

# **Franklin Park Conservatory Joint Recreation District**

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**Financial Report  
with Supplemental Information  
December 31, 2016**





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Franklin Park Conservatory Joint Recreation District, Franklin County, prepared by Plante & Moran, PLLC, for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

May 15, 2017

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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 Financial Statements**

We have audited the accompanying financial statements of Franklin Park Conservatory Joint Recreation District (the "Conservatory") as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Conservatory's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Finance Committee  
Franklin Park Conservatory Joint  
Recreation District

### ***Opinion***

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Franklin Park Conservatory Joint Recreation District as of December 31, 2016 and 2015 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Franklin Park Conservatory Joint Recreation District's basic financial statements. The combining schedule is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The combining schedule 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. Such 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 combining schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.



To the Finance Committee  
Franklin Park Conservatory Joint  
Recreation District

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2017 on our consideration of Franklin Park Conservatory Joint Recreation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Franklin Park Conservatory Joint Recreation District's internal control over financial reporting and compliance.

*Plante & Morse, PLLC*

March 13, 2017

# **Franklin Park Conservatory Joint Recreation District**

## **Management's Discussion and Analysis (Unaudited)**

The following management's discussion and analysis (MD&A) section of 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, 2016 and 2015. 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 accrual basis of accounting is 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. Over 206,000 and 201,000 patrons visited the Conservatory during 2016 and 2015, respectively.
2. Volunteers donated 13,452 hours of service to the Conservatory in 2016, saving approximately \$317,000 in labor costs.

# Franklin Park Conservatory Joint Recreation District

## Management's Discussion and Analysis (Unaudited) (Continued)

3. The Conservatory provided 130 programs through Family Fun, engaging 55,000 visitors. Community Outreach & Education welcomed 5,022 shoppers at the Farmers Market, served 13,000 children and teachers through school programs, and 4,000 children and adults in classes in gardening, health and wellness, culinary, and fine arts. Outreach programming served 5,700 community participants, and new Girl Scout programming served 600 children and troop leaders. Additionally, 3,250 new community gardeners were served.
4. In October 2016, the Conservatory completed its second and third projects in Master Plan 2.0 with the atrium refresh and new east entrance projects. These were completed on time and on budget at a combined cost of approximately \$2.5M.
5. The Conservatory hosted the exhibit *Origami in The Garden* from May - November, 2016. This featured the sculptures of Kevin Box in 13 large-scale installations throughout the Conservatory, as well as a gallery show in the Cardinal Health Gallery. The exhibit drew 58,951 attendees and raised more than \$472,000 in revenue.

# Franklin Park Conservatory Joint Recreation District

## Management's Discussion and Analysis (Unaudited) (Continued)

### Financial Position

The following summarizes the Conservatory's financial position as of December 31, 2016, 2015, and 2014 (000s omitted).

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Assets and Deferred Outflows</b>			
Current assets	\$ 4,561	\$ 4,985	\$ 2,950
Capital assets	26,177	24,324	20,188
Deferred outflows of resources	1,776	617	-
Other noncurrent assets	<u>2,062</u>	<u>2,104</u>	<u>1,711</u>
Total assets and deferred outflows	<u><b>\$ 34,576</b></u>	<u><b>\$ 32,030</b></u>	<u><b>\$ 24,849</b></u>
<b>Liabilities and Deferred Inflows</b>			
Current liabilities	\$ 3,256	\$ 3,955	\$ 3,945
Net pension liability	4,086	2,766	-
Notes payable	2,159	3,224	350
Deferred inflows of resources	84	51	-
Other noncurrent liabilities	<u>16</u>	<u>17</u>	<u>17</u>
Total liabilities and deferred inflows	<u><b>\$ 9,601</b></u>	<u><b>\$ 10,013</b></u>	<u><b>\$ 4,312</b></u>
<b>Net Position</b>			
Net investment in capital assets	\$ 22,136	\$ 18,614	\$ 18,318
Restricted net position	1,333	559	348
Unrestricted net position	<u>1,506</u>	<u>2,844</u>	<u>1,871</u>
Total net position	<u><b>\$ 24,975</b></u>	<u><b>\$ 22,017</b></u>	<u><b>\$ 20,537</b></u>

**Current Assets** - The increase in current assets from 2014 to 2015 is due to capital campaign contributions and an increase in prepaid expenses for 2016 exhibits. The decrease in current assets from 2015 to 2016 is due to fluctuations in capital campaign contributions.

**Capital Assets** - Capital assets, net of disposals and accumulated depreciation, increased \$1,853,000 during 2016, increased \$4,136,000 during 2015, and decreased \$260,000 during 2014.

# Franklin Park Conservatory Joint Recreation District

## Management's Discussion and Analysis (Unaudited) (Continued)

The following items were capitalized:

- In 2016, the atrium renovations and new east visitor entrance, remaining Wells Barn items, a scissor lift, and a vehicle
- In 2015, the Wells Barn, along with furniture and fixtures
- In 2014, a new hot shop (glass-blowing) furnace, two new vehicles for the security and grounds staff, and various small building upgrades

Depreciation on capital assets was \$1,344,000 for 2016, \$1,145,000 for 2015, and \$990,000 for 2014.

**Deferred Outflows/Inflows of Resources** - Because of the implementation of GASB No. 68 in 2015, the Conservatory had a deferred outflow of resources of \$1,775,569 in 2016 and \$617,000 in 2015 and a deferred inflow of resources of \$84,000 in 2016 and \$50,000 in 2015.

**Other Noncurrent Assets** - The receipt of long-term pledges for the Master Plan Capital Campaign, at present value, was the significant factor in the increase in 2015 and payment on these pledges in 2016 resulted in a decrease in long-term pledges receivable.

**Current Liabilities** - In 2016, the \$700,000 line of credit, established in 2015 to pay off the remaining principal on the Master Plan Phase One bonds, was paid off. A total of \$200,000 was borrowed on the operating line of credit. In 2014, current liabilities included \$1,870,000 for principal payments on the bonds due in 2015 and a \$500,000 balance on the Conservatory's operating line of credit. Accounts payable and accrued expenses decreased \$276,000 in 2016 and \$265,000 in 2015 and increased \$239,000 in 2014. Unearned revenue and customer deposits decreased \$20,000 in 2016, increased \$159,000 in 2015, and decreased \$41,000 in 2014.

**Net Pension Liability** - Due to the implementation of GASB No. 68 in 2015, the Conservatory is now required to recognize accrued pension liability. A total of \$1,320,000 of accrued pension liability was recorded in 2016 and \$2,766,000 in 2015.

**Notes Payable** - Notes payable decreased primarily in 2016 due to principal payments on the Wells Barn loans, offset partially by new debt on the atrium refresh and new East entrance project. In 2015, notes payable increased due to the addition of \$2,874,000 in long-term debt for the Wells Barn capital addition. In 2014, there was a dramatic decrease due to the reclassification of the bonds payable balance to current as a result of a change in structuring of the bond financing.

**Other Noncurrent Liabilities** - Other noncurrent liabilities include accrued compensated absences and reflect a slight decrease.

# Franklin Park Conservatory Joint Recreation District

## Management's Discussion and Analysis (Unaudited) (Continued)

**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.

### Financial Results

#### Operating Revenue

The following schedule presents a summary of operating revenue for the fiscal years ended December 31, 2016, 2015, and 2014 (000s omitted).

	<u>2016</u>	<u>2015</u>	<u>2014</u>
General admissions	\$ 1,061	\$ 959	\$ 983
Membership	506	490	462
Gift shop sales	504	492	492
Facility rentals	2,992	1,835	1,991
Other	<u>864</u>	<u>682</u>	<u>549</u>
Total operating revenue	<u>\$ 5,927</u>	<u>\$ 4,458</u>	<u>\$ 4,477</u>

Operating revenue increased 33 percent from \$4,458,000 to \$5,927,000 from 2015 to 2016, reflecting the impact of the investment in the Wells Barn and the atrium renovations. The decrease from \$4,477,000 to \$4,458,000 between 2014 and 2015 reflects the impact of construction from the atrium renovations. Additionally, admissions, memberships, gift shop, and café sales vary from year to year based on the timing of exhibits and how they resonate with the Conservatory's visitors. Facility rentals and other income help to stabilize total operating revenue.

# Franklin Park Conservatory Joint Recreation District

## Management's Discussion and Analysis (Unaudited) (Continued)

### Operating Expenses

The following schedule presents a summary of expenses for the fiscal years ended December 31, 2016, 2015, and 2014 (000s omitted).

	2016	2015	2014
Payroll, benefit, and tax	\$ 4,731	\$ 4,053	\$ 3,843
Cost of goods sold	715	570	573
Marketing	145	179	249
Operating supplies	848	786	660
Utilities	295	321	316
Rental expense	269	188	173
Facility expense	274	273	189
Office and banking	374	314	354
Contracted services and professional fees	1,045	990	1,157
Other expenses	495	520	419
Total operating expenses	<u>\$ 9,191</u>	<u>\$ 8,194</u>	<u>\$ 7,933</u>

Total operating expenses increased 12 percent in 2016 due to the additional activity resulting from the Wells Barn and renovated atrium. Operating expenses increased 3 percent in 2015 and 8 percent in 2014. The Bruce Munro: Light exhibition impacted marketing and contracted services and professional fees in 2014.

Personnel costs increased 17 percent in 2016, 5 percent in 2015, and 8 percent in 2014; cost of living increases and increased staffing levels for additional activity were factors in both fiscal years. Additionally, a new position was created for the Director of Community Outreach and Education during 2014.

Cost of goods increased in 2016 due to a corresponding increase in gross sales in the gift shop and facility rentals. In 2015, cost of goods decreased due to lower gross sales. The increase in operating supplies in 2016 and 2015 was due to the addition of the Wells Barn and renovated atrium, additional community outreach and education programming, and increased horticulture contracts.

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

# Franklin Park Conservatory Joint Recreation District

## Management's Discussion and Analysis (Unaudited) (Continued)

### Nonoperating Revenue and Expenses

The following schedule presents a summary of nonoperating revenue and capital contributions for the fiscal years ended December 31, 2016, 2015, and 2014 (000s omitted).

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Nonoperating revenue:			
City revenue	\$ 350	\$ 380	\$ 500
City - Master plan and other	1,500	1,500	800
County revenue	525	525	500
County revenue - Master Plan	500	-	-
State revenue - Master Plan	-	1,000	-
Donations and grants	4,840	5,273	2,182
Investment income	18	4	10
Interest expense	(168)	(46)	(44)
Other expense	-	(2)	(29)
Total	<u>\$ 7,565</u>	<u>\$ 8,634</u>	<u>\$ 3,919</u>

Contributions identified as State, County, and City - Master Plan and other, represent State, County, and City campaign gifts for the Master Plan, including capital projects.

City revenue was reduced by \$30,000 in 2016 and \$120,000 in 2015. Franklin County increased operating and programming support to the Conservatory by \$25,000 in 2015 and Master Plan by \$500,000 in 2016. Donations and grants reduced in 2016 by \$433,000 and in 2015 increased by \$3,091,000 primarily due to donations and grants to the Master Plan 2.0 capital campaign.

Interest expense was \$168,000, \$46,000, and \$44,000 in 2016, 2015, and 2014, respectively. This expense increased in 2016 due to additional interest on the Wells Barn and atrium debt. In 2015, \$47,000 in interest was capitalized while construction occurred.

Nonoperating other expenses were \$2,000 and \$29,000 in 2015 and 2014, respectively. Nonoperating other expenses represent noncapital soft costs related to the Master Plan and other capital projects.

### 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](http://www.fpconservatory.org).



# Franklin Park Conservatory Joint Recreation District

## Statement of Net Position

	December 31, 2016	December 31, 2015
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 3,001,741	\$ 3,385,874
Receivables (Note 3)	1,199,035	1,349,375
Inventory	131,002	110,249
Prepaid expenses	229,436	140,223
Total current assets	<u>4,561,214</u>	<u>4,985,721</u>
Noncurrent assets:		
Capital assets:		
Nondepreciable capital assets (Note 4)	4,464,036	4,144,486
Depreciable capital assets (Note 4)	34,725,751	31,903,771
Accumulated depreciation (Note 4)	<u>(13,011,875)</u>	<u>(11,724,740)</u>
Total capital assets	26,177,912	24,323,517
Restricted cash and cash equivalents (Note 2)	1,110,578	178,261
Noncurrent receivables (Note 3)	724,213	1,711,832
Other noncurrent assets	<u>226,766</u>	<u>213,424</u>
Total noncurrent assets	<u>28,239,469</u>	<u>26,427,034</u>
Total assets	32,800,683	31,412,755
<b>Deferred Outflows Related to Pension (Note 8)</b>	<u>1,775,569</u>	<u>616,984</u>
Total assets and deferred outflows of resources	<u><b>\$ 34,576,252</b></u>	<u><b>\$ 32,029,739</b></u>
<b>Liabilities</b>		
Current liabilities:		
Line of credit (Note 5)	\$ 200,000	\$ 700,000
Accounts payable	402,176	670,828
Unearned revenue and customer deposits	582,423	602,758
Accrued expenses	188,171	195,612
Current portion of long-term debt (Note 6)	<u>1,882,888</u>	<u>1,786,416</u>
Total current liabilities	3,255,658	3,955,614
Noncurrent liabilities:		
Net pension liability (Note 8)	4,085,885	2,766,370
Note payable (Note 6)	2,159,274	3,223,584
Other noncurrent liabilities	<u>16,159</u>	<u>16,650</u>
Total noncurrent liabilities	<u>6,261,318</u>	<u>6,006,604</u>
Total liabilities	9,516,976	9,962,218
<b>Deferred Inflows Related to Pension (Note 8)</b>	84,130	50,386
<b>Net Position</b>		
Net investment in capital assets	22,135,750	18,613,520
Restricted:		
Columbus Foundation	222,533	209,191
Various purposes	20,000	259,418
Annie's Fund	57,025	56,917
Growing to Green Program	33,553	33,573
Children's Garden	1,000,000	-
Unrestricted	<u>1,506,285</u>	<u>2,844,516</u>
Total net position	<u>24,975,146</u>	<u>22,017,135</u>
Total liabilities, deferred inflows, and net position	<u><b>\$ 34,576,252</b></u>	<u><b>\$ 32,029,739</b></u>

The Notes to Financial Statements are an  
Integral Part of this Statement.

# Franklin Park Conservatory Joint Recreation District

## Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended	
	December 31, 2016	December 31, 2015
<b>Operating Revenue</b>		
General admissions	\$ 1,060,880	\$ 959,022
Membership	506,305	490,272
Gift shop sales	503,510	492,374
Facility rentals	2,992,174	1,834,764
Other	864,148	681,422
Total operating revenue	5,927,017	4,457,854
<b>Operating Expenses</b>		
Salaries and wages	3,773,847	3,422,036
Payroll taxes and benefits	956,666	631,326
Cost of goods sold	714,842	569,544
Marketing	145,654	179,146
Operating supplies	847,770	786,040
Utilities	294,889	321,394
Rental expense	268,602	187,580
Facility expenses	274,527	273,429
Office and banking	373,573	314,101
Contracted services and professional fees	1,045,109	989,921
Other expense	495,272	520,045
Total operating expenses	9,190,751	8,194,562
<b>Operating Loss - Before depreciation</b>	(3,263,734)	(3,736,708)
<b>Depreciation</b>	1,343,581	1,145,107
<b>Operating Loss</b>	(4,607,315)	(4,881,815)
<b>Nonoperating Revenue (Expenses)</b>		
Intergovernmental revenue:		
State	-	1,000,000
City	350,000	380,000
City - Master Plan and other	1,500,000	1,500,000
County	525,000	525,000
County - Master Plan	500,000	-
Donations and grants	4,840,368	5,273,489
Investment income	17,630	3,697
Interest expense	(167,672)	(45,772)
Other expense	-	(1,930)
Total nonoperating revenue	7,565,326	8,634,484
<b>Increase in Net Position</b>	2,958,011	3,752,669
<b>Net Position - Beginning of year</b>	22,017,135	20,537,131
<b>Restatement Due to Change in Accounting Principle (Note 1)</b>	-	(2,272,665)
<b>Net Position - End of year</b>	<b>\$ 24,975,146</b>	<b>\$ 22,017,135</b>

The Notes to Financial Statements are an Integral Part of this Statement.

# Franklin Park Conservatory Joint Recreation District

## Statement of Cash Flows

	Year Ended	
	December 31, 2016	December 31, 2015
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	\$ 5,906,682	\$ 4,456,126
Payments to others	(4,852,198)	(4,106,583)
Payments to employees	(4,543,280)	(4,279,893)
Net cash used in operating activities	(3,488,796)	(3,930,350)
<b>Cash Flows from Noncapital Financing Activities</b>		
Noncapital subsidies from city, county, and state	2,875,000	3,405,000
Donations and grants	5,978,327	4,218,999
Net cash provided by noncapital financing activities	8,853,327	7,623,999
<b>Cash Flows from Capital and Related Financing Activities</b>		
Draw on line of credit - Net of payments	(500,000)	200,000
Payments on capital Master Plan expenses	-	(1,930)
Purchase of capital assets	(3,197,976)	(5,280,500)
Principal paid on long-term debt	(2,107,838)	(1,870,000)
Interest paid on long-term debt	(168,163)	(45,772)
Issuance of Master Plan note payable	1,140,000	4,660,000
Net cash used in capital and related financing activities	(4,833,977)	(2,338,202)
<b>Cash Flows from Investing Activities -</b>		
Interest and dividends on cash and investments	17,630	3,697
<b>Net Increase in Cash and Cash Equivalents</b>	548,184	1,359,144
<b>Cash and Cash Equivalents - Beginning of year</b>	3,564,135	2,204,991
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 4,112,319</b>	<b>\$ 3,564,135</b>
<b>Reconciliation of Operating Loss to Net Cash from Operating Activities</b>		
Operating loss	\$ (4,607,315)	\$ (4,881,815)
Depreciation	1,343,581	1,145,107
Changes in assets and liabilities:		
Receivables	(13,342)	(1,728)
Inventory	(20,753)	2,535
Prepaid expenses	(89,213)	(16,815)
Accounts payable	(268,652)	(111,563)
Net pension liability	194,674	(72,893)
Accrued expenses and other	(27,776)	6,822
Net cash used in operating activities	<b>\$ (3,488,796)</b>	<b>\$ (3,930,350)</b>

# Franklin Park Conservatory Joint Recreation District

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## Notes to Financial Statements December 31, 2016 and 2015

### Note I - Summary of Significant Accounting Policies

#### Reporting Entity

The City of Columbus (the "City") and Franklin County (the "County") agreed in 1990 to establish 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, eight of whom shall be appointed by the City of Columbus' mayor subject to confirmation by the City Council and six appointed by Franklin County. The governor, the Speaker of the House of Representatives, and the President of the Senate of the State of Ohio shall each appoint one member to the Conservatory board. State-appointed members are nonvoting members if they also serve as members of the Ohio General Assembly; no member presently serves both roles. Four 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 under GASB Statement No. 61.

# Franklin Park Conservatory Joint Recreation District

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## Notes to Financial Statements December 31, 2016 and 2015

### Note I - 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 fixed assets to the Conservatory at the time of its inception and both the City and the County have historically agreed to annual subsidies. In 2016, the subsidies from the City and the County were \$2,875,000, including \$2,000,000 in contributions for the Master Plan and other. In 2015, the subsidies were \$2,405,000, including \$1,500,000 in contributions for the Master Plan and other. This represents 21 percent and 18 percent of the Conservatory's 2016 and 2015 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 Franklin Park Conservatory Joint Recreation District (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 Government Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by 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 which are capital, financing, or investment related are reported as nonoperating revenue. Expenses from employee wages and benefits, purchases of services, materials and supplies, and other miscellaneous expenses are reported as operating expenses.

#### **Specific Balances and Transactions**

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

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

**Inventory** - Inventory is valued at the average cost method.

# Franklin Park Conservatory Joint Recreation District

## Notes to Financial Statements December 31, 2016 and 2015

### Note I - Summary of Significant Accounting Policies (Continued)

**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.

**Capital Assets** - Capital assets, which include property, plant, and equipment, are capitalized at cost or estimated historical cost where no historical records exist. Capital assets are defined by the Conservatory as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year.

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

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

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so 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 (see Note 8).

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 so 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 (see Note 8).

**Pension and Other Postemployment Benefit 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.

# Franklin Park Conservatory Joint Recreation District

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## Notes to Financial Statements December 31, 2016 and 2015

### Note I - 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.

**Adoption of New Standard** - The GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Statement No. 71 is a clarification to GASB No. 68 requiring a government to recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The statements also enhance accountability and transparency through revised note disclosures and required supplemental information (RSI). In accordance with the statement, the Conservatory has reported a net pension liability of approximately \$2 million as a change in accounting principle adjustment to unrestricted net position as of January 1, 2015.

# Franklin Park Conservatory Joint Recreation District

## Notes to Financial Statements December 31, 2016 and 2015

### Note 2 - Deposits and Investments

These amounts are classified into the following categories:

	December 31, 2016	
	Cash and Cash Equivalents	Restricted Cash (Note 10)
Deposits with financial institutions	\$ 2,992,351	\$ 1,110,578
Cash on hand	9,390	-
Total	<u>\$ 3,001,741</u>	<u>\$ 1,110,578</u>

  

	December 31, 2015	
	Cash and Cash Equivalents	Restricted Cash (Note 10)
Deposits with financial institutions	\$ 3,376,729	\$ 178,261
Cash on hand	9,145	-
Total	<u>\$ 3,385,874</u>	<u>\$ 178,261</u>

The investment and deposit of the Conservatory's monies 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 STAROhio.

**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 \$2,741,291 and \$2,952,473 for the years ended December 31, 2016 and 2015, respectively. At December 31, 2016 and 2015, the Conservatory had \$777,469 and \$783,671, respectively, of bank deposits that were covered by deposit insurance provided by the FDIC.



# Franklin Park Conservatory Joint Recreation District

## Notes to Financial Statements December 31, 2016 and 2015

### Note 3 - Receivables

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

	2016	2015
Receivables:		
Short-term pledge receivable	\$ 1,060,483	\$ 1,242,147
Other short-term receivables	149,724	117,228
Long-term pledge receivable	765,760	1,819,333
Less allowance for uncollectibles	(11,172)	(10,000)
Less discount	(41,547)	(107,501)
Net receivables	<u>\$ 1,923,248</u>	<u>\$ 3,061,207</u>

### Note 4 - Capital Assets

Capital asset activity for the years ended December 31, 2016 and 2015 was as follows:

	Balance January 1, 2016	Transfers	Additions	Disposals	Balance December 31, 2016
Capital assets not being depreciated:					
Land	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Art collections	3,492,850	-	-	-	3,492,850
Construction in progress	551,636	(2,840,282)	3,159,832	-	871,186
Subtotal	4,144,486	(2,840,282)	3,159,832	-	4,464,036
Capital assets being depreciated:					
Buildings	24,208,940	100,000	-	-	24,308,940
Building improvements	5,329,729	2,350,934	-	-	7,680,663
Exhibits	186,864	-	-	-	186,864
Equipment and fixtures	2,064,609	389,348	30,122	(45,119)	2,438,960
Vehicles	113,629	-	9,900	(13,205)	110,324
Subtotal	31,903,771	2,840,282	40,022	(58,324)	34,725,751
Accumulated depreciation	11,724,740	-	1,343,581	(56,446)	13,011,875
Net capital assets being depreciated	20,179,031	2,840,282	(1,303,559)	(1,878)	21,713,876
Net capital assets	<u>\$ 24,323,517</u>	<u>\$ -</u>	<u>\$ 1,856,273</u>	<u>\$ (1,878)</u>	<u>\$ 26,177,912</u>

# Franklin Park Conservatory Joint Recreation District

## Notes to Financial Statements December 31, 2016 and 2015

### Note 4 - Capital Assets (Continued)

	Balance January 1, 2015	Transfers	Additions	Disposals	Balance December 31, 2015
Capital assets not being depreciated:					
Land	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Art collections	3,492,850	-	-	-	3,492,850
Construction in progress	868,242	(5,597,106)	5,280,500	-	551,636
Subtotal	4,461,092	(5,597,106)	5,280,500	-	4,144,486
Capital assets being depreciated:					
Buildings	19,541,413	4,667,527	-	-	24,208,940
Buildings and improvements	5,113,358	216,371	-	-	5,329,729
Exhibits	186,864	-	-	-	186,864
Equipment and fixtures	1,451,196	713,208	-	(99,795)	2,064,609
Vehicles	113,629	-	-	-	113,629
Subtotal	26,406,460	5,597,106	-	(99,795)	31,903,771
Accumulated depreciation	10,679,428	-	1,145,107	(99,795)	11,724,740
Net capital assets being depreciated	15,727,032	5,597,106	(1,145,107)	-	20,179,031
Net capital assets	\$ 20,188,124	\$ -	\$ 4,135,393	\$ -	\$ 24,323,517

### Note 5 - Line of Credit

The Conservatory has a revolving credit agreement with Fifth Third Bank for operations. The line was renewed on July 6, 2016 at \$500,000. The Conservatory borrowed \$200,000 during 2016. The line matures on July 5, 2017 and bears an interest rate at LIBOR plus 2.65 percent; the effective interest rate at December 31, 2016 was 3.53 percent. The Conservatory made no payments during 2016 and has an outstanding balance of \$200,000 at December 31, 2016.

During 2015, the Conservatory entered into a revolving credit agreement for \$750,000 with Fifth Third Bank. The line matured on May 21, 2016 with an interest rate at LIBOR plus 2.65 percent; the effective rate at December 31, 2015 was 3.15 percent. The Conservatory borrowed \$700,000 during 2015 to retire the 2007 bonds and these borrowings were collateralized by all personal property. The Conservatory made \$700,000 in payments during 2016, and there was no outstanding balance as of December 31, 2016.

# Franklin Park Conservatory Joint Recreation District

## Notes to Financial Statements December 31, 2016 and 2015

### Note 6 - Long-term Debt

The changes in bonds, notes payable, and compensated absences for the years ended December 31, 2016 and 2015 were as follows:

	December 31, 2016					
	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year	Long-term
Compensated absences	\$ 36,309	\$ 22,622	\$ (20,150)	\$ 38,781	\$ 22,622	\$ 16,159
Notes payable	5,010,000	1,140,000	(2,107,838)	4,042,162	1,882,888	2,159,274
Total long-term obligations	\$ 5,046,309	\$ 1,162,622	\$ (2,127,988)	\$ 4,080,943	\$ 1,905,510	\$ 2,175,433

  

	December 31, 2015					
	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year	Long-term
2007 variable-rate bonds	\$ 1,870,000	\$ -	\$ (1,870,000)	\$ -	\$ -	\$ -
Compensated absences	35,880	19,659	(19,230)	36,309	19,659	16,650
Notes payable	350,000	4,660,000	-	5,010,000	1,786,416	3,223,584
Total long-term obligations	\$ 2,255,880	\$ 4,679,659	\$ (1,889,230)	\$ 5,046,309	\$ 1,806,075	\$ 3,240,234

The Conservatory issued \$7,100,000 of variable-rate tax-free bonds through the Columbus Franklin County Finance Authority during 2007. The proceeds of this issue were used for construction of new facilities. During 2015, the entire outstanding balance of the bonds was paid off.

During 2014, the Conservatory obtained a \$1,500,000 unsecured promissory note to provide construction financing for the second phase of the Master Plan. Interest only was due in quarterly installments through December 31, 2015. The note bears interest at a fixed annual rate of 5 percent. Subsequent to the first year, quarterly installments of interest and principal are due according to draws made through maturity in September 2023. As of December 31, 2016 and 2015, the outstanding loan balance was \$1,424,079 and \$1,500,000, respectively.

During 2015, the Conservatory obtained a \$300,000 unsecured promissory note with a related party to provide construction financing for the second phase of the Master Plan. The entire principal is due on February 28, 2018. The note bears interest at a fixed annual rate of 5 percent. As of December 31, 2016 and 2015, the outstanding note balance was \$300,000.

# Franklin Park Conservatory Joint Recreation District

## Notes to Financial Statements December 31, 2016 and 2015

### Note 6 - Long-term Debt (Continued)

During 2015, the Conservatory obtained a \$3,500,000 loan agreement for the purchase and renovation of a multi-purpose barn under the second phase of the Master Plan. Interest only is due in monthly installments through March 1, 2016 and is accrued at the monthly LIBOR plus 2.5 percent. Beginning in March 2016, the aggregate unpaid principal will become subject to a repayment period of 36 months, ending upon maturity in March 2019. The periodic repayment amounts are determined based on all donations, grants, pledges, loans, and other funds received by the Conservatory for the barn project except (1) the proceeds of the \$1,500,000 unsecured promissory note, (2) the proceeds of the \$300,000 unsecured promissory note, and (3) the first \$300,000 of other cash proceeds received with respect to the barn project. The loan is secured by all personal property, except certain assets and rights under purchase agreement. The outstanding loan balance was \$1,178,083 and \$3,210,000 as of December 31, 2016 and 2015, respectively.

During 2016, the Conservatory obtained a \$2,500,000 loan agreement for atrium and facade renovations under the second phase of the Master Plan. Interest only is due in monthly installments and is accrued at the monthly LIBOR plus 2.5 percent. Beginning in March 2017, the aggregate unpaid principal will become subject to a repayment period of 36 months, ending upon maturity in March 2020. The periodic repayment amounts are determined based on all donations, grants, pledges, loans, and other funds received by the Conservatory for the atrium project except (1) the proceeds of the \$1,500,000 unsecured promissory note, (2) the proceeds of the \$300,000 unsecured promissory note, and (3) the first \$300,000 of other cash proceeds received with respect to the atrium project. The loan is secured by all personal property, except certain assets and rights under purchase agreement. The outstanding loan balance was \$1,140,000 as of December 31, 2016.

In 2016 and 2015, the Conservatory paid interest of approximately \$167,000 and \$93,000, respectively. Approximately \$46,000 and \$47,000 of interest paid was capitalized as of December 31, 2016 and 2015, respectively. Annual debt service requirements to maturity for the above note obligations are estimated as follows:

Years Ending December 31	Business-type Activities		
	Principal	Interest	Total
2017	\$ 1,882,888	\$ 89,666	\$ 1,972,554
2018	843,888	75,974	919,862
2019	138,180	60,685	198,865
2020	97,691	55,342	153,033
2021	97,434	50,540	147,974
2022-2024	982,081	121,245	1,103,326
Total	<u>\$ 4,042,162</u>	<u>\$ 453,452</u>	<u>\$ 4,495,614</u>

# Franklin Park Conservatory Joint Recreation District

## Notes to Financial Statements December 31, 2016 and 2015

### Note 7 - Risk Management

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

### Note 8 - Defined Benefit Pension Plan

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. 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.

# Franklin Park Conservatory Joint Recreation District

## Notes to Financial Statements December 31, 2016 and 2015

### Note 8 - Defined Benefit Pension Plan (Continued)

Member contributions are 10 percent of gross wages for all plans, set at the maximums authorized by the ORC. The plan's 2016 and 2015 contribution rates on covered payroll are as follows:

	2016 Employer Contribution Rate			
	Pension	Post-retirement Healthcare	Death Benefits	Total
OPERS	12.00%	2.00%	0.00%	14.00%
	2015 Employer Contribution Rate			
	Pension	Post-retirement Healthcare	Death Benefits	Total
OPERS	12.00%	2.00%	0.00%	14.00%

The Conservatory's required and actual contributions to the plan for the years ended December 31, 2016 and 2015 were approximately \$515,000 and \$469,000, respectively.

**Benefits Provided** - Plan benefits are established under Chapter 145 of the Ohio Revised Code, 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 (15-30 years), age (48-62 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 - \$2,500 is determined by the number of years of service credit of the retiree. Benefits may transfer to a beneficiary upon death with 1.5 years of service credits with the plan obtained within the last 2.5 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 subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent.

# Franklin Park Conservatory Joint Recreation District

## Notes to Financial Statements December 31, 2016 and 2015

### Note 8 - Defined Benefit Pension Plan (Continued)

#### Net Pension Liability, Deferrals, and Pension Expense

At December 31, 2016, the Conservatory reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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		Percent Change
	2015	2014	2015	2014	
December 31	\$ 4,085,885	\$ 2,766,370	0.02364 %	0.02295 %	47.70 %

At December 31, 2016, the Conservatory reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,740	\$ 80,925
Differences between actual and proportionate share of contributions	54,590	3,205
Net difference between projected and actual earnings on pension plan investments	1,204,088	-
Employer contributions to the plan subsequent to the measurement date	515,151	-
Total	<u>\$ 1,775,569</u>	<u>\$ 84,130</u>

# Franklin Park Conservatory Joint Recreation District

## Notes to Financial Statements December 31, 2016 and 2015

### Note 8 - Defined Benefit Pension Plan (Continued)

At December 31, 2015, the Conservatory reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 49,251
Differences between actual and proportionate share of contributions	-	1,135
Net difference between projected and actual earnings on pension plan investments	148,191	-
Employer contributions to the plan subsequent to the measurement date	468,793	-
	<u>616,984</u>	<u>50,386</u>
Total	<u>\$ 616,984</u>	<u>\$ 50,386</u>

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
2017	\$ 288,472
2018	307,158
2019	309,970
2020	272,808
2021	(484)
Thereafter	(1,636)

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in 2017.



# Franklin Park Conservatory Joint Recreation District

## Notes to Financial Statements December 31, 2016 and 2015

### Note 8 - Defined Benefit Pension Plan (Continued)

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

	2016	2015
Valuation date	December 31, 2015	December 31, 2014
Actuarial cost method	Individual entry age	Individual entry age
Cost of living	3.0 percent	3.0 percent
Salary increases, including inflation	4.25 percent to 10.05 percent	4.25 percent to 8.05 percent
Inflation	3.75 percent	3.75 percent
Investment rate of return	8.00 percent, net of pension plan investment expense	8.00 percent, net of pension plan investment expense
Mortality rates	RP-2000 mortality table projected 20 years using Projection Scale AA	RP-2000 mortality table projected 20 years using Projection Scale AA

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, 2010.

**Discount Rate** - The discount rate used to measure the total pension liability was 8.0 percent as of December 31, 2016 and 2015. 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.

# Franklin Park Conservatory Joint Recreation District

## Notes to Financial Statements December 31, 2016 and 2015

### Note 8 - 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	2016		2015	
	Target Allocation (%)	Long-term Expected Real Rate of Return	Target Allocation (%)	Long-term Expected Real Rate of Return
Fixed income	23.00 %	2.31 %	23.00 %	2.31 %
Domestic equities	20.70	5.84	19.90	5.84
Real estate	10.00	4.25	10.00	4.25
Private equity	10.00	9.25	10.00	9.25
International equity	18.30	7.40	19.10	7.40
Other investments	18.00	4.59	18.00	4.59

**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 8.0 percent, as well as what the Conservatory's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.0 percent) or 1 percentage point higher (9.0 percent) than the current rate:

	1 Percent Decrease (7.0%)	Current Discount Rate (8.0%)	1 Percent Increase (9.0%)
Net pension liability - 2016	\$ 6,524,201	\$ 4,085,885	\$ 2,029,957
Net pension liability - 2015	\$ 5,093,092	\$ 2,766,370	\$ 810,479

**Pension Plan Fiduciary Net Position** - Detailed information about the plan's fiduciary net position is available in a separately issued OPERS financial report.

# Franklin Park Conservatory Joint Recreation District

## Notes to Financial Statements December 31, 2016 and 2015

### Note 9 - Other Postemployment Benefits

**Plan Description** - OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment healthcare 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 healthcare coverage.

In order to qualify for postemployment healthcare coverage, age-and-service retirees under the traditional pension and combined plans must have 10 or more years of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The healthcare coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code 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 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 614-222-5601 or 800-222-7377.

**Funding Policy** - The Ohio Revised Code 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 healthcare benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016 and 2015, 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 healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 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 healthcare benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 2 percent during 2016. The portion of employer contributions allocated to health care for members in the Combined Plan was 2 percent during 2016. The OPERS board of trustees is also authorized to establish rules for the payment of a portion of the healthcare benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

# Franklin Park Conservatory Joint Recreation District

## Notes to Financial Statements December 31, 2016 and 2015

### Note 9 - Other Postemployment Benefits (Continued)

The portion of the Conservatory's contribution used to fund OPEB was approximately \$147,000, \$134,000, and \$124,000 for 2016, 2015, and 2014, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS board of trustees on September 9, 2004 was effective January 1, 2007. Member and employer contribution rates for state and local employers increased January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the healthcare plan.

**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.

### Note 10 - Net Position

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

	2016	2015
Columbus Foundation	\$ 222,533	\$ 209,191
Children's Garden	1,000,000	-
Restricted - Various purposes	20,000	259,418
Annie's Fund	57,025	56,917
Growing to Green Program	33,553	33,573
Total	<u>\$ 1,333,111</u>	<u>\$ 559,099</u>

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 the restricted cash and cash equivalents.

In 2006, the Growing to Green Program 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 2016, the Conservatory received a donation for the specific use of the Wetland Explore component of the Children's Garden. The funds are included in the restricted cash and cash equivalents.

# Franklin Park Conservatory Joint Recreation District

## Notes to Financial Statements December 31, 2016 and 2015

### Note 10 - Net Position (Continued)

Unrestricted net position of the Conservatory at December 31, 2016 and 2015 is as follows:

	<u>2016</u>	<u>2015</u>
Designated for capital projects	\$ 3,966,333	\$ 5,497,985
Designated for financial sustainability	424,252	424,252
Undesignated	<u>(2,884,300)</u>	<u>(3,077,721)</u>
Total unrestricted net position	<u>\$ 1,506,285</u>	<u>\$ 2,844,516</u>

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. 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, 2016 and 2015

### Note 11 - Blended Component Units

As of December 30, 2016, the condensed statement of net position for the blended component units is as follows:

	Friends of the Conservatory	Women's Sustaining Board
<b>Current Assets</b>	\$ 8,881,773	\$ 90,798
<b>Noncurrent Assets</b>		
Nondepreciable capital assets	3,483,400	-
Other noncurrent assets	744,213	-
Total noncurrent assets	4,227,613	-
Total assets	\$ 13,109,386	\$ 90,798
<b>Current Liabilities</b>	\$ 1,900,608	\$ 13,111
<b>Noncurrent Liabilities</b>	2,159,274	-
<b>Net Position</b>		
Net investment in capital assets	3,483,400	-
Restricted	222,533	-
Unrestricted	5,343,571	77,687
Total net position	9,049,504	77,687
Total liabilities and net position	\$ 13,109,386	\$ 90,798

# Franklin Park Conservatory Joint Recreation District

## Notes to Financial Statements December 31, 2016 and 2015

### Note 11 - Blended Component Units (Continued)

As of December 31, 2016, the condensed statement of revenue, expenses, and changes in net position for the blended component units is as follows:

	Friends of the Conservatory	Women's Sustaining Board
Operating revenue	\$ -	\$ 93,333
Operating expense	29,674	185,824
<b>Operating Loss</b>	<b>(29,674)</b>	<b>(92,491)</b>
<b>Nonoperating Revenue (Expenses)</b>		
Investment income	4,177	78
Interest expense	(78,573)	-
Donations and grants	3,547,592	419,416
Operating support to other entities	(1,517,700)	(306,000)
Total nonoperating revenue	1,955,496	113,494
<b>Increase in Net Position</b>	<b>1,925,822</b>	<b>21,003</b>
<b>Net Position - Beginning of year</b>	<b>7,123,682</b>	<b>56,684</b>
<b>Net Position - End of year</b>	<b>\$ 9,049,504</b>	<b>\$ 77,687</b>

As of December 31, 2016, the condensed statement of cash flows for the two blended component units is as follows:

	Friends of the Conservatory	Women's Sustaining Board
Net cash used in operating activities	\$ (126,059)	\$ (107,232)
Net cash provided by noncapital financing	3,124,779	113,494
Net cash used in capital and related financing	(967,838)	-
<b>Net Increase in Cash and Cash Equivalents</b>	<b>2,030,882</b>	<b>6,262</b>
<b>Cash and Cash Equivalents - Beginning of year</b>	<b>826,523</b>	<b>64,739</b>
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 2,857,405</b>	<b>\$ 71,001</b>

# **Franklin Park Conservatory Joint Recreation District**

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## **Notes to Financial Statements December 31, 2016 and 2015**

### **Note 12 - Upcoming Accounting Pronouncements**

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Conservatory to recognize on the face of the financial statements its proportionate share of the net OPEB liability related to its participation in the Ohio Public Employees Retirement (OPERS) plan. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). 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, 2018.



## **Required Supplemental Information**

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# Franklin Park Conservatory Joint Recreation District

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## Required Supplemental Information Schedule of the Franklin Park Conservatory Pension Funding Progress OPERS Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Franklin Park Conservatory's proportion of the net pension liability	0.02364 %	0.02295 %
Franklin Park Conservatory's proportionate share of the net pension liability	\$ 4,085,885	\$ 2,766,370
Franklin Park Conservatory's covered employee payroll	\$ 3,348,521	\$ 3,090,364
Franklin Park Conservatory's proportionate share of the net pension liability as a percentage of its covered employee payroll	122.02 %	89.52 %
Plan fiduciary net position as a percentage of total pension liability	81.20 %	86.50 %

# Franklin Park Conservatory Joint Recreation District

## Required Supplemental Information Schedule of Franklin Park Conservatory Contributions OPERS Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 515,151	\$ 468,793
Contributions in relation to the actuarially determined contractually required contribution	<u>515,151</u>	<u>468,793</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>
Franklin Park Conservatory's covered employee payroll	\$ 3,686,791	\$ 3,348,521
Contributions as a percentage of covered employee payroll	14.0 %	14.0 %

# **Franklin Park Conservatory Joint Recreation District**

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## **Note to Required Supplemental Information Years Ended December 31, 2016 and 2015**

*Changes of benefit term* - Amounts reported in 2016 and 2015 for OPERS reflect no change in benefits.

*Changes of assumptions* - Amounts reported in 2016 and 2015 reflect no adjustments based on changes of assumptions such as life expectancies, retired life mortality, or retirement age.

## **Additional Information**

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**Franklin Park Conservatory  
Combining Schedule of Revenue and Expenses  
For the 12 Months Ended December 31, 2016**

	DAILY ACTIVITIES			FRANKLIN PARK CONSERVATORY			FRIENDS OF THE CONSERVATORY			WOMEN'S SUSTAINING BOARD	TOTAL CONSOLIDATED
	FPC	FOC	TOTAL	DAILY ACTIVITIES	OTHER ACTIVITIES	COMBINING TOTAL	DAILY ACTIVITIES	OTHER ACTIVITIES	COMBINING TOTAL		
<b>OPERATING REVENUE</b>											
General admissions	\$ 1,060,880	\$ -	\$ 1,060,880	\$ 1,060,880	\$ -	\$ 1,060,880	\$ -	\$ -	\$ -	\$ -	\$ 1,060,880
Membership	497,025	-	497,025	497,025	-	497,025	-	-	-	9,280	506,305
Gift shop sales	503,510	-	503,510	503,510	-	503,510	-	-	-	-	503,510
Facility rentals	2,992,174	-	2,992,174	2,992,174	-	2,992,174	-	-	-	-	2,992,174
Other Income	725,480	-	725,480	725,480	54,615	780,095	-	-	-	84,053	864,148
<b>Total operating revenue</b>	<b>5,779,069</b>	<b>-</b>	<b>5,779,069</b>	<b>5,779,069</b>	<b>54,615</b>	<b>5,833,684</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93,333</b>	<b>5,927,017</b>
<b>OPERATING EXPENSES</b>											
Salaries and wages	3,773,847	-	3,773,847	3,773,847	-	3,773,847	-	-	-	-	3,773,847
Payroll taxes and benefits	761,994	-	761,994	761,994	194,672	956,666	-	-	-	-	956,666
Cost of goods sold	714,842	-	714,842	714,842	-	714,842	-	-	-	-	714,842
Marketing	141,815	-	141,815	141,815	-	141,815	-	-	-	3,839	145,654
Operating supplies	815,869	-	815,869	815,869	31,901	847,770	-	-	-	-	847,770
Utilities	294,889	-	294,889	294,889	-	294,889	-	-	-	-	294,889
Rental expense	244,141	-	244,141	244,141	-	244,141	-	-	-	24,461	268,602
Facility expenses	274,527	-	274,527	274,527	-	274,527	-	-	-	-	274,527
Office and banking	364,380	224	364,604	364,380	7,681	372,061	224	-	224	1,288	373,573
Contracted services and professional fees	872,827	-	872,827	872,827	156,508	1,029,335	-	-	-	15,774	1,045,109
Other expense	201,738	200	201,938	201,738	123,622	325,360	200	29,250	29,450	140,462	495,272
<b>Total operating expenses</b>	<b>8,460,869</b>	<b>424</b>	<b>8,461,293</b>	<b>8,460,869</b>	<b>514,384</b>	<b>8,975,253</b>	<b>424</b>	<b>29,250</b>	<b>29,674</b>	<b>185,824</b>	<b>9,190,751</b>
Operating loss before depreciation	(2,681,800)	(424)	(2,682,224)	(2,681,800)	(459,769)	(3,141,569)	(424)	(29,250)	(29,674)	(92,491)	(3,263,734)
Depreciation	-	-	-	-	1,343,581	1,343,581	-	-	-	-	1,343,581
Operating loss	(2,681,800)	(424)	(2,682,224)	(2,681,800)	(1,803,350)	(4,485,150)	(424)	(29,250)	(29,674)	(92,491)	(4,607,315)
<b>NONOPERATING REVENUE (EXPENSES)</b>											
Intergovernmental revenue:											
State	-	-	-	-	-	-	-	-	-	-	-
City	350,000	-	350,000	350,000	-	350,000	-	-	-	-	350,000
City - Master Plan and other	-	-	-	-	1,500,000	1,500,000	-	-	-	-	1,500,000
County	525,000	-	525,000	525,000	-	525,000	-	-	-	-	525,000
County - Master Plan and other	-	-	-	-	500,000	500,000	-	-	-	-	500,000
Donations and grants	736,807	888,601	1,625,408	736,807	136,553	873,360	888,601	2,658,991	3,547,592	419,416	4,840,368
Operating Support from FOC to FPC	17,700	(17,700)	-	17,700	1,500,000	1,517,700	(17,700)	(1,500,000)	(1,517,700)	-	-
Operating Support from WSB to FPC	306,000	-	306,000	306,000	-	306,000	-	-	-	(306,000)	-
Investment (loss) income	(141)	4,177	4,036	(141)	13,516	13,375	4,177	-	4,177	78	17,630
Investment expense	(6,659)	(78,573)	(85,232)	(6,659)	(82,440)	(89,099)	(78,573)	-	(78,573)	-	(167,672)
<b>Total nonoperating revenue</b>	<b>1,928,707</b>	<b>796,505</b>	<b>2,725,212</b>	<b>1,928,707</b>	<b>3,567,629</b>	<b>5,496,336</b>	<b>796,505</b>	<b>1,158,991</b>	<b>1,955,496</b>	<b>113,494</b>	<b>7,565,326</b>
<b>(Decrease) Increase in Net Position</b>	<b>\$ (753,093)</b>	<b>\$ 796,081</b>	<b>\$ 42,988</b>	<b>\$ (753,093)</b>	<b>\$ 1,764,279</b>	<b>\$ 1,011,186</b>	<b>\$ 796,081</b>	<b>\$ 1,129,741</b>	<b>\$ 1,925,822</b>	<b>\$ 21,003</b>	<b>\$ 2,958,011</b>

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 Franklin Park Conservatory Joint Recreation District (the "Conservatory"), which comprise the basic statement of financial position as of December 31, 2016, and the related basic statements of revenue, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 13, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Franklin Park Conservatory Joint Recreation District's internal control over financial reporting (internal control) to determine the 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 may exist that have not been identified.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Franklin Park Conservatory Joint Recreation District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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*

March 13, 2017





# Dave Yost • Auditor of State

FRANKLIN PARK CONSERVATORY JOINT RECREATION DISTRICT

FRANKLIN COUNTY

## CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
MAY 25, 2017