FRANKLIN PARK CONSERVATORY JOINT RECREATION DISTRICT

FRANKLIN COUNTY
FINANCIAL AUDIT

WITH SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED DECEMBER 31, 2021 AND DECEMBER 31, 2020

OHIO AUDITOR OF STATE
KEITH FABER

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Finance Committee
Franklin Park Conservatory Joint Recreation District
1777 E. Broad Street
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We have reviewed the *Independent Auditor's Report* of the Franklin Park Conservatory Joint Recreation District, Franklin County, prepared by Plante & Moran, PLLC, 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. The Franklin Park Conservatory Joint Recreation District is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

April 26, 2022

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Independent Auditor's Report

To the Finance Committee
Franklin Park Conservatory Joint
Recreation District

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of the Franklin Park Conservatory Joint Recreation District (the "Conservatory") as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements, which collectively comprise the Conservatory's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Franklin Park Conservatory Joint Recreation District as of December 31, 2021 and 2020 and the changes in its financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 Conservatory's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits 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.

To the Finance Committee
Franklin Park Conservatory Joint
Recreation District

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Conservatory'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 Conservatory'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified 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, which 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 Franklin Park Conservatory Joint Recreation District's basic financial statements. The statement of revenue and expenses is presented for the purpose 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 auditing standards generally accepted in the United States of America. In our opinion, the statement of revenue and expenses 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 financial report. The other information comprises the statement of functional expenses but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

To the Finance Committee
Franklin Park Conservatory Joint
Recreation District

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 whether 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 April 5, 2022 on our consideration of Franklin Park Conservatory Joint Recreation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Franklin Park Conservatory Joint Recreation 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 Franklin Park Conservatory Joint Recreation District's internal control over financial reporting and compliance.

Plante & Moran, PLLC

April 5, 2022

Management's Discussion and Analysis

The following unaudited Management's Discussion and Analysis (MD&A) section of the Franklin Park Conservatory Joint Recreation District's (the "Conservatory") financial report represents a discussion and analysis of the Conservatory's financial performance during the fiscal years ended December 31, 2021, 2020 and 2019. Please read it in conjunction with the Conservatory's financial statements, which follow this section. Franklin Park Conservatory Joint Recreation District is known publicly as Franklin Park Conservatory and Botanical Gardens.

Overview of the Financial Statements

The Conservatory accounts for all transactions under a single enterprise fund and the financial statements are prepared using proprietary fund (enterprise fund) accounting. Under this method of accounting, an economic resources measurement focus, and an accrual basis of accounting are used. Revenue is recorded when earned and expenses are recorded when incurred. The financial statements include a statement of net position, a statement of revenue, expenses, and changes in net position, and a statement of cash flows. These are followed by notes to the financial statements.

The statement of net position presents information on the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Conservatory is improving or deteriorating.

The statement of revenue, expenses and changes in net position reports the operating revenue and expenses and nonoperating revenue and expenses of the Conservatory for the fiscal year with the difference being combined with any capital contributions to determine the change in net position for the fiscal year.

The statement of cash flows reports cash and cash equivalent activities for the fiscal year resulting from operating activities, noncapital financing activities, capital and related financing activities, and investing activities. The net result of these activities added to the beginning of the year's cash and cash equivalents balance reconciles to the cash and cash equivalents balance at the end of the current fiscal year.

The activities of the Friends of the Conservatory and Women's Sustaining Board are also included in the financial statements.

Operating Highlights

1. COVID-19 reminded the Conservatory and community that Franklin Park Conservatory (FPC)'s mission to elevate the quality of life through educational, cultural, and social experiences inspired by horticulture has been more important than ever. Though the Federal Coronavirus Relief and Economic Securities (CARES) act was not as greatly accessible in 2021, the organization was able to secure new fundraising opportunities through the Ohio Arts Council, Greater Columbus Arts Council, and many others. Increases in fundraising and increased revenue from admissions and membership provided the Conservatory a strong financial year.

2. FPC took measures to rebuild and retain staffing levels that had been reduced by the lasting effects of COVID-19. The Conservatory worked diligently to create memorable experiences for all visitors despite lowered staffing. Staffing levels increased to 140 employees including 64 full-time employees and an additional 9 open full-time positions by the end of 2021, up from the 57 full-time employees from 2020. In addition to staff, 483 volunteers contributed 11,108 hours to the Conservatory through Horticulture, Garden Railway, and Children's Garden service.

3. FPC implemented strict health and safety standards, aligned with State, Columbus and CDC recommendations, and guests have expressed appreciation for the Conservatory's diligence. Total attendance reached approximately 350,000 in 2021, with 307,620 being visitor attendance, which is 120,328 more visitors than 2020. This increase is largely the result of the three month closure in 2020, as well as increased attendance in Pumpkins Aglow and Conservatory Aglow's outdoor features. Pumpkins Aglow welcomed 25,350 guests in 2021, compared to 13,365 in 2020. This represents an increase of 11,985 guests, or 89.7%. Pumpkins Aglow increased from a 10-night to a 15-night event averaging 1,690 attendees each evening. Conservatory Aglow welcomed 67,816 guests and saw an increase of 20%, or 11,928 individuals from 2020.

4. Membership households totaled 12,781 by the end of 2021, an increase of 1,876 from 2020. FPC's $35 reduced-rate Access level memberships, as compared to the standard $135 family membership, reached a total of 1,134 member households by the end of 2021, and 570 of these were new members.

5. The Conservatory continued its focus on access initiatives. "Community Days", which offers free attendance to residents of the City of Columbus and Franklin County on the first Sunday of each month, welcomed 18,223 guests in 2021, compared to 11,206 guests in 2020. FPC introduced the Museums for All initiative, an IMLS program that encourages low-income families to build lifelong museum habits. Program participants pay a deeply discounted $3 admission fee, versus $19, to attend day or evening experiences at the Conservatory. 9,363 Museums for All tickets were sold in 2021, representing 3% of all tickets sold. Through Museums for All, the Conservatory welcomed 2,346 visitors during the month of December for Conservatory Aglow.

6. FPC held two local artist exhibitions in the Cardinal Health Gallery. The Gallery presented an exhibition from local artist and owner of Paper Blooms Design, Lea Gray, entitled *Bringing Reverence to Nature: An Exploration of Botanicals in Paper*. The exhibition showcased sculptures consisting of hundreds of intricate plants made entirely of paper. The second exhibition of 2021 was *Resilience in Nature: We are the Roses that Grew from the Concrete* featured artwork by local Black artists exploring the theme of diversity as nature's strongest ally. The Conservatory and exhibition partners hosted a variety of community activities in conjunction with the exhibition including art installations during Community Days.

Table 1: Assets, Liabilities, and Net Position

The following summarizes the Conservatory's financial position as of December 31, 2021, 2020, and 2019 (000s omitted).

	2021	2020	2019
Assets			
Current Assets	$ 4,366	$ 3,560	$ 3,596
Capital Assets	27,208	28,689	30,605
Deferred Outflows of resources from Pension	489	1,222	3,336
Deferred Outflows of resouces from OPEB	272	1,019	523
Net OPEB Asset	401		
Other Noncurrent Assets	1,275	1,079	1,467
Total Assets and Deferred Outflows	$ 34,011	$ 35,569	$ 39,527
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Liabilities			
Current Liabilities	$ 2,366	$ 3,290	$ 3,466
Net Pension Liability	3,375	6,863	8,949
Net OPEB Liability	-	4,681	4,114
Notes Payable	1,314	1,440	1,883
Deferred Inflows of resources from Pension	3,107	1,460	120
Deferred Inflows of resources from OPEB	2,184	666	11
Other Noncurrent Liabilities	12	12	18
Total Liabilities and Deferred Inflows	$ 12,358	$ 18,412	$ 18,561
Net Position			
Net investment in capital assets	$ 25,717	$ 26,130	$ 27,960
Restricted net position	1,010	647	615
Unrestricted net position	(5,074)	(9,620)	(7,609)
Total net position	$ 21,653	$ 17,157	$ 20,966

Current Assets – The increase in current assets from 2020 to 2021 is due to the Conservatory performing well in Operations revenue in year 2021.The decrease in current assets from 2019 to 2020 is due to releasing of expenses held in prepaid for Chihuly and Aglow.

Capital Assets - Capital assets, net of disposals and accumulated depreciation, decreased $1,480,000 during 2021, decreased $1,916,000 during 2020 and decreased $930,000 during 2019

The following items were capitalized:

- In 2021 building improvements included work began on the first phase of the Palm House renovations including designs for the Palm House and Show House. Road improvements occurred in the main parking lot, the connector road to the Adventure Center, south dock and the Green House yard. Equipment and Fixtures included renovations to lower-level offices (carpeting and flooring) and south mechanical room electrical and plumbing. Additionally, new or replacements of the following occurred: an ionization system, Biome Vents, Signage, automatic doors, greenhouse overhead door, and security. Mallway electrical work continued.

- In 2020 renovations to meeting rooms in the lower level at 1777 E. Broad Street with carpeting and AV/Electrical work, breaker panel upgrades, signage and exterior grounds electrical work.

- In 2019 renovations to the 1720 E. Broad Street office including purchases of furniture, fixtures, and equipment, improvements to Children's Garden paving, courtyard paving and lighting for the Mallway, and boiler replacement.

Depreciation on capital assets was $2,038,638 for 2021, $2,062,000 for 2020 and $2,059,000 for 2019.

Deferred Outflows/Inflows of Resources - Because of the implementation of GASB 68 in 2015, the Conservatory had a deferred outflow of resources of $489,000 in 2021, $1,222,000 in 2020 and $3,336,000 in 2019 and a deferred inflow of resources of $3,107,000 in 2021, $1,460,000 in 2020 and $120,000 in 2019. Also, because of the implementation of GASB 75 in 2018, the Conservatory was required to record a deferred outflow of resources of $272,000 in 2021, $1,019,000 in 2020 and $523,000 in 2019 and deferred inflow of resources of $2,184,000 in 2021, $666,000 in 2020 and $11,000 in 2019.

Other Noncurrent Assets – Increased in 2021 mainly due to donations for projects that are temporarily restricted for future periods or purposes, and decreased in 2019 and 2020 due to the payment on pledges from the Master Plan 2.0 Capital Campaign that ended in year 2018.

Current Liabilities – We did not draw on the line of credit in 2021. In 2020, the operating line of credit was fully paid down by the end of the year. In 2019, $500,000 was outstanding at the end of the year. Accounts payable and accrued expenses increased by $207,000 in 2021, decreased by $219,000 in 2020 and increased by $50,000. Unearned revenue and customer deposits decreased by $139,000 in 2021 and increased by $188,000 in 2020 and $953,000 in 2019. The significant increase in unearned revenue in 2019 is due to the Conservatory recording unearned membership revenue for the first time. Previously, these amounts were insignificant to the financial statements. This recording of unearned membership revenue in 2019 resulted in $715,000, or 51% of 2019 membership revenue being deferred to 2020.

Net Pension Liability - Due to the implementation of GASB 68 in 2015, the Conservatory is now required to recognize accrued pension liability. Accrued pension liability decreased $3,487,000 in 2021 and $2,086,000 in 2020, and increased $4,495,000 in 2019.

Net OPEB Liability/(Asset) - Due to the implementation of GASB 75 in 2018, the Conservatory is now required to recognize accrued OPEB liability/(asset). Accrued OPEB liability/(asset) decreased $5,082,000 in 2021 and increased $567,000 in 2020 and $987,000 in 2019.

Notes Payable – In 2021, notes payable decreased primarily due to full payoff on debt on the Children's Garden loan and due to loan principal payments on the PRI loan and office space bond. In 2020, notes payable decreased slightly due to loan principal payments. In 2019, notes payable decreased primarily due to partial payoff on debt on the Children's Garden loan and the bond on the office space.

Net Position - The largest portion of the Conservatory's net position each year represents its investment in capital assets, less related debt outstanding used to acquire those capital assets. The Conservatory uses these assets to provide services to its visitors; consequently, these assets are not available for future spending.

Table 2: Operating Results and Changes in Net Position

The following schedule presents a summary of operating revenue for the fiscal years ended of December 31, 2021, 2020, and 2019 (000s omitted).

	2021	2020	2019
General Admissions	$ 3,111	$ 1,728	$ 2,305
Membership	1,297	1,031	705
Gift shop sales	1,010	547	843
Facility rentals	1,598	654	3,170
Other	693	297	967
Total Operating revenue	$ 7,708	$ 4,257	$ 7,990

Overall revenue increased significantly in 2021 from 2020 due to increased attendance at the Conservatory after the pandemic year (2020), decreased significantly in 2020 due to the COVID-19 pandemic. Additionally, admissions, gift shop, and café sales vary from year to year based on the timing of exhibits and how they resonate with the Conservatory's visitors. Facility rentals and other income help to stabilize total operating revenue. The increase in membership revenue in 2020 is due to recognizing deferred membership revenue from 2019.

Operating Expenses

The following schedule presents a summary of expenses for the fiscal years ended December 31, 2021, 2020, and 2019 (000s omitted).

	2021	2020	2019
Payroll, benefit, and taxes	$ 1,026	$ 6,382	$ 8,540
Cost of goods sold	700	419	1,012
Marketing	142	163	421
Operating supplies	672	601	960
Utilities	266	259	299
Rental expense	165	81	264
Facility expense	338	257	318
Office and banking	390	313	423
Contracted services and professional fees	1,270	1,273	1,627
Other expenses	447	186	529
Depreciation expense	2,039	2,062	2,059
Total operating expenses	$ 7,455	$ 11,996	$ 16,452

Operating expenses other than Payroll, benefit, and taxes increased by 15% in 2021 due to increased activities after the pandemic year and the Conservatory being open in the month of November and December for Conservatory Aglow and three weeks of Pumpkin nights in the month of October. Total operating expenses decreased by 27% in 2020 primarily due to the Conservatory being closed for 3 months per the Governor's order due to COVID-19 pandemic. Total operating expenses increased by 17% in 2019 due to the Conservatory's Chihuly exhibition and the Conservatory being open in the months of November and December for Conservatory Aglow and two weeks of Pumpkin nights in the month of October.

The 84% decrease in payroll benefits and taxes in 2021 primarily reflects a reduction in OPERS Pension and OPEB expense, partially offset by a 15% increase in personnel cost after the pandemic layoffs. The 25% decrease in personnel costs in 2020 is primarily due to furloughs and layoffs due to the COVID-19 pandemic. Personnel costs increased 30% in 2019 due to a 26% increase in OPERS pension and OPEB expenses with the remaining due to cost-of-living increases and increased staffing levels for additional activities.

Cost of goods sold increased in 2021 due to the Conservatory being open the full year after the pandemic. Cost of goods sold decreased significantly in 2020 due to the Conservatory being closed for 3 months per the Governor's order due to COVID-19 pandemic. Expenses increased in 2019 due to corresponding increase in gross sales in the gift shop and facility rentals. The decrease in operating supplies in 2019 was due to contracting out professional services for the Chihuly exhibition thus increasing contracted services.

Facility expenses will fluctuate from year to year based on the maintenance needs of the buildings.

Nonoperating Revenue and Expenses

The following schedule presents a summary of non-operating revenue and capital contributions for the fiscal years ended of December 31, 2021, 2020, and 2019 (000s omitted).

	2021	2020	2019
Nonoperating revenue:			
City revenue	$ 350	$ 1,490	$ 350
City - Capital	500	-	500
County revenue	70	-	535
County via GCAC	500	500	-
State revenue - Capital	-	-	607
State revenue	39	215	-
Donations and grants	2,873	1,851	2,994
Interest expense	(89)	(126)	(177)
Total Non operating revenue	$ 4,243	$ 3,930	$ 4,809

Nonoperating revenue identified as State and City – Capital, represent State and City gifts for the Master Plan or capital projects.

In 2021 the City revenue remained the same as 2019. City Capital increased in 2021 to support capital improvements. City revenue and State revenue increased due to CARES Act funding in 2020, City revenue remained the same in 2019. There was a slight increase in operating and programming support by Franklin County in 2019. Donations and grants increased by $1,022,000 in 2021 mainly due to resumption all fund-raising events and activities that were canceled in 2020 due to the pandemic, In 2020, donations and grants were reduced by $1,142,000 mainly due to cancellation of fund-raising activities due to COVID-19 pandemic and in 2019, were reduced by $215,000 due to the close of Master Plan 2.0 capital campaign.

Interest expense was $89,000, $126,000, and $177,000 in 2021, 2020 and 2019, respectively. This expense reduced in 2021 due to paydown of the Children's Garden debt, reduced in 2020 due to the banks deferring interest in the period the Conservatory was closed due to the pandemic, increased in 2019 due to line of credit activity.

Contacting the Conservatory's Management

This financial report is intended to provide the community with a general overview of the Conservatory's finances and to show the Conservatory's accountability for the money it receives. We welcome you to contact us at Franklin Park Conservatory and Botanical Gardens at 1777 E. Broad Street, Columbus, OH 43203, or at www.fpconservatory.org.

Franklin Park Conservatory Joint Recreation District

Statement of Net Position

December 31, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	$ 3,338,273	$ 2,395,689
Receivables (Note 3)	668,258	789,350
Inventory	235,068	233,697
Prepaid expenses and other assets	124,292	141,409
Total current assets	4,365,891	3,560,145
Noncurrent assets:		
Net OPEB asset (Note 9)	401,408	-
Capital assets:		
Assets not subject to depreciation (Note 4)	3,672,342	3,716,168
Assets subject to depreciation - Net (Note 4)	23,535,763	24,972,775
Restricted cash and cash equivalents (Note 2)	423,725	155,970
Noncurrent receivables (Note 3)	476,933	597,273
Other noncurrent assets	374,401	325,533
Total noncurrent assets	28,884,572	29,767,719
Total assets	33,250,463	33,327,864
Deferred Outflows of Resources		
Deferred outflows related to pension (Note 8)	489,323	1,222,143
Deferred outflows related to OPEB (Note 9)	272,338	1,019,319
Total deferred outflows of resources	761,661	2,241,462
Liabilities		
Current liabilities:		
Accounts payable	431,538	295,507
Accrued expenses	343,424	272,198
Unearned revenue and customer deposits	1,464,754	1,604,049
Current portion of bonds and contracts payable (Note 6)	126,142	1,118,861
Total current liabilities	2,365,858	3,290,615
Noncurrent liabilities:		
Net pension liability (Note 8)	3,375,462	6,862,769
Net OPEB liability (Note 9)	-	4,680,537
Other noncurrent liabilities	12,545	11,759
Notes payable (Note 6)	1,314,086	1,440,242
Total noncurrent liabilities	4,702,093	12,995,307
Total liabilities	7,067,951	16,285,922
Deferred Inflows of Resources		
Deferred inflows related to pension (Note 8)	3,106,725	1,460,172
Deferred inflows related to OPEB (Note 9)	2,184,033	666,388
Net Position		
Net investment in capital assets	25,717,019	26,129,839
Restricted:		
Columbus Foundation	374,403	323,300
Various purposes	543,499	231,764
Annie's Fund	58,318	58,324
Growing to Green program	34,050	34,046
Unrestricted	(5,073,874)	(9,620,429)
Total net position	**$ 21,653,415**	**$ 17,156,844**

See notes to financial statements.

Franklin Park Conservatory Joint Recreation District

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenue		
General admissions	$ 3,110,670	$ 1,728,420
Membership	1,296,515	1,031,200
Gift shop sales	1,010,410	547,072
Facility rentals	1,598,062	654,266
Other	692,553	295,915
Total operating revenue	7,708,210	4,256,873
Operating Expenses		
Salaries and wages	3,945,946	3,536,292
Payroll taxes and benefits	(2,919,982)	2,845,627
Cost of goods sold	699,938	419,101
Marketing	141,910	162,616
Operating supplies	671,964	601,198
Utilities	266,343	259,110
Rental expense	164,712	80,876
Facility expenses	338,341	256,933
Office and banking	389,666	312,962
Contracted services and professional fees	1,269,745	1,272,784
Other expense	448,031	186,242
Depreciation expense	2,038,638	2,062,195
Total operating expenses	7,455,252	11,995,936
Operating Income (Loss)	252,958	(7,739,063)
Nonoperating Revenue (Expense)		
State	39,210	215,515
City	350,000	1,489,893
City Master Plan and other	500,000	-
Greater Columbus Arts Council	500,000	500,000
County	70,000	-
Donations and grants	2,873,451	1,850,750
Investment income	10	122
Interest expense	(89,058)	(126,365)
Total nonoperating revenue	4,243,613	3,929,915
Change in Net Position	4,496,571	(3,809,148)
Net Position - Beginning of year	17,156,844	20,965,992
Net Position - End of year	**$ 21,653,415**	**$ 17,156,844**

See notes to financial statements.

Statement of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Receipts from customers	$ 7,779,436	$ 4,311,396
Payments to others	(4,287,741)	(3,593,604)
Payments to employees	(5,090,512)	(4,101,406)
Net cash and cash equivalents used in operating activities	(1,598,817)	(3,383,614)
Cash Flows from Noncapital Financing Activities		
Noncapital subsidies from city, county, and state	1,459,210	2,205,408
Donations and grants	3,114,883	2,652,732
Net cash and cash equivalents provided by noncapital financing activities	4,574,093	4,858,140
Cash Flows from Capital and Related Financing Activities		
Payments on line of credit	-	(500,000)
Proceeds from sale of capital assets	79,413	-
Purchase of capital assets	(637,213)	(164,900)
Principal paid on long-term debt	(1,118,877)	(85,871)
Interest paid on long-term debt	(88,270)	(113,872)
Net cash and cash equivalents used in capital and related financing activities	(1,764,947)	(864,643)
Cash Flows Provided by Investing Activities - Interest and dividends on cash and cash equivalents	10	122
Net Increase in Cash and Cash Equivalents	1,210,339	610,005
Cash and Cash Equivalents - Beginning of year	2,551,659	1,941,654
Cash and Cash Equivalents - End of year	**$ 3,761,998**	**$ 2,551,659**
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities		
Operating income (loss)	$ 252,958	$ (7,739,063)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	2,038,638	2,062,195
Changes in assets and liabilities:		
Receivables	71,226	54,523
Inventory	(1,371)	(22,776)
Prepaid expenses	17,117	286,976
Accounts payable	136,031	(273,768)
Net pension or OPEB liabilities	(3,925,253)	2,092,803
Accrued and other liabilities	(188,163)	155,496
Net cash and cash equivalents used in operating activities	**$ (1,598,817)**	**$ (3,383,614)**

See notes to financial statements.

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Columbus, Ohio (the "City") and Franklin County, Ohio (the "County") agreed in 1990 to establish Franklin Park Conservatory Joint Recreation District (the "Conservatory") pursuant to the authority contained in Section 755.14 (B) of the Ohio Revised Code (ORC) upon the conclusion of Ameriflora 1992, Inc.'s horticulture exposition held at the Conservatory. In April 2007, the City and the County entered into an amended and restated agreement regarding the Conservatory, pursuant to the authority contained in Section 755.14 (C) of the ORC. The new agreement allows the Conservatory to exist until July 31, 2057. However, the City and the County may renew and extend the agreement for additional successive terms of 50 years, with the title to the Conservatory's assets reverting back to the City at the end of the agreement.

The Conservatory is governed by a 21-member board, 8 of whom shall be appointed by the City of Columbus, Ohio's mayor, subject to confirmation by the City Council, and 6 of whom shall be appointed by Franklin County, Ohio. The governor, the speaker of the House of Representatives, and the president of the Senate of the State of Ohio shall each appoint one member to the Conservatory's board. State-appointed members are nonvoting members if they also serve as members of the Ohio General Assembly; no member presently serves both roles. A total of 4 members of the board are appointed by a majority of the existing board members.

The accompanying financial statements present the Conservatory and its component units, entities for which the Conservatory is considered to be financially accountable. Although blended component units are legally separate entities, in substance, they are part of the Conservatory's operations (see discussion below for description).

Blended Component Units

Friends of the Conservatory

In July 1999, the Conservatory created Friends of the Conservatory (Friends), a separate legal not-for-profit corporation, in accordance with Section 501(c)(3) of the Internal Revenue Code, to support the common good of the general public through the support and assistance of and cooperation with the Conservatory. Although it is legally separate from the Conservatory, Friends of the Conservatory is reported as if it were part of the primary government because its sole purpose is to promote the Conservatory and raise capital and solicit funds in support of the Conservatory.

Franklin Park Conservatory Women's Sustaining Board

In 1984, the Franklin Park Conservatory Women's Sustaining Board (the "Women's Board") was organized to create awareness of the Conservatory, to provide support to the Conservatory, and to broaden the base of support in the community for the Conservatory. The Women's Board is a legally separate not-for-profit organization in accordance with Section 501(c)(3) of the Internal Revenue Code. The Women's Board is considered a blended component unit of the Conservatory.

Note 1 - Summary of Significant Accounting Policies (Continued)

Joint Venture

The arrangement between the City and the County establishing the Conservatory possesses the characteristics of an entity classified as a joint venture. The City contributed certain capital assets to the Conservatory at the time of its inception, and both the City and the County have historically agreed to annual subsidies. In 2021, the subsidies from the City and the County were $1,420,000, including $500,000 in contributions for the Master Plan and other. In 2020, the subsidies from the City and the County were $1,989,893 and did not include any contributions for the Master Plan and other. These subsidies represent 12 percent and 24 percent of the Conservatory's 2021 and 2020 revenue, respectively. In the event of the Conservatory's liquidation, its assets will be transferred to the City. Based on the above, the Conservatory is a joint venture between the City and the County. Future capabilities of the Conservatory to operate at current service levels are dependent upon annual subsidies from the City and the County.

Accounting and Reporting Principles

The accounting policies of the Conservatory follow accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the Franklin Park Conservatory Joint Recreation District:

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenue and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

Revenue from charges for services is reported as operating revenue. Transactions that are capital, financing, or investment related are reported as nonoperating revenue. Expenses from employee wages and benefits, purchases of services, materials and supplies, and other miscellaneous expenses are reported as operating expenses.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Restricted cash and cash equivalents consist of restrictions, as identified in Note 10.

Receivables

All receivables are shown as net of allowance for uncollectible amounts.

Inventory

Inventory is valued at the average cost method.

Plant Collection

The Conservatory does not capitalize its plants. They are expensed as purchased. The plant collection is held for public exhibition and education; is protected, kept unencumbered, cared for, and preserved; and is subject to a conservatory policy that requires proceeds from sales of the plant collection be used to acquire other plant collections.

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated acquisition value at the date of donation. Capital assets are defined by the Conservatory as assets with an initial cost of more than $5,000 and an estimated useful life in excess of one year.

Capital assets are depreciated using the straight-line method over the following useful lives:

Capital Asset Class	Lives
Buildings and building improvements	10-30 years
Vehicles	5-10 years
Office furnishings	3-15 years
Other equipment	3-15 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The Conservatory had deferred outflows of resources related to the net pension liability and net OPEB liability (see Notes 8 and 9).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Conservatory had deferred inflows of resources related to the net pension liability and net OPEB liability (see Notes 8 and 9).

Pension Costs

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Ohio Public Employees Retirement System Pension Plan (OPERS) and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. OPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs

For the purpose of measuring the net other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPERS pension plan and additions to/deductions from OPERS’ fiduciary net position have been determined on the same basis as they are reported by OPERS. OPERS uses the economic resources measurement focus and the full accrual basis of accounting. For this purpose, OPERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Unearned Revenue and Customer Deposits

Unearned revenue includes amounts for membership dues and deposits for events received prior to the end of the year related to the subsequent accounting period.

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave)

It is the Conservatory's policy to allow employees to carry forward three days of paid time off. For employees hired before 2003, it is the Conservatory's policy to pay out any unused sick and vacation time. A liability for these amounts is reported if it is probable that the employee will be compensated through a cash payment.

Budgetary Accounting and Control

The Conservatory’s annual budget is prepared on the accrual basis of accounting and approved by the board of directors. The budget includes anticipated amounts for current year revenue and expenses, as well as contributions, grants, and new capital projects. The Conservatory maintains budgetary control by not permitting total operating expenses and expenditures for individual programs to exceed their respective budget amounts without the appropriate approvals. The board is apprised every other month of actual results compared to budget. All budget amounts lapse at year end.

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 revenue and expenses during the period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Conservatory is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the Conservatory's financial statements for the year ended December 31, 2020 but were extended to December 31, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. With the London Interbank Offered Rate (LIBOR) expecting to cease existence in its current form at the end of 2021, this statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) in hedging derivative instruments and leases. The removal of LIBOR as an appropriate benchmark interest rate is effective for the Conservatory's financial statements for the December 31, 2022 fiscal year. All other requirements of the statement are effective for the Conservatory's financial statements for the December 31, 2021 fiscal year and had no impact on the Conservatory. Lease modification requirements are effective one year later.

Note 2 - Deposits and Investments

These amounts are classified into the following categories:

	2021 Cash and Cash Equivalents	2021 Restricted Cash (Note 10)
Deposits with financial institutions	$ 3,326,934	$ 423,725
Cash on hand	11,339	-
Total	$ 3,338,273	$ 423,725

	2020 Cash and Cash Equivalents	2020 Restricted Cash (Note 10)
Deposits with financial institutions	$ 2,385,345	$ 155,970
Cash on hand	10,344	-
Total	$ 2,395,689	$ 155,970

The investment and deposit of the Conservatory's moneys are governed by the provisions of the Ohio Revised Code. In accordance with these statutes, the Conservatory is authorized to invest in United States and State of Ohio bonds, notes, and other obligations; bank certificates of deposit; bankers' acceptances; commercial paper notes rated prime and issued by United States corporations; repurchase agreements secured by United States obligations; and STAR Ohio.

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Conservatory's deposits may not be returned to it. The Conservatory does not have a deposit policy for custodial credit risk. At year end, the Conservatory's deposit balance with financial institutions was $3,543,574 and $2,156,050 for the years ended December 31, 2021 and 2020, respectively. At December 31, 2021 and 2020, the Conservatory had $699,063 and $872,987, respectively, of bank deposits that were covered by deposit insurance provided by the Federal Deposit Insurance Corporation (FDIC).

Note 3 - Receivables

Receivables as of year end, including the applicable allowances for uncollectible accounts, are as follows:

	2021	2020
Short-term pledge receivable	$ 581,641	$ 647,964
Other short-term receivables	110,668	171,247
Long-term pledge receivable	518,000	671,000
Less:		
Allowance for doubtful accounts	24,051	29,861
Discount	41,067	73,727
Total accounts receivable	$ 1,145,191	$ 1,386,623

Note 4 - Capital Assets

Capital asset activity for the years ended December 31, 2021 and 2020 was as follows:

	Balance January 1, 2021	Transfers	Additions	Disposals	Balance December 31, 2021
Capital assets not being depreciated:					
Land	$ 100,000	$ -	$ -	$ -	$ 100,000
Art collection	3,492,156	-	-	-	3,492,156
Construction in progress	124,012	(681,039)	637,213	-	80,186
Subtotal	3,716,168	(681,039)	637,213	-	3,672,342
Capital assets being depreciated:					
Buildings	32,346,254	-	-	-	32,346,254
Building improvements	7,954,171	338,052	-	-	8,292,223
Exhibits	19,915	-	-	-	19,915
Equipment and fixtures	4,119,327	342,987	-	(80,188)	4,382,126
Vehicles	303,970	-	-	-	303,970
Subtotal	44,743,637	681,039	-	(80,188)	45,344,488
Accumulated depreciation	19,770,862	-	2,038,638	(775)	21,808,725
Net capital assets being depreciated	24,972,775	681,039	(2,038,638)	(79,413)	23,535,763
Net capital assets	$ 28,688,943	$ -	$ (1,401,425)	$ (79,413)	$ 27,208,105

	Balance January 1, 2020	Transfers	Additions	Disposals	Balance December 31, 2020
Capital assets not being depreciated:					
Land	$ 100,000	$ -	$ -	$ -	$ 100,000
Art collections	3,492,156	-	-	-	3,492,156
Construction in progress	92,012	(132,900)	164,900	-	124,012
Subtotal	3,684,168	(132,900)	164,900	-	3,716,168
Capital assets being depreciated:					
Buildings	32,346,254	-	-	-	32,346,254
Building improvements	7,995,739	3,900	-	(45,468)	7,954,171
Exhibits	19,915	-	-	-	19,915
Equipment and fixtures	4,051,396	129,000	-	(61,069)	4,119,327
Vehicles	303,970	-	-	-	303,970
Subtotal	44,717,274	132,900	-	(106,537)	44,743,637
Accumulated depreciation	17,796,416	-	2,062,195	(87,749)	19,770,862
Net capital assets being depreciated	26,920,858	132,900	(2,062,195)	(18,788)	24,972,775
Net capital assets	$ 30,605,026	$ -	$ (1,897,295)	$ (18,788)	$ 28,688,943

Note 5 - Line of Credit

During 2017, the Conservatory entered into a revolving credit agreement with The Huntington National Bank for operations. The line has a maximum borrowing of $1,000,000 and matures on July 15, 2022. It bears an interest rate at the London Interbank Offered Rate plus 2.65 percent; the effective interest rate at December 31, 2021 and 2020 was 3.25 percent. The line of credit is guaranteed by the Friends of the Conservatory through the maturity date. The Conservatory did not make any draws during 2021. The Conservatory made a draw of $300,000 and total payments of $800,000 for $(500,000) net activity during 2020. The line of credit has an outstanding balance of $0 at December 31, 2021 and 2020.

Note 6 - Long-term Debt

The changes in notes payable and compensated absences for the years ended December 31, 2021 and 2020 were as follows:

	2021					
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year	Long Term
Compensated absences	$ 82,988	$ 76,116	$ (71,230)	$ 87,874	$ 75,330	$ 12,545
Notes payable	2,559,103	-	(1,118,875)	1,440,228	126,142	1,314,086
Total long-term obligations	$ 2,642,091	$ 76,116	$ (1,190,105)	$ 1,528,102	$ 201,472	$ 1,326,631

	2020					
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year	Long Term
Compensated absences	$ 51,410	$ 52,945	$ (21,367)	$ 82,988	$ 71,230	$ 11,759
Notes payable	2,644,974	-	(85,871)	2,559,103	1,118,861	1,440,242
Total long-term obligations	$ 2,696,384	$ 52,945	$ (107,238)	$ 2,642,091	$ 1,190,091	$ 1,452,001

During 2014, the Conservatory obtained a $1,500,000 unsecured promissory note (direct borrowing) to provide construction financing for the second phase of the Master Plan. The note bears interest at a fixed annual rate of 5 percent. Quarterly installments of interest and principal are due according to draws made through maturity in September 2023. As of December 31, 2021 and 2020, the outstanding loan balance was $1,006,898 and $1,103,122, respectively.

During 2017, the Conservatory entered into a delayed draw loan agreement (direct borrowing) for construction of a children's garden and an expanded visitor experience under the second phase of the Master Plan. Interest only is due in monthly installments and is accrued at the daily LIBOR plus 2.25 percent (2.4375 percent at December 31, 2020). Beginning in December 2018, the aggregate unpaid principal became subject to repayment quarterly. The quarterly repayment amounts are determined based on all pledges available for the project collected during the previous quarter. Any unpaid principal is due upon maturity in July 2021. The loan is secured by all personal property, except certain assets and rights under purchase agreement. The loan was paid off in full as of December 31, 2021. The outstanding loan balance was $999,070 as of December 31, 2020.

During 2018, the Conservatory obtained a $495,000 loan (direct borrowing) for a commercial property in Columbus, Ohio. The purchased property is pledged as collateral for the loan. The loan is payable over 10 years but is based on a 15-year amortization schedule. Monthly payments are $4,133, and the interest rate is fixed at 5.75 percent. The outstanding loan balance was $433,330 and $456,911 at December 31, 2021 and 2020, respectively.

Note 6 - Long-term Debt (Continued)

In 2021 and 2020, the Conservatory paid interest of approximately $90,000 and $114,000, respectively. Annual debt service requirements to maturity for the above note obligations are estimated as follows:

Years Ending December 31	Principal	Interest	Total
2022	$ 126,505	$ 71,016	$ 197,521
2023	133,198	64,257	197,455
2024	827,845	48,242	876,087
2025	30,185	19,408	49,593
2026	31,993	17,601	49,594
2027-2028	290,502	29,380	319,882
Total	$ 1,440,228	$ 249,904	$ 1,690,132

Note 7 - Risk Management

The Conservatory maintains comprehensive insurance coverage with private carriers for real property, building contents, directors and officers' liability insurance, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. In addition, the Conservatory provides medical benefits to most of its full-time employees on a fully insured basis with an independent insurance company. The premium rate is calculated based on claim history and administrative costs. The Conservatory is part of the statewide plan for workers’ compensation insurance coverage. There were no changes to the above policies during the current fiscal year. Claims experience over the past three years indicates that there were no instances of losses exceeding insurance coverage.

Note 8 - Defined Benefit Pension Plan

Plan Description

All conservatory employees are required to participate in the statewide Ohio Public Employees Retirement System. 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 in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor, and death benefits and annual cost of living adjustments to members of the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code (ORC). OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling 800-222-7377.

Note 8 - Defined Benefit Pension Plan (Continued)

Contributions

State retirement law requires contributions by covered employees and their employers, and Chapter 3307 of the ORC limits the maximum rate of contributions. The retirement board of the system sets contributions rates within the allowable limits. The adequacy of employer contribution rates is determined annually by actuarial valuation using the entry age normal cost method. Under these provisions, each employer's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Member contributions are 10 percent of gross wages for all plans, set at the maximums authorized by the ORC. The plan's 2021 and 2020 contribution rates (for measurement dates of December 31, 2020 and 2019) on covered payroll are as follows:

	2021 Employer Contribution Rate			
	Pension	Postretirement Health Care	Death Benefits	Total
OPERS	14.00 %	- %	- %	14.00 %

	2020 Employer Contribution Rate			
	Pension	Postretirement Health Care	Death Benefits	Total
OPERS	14.00 %	- %	- %	14.00 %

The Conservatory's required and actual contributions to the plan for the years ended December 31, 2021 and 2020 were approximately $378,000 and $341,000, respectively.

Benefits Provided

Plan benefits are established under Chapter 145 of the ORC, as amended by Substitute Senate Bill 343 in 2012. The requirements to retire depend on years of service (15 to 30 years) and from attaining the age of 48 to 62, depending on when the employee became a member. Members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. Member retirement benefits are calculated on a formula that considers years of service (15 to 30 years), age (48 to 62 years), and final average salary, using a factor ranging from 1.0 percent to 2.5 percent.

A plan member who becomes disabled before age 60 or at any age, depending on when the member entered the plan, and has completed 60 contributing months is eligible for a disability benefit.

A death benefit of $500 to $2,500 is determined by the number of years of service credit of the retiree. Benefits may transfer to a beneficiary upon death with one and one-half years of service credits with the plan obtained within the last two and one-half years, except for law enforcement and public safety personnel who are eligible immediately upon employment.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance after the employee's retirement date. Retirement benefits for the defined benefit portion of the plan increase 3 percent annually of the original base amount, regardless of changes in the Consumer Price Index, for those who retired prior to January 7, 2013. For those retiring after January 7, 2013, beginning in calendar year 2019, the increase will be based on the average increase in the Consumer Price Index.

Note 8 - Defined Benefit Pension Plan (Continued)

Net Pension Liability, Deferrals, and Pension Expense

At December 31, 2021 and 2020, the Conservatory reported a liability for its proportionate share of the net pension liability. For December 31, 2021, the net pension liability was measured as of December 31, 2020. For December 31, 2020, the net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Conservatory's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

Measurement Date	Net Pension Liability	Proportionate Share
December 31, 2020	$ 3,375,462	0.022950%
December 31, 2019	6,862,769	0.034731%

The Conservatory's proportionate share decreased 33.9 percent and increased 6.3 percent during 2021 and 2020, respectively. For the years ended December 31, 2021 and 2020, the Conservatory recognized pension (income) expense of approximately $(610,000) and $1,679,000, respectively.

At December 31, 2021 and 2020, the Conservatory reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 3,065	$ 145,643	$ 4,923	$ 86,931
Changes in assumptions	1,281	-	366,960	-
Net difference between projected and actual earnings on pension plan investments	-	1,327,830	-	1,369,915
Difference between actual and proportionate share of contributions	106,661	1,633,252	509,510	3,326
Employer contributions to the plan subsequent to the measurement date	378,316	-	340,750	-
Total	$ 489,323	$ 3,106,725	$ 1,222,143	$ 1,460,172

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31	Amount
2022	$ (1,539,669)
2023	(733,600)
2024	(541,145)
2025	(180,771)
2026	301
Thereafter	(834)

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in 2022.

Note 8 - Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The total pension liability is based on the results of an actuarial valuation determined by using the following actuarial assumptions applied to all periods included in the measurement:

	2021	2020
Valuation date	December 31, 2020	December 31, 2019
Actuarial cost method	Individual entry age	Individual entry age
Cost of living	0.50 percent - 3.00 percent	1.40 percent - 3.00 percent
Salary increases, including inflation	3.25 percent to 10.75 percent	3.25 percent to 10.75 percent
Inflation	3.25 percent	3.25 percent
Investment rate of return	7.20 percent, net of pension plan investment expense	7.20 percent, net of pension plan investment expense
Mortality rates	RP-2014 Healthy Annuitant Mortality Table	RP-2014 Healthy Annuitant Mortality Table

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period of five years ended December 31, 2015.

Discount Rate

The discount rates used to measure the total pension liability were 7.20 percent for the plan years ended December 31, 2020 and 2019. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. 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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) 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 real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	2021		2020	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	25.00 %	1.32 %	25.00 %	1.83 %
Domestic equities	21.00	5.64	19.00	5.75
Real estate	10.00	5.39	10.00	5.20
Private equity	12.00	10.42	12.00	10.70
International equity	23.00	7.36	21.00	7.66
Other investments	9.00	4.75	13.00	4.98

Note 8 - Defined Benefit Pension Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Conservatory, calculated using the discount rate of 7.20 percent for the years ended December 31, 2021 and 2020, as well as what the Conservatory's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.2%)	Current Discount Rate (7.2%)	1 Percentage Point Increase (8.2%)
Net pension liability - 2021	$ 6,465,680	$ 3,375,462	$ 806,457

	1 Percentage Point Decrease (6.2%)	Current Discount Rate (7.2%)	1 Percentage Point Increase (8.2%)
Net pension liability - 2020	$ 11,321,179	$ 6,862,769	$ 2,854,978

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in a separately issued OPERS financial report.

Note 9 - Other Postemployment Benefit Plan

Plan Description

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment health care coverage.

In order to qualify for postemployment health care coverage, age-and-service retirees under the traditional pension and combined plans must have 10 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 postemployment benefit, as described in GASB Statement No. 75.

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy

The ORC provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2021 and 2020, state and local employers contributed at a rate of 14 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employers. Active members do not make contributions to the OPEB plan.

Note 9 - Other Postemployment Benefit Plan (Continued)

OPERS' postemployment health care plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). Each year, the OPERS board of trustees determines the portion of the employer contribution rate that will be set aside for funding of the postemployment health care benefits. The portion of employer contributions allocated to health care for members was 0 percent for the OPERS plan years ended December 31, 2020 and 2019. The Conservatory did not make contributions to OPEB during 2021 and 2020 in accordance with statutory requirements. The OPERS board of trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Deferred Compensation Plan

The Conservatory also maintains a voluntary deferred compensation plan, which allows eligible employees to defer a portion of their salary to be held in trust up to certain established annual limits.

Net OPEB Liability (Asset)

At December 31, 2021, the Conservatory reported an asset of $401,408 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of December 31, 2020, and the total OPEB liability (asset) used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. The Conservatory's proportion of the net OPEB asset was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At December 31, 2021, the Conservatory's proportion was 0.022531 percent.

At December 31, 2020, the Conservatory reported a liability of $4,680,537 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability (asset) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. The Conservatory's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At December 31, 2020, the Conservatory's proportion was 0.03389 percent.

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

The Conservatory recognized OPEB (income) expense of approximately $(2,811,801) and $734,000 at December 31, 2021 and 2020, respectively.

Note 9 - Other Postemployment Benefit Plan (Continued)

At December 31, 2021 and 2020, the Conservatory reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 362,268	$ 126	$ 428,057
Changes in assumptions	197,337	650,401	740,879	-
Net difference between projected and actual earnings on OPEB plan investments	-	213,795	-	238,331
Changes in proportionate share, or difference between amount contributed and proportionate share of contributions	75,001	957,569	278,314	-
Total	$ 272,338	$ 2,184,033	$ 1,019,319	$ 666,388

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31	Amount
2022	$ (1,048,155)
2023	(745,443)
2024	(92,907)
2025	(25,190)
Total	$ (1,911,695)

Actuarial Assumptions

The total OPEB liability (asset) is based on the results of an actuarial valuation and was determined using the following actuarial assumptions applied to all periods included in the measurement:

	2021	2020
Actuarial valuation date	December 31, 2019	December 31, 2018
Rolled forward measurement date	December 31, 2020	December 31, 2019
Experience study	Five-year period ended December 31, 2015	Five-year period ended December 31, 2015
Actuarial cost method	Individual entry age	Individual entry age
Single discount rate	6.00%	3.16%
Investment rate of return (net of investment expenses)	6.00%	6.00%
Municipal bond rate	2.00%	2.75%
Wage inflation	3.25%	3.25%
Projected salary increases, including inflation	3.25% - 10.75%	3.25% - 10.75%
Health care cost trend rate	8.50% initial, 3.50% ultimate in 2035	10.50% initial, 3.50% ultimate in 2030
Mortality rates	RP-2014 Healthy Annuitant Mortality Table	RP-2014 Healthy Annuitant Mortality Table

Note 9 - Other Postemployment Benefit Plan (Continued)

Discount Rate

The discount rates used to measure the total OPEB liabilities (assets) were 6.00 percent and 3.16 percent for the plan years ended December 31, 2020 and 2019, respectively. At December 31, 2020, the fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through 2120, the duration of the projection period through which projected health care payments are fully funded.

At December 31, 2019, the plan’s fiduciary net position was projected to become insufficient to make all projected future benefit payments for current active and inactive employees. Therefore, a blended rate was used, which consisted of the long-term expected rate of return on OPEB plan investments for the funded benefit payments of 6.00 percent and the Fidelity 20-year Municipal General Obligation AA Index rate of 2.75 percent at December 31, 2019. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) 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 real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

	2021	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
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	9.00	4.02

	2020	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	36.00 %	1.53 %
Domestic equities	21.00	5.75
REITs	6.00	5.69
International equities	23.00	7.66
Other investments	14.00	4.90

Note 9 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Discount Rate

The following presents the net OPEB (asset) liability of the Conservatory, calculated using the discount rates below, as well as what the Conservatory's net OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2021		
	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net OPEB asset	$ (99,812)	$ (401,408)	$ (649,343)

	2020		
	1 Percentage Point Decrease (2.16%)	Current Discount Rate (3.16%)	1 Percentage Point Increase (4.16%)
Net OPEB liability	$ 6,125,233	$ 4,680,537	$ 3,523,805

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB (asset) liability of the Conservatory, calculated using the health care cost trend rate, as well as what the Conservatory's net OPEB (asset) liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2021		
	1 Percentage Point Decrease	Current Health Care Cost Trend Rate	1 Percentage Point Increase
Net OPEB asset	$ (411,191)	$ (401,408)	$ (390,462)

	2020		
	1 Percentage Point Decrease	Current Health Care Cost Trend Rate	1 Percentage Point Increase
Net OPEB liability	$ 4,542,418	$ 4,680,537	$ 4,816,895

OPEB Plan Fiduciary Net Position

Detailed information about the plan’s fiduciary net position is available in the separately issued financial report.

Deferred Compensation Plan

The Conservatory also maintains a voluntary deferred compensation plan, which allows eligible employees to defer a portion of their salary to be held in trust up to certain established annual limits. All employees are eligible to participate in the plan, and their contributions are fully vested. All contributions are made by the employee and were approximately $18,000 and $16,000 for 2021 and 2020, respectively. Plan assets were $1,079,000 and $969,000 at December 31, 2021, and 2020, respectively.

Assumption Changes

During the measurement period ended December 31, 2020, certain assumption changes were made by the plan. The discount rate was increased from 3.16 percent to 6.00 percent, which impacted the annual actuarial valuation prepared as of December 31, 2019.

Note 9 - Other Postemployment Benefit Plan (Continued)

Benefit Changes

Effective in 2022, OPERS will replace the current self-insured group plan with a marketplace concept for pre-Medicare retirees.

Note 10 - Restricted Net Position

Net position of the Conservatory has been restricted for the following purposes:

	2021	2020
Columbus Foundation	$ 374,403	$ 323,300
Restricted - Various purposes	543,499	231,764
Annie's Fund	58,318	58,324
Growing to Green Program	34,050	34,046
Total	$ 1,010,270	$ 647,434

In 1996, the Women's Board created a fund for the Conservatory at the Columbus Foundation, an Ohio not-for-profit corporation. These funds are included in other noncurrent assets.

Contributions were received from donors for various restricted purposes. These funds are included in the restricted cash and cash equivalents and receivables.

In 2001, Annie's Fund for the Creative Arts created a fund for the Conservatory in the form of a collection of koi (Japanese carp) fish. All donations received are reserved, and the interest is restricted for the care and support of these fish and their environment. These funds are included in restricted cash and cash equivalents in the statement of net position.

In 2006, the Growing to Green Endowment was established to support the annual program operations of the Conservatory's Growing to Green Program. All donations received are reserved and restricted for this program. These funds are included in the restricted cash and cash equivalents.

In 2017 and 2016, the Conservatory received donations for the specific use of construction of the Children's Garden. Any unspent funds are included in restricted cash and cash equivalents and receivables.

Unrestricted net position of the Conservatory at December 31, 2021 and 2020 is as follows:

	2021	2020
Designated for capital projects	$ 889,571	$ 1,817,685
Designated for financial sustainability	2,247,252	947,252
Undesignated	(8,210,697)	(12,385,366)
Total	$ (5,073,874)	$ (9,620,429)

In July 1999, the Conservatory created Friends of the Conservatory, a separate legal not-for-profit corporation, in accordance with Section 501(c)(3) of the Internal Revenue Code, to support the common good of the general public through the support and assistance of and cooperation with the Conservatory. During 2005, Friends began raising support for the Conservatory's Master Plan. The Master Plan is a comprehensive strategic plan to promote programmatic and financial goals of the Conservatory. These donations are designated for the purpose of the Master Plan.

Note 11 - Blended Component Units

As of December 31, 2021 and 2020, the condensed statement of net position; statement of revenue, expenses, and changes in net position; and statement of cash flows for the blended component units are as follows:

	2021		2020	
	Friends of the Conservatory	Women's Sustaining Board	Friends of the Conservatory	Women's Sustaining Board
Current assets	$ 1,922,413	$ 123,614	$ 6,752,876	$ 140,818
Nondepreciable capital assets	3,492,156	-	3,492,156	-
Other noncurrent assets	476,933	-	597,273	-
Total assets	$ 5,891,502	$ 123,614	$ 10,842,305	$ 140,818
Current liabilities	$ 128,000	$ 25,145	$ 1,243,404	$ 42,040
Noncurrent liabilities	905,748	-	1,006,895	-
Net position:				
Net investment in capital assets	3,492,156	-	3,492,156	-
Restricted	468,499	-	231,764	-
Unrestricted	897,099	98,469	4,868,086	98,778
Total net position	4,857,754	98,469	8,592,006	98,778
Total liabilities and net position	$ 5,891,502	$ 123,614	$ 10,842,305	$ 140,818
Operating revenue	$ -	$ 48,820	$ -	$ 11,795
Operating expenses	984	157,463	648	8,595
(Loss) income from operations	(984)	(108,643)	(648)	3,200
Nonoperating revenue (expenses):				
Donations and grants	1,655,692	515,634	830,413	287,279
Interest expense	(51,763)	-	(56,316)	-
Operating support to other entities	(5,337,195)	(407,300)	(1,350,000)	(300,000)
Total nonoperating (expenses) revenue	(3,733,266)	108,334	(575,903)	(12,721)
Change in net position	$ (3,734,250)	$ (309)	$ (576,551)	$ (9,521)
Net cash provided by (used in) operating activities	$ 4,939,014	$ (127,815)	$ (232,815)	$ 6,602
Net cash (used in) provided by noncapital financing activities	(3,546,602)	108,334	76,073	(12,721)
Net cash used in capital and related financing activities	(1,095,295)	-	(69,083)	-
Net increase (decrease) in cash and cash equivalents	297,117	(19,481)	(225,825)	(6,119)
Cash and cash equivalents - Beginning of year	453,899	118,665	679,724	124,784
Cash and cash equivalents - End of year	$ 751,016	$ 99,184	$ 453,899	$ 118,665

Required Supplementary Information

Required Supplementary Information
Schedule of the Conservatory's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System

Last Seven Plan Years

Years Ended December 31

	2020	2019	2018	2017	2016	2015	2014
The Conservatory's proportion of the net pension liability	0.02295 %	0.03473 %	0.03268 %	0.02842 %	0.02617 %	0.02364 %	0.02295 %
The Conservatory's proportionate share of the net pension liability	$ 3,375,462	$ 6,862,769	$ 8,949,333	$ 4,453,765	$ 5,927,842	$ 4,085,885	$ 2,766,370
The Conservatory's covered payroll	$ 3,945,946	$ 3,536,292	$ 5,183,583	$ 4,678,697	$ 3,759,323	$ 3,348,521	$ 3,090,364
The Conservatory's proportionate share of the net pension liability as a percentage of its covered payroll	85.54 %	194.07 %	172.65 %	95.19 %	157.68 %	122.02 %	89.52 %
Plan fiduciary net position as a percentage of total pension liability	87.21 %	82.44 %	74.91 %	84.85 %	77.39 %	81.20 %	86.50 %

Information prior to 2014 is not available.

See notes to required supplementary information.

Required Supplementary Information
Schedule of Pension Contributions
Ohio Public Employees Retirement System

Last Seven Fiscal Years

Years Ended December 31

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 378,317	$ 340,750	$ 715,047	$ 640,737	$ 565,626	$ 515,151	$ 468,793
Contributions in relation to the statutorily required contribution	378,317	340,750	715,047	640,737	565,626	515,151	468,793
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Conservatory's Covered Payroll	$ 2,702,264	$ 3,411,773	$ 5,107,479	$ 4,576,693	$ 4,040,186	$ 3,679,650	$ 3,348,521
Contributions as a Percentage of Covered Payroll	14.00 %	14.00 %	14.00 %	14.00 %	14.00 %	14.00 %	14.00 %

Information prior to 2015 is not available.

Required Supplementary Information
Schedule of the Conservatory's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System

Last Four Plan Years

Plan Years Ended December 31

	2020	2019	2018	2017
Conservatory's proportion of the net OPEB (asset) liability	0.02253 %	0.03389 %	0.03155 %	0.02880 %
Conservatory's proportionate share of the net OPEB (asset) liability	$ (401,408)	$ 4,680,537	$ 4,113,766	$ 3,127,468
Conservatory's covered payroll	$ 3,945,946	$ 3,536,292	$ 5,183,583	$ 4,678,697
Conservatory's proportionate share of the net OPEB (asset) liability as a percentage of its payroll	(10.17)%	132.36 %	79.36 %	95.19 %
Plan fiduciary net position as a percentage of total OPEB (asset) liability	115.57 %	47.80 %	46.33 %	54.14 %

Information prior to 2017 is not available.

See notes to required supplementary information.

Required Supplementary Information
Schedule of OPEB Contributions
Ohio Public Employees Retirement System

Last Four Fiscal Years

Years Ended December 31

	2021	2020	2019	2018
Statutorily required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the statutorily required contribution	-	-	-	-
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ -**
Conservatory's Covered Payroll	$ 3,945,946	$ 3,536,291	$ 5,107,479	$ 4,576,693
Contributions as a Percentage of Covered Employee Payroll	- %	- %	- %	- %

Information prior to 2018 is not available.

See notes to required supplementary information.

Pension

Changes in Benefit Terms

There were no changes in benefit terms affecting the plan.

Changes in Assumptions

During the plan year ended December 31, 2020, the wage inflation rate stayed consistent at 2.5 percent. The cost of living ranges changed from 1.40-3.00 percent to 0.50-3.00 percent.

During the plan year ended December 31, 2018, the discount rate was reduced from 7.5 percent to 7.2 percent.

During the plan year ended December 31, 2016, there were changes to several assumptions for OPERS. The wage inflation dropped from 3.75 percent to 3.25 percent. The projected salary increase range changed from 4.25-10.05 percent to 3.25-10.75 percent. The mortality tables used changed from RP-2000 to RP-2014.

OPEB

Changes in Benefit Terms

There were no changes in benefit terms affecting the plan.

Changes of Assumptions

During the plan year ended December 31, 2020, there were changes to several assumptions. The health care cost trend rates decreased from 10.5 percent initial and 3.5 percent ultimate to 8.5 percent initial and 3.5 percent ultimate. The discount rate was increased from 3.16 percent to 6.00 percent.

During the plan year ended December 31, 2019, there were changes to several assumptions. The health care cost trend rates decreased from 10.0 percent initial and 3.25 percent ultimate to 10.5 percent initial and 3.5 percent ultimate. The discount rate was reduced from 3.96 percent to 3.16 percent.

Other Supplementary Information

Franklin Park Conservatory
Statement of Revenue and Expenses
For the Twelve Months Ending December 31, 2021

	DAILY ACTIVITIES			FRANKLIN PARK CONSERVATORY			FRIENDS OF THE CONSERVATORY			WOMEN'S	
	FPC	FOC	TOTAL	DAILY ACTIVITIES	OTHER ACTIVITIES	COMBINING TOTAL	DAILY ACTIVITIES	OTHER ACTIVITIES	COMBINING TOTAL	**SUSTAINING BOARD**	**TOTAL CONSOLIDATED**
OPERATING REVENUE											
General Admissions	3,110,670	-	3,110,670	3,110,670	-	3,110,670	-	-	-	-	3,110,670
Memberships	1,284,765	-	1,284,765	1,284,765	-	1,284,765	-	-	-	11,750	1,296,515
Gift Shop Sales	1,010,410	-	1,010,410	1,010,410	-	1,010,410	-	-	-	-	1,010,410
Facility Rentals & Cafe Sales	1,598,062	-	1,598,062	1,598,062	-	1,598,062	-	-	-	-	1,598,062
Education	341,008	-	341,008	341,008	-	341,008	-	-	-	-	341,008
Horticulture Income	158,755	-	158,755	158,755	-	158,755	-	-	-	-	158,755
Other Income	155,720	-	155,720	155,720	-	155,720	-	-	-	37,070	192,790
Total Operating Revenue	7,659,390	-	7,659,390	7,659,390	-	7,659,390	-	-	-	48,820	7,708,210
OPERATING EXPENSES											
Salaries & Wages	3,945,946	-	3,945,946	3,945,946	-	3,945,946	-	-	-	-	3,945,946
Payroll Taxes and Benefits	1,005,271	-	1,005,271	1,005,271	(3,925,253)	(2,919,982)	-	-	-	-	(2,919,982)
Cost of Goods Sold	699,938	-	699,938	699,938	-	699,938	-	-	-	-	699,938
Marketing	138,249	-	138,249	138,249	-	138,249	-	-	-	3,661	141,910
Operating Supplies	671,964	-	671,964	671,964	-	671,964	-	-	-	-	671,964
Utilities	266,343	-	266,343	266,343	-	266,343	-	-	-	-	266,343
Rental Expense	136,263	-	136,263	136,263	-	136,263	-	-	-	28,449	164,712
Facility Expense	338,341	-	338,341	338,341	-	338,341	-	-	-	-	338,341
Office and Banking	388,231	182	388,413	388,231	12	388,243	182	-	182	1,241	389,666
Contracted Services and Professional Fees	1,253,655	-	1,253,655	1,253,655	-	1,253,655	-	-	-	16,090	1,269,745
Other Expense	305,808	801	306,609	305,808	33,401	339,209	801	-	801	108,021	448,031
Total Operating Expenses	9,150,009	983	9,150,992	9,150,009	(3,891,840)	5,258,169	983	-	983	157,462	5,416,614
Operating Loss before Depreciation	(1,490,619)	(983)	(1,491,602)	(1,490,619)	3,891,840	2,401,221	(983)	-	(983)	(108,642)	2,291,596
Depreciation	-	-	-	-	2,038,638	2,038,638	-	-	-	-	2,038,638
Operating Loss	(1,490,619)	(983)	(1,491,602)	(1,490,619)	1,853,202	362,583	(983)	-	(983)	(108,642)	252,958
NONOPERATING REVENUE (EXPENSES)											
Intergovenmental Revenue											
City	350,000	-	350,000	350,000	500,000	850,000	-	-	-	-	850,000
County	70,000	-	70,000	70,000	-	70,000		-	-	-	70,000
County via GCAC	500,000	-	500,000	500,000	-	500,000	-	-	-	-	500,000
State	39,210	-	39,210	39,210	-	39,210	-	-	-	-	39,210
Donations and Grants	696,726	918,761	1,615,487	696,726	5,400	702,126	918,761	322,919	1,241,680	515,633	2,459,439
GCAC operating Support	-	392,535	392,535	-	-	-	392,535	21,477	414,012	-	414,012
Operating Support from FOC to FPC	1,000,000	(1,000,000)	-	1,000,000	4,337,195	5,337,195	(1,000,000)	(4,337,195)	(5,337,195)	-	-
Operating Support from WSB to FPC	407,300	-	407,300	407,300	-	407,300	-	-	-	(407,300)	-
Transfers	(1,671,209)	(96,225)	(1,767,434)	(1,671,209)	1,671,209	-	(96,225)	96,225	-	-	-
Investment Income		-	-	-	10	10	-	-	-	-	10
Interest Expense	(25,918)	(51,763)	(77,681)	(25,918)	(11,377)	(37,295)	(51,763)	-	(51,763)	-	(89,058)
Total nonoperating revenue	1,366,109	163,308	1,529,417	1,366,109	6,502,437	7,868,546	163,308	(3,896,574)	(3,733,266)	108,333	4,243,613
INCOME (LOSS)	**(124,510)**	**162,325**	**37,815**	**(124,510)**	**8,355,639**	**8,231,129**	**162,325**	**(3,896,574)**	**(3,734,249)**	**(309)**	**4,496,571**

FRANKLIN PARK CONSERVATORY JOINT RECREATION DISTRICT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Horticulture & Exhibits	Education	Audience Development	Other	Masterplan Planning	Total Program Expenses	Management & General Expenses	Fundraising	Other Non Programing	Total
Payroll, benefit and tax	243,904	114,821	88,750	121,913	-	569,388	200,346	84,859	171,371	1,025,964
Cost of goods sold-Gift Shop	-	-	-	-	-	-	-	-	492,973	492,973
Cost of goods sold-Beverages	-	-	-	-	-	-	-	-	206,965	206,965
Marketing and advertising	40,978	5,118	49,006	12,782	-	107,884	2,948	4,483	26,595	141,910
Animals and related supplies	52,214	-	-	-	-	52,214	-	-	-	52,214
Plants, seeds, soil, mulch, containers	177,036	-	-	-	-	177,036	-	-	-	177,036
Signage and displays	81,295	52	-	3,254	-	84,601	1,321	1,840	261	88,023
Operating supplies and equipment	44,745	57,529	61,186	29,072	-	192,532	130,459	64	17,203	340,258
Equipment rental	633	-	-	28,449	-	29,082	6,044	40,262	37,158	112,546
Linens	-	-	-	-	-	-	-	-	4,948	4,948
Maintenance	-	-	183	-	-	183	169,656	-	247	170,086
Utilities-gas, electric, telephone	-	9	-	-	-	9	266,334	-	-	266,343
Fuel	-	-	-	-	-	-	14,433	-	-	14,433
Building rental	35,000	-	-	-	-	35,000	12,218	-	-	47,218
Insurance	-	-	-	-	-	-	168,255	-	-	168,255
Office supplies and equipment	2,247	4,019	6,498	14,581	-	27,345	119,779	2,613	3,612	153,349
Banking and credit card fees	43	-	-	520	12	575	216,085	-	-	216,660
Postage	3,453	92	-	11,844	-	15,389	2,179	1,817	272	19,657
Professional services	705	-	-	150	-	855	59,414	1,250	630	62,149
Contracted services	226,753	21,292	57,134	442,739	-	747,918	301,183	129,581	28,914	1,207,596
Conference, travel and entertainment	1,250	2,178	-	130	-	3,558	9,458	100	113	13,229
Hospitality and catering	417	3,649	-	6,130	-	10,196	27,547	80,112	664	118,519
Interest expense	-	-	-	-	11,377	11,377	77,681	-	-	89,058
Other expenses	58,670	32,535	1,354	110,422	33,401	236,382	65,040	11,236	3,625	316,283
Depreciation	484,648	228,155	176,351	242,248	-	1,131,402	398,096	168,617	340,523	2,038,638
Total Operating Expenses	**1,453,991**	**469,449**	**440,462**	**1,024,234**	**44,790**	**3,432,926**	**2,248,476**	**526,834**	**1,336,074**	**7,544,310**

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*

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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 Auditor's Report

To Management and the Finance Committee
Franklin Park Conservatory Joint
Recreation District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Franklin Park Conservatory Joint Recreation District (the "Conservatory") as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Conservatory's basic financial statements and have issued our report thereon dated April 5, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Conservatory'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Conservatory's internal control. Accordingly, we do not express an opinion on the effectiveness of the Conservatory'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 Conservatory'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 Conservatory'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*.

To Management and the Finance Committee
Franklin Park Conservatory Joint
Recreation District

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 Conservatory'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 Conservatory's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

April 5, 2022

OHIO AUDITOR OF STATE
KEITH FABER

FRANKLIN PARK CONSERVATORY JOINT RECREATION DISTRICT

FRANKLIN 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 5/10/2022

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