
FRANKLIN PARK CONSERVATORY JOINT
RECREATION DISTRICT

**FRANKLIN COUNTY
FINANCIAL AUDIT
WITH SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2022
AND DECEMBER 31, 2021**

OHIO AUDITOR OF STATE
KEITH FABER



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

Finance Committee
Franklin Park Conservatory Joint Recreation District
1777 East Broad Street
Columbus, Ohio 43203

We have reviewed the *Independent Auditor's Report* of Franklin Park Conservatory Joint Recreation District, Franklin County, prepared by Plante & Moran, PLLC, for the audit period January 1, 2022 through December 31, 2022. 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. Franklin Park Conservatory Joint Recreation District is responsible for compliance with these laws and regulations.

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Keith Faber
Auditor of State
Columbus, Ohio

May 15, 2023

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Franklin Park Conservatory Joint Recreation District

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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, 2022 and 2021 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, 2022 and 2021 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 audits 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 an opinion 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 14, 2023 on our consideration of the 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 the 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 the Franklin Park Conservatory Joint Recreation District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Plante & Moran, PLLC". The signature is written in a cursive, flowing style.

April 14, 2023

Franklin Park Conservatory Joint Recreation District

Management's Discussion and Analysis (Continued)

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, 2022, 2021 and 2020. 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. As Franklin Park Conservatory (FPC) and the community continue to adapt to the lasting effects of COVID-19, we focused on strengthening our foundation for the future. Though the Federal Coronavirus Relief and Economic Securities (CARES) act was not greatly accessible in 2022, the organization was able to secure American Rescue Plan funds through the Institute of Museum and Library Services (IMLS). The IMLS funds provided opportunities for greater community engagement to ensure FPC's neighbors were able to access the benefits of time spent with nature. Increases in fundraising and special events revenue ensured FPC had a strong financial year.
2. FPC identified sustainable staffing levels as activity returned to pre-covid levels and the job market remained competitive. We increased to 90 full-time employees by the end of 2022, up from 64 full-time employees in 2021. In addition to staff, 910 volunteers contributed 12,958 hours to the Conservatory through horticulture, the Paul Busse Garden Railway, and the Scotts Miracle-Gro Foundation Children's Garden.
3. FPC continued to implement necessary healthy and safety standards in alignment with State, Columbus and CDC recommendations, while creating more opportunities for people to engage with

Franklin Park Conservatory Joint Recreation District

Management's Discussion and Analysis (Continued)

FPC. Total attendance reached approximately 345,000 in 2022, with 316,277 being visitor attendance, a 3% increase in visitors compared to 2021. Pumpkins Aglow welcomed 30,656 guests in 2022, compared to 25,350 in 2021. This represents an increase of 5,306 guests, or 20.9% from 2021 and an average of 2,044 attendees each evening. Conservatory Aglow welcomed 42,462 guests. The return of Cocktails at the Conservatory brought 5,370 visitors, averaging 895 per event during the summer months.

4. Membership households totaled 12,943 by the end of 2022, an increase of 162 from 2021. FPC's \$35 reduced-rate Access level memberships, as compared to the standard \$135 family membership, reached a total of 1,095 member households by the end of 2022 and 500 of these were provided to Head Start families in the spring.
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 22,895 guests in 2022, compared to 18,223 guests in 2021. FPC continued 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 to attend day or evening experiences at the Conservatory. 15,118 Museums for All tickets were sold in 2022, representing 5% of all tickets sold and a 62% increase from 2021. Through Museums for All, the Conservatory welcomed 2,248 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 Olga Ziemka. *SPOKE: The Visual Poetry and Environmental Art of Artist Olga Ziemka* presented a connection between language, nature and the human experience through environmental artworks made of natural materials and inspired by poetry. The second exhibition of 2022 was *Los Dialogos*, which featured artwork by local latinx artists exploring the experiences of latinx artists in the United States, collectively touching on themes of dislocation, integration, cultural identity, and politics.

Franklin Park Conservatory Joint Recreation District

Management's Discussion and Analysis (Continued)

Table 1: Assets, Liabilities, and Net Position

The following summarizes the Conservatory's financial position as of December 31, 2022, 2021, and 2020 (000s omitted).

	2022	2021	2020
Assets			
Current Assets	\$ 8,628	\$ 4,366	\$ 3,560
Capital Assets	26,103	27,208	28,689
Deferred Outflows of resources from Pension	1,177	489	1,222
Deferred Outflows of resources from OPEB	29	272	1,019
Net OPEB Asset	760	401	-
Lease Right of use Asset	446	-	-
Other Noncurrent Assets	879	1,275	1,079
Total Assets and Deferred Outflows	<u>\$38,022</u>	<u>\$34,011</u>	<u>\$35,569</u>
Liabilities			
Current Liabilities	\$ 2,654	\$ 2,366	\$ 3,290
Net Pension Liability	2,160	3,375	6,863
Net OPEB Liability	-	-	4,681
Notes Payable	1,181	1,314	1,440
Deferred Inflows of resources from Pension	3,230	3,107	1,460
Deferred Inflows of resources from OPEB	1,157	2,184	666
Lease Liability	370	-	-
Other Noncurrent Liabilities	13	12	12
Total Liabilities and Deferred Inflows	<u>\$10,765</u>	<u>\$12,358</u>	<u>\$18,412</u>
Net Position			
Net investment in capital assets	\$24,779	\$25,717	\$26,130
Restricted net position	889	1,010	647
Unrestricted net position	1,589	(5,074)	(9,620)
Total net position	<u>\$27,257</u>	<u>\$21,653</u>	<u>\$17,157</u>

Current Assets – The increase in current assets from 2021 to 2022 is due largely due to an approximately 3.6million generous gift from the estate of Alexis Jacobs and partially due to the Conservatory performing well in Operations revenue in the year 2022. The increase in current assets from 2020 to 2021 is due to the Conservatory performing well in Operations revenue in year 2021 coming out of a COVID-19 year.

Capital Assets - Capital assets, net of disposals and accumulated depreciation, decreased \$1,105,000 during 2022, decreased \$1,480,000 during 2021 and decreased \$1,916,000 during 2020.

The following items were capitalized:

- In 2022 building improvements included restroom upgrades to the upstairs Grand Atrium restrooms and lower floor bathrooms and staff locker rooms. The Mallway concrete was updated due to hazardous areas that were created from the winter. Equipment and Fixtures included elevator upgrade and elevator room cooling, digital signage for the Conservatory and donor signage for Children's Garden. Equipment purchased in 2022 included a forklift, security equipment, an oven for the Education Pavilion, and a couple

Franklin Park Conservatory Joint Recreation District

Management's Discussion and Analysis (Continued)

of used gators. The Conservatory also invested in purchasing new software, Tessitura, VenueOps and SalesVu, to replace outdated systems.

- In 2021 building improvements included work 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.

Depreciation on capital assets was \$1,984,675 for 2022, \$2,038,638 for 2021 and \$2,062,000 for 2020.

Deferred Outflows/Inflows of Resources - Because of the implementation of GASB 68 in 2015, the Conservatory had a deferred outflow of resources of \$1,177,000 in 2022, \$489,000 in 2021 and \$1,222,000 in 2020 and a deferred inflow of resources of \$3,230,000 in 2022, \$3,107,000 in 2021 and \$1,460,000 in 2020. In addition, because of the implementation of GASB 75 in 2018, the Conservatory was required to record a deferred outflow of resources of \$29,000 in 2022, \$272,000 in 2021 and \$1,019,000 in 2020 and deferred inflow of resources of \$1,157,000 in 2022, \$2,184,000 in 2021, and \$666,000 in 2020.

Other Noncurrent Assets – Decreased in 2022 due to releasing funds from temporarily restricted donations, increased in 2021 mainly due to donations for projects that are temporarily restricted for future periods or purposes, and decreased in 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 and 2022. In 2020, the operating line of credit was fully paid down by the end of the year. Accounts payable and accrued expenses increased by \$221,000 in 2022 and by \$207,000 in 2021 and decreased by \$219,000 in 2020. Unearned revenue and customer deposits decreased by \$25,000 in 2022, decreased by \$139,000 in 2021 and increased by \$188,000 in 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 by \$1,215,000 in 2022, decreased \$3,487,000 in 2021 and \$2,086,000 in 2020.

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 by \$359,000, decreased by \$5,082,000 in 2021 and increased by \$567,000 in 2020.

GASB 87- Lease liability and right to use lease asset was implemented in 2022 for rental of storage space.

Notes Payable – In 2022, notes payable decreased primarily due to loan principal payments. 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.

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.

Franklin Park Conservatory Joint Recreation District

Management's Discussion and Analysis (Continued)

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, 2022, 2021, and 2020 (000s omitted).

	2022	2021	2020
General Admissions	\$ 3,040	\$ 3,111	\$ 1,728
Membership	1,408	1,297	1,031
Gift shop sales	980	1,010	547
Facility rentals	2,420	1,598	654
Other	775	693	297
Total Operating revenue	<u>\$ 8,623</u>	<u>\$ 7,708</u>	<u>\$ 4,257</u>

Revenue increased due to increased attendance during our special engagements Cocktails at the Conservatory, Pumpkins Aglow and Conservatory Aglow in 2022. Overall revenue increased significantly in 2021 from 2020 due to increased attendance at the Conservatory after the pandemic year (2020). 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 increased in 2022 due to resumption of in person events after COVID-19 pandemic. Other income helps to stabilize total operating revenue.

Operating Expenses

The following schedule presents a summary of expenses for the fiscal years ended December 31, 2022, 2021, and 2020 (000s omitted).

	2022	2021	2020
Payroll, benefit, and taxes	\$ 3,522	\$ 1,026	\$ 6,382
Cost of goods sold	875	700	419
Marketing	174	142	163
Operating supplies	958	672	601
Utilities	295	266	259
Rental expense	244	165	81
Facility expense	433	338	257
Office and banking	696	390	313
Contracted services and professional fees	1,575	1,270	1,273
Other expenses	491	493	186
Depreciation expense	1,985	2,039	2,062
Total operating expenses	<u>\$ 11,248</u>	<u>\$ 7,501</u>	<u>\$ 11,996</u>

Operating expenses increased by 29% due to increased activities and Conservatory being open for special evening engagements like Cocktails at the Conservatory, Pumpkins Aglow, Conservatory Aglow and Chihuly nights. Operating expenses increased by 25% 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.

Franklin Park Conservatory Joint Recreation District

Management's Discussion and Analysis (Continued)

Personnel cost increased by 30% due to increase in hiring full time employees, going up from 64 in 2021 to 90 in 2022. 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.

Due to additional facility rental and café activity, cost of goods sold increased in 2022. In 2021, cost of goods sold increased 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.

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, 2022, 2021, and 2020 (000s omitted).

	2022	2021	2020
Nonoperating revenue:			
City revenue	\$ 380	\$ 350	\$ 1,490
City - Capital	250	500	-
County revenue	161	70	
County via GCAC	500	500	500
State revenue	45	39	215
Federal	159		
Donations and grants	6,845	2,873	1,851
Investment income	(30)	46	-
Interest expense	(81)	(89)	(126)
Total Non operating revenue	\$ 8,229	\$ 4,289	\$ 3,930

Nonoperating revenue identified as City – Capital, represents gifts for capital projects.

In 2022, the City revenue increased slightly over 2021. In 2021, the City revenue decreased back to pre-covid level. City Capital decreased in 2022. City Capital increased in 2021 to support capital improvements. City revenue and State revenue increased due to CARES Act funding in 2020. In 2022, donations and grants increased significantly due to \$3,647,375 gift from Alexis Jacobs legacy gift and partially due to fundraising efforts. In 2021, donations and grants increased by \$1,022,000 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. In 2022, the Conservatory received funding from the American Rescue Plan for the Conservatory's Outreach program. The Conservatory also received \$70,000 reimbursements from FEMA for eligible COVID related expenses.

Interest expense was \$81,000, \$89,000 and \$126,000 in 2022, 2021 and 2020 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.

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, 2022 and 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 7,351,057	\$ 3,338,273
Receivables (Note 3)	777,061	668,258
Inventory	260,398	235,068
Prepaid expenses and other assets	238,975	124,292
Total current assets	8,627,491	4,365,891
Noncurrent assets:		
Net OPEB asset (Note 10)	759,860	401,408
Capital assets:		
Assets not subject to depreciation (Note 4)	3,665,452	3,672,342
Assets subject to depreciation - Net (Note 4)	22,437,903	23,535,763
Lease right-of-use asset (Note 7)	446,466	-
Restricted cash and cash equivalents (Note 2)	257,211	423,725
Noncurrent receivables (Note 3)	281,059	476,933
Other noncurrent assets	340,786	374,401
Total noncurrent assets	28,188,737	28,884,572
Total assets	36,816,228	33,250,463
Deferred Outflows of Resources		
Deferred outflows related to pension (Note 9)	1,176,996	489,323
Deferred outflows related to OPEB (Note 10)	29,090	272,338
Total deferred outflows of resources	1,206,086	761,661
Liabilities		
Current liabilities:		
Accounts payable	511,010	431,538
Accrued expenses	485,235	343,424
Unearned revenue and customer deposits	1,439,587	1,464,754
Current portion of lease liability	85,513	-
Current portion of bonds and contracts payable (Note 6)	133,105	126,142
Total current liabilities	2,654,450	2,365,858
Noncurrent liabilities:		
Other noncurrent liabilities	12,922	12,545
Net pension liability (Note 9)	2,159,698	3,375,462
Lease liability (Note 7)	370,133	-
Notes payable (Note 6)	1,181,273	1,314,086
Total noncurrent liabilities	3,724,026	4,702,093
Total liabilities	6,378,476	7,067,951
Deferred Inflows of Resources		
Deferred inflows related to pension (Note 9)	3,230,043	3,106,725
Deferred inflows related to OPEB (Note 10)	1,156,811	2,184,033
Total deferred inflows of resources	4,386,854	5,290,758
Net Position		
Net investment in capital assets	24,779,446	25,717,019
Restricted:		
Columbus Foundation	340,786	374,403
Various purposes	455,430	543,499
Annie's Fund	58,627	58,318
Growing to Green program	34,154	34,050
Unrestricted	1,588,541	(5,073,874)
Total net position	<u>\$ 27,256,984</u>	<u>\$ 21,653,415</u>

Franklin Park Conservatory Joint Recreation District

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenue		
General admissions	\$ 3,040,178	\$ 3,110,670
Membership	1,408,170	1,296,515
Gift shop sales	979,949	1,010,410
Facility rentals	2,420,403	1,598,062
Other	775,262	692,553
Total operating revenue	8,623,962	7,708,210
Operating Expenses		
Salaries and wages	5,101,933	3,945,946
Payroll taxes and benefits	(1,580,350)	(2,919,982)
Cost of goods sold	875,276	699,938
Marketing	174,232	141,910
Operating supplies	957,982	671,964
Utilities	294,877	266,343
Rental expense	243,570	164,712
Facility expenses	433,426	338,341
Office and banking	696,093	389,666
Contracted services and professional fees	1,575,498	1,269,745
Other expense	492,190	448,031
Depreciation expense	1,984,675	2,038,638
Total operating expenses	11,249,402	7,455,252
Operating (Loss) Income	(2,625,440)	252,958
Nonoperating Revenue (Expense)		
State	45,317	39,210
Federal	158,750	-
City	380,000	350,000
City Master Plan and other	250,000	500,000
County via GCAC	500,000	500,000
County	161,024	70,000
Donations and grants	6,844,774	2,873,451
Investment (expense) income	(30,105)	10
Interest expense	(80,751)	(89,058)
Total nonoperating revenue	8,229,009	4,243,613
Change in Net Position	5,603,569	4,496,571
Net Position - Beginning of year	21,653,415	17,156,844
Net Position - End of year	\$ 27,256,984	\$ 21,653,415

Franklin Park Conservatory Joint Recreation District

Statement of Cash Flows

Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Receipts from customers	\$ 8,765,773	\$ 7,779,436
Payments to others	(5,769,593)	(4,287,741)
Payments to employees	(6,469,295)	(5,090,512)
Net cash and cash equivalents used in operating activities	(3,473,115)	(1,598,817)
Cash Flows from Noncapital Financing Activities		
Noncapital subsidies from city, county, and state	1,495,091	1,459,210
Donations and grants	6,931,845	3,114,883
Net cash and cash equivalents provided by noncapital financing activities	8,426,936	4,574,093
Cash Flows from Capital and Related Financing Activities		
Proceeds from sale of capital assets	415	79,413
Purchase of capital assets	(880,340)	(637,213)
Principal paid on long-term debt	(126,505)	(1,118,877)
Interest paid on long-term debt	(71,016)	(88,270)
Net cash and cash equivalents used in capital and related financing activities	(1,077,446)	(1,764,947)
Cash Flows (Used in) Provided by Investing Activities - Investment (expense) income on cash and cash equivalents	(30,105)	10
Net Increase in Cash and Cash Equivalents	3,846,270	1,210,339
Cash and Cash Equivalents - Beginning of year	3,761,998	2,551,659
Cash and Cash Equivalents - End of year	\$ 7,608,268	\$ 3,761,998
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities		
Operating (loss) income	\$ (2,625,440)	\$ 252,958
Adjustments to reconcile operating (loss) income to net cash from operating activities:		
Depreciation	1,984,675	2,038,638
Changes in assets and liabilities:		
Receivables	141,811	71,226
Inventory	(25,330)	(1,371)
Prepaid expenses	(114,683)	17,117
Accounts payable	79,472	136,031
Net pension or OPEB liabilities	(2,922,545)	(3,925,253)
Accrued and other liabilities	8,925	(188,163)
Net cash and cash equivalents used in operating activities	\$ (3,473,115)	\$ (1,598,817)

December 31, 2022 and 2021

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 the Franklin Park Conservatory Joint Recreation District (the "Conservatory") pursuant to the authority contained in Section 755.14 (B) of the Ohio Revised Code (ORC) upon the conclusion of Ameriflora 1992, Inc.'s horticulture exposition held at 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.

December 31, 2022 and 2021

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 2022, the subsidies from the City and the County were \$1,262,224, including \$500,000 in contributions for the Master Plan and other. 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. These subsidies represent 7 percent and 12 percent of the Conservatory's 2022 and 2021 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 11.

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.

December 31, 2022 and 2021

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:

<u>Capital Asset Class</u>	<u>Lives</u>
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 9 and 10).

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 9 and 10).

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.

December 31, 2022 and 2021

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.

Leases

The Conservatory is a lessee for noncancelable leases of a storage unit. The Conservatory recognizes a lease liability and an intangible right-of-use lease asset (lease asset). The Conservatory recognizes lease assets and liabilities with an initial value of \$75,000 or more or an aggregate balance of \$150,000.

At the commencement of a lease, the Conservatory initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Conservatory determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Conservatory uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Conservatory generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Conservatory is reasonably certain to exercise.

The Conservatory monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

December 31, 2022 and 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Adoption of New Accounting Pronouncement

During the current year, effective September 1, 2022, the Conservatory adopted GASB Statement No. 87, *Leases*. As a result, the Conservatory now includes a liability for the present value of payments expected to be made and right-of-use assets. Lease activity is further described in Note 7.

Upcoming Accounting Pronouncements

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Conservatory is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Conservatory's financial statements for the year ending December 31, 2023.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Conservatory's financial statements for the year ending December 31, 2024.

Note 2 - Deposits and Investments

These amounts are classified into the following categories:

	2022	
	Cash and Cash Equivalents	Restricted Cash (Note 10)
Deposits with financial institutions	\$ 7,338,996	\$ 257,211
Cash on hand	12,061	-
Total	<u>\$ 7,351,057</u>	<u>\$ 257,211</u>
	2021	
	Cash and Cash Equivalents	Restricted Cash (Note 10)
Deposits with financial institutions	\$ 3,326,934	\$ 423,725
Cash on hand	11,339	-
Total	<u>\$ 3,338,273</u>	<u>\$ 423,725</u>

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.

Franklin Park Conservatory Joint Recreation District

Notes to Financial Statements

December 31, 2022 and 2021

Note 2 - Deposits and Investments (Continued)

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 \$7,550,439 and \$3,543,574 for the years ended December 31, 2022 and 2021, respectively. At December 31, 2022 and 2021, the Conservatory had bank deposits of \$959,442 and \$699,063, respectively, 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:

	2022	2021
Short-term pledge receivable	\$ 642,000	\$ 581,641
Other short-term receivables	153,744	110,668
Long-term pledge receivable	313,500	518,000
Less:		
Allowance for doubtful accounts	18,683	24,051
Discount	32,441	41,067
Total accounts receivable	<u>\$ 1,058,120</u>	<u>\$ 1,145,191</u>

Note 4 - Capital Assets

Capital asset activity for the years ended December 31, 2022 and 2021 was as follows:

	Balance January 1, 2022	Transfers	Additions	Disposals	Balance December 31, 2022
Capital assets not being depreciated:					
Land	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Art collection	3,492,156	-	-	-	3,492,156
Construction in progress	80,186	(654,882)	647,992	-	73,296
Subtotal	3,672,342	(654,882)	647,992	-	3,665,452
Capital assets being depreciated:					
Buildings	32,346,254	-	-	-	32,346,254
Building improvements	8,292,223	234,027	-	-	8,526,250
Exhibits	19,915	-	-	-	19,915
Equipment and fixtures	4,382,126	420,855	232,348	(114,037)	4,921,292
Vehicles	303,970	-	-	-	303,970
Subtotal	45,344,488	654,882	232,348	(114,037)	46,117,681
Accumulated depreciation	21,808,725	-	1,984,675	(113,622)	23,679,778
Net capital assets being depreciated	<u>23,535,763</u>	<u>654,882</u>	<u>(1,752,327)</u>	<u>(415)</u>	<u>22,437,903</u>
Net capital assets	<u>\$ 27,208,105</u>	<u>\$ -</u>	<u>\$ (1,104,335)</u>	<u>\$ (415)</u>	<u>\$ 26,103,355</u>

Franklin Park Conservatory Joint Recreation District

Notes to Financial Statements

December 31, 2022 and 2021

Note 4 - Capital Assets (Continued)

	Balance January 1, 2021	Transfers	Additions	Disposals	Balance December 31, 2021
Capital assets not being depreciated:					
Land	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Art collections	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	<u>\$ 28,688,943</u>	<u>\$ -</u>	<u>\$ (1,401,425)</u>	<u>\$ (79,413)</u>	<u>\$ 27,208,105</u>

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, 2024. It bears an interest rate at the London Interbank Offered Rate plus 2.65 percent; the effective interest rate at December 31, 2022 and 2021 was 6.62 percent and 3.25 percent, respectively. The line of credit is guaranteed by Friends of the Conservatory through the maturity date. The Conservatory did not make any draws during 2022 or 2021. The line of credit has an outstanding balance of \$0 at both December 31, 2022 and 2021.

Franklin Park Conservatory Joint Recreation District

Notes to Financial Statements

December 31, 2022 and 2021

Note 6 - Long-term Debt

The changes in notes payable and compensated absences for the years ended December 31, 2022 and 2021 were as follows:

	2022					
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year	Long Term
Compensated absences	\$ 87,874	\$ 121,155	\$ (84,997)	\$ 124,032	\$ 111,110	\$ 12,922
Notes payable	1,440,228	-	(125,850)	1,314,378	133,105	1,181,273
Total long-term obligations	\$ 1,528,102	\$ 121,155	\$ (210,847)	\$ 1,438,410	\$ 244,215	\$ 1,194,195

	2021					
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year	Long Term
Compensated absences	\$ 82,988	\$ 76,116	\$ (71,230)	\$ 87,874	\$ 75,329	\$ 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	\$ 201,471	\$ 1,326,631

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, 2022 and 2021, the outstanding loan balance was \$905,748 and \$1,006,898, 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 was due in monthly installments and was accrued at the daily LIBOR plus 2.25 percent (2.4375 percent at December 31, 2021). Beginning in December 2018, the aggregate unpaid principal became subject to repayment quarterly. The quarterly repayment amounts were determined based on all pledges available for the project collected during the previous quarter. Any unpaid principal was due upon maturity in July 2021. The loan was 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.

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 \$408,630 and \$433,330 at December 31, 2022 and 2021, respectively.

In 2022 and 2021, the Conservatory paid interest of approximately \$72,000 and \$90,000, respectively. Annual debt service requirements to maturity for the above note obligations are estimated as follows:

Years Ending December 31	Principal	Interest	Total
2023	\$ 133,105	\$ 64,257	\$ 197,362
2024	827,845	48,242	876,087
2025	30,185	19,408	49,593
2026	31,993	17,601	49,594
2027-2028	291,250	29,380	320,630
Total	\$ 1,314,378	\$ 178,888	\$ 1,493,266

Franklin Park Conservatory Joint Recreation District

Notes to Financial Statements

December 31, 2022 and 2021

Note 7 - Leases

The Conservatory leases certain assets from various third parties. The asset leased is a storage facility. The lease commenced on September 1, 2022 and is set to expire in fiscal year 2027 and has a discount rate of 4.65 percent. Payments are fixed annually.

	Beginning Balance January 1, 2022	Additions	Deductions	Ending Balance December 1, 2022
Leased asset	\$ -	\$ 478,356	\$ -	\$ 478,356
Accumulated amortization	-	(31,890)	-	(31,890)
Net book value of leased assets	\$ -	\$ 446,466	\$ -	\$ 446,466

Future principal and interest payment requirements related to the Conservatory's lease liability at December 31, 2022 are as follows:

Years Ending	Principal	Interest	Total
2023	\$ 85,513	\$ 19,487	\$ 105,000
2024	94,776	15,224	110,000
2025	99,283	10,717	110,000
2056	104,004	5,996	110,000
2027	72,070	1,264	73,334
Total	\$ 455,646	\$ 52,688	\$ 508,334

Note 8 - 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 9 - 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.

Note 9 - Defined Benefit Pension Plan (Continued)

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. 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.

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 2022 and 2021 contribution rates (for measurement dates of December 31, 2021 and 2020) on covered payroll are as follows:

	2022 Employer Contribution Rate			
	Pension	Postretirement Health Care	Death Benefits	Total
OPERS	14.00 %	- %	- %	14.00 %
	2021 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, 2022 and 2021 were approximately \$492,000 and \$378,000, 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.

December 31, 2022 and 2021

Note 9 - Defined Benefit Pension Plan (Continued)

Net Pension Liability, Deferrals, and Pension Expense

At December 31, 2022 and 2021, the Conservatory reported a liability for its proportionate share of the net pension liability. For December 31, 2022, the net pension liability was measured as of December 31, 2021. For December 31, 2021, the net pension liability was measured as of December 31, 2020. 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, 2021	\$ 2,159,698	0.025232
December 31, 2020	3,375,462	0.022950

The Conservatory's proportionate share increased by 9.94 percent and decreased by 33.9 percent during 2022 and 2021, respectively. For the years ended December 31, 2022 and 2021, the Conservatory recognized pension income of approximately \$1,114,500 and \$610,000, respectively.

At December 31, 2022 and 2021, the Conservatory reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 114,487	\$ 51,860	\$ 3,065	\$ 145,643
Changes in assumptions	276,265	-	1,281	-
Net difference between projected and actual earnings on pension plan investments	-	2,618,875	-	1,327,830
Difference between actual and proportionate share of contributions	293,868	559,308	106,661	1,633,252
Employer contributions to the plan subsequent to the measurement date	492,376	-	378,316	-
Total	<u>\$ 1,176,996</u>	<u>\$ 3,230,043</u>	<u>\$ 489,323</u>	<u>\$ 3,106,725</u>

Note 9 - Defined Benefit Pension Plan (Continued)

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
2023	\$ (692,318)
2024	(820,242)
2025	(615,761)
2026	(416,609)
2027	(439)
Thereafter	(53)
Total	<u>\$ (2,545,422)</u>

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in 2023.

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:

	2022	2021
Valuation date	December 31, 2021	December 31, 2020
Actuarial cost method	Individual entry age	Individual entry age
Cost of living	2.05 percent to 3.00 percent	0.50 percent to 3.00 percent
Salary increases, including inflation	2.75 percent to 10.75 percent	3.25 percent to 10.75 percent
Inflation	2.75 percent	3.25 percent
Investment rate of return	6.90 percent, net of investment expense	7.20 percent, net of pension plan investment expense
Mortality rates	Pub-2010 General Employee 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, 2020.

Discount Rate

The discount rates used to measure the total pension liability were 6.90 and 7.20 percent for the plan years ended December 31, 2021 and 2020, respectively. 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.

December 31, 2022 and 2021

Note 9 - Defined Benefit Pension Plan (Continued)

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:

Asset Class	2022		2021	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	24.00 %	1.32 %	25.00 %	1.32 %
Domestic equities	21.00	5.64	21.00	5.64
Real estate	11.00	5.39	10.00	5.39
Private equity	12.00	10.42	12.00	10.42
International equity	23.00	7.36	23.00	7.36
Risk parity	5.00	2.92	-	-
Other investments	4.00	2.85	9.00	4.75

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 6.90 percent and 7.20 percent for the years ended December 31, 2022 and 2021, respectively, as well as what the Conservatory's net pension liability (asset) 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 (5.9%)	Current Discount Rate (6.9%)	1 Percentage Point Increase (7.9%)
Net pension liability (asset) - 2022	\$ 5,761,089	\$ 2,159,698	\$ (836,704)
	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

Pension Plan Fiduciary Net Position

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

Note 10 - 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.

December 31, 2022 and 2021

Note 10 - Other Postemployment Benefit Plan (Continued)

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.

As described in Note 9, employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2022 and 2021, 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.

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, 2021 and 2020. The Conservatory did not make contributions to OPEB during 2022 and 2021 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 Asset

At December 31, 2022, the Conservatory reported an asset of \$759,860 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of December 31, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. 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, 2022, the Conservatory's proportion was 0.024260 percent.

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 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.

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

The Conservatory recognized OPEB income of approximately \$1,136,000 and \$2,812,000 at December 31, 2022 and 2021, respectively.

Franklin Park Conservatory Joint Recreation District

Notes to Financial Statements

December 31, 2022 and 2021

Note 10 - Other Postemployment Benefit Plan (Continued)

At December 31, 2022 and 2021, the Conservatory reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 115,259	\$ -	\$ 362,268
Changes in assumptions	-	307,583	197,337	650,401
Net difference between projected and actual earnings on OPEB plan investments	-	362,248	-	213,795
Changes in proportionate share, or difference between amount contributed and proportionate share of contributions	29,090	371,721	75,001	957,569
Total	\$ 29,090	\$ 1,156,811	\$ 272,338	\$ 2,184,033

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
2023	\$ (838,176)
2024	(158,371)
2025	(79,149)
2026	(52,025)
Total	\$ (1,127,721)

Actuarial Assumptions

The total OPEB 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:

	2022	2021
Actuarial valuation date	December 31, 2020	December 31, 2019
Rolled forward measurement date	December 31, 2021	December 31, 2020
Experience study	5-year period ended December 31, 2020	5-year period ended December 31, 2015
Actuarial cost method	Individual entry age	Individual entry age
Single discount rate	6.00%	6.00%
Investment rate of return (net of investment expenses)	6.00%	6.00%
Municipal bond rate	2.00%	2.00%
Wage inflation	2.75%	3.25%
Projected salary increases, including inflation	2.75% to 10.75%	3.25% to 10.75%
Health care cost trend rate	8.50% initial, 3.50% ultimate in 2035	8.50% initial, 3.50% ultimate in 2035
Mortality rates	Pub-2010 Healthy Annuitant Mortality Table	RP-2014 Healthy Annuitant Mortality Table

December 31, 2022 and 2021

Note 10 - Other Postemployment Benefit Plan (Continued)

Discount Rate

The discount rate used to measure the total OPEB assets was 6.00 percent for both the plan years ended December 31, 2021 and 2020. At December 31, 2021 and 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.

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:

Asset Class	2022	
	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	34.00 %	1.07 %
Domestic equities	25.00	5.64
International equity	25.00	7.36
Risk parity	2.00	2.92
REITs	7.00	3.71
Other investments	7.00	1.93

Asset Class	2021	
	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

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the Conservatory, calculated using the discount rates below, as well as what the Conservatory's net OPEB asset 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:

	2022		
	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net OPEB asset	\$ (446,869)	\$ (759,860)	\$ (1,019,648)

Franklin Park Conservatory Joint Recreation District

Notes to Financial Statements

December 31, 2022 and 2021

Note 10 - Other Postemployment Benefit Plan (Continued)

	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)

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

The following presents the net OPEB asset of the Conservatory, calculated using the health care cost trend rate, as well as what the Conservatory's net OPEB asset 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:

	2022		
	1 Percentage Point Decrease	Current Health Care Cost Trend Rate	1 Percentage Point Increase
Net OPEB asset	\$ (768,072)	\$ (759,860)	\$ (750,119)

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

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 employees and were approximately \$29,000 and \$18,000 for 2022 and 2021, respectively. Plan assets were \$899,000 and \$1,079,000 at December 31, 2022, and 2021, respectively.

Benefit Changes

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

Note 11 - Restricted Net Position

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

	2022	2021
Columbus Foundation	\$ 340,786	\$ 374,403
Restricted - Various purposes	455,430	543,499
PNC Koi	58,627	58,318
Growing to Green Program	34,154	34,050
Total	\$ 888,997	\$ 1,010,270

Note 11 - Restricted Net Position (Continued)

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, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Designated for capital projects	\$ 1,460,392	\$ 889,571
Designated for financial sustainability	5,760,929	2,247,252
Undesignated	<u>(5,632,780)</u>	<u>(8,210,697)</u>
Total	<u>\$ 1,588,541</u>	<u>\$ (5,073,874)</u>

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.

Franklin Park Conservatory Joint Recreation District

Notes to Financial Statements

December 31, 2022 and 2021

Note 12 - Blended Component Units

As of December 31, 2022 and 2021, 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:

	2022		2021	
	Friends of the Conservatory	Women's Sustaining Board	Friends of the Conservatory	Women's Sustaining Board
Current assets	\$ 6,112,009	\$ 152,585	\$ 1,922,413	\$ 123,614
Nondepreciable capital assets	3,492,156	-	3,492,156	-
Other noncurrent assets	281,059	-	476,933	-
Total assets	\$ 9,885,224	\$ 152,585	\$ 5,891,502	\$ 123,614
Current liabilities	\$ 135,906	\$ 54,144	\$ 128,000	\$ 25,145
Noncurrent liabilities	799,424	-	905,748	-
Net position:				
Net investment in capital assets	3,542,156	-	3,492,156	-
Restricted	439,155	-	468,499	-
Unrestricted	4,968,583	98,441	897,099	98,469
Total net position	8,949,894	98,441	4,857,754	98,469
Total liabilities and net position	\$ 9,885,224	\$ 152,585	\$ 5,891,502	\$ 123,614
Operating revenue	\$ -	\$ 80,147	\$ -	\$ 48,820
Operating expenses	5,237	199,739	984	157,463
Loss from operations	(5,237)	(119,592)	(984)	(108,643)
Nonoperating revenue (expenses):				
Donations and grants	5,610,480	529,564	1,655,692	515,634
Interest expense	(46,778)	-	(51,763)	-
Investment income	13,675	-	-	-
Operating support to other entities	(1,480,000)	(410,000)	(5,337,195)	(407,300)
Total nonoperating revenue (expenses)	4,097,377	119,564	(3,733,266)	108,334
Change in net position	\$ 4,092,140	\$ (28)	\$ (3,734,250)	\$ (309)
Net cash provided by (used in) operating activities	\$ 590,686	\$ (162,916)	\$ 4,939,014	\$ (127,815)
Net cash provided by (used in) noncapital financing activities	4,232,892	119,564	(3,546,602)	108,334
Net cash used in capital and related financing activities	(101,149)	-	(1,095,295)	-
Net increase (decrease) in cash and cash equivalents	4,722,429	(43,352)	297,117	(19,481)
Cash and cash equivalents - Beginning of year	751,016	99,184	453,899	118,665
Cash and cash equivalents - End of year	\$ 5,473,445	\$ 55,832	\$ 751,016	\$ 99,184

Required Supplementary Information

Franklin Park Conservatory Joint Recreation District

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

	Last Eight Plan Years Years Ended December 31							
	2021	2020	2019	2018	2017	2016	2015	2014
The Conservatory's proportion of the net pension liability	0.02523 %	0.02295 %	0.03473 %	0.03268 %	0.02842 %	0.02617 %	0.02364 %	0.02295 %
The Conservatory's proportionate share of the net pension liability	\$ 2,159,698	\$ 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	\$ 5,101,933	\$ 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	42.33 %	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	93.01 %	87.21 %	82.44 %	74.91 %	84.85 %	77.39 %	81.20 %	86.50 %

Information prior to 2014 is not available.

Franklin Park Conservatory Joint Recreation District

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

**Last Eight Fiscal Years
Years Ended December 31**

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 492,375	\$ 378,317	\$ 340,750	\$ 715,047	\$ 640,737	\$ 565,626	\$ 515,151	\$ 468,793
Contributions in relation to the statutorily required contribution	492,375	378,317	340,750	715,047	640,737	565,626	515,151	468,793
Contribution Excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Conservatory's Covered Payroll	\$ 3,516,964	\$ 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 %	14.00 %

Information prior to 2015 is not available.

Franklin Park Conservatory Joint Recreation District

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

	Last Five Plan Years				
	Plan Years Ended December 31				
	2021	2020	2019	2018	2017
Conservatory's proportion of the net OPEB (asset) liability	0.02426 %	0.02253 %	0.03389 %	0.03155 %	0.02880 %
Conservatory's proportionate share of the net OPEB (asset) liability	\$ (759,860)	\$ (401,408)	\$ 4,680,537	\$ 4,113,766	\$ 3,127,468
Conservatory's covered payroll	\$ 5,101,933	\$ 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	(14.89)%	(10.17)%	132.36 %	79.36 %	95.19 %
Plan fiduciary net position as a percentage of total OPEB (asset) liability	128.23 %	115.57 %	47.80 %	46.33 %	54.14 %

Information prior to 2017 is not available.

Franklin Park Conservatory Joint Recreation District

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

**Last Five Fiscal Years
Years Ended December 31**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the statutorily required contribution	-	-	-	-	-
Contribution Excess	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Conservatory's Covered Payroll	\$ 5,101,933	\$ 3,945,946	\$ 3,536,292	\$ 5,107,479	\$ 4,576,693
Contributions as a Percentage of Covered Employee Payroll	- %	- %	- %	- %	- %

Information prior to 2018 is not available.

Franklin Park Conservatory Joint Recreation District

Notes to Required Supplementary Information

December 31, 2022 and 2021

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, 2021, there were changes to several assumptions for OPERS. The wage inflation dropped from 3.25 percent to 2.75 percent. The projected salary increase range changed from 2.75-10.75 percent to 3.25-10.75 percent. The mortality tables used changed from RP-2014 to Pub-2010 General Employee Mortality tables.

During the plan year ended December 31, 2020, the wage inflation rate stayed consistent at 2.5 percent. The cost of living adjustment 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.

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, 2021, there were changes to several assumptions. The health care cost trend rates decreased from 8.5 percent initial and 3.5 percent ultimate to 5.5 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, 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.

Other Supplementary Information

**Franklin Park Conservatory
Statement of Revenue and Expenses
For the Twelve Months Ending December 31, 2022**

	DAILY ACTIVITIES			FRANKLIN PARK CONSERVATORY			FRIENDS OF THE CONSERVATORY			WOMEN'S	TOTAL CONSOLIDATED
	FPC	FOC	TOTAL	DAILY ACTIVITIES	OTHER ACTIVITIES	COMBINING TOTAL	DAILY ACTIVITIES	OTHER ACTIVITIES	COMBINING TOTAL	SUSTAINING BOARD	
OPERATING REVENUE											
General Admissions	3,040,178	-	3,040,178	3,040,178	-	3,040,178	-	-	-	-	3,040,178
Memberships	1,394,325	-	1,394,325	1,394,325	-	1,394,325	-	-	-	13,845	1,408,170
Gift Shop Sales	979,949	-	979,949	979,949	-	979,949	-	-	-	-	979,949
Facility Rentals & Cafe Sales	2,420,403	-	2,420,403	2,420,403	-	2,420,403	-	-	-	-	2,420,403
Education	474,664	-	474,664	474,664	-	474,664	-	-	-	-	474,664
Horticulture Income	85,483	-	85,483	85,483	-	85,483	-	-	-	-	85,483
Other Income	111,539	-	111,539	111,539	37,274	148,813	-	-	-	66,302	215,115
Total Operating Revenue	8,506,541	-	8,506,541	8,506,541	37,274	8,543,815	-	-	-	80,147	8,623,962
OPERATING EXPENSES											
Salaries & Wages	5,101,933	-	5,101,933	5,101,933	-	5,101,933	-	-	-	-	5,101,933
Payroll Taxes and Benefits	1,342,195	-	1,342,195	1,342,195	(2,922,545)	(1,580,350)	-	-	-	-	(1,580,350)
Cost of Goods Sold	875,276	-	875,276	875,276	-	875,276	-	-	-	-	875,276
Marketing	170,292	-	170,292	170,292	-	170,292	-	-	-	3,940	174,232
Operating Supplies	957,982	-	957,982	957,982	-	957,982	-	-	-	-	957,982
Utilities	294,877	-	294,877	294,877	-	294,877	-	-	-	-	294,877
Rental Expense	208,300	-	208,300	208,300	-	208,300	-	-	-	35,270	243,570
Facility Expense	433,426	-	433,426	433,426	-	433,426	-	-	-	-	433,426
Office and Banking	689,682	3,882	693,564	689,682	1,334	691,016	3,882	-	3,882	1,195	696,093
Contracted Services and Professional Fees	1,561,386	-	1,561,386	1,561,386	-	1,561,386	-	-	-	14,112	1,575,498
Other Expense	345,199	1,355	346,554	345,199	414	345,613	1,355	-	1,355	145,222	492,190
Total Operating Expenses	11,980,548	5,237	11,985,785	11,980,548	(2,920,797)	9,059,751	5,237	-	5,237	199,739	9,264,727
Operating Loss before Depreciation	(3,474,007)	(5,237)	(3,479,244)	(3,474,007)	2,958,071	(515,936)	(5,237)	-	(5,237)	(119,592)	(640,765)
Depreciation	-	-	-	-	1,984,675	1,984,675	-	-	-	-	1,984,675
Operating Loss	(3,474,007)	(5,237)	(3,479,244)	(3,474,007)	973,396	(2,500,611)	(5,237)	-	(5,237)	(119,592)	(2,625,440)
NONOPERATING REVENUE (EXPENSES)											
Intergovernmental Revenue											
City- Capital	-	-	-	-	250,000	250,000	-	-	-	-	250,000
City	380,000	-	380,000	380,000	-	380,000	-	-	-	-	380,000
County	161,024	-	161,024	161,024	-	161,024	-	-	-	-	161,024
County via GCAC	500,000	-	500,000	500,000	-	500,000	-	-	-	-	500,000
State	45,317	-	45,317	45,317	-	45,317	-	-	-	-	45,317
Federal	158,750	-	158,750	158,750	-	158,750	-	-	-	-	158,750
Donations and Grants	675,955	1,407,381	2,083,336	675,955	28,775	704,730	1,407,381	3,639,099	5,046,480	529,564	6,280,774
GCAC operating Support	-	535,141	535,141	-	-	-	535,141	28,859	564,000	-	564,000
Operating Support from FOC to FPC	1,480,000	(1,480,000)	-	1,480,000	-	1,480,000	(1,480,000)	-	(1,480,000)	-	-
Operating Support from WSB to FPC	410,000	-	410,000	410,000	-	410,000	-	-	-	(410,000)	-
Transfers	(620,086)	(100,149)	(720,235)	(620,086)	620,086	-	(100,149)	100,149	-	-	-
Investment Income	590,00	13,675	14,265	590	(44,370)	(43,780)	13,675	-	13,675	-	(30,105)
Interest Expense	(24,793)	(46,778)	(71,571)	(24,793)	(9,180)	(33,973)	(46,778)	-	(46,778)	-	(80,751)
Total nonoperating revenue	3,166,757	329,270	3,496,027	3,166,757	845,311	4,012,068	329,270	3,768,107	4,097,377	119,564	8,229,009
INCOME (LOSS)	(307,250)	324,033	16,783	(307,250)	1,818,707	1,511,457	324,033	3,768,107	4,092,140	(28)	5,603,569

**FRANKLIN PARK CONSERVATORY JOINT RECREATION DISTRICT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Horticulture & Exhibits	Education	Audience Development	Guest Experience	Building Maintenance & Operations	Total Program Expenses	Management & General Expenses	Fundraising	Other Non Programing	Total
Payroll, benefit and tax	765,889	400,909	162,780	382,968	416,073	2,128,619	451,150	309,641	632,171	3,521,581
Cost of goods sold-Gift Shop	-	-	-	-	-	-	-	-	519,174	519,174
Cost of goods sold-Beverages	-	-	-	-	-	-	-	-	356,102	356,102
Marketing and advertising	44,746	5,686	51,519	15,480	1,150	118,581	2,931	8,393	44,325	174,230
Animals and related supplies	53,989	-	-	-	-	53,989	-	-	-	53,989
Plants, seeds, soil, mulch, containers	187,570	342	-	-	-	187,912	-	-	-	187,912
Signage and displays	149,567	111	-	8,278	1,947	159,903	-	16,468	780	177,151
Operating supplies and equipment	78,824	66,603	476	46,386	285,807	478,096	4,556	270	40,530	523,452
Equipment rental	-	-	-	-	9,496	9,496	3,919	107,419	42,715	163,549
Linens	-	-	-	-	-	-	-	-	13,487	13,487
Maintenance	-	-	-	-	245,298	245,298	-	-	455	245,753
Utilities-gas, electric, telephone	-	-	-	-	294,883	294,883	-	-	-	294,883
Fuel	-	121	-	-	15,336	15,457	-	-	23	15,480
Building rental	53,333	-	-	-	13,200	66,533	-	-	-	66,533
Insurance	-	-	-	-	-	-	187,672	-	-	187,672
Office supplies and equipment	5,031	15,881	437	18,943	2,040	42,332	328,279	10,634	4,772	386,017
Banking and credit card fees	-	-	-	465	1,334	1,799	277,724	-	-	279,523
Postage	10,439	99	-	14,237	766	25,541	1,722	2,410	880	30,553
Professional services	-	-	-	-	-	-	108,505	-	153	108,658
Contracted services	287,249	31,524	11,628	69,389	665,460	1,065,250	234,131	86,991	80,465	1,466,837
Conference, travel and entertainment	8,742	10,241	27	10,604	404	30,018	30,003	5,984	1,355	67,360
Hospitality and catering	2,829	5,776	-	9,516	413	18,534	42,709	84,137	1,767	147,147
Interest expense	-	-	-	-	9,180	9,180	71,571	-	-	80,751
Other expenses	8,647	60,172	48	2,163	2,493	73,523	40,641	155,614	7,906	277,684
Depreciation	-	-	-	-	1,984,675	1,984,675	-	-	-	1,984,675
Total Operating Expenses	1,656,855	597,465	226,915	578,429	3,949,955	7,009,619	1,785,513	787,961	1,747,060	11,330,153

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*

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, 2022 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 14, 2023.

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 14, 2023

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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 5/25/2023

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

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