

Board of Park Commissioners:

Debra K. Berry - President

Dan T. Moore - Vice President

Bruce G. Rinker - Vice President

Brian M. Zimmerman - Chief Executive Officer

Wade Steen - Chief Financial Officer



Cleveland Metroparks

Cuyahoga County and Hinckley Township, Ohio

Annual Comprehensive Financial Report

For the Year Ended December 31, 2021

Prepared by:

Wade Steen, CPA, Chief Financial Officer
and the Department of Finance



INTRODUCTION SECTION





CLEVELAND METROPARKS
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021
Table of Contents

| | Page |
|--|-------------|
| I. <i>Introductory Section</i> | |
| Table of Contents..... | i |
| Transmittal Letter | iii |
| List of Principal Officials | x |
| Organizational Chart..... | xi |
| GFOA Certificate of Achievement | xii |
| II. <i>Financial Section</i> | |
| Independent Auditors’ Report | 1 |
| Management’s Discussion and Analysis | 5 |
| Basic Financial Statements: | |
| Government Wide Financial Statements: | |
| Statement of Net Position: | |
| Cleveland Metroparks | 14 |
| Component Unit – Cleveland Zoological Society..... | 15 |
| Statement of Activities: | |
| Cleveland Metroparks | 16 |
| Component Unit – Cleveland Zoological Society..... | 17 |
| Fund Financial Statements: | |
| Balance Sheet – Governmental Fund..... | 18 |
| Reconciliation of Governmental Fund Balance to Net Position of Governmental Activities | 19 |
| Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund..... | 20 |
| Reconciliation of the Changes in Fund Balance of Governmental Fund to the Statement of Activities | 21 |
| Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual: General Fund | 22 |
| Notes to the Basic Financial Statements | 23 |

CLEVELAND METROPARKS
Comprehensive Annual Financial Report
For the Year Ended December 31, 2021
Table of Contents (continued)

| | Page |
|---|-------------|
| Required Supplementary Information: | |
| Schedules of Metroparks' Proportionate Share of the Net Pension Liability and Contributions – OPERS – Traditional Plan..... | 71 |
| Schedules of Metroparks' Proportionate Share of the Net OPEB Liability/(Asset) and Contributions – OPERS – Traditional Plan..... | 73 |
| Individual Fund Schedule: | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual: General Fund..... | 77 |
| III. Statistical Section | |
| Statistical Section Table of Contents | S1 |
| Net Position by Component – Last Ten Years..... | S2 |
| Changes in Net Position – Last Ten Years | S3 |
| Fund Balance, Governmental Fund – Last Ten Years | S4 |
| Changes in Fund Balance, Governmental Fund – Last Ten Years | S5 |
| Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Years | S6 |
| Property Tax Rates – Direct and Overlapping Governments – Last Ten Years | S7 |
| Property Tax Levies and Collections – Last Ten Years..... | S8 |
| Principal Real Property Taxpayers – Current Year and 2012..... | S9 |
| Demographic and Economic Statistics – Last Ten Years | S10 |
| Principal Employers – Current Year and Nine Years Prior | S11 |
| Full-Time Equivalent Metroparks Employees by Division – Last Ten Years..... | S12 |
| Operating Indicators – Last Ten Years | S13 |
| Capital Assets Statistics by Function/Program – Last Ten Years..... | S14 |



Board of Park Commissioners

Debra K. Berry, President
Dan T. Moore, Vice President
Bruce G. Rinker, Vice President

Chief Executive Officer

Brian M. Zimmerman



5-time winner

June 16, 2022

To the Citizens of Cuyahoga County and Hinckley Township of Medina County
Honorable Judge Anthony J. Russo
Debra K. Berry, Board of Park Commissioners, President
Dan T. Moore, Board of Park Commissioners, Vice President
Bruce G. Rinker, Board of Park Commissioners, Vice President

Formal Letter of Transmittal

We are pleased to submit Cleveland Metroparks' Annual Comprehensive Financial Report (ACFR) for the year ending December 31, 2021. This report conforms to accounting principles generally accepted in the United States and provides full and complete disclosure of the financial position and operations of Cleveland Metroparks for the year ended December 31, 2021.

Ohio law requires that public offices reporting pursuant to accounting principles generally accepted in the United States shall file their reports with the Auditor of the State and publish notice of the availability of the financial statements within 150 days of the close of each year. The General Purpose External Financial Statements from this report were filed to fulfill that requirement for the year ended December 31, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position of the entity as a whole and the results from operations of the various operations of Cleveland Metroparks. All disclosures necessary to enable the reader to gain an understanding of Cleveland Metroparks financial activities have been included.

State statutes require independent audits to be performed on all financial operations of Cleveland Metroparks. Clark, Schaefer, Hackett & Co. has issued an unmodified ("clean") opinion on Cleveland Metroparks' financial statements for the year ended December 31, 2021. The independent auditors' report on the basic financial statements is located at the front of the financial section of this report.

This letter of transmittal is intended to complement Management's Discussion and Analysis (MD&A) immediately following the independent auditors' report and should be read in conjunction with it. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements.

Reporting Entity

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, *The Financial Reporting Entity; Omnibus*, Statement No. 39, *Determining Whether Certain Organizations are Component Units* and Statement No. 80, *Blending Requirements for Certain Component Units*. On this basis the reporting entity of the Cleveland Metroparks includes the legally separate organization, Cleveland Zoological Society. Cleveland Zoological Society (“the Zoo Society”) is a nonprofit organization which operates under a Board of Trustees. The Zoo Society promotes the conservation and propagation of wildlife primarily through its support of Cleveland Metroparks. The Zoo Society engages the community in support of Cleveland Metroparks Zoo (the Zoo) and its mission to improve the future for wildlife and marshal the resources necessary to ensure that the Zoo remains one of the region’s preeminent destinations and ultimately one of the top ten zoos in the country.

The financial data of Cleveland Zoological Society is reported separately within Cleveland Metroparks ACFR. Cleveland Metroparks does not appoint any members of the Zoo Society’s governing board, nor does it approve the budget or debt issuance of the Zoo Society.

Cleveland Metroparks Profile

Cleveland Metroparks was established on July 23, 1917, and today consists of over 24,350 acres of land in 18 reservations, their connecting parkways, and Cleveland Metroparks Zoo. Cleveland Metroparks is dedicated to conservation, education and recreation. Over 100 miles of parkways provide driving pleasure and easy access to Cleveland Metroparks facilities including; picnic areas and playfields, wildlife management areas and waterfowl sanctuaries, hiking, bridle, all purpose and physical fitness trails, eight golf courses, six outdoor education facilities, four restaurants, seven concessions facilities, swimming, boating, fishing, tobogganing, sledding, and cross-country skiing.

Cleveland Metroparks is a separate political subdivision of the State of Ohio. Cleveland Metroparks is governed by a Board of Park Commissioners (“the Board”), composed of three citizens who serve three-year terms without compensation. Board members are appointed by the presiding Judge of the Probate Court of Cuyahoga County, The Honorable Judge Anthony J. Russo. The current Board of Park Commissioners officers are:

Debra K. Berry, President
Dan T. Moore, Vice President
Bruce G. Rinker, Vice President

Cleveland Metroparks’ mission is to conserve natural resources and enhance people’s lives by providing outdoor education, recreation and zoological opportunities. The majority of Cleveland Metroparks’ 24,350 acres are dedicated to conservation. Whether to promote fishing opportunities within Cleveland Metroparks lakes, forest health or restore wetlands, natural resource management is a significant endeavor of the Metroparks.

Outdoor education is provided through individual and group programming at all nature/visitor centers. In addition, Cleveland Metroparks maintains a Mobile Outreach program, which travels to area schools and locations to bring nature education to children who otherwise might not experience the natural environment. Cleveland Metroparks’ mobile education vehicle and Youth Outdoors Program, in cooperation with Cleveland Metropolitan School District, the Head Start program, the City of Cleveland and The Ohio State University Extension/4-H, provides outdoor recreation and education experiences for the urban youth of Cleveland.

Recreation is provided at eight golf courses, the Chalet Recreation Area, six swimming areas, a horse stable, three self-managed marinas, four restaurants, seven concession facilities, numerous ball fields, open play areas and more than 320 miles of trails.

Cleveland Metroparks Zoo provides recreation, education and conservation and is recognized as one of the finest zoos in the United States, with more than 2,000 animals across 183 rolling acres. The Zoo features numerous special attractions such as the Ben Gogolick Giraffe Encounter, Rosebrough Tiger Passage, African Elephant Crossing, Stillwater Event Center, the Circle of Life Carousel, 4D Theater, Mandel Welcome Pavilion, Asian Highlands exhibit, and the Daniel Maltz Rhino Reserve. Further, Cleveland Metroparks Zoo offers or hosts annual sellout event experiences such as Twilight at the Zoo, Boo at the Zoo, the Asian Lantern Festival, and Wild Winter Lights.

The award-winning Cleveland Metroparks Police Department is the law enforcement branch of Cleveland Metroparks. Cleveland Metroparks Police are state-certified law enforcement officers who exercise full police powers in the commission of their duties. Police are on duty 24-hours a day, year-round. Police Headquarters dispatches the department's 89 Police Officers from 13 field offices and stable facilities positioned throughout the Metroparks. The Police Department consists of several specialized units and functions, including "state certified" law enforcement K-9 officers (German Shepherds named, Creed, Zeke and Jett), a six-member mounted equestrian unit, bicycle patrol team, detective bureau, dive team, marine patrol and honor guard. In 2019, the Police Department was evaluated and again awarded *CALEA Law Enforcement Accreditation*. Of 189 standards, Cleveland Metroparks Police was awarded a perfect score. This accreditation has been received by only four percent of American law enforcement agencies and serves as the International Gold Standard for public safety agencies. Cleveland Metroparks Police is one of just six park district law enforcement agencies to earn accreditation. Accreditation is for a four-year period inclusive of annual renewal with confirmation that standards are being maintained.

Local Economy

Cleveland Metroparks successfully passed a 2.7 mill levy (1.8 mill renewal with a 0.9 mill increase) in November 2013. This initiative passed with approximately 70 percent affirmative vote. The levy extends for ten years (2014-2023) and provides the Metroparks with approximately \$78 million of property tax related revenues per year, based on property values in Cuyahoga County and Hinckley Township of Medina County. Cuyahoga County conducted a triennial real property reappraisal in 2021, resulting in a 16% increase in residential property valuations. The increase in property values does not impact property tax revenues generated by the outside (voted) millage of 2.7 due to House Bill 920. However, the property tax revenue generated by the inside (non-voted, statutory) millage of .05, which is impacted by the reappraisal, generated approximately \$1.5 million in property tax revenues in 2021. The next full reappraisal will occur in 2024.

Cuyahoga County, Ohio, in which 82 percent of Cleveland Metroparks acreage exists, spans a total of 1,246 square miles, of which 457 square miles is land and 788 square miles is water. According to census estimates, its population of approximately 1.25 million has decreased roughly 10 percent since 2000 (1.39 million). However, Cuyahoga County is the second most populous and urbanized county in the State of Ohio. Median household income in Cuyahoga County is approximately \$51,742, and the median owner-occupied home value is approximately \$137,800. These figures compare to State of Ohio median values of approximately \$58,116 and \$151,400, respectively.

Long-term Financial Planning and Major Initiatives

The 2022 budget year represents year nine of Cleveland Metroparks' current 10-year levy cycle. Property tax revenues enable Cleveland Metroparks to implement prioritized initiatives articulated in Cleveland Metroparks' Strategic Plan: Cleveland Metroparks 2020: The Emerald Necklace Centennial Plan and the Cleveland Metroparks Zoo Strategic Long-Term Plans.

These plans ensure Cleveland Metroparks is strategically investing in both new and existing assets to continue to drive value through the Park District for its taxpayers, while maintaining high levels of service, cleanliness, safety, and enjoyment for Park District constituents and visitors. Cleveland Metroparks has been effective in its commitment to maintaining the quality and safety of existing facilities and infrastructure with a balance of strategic land acquisition and new initiatives. Major initiatives in 2022 continue that commitment.

The primary trends emerging for public sector organizations due to the pandemic can be categorized in three broad areas: building financial resilience, the overhaul and integration of digital systems and data sharing, and government for all the people. The last area centers around making programs and services truly equitable and inclusive. All three areas have been a focus of the Cleveland Metroparks for years. Our 2022 Budget and Strategic Plan address these areas directly.

As an example, the Metroparks clearly communicates that it values and promotes Inclusion, Diversity, Equity and Accessibility (IDEA) and a major initiative in 2022 is for the IDEA Team to help drive change. The Team will help drive systemic changes that manifest in our hiring practices, increased connectivity to amenities, functional accessibility at Cleveland Metroparks facilities and planned capital investment in underserved communities such as the Garfield Pond restoration. One of the Cleveland Metroparks goals is to welcome all people and connect them to nature.

2022 marks the Zoo's 115th year at its present location. Key exhibits such as the Primate, Cat, Aquatics (CAT) building, and the Rainforest have reached the need for major upgrading. These projects will require multiple years of capital planning and funding.

The Hinckley Lake Dam (HLD) is a Class 1 dam (one of 1,500 in Ohio) and needs updating to ensure it can withstand the Probable Maximum Flood (PMF) level. The PMF is about six times larger than the 100-year flood. While the likelihood of PMF occurring is low, the severity of failure and related damage is very high.

Additionally, we have identified over 490 acres of potential land acquisitions in 2022 that meet strategic objectives of conservation and protection.

Relevant Financial Policies

Short-Range and Long-Range Planning

The annual budget process culminates in a Board-approved detailed financial road map for the coming fiscal year and a related forecast for the remainder of the current levy cycle. Utilizing a multi-year financial forecast and in the context of departmental goals and objectives, short and long-term operating, restricted and capital allocations are determined. The forecast ensures funds are adequately available throughout the ten-year 2.7 mill levy passed in November 2013 for collection in years 2014-2023.

Investments

The investment policy applies to all financial funds of Cleveland Metroparks and strives to maximize safety, liquidity, and return. In accordance with investments available under Ohio Revised Code, the Chief Financial Officer exercises a standard of prudence and diversifies investment instruments to avoid incurring unreasonable risks inherent by over-investing in specific instruments, individual institutions, or maturities. The investment policy establishes a system of internal controls designed to prevent and control the loss of public funds arising from fraud, error, misrepresentation, imprudent actions, and unanticipated changes in financial markets. A report of all investments is submitted to the Board of Park Commissioners monthly.

Budgeting

The Board is required to adopt an initial budget for the fiscal year no later than March 31 of the budget year. However, we prefer to align the budget adoption with the calendar (fiscal) year, so the Board adopts the annual budget by December 31 of the year preceding the budget year. This annual budget serves as the foundation for Cleveland Metroparks' financial planning and control. Cleveland Metroparks' budgeting process enables Department Chiefs and Budget Managers to set appropriate dollar amounts required to provide high-quality services to the public and secures a sense of budget ownership for each department and division. Subsequent to adoption of the initial budget, division budget managers may initiate adjustments within and between the Board-approved character levels. Such requests require Departmental Chief approval as well as the approval of the Chief Financial Officer. Budget appropriation adjustments requested between character levels are summarized and presented to the Board for approval at monthly Board meetings throughout the year. The Board-approved budget adjustments are forwarded to the County Fiscal Officer and funds adequate for total budget commitment are certified by the Chief Financial Officer. Increased revenues not anticipated in the original budget are also reported to the County Budget Commission with a request for an amended Certificate of Estimated Resources. These procedures comply with the Ohio Revised Code.

The budget is built on a foundation of activities, work programs, initiatives, and projects which align with Cleveland Metroparks' Strategic Plan, and which address the priorities and issues of the year being budgeted. Division Managers and Department Chiefs are extensively involved and are challenged during the budgeting process to carefully align requested resources with work programs. Pools of available funds for discretionary items such as cost-of-living and merit-based wage

increases and capital expenditures are established to conform with the multi-year financial forecast, then allocated in a prioritized manner.

Revenue

Cleveland Metroparks offers a diverse portfolio of more than fifty revenue collection locations, including Cleveland Metroparks Zoo, eight golf courses, three self-managed marinas, four restaurants, seven park concessions, five Nature Shops, five nature centers, The Chalet, Ledge Pool, and Outdoor Experiences. Rates and user fees associated with these locations are carefully evaluated, adjusted, and approved by the Board annually to balance cost recovery with guest and taxpayer value.

The Accounting Manual contains detailed procedures for the daily reconciliation, deposit, and weekly reporting of revenue at all locations. Wherever possible, point-of-sale systems are being leveraged to facilitate direct entry of revenue data into the Munis accounting system. Because of the seasonal nature and associated seasonal workforce of many operations, procedures and physical controls related to cash handling throughout Cleveland Metroparks incorporate strict best practice measures to safeguard collected cash and the employees handling it. Examples are minimizing cash on hand through daily reconciliation and bank deposit, use of locked safes for petty cash and change fund storage, use of “smart safes” for daily cash deposits, Cleveland Metroparks Police escorts to the local bank branch for teller and night deposits, and use of scheduled armored car service. Compliance audits are performed throughout the fiscal year on a prioritized schedule to validate procedures related to revenue control and documentation are being followed.

Expenditures

Cleveland Metroparks budgeted expenditures reflect the commitment by the Board of Park Commissioners and Park District staff to maintain and enhance the quality and safety of its facilities and infrastructure and whenever possible to increase the breadth and depth of its offerings. Expenditures are projected conservatively using an objective and analytical approach which considers historical patterns, current information, and economic trends to maintain consistency of approach from year to year, reliability in estimates, and reasonableness of assumptions. Prudent expenditure planning and accountability, presented in an annual multi-year financial forecast, ensures financial stability. Monthly monitoring and analysis of actual results in comparison to the budget and forecast, along with recalibration when warranted ensures organizational sustainability.

Auditing & Annual Financial Reporting

An independent audit is performed annually. Cleveland Metroparks produces an Annual Comprehensive Financial Report (ACFR) in accordance with accounting principles generally accepted in the United States, the body of accounting and financial reporting standards, conventions, and practices with authoritative support from standard-setting bodies such as the GASB.

Capital Assets

Capital assets are generally defined as tangible or intangible assets with an acquisition cost of \$1,000 or more (\$50,000 or more for buildings and building improvements) and an initial useful life of five years or more. Depreciation of capital assets is recorded in conformance with Governmental Accounting Standards Board’s Statement 34.

A detailed inventory of capital assets is maintained and physically verified once each year. For structures, a sophisticated database is maintained which includes detail of acquisition/construction cost, improvement cost, annual condition assessment and GIS imagery and data. For vehicles, a fleet management plan is executed to maintain the necessary fleet of on-road, off-road and other vehicles. This plan provides for annual condition assessment and vehicle-specific maintenance history to minimize annual cost of ownership through fleet age and rotation, redeployment, and disposal.

Operational Compliance

The Compliance Division within Finance seeks to ensure financial integrity, ethical conduct, the safeguarding of assets, and adherence to applicable laws and regulations, and Cleveland Metroparks established policies and procedures. Each year, an audit plan is developed with a defined cadence for audits based on seasonal patterns and a risk assessment which considers the nature and materiality of transactions, past audit results, new operations, turnover in personnel, and changes in systems. Audits performed include procedural reviews to observe and verify employees’ understanding and adherence to policies as well as tests of individual transactions and associated documentation to validate amounts reflected in accounting records and the financial statements.

Audit areas include:

- Cash – physical controls over cash on hand in register drawers, in safes and in transit to the bank
- Inventory – physical presence of merchandise inventory and reconciliation to perpetual records including point-of-sale data
- Fixed Assets – physical presence of capital assets, including in-service status and use for intended purpose
- Procurement Card Transactions – security of cards, maintenance of receipts and use of cards in accordance with the Procurement Card Program Policies and Procedures Manual
- Payroll – verification of employee’s existence, wage rate, proper use of timekeeping mechanism and approval of paid hours
- Fuel & Commodities – physical presence of reported on-hand quantities and reconciliation to usage calculations and documentation
- Concessionaires – verification that products offered, prices charged, and commissions remitted meet contractual terms

Internal audits have three “levels” by which improvements or notable items are captured:

- Recommendation. Defined as a suggested enhancement to operational practices, internal controls, or procedures. Recommendations are suggested best practices but do not indicate a deficiency in current practices or procedures.
- Warning. Defined as an infraction of a newly enacted policy or procedure, particularly one that may have been instituted mid-year or audit cycle. Warnings that are not corrected by the next subsequent audit are reported as findings.
- Finding. Defined as a violation of an established policy or procedure. Any completed audit with a finding results in a formal audit report to the applicable division manager and their direct supervisor. Division managers may comment on findings in audit reports and indicate resulting remedial steps. All audit activity and findings are summarized and reported monthly to the Chief Financial Officer.

Awards and Achievements

The Government Finance Officers Association of the United States and Canada (GFOA) has presented an award of Distinguished Budget Presentation to Cleveland Metroparks for its annual budget for 29 consecutive fiscal years beginning January 1, 1993 through January 1, 2021. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device. The award is valid for a period of one year only. Cleveland Metroparks submitted its annual budget for the fiscal year beginning January 1, 2022, to the GFOA and is awaiting its determination of whether the award will be granted for the 30th consecutive year.

Cleveland Metroparks proudly received the Certificate of Achievement for Excellence in Financial Reporting for the fiscal years beginning January 1, 2012 through 2020, respectively. The GFOA awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes an easily readable and efficiently organized Annual Comprehensive Financial Report which conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

Cleveland Metroparks believes the current report conforms to the requirements and standards of the Certificate of Achievement Program and has submitted the report to the GFOA to determine eligibility for a Certificate of Achievement.

Cleveland Metroparks Procurement Team has been awarded the prestigious 26th Annual Achievement of Excellence in Procurement® (AEP) for 2021 from the National Procurement Institute, Inc. (NPI). The AEP Award is earned by public and non-profit organizations that obtain a high application score based on standardized criteria. The AEP is awarded annually to recognize overall Best Practices, Innovation, Professionalism, E-Procurement, Productivity, and Leadership in the procurement function. This is the 12th time (11th consecutive) Cleveland Metroparks Procurement Team has won this award. For 2021, there were 181 successful applicants, including 66 cities, 41 counties, 36 special districts, 19 school districts, 12 higher education agencies, seven (7) state/provincial agencies and two (2) other entities. Cleveland Metroparks was one of only two Ohio agencies and one of the 36 special districts in the US and Canada to win the award.

Cleveland Metroparks, in 2018, also received re-accreditation from The Commission for Accreditation of Park and Recreation Agencies (CAPRA), the most prestigious organization for certifying standards of excellence in park districts in the United States. The accreditation process for CAPRA consists of an agency's compliance with 151 standards, and Cleveland Metroparks met or exceeded all 151. (Agencies must meet 36 Fundamental Standards and at least 85 percent of the remaining 115 standards). Only 166 of the thousands of parks and recreation agencies in the country meet these high standards and are accredited by CAPRA. Reaccreditation is required every five years.

Acknowledgements

Successful preparation of a report of this scope depends upon the dedicated contribution of many employees. The Cleveland Metroparks extends its sincere appreciation of those primarily responsible for its completion, but especially to the employees in the Finance Department. Special recognition goes to Controller, Gary Butzback, CPA and Clark, Schaefer, Hackett who contributed significantly to the preparation of this report. Finally, management wants to extend its appreciation to the Board of Park Commissioners for their support and commitment to exemplary financial reporting.

Postscript

The employees of Cleveland Metroparks are proud of the community in which we work and live. We pledge our continued dedication to providing the highest possible level of service to the citizens of Cuyahoga County and Hinckley Township of Medina County. We are committed to enhancing the quality of life that our community has come to expect and enjoy.

Respectively submitted,



Brian M. Zimmerman
Chief Executive Officer



Wade Steen, CPA
Chief Financial Officer

CLEVELAND METROPARKS
LIST OF CURRENT PRINCIPAL OFFICIALS

Senior Probate Court Judge Anthony J. Russo

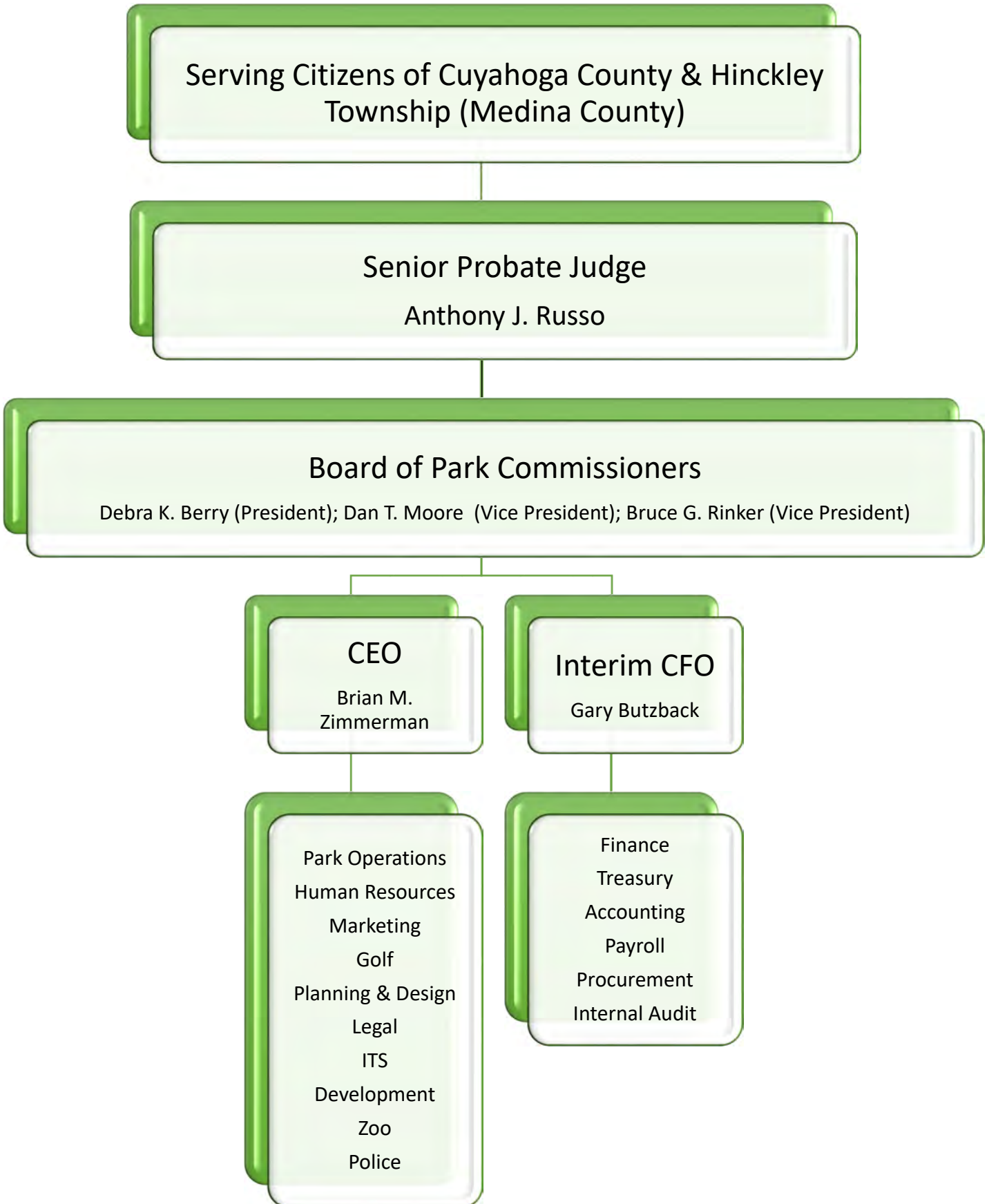
Board of Park Commissioners Debra K. Berry, President
Dan T. Moore, Vice President
Bruce T. Rinker, Vice President

Chief Executive Officer Brian M. Zimmerman

Chief Financial Officer Wade Steen, CPA

CLEVELAND METROPARKS ORGANIZATIONAL CHART

As of December 31, 2021





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Cleveland Metroparks
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

To the Board of Park Commissioners
Cleveland Metropolitan Park District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and the major fund of the Cleveland Metropolitan Park District (the "District") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and the major fund of the Cleveland Metropolitan Park District, as of December 31, 2021, and the respective changes in financial position, and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Cleveland Zoological Society which represent all of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Cleveland Zoological Society, is based solely on the report of other auditors.

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 (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

Auditors' 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 auditors' 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 *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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of net pension and OPEB liabilities/(assets) and pension and OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The individual fund schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the individual fund schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors’ report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2022 on our consideration of the District’s internal control over financial reporting and on 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.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 16, 2022



CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2021
Unaudited

The discussion and analysis of Cleveland Metroparks' financial performance provides an overall review of the Cleveland Metroparks' financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the Cleveland Metroparks' financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Cleveland Metroparks' financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- In total, net position increased approximately \$85.1 million from 2020. A majority of this increase was due to the recognition of \$39.2 million in negative pension and other postemployment benefit expenses in accordance with GASB Statement Nos. 68 and 75.
- Total revenues increased by \$15.8 million, or 12%, while total expenses decreased by \$48.1 million, or 45%.
- Property taxes are the largest general revenue source and account for 50% of total revenue in 2021. Revenues in 2021 increased by \$0.3 million from 2020.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Cleveland Metroparks as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial conditions.

The statement of net position and statement of activities provide information about the activities of the whole Cleveland Metroparks, presenting both an aggregate view of the Cleveland Metroparks' finances and a longer-term view of those assets. The statement of activities shows changes to net position related to each department of the Cleveland Metroparks. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

Reporting on the Cleveland Metroparks as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position and statement of activities include all assets and deferred outflows of resources and liabilities and deferred inflows of resources, using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the Cleveland Metroparks' net position and the change in net position. The change in net position is important because it tells the reader whether, for the Cleveland Metroparks as a whole, the financial position of the Cleveland Metroparks has improved or diminished. However, in evaluating the overall position of the Cleveland Metroparks, non-financial information such as changes in the Cleveland Metroparks' tax base and the condition of the Cleveland Metroparks' capital assets will also need to be evaluated.

CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2021
Unaudited

In the statement of net position and the statement of activities, the Cleveland Metroparks' activities are divided into two types of activities:

- **Governmental Activities** – All of the Cleveland Metroparks' services are reported here, including park operations, zoo operations, golf operations, police department and administration.
- **Component Unit** – The Cleveland Metroparks includes the financial data of Cleveland Zoological Society (the Zoo Society). The Zoo Society is a nonprofit organization which operates under a Board of Trustees. The Zoo Society promotes the conservation and propagation of wildlife – particularly endangered species – primarily through support of the Cleveland Metroparks Zoo (the Zoo). The Zoo Society will engage the community in support of the Zoo and in its mission to improve the future for wildlife and will marshal the resources necessary to ensure the Zoo remains one of the region's preeminent destinations and ultimately one of the top five zoos in the country. Since the economic resources received by the Zoo Society are almost entirely for the benefit of and accessible to the Cleveland Metroparks, the Zoo Society is presented as a component unit of the Cleveland Metroparks. Cleveland Zoological Society is included as a component unit of the Cleveland Metroparks because of the Cleveland Metroparks' influence on the programs and services provided by Cleveland Zoological Society and because of the operating agreement between Cleveland Metroparks and Cleveland Zoological Society (Note 15). The Cleveland Metroparks does not appoint any of the members of Cleveland Zoological Society's governing board or approve the budget or debt issuance of Cleveland Zoological Society.

Reporting on the Cleveland Metroparks' Most Significant Fund

Governmental Fund

The presentation for the Cleveland Metroparks' single fund, the General Fund, focuses on how resources flow into and out of it and the balance that is left at year-end and available for spending in future periods. The General Fund is reported using modified accrual accounting, which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Cleveland Metroparks' general operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our users. The relationship (or difference) between governmental activities (reported on the statement of net position and the statement of activities) and the General Fund is reconciled in the financial statements.

CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2021
Unaudited

Cleveland Metroparks as a Whole

Recall that the statement of net position looks at the Cleveland Metroparks as a whole. Table 1 provides a summary of the Cleveland Metroparks' net position for 2021 compared to 2020.

Table 1
Net Position

| | 2021 | 2020 | Change |
|---------------------------------------|-----------------------|-----------------------|----------------------|
| Assets | | | |
| Current and other assets | \$ 161,346,921 | \$ 138,028,445 | \$ 23,318,476 |
| Net OPEB asset | 5,419,630 | - | 5,419,630 |
| Capital assets | <u>447,102,373</u> | <u>432,592,059</u> | <u>14,510,314</u> |
| Total Assets | <u>613,868,924</u> | <u>570,620,504</u> | <u>43,248,420</u> |
| Deferred Outflows of Resources | <u>9,312,044</u> | <u>17,492,820</u> | <u>(8,180,776)</u> |
| Liabilities | | | |
| Current and other liabilities | 9,227,099 | 10,937,400 | (1,710,301) |
| Long-term liabilities: | | | |
| Net pension liabilities | 44,766,945 | 68,983,198 | (24,216,253) |
| Net OPEB liabilities | - | 48,378,652 | (48,378,652) |
| Other long-term amounts | <u>7,531,586</u> | <u>7,193,808</u> | <u>337,778</u> |
| Total Liabilities | <u>61,525,630</u> | <u>135,493,058</u> | <u>(73,967,428)</u> |
| Deferred Inflows of Resources | <u>118,135,589</u> | <u>94,162,133</u> | <u>23,973,456</u> |
| Net Position | | | |
| Net investment in capital assets | 444,771,006 | 428,077,689 | 16,693,317 |
| Unrestricted (deficit) | <u>(1,251,257)</u> | <u>(69,619,556)</u> | <u>68,368,299</u> |
| Total Net Position | <u>\$ 443,519,749</u> | <u>\$ 358,458,133</u> | <u>\$ 85,061,616</u> |

The net pension liability (NPL) is the largest single liability reported by the Cleveland Metroparks at December 31, 2021 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. The net other postemployment benefits (OPEB) assets were reported pursuant to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Cleveland Metroparks' actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability to the reported net position and subtracting net OPEB assets and deferred outflows related to pension and OPEB.

CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2021
Unaudited

Governmental Accounting Standards Board (GASB) standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB asset*. GASB Statement No. 68 and GASB Statement No. 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB Statement No. 68 and GASB Statement No. 75 require the net pension liability and the net OPEB asset to equal the Cleveland Metroparks' proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Cleveland Metroparks is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there are no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of this liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2021
Unaudited

In accordance with GASB Statement No. 68 and GASB Statement No. 75, the Cleveland Metroparks' statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB asset, respectively, not accounted for as deferred inflows/outflows.

The significant decrease in total deferred outflow of resources in 2021 (and related increase in deferred inflows of resources) was due to higher than projected investment earnings on retirement system investments during the measurement period. The pension system investments realized a 11.7% rate of return, while the OPEB plan investments realized a 10.5% rate of return. Under GASB Statement No. 68, the difference between projected and actual investment earnings are deferred and recognized as part of pension expense over a five-year period.

The net pension liability and the net OPEB asset represent the Cleveland Metroparks' proportionate share of the OPERS pension and retirement health care unfunded/overfunded benefits. As indicated above, changes in pension and health care benefits, contribution rates, and return on investments affect the balance of these assets and liabilities.

The largest portion of the Cleveland Metroparks' net position (\$444.8 million) reflects its investment in capital assets, less any related outstanding capital-related liabilities that were used to acquire those assets. The Cleveland Metroparks uses these capital assets to provide services to its citizens. Accordingly, these assets are not available for future spending.

The Cleveland Metroparks' unrestricted net position ended the year with a deficit balance of \$1.3 million. This is primarily attributable to the Cleveland Metroparks' recognition of its proportionate share of net pension and OPEB liabilities and assets. If the effects of the net pension liability and net OPEB asset and related deferrals were excluded, the unrestricted net position reported would be a positive \$75.2 million. As discussed previously, the operation of the state-wide retirement system is outside the control of the Cleveland Metroparks and varies year-to-year based on the performance of investments and other factors. However, because of the significance of the amounts involved, it's important to acknowledge the impact the recognition of the net pension liability and net OPEB assets have on the Cleveland Metroparks' reported net position.

CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2021
Unaudited

Table 2 shows the changes in net position for the years ended December 31, 2021 and 2020.

Table 2
Changes in Net Position

| | 2021 | 2020 | Change |
|---|-----------------------|-----------------------|----------------------|
| Revenues | | | |
| Program revenues: | | | |
| Charges for services | \$ 33,133,021 | \$ 21,540,522 | \$ 11,592,499 |
| Operating grants and contributions | 15,467,492 | 4,965,420 | 10,502,072 |
| Capital grants and contributions | 15,997,241 | 20,441,829 | (4,444,588) |
| <i>Total program revenues</i> | <u>64,597,754</u> | <u>46,947,771</u> | <u>17,649,983</u> |
| General revenues: | | | |
| Property taxes | 71,736,059 | 71,403,630 | 332,429 |
| Grants and entitlements not restricted to specific programs | 6,695,800 | 6,490,037 | 205,763 |
| Investment earnings | 59,797 | 257,863 | (198,066) |
| Miscellaneous | 173,349 | 2,326,189 | (2,152,840) |
| <i>Total general revenues</i> | <u>78,665,005</u> | <u>80,477,719</u> | <u>(1,812,714)</u> |
| <i>Total revenues</i> | <u>143,262,759</u> | <u>127,425,490</u> | <u>15,837,269</u> |
| Expenses | | | |
| Park operations | 12,696,760 | 41,744,369 | (29,047,609) |
| Zoo operations | 12,027,599 | 20,677,050 | (8,649,451) |
| Golf operations | 3,970,823 | 7,188,213 | (3,217,390) |
| Police department | 2,004,308 | 11,500,346 | (9,496,038) |
| Administration | 27,501,653 | 25,229,340 | 2,272,313 |
| <i>Total expenses</i> | <u>58,201,143</u> | <u>106,339,318</u> | <u>(48,138,175)</u> |
| <i>Change in net position</i> | 85,061,616 | 21,086,172 | 63,975,444 |
| <i>Net position, beginning of year</i> | 358,458,133 | 337,371,961 | 21,086,172 |
| <i>Net position, end of year</i> | <u>\$ 443,519,749</u> | <u>\$ 358,458,133</u> | <u>\$ 85,061,616</u> |

Several revenue sources fund the Cleveland Metroparks. Property taxes were the largest contributor in 2021 and accounted for 50.1% of total revenue, compared to 56.0% in 2020.

The Cleveland Metroparks has maintained a philosophy to strive 50% to 100% for self-sufficiency in areas such as the golf courses, the Zoo, the Chalet and Aquatics. In 2021, Cleveland Metroparks experienced a rebound after 2020 being impacted greatly by the COVID-19 pandemic, with charges for services exceeding pre-pandemic levels.

The increase in operating grants and contributions was due to a \$9.1 million Federal Shuttered Venue Operators Grant received during 2021 zoo animal care and maintenance wages. The decrease in capital grants and contributions was due to U.S. Department of Transportation investment generating economic recovery (TIGER) grant and other state water and natural resources funding received in 2020.

CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2021
Unaudited

The recognition of its proportionate share of the Ohio Public Employees Retirement System's pension and OPEB assets and liabilities, and the annual changes, have a significant impact on the Cleveland Metroparks financial results, despite being outside the control of management.

That is the case this year. While program expenses increased with the increased traffic and utilization (program expenditures on the budgetary basis were \$132.7 million in 2021 compared to \$122.8 million in 2020), program expenses decreased on the accrual basis by \$48.1 million, as pension expenses decreased \$15 million and OPEB expenses decreased \$40.9 million, which resulted in recognizing \$3.7 million and \$35.4 million in *negative* pension and OPEB expenses.

The General Fund

The General Fund is accounted for using the modified accrual basis of accounting. The General Fund had revenues of \$138.7 million and expenditures of \$113.3 million and ended the year with a fund balance of approximately \$61.7 million. Explanation of changes in the General Fund follow the same explanations as those provided in the analysis of governmental activities.

Budgeting Highlights

The Cleveland Metroparks' budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During the course of 2021, the Cleveland Metroparks amended its General Fund budget. All recommendations for a budget change come from the Cleveland Metroparks' Chief Financial Officer to the Board of Park Commissioners for resolution enactment on the change. The General Fund is monitored closely looking for possible revenue shortfalls or overspending by individual departments.

Original budgeted revenues for the General Fund were \$121.4 million; final budget amount was \$129.9 million, and the actual revenue was \$139.0 million. The major factor contributing to the increase in actual revenue was due to conservative budgeting after pandemic-related restrictions during 2020 were lifted. Original budgeted expenditures were less than the final budget by \$19.4 million, primarily due to additional expenditures budgeted for capital projects. Actual expenditures were \$29.5 million less than the final budget estimate due to a concerted effort to manage expenditures due to uncertainty after the pandemic-related restrictions were lifted.

CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2021
Unaudited

Capital Assets

Table 3
Capital Assets at Year-End
(Net of Depreciation)

| | 2021 | 2020 | Change |
|--------------------------|-----------------------|-----------------------|----------------------|
| Land | \$ 172,278,470 | \$ 159,224,983 | \$ 13,053,487 |
| Land improvement | 16,949,367 | 16,865,098 | 84,269 |
| Construction in progress | 29,149,833 | 25,190,121 | 3,959,712 |
| Site structures | 16,279,267 | 16,282,712 | (3,445) |
| Exhibits | 9,457,982 | 9,764,134 | (306,152) |
| Buildings | 129,942,875 | 133,626,568 | (3,683,693) |
| Machinery and equipment | 9,852,238 | 9,345,973 | 506,265 |
| Vehicles | 4,696,256 | 3,980,280 | 715,976 |
| Infrastructure: | | | |
| Bridges | 19,139,843 | 19,989,088 | (849,245) |
| Fords | 1,203,107 | 1,269,857 | (66,750) |
| Dams | 72,431 | 74,902 | (2,471) |
| Tunnels | 562,687 | 583,628 | (20,941) |
| Utilities | 2,859,861 | 2,940,410 | (80,549) |
| Roads | 13,522,926 | 14,981,679 | (1,458,753) |
| All purpose trails | 17,648,185 | 14,662,630 | 2,985,555 |
| Golf course cart paths | 275,090 | 315,461 | (40,371) |
| Other paved areas | 3,211,955 | 3,494,535 | (282,580) |
| Totals | <u>\$ 447,102,373</u> | <u>\$ 432,592,059</u> | <u>\$ 14,510,314</u> |

The increase in capital assets of \$14,510,314 in 2021 was primarily attributable to ongoing construction in progress that include park improvements and zoo exhibit improvements. See Note 8 of the basic financial statements for additional information on capital assets.

Current Financial Related Activities

Cleveland Metroparks has committed itself to financial excellence and has a history of doing just that. The Cleveland Metroparks has received the Government Finance Officers Association's *Distinguished Budget Presentation Award* for 29 consecutive fiscal years beginning January 1, 1993 through January 1, 2021. Cleveland Metroparks received the Government Finance Officers Association's *Certificate of Achievement in Financial Reporting Award* for its first ever Annual Comprehensive Financial Report for the fiscal year ended December 31, 2012. This award and recognition has since annually repeated through the December 31, 2020 Annual Comprehensive Financial Report.

CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2021
Unaudited

The mission of Cleveland Metroparks is to conserve significant natural resources and enhance people's lives by providing safe, high-quality outdoor education, recreation, and zoological opportunities. Further, the Cleveland Metroparks is committed to creating compelling experiences that connect people with wildlife. Cleveland Metroparks makes available its financial reports and budget documents annually. The Cleveland Metroparks publishes a variety of informative documents related to the Cleveland Metroparks and the Zoo. There is also information available at the Cleveland Metroparks and Zoo websites www.clevelandmetroparks.com and www.clemet zoo.com, respectively.

The recent wave of infections from the omicron variant of SARS-CoV-2, the virus that causes COVID-19, has impacted much of the country. Some experts have estimated roughly 30% of Americans infected with the virus may experience what's known as long COVID. The effects of COVID on our lives and the Metroparks is not going to end any time soon.

The pandemic's societal impact can't be overstated; two years on and it's clear there's no going back to a pre-COVID-19 normal—as signified by several emerging government trends. As organizations all navigate toward an ever-changing horizon, they're doing so with renewed priorities and an evolving vision.

The primary trends emerging for public sector organization can be categorized in three broad areas: building financial resilience, the overhaul and integration of digital systems and data sharing, and government for all the people. The last area centers around making programs and services truly equitable and inclusive. All three areas have been a focus of the Cleveland Metroparks for years. In fact, our 2022 Budget and Strategic Plan address these areas directly.

As an example, the Cleveland Metroparks clearly communicates that it values and promotes Inclusion, Diversity, Equity and Accessibility (IDEA) and a major initiative in 2022 is for the IDEA Team to help drive change. The Team will help drive systemic changes that manifests in our hiring practices, increased connectivity to amenities, functional accessibility at Cleveland Metroparks facilities and planned capital investment in underserved communities such as the Garfield Pond restoration. One of the Cleveland Metroparks goals is to welcome all people and connect them to nature.

Another notable shift brought on through the pandemic is the important role that parks, and outdoor spaces play relative to public health. The pandemic also showed just how interconnected governments and communities are, and that there is the value in that. We can improve public health and wellness by connecting communities and thus people through parks and nature. One of the next trends will likely be collaborating for better health and wellness and we believe Cleveland Metroparks is well positioned to facilitate this collaboration.

Contacting Cleveland Metroparks Chief Financial Officer

This financial report is designed to provide the public with a general overview of the Cleveland Metroparks finances and demonstrate the Cleveland Metroparks' accountability for all money it receives, spends or invests. If you have any questions about this report or need financial information, please contact Cleveland Metroparks, 4101 Fulton Parkway, Cleveland, Ohio 44144.

CLEVELAND METROPARKS

Statement of Net Position

December 31, 2021

| | Governmental Activities |
|--|----------------------------|
| Assets | |
| Cash and cash equivalents | \$ 66,272,352 |
| Cash and cash equivalents in segregated accounts | 1,125,128 |
| Materials and supplies inventory | 1,533,004 |
| Accounts receivable | 1,048,047 |
| Contributions receivable | 823,249 |
| Due from component unit | 7,702,569 |
| Intergovernmental receivable | 7,131,954 |
| Prepaid items | 774,580 |
| Property taxes receivable | 74,936,038 |
| Net OPEB Asset | 5,419,630 |
| Nondepreciable capital assets | 218,377,670 |
| Depreciable capital assets, net | 228,724,703 |
| Total Assets | <u>613,868,924</u> |
| Deferred Outflows of Resources | |
| Pension | 6,582,419 |
| OPEB | 2,729,625 |
| Total deferred outflows of resources | <u>9,312,044</u> |
| Liabilities | |
| Accounts payable | 2,500,875 |
| Contracts payable | 2,331,367 |
| Deposits payable | 236,791 |
| Accrued wages payable | 1,873,347 |
| Matured compensated absences | 5,030 |
| Retainage payable | 888,337 |
| Unearned revenue | 556,168 |
| Insurance claims payable | 333,605 |
| Intergovernmental payable | 501,579 |
| Long-term liabilities: | |
| Due within one year | 1,259,419 |
| Due in more than one year: | |
| Net pension liability | 44,766,945 |
| Other amounts due more than one year | 6,272,167 |
| Total Liabilities | <u>61,525,630</u> |
| Deferred Inflows of Resources | |
| Property taxes levied for next year | 71,739,966 |
| Pension | 25,820,481 |
| OPEB | 20,575,142 |
| Total Deferred Inflows of Resources | <u>118,135,589</u> |
| Net Position | |
| Net investment in capital assets | 444,771,006 |
| Unrestricted (deficit) | (1,251,257) |
| Total Net Position | <u>\$ 443,519,749</u> |

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
Statement of Net Position
Component Unit - Cleveland Zoological Society
December 31, 2021

| | |
|--|---------------|
| <i>Current Assets</i> | |
| Cash and cash equivalents | \$ 2,962,325 |
| Charitable gift annuities | 272,962 |
| Pledges receivable, net | 2,001,717 |
| Prepaid expenses and other assets | 62,276 |
| Total current assets | 5,299,280 |
| <i>Long-Term Assets</i> | |
| Office equipment, software, and network resources, at cost | 788,089 |
| Less: accumulated depreciation | (681,887) |
| | 106,202 |
| <i>Other Long-Term Assets</i> | |
| Pledges receivable, net | 1,575,251 |
| Marketable securities | 21,444,562 |
| Investments in pooled separate accounts | 405,603 |
| Beneficial interest in perpetual trusts | 761,552 |
| Total long-term assets | 24,293,170 |
| Total Assets | 29,592,450 |
| <i>Current Liabilities</i> | |
| Accounts payable and accrued expenses | 250,851 |
| Other liabilities: | |
| Funds held for others | 91,910 |
| Amounts due to Cleveland Metroparks: | |
| Operating agreement | 748,619 |
| Operating agreement - Conservation funding | 161,458 |
| Tropical bears | 3,500,000 |
| Ambassador animal | 120,000 |
| Office renovation | 3,000,000 |
| RainForest renovation | 172,492 |
| Total amounts due to Cleveland Metroparks | 7,702,569 |
| Deferred revenue | 701,004 |
| Total current liabilities | 8,746,334 |
| <i>Long-Term Liabilities</i> | |
| Liability under split-interest agreements | 73,030 |
| Deferred compensation | 405,603 |
| Total long-term liabilities | 478,633 |
| Total Liabilities | 9,224,967 |
| <i>Net Position</i> | |
| Without donor restrictions: | |
| Undesignated | 1,672,367 |
| Board-designated | 14,462,402 |
| Total without donor restrictions | 16,134,769 |
| With donor restrictions | 4,232,714 |
| Total Net Position | \$ 20,367,483 |

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
Statement of Activities
For the Year Ended December 31, 2021

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) |
|--|---------------|----------------------|------------------------------------|----------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Position |
| | | | | | Total Governmental Activities |
| Governmental activities: | | | | | |
| Park operations | \$ 12,696,760 | \$ 5,834,929 | \$ 2,946,178 | \$ 11,239,213 | \$ 7,323,560 |
| Zoo operations | 12,027,599 | 16,013,528 | 10,748,743 | 3,835,191 | 18,569,863 |
| Golf operations | 3,970,823 | 9,117,958 | 1,969 | 100,150 | 5,249,254 |
| Police department | 2,004,308 | 182,421 | 21,451 | - | (1,800,436) |
| Administration | 27,501,653 | 1,984,185 | 1,749,151 | 822,687 | (22,945,630) |
| Total governmental activities | \$ 58,201,143 | \$ 33,133,021 | \$ 15,467,492 | \$ 15,997,241 | 6,396,611 |
| General revenues: | | | | | |
| | | | | | 71,736,059 |
| Property taxes levied for general purposes | | | | | 6,695,800 |
| Grants and contributions not restricted to specific programs | | | | | 59,797 |
| Investment earnings | | | | | 173,349 |
| Miscellaneous | | | | | <u>78,665,005</u> |
| Total general revenues | | | | | |
| Change in net position | | | | | 85,061,616 |
| Net position beginning of year | | | | | <u>358,458,133</u> |
| Net position end of year | | | | | <u>\$ 443,519,749</u> |

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
Statement of Activities
Component Unit - Cleveland Zoological Society
For the Year Ended December 31, 2021

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|----------------------|
| <i>Support, Revenues and Gains:</i> | | | |
| Contributions: | | | |
| Membership | \$ 1,364,470 | \$ - | \$ 1,364,470 |
| Individuals, corporations and foundations | 1,198,509 | 854,996 | 2,053,505 |
| Capital projects | - | 4,110,613 | 4,110,613 |
| Paycheck Protection Program grant | 285,960 | - | 285,960 |
| Employee Retention Credit | 95,462 | - | 95,462 |
| Investment return, net | 2,265,659 | 99,533 | 2,365,192 |
| Special events | 842,919 | - | 842,919 |
| Less: direct benefit to donor costs | (461,561) | - | (461,561) |
| Change in value of split-interest agreements | (7,984) | 105,001 | 97,017 |
| Net position released from restrictions | <u>4,164,903</u> | <u>(4,164,903)</u> | <u>-</u> |
| Total Support, Revenues and Gains (Losses) | <u>9,748,337</u> | <u>1,005,240</u> | <u>10,753,577</u> |
| <i>Expenses:</i> | | | |
| Program services | 6,469,201 | - | 6,469,201 |
| Management and general | 516,261 | - | 516,261 |
| Fundraising | <u>933,715</u> | <u>-</u> | <u>933,715</u> |
| Total Expenses | <u>7,919,177</u> | <u>-</u> | <u>7,919,177</u> |
| Change in net position | 1,829,160 | 1,005,240 | 2,834,400 |
| Net position beginning of year | <u>14,305,609</u> | <u>3,227,474</u> | <u>17,533,083</u> |
| Net position end of year | <u>\$ 16,134,769</u> | <u>\$ 4,232,714</u> | <u>\$ 20,367,483</u> |

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKSBalance Sheet
Governmental Fund
December 31, 2021

| | <u>General Fund</u> |
|--|-------------------------|
| Assets | |
| Cash and cash equivalents | \$ 66,272,352 |
| Cash and cash equivalents in segregated accounts | 1,125,128 |
| Materials and supplies inventory | 1,533,004 |
| Accounts receivable | 1,048,047 |
| Contributions receivable | 823,249 |
| Due from component unit | 7,702,569 |
| Intergovernmental receivable | 7,131,954 |
| Prepaid items | 774,580 |
| Property taxes receivable | 74,936,038 |
| Total assets | <u>\$ 161,346,921</u> |
| Liabilities | |
| Accounts payable | \$ 2,500,875 |
| Contracts payable | 2,331,367 |
| Deposits payable | 236,791 |
| Accrued wages payable | 1,873,347 |
| Matured compensated absences | 5,030 |
| Retainage payable | 888,337 |
| Unearned revenue | 556,168 |
| Insurance claims payable | 333,605 |
| Intergovernmental payable | 501,579 |
| Total liabilities | <u>9,227,099</u> |
| Deferred Inflows of Resources | |
| Property taxes levied for next year | 71,739,966 |
| Unavailable revenue | 18,646,384 |
| Total deferred inflows of resources | <u>90,386,350</u> |
| Fund Balance | |
| Nonspendable: | |
| Inventory and prepaid items | 2,307,584 |
| Committed: | |
| Capital improvements | 12,551,248 |
| Assigned: | |
| Budget resources | 14,150,708 |
| Contractual services | 557,725 |
| Materials and supplies | 889,882 |
| Unassigned | 31,276,325 |
| Total fund balance | <u>61,733,472</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | <u>\$ 161,346,921</u> |

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
Reconciliation of Governmental Fund Balance to
Net Position of Governmental Activities
December 31, 2021

Total governmental fund balance \$ 61,733,472

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund. 447,102,373

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the fund:

| | | |
|---------------------------|-----------|-------------------|
| Delinquent property taxes | 3,196,072 | |
| Intergovernmental | 6,809,576 | |
| Donations and sponsors | 928,552 | |
| Golf receipts | 1,445 | |
| Zoo receipts | 2,500 | |
| Park receipts | 4,611 | |
| Due from component unit | 7,702,569 | |
| Other | 1,059 | |
| | | |
| Total | | 18,646,384 |

Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund:

| | | |
|--------------------------------------|-------------|--------------------|
| Compensated absences | (7,478,474) | |
| Workers' compensation claims payable | (53,112) | |
| | | |
| Total | | (7,531,586) |

The net pension liability is not due and payable in the current period; the net OPEB asset is not available to pay for current period expenditures. Therefore, the liability, asset and related deferred inflows/outflows are not reported in the fund:

| | | |
|-----------------------------|--------------|---------------------|
| Deferred outflows - pension | 6,582,419 | |
| Deferred inflows - pension | (25,820,481) | |
| Net pension liability | (44,766,945) | |
| Deferred outflows - OPEB | 2,729,625 | |
| Deferred inflows - OPEB | (20,575,142) | |
| Net OPEB asset | 5,419,630 | |
| | | |
| Net | | (76,430,894) |

Net position of governmental activities **\$ 443,519,749**

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2021

| | General Fund |
|--------------------------------|-----------------|
| <i>Revenues</i> | |
| Property taxes | \$ 71,864,588 |
| Intergovernmental | 25,105,792 |
| Donations and sponsors | 9,084,449 |
| Interest | 59,797 |
| Golf receipts | 9,124,102 |
| Zoo receipts | 15,237,381 |
| Park receipts | 6,807,405 |
| Damages and fines | 182,736 |
| Other | 1,214,156 |
| Total Revenues | 138,680,406 |
| <i>Expenditures:</i> | |
| Current: | |
| Park operations | 25,881,135 |
| Zoo operations | 17,521,705 |
| Golf operations | 6,638,717 |
| Police department | 10,008,446 |
| Administration | 25,842,290 |
| Capital outlay | 27,408,086 |
| Total Expenditures | 113,300,379 |
| Change in fund balance | 25,380,027 |
| Fund balance beginning of year | 36,353,445 |
| Fund balance end of year | \$ 61,733,472 |

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
 Reconciliation of the Changes in Fund Balance
 of Governmental Fund to the Statement of Activities
 For the Year Ended December 31, 2021

Net change in fund balance - total governmental fund \$ 25,380,027

Amounts reported for governmental activities in the statement of activities are different because:

Governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

| | | |
|-------------------------|---------------------|------------|
| Capital asset additions | 27,790,725 | |
| Depreciation expense | <u>(13,269,272)</u> | |
| Net | | 14,521,453 |

Governmental fund only reports the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a loss is reported for each disposal. (11,139)

Revenues in the statement in activities that do not provide current financial resources are not reported as revenues in the fund:

| | | |
|-----------------------------------|------------------|-----------|
| Delinquent property taxes | (128,529) | |
| Intergovernmental | (2,688,041) | |
| Donations and sponsors | (679,525) | |
| Golf receipts | (2) | |
| Zoo receipts | (4,131) | |
| Park receipts | (5,314) | |
| Police receipts | (315) | |
| Due from component unit and other | <u>3,215,723</u> | |
| Total | | (290,134) |

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund:

| | | |
|------------------------------------|---------------|-----------|
| Compensated absences | (395,953) | |
| Retrospective workers compensation | <u>58,175</u> | |
| Total | | (337,778) |

Contractually required contributions are reported as expenditures in the governmental fund; however, the statement of net position reports these amounts in deferred outflows of resources.

| | | |
|---------|---------------|-----------|
| Pension | 6,582,419 | |
| OPEB | <u>65,273</u> | |
| | | 6,647,692 |

Except for amounts reported as deferred inflows/outflows, changes in net pension liabilities and net OPEB assets are reported as pension and OPEB expenses in the statement of activities.

| | | |
|---------|-------------------|-------------------|
| Pension | 3,741,480 | |
| OPEB | <u>35,410,015</u> | |
| Total | | <u>39,151,495</u> |

Change in net position of governmental activities \$ 85,061,616

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|----------------------|---------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 71,682,426 | \$ 71,682,426 | \$ 71,864,588 | \$ 182,162 |
| Intergovernmental | 18,969,812 | 21,299,856 | 26,184,150 | 4,884,294 |
| Donations and sponsors | 4,243,808 | 9,763,993 | 9,271,571 | (492,422) |
| Interest | 50,000 | 50,000 | 59,797 | 9,797 |
| Golf receipts | 7,534,332 | 7,674,432 | 9,111,084 | 1,436,652 |
| Zoo receipts | 9,883,346 | 9,884,546 | 14,854,045 | 4,969,499 |
| Park receipts | 8,101,820 | 8,488,820 | 6,287,560 | (2,201,260) |
| Damages and fines | 185,250 | 185,250 | 182,736 | (2,514) |
| Other | 776,100 | 900,449 | 1,232,430 | 331,981 |
| Total Revenues | 121,426,894 | 129,929,772 | 139,047,961 | 9,118,189 |
| Expenditures: | | | | |
| Current: | | | | |
| Park operations | 33,724,448 | 34,045,337 | 29,074,724 | 4,970,613 |
| Zoo operations | 21,900,959 | 22,530,106 | 18,937,768 | 3,592,338 |
| Golf operations | 7,128,315 | 7,530,248 | 6,806,601 | 723,647 |
| Police department | 10,060,894 | 10,140,887 | 9,735,826 | 405,061 |
| Administration | 32,678,858 | 33,639,975 | 31,595,494 | 2,044,481 |
| Capital outlay | 37,319,538 | 54,342,892 | 36,550,016 | 17,792,876 |
| Total Expenditures | 142,813,012 | 162,229,445 | 132,700,429 | 29,529,016 |
| Change in fund balance | (21,386,118) | (32,299,673) | 6,347,532 | \$ 38,647,205 |
| Fund balance beginning of year | 22,508,126 | 22,508,126 | 22,508,126 | |
| Prior Year Encumbrances Appropriated | 18,429,925 | 18,429,925 | 18,429,925 | |
| Fund balance end of year | <u>\$ 19,551,933</u> | <u>\$ 8,638,378</u> | <u>\$ 47,285,583</u> | |

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 1—REPORTING ENTITY AND BASIS OF PRESENTATION

Cleveland Metroparks is a separate political subdivision established on July 23, 1917, by the Cuyahoga County Probate Court, under the authority of Section 1545.01, Ohio Revised Code.

The Cleveland Metroparks' governing body is a three-member Board of Park Commissioners (the Commissioners), who are appointed to three-year terms by the Cuyahoga County Probate Court.

The Cleveland Metroparks is dedicated to the conservation of natural resources and wildlife, while providing various recreational facilities and services which are to be enjoyed by the public. These activities are directly controlled by the Commissioners through the budgetary process and are included within this report.

In evaluating how to define the Cleveland Metroparks for financial reporting purposes, management has considered all agencies, departments and organizations making up the Cleveland Metroparks and its potential component units consistent with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No. 14, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*.

Component units are legally separate organizations for which the Cleveland Metroparks is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Cleveland Metroparks' ability to impose its will over the component unit, or (2) the possibility that a component unit will provide a financial benefit to or impose a financial burden on the Cleveland Metroparks.

Discretely Presented Component Unit The component unit financial statements identify the financial data of the Cleveland Metroparks' component unit, Cleveland Zoological Society, which is reported separately to emphasize that it is legally separate from the Cleveland Metroparks.

Cleveland Zoological Society Cleveland Zoological Society (the Zoo Society) is a nonprofit organization which operates under a Board of Trustees. The Zoo Society promotes the conservation and propagation of wildlife – particularly endangered species – primarily through the support of the Cleveland Metroparks. The Zoo Society will engage the community in support of the Cleveland Zoo (the Zoo) and in its mission to improve the future for wildlife and will marshal the resources necessary to ensure that the Zoo remains one of the region's preeminent destinations and ultimately one of the top five zoos in the country. The Cleveland Metroparks does not appoint any of the members of Cleveland Zoological Society's governing board or approve the budget or debt issuance of Cleveland Zoological Society. However, the economic resources received by the Zoo Society are primarily for the benefit of and are generally accessible to the Cleveland Metroparks. Further, the Cleveland Metroparks has influence on the programs and services provided by Cleveland Zoological Society and an operating agreement between the Cleveland Metroparks and Cleveland Zoological Society (Note 15). Therefore, in accordance with GASB Statement No. 39, paragraph 5, the Zoo Society was presented as a component unit of the Cleveland Metroparks. Financial statements can be obtained from Cleveland Zoological Society, 3900 Wildlife Way, Cleveland, Ohio 44109.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 1—REPORTING ENTITY AND BASIS OF PRESENTATION – *continued*

The Zoo Society uses a non-governmental GAAP reporting model; therefore, the Zoo Society's statement of financial position and statement of activities are reported on a separate page following the Cleveland Metroparks' statement of net position and statement of activities.

Information in the following notes to the Cleveland Metroparks' basic financial statements is applicable to the Cleveland Metroparks. Information relative to the component unit for the year ended December 31, 2021 is presented in Note 15.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Cleveland Metroparks have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Cleveland Metroparks' accounting policies are described below.

Basis of Presentation

The Cleveland Metroparks' basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Cleveland Metroparks as a whole. These statements include the financial activities of the Cleveland Metroparks. These statements usually distinguish between those activities of the Cleveland Metroparks that are governmental and those considered business-type. All of the activities of the Cleveland Metroparks are reported as governmental activities.

The statement of net position presents the financial condition of the governmental activities of the Cleveland Metroparks at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Cleveland Metroparks' governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Cleveland Metroparks, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Cleveland Metroparks.

Fund Financial Statements During the year, the Cleveland Metroparks segregates transactions related to certain functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information at this more detailed level. The focus of governmental fund financial statements is on major funds. The only governmental fund maintained by the Cleveland Metroparks is the General Fund.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Fund Accounting

The Cleveland Metroparks uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Cleveland Metroparks reports only a governmental fund.

Governmental Funds Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities and deferred inflows of resources are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balances. The following is the Cleveland Metroparks' only governmental fund:

General Fund The General Fund accounts for and reports all financial resources of the Cleveland Metroparks. The General Fund balance is available to the Cleveland Metroparks for any purpose, provided it is expended or transferred according to the general laws of Ohio.

Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Cleveland Metroparks are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements The General Fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the way the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the General Fund.

Revenues - Exchange and Nonexchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Cleveland Metroparks, available means expected to be received within sixty days of year-end.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Nonexchange transactions, in which the Cleveland Metroparks receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Cleveland Metroparks must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Cleveland Metroparks on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: state-levied locally shared taxes, damages and fines, interest, grants and rentals.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as outflows of resources (expense/expenditure) until then. For the Cleveland Metroparks, deferred outflows of resources are reported on the government-wide statement of net position for pension and other postemployment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Notes 9 and 10.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Cleveland Metroparks, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance year 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position (see Notes 9 and 10).

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Cash and Cash Equivalents

During 2021, the Cleveland Metroparks' investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), STAR Plus, and a money market mutual fund. Investments are reported at fair value, which is based on quoted market price or current share.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The Cleveland Metroparks measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund amounted to \$59,797 during 2021.

Investments with an original maturity of three months or less at the time they are purchased by the Cleveland Metroparks and investments of the cash management pool are presented on the financial statements as cash equivalents.

Cash and cash equivalents that are held separately by the Cleveland Metroparks for payment of retainage to contractors upon project completion and for flexible spending accounts are recorded as "Cash and Cash Equivalents in Segregated Accounts".

Materials and Supplies Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed/expensed when used. Inventory consists of materials and supplies held for consumption.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current year, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Capital Assets

The Cleveland Metroparks’ only capital assets are general capital assets. General capital assets are capital assets which are associated with and arise from governmental activities. They result from expenditures in the General Fund. General capital assets are reported in the governmental activities’ column of the government-wide statement of net position but are not reported in the financial statements of the General Fund.

All capital assets, except for the Cleveland Metroparks’ collection of zoo animals, are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Cleveland Metroparks was able to estimate the historical cost for the initial reporting of infrastructure by back-trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The Cleveland Metroparks capitalizes all land, construction in progress and infrastructure. The capitalization thresholds for the Cleveland Metroparks’ other capital assets are as follows:

| | |
|-------------------------|----------|
| Exhibits | \$50,000 |
| Buildings | 50,000 |
| Machinery and Equipment | 1,000 |
| Vehicles | 1,000 |

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

All capital assets are depreciated except for land, land improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Cleveland Metroparks’ historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

| Description | Estimated Lives |
|-------------------------|-----------------|
| Site Structures | 20 years |
| Exhibits | 40 years |
| Buildings | 40 years |
| Machinery and Equipment | 5 – 10 years |
| Vehicles | 7 years |
| Infrastructure | 20 – 40 years |

The Cleveland Metroparks reports infrastructure consisting of bridges, fords, dams, tunnels, utilities, roads, all-purpose trails, golf course cart paths and other paved areas and infrastructure that was acquired prior to December 31, 1980.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Pensions and Other Postemployment Benefits (OPEB)

For purpose of measuring the net pension liabilities, net OPEB assets, and their related deferrals and expenses, information about the fiduciary net position of the retirement system and additions to/deductions from its fiduciary net position have been determined on the same basis as they are reported by the retirement system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The retirement system reports investments at fair value.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full of current financial resources are reported as obligations of the fund. However, claims and judgments and compensated absences are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension liabilities and net OPEB assets should be recognized in the governmental funds to the extent that benefit payments are due and payable and the retirement system's fiduciary net position is not sufficient for payment of those benefits.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The Cleveland Metroparks records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is an estimate based upon the Cleveland Metroparks' past experience of making termination payments.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Cleveland Metroparks is bound to observe constraints imposed upon the use of the resources in the governmental fund. The classifications are as follows:

Nonspendable. The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted. Fund balance is reported as 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.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Commissioners. Those committed amounts cannot be used for any other purpose unless the Commissioners remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned. Amounts in the assigned fund balance classification are intended to be used by the Cleveland Metroparks for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Commissioners by ordinance or by State statute. State statute authorizes the Chief Financial Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Commissioners assigned amounts to cover a gap between estimated revenue and appropriations in the 2022 appropriated budget.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications.

The Cleveland Metroparks 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.

Net Position

Net Position represents the residual between all other elements in a statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

Budgetary Process

The General Fund is legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the Certificate of Estimated Resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The Certificate of Estimated Resources establishes a limit on the amount the Commissioners may appropriate. The appropriations resolution is the Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Commissioners. The legal level of control has been established by the Commissioners at the object level. Any budgetary modifications at this level may only be made by resolution of the Commissioners.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

The Certificate of Estimated Resources may be amended during the year if projected increases or decreases in revenue are identified by the Chief Financial Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the Certificate of Estimated Resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended Certificate of Estimated Resources in effect at the time the final appropriations were passed.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Commissioners during the year.

NOTE 3—BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual, General Fund, is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with State statute. The major differences between the budget basis and the GAAP basis (generally accepted accounting principles) are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as committed or assigned fund balance (GAAP).
4. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.
5. Investments are reported at cost (budget) rather than fair value (GAAP).

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 3—BUDGETARY BASIS OF ACCOUNTING – *continued*

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the General Fund for the year ending December 31, 2021.

Net Change in Fund Balance

| | |
|----------------------|---------------------|
| GAAP Basis | \$ 25,380,027 |
| Revenue accruals | 367,555 |
| Expenditure accruals | (961,056) |
| Encumbrances | <u>(18,438,994)</u> |
| Budget Basis | <u>\$ 6,347,532</u> |

NOTE 4—DEPOSITS AND INVESTMENTS

Active deposits are public monies determined to be necessary to meet current demands for Cleveland Metroparks' financial resources. Active monies must be maintained either as cash in the Cleveland Metroparks' treasury, in commercial accounts, payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Commissioners have identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies held by the Cleveland Metroparks can be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 4—DEPOSITS AND INVESTMENTS – *continued*

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio) or STAR Plus;
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed 30 days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Cleveland Metroparks, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial Credit Risk. Custodial credit risk for deposits is the risk that in the event of bank failure, the Cleveland Metroparks will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2021, \$5,779,881 of the Cleveland Metroparks' bank balance of \$6,918,000 was uncollateralized and uninsured. Although the securities were held by the pledging financial institutions' trust departments and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Cleveland Metroparks to a successful claim by the FDIC.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 4—DEPOSITS AND INVESTMENTS – *continued*

The Cleveland Metroparks has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Cleveland Metroparks or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution. For financial institutions who participate in the Ohio Pooled Collateral System (OPCS), a centralized collateral system monitored by the Ohio Treasurer of State, they must pledge eligible securities equal to at least one hundred and two percent, or a rate set by the Ohio Treasurer of State, of the deposits being secured. Financial institutions choosing not to participate in the OPCS must pledge eligible securities equal to at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2021, the Cleveland Metroparks had the following investments:

| Measurement / Investment | Balance at 12/31/21 | Maturity | Standard & Poor's Rating |
|---------------------------|------------------------|-----------|--------------------------------|
| Net Asset Value per Share | | | |
| STAR Ohio | \$ 61,080,322 | 51.3 days | AAAm |
| Money market fund | <u>3,295</u> | N/A | N/A |
| Total | <u>\$ 61,083,617</u> | | |

Interest Rate Risk. As a means of limiting its exposure to fair value losses caused by rising interest rates, the Cleveland Metroparks' investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the Cleveland Metroparks' investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Concentration of Credit Risk. Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the Cleveland Metroparks' investments in a single issuer. The Cleveland Metroparks' investment policy requires diversification of the portfolio, but only states that the Treasurer shall diversify use of investment instruments to avoid incurring unreasonable risks inherent in overinvesting in specific instruments, individual institutions or maturities.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 5—RECEIVABLES

Receivables at December 31, 2021 consisted of property taxes, amounts due from the component unit, accounts (billings for user charged services), accrued interest and intergovernmental receivables. All receivables, except property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The principal items of intergovernmental receivables are homestead and rollback, local government, grants and entitlements.

Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the County. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 real property taxes are levied after October 1, 2021 on the assessed value as of January 1, 2021, the lien date. Assessed values are established by state law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022 operations.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate, unadjusted for H.B. 920, for all Cleveland Metroparks operations for the year ended December 31, 2021 was \$2.75 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2021 property tax receipts were based are as follows:

| Category | Cuyahoga County | Medina County | Total |
|--------------------------------------|--------------------------|-----------------------|--------------------------|
| Real Property: | | | |
| Residential/Agricultural | \$ 21,268,917,670 | \$ 368,302,270 | \$ 21,637,219,940 |
| Commercial Industrial/Public Utility | 8,505,026,100 | 18,328,020 | 8,523,354,120 |
| Public Utility Property | <u>1,394,209,500</u> | <u>7,724,730</u> | <u>1,401,934,230</u> |
| Total Assessed Value | <u>\$ 31,168,153,270</u> | <u>\$ 394,355,020</u> | <u>\$ 31,562,508,290</u> |

The Cuyahoga County Fiscal Officer and Medina County Auditor collect property taxes on behalf of all taxing entities in the Counties, including Cleveland Metroparks. The Cuyahoga County Fiscal Officer and Medina County Auditor periodically remit to the Cleveland Metroparks their portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which are measurable as of December 31, 2021 and for which there is an enforceable legal claim. In the General Fund, the portion of the receivable not levied to finance 2021 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collective delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 5—RECEIVABLES – continued

Tax Abatements

For 2021, the Cleveland Metroparks’ property taxes were reduced by \$1,536,630 under various tax abatement agreements entered into by the City of Cleveland.

NOTE 6—RISK MANAGEMENT

The Cleveland Metroparks is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees or guests; and natural disasters.

During 2021, the Cleveland Metroparks purchased insurance policies for: casualty (coverages of \$1,000,000 to \$10,000,000); property (coverages of \$3,025,239 to \$443,226,748); inland marine (coverages of \$1,000,000 to \$61,774,957); automobile (coverage of \$500,000); and crime (coverages of \$250,000 to \$1,000,000).

There has not been a significant reduction in commercial coverage from the prior year and settled claims have not exceeded coverage in any of the last five years.

Effective January 1, 2007, the Cleveland Metroparks established a self-insured program in the General Fund to provide employees’ medical, hospitalization and prescription drug coverage under the Preferred Provider Organization (PPO) plan option, in accordance with Section 9.833 of the Ohio Revised Code.

A third-party administrator, Cigna, reviewed all claims which were then paid by the Cleveland Metroparks. The Cleveland Metroparks pays coverage into the self-insurance program for union employees based on the following percentages: 82 percent for the A plan, 87 percent for the B plan and 95 for the C plan. The Cleveland Metroparks pays coverage into the self- insurance program for non-union employees based on the following percentages: 85 percent for the A plan, 90 percent for the B plan and 95 for the C plan. The Cleveland Metroparks charges a \$100 per month surcharge for employees who choose to cover spouses who have medical insurance available through their employer. Incurred but not reported claims of \$333,605 have been accrued as a liability based on an actuarial valuation of health care benefits liability as of December 31, 2021. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. Management's expectation is the claims liabilities will be paid within one year.

Changes in the claims liability amounts for 2020 and 2021 were:

| Year | Balance at Beginning of Year | Current Year Claims | Claims Payments | Balance at End of Year |
|------|------------------------------------|---------------------------|--------------------|------------------------------|
| 2020 | \$ 302,200 | \$ 6,807,274 | \$ (6,834,374) | \$ 275,100 |
| 2021 | 275,100 | 7,280,961 | (7,222,456) | 333,605 |

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 6—RISK MANAGEMENT – *continued*

The Cleveland Metroparks stopped participating in the State Workers’ Compensation retrospective rating and payment system in 2015, but began participating again in 2017 through 2018. Outstanding claims of \$53,112 have been accrued as a liability at December 31, 2021 based on an estimate by the Cleveland Metroparks.

The outstanding claims liability reported at December 31, 2021 is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses.

Changes in the workers’ compensation claims liability amounts for 2020 and 2021 were:

| Year | Balance at Beginning of Year | Current Year Claims and Changes in Estimate | Claims Payments | Balance at End of Year |
|------|------------------------------------|--|--------------------|------------------------------|
| 2020 | \$ 139,762 | \$ 8,823 | \$ (37,298) | \$ 111,287 |
| 2021 | 111,287 | (5,062) | (53,113) | 53,112 |

NOTE 7—LONG-TERM OBLIGATIONS

Changes in the long-term obligations of the Cleveland Metroparks during 2021 were as follows:

| | Beginning Balance | Issued | Retired | Ending Balance | Due Within One Year |
|--|----------------------|--------------|--------------|-------------------|------------------------|
| Compensated Absences | \$ 7,082,521 | \$ 1,006,118 | \$ (610,165) | \$ 7,478,474 | \$ 1,257,266 |
| Retrospective Workers' Compensation | 111,287 | (5,062) | (53,113) | 53,112 | 2,153 |
| Total Long-Term Obligations | \$ 7,193,808 | \$ 1,001,056 | \$ (663,278) | \$ 7,531,586 | \$ 1,259,419 |

Compensated absences and retrospective workers’ compensation will be paid from the General Fund.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 8—CAPITAL ASSETS

A summary of changes in capital assets during 2021 is as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|-----------------------|----------------------|-----------------------|-----------------------|
| Governmental Activities | | | | |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ 159,224,983 | \$ 13,053,487 | \$ - | \$ 172,278,470 |
| Land improvements | 16,865,098 | 84,269 | - | 16,949,367 |
| Construction in progress | 25,190,121 | 10,907,538 | (6,947,826) | 29,149,833 |
| Total capital assets not being depreciated | <u>201,280,202</u> | <u>24,045,294</u> | <u>(6,947,826)</u> | <u>218,377,670</u> |
| <i>Capital assets being depreciated:</i> | | | | |
| Site structures | 22,550,769 | 1,100,777 | - | 23,651,546 |
| Exhibits | 12,900,836 | - | - | 12,900,836 |
| Buildings | 209,533,881 | 1,389,727 | - | 210,923,608 |
| Machinery and equipment | 30,201,087 | 2,137,190 | (97,621) | 32,240,656 |
| Vehicles | 12,624,474 | 1,692,510 | (528,623) | 13,788,361 |
| Infrastructure: | | | | |
| Bridges | 41,345,675 | 83,364 | - | 41,429,039 |
| Fords | 2,684,082 | - | - | 2,684,082 |
| Dams | 188,835 | - | - | 188,835 |
| Tunnels | 837,629 | - | - | 837,629 |
| Utilities | 3,221,963 | - | - | 3,221,963 |
| Roads | 30,680,850 | - | - | 30,680,850 |
| All purpose trails | 27,438,672 | 4,289,689 | - | 31,728,361 |
| Golf course cart paths | 895,796 | - | - | 895,796 |
| Other paved areas | 6,976,880 | - | - | 6,976,880 |
| Total capital assets being depreciated | <u>402,081,429</u> | <u>10,693,257</u> | <u>(626,244)</u> | <u>412,148,442</u> |
| Less accumulated depreciation: | | | | |
| Site structures | (6,268,057) | (1,104,222) | - | (7,372,279) |
| Exhibits | (3,136,702) | (306,152) | - | (3,442,854) |
| Buildings | (75,907,313) | (5,073,420) | - | (80,980,733) |
| Machinery and equipment | (20,855,114) | (1,619,786) | 86,482 | (22,388,418) |
| Vehicles | (8,644,194) | (976,534) | 528,623 | (9,092,105) |
| Infrastructure: | | | | |
| Bridges | (21,356,587) | (932,609) | - | (22,289,196) |
| Fords | (1,414,225) | (66,750) | - | (1,480,975) |
| Dams | (113,933) | (2,471) | - | (116,404) |
| Tunnels | (254,001) | (20,941) | - | (274,942) |
| Utilities | (281,553) | (80,549) | - | (362,102) |
| Roads | (15,699,171) | (1,458,753) | - | (17,157,924) |
| All purpose trails | (12,776,042) | (1,304,134) | - | (14,080,176) |
| Golf course cart paths | (580,335) | (40,371) | - | (620,706) |
| Other paved areas | (3,482,345) | (282,580) | - | (3,764,925) |
| Total accumulated depreciation | <u>(170,769,572)</u> | <u>(13,269,272)</u> | <u>615,105</u> | <u>(183,423,739)</u> |
| Total capital assets being depreciated, net | <u>231,311,857</u> | <u>(2,576,015)</u> | <u>(11,139)</u> | <u>228,724,703</u> |
| Capital assets, net | <u>\$ 432,592,059</u> | <u>\$ 21,469,279</u> | <u>\$ (6,958,965)</u> | <u>\$ 447,102,373</u> |

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 8—CAPITAL ASSETS – continued

Depreciation expense during 2021 was charged to governmental activity functions as follows:

| | |
|----------------------------|----------------------|
| Park operations | \$ 8,184,508 |
| Zoo operations | 3,526,206 |
| Golf operations | 667,995 |
| Police department | 510,720 |
| Administration | <u>379,843</u> |
| Total depreciation expense | <u>\$ 13,269,272</u> |

During 2021, the Cleveland Metroparks received \$4,872,487 in land donations. The Cleveland Metroparks has recorded these as capital contributions.

NOTE 9—NET PENSION LIABILITY

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created because of employment exchanges that already have occurred.

The net pension liability represents the Cleveland Metroparks' proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Cleveland Metroparks' obligation for this liability to annually required payments. Cleveland Metroparks cannot control benefit terms or the manner in which pensions are financed; however, Cleveland Metroparks does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of the plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 9—NET PENSION LIABILITY – continued

Plan Description – Ohio Public Employees Retirement System (OPERS)

Cleveland Metroparks employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Cleveland Metroparks employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three-member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

| Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | Group C Members not in other Groups and members hired on or after January 7, 2013 |
|---|---|---|
| State and Local | State and Local | State and Local |
| Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |
| Law Enforcement | Law Enforcement | Law Enforcement |
| Age and Service Requirements: Age 52 with 15 years of service credit | Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit |
| Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 | Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 | Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 |

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 9—NET PENSION LIABILITY – continued

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring after January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

| | State and Local | Law Enforcement |
|--|--------------------|--------------------|
| 2021 Statutory Maximum Contribution Rates | | |
| Employer | 14.0% | 18.1% |
| Employee | 10.0% | * |
| 2021 Actual Contribution Rates | | |
| Employer: | | |
| Pension | 14.0% | 18.1% |
| Post-employment health care benefits | 0.0% | 0.0% |
| Total Employer | 14.0% | 18.1% |
| Employee | 10.0% | 13.0% |

* - This rate is determined by OPERS’ Board and has no maximum rate established by ORC.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Cleveland Metroparks’ contractually required contribution was \$6,582,419 for 2021. Of this amount, \$268,107 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Cleveland Metroparks’ proportion of the net pension liability was based on the Cleveland Metroparks’ share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 9—NET PENSION LIABILITY – *continued*

| | OPERS |
|--|----------------|
| Proportionate Share of Net Pension Liability | \$ 44,766,945 |
| Proportion of Net Pension Liability | 0.302320% |
| Change in Proportionate Share | -0.046685% |
| Pension Expense | \$ (3,741,480) |

At December 31, 2021, the Cleveland Metroparks reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | OPERS |
|--|---------------|
| <u>Deferred Outflows of Resources</u> | |
| Contributions subsequent to the measurement date | \$ 6,582,419 |
| | \$ 6,582,419 |
| <u>Deferred Inflows of Resources</u> | |
| Differences between expected and actual experience | \$ 1,872,638 |
| Net differences between projected and actual investment earnings | 17,448,848 |
| Change in proportionate share and difference in employer contributions | 6,498,995 |
| | \$ 25,820,481 |

\$6,582,419 reported as deferred outflows of resources related to pension resulting from the Cleveland Metroparks contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 9—NET PENSION LIABILITY – continued

Other amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

| | OPERS |
|--------------------------|-----------------|
| Year Ending December 31: | |
| 2022 | \$ (11,723,116) |
| 2023 | (4,604,857) |
| 2024 | (7,112,743) |
| 2025 | (2,379,765) |
| | \$ (25,820,481) |

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---|---|
| Wage inflation | 3.25% |
| Future salary increases, Including inflation | 3.25% to 10.75% |
| COLA or Ad Hoc COLA | Pre 1/7/2013 retirees: 3% simple; Post 1/7/2013 retirees: 0.5% simple through 2021, then 2.15% simple |
| Investment rate of return | 7.20% |
| Actuarial cost method | Individual entry age |

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Health Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 9—NET PENSION LIABILITY – continued

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|----------------------|---|
| Fixed Income | 25.00% | 1.32% |
| Domestic Equities | 21.00% | 5.64% |
| Real Estate | 10.00% | 5.39% |
| Private Equity | 12.00% | 10.42% |
| International Equities | 23.00% | 7.36% |
| Other Investments | 9.00% | 4.75% |
| Total | 100.00% | 5.43% |

Discount Rate. The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 9—NET PENSION LIABILITY – continued

Sensitivity of the Cleveland Metroparks Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table represents the Cleveland Metroparks proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.20%, as well as what the Cleveland Metroparks proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6.20%) and one-percentage point higher (8.20%) than the current rate:

| | 1% Decrease (6.20%) | Current Discount Rate of 7.20% | 1% Increase (8.20%) |
|--|------------------------|--------------------------------------|------------------------|
| Cleveland Metroparks' proportionate share of the net pension liability | \$ 85,392,162 | \$ 44,766,945 | \$ 10,986,161 |

Changes Subsequent to the Measurement Date. In September 2021, the Board approved several changes to the pension plan based on the completed five-year experience study covering the period 2016-2020. In addition to other changes, the Board approved to decrease the assumed pension investment rate of return from 7.20% to 6.90%. These changes are not reflected in the current measurement period but are expected to increase the associated pension liability.

NOTE 10—NET OPEB ASSET

Net OPEB Asset

The net other postemployment benefits (OPEB) asset reported on the statement of net position represents an asset for employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB asset represents the Cleveland Metroparks’ proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments, health care cost trends and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the Cleveland Metroparks’ obligation to annual required payments. The Cleveland Metroparks cannot control benefit terms or the manner in which OPEB are financed; however, the Cleveland Metroparks does receive the benefit of employees’ services in exchange for compensation including OPEB.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 10—NET OPEB ASSET – *continued*

GASB Statement No. 75 assumes any liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB asset. Resulting adjustments to the net OPEB asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of the plan's overfunded benefits is presented as a long-term *net OPEB asset* on the accrual basis of accounting. Any liability for contractually-required OPEB contributions outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description—Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan, a cost-sharing, multiple-employer defined benefit plan; the Member-Directed Plan, a defined contribution plan; and the Combined Plan, a cost-sharing, multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and Combined plans. This trust is also used to fund health care for Member-Directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an other post employment benefit (OPEB) as described in GASB Statement No. 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy—The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 10—NET OPEB ASSET – *continued*

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0% of earnable salary and public safety and law enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension and Combined plans was zero in 2021. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0%.

The Cleveland Metroparks’ contractually required contribution to OPERS was \$65,273.

OPEB Assets, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Cleveland Metroparks’ proportion of the net OPEB asset was based on the Cleveland Metroparks’ share of contributions to the retirement system relative to the contributions of all participating entities. The following is information related to the proportionate share and OPEB expense:

| | OPERS |
|--|-----------------|
| Proportionate Share of Net OPEB Asset | \$ 5,419,630 |
| Proportion of Net OPEB Asset | 0.304204% |
| Change in Proportionate Share | -0.046047% |
| OPEB Expense | \$ (35,410,015) |

At December 31, 2021, the Cleveland Metroparks reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | OPERS |
|---|--------------|
| <u>Deferred Outflows of Resources</u> | |
| Change in assumptions | \$ 2,664,352 |
| Contributions subsequent to the measurement date | 65,273 |
| | \$ 2,729,625 |

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 10—NET OPEB ASSET – *continued*

| | OPERS |
|---|---------------|
| <u>Deferred Inflows of Resources</u> | |
| Differences between expected and actual experience | \$ 4,891,184 |
| Net differences between projected and actual investment earnings | 2,886,569 |
| Change in assumptions | 8,781,425 |
| Change in proportionate share and difference in employer contributions | 4,015,964 |
| | \$ 20,575,142 |

\$65,273 reported as deferred outflows of resources related to OPEB resulting from the Cleveland Metroparks contributions subsequent to the measurement date will be recognized as an addition to the net OPEB asset in the year ended December 31, 2022. The amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | OPERS |
|--------------------------|-----------------|
| Year Ending December 31: | |
| 2022 | \$ (9,759,555) |
| 2023 | (6,556,722) |
| 2024 | (1,254,386) |
| 2025 | (340,127) |
| | \$ (17,910,790) |

Actuarial Assumptions—OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 10—NET OPEB ASSET – *continued*

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

| | |
|------------------------------|---|
| Wage inflation | 3.25% |
| Projected salary increases | 3.25% to 10.75%, including wage inflation |
| Singe discount rate: | |
| Current measurement period | 6.00% |
| Prior measurement period | 3.16% |
| Investment rate of return | 6.00% |
| Municipal bond rate: | |
| Current measurement period | 2.00% |
| Prior measurement period | 2.75% |
| Health care cost trend rate: | |
| Current measurement period | 8.5% initial, 3.50% ultimate in 2035 |
| Prior measurement period | 10.5% initial, 3.25% ultimate in 2030 |
| Actuarial cost method | Individual entry age |

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System’s primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board’s investment consultant.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 10—NET OPEB ASSET – continued

For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|-------------------|--|
| Fixed Income | 34.00% | 1.07% |
| Domestic Equities | 25.00% | 5.64% |
| REITs | 7.00% | 6.48% |
| International Equities | 25.00% | 7.36% |
| Other Investments | <u>9.00%</u> | 4.02% |
| Total | <u>100.00%</u> | 4.43% |

Discount Rate. A single discount rate of 6.00% was used to measure the OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the Cleveland Metroparks' Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate. The following table presents the Cleveland Metroparks' proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the Cleveland Metroparks' proportionate share of the net OPEB asset if it were calculated using a discount rate that is 1.0% point lower (5.00%) or 1.0% point higher (7.00%) than the current rate:

| | 1% Decrease (5.00%) | Current Discount Rate of 6.00% | 1% Increase (7.00%) |
|---|------------------------|--------------------------------------|------------------------|
| Cleveland Metroparks' proportionate share of the net OPEB asset | \$ 1,348,061 | \$ 5,419,630 | \$ 8,770,002 |

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 10—NET OPEB ASSET – continued

Sensitivity of the Cleveland Metroparks’ Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate. Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

| | 1% Decrease | Current Health Care Cost Trend Rate Assumption | 1% Increase |
|---|--------------|---|--------------|
| Cleveland Metroparks' proportionate share of the net OPEB asset | \$ 5,553,523 | \$ 5,419,630 | \$ 5,273,565 |

NOTE 11—OTHER BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave liabilities are derived from negotiated agreements and personal contracts. Employees earn vacation and sick leave at different rates which are also affected by length of service. Vacation can be accumulated for up to three years. Sick leave accrual is continuous, without limit.

Upon retirement, resignation, or death, employees with ten or more years of service with the Cleveland Metroparks will be paid for one fourth of their accumulated hours of sick leave. Upon retirement, termination, or death, an employee will be paid for unused vacation up to the three-year limit.

Holiday time may be accumulated for Police indefinitely and compensatory time earned must be taken by the end of the subsequent calendar year.

Health, Dental, Vision and Life Insurance

Employees can take part in the self-insurance PPO health insurance program with three plans A, B and C. Premiums are paid by the Cleveland Metroparks, based on the following percentages for union and non-union employees, respectively: 82 and 85 percent for the A plan, 87 and 90 percent for B plan and both 95 percent for the C plan. The Cleveland Metroparks provides dental and vision through Aetna. It also provides life insurance with accidental death and dismemberment insurance for full-time and part-time employees and long-term disability to full-time employees through Reliance Standard Insurance.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 11—OTHER BENEFITS – continued

Flexible Benefit Plan

Section 125 of the Internal Revenue Service (IRS) code permits the Flexible Benefit Plan, as established by the Cleveland Metroparks. The Flexible Benefit Plan (FBP) allows employees to defer pay on a pre-tax basis to pay premium contribution(s) and Flexible Spending Accounts (FSA) reimbursements for qualified medical (up to \$2,600) and /or dependent care (up to \$5,000) expenses. The FSA accounts allow full-time employees to pay for qualified out-of-pocket medical and dependent care expenses with pre-tax income. Amounts deposited into the FSA account for medical expenses may be used at the employee’s discretion for qualified expenses incurred during the plan year (January 1 through December 31). Amounts put into the FSA accounts are deducted before Federal, State and Medicare taxes are withheld. A provision of the code provides that any funds left in the FSA declaration at the end of the plan year up to \$500 may be rolled over into the next year. Any amount over \$500 is forfeited. \$236,791 has been reported as a liability at December 31, 2021.

Amounts deposited into the FSA account for dependent care may be used at the employee’s discretion for qualified expenses incurred during the calendar year.

NOTE 12—SIGNIFICANT COMMITMENTS

Contractual Commitments

At December 31, 2021, the Cleveland Metroparks’ significant contractual commitments consisted of:

| Vendor | Contract Amount | Amount Expended | Balance 12/31/21 |
|----------------------------------|----------------------|----------------------|----------------------|
| Mark Haynes Construction, Inc. | \$ 8,031,192 | \$ 7,635,758 | \$ 395,434 |
| Turner Construction Group | 3,381,618 | 260,669 | 3,120,949 |
| Schirmer Construction LLC | 3,048,652 | 19,000 | 3,029,652 |
| Cavey Resource Group, Inc. | 1,414,114 | 826,876 | 587,238 |
| Michael Baker International Inc. | 1,005,554 | 832,342 | 173,212 |
| Serpentini Chevrolet | 854,810 | - | 854,810 |
| Van Auken Aksins Architects, LLC | 727,407 | 73,658 | 653,749 |
| Nerone & Sons, Inc. | 720,954 | - | 720,954 |
| Norfolk Southern Railway Co. | 468,070 | 206,724 | 261,346 |
| Dell Financial Services LLC | 452,030 | 226,012 | 226,018 |
| Arcadis US, Inc. | 430,689 | 221,942 | 208,747 |
| B&C Communications | 316,642 | - | 316,642 |
| Baumann Enterprises | 294,380 | - | 294,380 |
| Logicalis, Inc. | 244,588 | 58,449 | 186,139 |
| Osborn Engineering Co | 157,001 | - | 157,001 |
| | <u>\$ 21,547,701</u> | <u>\$ 10,361,430</u> | <u>\$ 11,186,271</u> |

All of the remaining committed amounts were encumbered at year end. The amount of \$888,337 in retainage payable have been capitalized.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 12—SIGNIFICANT COMMITMENTS – *continued*

Encumbrances

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 facilitate effective cash planning and control. At fiscal year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were \$18,438,994.

NOTE 13—CONTINGENCIES

The Cleveland Metroparks is a party to legal proceedings seeking damages. The Cleveland Metroparks management is of the opinion that the ultimate disposition of a majority of the claims and legal proceedings will not have a material effect, if any, on the financial condition of the Cleveland Metroparks.

NOTE 14—RELATED PARTY TRANSACTIONS

During 2021, the Cleveland Metroparks received \$5,183,129 from the Zoo Society, a discretely presented component unit of the Cleveland Metroparks. The Cleveland Metroparks is also reporting a due from component unit in the amount of \$7,702,569.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY)

Summary of Significant Accounting Policies

Nature of Activities. The Cleveland Zoological Society (the “Zoo Society”) is the advancement partner of Cleveland Metroparks Zoo (the “Zoo”) in support of a shared mission – *We create compelling experiences that connect people with wildlife and inspire personal responsibility for conserving our natural world.* The strong public-private partnership between the Zoo and the nonprofit Zoo Society facilitates continuous improvements at the Zoo and contributes significantly to the quality of life in our region. With an average annual attendance of 1.2 million visitors and 40,000 household members, the Zoo and Zoo Society are recognized as a premier conservation education facility and as a top destination in Northeast Ohio.

The Zoo Society is governed by a Board of Trustees and is a separate and distinct entity from the Cleveland Metropolitan Park District. The Zoo Society’s activities are primarily in support of the Cleveland Metroparks’ Zoo, subject to approval by the Zoo Society’s Board.

Basis of Presentation. The Zoo Society follows authoritative guidance issued by the Financial Accounting Standards Board (“FASB”) which established the FASB Accounting Standards Codification (“ASC”) as the single source of authoritative accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared on the accrual basis of accounting. Net position and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net position of the Zoo Society and changes therein are classified and reported as follows:

Net Position Without Donor Restrictions – Net position that are not subject to donor-imposed stipulations, and are therefore available for use at the discretion of the Board of Directors and/or management for general operating purposes.

Net Position Without Donor Restrictions (Undesignated) – Consists of net position that are not subject to donor-imposed restrictions nor have been designated for a specified purpose by the Zoo Society’s Board of Directors. The purpose of this net position is to provide support for the daily operations and mission of the Zoo Society.

Net Position Without Donor Restrictions (Board-Designated) – Consists of net position that can be used only for the specific purposes determined by a formal action of the Zoo Society’s Board of Directors, which is the Zoo Society’s highest level of decision-making authority. Commitments may be changed or lifted only by the Zoo Society’s Board of Directors taking the same formal action that imposed the constraint originally. The purpose of Board-designated net position is to provide funding to ensure the continuous operation of the Zoo Society (the Sustaining Fund) and to support initiatives to connect people with wildlife (the ZooFutures Fund). In addition, Board-designated funds are included, along with donor-restricted funds, in both the Animal Care Fund and the Conservation Fund.

Net Position With Donor Restrictions – Net position whose use has been limited by donor-imposed time and/or purpose restrictions. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net position is reclassified to net position without donor restrictions and reported in the statement of activities as net position released from restrictions.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

Some net position with donor restrictions include a donor stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Zoo Society to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board-approved spending policy.

COVID-19 Impact. In April 2020, the Zoo Society received a forgivable loan of \$285,960 pursuant to the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act. Under terms of the PPP, the loan may be forgiven if used for qualifying expenses as described in the CARES Act. The Zoo Society has evaluated this agreement as a conditional contribution under ASC Topic 958, Not-for-Profit Entities. The Zoo Society received forgiveness for the full amount of the loan in fiscal 2020. Accordingly, the funding has been recorded as contribution revenue without donor restrictions during the year ended December 31, 2020.

In February 2021, the Zoo Society received a forgivable loan of \$285,960 pursuant to the PPP under the CARES Act. Under the terms of the PPP, the loan may be forgiven if used for qualifying expenses as described in the CARES Act. The Zoo Society has evaluated this agreement as a conditional contributions under ASC Topic 958, Not-for-Profit Entities. The Zoo Society received forgiveness for the full amount of the loan in fiscal 2021. Accordingly, the funding has been recorded as contribution revenue without donor restrictions during the year ended December 31, 2021.

In 2021, the Zoo Society received \$95,462 in Employee Retention Credits (ERC) related to 2020 payroll taxes under the Coronavirus Response and Relief Supplemental Appropriations Act. The funding has been recorded as contribution revenue without donor restrictions during the year ended December 31, 2021.

The quantitative impact of COVID-19 cannot be reasonably estimated at December 31, 2021.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reporting period. Actual results could differ from those estimates.

Cash Equivalents. The Zoo Society considers highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Board-designated cash and cash equivalents within brokerage accounts are not considered cash and cash equivalents. Such amounts have been classified as investments on the statements of financial position.

Contributions and Pledges Receivable Contributions received are recorded as without donor restriction or with donor restriction depending on the existence and/or nature of any donor-imposed restrictions.

The Zoo Society recognizes unconditional promises to give as revenue in the period in which the promise is received. If there are no donor-imposed restrictions on the use of funds, then those revenues are classified as without donor restrictions. If a donor-imposed restriction exists, then it must be determined if this restriction is with regard to time or purpose, or in perpetuity and classified in the financial statements as net position with donor restrictions. A donor-imposed restriction is present when the contributor of funds designates a specific purpose or time period in which the funds may be used. At the time when this donor-imposed restriction has been satisfied, net position with donor restrictions is classified to net position without donor restrictions.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

If donor-imposed conditions exist, revenue is recognized when the conditions are substantially met. A donor-imposed condition exists when (a) one or more barriers must be overcome before a recipient is entitled to the assets transferred or promised, and (b) a right of return to the contributor for assets transferred or a right of release of the promisor from its obligation to transfer assets exists. When the conditions are substantially met, revenue is recognized as support without donor restrictions or revenue with donor restrictions if donor-imposed stipulations are present. Any advances of funds are included within the current liabilities section of the statements of financial position, as the failure to meet the donor-imposed conditions may result in the need to return the unused funding advances.

Pledges receivable are stated at their estimated fair value. Pledges that are to be received over a period of time greater than one year are discounted to their estimated fair value assuming their respective payment terms and an appropriate discount rate as of the date the pledge is received. The discount is amortized into contribution revenue over the term of the respective pledge agreement.

The Zoo Society and the Zoo are financially interrelated entities, in accordance with FASB ASC 958, Not-for-Profit Entities. Therefore, contributions raised by the Zoo Society on behalf of the Zoo are reported as contribution revenues with donor restrictions, and the amounts to be remitted to the Zoo are recorded as expense under the caption of “Cleveland Metropolitan Park District” in the accompanying statement of activities.

Revenue Recognition. Earned revenue sources include membership and special events.

Membership revenue is recognized over time, over the membership period (output method). Membership spans one year from the date of purchase. Due to the temporary closure of the Zoo because of COVID-19, memberships entered into between April 2019 and June 2020 were extended to 16-month contracts. Memberships entered into after June 2020 reverted to one-year contracts. Payment is obtained when a member registers. The membership contract contains multiple performance obligations, however, management has determined that recognizing revenue evenly over the membership period is materially equivalent to segregating each performance obligation and recognizing revenue as each is met. As a practical expedient, the Zoo Society may apply revenue recognition guidance to a portfolio of contracts with similar characteristics if the Zoo Society reasonably expects the effects on the financial statements of applying this guidance to the portfolio would not differ materially from applying this guidance to the individual contracts (or performance obligations) within that portfolio. The Zoo Society is taking the practical expedient approach, as membership contracts are very similar for each individual membership purchased.

Special event revenue includes sponsorship and ticket sales. Payment is obtained when a participant registers for an event. These revenues are a hybrid of contribution and exchange transaction. The contracts with sponsors include performance obligations related to name recognition and event entry, while ticket sales have one performance obligation, event entry. The exchange portion of the transaction is the fair value of benefits received by the sponsor/ticket purchaser. The revenue allocated to the name recognition performance obligation qualifies for recognition over time, however, management has determined that the effect of recognizing such revenue at a point in time along with the revenue allocated to the event entry results in no difference to revenue recognition, as all performance obligations began and ended within the same year. The practical expedient method was also used for special event revenues.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

There were no material contract assets at December 31, 2021. Contract liabilities were \$701,004 at December 31, 2021.

Investments. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in investment income in the statements of activities, along with interest, dividends and investment fees.

Office Equipment, Software, and Network Resources. Office equipment, software, and network resources are depreciated utilizing the straight-line method over their estimated useful lives ranging from three to ten years. The Zoo Society capitalizes purchases or donations of capital assets that exceed \$1,000. Purchased office equipment, software, and network resources are stated at cost.

Donations of capital assets are recorded as support at their estimated fair value at the date of donation. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire office equipment, software, and network resources, are reported as donor-restricted support.

Split-Interest Agreements. The Zoo Society receives gift annuities where donors contribute assets in exchange for the right to receive an annual return during their lifetimes. Upon receipt of a gift annuity, the Zoo Society records the fair value of the assets received and records a liability for the estimated present value of future cash outflows to the annuitant, determined on an actuarial basis, as a “liability under split-interest agreements” in the accompanying statement of financial position. The difference between the fair value of the assets received and the estimated liability is recorded as contribution revenue with donor restrictions or contribution revenue without donor restrictions in accordance with donor’s intent in the accompanying statement of activities.

The Zoo Society holds beneficial interests in perpetual trusts. The Zoo Society records its share of the fair value of such trusts as long-term assets contribution revenue with donor restrictions at the date it is notified of its interest in such trusts. As the Zoo Society receives distributions from these trusts, it records the distributions as interest income. The interest income is classified as either revenue with donor restrictions or revenue without donor restrictions in accordance with the terms of the trust agreement. Changes in the fair value of the Zoo Society’s beneficial interest in perpetual trusts are recorded as gains/losses with donor restrictions in the accompanying statement of activities under the caption “change in value of split-interest agreements.”

In-Kind Contributions. In-kind contributions are reflected as revenues at their estimated fair value at the date of donation. The Zoo Society reports gifts of media support, food for special events, and other non-monetary contributions as revenue without donor restrictions and expense (or capitalized, if applicable) unless accompanied by explicit donor-imposed restrictions, in which case, the contributions would be recorded as revenues with donor restrictions in accordance with the donor stipulations.

Contributed Services. The Zoo Society recognizes contributions of services received when those services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the donation.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

Income Taxes. The Zoo Society is tax-exempt, under Section 501(c)(3) of the Internal Revenue Code (the “IRC”) of 1986. No provision for federal income taxes has been reported in its financial statements. In addition, the Zoo Society has been classified as an organization that is not a “private foundation” within the meaning of Section 509(a) of the IRC.

In accordance with the “Income Taxes” topic of the FASB ASC, uncertain income tax positions are evaluated at least annually by management. As of December 31, 2021, the Zoo Society has identified no uncertain income tax positions and has incurred no amounts for income tax penalties and interest for the years then ended. The Zoo Society files information returns in the United States and local jurisdictions.

Concentrations of Credit Risk. Financial instruments which potentially subject the Zoo Society to concentrations of credit risk consist of cash and temporary investments, investment securities, and pledges receivable.

The Zoo Society maintains its cash and cash equivalents with national financial institutions, the balances at times may exceed federally insured limits.

The Zoo Society has significant investments in equity and debt securities and is, therefore, subject to concentrations of credit risk. Investments are managed by investment advisors who are supervised by the Directors. The investment advisors are required to manage the Zoo Society’s investments in accordance with the Zoo Society’s investment policy. The investment policy contains investment criteria that the Zoo Society believes should reduce, to an extent, the potential for significant concentrations of credit risk. Though the market value of investments is subject to fluctuations on a year-to-year basis, the Directors believe that the investment policy is prudent for the long-term welfare of the Zoo Society.

Credit risk with respect to pledges receivable is limited due to the number and credit worthiness of the foundations, corporations, and individuals who comprise the contributor base. At December 31, 2021, two donors accounted for 71% of the gross pledges receivable balance.

Subsequent Events. In preparing these financial statements, the Zoo Society has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were available to be issued.

Recent Accounting Pronouncements. In February 2016, the FASB issued ASU 2016-02, *Leases* (ASU 2016-02). The new standard establishes a right-to-use model that requires a lessee to record a right-to-use asset and a lease liability on the statement of net position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*, that deferred the effective date for the Zoo Society until annual periods beginning after December 15, 2021.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which clarifies the presentation of contributed nonfinancial assets as a separate line item in the statement of activities and enhances disclosure requirements. This ASU is effective for fiscal years beginning after June 15, 2021, and interim periods within fiscal years beginning after June 15, 2022.

Management does not believe these ASU’s will have a significant impact on its financial statements.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

Pledges Receivable

Pledges were discounted to their estimated fair value assuming their respective terms and discount rates ranging from 3.25 to 5.50% dependent upon prevailing rates in the year in which a pledge is received. The pledges receivable is scheduled to be collected as follows:

| | |
|---|---------------------|
| Payable within one year | \$ 2,048,092 |
| Payable in two to five years | <u>1,925,863</u> |
| Gross pledges receivable | 3,973,955 |
| Less: discount to net present value | (350,612) |
| Less: allowance for uncollectible amounts | <u>(46,375)</u> |
| Net pledges receivable | <u>\$ 3,576,968</u> |

Conservation Community Engagement Study. During 2020, the Zoo Society received a conditional promise to give of \$75,000 for the Conservation Community Engagement Study. The payment is conditional upon the program going forward and the donors receiving regular updates that show program progress and outcomes. In 2021, \$25,000 was recognized as revenue. At December 31, 2021, \$50,000 was outstanding as a conditional promise. The Zoo Society will recognize revenue as the conditions are met.

Corporate Matches. The Zoo Society periodically receives gifts which include corporate matches that are conditioned upon the Zoo Society receiving payment from an individual donor. Total corporate matches outstanding at December 31, 2021 are \$11,212.

Investments

The following schedule summarizes investment return for the year ended December 31, 2021:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|-----------------------------------|-------------------------------|----------------------------|---------------------|
| Interest and dividends | \$ 300,668 | \$ 10,915 | \$ 311,583 |
| Net realized and unrealized gains | <u>1,964,991</u> | <u>88,618</u> | <u>2,053,609</u> |
| Total | <u>\$ 2,265,659</u> | <u>\$ 99,533</u> | <u>\$ 2,365,192</u> |

Fair Value Measurements

In accordance with the “Fair Value Measurements” topic of the FASB ASC, the Zoo Society uses a three-level fair value hierarchy that categorizes assets and liabilities measured at fair value based on the observability of the inputs utilized in the valuation. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own valuation assumptions.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

These inputs reflect management’s judgment about the assumptions that a market participant would use in pricing the asset or liability and are based on the best available information, which has been internally developed.

Financial assets (liabilities) measured at fair value on a recurring basis consisted of the following at December 31, 2021:

| | Level 1 | Level 2 | Total |
|---|---------------|------------|---------------|
| Cash in money markets and certificates of deposit | \$ 6,480,075 | \$ - | \$ 6,480,075 |
| Mutual funds - equities | 11,315,994 | - | 11,315,994 |
| Mutual funds - fixed income | 3,857,144 | - | 3,857,144 |
| Exchange-traded funds - equities | 64,311 | - | 64,311 |
| Beneficial interest in perpetual trusts | - | 761,552 | 761,552 |
| Deferred compensation | - | (405,603) | (405,603) |
| Liability under split-interest agreements | - | (73,030) | (73,030) |
| | \$ 21,717,524 | \$ 282,919 | \$ 22,000,443 |

The table above does not include the investments in pooled separate accounts of \$405,603 at December 31, 2021, as they are valued at net asset value provided by the administrator of the accounts as a practical expedient to estimate fair value.

The fair value of the beneficial interests in perpetual trusts is based upon the value of the underlying assets within the trusts multiplied by the Zoo Society’s proportionate share of said trusts. As the underlying assets within these trusts are primarily Level 1 investments, the value of the Zoo Society’s interests in the perpetual trusts is shown as a Level 2 measurement as the trusts themselves are not actively traded (Level 1) instruments. The liabilities under the split-interest agreements were estimated by discounting the future estimated payments using a 3.25% discount rate. The fair value of the deferred compensation liability is based upon the fair value of the investments within the pooled separate accounts.

Board-Designated Net Position

The Board of Directors establishes and maintains Board-designated funds. The Sustaining Fund and the ZooFutures Fund comprise a significant majority of the Board-designated net position of the Zoo Society. Additionally, the Zoo Society has designated funds to support the Animal Care and Conservation Funds.

The Sustaining Fund was established in 1991 with the express purpose of ensuring the Zoo Society’s continuing existence by providing a source of operating funds to the Zoo Society in the event of economic hardship. The Sustaining Fund, in year 2011 and beyond, may be used to fund discretionary annual distributions to the Zoo Society and fund short-term loans to the Zoo Society to supplement capital campaign or other cash flow management issues; so long as the Sustaining Fund balance remains above 50 percent of the Zoo Society’s current budgeted annual operating expenses. There were approved discretionary annual distributions of \$295,000 at December 31, 2021.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

During the year ended December 31, 2020, \$1,000,000 was drawn from the Sustaining Fund to manage cash flow differences in timing between funding the Zoo Society’s Rhino Exhibit commitment to the District and the collection of contributions from donors in support of the Exhibit. In January 2021, \$57,000 was repaid, leaving a balance of \$943,000. This represents a receivable due from operations within the Board-designated Sustaining Fund. Based on a COVID-19 impact analysis performed by a working group subset of the Finance Committee, the Finance Committee recommended to the Executive Committee the approval of an additional draw from the Sustaining Fund of up to \$500,000 to help cover anticipated net operating deficit. The Zoo Society expended \$0 of the additional approved draw for the years ended December 31, 2021. The authorization was not renewed for 2022.

In accordance with the special circumstances section of the Investment Policy, at its December 9, 2020 meeting, the Board voted to provide a direct distribution from the Sustaining Fund of up to \$250,000 in support of the Zoo’s zipline project. As outlined in the funding resolution approved, the \$250,000 was remitted to Cleveland Metroparks in August 2021 upon presentation of invoicing for actual costs incurred and paid.

In accordance with the special circumstances section of the Investment Policy, at its July 26, 2021 meeting, the Board voted to provide a direct distribution from the Sustaining Fund of up to \$650,000 in support of a property acquisition adjacent to the Zoo. As outlined in the funding resolution approved, the \$650,000 was remitted to the Cleveland Metroparks in December 2021 upon closing of the real estate transfer.

The ZooFutures Fund, a quasi-endowment fund, was established in 1998 with the express purpose of receiving planned gifts and other contributions, and is administered and operated in support of Zoo Society activities.

In December 2016, the Board of Directors established three funds for receiving donor-restricted endowed gifts – the Animal Care Fund, the Conservation Fund and the Education Fund. The Board of Directors also acted to allocate a portion of its Board-designated net position into the Animal Care Fund and the Conservation Fund. The Board-designated net position, in combination with donor-restricted net position, provide targeted support for three of the Zoo Society’s primary mission foci. Distributions from the Animal Care and Conservation funds were made in 2021 based on applicable investment performance criteria.

Board-designated net position was as follows at December 31, 2021:

| | |
|-------------------|----------------------|
| Sustaining Fund | \$ 6,372,345 |
| ZooFutures Fund | 5,578,662 |
| Conservation Fund | 1,646,614 |
| Animal Care Fund | 864,781 |
| | <u>\$ 14,462,402</u> |

Net Position Classification of Endowment Funds and Quasi-Endowment Funds

The Zoo Society maintains several funds consisting of both Board-designated and donor-restricted assets established to support a variety of programs. Net position associated with endowment funds, including funds designated by the Board of Directors to function as quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

The Board of Directors of the Zoo Society has interpreted the State of Ohio enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Because of this interpretation, The Zoo Society classifies within net position with donor restrictions (a) the original value of gifts donated, (b) the original value of subsequent gifts, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, the Zoo Society considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund.
- (2) The purposes of the Zoo Society and the donor-restricted endowment fund.
- (3) General economic conditions.
- (4) The investment policies of the Zoo Society.

Endowment net position composition by type of fund as of December 31, 2021:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|---------------------|
| Donor-restricted endowment funds | \$ - | \$ 888,348 | \$ 888,348 |
| Board-designated quasi-endowment funds | <u>8,090,057</u> | <u>-</u> | <u>8,090,057</u> |
| Endowment net position, end of year | <u>\$ 8,090,057</u> | <u>\$ 888,348</u> | <u>\$ 8,978,405</u> |

Changes in endowment net position for the fiscal year ended December 31, 2021:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|---------------------|
| Endowment net position, beginning of year | \$ 7,007,305 | \$ 788,815 | \$ 7,796,120 |
| Investment return: | | | |
| Investment income | 140,218 | 10,915 | 151,133 |
| Net realized and unrealized gains | <u>1,151,034</u> | <u>88,618</u> | <u>1,239,652</u> |
| Total investment return | 1,291,252 | 99,533 | 1,390,785 |
| Appropriation of endowment assets for expenditure | <u>(208,500)</u> | <u>-</u> | <u>(208,500)</u> |
| Endowment net position, end of year | <u>\$ 8,090,057</u> | <u>\$ 888,348</u> | <u>\$ 8,978,405</u> |

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

Return Objectives and Risk Parameters. The Zoo Society has adopted investment and spending policies for long-term invested assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the assets. Assets include those assets of donor-restricted funds that the Zoo Society must hold in perpetuity or for a donor-specified period(s), as well as Board-designated funds. Under this policy, as approved by the Board of Directors, investments of all Zoo Society assets are directed by the Finance Committee of the Zoo Society utilizing professional fund managers. The standard for the Finance Committee with regard to Board-designated and donor-restricted assets shall be the preservation of corpus while prudently maximizing real growth. The Zoo Society will conduct a quarterly monitoring of the portfolio. Investment performance will be measured against comparative market indices including the Standard & Poor 500 Index, as well as other comparable indices. The performance of the overall portfolio will also be monitored quarterly and compared against appropriate benchmarks.

Strategies Employed for Achieving Objectives. To satisfy its long-term rate-of-return objectives, the Zoo Society relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Zoo Society targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy. Recommendations for the use of ZooFutures, Animal Care and Conservation Fund assets free of donor restriction shall be the responsibility of the Finance Committee as part of the annual budget process. Appropriations from both donor-restricted funds and Board-designated funds without donor restrictions shall no, in any calendar year, exceed a sum equal to 5% of the twelve-quarter rolling average of the Fund assets. Amounts that have been approved for expenditure, in any given year, but not expended by the end of year, are carried over to subsequent years. As of December 31, 2021, the Board authorized \$140,493 and \$263,175 more for appropriation than was actually expended from the ZooFutures Fund and Animal Care Fund, respectively. These amounts can be spent in subsequent years in addition to the amount authorized for those subsequent years.

Split-Interest Agreements

The Zoo Society administers various charitable gift annuities. Under these agreements, the Zoo Society remits fixed payments to the donors on a quarterly basis, using an interest rate ranging from 4.7% to 5.8%. Using applicable mortality tables, quarterly payments are estimated to extend through 2038. Investments, primarily mutual funds, held in charitable gift annuities aggregated \$272,962 at December 31, 2021, and are reported at fair value in the statement of financial position. Management estimated its liability under split-interest agreements by discounting future estimated payments using a 3.25% discount rate at December 31, 2021. The liability was \$73,030 at December 31, 2021.

Beneficial interest in perpetual trusts include two separate trust funds that have been instructed to provide the Zoo Society with the unrestricted use of the Zoo Society's respective portion of the trusts' income in accordance with the trusts' documents. The Zoo Society has an irrevocable right to receive the income from the trusts' assets in perpetuity. The Zoo Society's share of the trusts' assets, which had a market value on December 31, 2021 of \$761,552, is included in the accompanying statement of financial position. The trusts' investments are managed by external Directors designated by the donors. As such, the Zoo Society does not control the allocation of the trusts' investments.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

Net Position with Donor Restrictions

Net position with donor restrictions are available for the following purposes at December 31, 2021:

| | |
|--|---------------------|
| Subject to expenditure for specified purpose or period: | |
| Conservation and research | \$ 316,987 |
| Education | 228,531 |
| Rhino exhibit | 172,381 |
| Animal care funds | 894,014 |
| Office renovation | 70,372 |
| Ambassador animal | 1,396 |
| ZooFutures | 899,133 |
| Appreciation of specific donor-restricted endowments (time restricted) | <u>487,824</u> |
| | <u>3,070,638</u> |
| Endowments subject to the Zoo Society's spending policy and appropriation: | |
| Animal Care Fund | 400,524 |
| Perpetual trusts | <u>761,552</u> |
| | <u>1,162,076</u> |
| Total net position with donor restrictions | <u>\$ 4,232,714</u> |

Net position with donor restrictions were released from donor restrictions by incurring expenditures satisfying the purpose and/or time restrictions specified by donors as follows for the year ended December 31, 2021:

| | |
|---------------------------|---------------------|
| Conservation and research | \$ 222,655 |
| Education | 135,603 |
| Rhino exhibit | 60,000 |
| Animal Care Fund | 256,296 |
| Ambassador animal | 120,000 |
| Zipline | <u>3,370,349</u> |
| | <u>\$ 4,164,903</u> |

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

Cleveland Metroparks

The Zoo Society has historically provided support to the Cleveland Metroparks for a variety of Zoo programs and functions. Support is summarized below for the year ended December 31, 2021:

| | |
|---------------------------|---------------------|
| Marketing and promotions | \$ 1,567 |
| Levy support and lobbying | 15,000 |
| Animal care and research | 103,653 |
| Ambassador animal | 120,000 |
| Property acquisition | 650,000 |
| Tropical bears | 3,500,000 |
| Field conservation | 667,089 |
| Education | 125,820 |
| | <u>\$ 5,183,129</u> |

Operating Agreement. In September 1997, the Zoo Society entered into an agreement with the Cleveland Metroparks whereby the Zoo Society guarantees the Cleveland Metroparks a specific dollar amount equivalent to aggregate annual membership contributions for membership categories where the dues are \$125 or less. This percentage began at 55% in 1998 and progressively increased to a maximum level of 70% for 2002 and thereafter. The agreement has an ongoing annual renewal clause that grants the parties the ability to request renegotiation or cancellation. The Cleveland Metroparks recognizes the Society’s annual operating support to the Zoo’s operating budget to help finance key areas including, but not limited to: Zoo education; outreach programs; animal health, care, and welfare; horticultural and Zoo grounds beautification; and quality Zoo guest services.

Effective January 1, 2021, the guaranteed amounts are equivalent to 60% and 7% of gross membership revenues. The Zoo Society is acting as an agent for the Zoo and collected \$3,014,474 in membership funds that were remitted to the Cleveland Metroparks during the year ended December 31, 2021. These funds were not included as revenue and expense in these financial statements.

Included in “Amounts due to Cleveland Metroparks – operating agreement” on the statement of financial position is \$748,619 which is owed to the Cleveland Metroparks under the above agreements at December 31, 2021. Included in “Amounts due to Cleveland Metroparks – operating agreement – Conservation funding” on the statement of financial position is \$161,458 under the above agreements at December 31, 2021. Included in “accounts payable and accrued expenses” on the statement of financial position is \$7,620 which is owed to Cleveland Metroparks and not related to the above agreements at December 31, 2021.

Comprehensive Campaign – Passport to the Wild. In December 2014, the Zoo Society formally accepted a statement of intent for a comprehensive campaign with a total fundraising goal of \$30 million. As of September 30, 2021, the Passport to the Wild campaign had raised a total of \$16.9 million, including \$10.4 million for current and future capital costs, \$2.9 million for program support and \$3.6 million for ZooFutures and long-term estate gift commitments. In November 2021, the Executive Committee of the Board received a campaign summary report documenting the close-out of the Passport to the Wild campaign.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

During 2020, the Zoo Society committed \$800,000 to the Cleveland Metroparks for RainForest renovation planning, of which \$254,247 was remitted to the Cleveland Metroparks during 2020 and \$373,261 was remitted to Cleveland Metroparks during 2021. \$172,492 is included in amounts due to Cleveland Metroparks at December 31, 2021.

Office Renovation. In 2020, the Zoo Society committed \$3,000,000 to the Cleveland Metroparks for an office renovation, of which \$0 was remitted to the Cleveland Metroparks during 2021, and \$3,000,000 is included in amounts due to the Cleveland Metroparks at December 31, 2021.

Zipline. In 2020, the Zoo Society committed \$500,000 to the Cleveland Metroparks for construction of a zipline, of which \$500,000 was remitted to the Cleveland Metroparks during 2021.

Tropical Bears. In 2021, the Zoo Society committed \$3,500,000 to Cleveland Metroparks for the tropical bears habitat, of which \$0 was remitted to Cleveland Metroparks during 2021, and \$3,500,000 is included in amounts due to Cleveland Metroparks at December 31, 2021.

Ambassador Animal. The Zoo Society committed \$120,000 to Cleveland Metroparks for the ambassador animal program during 2021, of which \$0 was remitted to Cleveland Metroparks during 2021, and \$120,000 is included in amounts due to Cleveland Metroparks at December 31, 2021.

Allocation of Joint Costs. For the year ended December 31, 2021, the Zoo Society incurred costs for producing and distributing membership publications. These publications included – information, materials and activities that included fundraising appeals. These costs were allocated to fundraising and program services as follows:

| | |
|------------------|-------------------|
| Fundraising | \$ 62,238 |
| Program services | <u>241,364</u> |
| | <u>\$ 303,602</u> |

In-Kind Contributions. For the year ended December 31, 2021, \$9,000 was included as contribution revenue and fundraising expense on the statement of activities. During 2021, in-kind contributions primarily consisted of donated advertising/media gifts.

Defined Contribution Plans

Effective January 1, 1999, the Zoo Society adopted a 403(b) defined contribution plan (the “Plan”). The Plan covers all employees who work 1,000 hours or more during a calendar year. Each participant may elect to defer a portion of their annual compensation and the Zoo Society will make a matching contribution up to 3% of the participant’s compensation. During 2021, the amount of expense related to this Plan was \$69,055.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

Effective January 1, 2005, the Zoo Society adopted a 457(b) executive deferred compensation plan (the “Executive Plan”). Participation in the Executive Plan is limited to those determined eligible by the Human Resources Committee of Zoo Society’s Board of Trustees. Participants may elect annually to defer a portion of their compensation. The Human Resources Committee may annually elect to provide employer contributions to the Executive Plan. Participants are immediately vested in their elected deferral amounts and vested in the employer contributions over a three-year service period or upon their death or permanent disability. During the year ended December 31, 2021, the amount of expense related to this Executive Plan was \$0.

The assets of the Executive Plan are included in the “investments in pooled separate accounts” on the accompanying statement of financial position. At December 31, 2021, the total assets under the plan recorded in the accompanying statement of financial position was \$405,603. The fair value of the assets under the Executive Plan is based upon the net asset value (NAV) of units held by the Zoo Society at year-end, which is provided by the administrator of the pooled separate accounts. The NAV, as provided by the administrator of the accounts, is used as a practical expedient to estimate fair value. The NAV is based on the value of the underlying investments held in the accounts, minus its liabilities, and then divided by the number of units outstanding.

The liability under the Executive Plan is included in “deferred compensation” on the accompanying statement of financial position. At December 31, 2021, the total liability under the plan recorded in the accompanying statement of financial position was \$405,603. The fair value of the deferred compensation liability is based upon the value of the total benefit available to the participants of the Executive Plan. The benefit available to the participants of the Executive Plan is equal to the underlying assets in the participants’ book accounts. As such, the value of the liability is equal to the assets under the Executive Plan at December 31, 2021.

Related Party Transactions

At December 31, 2021, \$520,596 of pledges receivable and \$938,130 of support and revenue, respectively, were from Directors, trustee-related organizations, and employees.

The Zoo Society receives donated office facilities, including office space, common space, utilities, computer and telephonic services from the Cleveland Metroparks. The amount of such services cannot be reasonably estimated due to the unique nature of the space. Therefore, no amounts are recorded on the statement of activities for the year ended December 31, 2021.

Liquidity and Available Resources

The Zoo Society maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Zoo Society maintains Board-designated funds (net position without donor restrictions) that the Zoo Society intends to hold for purposes as outlined in the *Long-Term Asset Management and Investment Policy* which could be made available for current operations, if necessary.

Marketable securities are shown as long-term as the Zoo Society intends to hold them as such, though a portion of the balance is not Board-designated or donor-restricted. The portion of marketable securities that is not Board-designated or donor-restricted is available to management within one year and is included in the following table.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2021

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

The Zoo Society’s financial assets available within one year of December 31, 2021 for general expenditures are as follows:

| | |
|---|--------------------------|
| Cash and cash equivalents | \$ 2,962,325 |
| Pledges receivable, net | 3,576,968 |
| Marketable securities | 21,444,562 |
| Charitable gift annuities | <u>272,962</u> |
| | 28,256,817 |
| Less: | |
| Amounts unavailable for general expenditures within one year, due to: | |
| Funds held for others included in cash and cash equivalents | 91,910 |
| Restricted by donors - purpose restrictions | 2,582,814 |
| Restricted by donors - implied time restrictions | 487,824 |
| Restricted by donors - held in perpetuity | <u>400,524</u> |
| | 3,563,072 |
| Amounts unavailable to management without Board's approval: | |
| Board designated - ZooFutures, Animal Care & Conservation Funds | 8,090,057 |
| Board designated - Sustaining Fund | 6,372,345 |
| Board designated - approved distribution from Sustaining Fund for following year operations | (313,000) |
| Board designated - approved distribution from ZooFutures Fund for following year operations | <u>(140,493)</u> |
| | 14,008,909 |
| Total financial assets available to management for general expenditures within one year | <u>\$ 10,684,836</u> |

**Required Supplementary
Information**



CLEVELAND METROPARKS
 Required Supplementary Information
 Schedule of Proportionate Share of the Net Pension Liability
 Ohio Public Employees Retirement System - Traditional Pension Plan
 Last Eight Years (1) (2)

| | Cleveland Metroparks' Proportion of the Net Pension Liability | Cleveland Metroparks' Proportionate Share of the Net Pension Liability | Cleveland Metroparks' Covered Payroll | Cleveland Metroparks' Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|------|---|--|--|---|--|
| 2014 | 0.324745% | \$ 34,381,833 | \$ 30,009,029 | 114.57% | 86.36% |
| 2015 | 0.324745% | 39,167,876 | 38,135,151 | 102.71% | 86.45% |
| 2016 | 0.344018% | 59,588,255 | 47,397,701 | 125.72% | 81.08% |
| 2017 | 0.349667% | 79,403,542 | 43,385,762 | 183.02% | 77.25% |
| 2018 | 0.354570% | 55,625,168 | 44,793,795 | 124.18% | 84.66% |
| 2019 | 0.352501% | 96,542,825 | 49,444,388 | 195.26% | 74.70% |
| 2020 | 0.349005% | 68,983,198 | 50,921,154 | 135.47% | 82.17% |
| 2021 | 0.302320% | 44,766,945 | 44,042,613 | 101.64% | 86.88% |

(1) Information prior to 2014 is not available. Cleveland Metroparks will continue to present information for years available until a full ten-year trend is compiled.

(2) Amounts presented for each year were determined as of Cleveland Metroparks' measurement date, which is the prior year-end.

Notes to Schedule:

Change in assumptions. In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

In 2019, a reduction of the discount rate was made from 7.5% to 7.2%.

CLEVELAND METROPARKS
Required Supplementary Information
Schedule of Pension Contributions
Ohio Public Employees Retirement System - Traditional Pension Plan
Last Nine Years (1)

| | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | Cleveland Metroparks' Covered Payroll | Contributions as a Percentage of Covered Payroll |
|------|--|---|--|--|---|
| 2013 | \$ 4,128,001 | \$ (4,128,001) | \$ - | \$ 30,009,029 | 13.76% |
| 2014 | 4,789,510 | (4,789,510) | - | 38,135,151 | 12.56% |
| 2015 | 5,939,238 | (5,939,238) | - | 47,397,701 | 12.53% |
| 2016 | 5,446,515 | (5,446,515) | - | 43,385,762 | 12.55% |
| 2017 | 6,152,991 | (6,152,991) | - | 44,793,795 | 13.74% |
| 2018 | 6,759,406 | (6,759,406) | - | 49,444,388 | 13.67% |
| 2019 | 6,994,955 | (6,994,955) | - | 50,921,154 | 13.74% |
| 2020 | 6,070,032 | (6,070,032) | - | 44,042,613 | 13.78% |
| 2021 | 6,582,419 | (6,582,419) | - | 47,972,220 | 13.72% |

(1) Information prior to 2013 is not available. Cleveland Metroparks will continue to present information for years available until a full ten-year trend is compiled.

CLEVELAND METROPARKS
 Required Supplementary Information
 Schedule of Proportionate Share of the Net OPEB Liability/(Asset)
 Ohio Public Employees Retirement System
 Last Five Years (1) (2)

| | Cleveland Metroparks' Proportion of the Net OPEB Liability/(Asset) | Cleveland Metroparks' Proportionate Share of the Net OPEB Liability/(Asset) | Cleveland Metroparks' Covered Payroll | Cleveland Metroparks' Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset) |
|------|--|--|--|--|---|
| 2017 | 0.348641% | \$ 35,213,961 | \$ 43,385,762 | 81.16% | 54.05% |
| 2018 | 0.356078% | 38,667,430 | 44,793,795 | 86.32% | 54.14% |
| 2019 | 0.354058% | 46,160,833 | 49,444,388 | 93.36% | 46.33% |
| 2020 | 0.350250% | 48,378,652 | 50,921,154 | 95.01% | 47.80% |
| 2021 | 0.304204% | (5,419,630) | 44,042,613 | (12.31%) | 115.57% |

(1) Information prior to 2017 is not available. Cleveland Metroparks will continue to present information for years available until a full ten-year trend is compiled.

(2) Amounts presented for each year were determined as of Cleveland Metroparks' measurement date, which is the prior year-end.

Notes to Schedule:

Change in assumptions. In 2018, the single discount rate changed from 4.23% to 3.85%.

In 2019, the single discount rate changed from 3.85% to 3.96%, the investment rate of return changed from 6.50% to 6.00%, and the health care cost trend rate changed from 7.5% initial to 10.0% initial.

In 2020, the single discount rate changed from 3.96% to 3.16% and the health care cost trend rate changed from 10.0% initial, 3.25% ultimate in 2029 to 10.5% initial, 3.50% ultimate in 2030.

In 2021, the single discount rate changed from 3.16% to 6.00% and the health care cost trend rate changed from 10.5% initial, 3.50% ultimate in 2030 to 8.5% initial, 3.50% ultimate in 2035.

CLEVELAND METROPARKS
Required Supplementary Information
Schedule of OPEB Contributions
Ohio Public Employees Retirement System
Last Nine Years (1)

| | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | Cleveland Metroparks' Covered Payroll | Contributions as a Percentage of Covered Payroll |
|------|--|---|--|--|---|
| 2013 | \$ 317,539 | \$ (317,539) | \$ - | \$ 30,009,029 | 1.06% |
| 2014 | 814,388 | (814,388) | - | 38,135,151 | 2.14% |
| 2015 | 947,954 | (947,954) | - | 47,397,701 | 2.00% |
| 2016 | 902,033 | (902,033) | - | 43,385,762 | 2.08% |
| 2017 | 481,199 | (481,199) | - | 44,793,795 | 1.07% |
| 2018 | 90,066 | (90,066) | - | 49,444,388 | 0.18% |
| 2019 | 69,456 | (69,456) | - | 50,921,154 | 0.14% |
| 2020 | 59,068 | (59,068) | - | 44,042,613 | 0.13% |
| 2021 | 65,273 | (65,273) | - | 47,972,220 | 0.14% |

(1) Information prior to 2013 is not available. Cleveland Metroparks will continue to present information for years available until a full ten-year trend is compiled.

**Individual Fund Schedule of Revenues,
Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual**



CLEVELAND METROPARKS
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 71,682,426 | \$ 71,682,426 | \$ 71,864,588 | \$ 182,162 |
| Intergovernmental | 18,969,812 | 21,299,856 | 26,184,150 | 4,884,294 |
| Donations and sponsors | 4,243,808 | 9,763,993 | 9,271,571 | (492,422) |
| Interest | 50,000 | 50,000 | 59,797 | 9,797 |
| Golf receipts | 7,534,332 | 7,674,432 | 9,111,084 | 1,436,652 |
| Zoo receipts | 9,883,346 | 9,884,546 | 14,854,045 | 4,969,499 |
| Park receipts | 8,101,820 | 8,488,820 | 6,287,560 | (2,201,260) |
| Damages and fines | 185,250 | 185,250 | 182,736 | (2,514) |
| Other | 776,100 | 900,449 | 1,232,430 | 331,981 |
| Total Revenues | 121,426,894 | 129,929,772 | 139,047,961 | 9,118,189 |
| Expenditures: | | | | |
| Current: | | | | |
| Park operations: | | | | |
| Salaries | 23,009,764 | 23,098,816 | 20,122,620 | 2,976,196 |
| Fringe benefits | 3,224,230 | 3,237,641 | 2,785,714 | 451,927 |
| Operating supplies/other | 7,490,454 | 7,708,880 | 6,166,390 | 1,542,490 |
| Total park operations | 33,724,448 | 34,045,337 | 29,074,724 | 4,970,613 |
| Zoo operations: | | | | |
| Salaries | 12,540,705 | 12,539,782 | 11,150,446 | 1,389,336 |
| Fringe benefits | 1,916,154 | 1,925,873 | 1,711,080 | 214,793 |
| Operating supplies/other | 7,444,100 | 8,064,451 | 6,076,242 | 1,988,209 |
| Total zoo operations | 21,900,959 | 22,530,106 | 18,937,768 | 3,592,338 |
| Golf operations: | | | | |
| Salaries | 3,701,667 | 3,704,667 | 3,411,177 | 293,490 |
| Fringe benefits | 578,871 | 578,871 | 511,203 | 67,668 |
| Operating supplies/other | 2,847,777 | 3,246,710 | 2,884,221 | 362,489 |
| Total golf operations | 7,128,315 | 7,530,248 | 6,806,601 | 723,647 |
| Police department: | | | | |
| Salaries | 7,379,277 | 7,374,277 | 6,990,419 | 383,858 |
| Fringe benefits | 1,229,258 | 1,229,258 | 1,342,798 | (113,540) |
| Operating supplies/other | 1,452,359 | 1,537,352 | 1,402,609 | 134,743 |
| Total police department | 10,060,894 | 10,140,887 | 9,735,826 | 405,061 |

(continued)

CLEVELAND METROPARKS
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|----------------------|---------------------|----------------------|---|
| | Original | Final | | |
| Expenditures (continued): | | | | |
| Current (continued): | | | | |
| Administration: | | | | |
| Salaries | \$ 9,914,649 | \$ 9,935,749 | \$ 8,818,625 | \$ 1,117,124 |
| Fringe benefits | 10,989,792 | 11,114,615 | 13,038,683 | (1,924,068) |
| Operating supplies/other | 11,774,417 | 12,589,611 | 9,738,186 | 2,851,425 |
| Total administration | <u>32,678,858</u> | <u>33,639,975</u> | <u>31,595,494</u> | <u>2,044,481</u> |
| Capital outlay: | | | | |
| Parks | 22,642,085 | 26,184,670 | 21,120,377 | 5,064,293 |
| Zoo | 7,606,873 | 13,281,625 | 3,872,539 | 9,409,086 |
| Golf courses | 2,044,494 | 2,044,494 | 725,359 | 1,319,135 |
| Police department | 500,000 | 541,133 | 302,040 | 239,093 |
| Administration | 4,526,086 | 12,290,970 | 10,529,701 | 1,761,269 |
| Total capital outlay | <u>37,319,538</u> | <u>54,342,892</u> | <u>36,550,016</u> | <u>17,792,876</u> |
| Total Expenditures | <u>142,813,012</u> | <u>162,229,445</u> | <u>132,700,429</u> | <u>29,529,016</u> |
| Change in fund balance | (21,386,118) | (32,299,673) | 6,347,532 | \$ 38,647,205 |
| Fund balance beginning of year | 22,508,126 | 22,508,126 | 22,508,126 | |
| Prior year encumbrances appropriated | 18,429,925 | 18,429,925 | 18,429,925 | |
| Fund balance end of year | <u>\$ 19,551,933</u> | <u>\$ 8,638,378</u> | <u>\$ 47,285,583</u> | |

CLEVELAND METROPARKS
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| Expenditures (continued): | | | | |
| Current (continued): | | | | |
| Administration: | | | | |
| Salaries | 9,914,649 | 9,935,749 | 8,818,625 | 1,117,124 |
| Fringe benefits | 10,989,792 | 11,114,615 | 13,038,683 | (1,924,068) |
| Operating supplies/other | 11,774,417 | 12,589,611 | 9,738,186 | 2,851,425 |
| Total administration | <u>\$ 32,678,858</u> | <u>\$ 33,639,975</u> | <u>\$ 31,595,494</u> | <u>\$ 2,044,481</u> |
| Capital outlay: | | | | |
| Parks | \$ 22,642,085 | \$ 26,184,670 | \$ 21,120,377 | \$ 5,064,293 |
| Zoo | 7,606,873 | 13,281,625 | 3,872,539 | 9,409,086 |
| Golf courses | 2,044,494 | 2,044,494 | 725,359 | 1,319,135 |
| Police department | 500,000 | 541,133 | 302,040 | 239,093 |
| Administration | 4,526,086 | 12,290,970 | 10,529,701 | 1,761,269 |
| Total capital outlay | <u>37,319,538</u> | <u>54,342,892</u> | <u>36,550,016</u> | <u>17,792,876</u> |
| Total Expenditures | <u>142,813,012</u> | <u>162,229,445</u> | <u>132,700,429</u> | <u>29,529,016</u> |
| Change in fund balance | (21,386,118) | (32,299,673) | 6,347,532 | \$ 38,647,205 |
| Fund balance beginning of year | 22,508,126 | 22,508,126 | 22,508,126 | |
| Prior year encumbrances appropriated | 18,429,925 | 18,429,925 | 18,429,925 | |
| Fund balance end of year | <u>\$ 19,551,933</u> | <u>\$ 8,638,378</u> | <u>\$ 47,285,583</u> | |

STATISTICAL SECTION



**STATISTICAL
SECTION**



Statistical Section

This part of the Metroparks' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Metroparks' overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Metroparks' financial position has changed over time. S2 - S5

Revenue Capacity

These schedules contain information to help the reader understand and assess the factors affecting the Metroparks' ability to generate its most significant local revenue sources, the income and property taxes. S6 - S9

Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the Metroparks' financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments. S10 - S11

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Metroparks' financial report relates to the services the Metroparks provides and the activities it performs. S12 - S14

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CLEVELAND METROPARKS
Net Position by Component
Last Ten Years
(accrual basis of accounting)

| | 2021 | 2020 | 2019 | 2018 | 2017 (restated) ² | 2016 | 2015 | 2014 (restated) ¹ | 2013 | 2012 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|---------------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|-----------------------|
| Governmental Activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 444,771,006 | \$ 428,077,689 | \$ 418,054,590 | \$ 403,598,334 | \$ 388,943,999 | \$ 377,607,452 | \$ 363,000,941 | \$ 345,105,185 | \$ 324,708,556 | \$ 257,396,221 |
| Unrestricted (deficit) | (1,251,257) | (69,619,556) | (80,682,629) | (70,463,356) | (55,222,423) | (7,323,045) | 8,966,608 | 7,193,024 | 27,252,748 | 14,533,073 |
| <i>Total Governmental Activities Net Position</i> | <u>\$ 443,519,749</u> | <u>\$ 358,458,133</u> | <u>\$ 337,371,961</u> | <u>\$ 333,134,978</u> | <u>\$ 333,721,576</u> | <u>\$ 370,284,407</u> | <u>\$ 371,967,549</u> | <u>\$ 352,298,209</u> | <u>\$ 351,961,304</u> | <u>\$ 271,929,294</u> |

¹ Net Position at December 31, 2014 has been restated for adoption of GASB Statement No. 68.

² Net Position at December 31, 2017 has been restated for adoption of GASB Statement No. 75.

CLEVELAND METROPARKS

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|-----------------------|----------------------|---------------------|---------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|---------------------|
| Program Revenues: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Park Operations | \$ 5,834,929 | \$ 3,166,231 | \$ 7,190,974 | \$ 6,843,782 | \$ 6,535,685 | \$ 6,976,265 | \$ 6,139,184 | \$ 4,227,717 | \$ 1,882,538 | \$ 1,484,461 |
| Zoo Operations | 16,013,528 | 8,140,639 | 14,148,450 | 10,963,695 | 9,523,005 | 10,192,364 | 10,063,497 | 8,032,058 | 9,091,643 | 8,128,588 |
| Golf Courses | 9,117,958 | 8,527,042 | 7,130,302 | 6,276,975 | 6,002,523 | 6,245,738 | 6,320,530 | 5,879,352 | 6,055,428 | 6,251,559 |
| Police Department | 182,421 | 230,854 | 245,828 | 239,189 | 233,253 | 69,621 | 73,789 | 119,770 | 69,471 | 81,133 |
| Administration | 1,984,185 | 1,475,756 | 2,886,225 | 2,765,098 | 3,216,132 | 132,719 | 117 | - | - | - |
| Operating Grants, Contributions, and Interest | 15,467,492 | 4,965,420 | 1,779,250 | 4,843,864 | 4,413,455 | 1,960,235 | 2,097,083 | 4,593,015 | 2,938,530 | 1,903,730 |
| Capital Grants, Contributions and Interest | 15,997,241 | 20,441,829 | 22,682,909 | 7,870,346 | 9,267,753 | 10,425,941 | 7,543,763 | 12,591,206 | 62,787,901 | 16,852,984 |
| <i>Total Program Revenues</i> | <u>64,597,754</u> | <u>46,947,771</u> | <u>56,063,938</u> | <u>39,802,949</u> | <u>39,191,806</u> | <u>36,002,883</u> | <u>32,237,963</u> | <u>35,443,118</u> | <u>82,825,511</u> | <u>34,702,455</u> |
| Program Expenses: | | | | | | | | | | |
| Park Operations | 12,696,760 | 41,744,369 | 56,617,943 | 48,466,675 | 46,517,869 | 47,629,967 | 30,769,501 | 30,678,440 | 22,278,154 | 24,777,188 |
| Zoo Operations | 12,027,599 | 20,677,050 | 27,541,640 | 24,854,262 | 25,969,712 | 23,659,931 | 21,221,029 | 21,322,735 | 19,968,160 | 21,862,586 |
| Golf Courses | 3,970,823 | 7,188,213 | 7,765,443 | 6,830,247 | 6,780,084 | 7,373,701 | 6,384,066 | 6,839,494 | 6,080,577 | 6,273,862 |
| Police Department | 2,004,308 | 11,500,346 | 13,919,719 | 12,099,954 | 12,327,659 | 11,244,740 | 9,986,563 | 9,269,030 | 7,858,976 | 7,406,040 |
| Administration | 27,501,653 | 25,229,340 | 23,901,862 | 25,527,015 | 25,113,218 | 21,420,296 | 19,825,583 | 14,461,704 | 12,757,885 | 11,347,881 |
| <i>Total Program Expenses</i> | <u>58,201,143 (a)</u> | <u>106,339,318</u> | <u>129,746,607</u> | <u>117,778,153</u> | <u>116,708,542</u> | <u>111,328,635</u> | <u>88,186,742</u> | <u>82,571,403</u> | <u>68,943,752</u> | <u>71,667,557</u> |
| <i>Net Expenses</i> | <u>6,396,611</u> | <u>(59,391,547)</u> | <u>(73,682,669)</u> | <u>(77,975,204)</u> | <u>(77,516,736)</u> | <u>(75,325,752)</u> | <u>(55,948,779)</u> | <u>(47,128,285)</u> | <u>13,881,759</u> | <u>(36,965,102)</u> |
| General Revenues: | | | | | | | | | | |
| Property Taxes Levied for General Purposes | 71,736,059 | 71,403,630 | 70,369,740 | 69,931,964 | 68,602,320 | 66,284,428 | 67,464,996 | 68,036,389 | 42,984,629 | 37,933,471 |
| Grants and Entitlements not Restricted to Specific Programs | 6,695,800 | 6,490,037 | 6,547,935 | 6,719,998 | 6,702,511 | 6,205,637 | 7,337,304 | 8,372,262 | 21,984,635 | 5,169,784 |
| Investment Earnings | 59,797 | 257,863 | 730,629 | 490,722 | 302,565 | 217,285 | 136,095 | 59,782 | 54,748 | 47,154 |
| Miscellaneous | 173,349 | 2,326,189 | 271,348 | 245,922 | 79,271 | 935,260 | 679,724 | 589,080 | 1,126,539 | 510,953 |
| <i>Total General Revenues</i> | <u>78,665,005</u> | <u>80,477,719</u> | <u>77,919,652</u> | <u>77,388,606</u> | <u>75,686,667</u> | <u>73,642,610</u> | <u>75,618,119</u> | <u>77,057,513</u> | <u>66,150,551</u> | <u>43,661,362</u> |
| <i>Change in Net Position</i> | <u>\$ 85,061,616</u> | <u>\$ 21,086,172</u> | <u>\$ 4,236,983</u> | <u>\$ (586,598)</u> | <u>\$ (1,830,069)</u> | <u>\$ (1,683,142)</u> | <u>\$ 19,669,340</u> | <u>\$ 29,929,228</u> | <u>\$ 80,032,310</u> | <u>\$ 6,696,260</u> |

(a) - Significant decrease was driven primarily to recognition of negative pension and OPEB expenses in accordance with GASB Statement No. 68 and 75.

CLEVELAND METROPARKS
Fund Balance, Governmental Fund
Last Ten Years
(modified accrual basis of accounting)

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Nondisposable | \$ 2,307,584 | \$ 2,497,773 | \$ 1,692,567 | \$ 1,360,684 | \$ 1,362,806 | \$ 1,533,009 | \$ 1,216,671 | \$ 1,528,414 | \$ 1,365,611 | \$ 1,756,268 |
| Committed | 12,551,248 | 9,750,271 | 9,652,552 | 2,645,097 | 3,724,320 | 6,933,503 | 2,607,842 | 2,451,728 | 1,212,629 | 811,219 |
| Assigned | 15,598,315 | 28,109,652 | 10,724,968 | 14,028,001 | 13,144,799 | 8,100,124 | 23,339,347 | 27,933,940 | 17,804,474 | 1,607,514 |
| Unassigned | 31,276,325 | (4,004,251) | 2,948,942 | 918,798 | 1,733,215 | 5,986,114 | 6,670,685 | - | 5,747,054 | 7,646,792 |
| <i>Total Governmental Fund Balance</i> | <u>\$ 61,733,472</u> | <u>\$ 36,353,445</u> | <u>\$ 25,019,029</u> | <u>\$ 18,952,580</u> | <u>\$ 19,965,140</u> | <u>\$ 22,552,750</u> | <u>\$ 33,834,545</u> | <u>\$ 31,914,082</u> | <u>\$ 26,129,768</u> | <u>\$ 11,821,793</u> |

CLEVELAND METROPARKS
Changes in Fund Balance - Governmental Fund
Last Ten Years
(modified accrual basis of accounting)

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|----------------------|----------------------|---------------------|-----------------------|-----------------------|------------------------|---------------------|---------------------|----------------------|-----------------------|
| Revenues: | | | | | | | | | | |
| Property Taxes | \$ 71,864,588 | \$ 71,133,197 | \$ 70,872,082 | \$ 69,703,030 | \$ 68,671,092 | \$ 67,750,092 | \$ 67,436,703 | \$ 66,498,265 | \$ 43,774,898 | \$ 45,221,267 |
| Intergovernmental | 25,105,792 | 13,349,149 | 14,030,979 | 12,018,274 | 10,984,859 | 8,605,417 | 11,075,484 | 9,115,613 | 26,552,895 | 10,667,895 |
| Donations and Sponsors | 9,084,449 | 9,510,194 | 5,554,790 | 7,349,338 | 6,643,531 | 5,981,632 | 6,172,877 | 5,676,292 | 2,531,383 | 1,903,730 |
| Interest | 59,797 | 257,863 | 730,629 | 490,722 | 302,565 | 217,285 | 136,095 | 59,782 | 54,748 | 47,154 |
| Golf Receipts | 9,124,102 | 8,544,026 | 7,111,577 | 6,250,163 | 5,054,487 | 6,238,995 | 6,337,741 | 5,880,061 | 6,037,265 | 6,251,559 |
| Zoo Receipts | 15,237,381 | 8,484,436 | 13,686,052 | 10,944,927 | 10,395,798 | 10,187,034 | 10,052,539 | 8,032,574 | 9,091,127 | 8,128,588 |
| Park Receipts | 6,807,405 | 3,681,322 | 8,379,275 | 8,272,948 | 7,403,973 | 7,113,434 | 6,135,199 | 4,229,169 | 1,878,336 | 1,484,461 |
| Damages and Fines | 182,736 | 278,272 | 255,006 | 246,164 | 225,822 | 69,621 | 73,789 | 119,770 | 69,471 | 81,133 |
| Other | 1,214,156 | 2,672,529 | 854,374 | 743,204 | 1,583,424 | 895,421 | 675,875 | 595,580 | 1,114,254 | 510,953 |
| <i>Total Revenues</i> | <u>138,680,406</u> | <u>117,910,988</u> | <u>121,474,764</u> | <u>116,018,770</u> | <u>111,265,551</u> | <u>107,058,931</u> | <u>108,096,302</u> | <u>100,207,106</u> | <u>91,104,377</u> | <u>74,296,740</u> |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Park Operations | 25,881,135 | 25,947,896 | 32,381,395 | 30,064,839 | 30,710,229 | 30,727,620 | 28,636,639 | 25,694,308 | 20,425,404 | 18,448,630 |
| Zoo Operations | 17,521,705 | 16,375,440 | 19,867,576 | 18,253,150 | 19,684,835 | 18,157,078 | 17,882,062 | 19,800,687 | 19,112,247 | 18,852,908 |
| Golf Course | 6,638,717 | 5,656,679 | 6,012,073 | 5,614,404 | 5,210,848 | 6,332,195 | 5,901,022 | 6,568,676 | 6,017,368 | 5,896,692 |
| Police Department | 10,008,446 | 9,045,096 | 9,747,991 | 9,777,386 | 9,384,547 | 9,880,162 | 9,723,800 | 8,902,118 | 7,689,063 | 7,125,113 |
| Administration | 25,842,290 | 21,526,815 | 23,791,397 | 24,304,610 | 24,141,950 | 19,346,481 | 15,575,336 | 14,593,117 | 12,906,329 | 10,675,899 |
| Capital Outlay | 27,408,086 | 28,024,646 | 23,607,883 | 29,016,941 | 24,720,752 | 33,897,190 | 28,456,980 | 18,863,886 | 10,645,991 | 16,017,894 |
| <i>Total Expenditures</i> | <u>113,300,379</u> | <u>106,576,572</u> | <u>115,408,315</u> | <u>117,031,330</u> | <u>113,853,161</u> | <u>118,340,726</u> | <u>106,175,839</u> | <u>94,422,792</u> | <u>76,796,402</u> | <u>77,017,136</u> |
| <i>Net Change in Fund Balances</i> | <u>\$ 25,380,027</u> | <u>\$ 11,334,416</u> | <u>\$ 6,066,449</u> | <u>\$ (1,012,560)</u> | <u>\$ (2,587,610)</u> | <u>\$ (11,281,795)</u> | <u>\$ 1,920,463</u> | <u>\$ 5,784,314</u> | <u>\$ 14,307,975</u> | <u>\$ (2,720,396)</u> |
| <i>Debt Service as a Percentage of Noncapital Expenditures</i> | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

CLEVELAND METROPARKS
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

| Collection Year | Real Property | | | Tangible Personal Property | | | Ratio | Full Tax Rate | |
|-----------------|------------------------------|--|------------------------|----------------------------|------------------------|-------------------|-------------------|---------------|------------------------|
| | Assessed Value | | Estimated Actual Value | Public Utility | | Total | | | |
| | Residential/ Agricultural | Commercial Industrial Public Utility | | Assessed Value | Estimated Actual Value | Assessed Value | | | Estimated Actual Value |
| 2021 | \$ 21,637,219,940 | \$ 8,523,354,120 | \$ 86,173,068,743 | \$ 1,401,934,230 | \$ 1,593,107,080 | \$ 31,562,508,290 | \$ 87,766,175,823 | 35.96% | \$ 2.75 |
| 2020 | 21,551,404,990 | 8,448,669,510 | 85,714,498,571 | 1,315,638,930 | 1,495,044,239 | 31,315,713,430 | 87,209,542,810 | 35.91% | 2.75 |
| 2019 | 21,411,323,760 | 8,583,712,340 | 85,700,103,143 | 1,228,750,040 | 1,396,306,864 | 31,223,786,140 | 87,096,410,007 | 35.85% | 2.75 |
| 2018 | 19,467,845,860 | 7,915,322,760 | 78,237,624,629 | 1,166,040,660 | 1,325,046,205 | 28,549,209,280 | 79,562,670,833 | 35.88% | 2.75 |
| 2017 | 19,457,345,250 | 7,761,002,220 | 77,766,707,057 | 1,070,878,380 | 1,216,907,250 | 28,289,225,850 | 78,983,614,307 | 35.82% | 2.75 |
| 2016 | 19,361,229,500 | 7,833,216,540 | 77,698,417,257 | 949,600,700 | 1,079,091,705 | 28,144,046,740 | 78,777,508,962 | 35.73% | 2.75 |
| 2015 | 19,040,920,510 | 8,393,727,860 | 78,384,709,629 | 905,949,000 | 1,029,487,500 | 28,340,597,370 | 79,414,197,129 | 35.69% | 2.75 |
| 2014 | 19,040,881,120 | 8,396,812,570 | 78,393,410,543 | 851,517,000 | 967,632,955 | 28,289,210,690 | 79,361,043,498 | 35.65% | 2.75 |
| 2013 | 18,763,098,070 | 8,382,734,230 | 77,559,520,857 | 846,193,770 | 961,583,830 | 27,992,026,070 | 78,521,104,687 | 35.65% | 2.75 |
| 2012 | 20,581,061,860 | 8,810,837,260 | 83,976,854,629 | 702,587,750 | 798,395,170 | 30,094,486,870 | 84,775,249,799 | 35.50% | 1.85 |

Sources: Cuyahoga County, Ohio, County Fiscal Officer
 Medina County, Ohio, County Auditor

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax in 2010).

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

CLEVELAND METROPARKS
Property Tax Rates - Direct and Overlapping Governments (1)
(Per \$1,000 of Assessed Valuation)
Last Ten Years

| | 2021 | | 2020 | | 2019 | | 2018 | | 2017 | |
|--|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
| | Gross Rate | Effective Rate | Gross Rate | Effective Rate | Gross Rate | Effective Rate | Gross Rate | Effective Rate | Gross Rate | Effective Rate |
| Voted Millage by Levy | | | | | | | | | | |
| 2004 General Operating | | | | | | | | | | |
| Effective Millage Rates | | | | | | | | | | |
| Residential/Agricultural | \$ 2.7500 | \$ 2.1502 | \$ 2.7500 | \$ 2.4849 | \$ 2.7500 | \$ 2.4797 | \$ 2.7500 | \$ 2.4827 | \$ 2.7500 | \$ 2.7183 |
| Commercial/Industrial | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 |
| General Business and Public Utility | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 |
| | | | | | 2.7050 | 2.6599 | | | | |
| Weighted Average Tax Rate | <u>2.2902</u> | | <u>2.5160</u> | | <u>2.5654</u> | | <u>2.5685</u> | | <u>2.7282</u> | |
| Overlapping Rates by Tax District | | | | | | | | | | |
| Cuyahoga County | 14.8500 | 12.2552 | 14.8500 | 14.0063 | 14.0500 | 12.8012 | 14.0500 | 12.7973 | 14.0500 | 13.8802 |
| Cities | 2.2 - 29.1 | 2.2 - 29.1 | 2.2 - 28.5 | 2.2 - 28.5 | 2.2 - 28.3 | 2.2 - 28.3 | 2.2 - 29.3 | 2.2 - 29.3 | 2.2 - 28.1 | 2.2 - 28.1 |
| Villages | 2.8 - 31.8 | 2.8 - 29.8 | 2.8 - 31.8 | 2.8 - 31.8 | 2.8 - 31.8 | 2.8 - 31.8 | 2.8 - 31.8 | 2.8 - 31.8 | 2.8 - 31.8 | 2.8 - 31.8 |
| Townships | 0.4 - 31.5 | 0.4 - 18.3 | 0.4 - 31.5 | 0.4 - 20.3 | 0.4 - 31.5 | 0.4 - 20.4 | 0.8 - 27.5 | 0.8 - 16.4 | 0.4 - 27.5 | 0.4 - 17.7 |
| School Districts | 34.9 - 189.2 | 25.5 - 86.9 | 35.3 - 189.2 | 28.2 - 91.8 | 35.7 - 189.2 | 28.2 - 91.3 | 35.7 - 190.5 | 28.2 - 92.5 | 35.7 - 190.5 | 30.1 - 99.1 |
| Joint Vocational Schools | 2.0 - 3.1 | 2.0 - 2.5 | 2.0 - 3.1 | 2.0 - 2.7 | 2.0 - 3.1 | 2.0 - 2.7 | 2.0 - 3.1 | 2.0 - 2.7 | 2.0 - 3.1 | 2.0 - 3.0 |
| Special Districts | 0.1 - 10.0 | 0.1 - 6.9 | 0.1 - 10.0 | 0.1 - 7.8 | 0.1 - 10.0 | 0.1 - 7.8 | 0.1 - 10.0 | 0.1 - 7.7 | 0.1 - 10.0 | 0.1 - 8.3 |
| | | | | | | | | | | |
| | 2016 | | 2015 | | 2014 | | 2013 | | 2012 | |
| | Gross Rate | Effective Rate | Gross Rate | Effective Rate | Gross Rate | Effective Rate | Gross Rate | Effective Rate | Gross Rate | Effective Rate |
| Voted Millage by Levy | | | | | | | | | | |
| 2004 General Operating | | | | | | | | | | |
| Effective Millage Rates | | | | | | | | | | |
| Residential/Agricultural | \$ 2.7500 | \$ 2.7112 | \$ 2.7500 | \$ 2.7119 | \$ 2.7500 | \$ 2.7500 | \$ 2.7500 | \$ 2.7500 | \$ 1.8500 | \$ 1.8188 |
| Commercial/Industrial | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7368 | 2.7500 | 2.7046 | 1.8500 | 1.7354 |
| General Business and Public Utility | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 1.8500 | 1.8500 |
| Weighted Average Tax Rate | <u>2.7233</u> | | <u>2.7244</u> | | <u>2.7461</u> | | <u>2.7500</u> | | <u>1.8100</u> | |
| Overlapping Rates by Tax District | | | | | | | | | | |
| Cuyahoga County | 14.0500 | 13.8698 | 14.0500 | 14.0195 | 14.0500 | 13.9495 | 13.2200 | 12.7846 | 13.2200 | 12.7846 |
| Cities | 2.2 - 29.4 | 2.2 - 29.4 | 2.2 - 27.2 | 2.2 - 27.2 | 2.2 - 27.0 | 2.2 - 27.2 | 2.2 - 27.0 | 2.2 - 27.0 | 2.2 - 24.3 | 2.2 - 24.3 |
| Villages | 0.3 - 31.8 | 0.3 - 31.8 | 0.3 - 31.8 | 0.3 - 30.9 | 0.3 - 31.8 | 0.3 - 30.6 | 0.3 - 31.8 | 0.3 - 30.6 | 0.3 - 23.1 | 0.3 - 22.7 |
| Townships | 0.4 - 27.5 | 0.4 - 17.7 | 0.4 - 27.5 | 0.4 - 17.7 | 0.4 - 27.5 | 0.4 - 19.2 | 0.4 - 23.5 | 0.4 - 15.6 | 0.4 - 23.5 | 0.4 - 13.8 |
| School Districts | 35.7 - 186.7 | 30.1 - 94.7 | 35.7 - 186.7 | 30.1 - 94.6 | 35.7 - 186.8 | 32.6 - 126.9 | 35.7 - 180.2 | 32.5 - 117.4 | 27.8 - 180.1 | 21.5 - 86.4 |
| Joint Vocational Schools | 2.0 - 3.1 | 2.0 - 3.0 | 2.0 - 2.4 | 2.0 - 2.3 | 2.0 - 2.4 | 2.0 - 2.2 | 2.0 - 2.4 | 2.0 - 2.1 | 2.0 - 2.4 | 2.0 - 2.1 |
| Special Districts | 0.1 - 10.0 | 0.1 - 8.2 | 0.1 - 10.0 | 0.1 - 8.2 | 0.1 - 10.0 | 0.1 - 8.6 | 0.1 - 7.8 | 0.1 - 6.3 | 0.1 - 7.8 | 0.1 - 5.7 |

(1) Based on lower of Residential/Agricultural and Commercial/Industrial effective rates.

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Basic property tax rates may be increased only by a majority vote of the entity's residents.

Overlapping rates are those of local and county governments that apply to property owners within the entity. Real property tax rates are reduced so that inflationary increases in value do not generate additional revenue.

CLEVELAND METROPARKS
Property Tax Levies and Collections
Last Ten Years

| Collection Year | Current Tax Levy | Current Tax Collections | Percent of Current Tax Collections to Current Tax Levy | Delinquent Tax Collections | Total Tax Collections (1) | Percent of Total Tax Collections to Current Tax Levy |
|-----------------|------------------|-------------------------|--|----------------------------|---------------------------|--|
| 2021 | \$ 77,455,732 | \$ 73,996,731 | 95.53% | \$ 2,647,252 | \$ 76,643,983 | 98.95% |
| 2020 | 76,867,532 | 73,329,273 | 95.40% | 2,604,247 | 75,933,520 | 98.78% |
| 2019 | 76,547,267 | 72,463,501 | 94.67% | 2,978,730 | 75,442,231 | 98.56% |
| 2018 | 76,094,193 | 71,904,148 | 94.49% | 2,831,675 | 74,735,823 | 98.21% |
| 2017 | 75,319,089 | 71,244,310 | 94.59% | 2,495,807 | 73,740,117 | 97.90% |
| 2016 | 74,907,282 | 70,638,247 | 94.30% | 3,392,211 | 74,030,458 | 98.83% |
| 2015 | 76,135,421 | 69,659,132 | 91.49% | 4,857,065 | 74,516,197 | 97.87% |
| 2014 | 76,146,454 | 69,067,495 | 90.70% | 3,071,288 | 72,138,783 | 94.74% |
| 2013 | 50,747,127 | 46,620,706 | 91.87% | 2,140,415 | 48,761,121 | 96.09% |
| 2012 | 53,647,961 | 48,470,731 | 90.35% | 2,563,887 | 51,034,618 | 95.13% |

Source: Cuyahoga County, Ohio, County Fiscal Officer

Note: The County's current operating system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

(1) - State reimbursement of rollback and homestead exemptions are included.

CLEVELAND METROPARKS
Principal Property Tax Payers - Real Property
Current Year and Nine Years Prior

| Taxpayer | 2021 | | | 2012 | | |
|--|--------------------------|------|--|--------------------------|------|--|
| | Total Assessed Valuation | Rank | Percentage of Total Assessed Valuation | Total Assessed Valuation | Rank | Percentage of Total Assessed Valuation |
| Cleveland Electric Illuminating Company | \$ 751,083,410 | 1 | 2.38% | \$ 188,580,610 | 1 | 0.63% |
| American Transmission Systems | 430,045,110 | 2 | 1.36% | | | |
| East Ohio Gas Company | 214,591,350 | 3 | 0.68% | 51,819,260 | 7 | 0.17% |
| K&D Properties | 132,551,140 | 4 | 0.42% | | | |
| Stark (Crocker Park) | 129,907,820 | 5 | 0.41% | | | |
| City of Cleveland | 115,213,930 | 6 | 0.37% | | | |
| Brookfield Properties | 113,824,690 | 7 | 0.36% | | | |
| Cleveland-Cuyahoga County Port Authority | 99,459,110 | 8 | 0.32% | | | |
| 127 PS Fee Owner, LLC | 87,820,780 | 9 | 0.28% | | | |
| Progressive Insurance Company | 75,331,530 | 10 | 0.24% | | | |
| The Cleveland Clinic | | | | 149,237,200 | 2 | 0.50% |
| Key Center Properties, LLC | | | | 68,697,720 | 3 | 0.23% |
| Beachwood Place Limited Partnership | | | | 65,324,350 | 4 | 0.22% |
| University Hospitals Health System, Inc. | | | | 62,776,320 | 5 | 0.21% |
| Southpark Mall, LLC | | | | 57,940,860 | 6 | 0.19% |
| Cleveland Financial Association, LLC | | | | 47,990,600 | 8 | 0.16% |
| Eaton Corporation | | | | 32,280,050 | 9 | 0.11% |
| Toledo-Lucas County Port Authority | | | | 31,159,350 | 10 | 0.10% |
| Total Top 10 Real Property | 2,149,828,870 | | 6.82% | 755,806,320 | | 2.52% |
| All Others | 29,412,679,420 | | 93.18% | 29,338,680,550 | | 97.48% |
| Total Real Property Assessed Valuation | <u>\$ 31,562,508,290</u> | | <u>100.00%</u> | <u>\$ 30,094,486,870</u> | | <u>100.00%</u> |

Source: Cuyahoga County, Ohio; County Fiscal Officer

CLEVELAND METROPARKS
Demographic and Economic Statistics
Last Ten Years

| Year | County Population (1) | Metropolitan Statistical Area (2) | Personal Income | Per Capita Personal Income | Median Family Income (2) |
|------|--------------------------|---|--------------------|----------------------------------|--------------------------------|
| 2021 | 1,249,387 | 2,075,662 | \$ 42,976,414,026 | \$ 34,398 | \$ 51,742 |
| 2020 | 1,227,883 | 2,026,560 | 40,660,117,662 | 33,114 | 49,910 |
| 2019 | 1,235,072 | 2,048,449 | 39,280,229,888 | 31,804 | 48,435 |
| 2018 | 1,243,857 | 2,057,009 | 36,385,443,502 | 29,252 | 46,784 |
| 2017 | 1,248,514 | 1,750,920 | 36,385,443,502 | 29,143 | 45,289 |
| 2016 | 1,295,958 | 1,794,211 | 33,344,999,000 | 25,730 | 44,203 |
| 2015 | 1,259,828 | 1,759,382 | 35,333,174,000 | 28,046 | 43,804 |
| 2014 | 1,259,828 | 1,759,382 | 33,981,368,908 | 26,973 | 43,804 |
| 2013 | 1,263,154 | 1,761,898 | 33,981,368,908 | 26,902 | 57,514 |
| 2012 | 1,265,111 | 1,779,827 | 33,917,625,910 | 26,810 | 59,213 |

UNEMPLOYMENT RATES (3)

| Year | Cuyahoga County | Ohio | United States |
|------|--------------------|------|------------------|
| 2021 | 6.5% | 5.1% | 5.3% |
| 2020 | 6.8% | 5.2% | 6.5% |
| 2019 | 3.6% | 3.8% | 3.4% |
| 2018 | 5.0% | 4.8% | 3.7% |
| 2017 | 4.8% | 4.5% | 3.9% |
| 2016 | 5.3% | 4.7% | 4.5% |
| 2015 | 6.4% | 5.4% | 5.6% |
| 2014 | 5.3% | 5.1% | 5.6% |
| 2013 | 7.2% | 7.1% | 6.7% |
| 2012 | 8.3% | 6.7% | 7.9% |

EMPLOYMENT - ANNUAL AVERAGE (3)

| Year | Total Employed | Total Unemployed | Total Civilian Labor Force |
|------|-------------------|---------------------|----------------------------------|
| 2021 | 556,600 | 38,700 | 595,300 |
| 2020 | 531,200 | 61,700 | 592,900 |
| 2019 | 597,311 | 12,164 | 609,475 |
| 2018 | 580,200 | 32,100 | 612,300 |
| 2017 | 575,100 | 35,800 | 610,900 |
| 2016 | 577,200 | 33,300 | 610,500 |
| 2015 | 584,400 | 39,900 | 624,300 |
| 2014 | 584,400 | 39,900 | 624,300 |
| 2013 | 592,250 | 45,950 | 638,200 |
| 2012 | 616,195 | 54,758 | 670,953 |

Sources: (1) Ohio Department of Development - The Metropolitan Statistical Area (MSA) as defined by the Department of Development, includes Lake, Geauga, Medina and Cuyahoga counties
(2) U.S. Census Bureau
(3) Ohio Department of Jobs and Family Services

CLEVELAND METROPARKS
Principal Employers
Current Year and Nine Years Prior

| <u>Employer</u> | <u>2021</u> | | | <u>2012</u> | | |
|--------------------------------------|------------------------------------|-------------|---|------------------------------------|-------------|---|
| | <u>Number of Employees (1)</u> | <u>Rank</u> | <u>Percentage of Total Employment</u> | <u>Number of Employees (1)</u> | <u>Rank</u> | <u>Percentage of Total Employment</u> |
| Cleveland Clinic Health System | 44,665 | 1 | 4.6% | 33,000 | 1 | n/a |
| University Hospitals Health System | 24,636 | 2 | 2.6% | 15,123 | 2 | n/a |
| Group Management Services, Inc. | 22,145 | 3 | 2.3% | 7,403 | 5 | n/a |
| Minute Men Cos. | 21,802 | 4 | 2.3% | | | |
| U.S. Office of Personnel Management | 15,342 | 5 | 1.6% | | | |
| Progressive Corporation | 12,849 | 6 | 1.3% | 8,766 | 4 | n/a |
| Walmart | 12,400 | 7 | 1.3% | | | |
| Accurate Staffing, Inc. | 9,925 | 8 | 1.0% | | | |
| Giant Eagle, Inc. | 9,806 | 9 | 1.0% | 10,398 | 3 | n/a |
| State of Ohio | 7,734 | 10 | 0.8% | | | |
| General Motors Corporation | | | | 7,000 | 6 | n/a |
| Summa Health System | | | | 6,156 | 7 | n/a |
| KeyCorp | | | | 5,983 | 8 | n/a |
| FirstEnergy Corp | | | | 5,349 | 9 | n/a |
| MetroHealth System | | | | 5,238 | 10 | n/a |
| Total Employees | 181,304 | | 18.8% | 104,416 | | |
| All Other Employers | 783,665 | | 81.2% | n/a | | |
| Total Employment within the City (2) | 964,969 | | 100.0% | n/a | | |

Sources: (1) Crain's Cleveland Business Magazine
(2) U.S. Department of Labor

CLEVELAND METROPARKS
Full-Time Equivalent Metroparks Employees by Division
Last Ten Years

| Division | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|----------------|--------------|--------------|--------------|--------------|----------------|----------------|--------------|--------------|--------------|--------------|
| Parks | 379.2 | 300.8 | 425.8 | 421.2 | 443.8 | 432.1 | 412.9 | 377.2 | 289.6 | 213.4 |
| Zoo | 200.5 | 180.0 | 224.1 | 222.8 | 252.8 | 248.8 | 250.8 | 256.0 | 254.4 | 250.1 |
| Golf | 84.0 | 78.5 | 85.9 | 85.6 | 103.5 | 97.4 | 95.0 | 100.4 | 104.4 | 107.6 |
| Police | 88.4 | 100.6 | 97.2 | 96.4 | 103.8 | 103.9 | 101.1 | 99.6 | 84.7 | 83.2 |
| Administration | 77.0 | 105.1 | 132.0 | 139.3 | 142.2 | 132.4 | 125.8 | 109.8 | 110.9 | 186.2 |
| Total | 829.1 | 765.0 | 965.0 | 965.3 | 1,046.1 | 1,014.6 | 985.6 | 943.0 | 844.0 | 840.5 |
| Percent Change | 8.4% | -20.7% | 0.0% | -7.7% | 3.1% | 2.9% | 4.5% | 11.7% | 0.4% | |

Source: Cleveland Metroparks Payroll Department

Method: A full-time equivalent at December 31st is one full calendar year of paid employment, or the equivalent of 2,080 hours (the number of available work hours in a year).

CLEVELAND METROPARKS

*Operating Indicators
Last Ten Years*

| Function/Program | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Affiliate Visitation (3) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 402,873 | 366,000 | 319,616 |
| Water Safety Division (6) | | | | | | | | | | |
| Hinckley Dam | N/A | N/A | N/A | N/A | 63,740 | 67,173 | 60,812 | 65,115 | 63,277 | 69,597 |
| Huntington Beach | N/A | N/A | N/A | N/A | 125,678 | 138,532 | 125,019 | 184,368 | 184,368 | 211,145 |
| Ledge Lake pool | N/A | N/A | N/A | N/A | 26,825 | 31,052 | 26,983 | 29,876 | 29,332 | 42,337 |
| Wallace Lake | N/A | N/A | N/A | N/A | 30,985 | 24,317 | 22,803 | 32,604 | 29,828 | 18,804 |
| Edgewater Park (1) | N/A | N/A | N/A | N/A | 159,873 | 159,305 | 145,758 | 294,039 | 209,013 | N/A |
| Euclid Beach (Wildwood) | N/A | N/A | N/A | N/A | 16,718 | 15,780 | N/A | N/A | N/A | N/A |
| The Chalet | | | | | | | | | | |
| Public admissions | 15,698 | 20,867 | 25,010 | 22,359 | 23,682 | 27,118 | 19,809 | 32,630 | 37,868 | 30,127 |
| Private rentals | 7,862 | 4,049 | 16,835 | 17,524 | 17,737 | 18,552 | 18,447 | 20,335 | 19,054 | 15,477 |
| Golf Services | | | | | | | | | | |
| Golfers at 9 holes | N/A | 399,607 | 300,380 | 284,241 | 293,103 | 333,065 | 348,481 | 317,600 | 330,956 | 364,235 |
| Golfers at Starts (2) | 300,659 | 307,355 | 234,460 | 216,199 | 223,456 | 247,878 | 261,848 | 246,486 | 257,152 | N/A |
| Footgolf | 1,370 | 1,633 | 1,899 | 1,705 | 2,914 | 3,915 | 5,063 | N/A | N/A | N/A |
| Outdoor Education | | | | | | | | | | |
| Walk ins | 111,347 | 55,785 | 328,587 | 321,736 | 361,623 | 286,152 | 282,707 | 275,881 | 283,366 | 272,903 |
| Programs | 120,875 | 101,910 | 246,263 | 238,904 | 270,615 | 201,516 | 202,426 | 215,451 | 178,278 | 157,851 |
| Outdoor recreation | 3,303 | 6,454 | 8,438 | 6,752 | 5,768 | 4,776 | 4,037 | 4,660 | 2,700 | 3,456 |
| Historical interpretation (3) | N/A | N/A | N/A | N/A | N/A | N/A | 4,056 | 6,054 | 7,861 | 6,754 |
| Nature Preschool | 5,423 | 4,353 | 1,782 | 703 | N/A | N/A | N/A | N/A | N/A | N/A |
| Nature tracks mobile education unit | N/A | 1,731 | 22,917 | 31,546 | 30,958 | 47,166 | 54,925 | 31,279 | 34,814 | 25,995 |
| EcoExplorers (5) | N/A | 2,356 | 13,961 | 18,537 | 17,130 | N/A | N/A | N/A | N/A | N/A |
| Mobile Outreach | 9,244 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Youth outdoors | 2,860 | 2,860 | 9,935 | 9,180 | 11,042 | 9,536 | 7,665 | 9,628 | 8,969 | 8,636 |
| Police Department (7) | | | | | | | | | | |
| Programs | N/A | 7,450 | 36,548 | 34,205 | 48,354 | 70,026 | 54,342 | 57,725 | 67,674 | 20,424 |
| Parades (3) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 386,500 | 100,000 |
| Recreation Visits (6) | | | | | | | | | | |
| Acacia | 291,012 | 256,243 | 183,041 | 172,679 | N/A | N/A | N/A | N/A | N/A | N/A |
| Bedford | 973,382 | 1,014,566 | 803,375 | 713,387 | N/A | N/A | N/A | N/A | N/A | N/A |
| Big Creek | 650,375 | 710,999 | 652,560 | 683,152 | N/A | N/A | N/A | N/A | N/A | N/A |
| Bradley Woods | 140,065 | 146,117 | 89,437 | 93,495 | N/A | N/A | N/A | N/A | N/A | N/A |
| Brecksville | 1,608,312 | 1,627,608 | 1,519,074 | 1,508,748 | N/A | N/A | N/A | N/A | N/A | N/A |
| Brookside | 359,928 | 250,172 | 258,530 | 224,578 | N/A | N/A | N/A | N/A | N/A | N/A |
| Euclid Creek | 508,864 | 588,079 | 579,105 | 577,469 | N/A | N/A | N/A | N/A | N/A | N/A |
| Garfield Park | 348,051 | 478,560 | 381,485 | 348,050 | N/A | N/A | N/A | N/A | N/A | N/A |
| Hinckley | 828,650 | 998,942 | 784,668 | 782,510 | N/A | N/A | N/A | N/A | N/A | N/A |
| Huntington | 832,839 | 925,555 | 828,949 | 777,609 | N/A | N/A | N/A | N/A | N/A | N/A |
| Lakefront | 3,889,487 | 3,945,063 | 3,525,099 | 3,281,435 | N/A | N/A | N/A | N/A | N/A | N/A |
| Mill Stream Run | 1,906,750 | 2,166,966 | 1,998,361 | 1,800,350 | N/A | N/A | N/A | N/A | N/A | N/A |
| North Chagrin | 1,063,175 | 1,269,566 | 1,044,268 | 1,107,587 | N/A | N/A | N/A | N/A | N/A | N/A |
| Ohio & Erie Canal | 393,333 | 336,087 | 330,716 | 348,023 | N/A | N/A | N/A | N/A | N/A | N/A |
| Rocky River | 3,047,160 | 3,300,567 | 3,105,649 | 3,041,232 | N/A | N/A | N/A | N/A | N/A | N/A |
| South Chagrin | 612,593 | 626,730 | 607,663 | 600,653 | N/A | N/A | N/A | N/A | N/A | N/A |
| Washington | 124,350 | 117,305 | 155,798 | 150,967 | N/A | N/A | N/A | N/A | N/A | N/A |
| West Creek | 153,178 | 172,479 | 158,129 | 156,902 | N/A | N/A | N/A | N/A | N/A | N/A |
| Visitor Services | | | | | | | | | | |
| Reserved group picnic areas | N/A | N/A | N/A | N/A | 141,686 | 141,740 | 130,183 | 201,767 | 175,288 | 123,655 |
| Reserved fields (multi-purpose) (4) | N/A | N/A | N/A | N/A | 251,857 | 212,406 | 69,509 | 21,330 | 84,975 | 35,970 |
| Emerald Necklace Marina (3) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 3,503 | 7,901 |
| Marketing | | | | | | | | | | |
| Special Events | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 141,802 | 53,707 | 67,958 |
| Cleveland Metroparks Zoo | | | | | | | | | | |
| Zoo/Rainforest | 1,305,665 | 742,544 | 1,234,968 | 1,118,914 | 1,042,564 | 1,023,608 | 1,090,148 | 1,059,632 | 1,123,660 | 1,170,443 |

Source: Cleveland Metroparks Marketing Department

- (1) The Metroparks began management of Edgewater Park in 2013
- (2) Beginning in 2014, counts will be based on starts, which is the industry standard
- (3) Information no longer being tracked separately
- (4) Beginning in 2016, counts began for each occurrence, whereas in the past, only a single instance of a recurring rental was counted
- (5) Beginning in 2017, counts began to be separated, previously they were included in Nature Tracks Mobile Education Unit
- (6) Beginning in 2018, this information is not being tracked separately, however, it would be included in the overall recreation visit
- (7) Provided by Cleveland Metroparks Police Department

CLEVELAND METROPARKS
Capital Assets Statistics by Function/Program
Last Ten Years

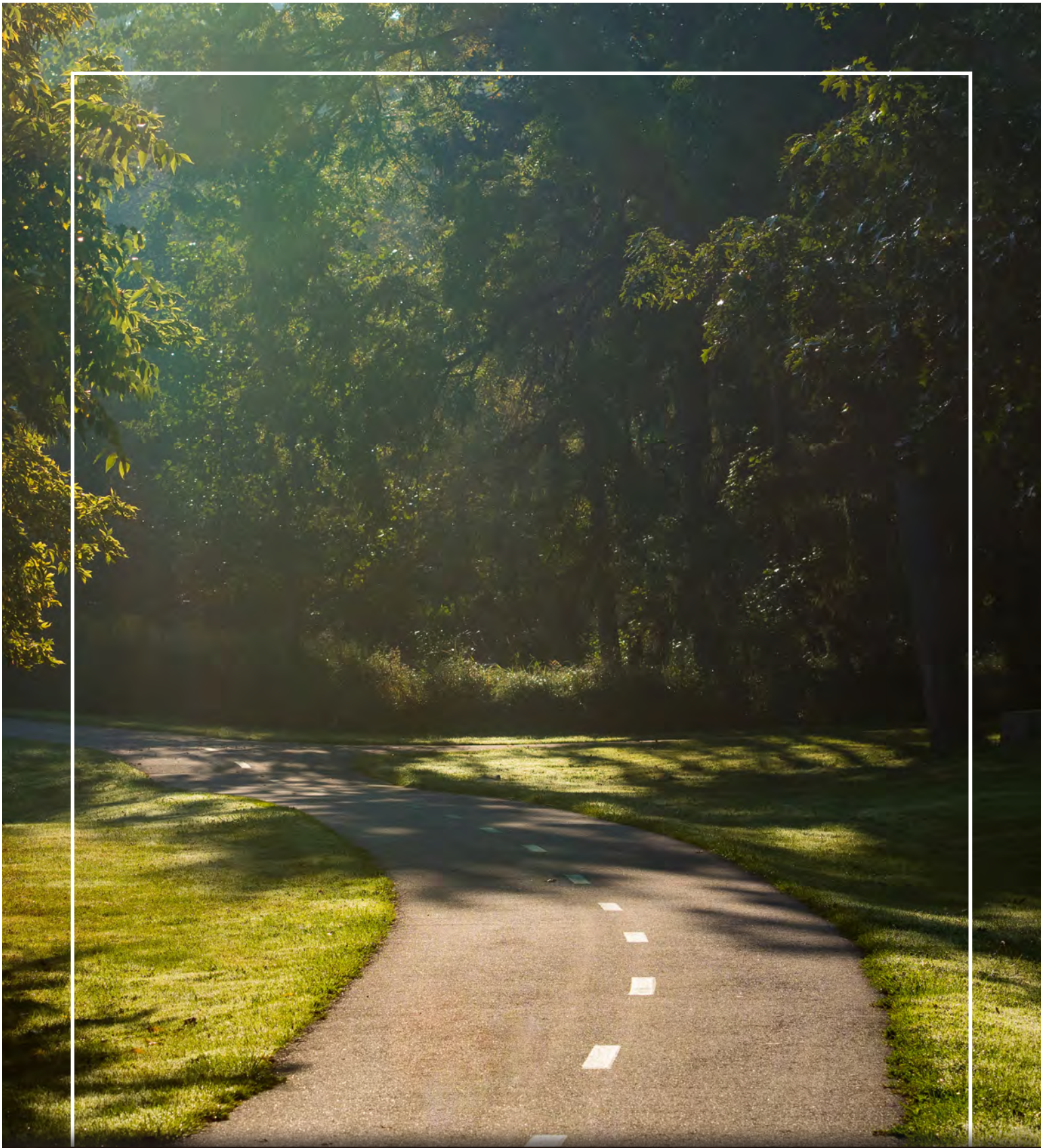
| Operation | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Building Square Footage | | | | | | | | | | |
| Zoo | 385,771 | 383,549 | 401,989 | 397,047 | 418,058 | 408,479 | 408,067 | 396,544 | 396,544 | 396,544 |
| Golf | 107,264 | 107,175 | 107,175 | 107,175 | 172,881 | 172,881 | 172,881 | 172,881 | 172,881 | 172,881 |
| Police | 96,389 (a) | 72,224 | 72,224 | 72,224 | 85,676 | 85,676 | 85,676 | 85,676 | 49,726 | 48,449 |
| Administration | 157,977 (b) | 85,014 | 85,014 | 85,014 | 52,654 | 52,654 | 41,203 | 41,203 | 39,961 | 29,746 |
| Maintenance | 854,972 (b) | 873,831 | 873,831 | 850,759 | 778,901 | 778,901 | 778,490 | 775,073 | 773,699 | 738,231 |
| Demolition | 269,223 | 242,122 | 219,885 | 211,860 | N/A | N/A | N/A | N/A | N/A | N/A |

Source: Cleveland Metroparks Department of Finance

(a) - In 2021, the square footage of one facility was corrected, representing an increase of approximately 24,000 sq.ft.

(b) - In 2021, certain facilities were reclassified from Maintenance to Administration to better align with current function.





**Cleveland
Metroparks®**

OHIO AUDITOR OF STATE KEITH FABER



CLEVELAND METROPOLITAN PARK DISTRICT

CUYAHOGA 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 7/19/2022

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