FRANKLIN PARK CONSERVATORY JOINT RECREATION DISTRICT

FRANKLIN COUNTY
FINANCIAL AUDIT

WITH SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED DECEMBER 31, 2020
AND DECEMBER 31, 2019

OHIO AUDITOR OF STATE
KEITH FABER

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Finance Committee
Franklin Park Conservatory Joint Recreation District
1777 E. 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, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

May 10, 2021

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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 the Franklin Park Conservatory Joint Recreation District (the "Conservatory") as of and for the years ended December 31, 2020 and 2019 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.

Opinion

In our opinion, the 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, 2020 and 2019 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.

Emphasis of Matter

As explained in Note 1, the COVID-19 pandemic has impacted operations at the Conservatory. Our opinion is not modified with respect to this matter.

To the Finance Committee
Franklin Park Conservatory Joint
Recreation District

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Franklin Park Conservatory Joint Recreation District's basic financial statements. The statement of revenue and expenses and statement of functional expenses are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The statement of revenue and expenses 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 statement of revenue and expenses is fairly stated in all material respects in relation to the basic financial statements as a whole.

The statement of functional expenses has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2021 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 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 & Moran, PLLC

March 22, 2021

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, 2020, 2019 and 2018. 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. Franklin Park Conservatory (FPC) temporarily closed its doors on March 13 and reopened on June 13 because of the COVID-19 pandemic. Due to the Conservatory's unique organizational structure as a Joint Recreation District, we were ineligible for the Paycheck Protection Program (PPP) or Economic Injury Disaster Loans (EIDL) through the federal Coronavirus Relief and Economic Security (CARES) Act. FPC took measures to reduce expenses to mitigate revenue losses because of the closure, including reductions to payroll and general operating expenses, and cuts of some previously established programming. Since the organization did not qualify for PPP or EIDL, we advocated with the City of Columbus and State of Ohio and were able to secure Federal CARES Act money.

2. FPC implemented strict health and safety standards, aligned with State and CDC recommendations, and guests have expressed appreciation for the Conservatory's diligence. Total visitor attendance reached 187,292 which represents 183,173 less visitors than 2019. This reduction is largely the result of the three-month closure, as well as a reduced capacity in daily attendance to allow for adequate social distancing. However, even with reduced capacity, Pumpkins Aglow welcomed 13,365 guests in 2020, compared to 5,903 in 2019. This represents an increase of 7,462 guests, or 126 percent. Eight of the ten Pumpkins Aglow nights were sold out at the reduced capacity limits. Conservatory Aglow welcomed 55,888 guests and saw a 6,719-person increase in evening attendance over 2019.

3. Membership households totaled 10,905 by the end of 2020, a slight reduction over 2019. FPC's reduced-rate $35 Access level memberships, as compared to the standard $135 family membership, reached a total of 865 member households by the end of 2020, and 374 of these were new members.

4. The Conservatory concluded its very successful *Chihuly: Celebrating Nature* exhibition, and the FPC permanent collection of Chihuly pieces now remain on view for visitors. The Conservatory opened the *Paul Busse Garden Railway* exhibition in the summer of 2020, which featured model trains whirling through four unique botanical themes on 1,122 feet of track outside in the Grand Mall way.

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 11,206 guests in 2020, compared to 26,970 guests in 2019. FPC introduced the Museums for All initiative, an Institute of Museum and Library services program that encourages low-income families to build lifelong museum habits. Program participants pay a deeply discounted $3 admission fee, versus $19, to attend day or evening experiences at the Conservatory. Since its launch in October 2020, FPC welcomed 717 guests through the initiative.

Table 1: Assets, Liabilities, and Net Position

The following summarizes the Conservatory's financial position as of December 31, 2020, 2019, and 2018 (000s omitted).

	2020	2019	2018
Assets			
Current Assets	$ 3,560	$ 3,596	$ 3,327
Capital Assets	28,689	30,605	31,535
Deferred Outflows of resources from Pension	1,222	3,336	1,544
Deferred Outflows of resouces from OPEB	1,019	523	230
Other Noncurrent Assets	1,079	1,467	1,819
Total Assets and Deferred Outflows	$35,569	$39,527	$38,455
Liabilities		`	
Current Liabilities	$ 3,290	$ 3,466	$ 2,602
Net Pension Liability	6,863	8,949	4,454
Net OPEB Liability	4,681	4,114	3,127
Notes Payable	1,440	1,883	2,351
Deferred Inflows of resources from Pension	1,460	120	1,050
Deferred Inflows of resources from OPEB	666	11	233
Other Noncurrent Liabilities	12	18	19
Total Liabilities and Deferred Inflows	$18,412	$18,561	$13,836
Net Position			
Net investment in capital assets	$26,130	$27,960	$28,283
Restricted net position	647	615	417
Unrestricted net position	(9,620)	(7,609)	(4,081)
Total net position	$17,157	$20,966	$24,619

Current Assets – The decrease in current assets from 2019 to 2020 is due to releasing of expenses held in prepaid for Chihuly and Aglow. The increase in current assets from 2018 to 2019 is due to additional pledges and additional prepaid expenses.

Capital Assets - Capital assets, net of disposals and accumulated depreciation, decreased $1,916,000 during 2020, decreased $930,000 during 2019 and increased $1,260,000 during 2018

The following items were capitalized:

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

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

- In 2018, Children's Garden, Expanded Visitor Experience, 1720 E. Broad Street purchase, food truck, catering van, HVAC upgrade, truck with snowplow, and atrium chairs.

Depreciation on capital assets was $2,062,000 for 2020, $2,059,000 for 2019 and $1,721,000 for 2018.

Deferred Outflows/Inflows of Resources - Because of the implementation of GASB 68 in 2015, the Conservatory had a deferred outflow of resources of $1,222,000 in 2020, $3,336,000 in 2019 and $1,544,000 in 2018 and a deferred inflow of resources of $1,460,000 in 2020, $120,000 in 2019 and $1,050,000 in 2018. Also, because of the implementation of GASB 75 in 2018, the Conservatory was required to record a deferred outflow of resources of $1,019,000 in 2020, $523,000 in 2019 and $230,000 in 2018 and deferred inflow of resources of $666,000 in 2020, $11,000 in 2019 and $233,000 in 2018.

Other Noncurrent Assets – Decreased 2018, 2019, and 2020 due to the payment on pledges from the Master Plan 2.0 Capital Campaign that ended in year 2018.

Current Liabilities – In 2018, $500,000 was borrowed on the operating line of credit and remained outstanding as of 2019. In 2020, the operating line of credit was fully paid down by the end of the year. Accounts payable and accrued expenses decreased by $219,000 in 2020, increased by $50,000 in 2019 and decreased by $528,000 in 2018. Unearned revenue and customer deposits increased by $188,000 in 2020, $953,000 in 2019 and decreased by $28,000 in 2018. The significant increase in unearned revenue in 2019 is due to the Conservatory recording unearned membership revenue for the first time. Previously, these amounts were insignificant to the financial statements. This recording of unearned membership revenue in 2019 resulted in $715,000, or 51% of 2019 membership revenue being deferred to 2020.

Net Pension Liability - Due to the implementation of GASB 68 in 2015, the Conservatory is now required to recognize accrued pension liability. Accrued pension liability of $2,086,000 was recorded in 2020, $4,495,000 was recorded in 2019 and $1,474,000 was recorded in 2018.

Net OPEB Liability - Due to the implementation of GASB 75 in 2018, the Conservatory is now required to recognize accrued OPEB liability. Accrued OPEB liability of $567,000 was recorded in 2020, $987,000 was recorded in 2019 and $3,127,000 was recorded in 2018.

Notes Payable – In 2020, notes payable decreased slightly due to loan principal payments. In 2019, notes payable decreased primarily due to partial payoff on debt on the Children's Garden loan and the bond on the office space. In 2018, notes payable decreased primarily due to a payoff of a Trustee loan, a partial payoff of debt on the Children's Garden loan, offset partially by a new bond for the purchase of additional office space at 1720 E. Broad Street.

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

Table 2: Operating Results and Changes in Net Position

The following schedule presents a summary of operating revenue for the fiscal years ended of December 31, 2020, 2019, and 2018 (000s omitted).

	2020	2019	2018
General Admissions	$ 1,728	$ 2,305	$ 1,695
Membership	1,031	705	1,114
Gift shop sales	547	843	652
Facility rentals	654	3,170	3,132
Other	297	967	1,136
Total Operating revenue	$ 4,257	$ 7,990	$ 7,729

Overall revenue decreased significantly in 2020 due to the COVID-19 pandemic. Operating revenue increased by 3% from $7,729,000 to $7,990,000 from 2018 to 2019 reflecting the impact of the Chihuly exhibition and Conservatory Aglow. Additionally, admissions, gift shop, and café sales vary from year to year based on the timing of exhibits and how they resonate with the Conservatory's visitors. Facility rentals and other income help to stabilize total operating revenue. The increase in membership revenue in 2020 is due to recognizing deferred membership revenue from 2019. The decrease in membership revenue in 2019 reflects the Conservatory's recording of unearned membership revenue.

Operating Expenses

The following schedule presents a summary of expenses for the fiscal years ended December 31, 2020, 2019, and 2018 (000s omitted).

	2020	2019	2018
Payroll, benefit, and taxes	$ 6,382	$ 8,540	$ 6,581
Cost of goods sold	419	1,012	837
Marketing	163	421	169
Operating supplies	601	960	1,376
Utilities	259	299	314
Rental expense	81	264	284
Facility expense	257	318	310
Office and banking	313	423	414
Contracted services and professional fees	1,273	1,627	1,441
Other expenses	186	529	669
Depreciation expense	2,062	2,059	1,721
Total operating expenses	$ 11,996	$ 16,452	$ 14,116

Total operating expenses decreased by 27% in 2020 primarily due to the Conservatory being closed for 3 months per the Governor's order due to COVID-19 pandemic. Total operating expenses increased by 17% in 2019 due to the Conservatory's Chihuly exhibition and the Conservatory being open in the months of November and December for Conservatory Aglow and two weeks of Pumpkin nights in the month of October. Total operating expenses increased 14% in 2018 due to the opening of the Children's Garden and the Expanded Visitor Experience.

The 25% decrease in personnel costs in 2020 primarily due to furloughs and layoffs due to the COVID-19 pandemic. Personnel costs increased 30% in 2019 due to a 26% increase in pension and OPEB expenses with the remaining due to cost-of-living increases and increased staffing levels for additional activities. Personnel costs increased 8% in 2018 also due to pension and OPEB costs, cost-of-living increases and increased staffing levels for additional activities.

Cost of goods sold decreased significantly in 2020 due to the Conservatory being closed for 3 months per the Governor's order due to COVID-19 pandemic. Expenses increased in 2019 and 2018 due to corresponding increase in gross sales in the gift shop and facility rentals. The decrease in operating supplies in 2019 was due to contracting out professional services for the Chihuly exhibition thus increasing contracted services. The increase in operating supplies in 2018 was due to the addition of the Children's garden, 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.

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, 2020, 2019, and 2018 (000s omitted).

	2020	2019	2018
Nonoperating revenue:			
City revenue	$ 1,490	$ 350	$ 350
City - Capital	-	500	1,500
GCAC/County revenue	500	535	525
State revenue - Capital	-	607	-
State revenue	215	-	-
Donations and grants	1,851	2,994	3,209
Interest expense	(126)	(177)	(160)
Total Nonoperating revenue	$ 3,930	$ 4,809	$ 5,424

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

City revenue and State revenue increased due to CARES Act funding in 2020, City revenue remained the same in 2019, decreased by $150,000 in 2018. There was a slight increase in operating and programming support by Franklin County in 2019 and there was no change in 2018 and 2017. Donations and grants were reduced by $1,142,000 in 2020 mainly due to cancellation of fund-raising activities due to COVID-19 pandemic, were reduced by $215,000 in 2019 and $2,189,000 in 2018 due to the close of Master Plan 2.0 capital campaign.

Interest expense was $126,000, $177,000 and $160,000 in 2020, 2019 and 2018, respectively. This expense reduced in 2020 due to the banks deferring interest in the period the Conservatory was closed due to the pandemic, increased in 2019 due to line of credit activity, reduced in 2018 due to partial paydown of the Children's Garden debt.

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.

Statement of Net Position

December 31, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	$ 2,395,689	$ 1,779,456
Receivables (Note 3)	789,350	1,177,330
Inventory	233,697	210,921
Prepaid expenses and other assets	141,409	428,385
Total current assets	3,560,145	3,596,092
Noncurrent assets:		
Capital assets		
Assets not subject to depreciation (Note 4)	3,716,168	3,684,168
Assets subject to depreciation - Net (Note 4)	24,972,775	26,920,858
Restricted cash and cash equivalents (Note 2)	155,970	162,198
Noncurrent receivables (Note 3)	597,273	1,011,275
Other noncurrent assets	325,533	293,319
Total noncurrent assets	29,767,719	32,071,818
Total assets	33,327,864	35,667,910
Deferred Outflows of Resources		
Deferred outflows related to pension (Note 8)	1,222,143	3,335,715
Deferred outflows related to OPEB (Note 9)	1,019,319	523,106
Total deferred outflows of resources	2,241,462	3,858,821
Liabilities		
Current liabilities:		
Accounts payable	295,507	569,271
Accrued expenses	272,198	217,675
Unearned revenue and customer deposits	1,604,049	1,416,339
Line of credit (Note 5)	-	500,000
Current portion of bonds and contracts payable (Note 6)	1,118,861	761,693
Total current liabilities	3,290,615	3,464,978
Noncurrent liabilities:		
Net pension liability (Note 8)	6,862,769	8,949,333
Net OPEB liability (Note 9)	4,680,537	4,113,766
Other noncurrent liabilities	11,759	18,058
Notes payable (Note 6)	1,440,242	1,883,281
Total noncurrent liabilities	12,995,307	14,964,438
Total liabilities	16,285,922	18,429,416
Deferred Inflows of Resources		
Deferred inflows related to pension (Note 8)	1,460,172	120,161
Deferred inflows related to OPEB (Note 9)	666,388	11,162
Total deferred inflows of resources	2,126,560	131,323
Net Position		
Net investment in capital assets	26,129,839	27,960,052
Restricted:		
Columbus Foundation	323,300	289,086
Various purposes	231,764	233,888
Annie's Fund	58,324	58,240
Growing to Green program	34,046	34,008
Unrestricted	(9,620,429)	(7,609,282)
Total net position	**$ 17,156,844**	**$ 20,965,992**

See notes to financial statements.

Franklin Park Conservatory Joint Recreation District

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended December 31, 2020 and 2019

	2020	2019
Operating Revenue		
General admissions	$ 1,728,420	$ 2,304,940
Membership	1,031,200	704,880
Gift shop sales	547,072	843,037
Facility rentals	654,266	3,170,363
Other	295,915	966,639
Total operating revenue	4,256,873	7,989,859
Operating Expenses		
Salaries and wages	3,536,292	5,183,583
Payroll taxes and benefits	2,845,627	3,356,755
Cost of goods sold	419,101	1,011,582
Marketing	162,616	421,091
Operating supplies	601,198	960,266
Utilities	259,110	299,472
Rental expense	80,876	264,198
Facility expenses	256,933	317,940
Office and banking	312,962	423,196
Contracted services and professional fees	1,272,784	1,626,946
Other expense	186,242	528,135
Depreciation expense	2,062,195	2,059,354
Total operating expenses	11,995,936	16,452,518
Operating Loss	(7,739,063)	(8,462,659)
Nonoperating Revenue (Expense)		
State	215,515	607,309
City	1,489,893	350,000
City Master Plan and other	-	500,000
Greater Columbus Arts Council	500,000	-
County	-	535,000
Donations and grants	1,850,750	2,994,398
Investment income	122	714
Interest expense	(126,365)	(177,556)
Total nonoperating revenue	3,929,915	4,809,865
Change in Net Position	(3,809,148)	(3,652,794)
Net Position - Beginning of year	20,965,992	24,618,786
Net Position - End of year	**$ 17,156,844**	**$ 20,965,992**

See notes to financial statements.

Statement of Cash Flows

Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Receipts from customers	$ 4,311,396	$ 7,958,497
Payments to others	(3,593,604)	(6,053,863)
Payments to employees	(4,101,406)	(5,342,406)
Net cash and cash equivalents used in operating activities	(3,383,614)	(3,437,772)
Cash Flows from Noncapital Financing Activities		
Noncapital subsidies from city, county, and state	2,205,408	1,992,309
Donations and grants	2,652,732	3,452,375
Net cash and cash equivalents provided by noncapital financing activities	4,858,140	5,444,684
Cash Flows from Capital and Related Financing Activities		
Draw on line of credit - Net of payments	(500,000)	-
Purchase of capital assets	(164,900)	(1,129,369)
Principal paid on long-term debt	(85,871)	(607,462)
Interest paid on long-term debt	(113,872)	(177,556)
Net cash and cash equivalents used in capital and related financing activities	(864,643)	(1,914,387)
Cash Flows Provided by Investing Activities - Interest and dividends on cash and cash equivalents	122	714
Net Increase in Cash and Cash Equivalents	610,005	93,239
Cash and Cash Equivalents - Beginning of year	1,941,654	1,848,415
Cash and Cash Equivalents - End of year	**$ 2,551,659**	**$ 1,941,654**
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (7,739,063)	$ (8,462,659)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	2,062,195	2,059,354
Changes in assets and liabilities:		
Receivables	54,523	(31,362)
Inventory	(22,776)	(41,122)
Prepaid expenses	286,976	(193,145)
Accounts payable	(273,768)	80,767
Net pension and OPEB liabilities	2,092,803	2,245,361
Accrued expenses and other	155,496	905,034
Net cash and cash equivalents used in operating activities	**$ (3,383,614)**	**$ (3,437,772)**
Significant Noncash Transactions - Donation of capital assets	$ -	$ 61,800

See notes to financial statements.

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

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

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

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

Blended Component Units

Friends of the Conservatory

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

Franklin Park Conservatory Women's Sustaining Board

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

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 2020, the subsidies from the City and the County were $1,989,893 and did not include any contributions for the Master Plan and other. In 2019, the subsidies were $1,385,000, including $500,000 in contributions for the Master Plan and other. These subsidies represent 24 percent and 16 percent of the Conservatory's 2020 and 2019 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Franklin Park Conservatory Joint Recreation District:

Basis of Accounting

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

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

Specific Balances and Transactions

Cash and Cash Equivalents

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

Receivables

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

Inventory

Inventory is valued at the average cost method.

Plant Collection

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

Capital Assets

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 and net OPEB liability (see Notes 8 and 9).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and 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 and net OPEB liability (see Notes 8 and 9).

Pension Costs

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

Other Postemployment Benefit Costs

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

Unearned Revenue and Customer Deposits

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

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic, now known as COVID-19. In response to the COVID-19 pandemic, governments have taken preventive or protective actions, such as temporary closures of nonessential businesses and stay-at-home guidelines for individuals. As a result, the global economy has been negatively affected, and the Conservatory's operations were also impacted. Due to the stay-at-home guidelines during April and May 2020, the Conservatory closed for three months. The Conservatory also had many events canceled or temporarily postponed until the stay-at-home guidelines were reduced or removed, which resulted in lost revenue for the Conservatory for the year ended December 31, 2020. The Conservatory also laid off employees, reduced remaining employee pay rates, and cut expenses where possible.

To offset the financial impact of the losses incurred by the Conservatory due to the disruption caused by COVID-19, the Conservatory received grants and other relief primarily from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Conservatory was allocated Coronavirus Relief Fund (CRF) grants totaling $1,050,000. For the year ended December 31, 2020, the Conservatory recognized CRF grant revenue from the City of Columbus, Ohio totaling $1,050,000, which is included in nonoperating revenue. The severity of the continued impact due to COVID-19 on the Conservatory's financial condition, results of operations, or cash flows will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Conservatory, all of which are uncertain and cannot be predicted.

Upcoming Accounting Pronouncements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement were originally effective for the Conservatory's financial statements for the year ended December 31, 2020 but were extended to December 31, 2021 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

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

Note 2 - Deposits and Investments

These amounts are classified into the following categories:

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

	2019	
	Cash and Cash Equivalents	Restricted Cash (Note 10)
Deposits with financial institutions	$ 1,768,852	$ 162,198
Cash on hand	10,604	-
Total	$ 1,779,456	$ 162,198

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.

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 $2,156,050 and $1,955,086 for the years ended December 31, 2020 and 2019, respectively. At December 31, 2020 and 2019, the Conservatory had $872,987 and $862,137, respectively, of bank deposits that were covered by deposit insurance provided by the Federal Deposit Insurance Corporation (FDIC).

Note 3 - Receivables

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

	2020	2019
Short-term pledge receivable	$ 647,964	$ 885,938
Other short-term receivables	171,247	310,806
Long-term pledge receivable	671,000	1,143,700
Less:		
Allowance for doubtful accounts	29,861	19,414
Discount	73,727	132,425
Total accounts receivable	$ 1,386,623	$ 2,188,605

Note 4 - Capital Assets

Capital asset activity for the years ended December 31, 2020 and 2019 was as follows:

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

Note 4 - Capital Assets (Continued)

	Balance January 1, 2019	Transfers	Additions	Disposals	Balance December 31, 2019
Capital assets not being depreciated:					
Land	$ 100,000	$ -	$ -	$ -	$ 100,000
Art collections	3,483,400	-	61,756	(53,000)	3,492,156
Construction in progress	-	(1,023,534)	1,115,546	-	92,012
Subtotal	3,583,400	(1,023,534)	1,177,302	(53,000)	3,684,168
Capital assets being depreciated:					
Buildings	32,346,254	-	-	-	32,346,254
Buildings improvements	7,773,966	231,388	-	(9,615)	7,995,739
Exhibits	19,915	-	-	-	19,915
Equipment and fixtures	3,294,954	792,146	7,268	(42,972)	4,051,396
Vehicles	303,970	-	-	-	303,970
Subtotal	43,739,059	1,023,534	7,268	(52,587)	44,717,274
Accumulated depreciation	15,787,448	-	2,059,353	(50,385)	17,796,416
Net capital assets being depreciated	27,951,611	1,023,534	(2,052,085)	(2,202)	26,920,858
Net capital assets	$ 31,535,011	$ -	$ (874,783)	$ (55,202)	$ 30,605,026

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, 2021. It bears an interest rate at the London Interbank Offered Rate plus 2.65 percent; the effective interest rates at December 31, 2020 and 2019 were 3.25 percent and 4.0625 percent, respectively. The line of credit is guaranteed by the Friends of the Conservatory through the maturity date. The Conservatory made a draw of $300,000 and total payments of $800,000 for $(500,000) net activity during 2020. The Conservatory made a payment and a draw of $300,000 for $0 net activity during 2019. The line of credit has an outstanding balance of $0 at December 31, 2020 and an outstanding balance of $500,000 at December 31, 2019.

Note 6 - Long-term Debt

The changes in notes payable and compensated absences for the years ended December 31, 2020 and 2019 were as follows:

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

Note 6 - Long-term Debt (Continued)

	2019					
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year	Long Term
Compensated absences	$ 43,644	$ 7,766	$ -	$ 51,410	$ 33,352	$ 18,058
Notes payable	3,252,435	-	(607,461)	2,644,974	761,693	1,883,281
Total long-term obligations	$ 3,296,079	$ 7,766	$ (607,461)	$ 2,696,384	$ 795,045	$ 1,901,339

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, 2020 and 2019, the outstanding loan balance was $1,103,122 and $1,172,205, respectively.

During 2017, the Conservatory entered into a delayed draw loan agreement (direct borrowing) for construction of a children's garden and an expanded visitor experience under the second phase of the Master Plan. Interest only is due in monthly installments and is accrued at the daily LIBOR plus 2.25 percent (2.4375 percent and 4.0625 percent at December 31, 2020 and 2019, respectively). Beginning in December 2018, the aggregate unpaid principal became subject to repayment quarterly. The quarterly repayment amounts are determined based on all pledges available for the project collected during the previous quarter. Any unpaid principal is due upon maturity in July 2021. The loan is secured by all personal property, except certain assets and rights under purchase agreement. The outstanding loan balance was $999,070 as of December 31, 2020 and 2019.

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 $456,911 and $473,699 at December 31, 2020 and 2019, respectively.

In 2020 and 2019, the Conservatory paid interest of approximately $114,000 and $178,000, respectively. Annual debt service requirements to maturity for the above note obligations are estimated as follows:

Years Ending December 31	Principal	Interest	Total
2021	$ 1,118,861	$ 77,433	$ 1,196,294
2022	126,505	71,016	197,521
2023	133,198	64,257	197,455
2024	827,844	48,242	876,086
2025	30,185	19,408	49,593
2026-2028	322,510	46,981	369,491
Total	$ 2,559,103	$ 327,337	$ 2,886,440

Note 7 - Risk Management

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

Note 8 - Defined Benefit Pension Plan

Plan Description

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

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

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 2020 and 2019 contribution rates (for measurement dates of December 31, 2019 and 2018) on covered payroll are as follows:

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

	2019 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, 2020 and 2019 were approximately $341,000 and $715,000, 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.

Note 8 - Defined Benefit Pension Plan (Continued)

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.

Net Pension Liability, Deferrals, and Pension Expense

At December 31, 2020 and 2019, the Conservatory reported a liability for its proportionate share of the net pension liability. For December 31, 2020, the net pension liability was measured as of December 31, 2019. For December 31, 2019, the net pension liability was measured as of December 31, 2018. 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, 2019	$ 6,862,769	0.034731%
December 31, 2018	8,949,333	0.03268%

The Conservatory's proportionate share increased 6.3 percent and 13.0 percent during 2020 and 2019, respectively. For the years ended December 31, 2020 and 2019, the Conservatory recognized pension expense of approximately $1,679,000 and $2,469,000, respectively.

At December 31, 2020 and 2019, the Conservatory reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 4,923	$ 86,931	$ 3,086	$ 117,693
Changes in assumptions	366,960	-	779,444	-
Net difference between projected and actual earnings on pension plan investments	-	1,369,915	1,215,120	-
Difference between actual and proportionate share of contributions	509,510	3,326	623,018	2,468
Employer contributions to the plan subsequent to the measurement date	340,750	-	715,047	-
Total	$ 1,222,143	$ 1,460,172	$ 3,335,715	$ 120,161

Note 8 - 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
2021	$ 244,666
2022	(344,343)
2023	58,256
2024	(542,391)
2025	1,706
Thereafter	3,327

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in 2021.

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:

	2020	2019
Valuation date	December 31, 2019	December 31, 2018
Actuarial cost method	Individual entry age	Individual entry age
Cost of living	1.40 percent - 3.00 percent	2.15 percent - 3.00 percent
Salary increases, including inflation	3.25 percent to 10.75 percent	3.25 percent to 10.75 percent
Inflation	3.25 percent	2.50 percent
Investment rate of return	7.20 percent, net of pension plan investment expense	7.20 percent, net of pension plan investment expense
Mortality rates	RP-2014 Healthy Annuitant Mortality Table	RP-2014 Healthy Annuitant Mortality Table

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

Discount Rate

The discount rates used to measure the total pension liability were 7.20 percent for the plan years ended December 31, 2019 and 2018. 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.

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:

	2020		2019	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	25.00 %	1.83 %	23.00 %	2.79 %
Domestic equities	19.00	5.75	19.00	6.21
Real estate	10.00	5.20	10.00	4.90
Private equity	12.00	10.70	10.00	10.81
International equity	21.00	7.66	20.00	7.83
Other investments	13.00	4.98	18.00	5.50

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

The following presents the net pension liability of the Conservatory, calculated using the discount rate of 7.20 percent for the years ended December 31, 2020 and 2019, as well as what the Conservatory's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

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

	1 Percentage Point Decrease (6.2%)	Current Discount Rate (7.2%)	1 Percentage Point Increase (8.2%)
Net pension liability - 2019	$ 13,221,909	$ 8,949,333	$ 5,398,629

Pension Plan Fiduciary Net Position

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

Note 9 - Other Postemployment Benefit Plan

Plan Description

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

In order to qualify for postemployment health care coverage, age-and-service retirees under the traditional pension and combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an other postemployment benefit, as described in GASB Statement No. 75.

Note 9 - 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.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2020 and 2019, 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, 2019 and 2018. The Conservatory did not make contributions to OPEB during 2020 and 2019 in accordance with statutory requirements. The OPERS board of trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Deferred Compensation Plan

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

Net OPEB Liability

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

At December 31, 2019, the Conservatory reported a liability of $4,113,766 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. The Conservatory's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At December 31, 2019, the Conservatory’s proportion was 0.03155 percent. The Conservatory's proportionate share increased 7.4 percent and 9.6 percent during 2020 and 2019, respectively.

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

The Conservatory recognized OPEB expense of approximately $734,000 and $479,000 at December 31, 2020 and 2019, respectively.

Note 9 - Other Postemployment Benefit Plan (Continued)

At December 31, 2020 and 2019, the Conservatory reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 126	$ 428,057	$ 1,393	$ 11,162
Changes in assumptions	740,879	-	132,633	-
Net difference between projected and actual earnings on OPEB plan investments	-	238,331	188,592	-
Changes in proportionate share, or difference between amount contributed and proportionate share of contributions	278,314	-	200,488	-
Total	$ 1,019,319	$ 666,388	$ 523,106	$ 11,162

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
2021	$ 323,361
2022	131,222
2023	190
2024	(101,842)
Total	$ 352,931

Actuarial Assumptions

The total OPEB liability 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:

	2020	2019
Actuarial valuation date	December 31, 2018	December 31, 2017
Rolled forward measurement date	December 31, 2019	December 31, 2018
Experience study	Five-year period ended December 31, 2015	Five-year period ended December 31, 2015
Actuarial cost method	Individual entry age	Individual entry age normal
Single discount rate	3.16%	3.96%
Investment rate of return (net of investment expenses)	6.00%	6.00%
Municipal bond rate	2.75%	3.71%
Wage inflation	3.25%	2.50%
Projected salary increases, including inflation	3.25% - 10.75%	3.25% - 10.75%
Health care cost trend rate	10.50% initial, 3.50% ultimate in 2030	10.0% initial, 3.25% ultimate in 2029
Mortality rates	RP-2014 Healthy Annuitant Mortality Table	RP-2014 Mortality Table

Note 9 - Other Postemployment Benefit Plan (Continued)

Discount Rate

The discount rates used to measure the total OPEB liability were 3.16 and 3.96 percent for the plan years ended December 31, 2019 and 2018, respectively. At December 31, 2019 and 2018, the plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments for current active and inactive employees. Therefore, a blended rate was used, which consisted of the long-term expected rate of return on OPEB plan investments for the funded benefit payments of 6.00 and the Fidelity 20-year Municipal General Obligation AA Index rate of 2.75 and 3.71 percent at December 31, 2019 and 2018, respectively. At December 31, 2019, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date. At December 31, 2018, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Investment Rate of Return

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

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

	2019	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	34.00 %	2.42 %
Domestic equities	21.00	6.21
REITs	6.00	5.98
International equities	22.00	7.83
Other investments	17.00	5.57

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

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

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

Note 9 - Other Postemployment Benefit Plan (Continued)

	2019		
	1 Percentage Point Decrease (2.96%)	Current Discount Rate (3.96%)	1 Percentage Point Increase (4.96%)
Net OPEB liability	$ 5,263,040	$ 4,113,766	$ 3,199,790

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

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

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

	2019		
	1 Percentage Point Decrease	Current Health Care Cost Trend Rate	1 Percentage Point Increase
Net OPEB liability	$ 3,954,222	$ 4,113,766	$ 4,297,519

OPEB Plan Fiduciary Net Position

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

Deferred Compensation Plan

The Conservatory also maintains a voluntary deferred compensation plan, which allows eligible employees to defer a portion of their salary to be held in trust up to certain established annual limits. All employees are eligible to participate in the plan, and their contributions are fully vested. All contributions are made by the employee and were approximately $16,000 and $30,000 for 2020 and 2019, respectively. Plan assets were $969,000 and $811,000 at December 31, 2020, and 2019, respectively.

Assumption Changes

During the measurement period ended December 31, 2019, certain assumption changes were made by the plan. The discount rate was reduced from 3.96 percent to 3.16 percent, which impacted the annual actuarial valuation prepared as of December 31, 2018.

Benefit Changes

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

Note 10 - Restricted Net Position

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

	2020	2019
Columbus Foundation	$ 323,300	$ 289,086
Restricted - Various purposes	231,764	233,888
Annie's Fund	58,324	58,240
Growing to Green Program	34,046	34,008
Total	$ 647,434	$ 615,222

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, 2020 and 2019 is as follows:

	2020	2019
Designated for capital projects	$ 1,817,685	$ 2,002,202
Designated for financial sustainability	947,252	597,252
Undesignated	(12,385,366)	(10,208,736)
Total	$ (9,620,429)	$ (7,609,282)

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

Note 11 - Blended Component Units

As of December 31, 2020 and 2019, 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:

	2020		2019	
	Friends of the Conservatory	Women's Sustaining Board	Friends of the Conservatory	Women's Sustaining Board
Current assets	$ 6,752,876	$ 140,818	$ 6,781,008	$ 151,662
Nondepreciable capital assets	3,492,156	-	3,492,156	-
Other noncurrent assets	597,273	-	1,081,225	-
Total assets	$ 10,842,305	$ 140,818	$ 11,354,389	$ 151,662
Current liabilities	$ 1,243,404	$ 42,040	$ 753,713	$ 43,363
Noncurrent liabilities	1,006,895	-	1,432,119	-
Net position:				
Net investment in capital assets	3,492,156	-	3,492,156	-
Restricted	231,764	-	233,888	-
Unrestricted	4,868,086	98,778	5,442,513	108,299
Total net position	8,592,006	98,778	9,168,557	108,299
Total liabilities and net position	$ 10,842,305	$ 140,818	$ 11,354,389	$ 151,662
Operating revenue	$ -	$ 11,795	$ -	$ 98,025
Operating expenses	648	8,595	2,598	207,976
(Loss) income from operations	(648)	3,200	(2,598)	(109,951)
Nonoperating revenue (expenses):				
Donations and grants	830,413	287,279	1,682,673	431,922
Interest expense	(56,316)	-	(59,910)	-
Operating support to other entities	(1,350,000)	(300,000)	(750,000)	(312,246)
Total nonoperating (expenses) revenue	(575,903)	(12,721)	872,763	119,676
Change in net position	$ (576,551)	$ (9,521)	$ 870,165	$ 9,725
Net cash (used in) provided by operating activities	$ (232,815)	$ 6,602	$ (285,680)	$ (130,559)
Net cash provided by (used in) noncapital financing activities	76,073	(12,721)	1,008,033	119,676
Net cash used in capital and related financing activities	(69,083)	-	(586,160)	-
Net (decrease) increase in cash and cash equivalents	(225,825)	(6,119)	136,193	(10,883)
Cash and cash equivalents - Beginning of year	679,724	124,784	543,531	135,667
Cash and cash equivalents - End of year	$ 453,899	$ 118,665	$ 679,724	$ 124,784

Required Supplementary Information

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

Last Six Plan Years

Years Ended December 31

	2019	2018	2017	2016	2015	2014
The Conservatory's proportion of the net pension liability	0.03473 %	0.03268 %	0.02842 %	0.02617 %	0.02364 %	0.02295 %
The Conservatory's proportionate share of the net pension liability	$ 6,862,769	$ 8,949,333	$ 4,453,765	$ 5,927,842	$ 4,085,885	$ 2,766,370
The Conservatory's covered payroll	$ 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	194.07 %	172.65 %	95.19 %	157.68 %	122.02 %	89.52 %
Plan fiduciary net position as a percentage of total pension liability	82.44 %	74.91 %	84.85 %	77.39 %	81.20 %	86.50 %

Information prior to 2014 is not available.

See notes to required supplementary information.

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

Last Six Fiscal Years

Years Ended December 31

	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 340,750	$ 715,047	$ 640,737	$ 565,626	$ 515,151	$ 468,793
Contributions in relation to the statutorily required contribution	340,750	715,047	640,737	565,626	515,151	468,793
Contribution Excess	$ -	$ -	$ -	$ -	$ -	$ -
Conservatory's Covered Payroll	$ 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 %

Information prior to 2015 is not available.

See notes to required supplementary information.

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

Last Three Plan Years

Plan Year Ended December 31

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

Information prior to 2017 is not available.

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

Last Three Fiscal Years

Year Ended December 31

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

Information prior to 2018 is not available.

See notes to required supplementary information.

Pension

Changes in Benefit Terms

There were no changes in benefit terms affecting the plan.

Changes in Assumptions

During the plan year ended December 31, 2019, the wage inflation rate increased from 2.5 percent to 3.25 percent. The cost of living ranges changed from 2.15-3.00 percent to 1.40-3.00 percent.

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

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

OPEB

Changes in Benefit Terms

There were no changes in benefit terms affecting the plan.

Changes of Assumptions

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

Other Supplementary Information

Franklin Park Conservatory
Statement of Revenue and Expenses
For the Twelve Months Ending December 31, 2020

	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		
OPERATING REVENUE											
General Admissions	1,728,420	-	1,728,420	1,728,420	-	1,728,420	-	-	-	-	1,728,420
Memberships	1,019,405	-	1,019,405	1,019,405	-	1,019,405	-	-	-	11,795	1,031,200
Gift Shop Sales	547,072	-	547,072	547,072	-	547,072	-	-	-	-	547,072
Facility Rentals & Cafe Sales	654,266	-	654,266	654,266	-	654,266	-	-	-	-	654,266
Education	73,517	-	73,517	73,517	-	73,517	-	-	-	-	73,517
Horticulture Income	162,825	-	162,825	162,825	-	162,825	-	-	-	-	162,825
Other Income	59,573	-	59,573	59,573	-	59,573	-	-	-	-	59,573
Total Operating Revenue	4,245,078	-	4,245,078	4,245,078	-	4,245,078	-	-	-	11,795	4,256,873
OPERATING EXPENSES											
Salaries & Wages	3,536,292	-	3,536,292	3,536,292	-	3,536,292	-	-	-	-	3,536,292
Payroll Taxes and Benefits	752,824	-	752,824	752,824	2,092,803	2,845,627	-	-	-	-	2,845,627
Cost of Goods Sold	419,101	-	419,101	419,101	-	419,101	-	-	-	-	419,101
Marketing	160,595	-	160,595	160,595	-	160,595	-	-	-	2,021	162,616
Operating Supplies	601,198	-	601,198	601,198	-	601,198	-	-	-	-	601,198
Utilities	259,110	-	259,110	259,110	-	259,110	-	-	-	-	259,110
Rental Expense	80,876	-	80,876	80,876	-	80,876	-	-	-	-	80,876
Facility Expense	256,933	-	256,933	256,933	-	256,933	-	-	-	-	256,933
Office and Banking	311,910	308	312,218	311,910	-	311,910	308	-	308	744	312,962
Contracted Services and Professional Fees	1,270,909	-	1,270,909	1,270,909	-	1,270,909	-	-	-	1,875	1,272,784
Other Expense	189,852	340	190,192	189,852	(7,905)	181,947	340	-	340	3,955	186,242
Total Operating Expenses	7,839,600	648	7,840,248	7,839,600	2,084,898	9,924,498	648	-	648	8,595	9,933,741
Operating Income (Loss) before Depreciation	(3,594,522)	(648)	(3,595,170)	(3,594,522)	(2,084,898)	(5,679,420)	(648)	-	(648)	3,200	(5,676,868)
Depreciation	-	-	-	-	2,062,195	2,062,195	-	-	-	-	2,062,195
Operating Income (Loss)	(3,594,522)	(648)	(3,595,170)	(3,594,522)	(4,147,093)	(7,741,615)	(648)	-	(648)	3,200	(7,739,063)
NONOPERATING REVENUE (EXPENSES)											
Intergovernmental Revenue											
City	1,489,893	-	1,489,893	1,489,893	-	1,489,893	-	-	-	-	1,489,893
Greater Columbus Arts Council	500,000	-	500,000	500,000	-	500,000	-	-	-	-	500,000
State	180,134	-	180,134	180,134	35,381	215,515	-	-	-	-	215,515
Donations and Grants	725,883	413,038	1,138,921	725,883	7,175	733,058	413,038	26,798	439,836	287,279	1,460,173
GCAC operating Support	-	367,051	367,051	-	-	-	367,051	23,526	390,577	-	390,577
Operating Support from FOC to FPC	1,350,000	(1,350,000)	-	1,350,000	-	1,350,000	(1,350,000)	-	(1,350,000)	-	-
Operating Support from WSB to FPC	300,000	-	300,000	300,000	-	300,000	-	-	-	(300,000)	-
Transfers	(1,192,295)	930,917	(261,378)	(1,192,295)	1,192,295	-	930,917	(930,917)	-	-	-
Investment Income		-	-	-	122	122	-	-	-	-	122
Investment Expense	(41,410)	(56,316)	(97,726)	(41,410)	(28,639)	(70,049)	(56,316)	-	(56,316)	-	(126,365)
Total nonoperating revenue	3,312,205	304,690	3,616,895	3,312,205	1,206,334	4,518,539	304,690	(880,593)	(575,903)	(12,721)	3,929,915
INCOME (LOSS)	**(282,317)**	**304,042**	**21,725**	**(282,317)**	**(2,940,759)**	**(3,223,076)**	**304,042**	**(880,593)**	**(576,551)**	**(9,521)**	**(3,809,148)**

FRANKLIN PARK CONSERVATORY JOINT RECREATION DISTRICT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Horticulture & Exhibits	Education	Audience Development	Other	Masterplan Planning	Total Program Expenses	Management & General Expenses	Fundraising	Other Non Programing	Total
Payroll, benefit and tax	1,771,291	646,580	544,975	569,449	-	3,532,295	921,117	587,546	1,340,961	6,381,919
Cost of goods sold-Gift Shop	-	-	-	-	-	-	-	-	291,603	291,603
Cost of goods sold-Beverages	-	-	-	-	-	-	-	-	127,498	127,498
Marketing and advertising	73,167	3,312	34,654	10,809	-	121,942	-	3,895	36,779	162,616
Animals and related supplies	19,003	-	-	-	-	19,003	-	-	-	19,003
Plants, seeds, soil, mulch, containers	232,934	-	-	-	-	232,934	-	-	-	232,934
Signage and displays	70,733	56	-	1,112	-	71,901	3,219	97	22	75,239
Operating supplies and equipment	46,854	26,277	87,916	21,368	-	182,415	67,734	-	14,620	264,769
Equipment rental	8,638	-	554	-	-	9,192	7,145	-	4,804	21,141
Linens	-	-	-	-	-	-	-	-	11,296	11,296
Maintenance	947	-	7,616	-	-	8,563	86,360	-	912	95,835
Utilities-gas, electric, telephone	-	354	-	-	-	354	258,700	-	56	259,110
Fuel	41	-	-	-	-	41	9,212	-	-	9,253
Building rental	35,000	-	-	-	-	35,000	13,439	-	-	48,439
Insurance	-	-	-	-	-	-	161,098	-	-	161,098
Office supplies and equipment	1,455	1,757	265	14,155	-	17,632	106,148	519	2,395	126,694
Banking and credit card fees	-	-	-	-	-	-	143,998	-	585	144,583
Postage	13,513	99	7,031	16,670	-	37,313	2,332	1,610	430	41,685
Professional services	786	510	-	400	-	1,696	44,658	650	1,485	48,489
Contracted services	371,070	10,555	20,098	439,224	-	840,947	306,368	60,325	16,655	1,224,295
Conference, travel and entertainment	20,856	2,231	65	545	-	23,697	4,143	425	2,455	30,720
Hospitality and catering	651	692	-	1,707	-	3,050	14,427	262	927	18,666
Interest expense	-	-	-	-	28,639	28,639	97,726	-	-	126,365
Other expenses	68,983	25,026	-	5,501	(7,905)	91,605	39,562	1,903	3,786	136,856
Depreciation	572,359	208,930	176,098	184,006	-	1,141,393	297,642	189,854	433,306	2,062,195
Total Operating Expenses	**3,308,281**	**926,379**	**879,272**	**1,264,946**	**20,734**	**6,399,612**	**2,585,028**	**847,086**	**2,290,575**	**12,122,301**

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Franklin Park Conservatory Joint Recreation District (the "Conservatory") as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Conservatory's basic financial statements, and have issued our report thereon dated March 22, 2021.

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) 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.

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 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*.

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

March 22, 2021

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 5/20/2021

88 East Broad Street, Columbus, Ohio 43215
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