FRANKLIN PARK CONSERVATORY JOINT RECREATION DISTRICT

FRANKLIN COUNTY
FINANCIAL AUDIT

WITH SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED DECEMBER 31, 2023
AND DECEMBER 31, 2022

OHIO AUDITOR OF STATE
KEITH FABER

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Board Members
Franklin Park Conservatory Joint Recreation District
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We have reviewed the *Independent Auditor's Report* of the Franklin Park Conservatory Joint Recreation District, Franklin County, prepared by Plante & Moran, PLLC, for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

April 25, 2024

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Franklin Park Conservatory Joint Recreation District

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Independent Auditor's Report

To the Finance Committee
Franklin Park Conservatory Joint Recreation District

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of Franklin Park Conservatory Joint Recreation District (the "Conservatory") as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements, which collectively comprise the Conservatory's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Franklin Park Conservatory Joint Recreation District as of December 31, 2023 and 2022 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Conservatory's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Finance Committee
Franklin Park Conservatory Joint Recreation District

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Conservatory's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Conservatory's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

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

Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise Franklin Park Conservatory Joint Recreation District's basic financial statements. The statement of revenue and expenses is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of revenue and expenses is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the statement of functional expenses but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

To the Finance Committee
Franklin Park Conservatory Joint Recreation District

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2024 on our consideration of Franklin Park Conservatory Joint Recreation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Franklin Park Conservatory Joint Recreation District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Franklin Park Conservatory Joint Recreation District's internal control over financial reporting and compliance.

Plante & Moran, PLLC

April 10, 2024

Management's Discussion and Analysis

The following unaudited Management's Discussion and Analysis (MD&A) section of the Franklin Park Conservatory Joint Recreation District's (the "Conservatory") financial report represents a discussion and analysis of the Conservatory's financial performance during the fiscal years ended December 31, 2023, 2022 and 2021. 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. The Conservatory ended 2023 with 83 full time employees, compared to 90 full time employees in 2022. The Conservatory plans to increase this number to 97 full time employees in 2024. In 2023, the Conservatory raised the minimum wage for its full time staff to $16 an hour, to become more competitive in the job market. In addition to staff, 800 volunteers gave at least 1 hour to volunteering at the Conservatory for a total of 17,468 hours in 2023, compared to 12,958 hours in 2022.

2. Visitor attendance reached approximately 346,000 in 2023 and approximately 316,277 in 2022. Pumpkins Aglow welcomed 33,046 guests in 2023, compared to 30,656 guests in 2022. Conservatory Aglow welcomed 86,770 guests in 2023, compared to 61,671 guests in 2022. Cocktails at the Conservatory brought in 6,902 guests in 2023, compared to 5,370 guests in 2022.

3. Membership households totaled 12,394 in 2023, compared to 12,943 in 2022. The Conservatory's $35 reduced-rate Access level memberships, as compared to the standard $135 family membership, reached a total of 1,391 member households by the end of 2023, an increase of 296 households compared to 2022.

Management's Discussion and Analysis (Continued)

4. 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 27,854 guests in 2023, compared to 22,895 guests in 2022. The Conservatory continued the Museums for All initiative, an IMLS program that encourages low-income families to build lifelong museum habits and allows program participants to pay a deeply discounted $3.00 admission fee to attend day or evening experiences at the Conservatory. The Conservatory sold 21,203 tickets in 2023 for Museums for All tickets compared to 15,118 in 2022.

5. The Conservatory held two local artist exhibitions in the Cardinal Health Gallery. The Gallery presented an exhibition by local artist Elena Osterwalder. *El Color - ES* featured pieces of Ámate (handmade bark paper) and installations of watercolor board tiles dyed with organic colors made from flowers and leaves which build on the practices of indigenous Mexican people. The second exhibition of 2023 was from local artist Steve Harrison. *Franklin, The People's Park*, highlighted 60 years of black and white photographs taken within Franklin Park.

Table 1: Assets, Liabilities, and Net Position

The following summarizes the Conservatory's financial position as of December 31, 2023, 2022, and 2021 (000s omitted).

	2023	2022	2021
Assets			
Current Assets	$ 9,591	$ 8,628	$ 4,366
Capital Assets	25,965	26,103	27,208
Deferred Outflows of resources from Pension	4,496	1,177	489
Deferred Outflows of resouces from OPEB	566	29	272
Net OPEB Asset	-	760	401
Lease right of use asset	351	446	-
Other Noncurrent Assets	866	879	1,275
Total Assets and Deferred Outflows	$ 41,835	$ 38,022	$ 34,011
Liabilities			
Current Liabilities	$ 3,554	$ 2,654	$ 2,366
Net Pension Liability	9,111	2,160	3,375
Net OPEB Liability	187	-	-
Notes Payable	354	1,181	1,314
Deferred Inflows of resources from Pension	21	3,230	3,107
Deferred Inflows of resources from OPEB	62	1,157	2,184
Lease Liability	275	370	-
Other Noncurrent Liabilities	13	13	12
Total Liabilities and Deferred Inflows	$ 13,577	$ 10,765	$ 12,358
Net Position			
Net investment in capital assets	$ 24,765	$ 24,779	$ 25,717
Restricted net position	1,165	889	1,010
Unrestricted net position	2,328	1,589	(5,074)
Total net position	$ 28,258	$ 27,257	$ 21,653

Current Assets – The increase in current assets from 2022 to 2023 is due to an approximately $1.2 million one-time Ohio Arts Economic Recovery grant from the State of Ohio and partially due to the Conservatory performing well in operations revenue. The increase in current assets from 2021 to 2022 is due largely to an approximately $3.6 million generous gift from the estate of Alexis Jacobs and partially due to the Conservatory performing well in Operations revenue.

Capital Assets - Capital assets, net of disposals and accumulated depreciation, decreased $138,000 in 2023, decreased $1,105,000 during 2022, and decreased $1,480,000 during 2021.

The following items were capitalized:

- In 2023, building improvements included restoring Community Garden Campus Live-fire cooking theatre, replacing steps at the Grove & Zen rooftop along with waterproofing for the Zen Terrace. The Pergola area concrete was replaced, Mosaic tail tiles were repaired, and concrete drain work was done at the Broad Street entrance. The Pacific Island Pond maintenance project was completed. A new office trailer was also set up. Equipment and fixtures included a new cash wrap for Botanica, Main waterline repair work, Greenhouse fencing and Mallway gas line repair work. A walk-in cooler was purchased for the Café. The Conservatory's hot shop was also upgraded. A Nursing pod was purchased, and a Biome Air Handler was replaced. Plumbing work included the green wall and some major plumbing valves that were replaced in the main building. The Berry Garden wood was also replaced.

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

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

Depreciation on capital assets was $1,920,997 for 2023, $1,984,675 for 2022 and $2,038,638 for 2021.

Deferred Outflows/Inflows of Resources - Because of the implementation of GASB 68 in 2015, the Conservatory had a deferred outflow of resources of $4,496,000 in 2023, $1,177,000 in 2022, and $489,000 in 2021 and a deferred inflow of resources of $21,000 in 2023, $3,230,000 in 2022 and $3,107,000 in 2021. In addition, because of the implementation of GASB 75 in 2018, the Conservatory was required to record a deferred outflow of resources of $566,000 in 2023, $29,000 in 2022 and $272,000 in 2021 and deferred inflow of resources of $62,000 in 2023, $1,157,000 in 2022 and $2,184,000 in 2021.

Other Noncurrent Assets – Decreased in 2023 and 2022 due to releasing funds from temporarily restricted donations, and increased in 2021 mainly due to donations for projects that were temporarily restricted for future periods or purposes.

Current Liabilities – We did not draw on the line of credit in 2021, 2022 and 2023. Short term loan increased by $695,000 in 2023 due to a balloon payment on a loan due in 2024. Accounts payable and accrued expenses increased by $46,000 in 2023, $221,000 in 2022 and by $207,000 in 2021. Unearned revenue and customer deposits increased by $148,000 in 2023, decreased by $25,000 in 2022 and decreased by $139,000 in 2021.

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 increased by $6,971,000 in 2023, decreased by $1,215,000 in 2022 and decreased $3,487,000 in 2021.

Net OPEB Liability (Asset) - Due to the implementation of GASB 75 in 2018, the Conservatory is now required to recognize accrued OPEB liability/(asset). Accrued OPEB liability/(asset) increased by $947,000 in 2023, decreased by $359,000 and decreased by $5,082,000 in 2021.

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

Notes Payable – In 2023 notes payable decreased due to loan principal payments made and a balloon payment due in 2024 being moved to current liabilities. In 2022, notes payable decreased primarily due to loan principal payments. In 2021, notes payable decreased primarily due to full payoff on debt on the Children's Garden loan and due to loan principal payments on other loans.

Management's Discussion and Analysis (Continued)

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

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, 2023, 2022, and 2021 (000s omitted).

	2023	2022	2021
General Admissions	$ 3,360	$ 3,040	$ 3,111
Membership	1,529	1,408	1,297
Gift shop sales	1,129	980	1,010
Facility rentals	2,782	2,420	1,598
Other	1,042	775	693
Total Operating revenue	$ 9,842	$ 8,623	$ 7,708

Revenue increased due to increased attendance during our special engagements such as Cocktails at the Conservatory, Pumpkins Aglow and Conservatory Aglow in 2023 and 2022. Overall revenue increased significantly in 2021 from 2020 due to increased attendance at the Conservatory after the pandemic year (2020). Additionally, admissions, gift shop, and café sales vary from year to year based on the timing of exhibits and how they resonate with the Conservatory's visitors. Facility rentals increased in 2023 and 2022 due to resumption of in-person events after the COVID-19 pandemic. Other income helps to stabilize total operating revenue.

Operating Expenses

The following schedule presents a summary of expenses for the fiscal years ended December 31, 2023, 2022, and 2021 (000s omitted).

	2023	2022	2021
Payroll, benefit, and taxes	$ 6,865	$ 3,522	$ 1,026
Cost of goods sold	1,088	875	700
Marketing	179	174	142
Operating supplies	1,042	958	672
Utilities	286	295	266
Rental expense	236	244	165
Facility expense	478	433	338
Office and banking	711	696	390
Contracted services and professional fees	2,179	1,575	1,270
Other expenses	561	491	493
Depreciation expense	1,921	1,985	2,039
Total operating expenses	$ 15,546	$ 11,248	$ 7,501

Operating expenses increased by 14% in 2023 and 29% in 2022 due to increased activities and the Conservatory being open for special evening engagements like Cocktails at the Conservatory, Pumpkins Aglow, Conservatory Aglow, and Chihuly nights. Operating expenses increased by 25% in 2021 due to increased activities after the pandemic year and the Conservatory being open in the month of November and December for Conservatory Aglow and three weeks of Pumpkin Aglow in the month of October.

Payroll, benefits, and taxes, excluding OPERS/OPEB benefits increased by 11% in 2023 due to staffing changes. 2022 increased by 30% due to the hiring of full-time employees, increasing from 64 in 2021 to 90 in 2022. In 2023 OPERS Pension and OPEB expense increased by 91%. The 84% decrease in payroll benefits and taxes in 2021 primarily reflects a reduction in OPERS Pension and OPEB expense, partially offset by a 15% increase in personnel cost after the pandemic layoffs.

Due to additional facility rental and café activity, cost of goods sold increased in 2023 and 2022. In 2021, cost of goods sold increased due to the Conservatory being open the full year after the pandemic.

Other expenses will fluctuate from year to year based on the maintenance and operating 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, 2023, 2022, and 2021 (000s omitted).

	2023	2022	2021
Nonoperating revenue:			
City revenue	$ 350	$ 380	$ 350
City - Capital	500	250	500
County revenue	131	161	70
County via GCAC	500	500	500
State revenue	1,250	45	39
Federal	47	159	-
Donations and grants	3,809	6,845	2,873
Investment income	203	(30)	46
Interest expense	(84)	(81)	(89)
Total Non operating revenue	$ 6,706	$ 8,229	$ 4,289

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

In 2023, the City of Columbus decreased its Operating grant slightly. In 2022, the City revenue increased slightly over 2021. In 2021, the City revenue decreased back to pre-covid level. City Capital increased in 2023 by 50% to support capital improvements and decreased in 2022 by 50%. City Capital increased in 2021 to support capital improvements.

In 2023, the Conservatory received a one-time approximately $1.2 million grant from the State of Ohio as part of the Ohio Arts Economic Relief Program.

In 2023 donations and grants increased by 19% due to fund raising efforts, when a $3.65 million one-time gift is excluded from 2022. In 2022, donations and grants increased significantly due to $3,647,375 gift from Alexis Jacob's estate and partially due to fundraising efforts. In 2021, donations and grants increased by $1,022,000 mainly due to resumption all fund-raising events and activities that were canceled in 2020 due to the pandemic. In 2022, the Conservatory received a federal grant from the American Rescue Plan for the Conservatory's Outreach program. The Conservatory also received $46,000 in 2023 and $70,000 in 2022 as reimbursements from FEMA for eligible COVID related expenses.

Interest expense was $84,000, $81,000 and $89,000 in 2023, 2022 and 2021 respectively. This decrease from 2021 to 2022 represented the payoff of the Children's Garden loan.

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, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	$ 8,832,426	$ 7,608,268
Receivables (Note 3)	611,896	777,061
Inventory	262,141	260,398
Prepaid expenses and other assets	336,968	238,975
Total current assets	10,043,431	8,884,702
Noncurrent assets:		
Net OPEB asset (Note 10)	-	759,860
Capital assets:		
Assets not subject to depreciation (Note 4)	4,709,909	3,665,452
Assets subject to depreciation - Net (Note 4)	21,255,681	22,437,903
Lease right-of-use asset (Note 7)	350,794	446,466
Noncurrent receivables (Note 3)	35,000	281,059
Other noncurrent assets	377,915	340,786
Total noncurrent assets	26,729,299	27,931,526
Total assets	36,772,730	36,816,228
Deferred Outflows of Resources		
Deferred outflows related to pension (Note 9)	4,495,566	1,176,996
Deferred outflows related to OPEB (Note 10)	566,055	29,090
Total deferred outflows of resources	5,061,621	1,206,086
Liabilities		
Current liabilities:		
Accounts payable	660,873	511,010
Accrued expenses	382,539	485,235
Unearned revenue and customer deposits	1,587,510	1,439,587
Current portion of lease liability (Note 7)	94,776	85,513
Current portion of notes payable (Note 6)	827,790	133,105
Total current liabilities	3,553,488	2,654,450
Noncurrent liabilities:		
Other noncurrent liabilities	13,225	12,922
Net pension liability (Note 9)	9,110,813	2,159,698
Net OPEB liability (Note 10)	186,526	-
Lease liability (Note 7)	275,357	370,133
Notes payable (Note 6)	353,774	1,181,273
Total noncurrent liabilities	9,939,695	3,724,026
Total liabilities	13,493,183	6,378,476
Deferred Inflows of Resources		
Deferred inflows related to pension (Note 9)	21,105	3,230,043
Deferred inflows related to OPEB (Note 10)	61,518	1,156,811
Total deferred inflows of resources	82,623	4,386,854
Net Position		
Net investment in capital assets	24,764,687	24,779,446
Restricted:		
Columbus Foundation	377,915	340,786
Various purposes	592,776	455,430
Annie's Fund	60,114	58,627
Growing to Green Program	34,657	34,154
Bobba Endowment	100,000	-
Unrestricted	2,328,396	1,588,541
Total net position	**$ 28,258,545**	**$ 27,256,984**

See notes to financial statements.

Franklin Park Conservatory Joint Recreation District

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended December 31, 2023 and 2022

	2023	2022
Operating Revenue		
General admissions	$ 3,359,682	$ 3,040,178
Membership	1,529,135	1,408,170
Gift shop sales	1,129,299	979,949
Facility rentals	2,782,124	2,420,403
Other	1,041,406	775,262
Total operating revenue	9,841,646	8,623,962
Operating Expenses		
Salaries and wages	5,638,598	5,101,933
Payroll taxes and benefits	1,226,825	(1,580,350)
Cost of goods sold	1,087,797	875,276
Marketing	178,692	174,232
Operating supplies	1,042,434	957,982
Utilities	285,824	294,877
Rental expense	235,518	243,570
Facility expenses	477,815	433,426
Office and banking	711,258	696,093
Contracted services and professional fees	2,178,827	1,575,498
Other expense	561,085	492,190
Depreciation expense	1,920,997	1,984,675
Total operating expenses	15,545,670	11,249,402
Operating Loss	(5,704,024)	(2,625,440)
Nonoperating Revenue (Expense)		
State	1,249,708	45,317
Federal	46,517	158,750
City	350,000	380,000
City Master Plan and other	500,000	250,000
County via GCAC	500,000	500,000
County	131,024	161,024
Donations and grants	3,808,948	6,844,774
Investment income (expense)	203,411	(30,105)
Interest expense	(84,023)	(80,751)
Total nonoperating revenue	6,705,585	8,229,009
Change in Net Position	1,001,561	5,603,569
Net Position - Beginning of year	27,256,984	21,653,415
Net Position - End of year	**$ 28,258,545**	**$ 27,256,984**

See notes to financial statements.

Statement of Cash Flows

Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Receipts from customers	$ 9,738,950	$ 8,765,773
Payments to others	(6,796,717)	(5,769,593)
Payments to employees	(6,979,765)	(6,469,295)
Net cash and cash equivalents used in operating activities	(4,037,532)	(3,473,115)
Cash Flows from Noncapital Financing Activities		
Noncapital subsidies from city, county, and state	2,777,249	1,495,091
Donations and grants	4,220,172	6,931,845
Net cash and cash equivalents provided by noncapital financing activities	6,997,421	8,426,936
Cash Flows from Capital and Related Financing Activities		
Proceeds from sale of capital assets	13,253	415
Purchase of capital assets	(1,796,488)	(880,340)
Principal paid on long-term debt	(132,803)	(126,505)
Interest paid on long-term debt	(23,104)	(71,016)
Net cash and cash equivalents used in capital and related financing activities	(1,939,142)	(1,077,446)
Cash Flows Provided by (Used in) Investing Activities - Investment income (expense) on cash and cash equivalents	203,411	(30,105)
Net Increase in Cash and Cash Equivalents	1,224,158	3,846,270
Cash and Cash Equivalents - Beginning of year	7,608,268	3,761,998
Cash and Cash Equivalents - End of year	**$ 8,832,426**	**$ 7,608,268**
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (5,704,024)	$ (2,625,440)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	1,920,997	1,984,675
Changes in assets and liabilities:		
Receivables	(102,696)	141,811
Inventory	(1,743)	(25,330)
Prepaid expenses	(97,993)	(114,683)
Accounts payable	149,863	79,472
Net pension or OPEB liabilities	(262,265)	(2,922,545)
Accrued and other liabilities	60,329	8,925
Net cash and cash equivalents used in operating activities	**$ (4,037,532)**	**$ (3,473,115)**

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 1 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 legally separate 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 2023, the subsidies from the City and the County were $1,481,024, including $500,000 in contributions for the Master Plan and other. In 2022, the subsidies from the City and the County were $1,262,224, including $500,000 in contributions for the Master Plan and other. These subsidies represent 9 and 7 percent of the Conservatory's 2023 and 2022 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.

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 reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then. The government reports deferred outflows of resources for certain pension-related and OPEB-related amounts, such as change in expected and actual experience, changes in assumptions, net difference between projected and actual earnings on the plan's investments, difference between actual and proportionate share of contributions, and certain contributions made to the plan subsequent to the measurement date. More detailed information can be found in Notes 9 and 10.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The government reports deferred inflows of resources for certain pension-related and OPEB-related amounts, such as the difference between projected and actual earnings of the plan's investment changes in assumptions and the difference between actual and proportionate share of contributions. More detailed information can be found in Notes 9 and 10.

Pension Costs

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

Other Postemployment Benefit Costs

For the purpose of measuring the net other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the 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. 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Accounting and Control

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Reclassifications

Restricted cash as of December 31, 2022 has been reclassified to conform to the presentation as of December 31, 2023. The restricted cash was previously presented as a noncurrent asset on the statement of net position. The previous restricted cash was purpose restricted, although there were no legal restrictions on the cash; therefore, all cash is presented as one line item, cash and cash equivalents, as a current asset on the statement of net position.

Leases

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Adoption of New Accounting Pronouncements

During the current year, the Conservatory adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. As a result, there was no financial statement impact.

During the current year, the Conservatory adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements*. As a result, there was no financial statement impact.

Upcoming Accounting Pronouncement

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

Note 2 - Deposits and Investments

These amounts are classified into the following categories:

	2023 Cash and Cash Equivalents
Deposits with financial institutions	$ 8,819,921
Cash on hand	12,505
Total	$ 8,832,426

	2022 Cash and Cash Equivalents
Deposits with financial institutions	$ 7,596,207
Cash on hand	12,061
Total	$ 7,608,268

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Conservatory's deposits may not be returned to it. The Conservatory does not have a deposit policy for custodial credit risk. At year end, the Conservatory's deposit balance with financial institutions was $8,746,366 and $7,550,439 for the years ended December 31, 2023 and 2022, respectively. At December 31, 2023 and 2022, the Conservatory had bank deposits of $950,718 and $959,442, respectively, that were covered by deposit insurance provided by the Federal Deposit Insurance Corporation (FDIC).

Note 3 - Receivables

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

	2023	2022
Short-term pledge receivable	$ 514,696	$ 642,000
Other short-term receivables	117,577	153,744
Long-term pledge receivable	35,000	313,500
Less:		
Allowance for doubtful accounts	20,377	18,683
Discount	-	32,441
Total accounts receivable	$ 646,896	$ 1,058,120

Note 4 - Capital Assets

Capital asset activity for the years ended December 31, 2023 and 2022 was as follows:

	Balance January 1, 2023	Transfers	Additions	Disposals	Balance December 31, 2023
Capital assets not being depreciated:					
Land	$ 100,000	$ -	$ -	$ -	$ 100,000
Art collection	3,492,156	-	-	-	3,492,156
Construction in progress	73,296	(736,041)	1,780,498	-	1,117,753
Subtotal	3,665,452	(736,041)	1,780,498	-	4,709,909
Capital assets being depreciated:					
Buildings	32,346,254	-	-	-	32,346,254
Building improvements	8,526,250	224,999	-	(50,641)	8,700,608
Exhibits	19,915	5,473	-	-	25,388
Equipment and fixtures	4,921,292	505,569	15,679	(12,826)	5,429,714
Vehicles	303,970	-	-	-	303,970
Subtotal	46,117,681	736,041	15,679	(63,467)	46,805,934
Accumulated depreciation	23,679,778	-	1,920,997	(50,522)	25,550,253
Net capital assets being depreciated	22,437,903	736,041	(1,905,318)	(12,945)	21,255,681
Net capital assets	$ 26,103,355	$ -	$ (124,820)	$ (12,945)	$ 25,965,590

Note 4 - Capital Assets (Continued)

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

Note 5 - Line of Credit

During 2017, the Conservatory entered into a revolving credit agreement with The Huntington National Bank for operations. The line has a maximum borrowing of $1,000,000 and matures on July 15, 2024. It bears interest at the Secured Overnight Financing Rate (SOFR) plus 2.65 percent; the effective interest rate at December 31, 2023 and 2022 was 5.75 percent and 6.62 percent, respectively. The line of credit is guaranteed by Friends of the Conservatory through the maturity date. The Conservatory did not make any draws during 2023 or 2022. The line of credit has an outstanding balance of $0 at both December 31, 2023 and 2022.

Note 6 - Long-term Debt

The changes in notes payable and compensated absences for the years ended December 31, 2023 and 2022 were as follows:

	2023					
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year	Long Term
Compensated absences	$ 124,032	$ 131,986	$ (111,110)	$ 144,908	$ 131,683	$ 13,225
Notes payable	1,314,378	-	(132,814)	1,181,564	827,790	353,774
Total long-term obligations	$ 1,438,410	$ 131,986	$ (243,924)	$ 1,326,472	$ 959,473	$ 366,999

Note 6 - Long-term Debt (Continued)

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

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 2024. As of December 31, 2023 and 2022, the outstanding loan balance was $799,424 and $905,748, respectively.

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 $382,140 and $408,630 at December 31, 2023 and 2022, respectively.

In 2023 and 2022, the Conservatory paid interest of approximately $65,000 and $72,000, respectively. Annual debt service requirements to maturity for the above note obligations are estimated as follows:

Years Ending December 31	Principal	Interest	Total
2024	$ 827,790	$ 48,242	$ 876,032
2025	29,757	19,837	49,594
2026	31,538	18,055	49,593
2027	33,427	16,166	49,593
2028	259,052	66,673	325,725
Total	$ 1,181,564	$ 168,973	$ 1,350,537

Note 7 - Leases

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

	Beginning Balance January 1, 2023	Additions	Deductions	Ending Balance December 31, 2023
Leased asset	$ 478,356	$ -	$ -	$ 478,356
Accumulated amortization	(31,890)	(95,672)	-	(127,562)
Net book value of leased assets	$ 446,466	$ (95,672)	$ -	$ 350,794

Note 7 - Leases (Continued)

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

Future principal and interest payment requirements related to the Conservatory's lease liability at December 31, 2023 are as follows:

Years Ending	Principal	Interest	Total
2024	$ 94,776	$ 15,224	$ 110,000
2025	99,283	10,717	110,000
2026	104,004	5,996	110,000
2027	72,070	1,264	73,334
Total	$ 370,133	$ 33,201	$ 403,334

Note 8 - Risk Management

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

Note 9 - Defined Benefit Pension Plan

Plan Description

The Conservatory participates in the Ohio Public Employees Retirement System (OPERS), statewide, cost-sharing, multiple-employer defined benefit public employee retirement systems governed by the Ohio Revised Code (ORC) that cover substantially all employees of the Conservatory. Each system has multiple retirement plan options available to its members, with three options. Each system provides retirement, survivor, and disability benefits to plan members and their beneficiaries and each also provides postemployment health care benefits (including Medicare B premiums) to retirees and beneficiaries who elect to receive those benefits.

Each retirement system issues a publicly available financial report that includes financial statements and required supplementary information for the pension and postemployment health care plans. The reports may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 800-222-7377 (www.opers.org).

Note 9 - Defined Benefit Pension Plan (Continued)

Contributions

State retirement law requires contributions by covered employees and their employers, and Chapter 3307 of the Ohio Revised Code (ORC) limits the maximum rate of contributions. The retirement board of the system individually 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 set at the maximums authorized by the ORC. The plan's 2023 and 2022 employer and member contribution rates on covered payroll to each system are as follows:

	2023 Employer Contribution Rate			
	Pension	Post-retirement Health Care	Death Benefits	Total
OPERS	14.00 %	- %	- %	14.00 %

	2022 Employer Contribution Rate			
	Pension	Post-retirement 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, 2023 and 2022 were approximately $786,000 and $492,000, respectively.

Benefits Provided

OPERS - 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 (5 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' service credit receive a percentage reduction in benefit, except for public safety and law enforcement participants. Member retirement benefits are calculated on a formula that considers years of service (5-30 years), age (48-62 years), and final average salary using a factor ranging from 1.0 percent to 2.5 percent.

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

A death benefit of $500 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 subsequent to the employee’s retirement date. The annual adjustment, if applicable, is 3 percent, or an amount based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Note 9 - Defined Benefit Pension Plan (Continued)

Net Pension Liability, Deferrals, and Pension Expense

At December 31, 2023 and 2022, the Conservatory reported a liability for its proportionate share of the net pension liability. For December 31, 2023, the net pension liability was measured as of December 31, 2022. For December 31, 2022, the net pension liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation 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, 2022	$ 9,110,813	0.030930%
December 31, 2021	2,159,698	0.025232%

The Conservatory's proportionate share increased by 22.58 percent and 9.94 percent during 2023 and 2022, respectively. For the years ended December 31, 2023 and 2022, the Conservatory recognized pension expense (income) of approximately $1,390,000 and ($1,114,500).

At December 31, 2023 and 2022, the Conservatory reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 309,278	$ 3,491	$ 114,487	$ 51,860
Changes in assumptions	98,235	-	276,265	-
Net difference between projected and actual earnings on pension plan investments	2,613,860	-	-	2,618,875
Difference between actual and proportionate share of contributions	692,172	17,614	293,868	559,308
Employer contributions to the plan subsequent to the measurement date	782,021	-	492,376	-
Total	$ 4,495,566	$ 21,105	$ 1,176,996	$ 3,230,043

Note 9 - Defined Benefit Pension Plan (Continued)

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

Years Ending December 31	Amount
2024	$ 841,965
2025	804,224
2026	768,783
2027	1,279,080
2028	(1,240)
Thereafter	(372)
Total	$ 3,692,440

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in 2024.

Actuarial Assumptions

The total pension liability is based on the results of an actuarial valuation and were determined using the following actuarial assumptions for the Conservatory's current year:

	2023	2022
Valuation date	December 31, 2022	December 31, 2021
Actuarial cost method	Individual entry age	Individual entry age
Cost of living	2.05 percent to 3.00 percent	2.05 percent to 3.00 percent
Salary increases, including inflation	2.75 percent to 10.75 percent	2.75 percent to 10.75 percent
Inflation	2.75 percent	3.25 percent
Investment rate of return	6.90 percent, net of investment expense	6.90 percent, net of investment expense
Mortality rates	Pub-2010 General Employee Mortality Table	Pub-2010 General Employee Mortality Table

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period of five years ended December 31, 2020.

Pension Discount Rate

The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, each pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability was 6.90 percent for both plan years ended December 31, 2022 and 2021.

Note 9 - Defined Benefit Pension Plan (Continued)

Investment Rate of Return

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 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 as of the dates listed below:

	2023		2022	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	22.00 %	2.62 %	24.00 %	1.32 %
Domestic equities	22.00	4.60	21.00	5.64
Real estate	13.00	3.27	11.00	5.39
Private equity	15.00	7.53	12.00	10.42
International equity	21.00	5.51	23.00	7.36
Risk parity	2.00	4.37	5.00	2.92
Other investments	5.00	3.27	4.00	2.85

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 listed below, as well as what the Conservatory's net pension liability (asset) would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.9%)	Current Discount Rate (6.9%)	1 Percentage Point Increase (7.9%)
Net pension liability - 2023	$ 13,672,821	$ 9,110,813	$ 5,316,531

	1 Percentage Point Decrease (5.9%)	Current Discount Rate (6.9%)	1 Percentage Point Increase (7.9%)
Net pension liability (asset) - 2022	$ 5,761,089	$ 2,159,698	$ (836,704)

Pension Plan Fiduciary Net Position

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

Note 10 - Other Postemployment Benefit Plan

Plan Description

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

Note 10 - Other Postemployment Benefit Plan (Continued)

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

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

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

Funding Policy

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

As described in Note 9, employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2023 and 2022, 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, 2022 and 2021. The Conservatory did not make contributions to OPEB during 2023 and 2022 in accordance with statutory requirements. The OPERS board of trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Deferred Compensation Plan

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

Net OPEB Liability (Asset)

At December 31, 2023, the Conservatory reported an liability of $186,526 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. 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, 2023, the Conservatory’s proportion was 0.029583 percent.

At December 31, 2022, the Conservatory reported an asset of $759,860 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of December 31, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The Conservatory's proportion of the net OPEB asset was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At December 31, 2022, the Conservatory’s proportion was 0.024260 percent.

Note 10 - Other Postemployment Benefit Plan (Continued)

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

The Conservatory recognized OPEB income of approximately $677,000 and $1,136,000 at December 31, 2023 and 2022, respectively.

At December 31, 2023 and 2022, the Conservatory reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 46,527	$ -	$ 115,259
Changes in assumptions	182,185	14,991	-	307,583
Net difference between projected and actual earnings on OPEB plan investments	370,448	-	-	362,248
Changes in proportionate share, or difference between amount contributed and proportionate share of contributions	13,422	-	29,090	371,721
Total	$ 566,055	$ 61,518	$ 29,090	$ 1,156,811

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
2024	$ 61,163
2025	147,611
2026	116,806
2027	178,957
Total	$ 504,537

Note 10 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

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

	2023	2022
Actuarial valuation date	December 31, 2021	December 31, 2020
Rolled forward measurement date	December 31, 2022	December 31, 2021
Experience study	5-year period ended December 31, 2020	5-year period ended December 31, 2020
Actuarial cost method	Individual entry age	Individual entry age
Single discount rate	5.22	6.00%
Investment rate of return (net of investment expenses)	6.00%	6.00%
Municipal bond rate	1.84	1.84
Wage inflation	2.75	2.75
Projected salary increases, including inflation	2.75% to 10.75%	2.75% to 10.75%
Health care cost trend rate	5.50% initial, 3.50% ultimate in 2036	5.50% initial, 3.50% ultimate in 2035
Mortality rates	Pub-2010 Healthy Annuitant Mortality Table	Pub-2010 Healthy Annuitant Mortality Table

Discount Rate

The discount rate used to measure the total OPEB liability (asset) was 6.00 percent for both plan years ended December 31, 2022 and 2021. At December 31, 2022 and 2021, the fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through 2120, the duration of the projection period through which projected health care payments are fully funded.

Investment Rate of Return

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

2023

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	34.00 %	2.56 %
Domestic equities	26.00	4.60
REITs	25.00	5.51
International equity	2.00	4.37
Risk parity	6.00	1.84
Other investments	7.00	4.70

Note 10 - Other Postemployment Benefit Plan (Continued)

2022

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

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

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

	2023		
	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net OPEB liability (asset)	$ 634,851	$ 186,526	$ (183,415)

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

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

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

	2023		
	1 Percentage Point Decrease	Current Health Care Cost Trend Rate	1 Percentage Point Increase
Net OPEB liability	$ 174,836	$ 186,526	$ 199,685

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

OPEB Plan Fiduciary Net Position

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

Note 10 - Other Postemployment Benefit Plan (Continued)

Deferred Compensation Plan

The Conservatory also maintains a voluntary deferred compensation plan, which allows eligible employees to defer a portion of their salary to be held in trust up to certain established annual limits. All employees are eligible to participate in the plan, and their contributions are fully vested. All contributions are made by the employees and were approximately $60,300 and $29,000 for 2023 and 2022, respectively. Plan assets were $1,116,000 and $899,000 at December 31, 2023, and 2022, respectively.

Benefit Changes

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

Note 11 - Restricted Net Position

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

	2023	2022
Columbus Foundation	$ 377,915	$ 340,786
Restricted - Various purposes	592,776	455,430
Annie's Fund	60,114	58,627
Growing to Green Program	34,657	34,154
Bobba Endowment	100,000	-
Total	$ 1,165,462	$ 888,997

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 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.

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.

In 2017 and 2016, the Conservatory received donations for the specific use of construction of the Children's Garden.

In 2023, the Conservatory received funds to establish the Bobba Family Access Scholarship Fund at the Columbus Foundation to provide scholarships for conservatory classes and camps for economically disadvantaged applicants.

Unrestricted net position of the Conservatory at December 31, 2023 and 2022 is as follows:

	2023	2022
Designated for capital projects	$ 739,480	$ 1,460,392
Designated for financial sustainability	5,776,148	5,760,929
Undesignated	(4,187,232)	(5,632,780)
Total	$ 2,328,396	$ 1,588,541

Note 11 - Restricted Net Position (Continued)

In July 1999, the Conservatory created Friends of the Conservatory, a legally separate 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 12 - Blended Component Units

As of December 31, 2023 and 2022, 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:

	2023		2022	
	Friends of the Conservatory	Women's Sustaining Board	Friends of the Conservatory	Women's Sustaining Board
Current assets	$ 7,334,843	$ 257,827	$ 6,112,009	$ 152,585
Nondepreciable capital assets	3,492,156	-	3,492,156	-
Other noncurrent assets	35,000	-	281,059	-
Total assets	$ 10,861,999	$ 257,827	$ 9,885,224	$ 152,585
Current liabilities	$ 827,671	$ 140,595	$ 135,906	$ 54,144
Noncurrent liabilities	-	-	799,424	-
Net position:				
Net investment in capital assets	3,542,156	-	3,542,156	-
Restricted	714,777	-	439,155	-
Unrestricted	5,777,395	117,232	4,968,583	98,441
Total net position	10,034,328	117,232	8,949,894	98,441
Total liabilities and net position	$ 10,861,999	$ 257,827	$ 9,885,224	$ 152,585
Operating revenue	$ -	$ 87,763	$ -	$ 80,147
Operating expenses	2,882	232,813	5,237	199,739
Loss from operations	(2,882)	(145,050)	(5,237)	(119,592)
Nonoperating revenue (expenses):				
Donations and grants	2,239,635	581,342	5,610,480	529,564
Interest expense	(1,275,000)	(417,500)	(46,778)	-
Investment income	164,219	-	13,675	-
Operating support to other entities	(41,538)	-	(1,480,000)	(410,000)
Total nonoperating revenue	1,087,316	163,842	4,097,377	119,564
Change in net position	$ 1,084,434	$ 18,792	$ 4,092,140	$ (28)
Net cash (used in) provided by operating activities	$ (33,564)	$ (111,265)	$ 590,686	$ (162,916)
Net cash provided by noncapital financing activities	1,460,680	163,842	4,232,892	119,564
Net cash used in capital and related financing activities	(106,324)	-	(101,149)	-
Net increase (decrease) in cash and cash equivalents	1,320,792	52,577	4,722,429	(43,352)
Cash and cash equivalents - Beginning of year	5,473,445	55,832	751,016	99,184
Cash and cash equivalents - End of year	$ 6,794,237	$ 108,409	$ 5,473,445	$ 55,832

Required Supplementary Information

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

Last Nine Plan Years

Years Ended December 31

	2022	2021	2020	2019	2018	2017	2016	2015	2014
The Conservatory's proportion of the net pension liability	0.03093 %	0.02523 %	0.02295 %	0.03473 %	0.03268 %	0.02842 %	0.02617 %	0.02364 %	0.02295 %
The Conservatory's proportionate share of the net pension liability	$ 9,110,813	$ 2,159,698	$ 3,375,462	$ 6,862,769	$ 8,949,333	$ 4,453,765	$ 5,927,842	$ 4,085,885	$ 2,766,370
The Conservatory's covered payroll	$ 5,638,598	$ 5,101,933	$ 3,945,946	$ 3,536,292	$ 5,183,583	$ 4,678,697	$ 3,759,323	$ 3,348,521	$ 3,090,364
The Conservatory's proportionate share of the net pension liability as a percentage of its covered payroll	161.58 %	42.33 %	85.54 %	194.07 %	172.65 %	95.19 %	157.68 %	122.02 %	89.52 %
Plan fiduciary net position as a percentage of total pension liability	76.07 %	93.01 %	87.21 %	82.44 %	74.91 %	84.85 %	77.39 %	81.20 %	86.50 %

Information prior to 2014 is not available.

See notes to required supplementary information.

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

Last Nine Fiscal Years

Years Ended December 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 785,941	$ 492,375	$ 378,317	$ 340,750	$ 715,047	$ 640,737	$ 565,626	$ 515,151	$ 468,793
Contributions in relation to the statutorily required contribution	785,941	492,375	378,317	340,750	715,047	640,737	565,626	515,151	468,793
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Conservatory's Covered Payroll	$ 5,613,864	$ 3,516,964	$ 2,702,264	$ 3,411,773	$ 5,107,479	$ 4,576,693	$ 4,040,186	$ 3,679,650	$ 3,348,521
Contributions as a Percentage of Covered Payroll	14.00 %	14.00 %	14.00 %	14.00 %	14.00 %	14.00 %	14.00 %	14.00 %	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 (Asset)
Ohio Public Employees Retirement System

Last Six Plan Years

Plan Years Ended December 31

	2022	2021	2020	2019	2018	2017
Conservatory's proportion of the net OPEB liability (asset)	0.02958 %	0.02426 %	0.02253 %	0.03389 %	0.03155 %	0.02880 %
Conservatory's proportionate share of the net OPEB liability (asset)	$ 186,526	$ (759,860)	$ (401,408)	$ 4,680,537	$ 4,113,766	$ 3,127,468
Conservatory's covered payroll	$ 5,638,598	$ 5,101,933	$ 3,945,946	$ 3,536,292	$ 5,183,583	$ 4,678,697
Conservatory's proportionate share of the net OPEB liability (asset) as a percentage of its payroll	3.31 %	(14.89)%	(10.17)%	132.36 %	79.36 %	95.19 %
Plan fiduciary net position as a percentage of total OPEB liability (asset)	94.79 %	128.23 %	115.57 %	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 Six Fiscal Years

Years Ended December 31

	2023	2022	2021	2020	2019	2018
Statutorily required contribution	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the statutorily required contribution	-	-	-	-	-	-
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Conservatory's Covered Payroll	$ 5,638,598	$ 5,101,933	$ 3,945,946	$ 3,536,292	$ 5,107,479	$ 4,576,693
Contributions as a Percentage of Covered-employee Payroll	- %	- %	- %	- %	- %	- %

Information prior to 2018 is not available.

See notes to required supplementary information.

Pension

<u>Changes in Benefit Terms</u>

There were no changes in benefit terms affecting the plan.

<u>Changes in Assumptions</u>

During the plan year ended December 31, 2022, there were no changes to key assumptions.

During the plan year ended December 31, 2021, there were changes to several assumptions for OPERS. The discount rate was reduced from 7.20 percent to 6.90 percent. The wage inflation dropped from 3.25 percent to 2.75 percent. The projected salary increase range changed from 3.25-10.75 percent to 2.75-10.75 percent. The experience study changed from the five-year period ended December 31, 2015 to the five-year period ended December 31, 2020. The mortality tables used changed from RP-2014 to Pub-2010.

During the plan year ended December 31, 2018, the discount rate was reduced from 7.50 percent to 7.20 percent.

OPEB

<u>Changes in Benefit Terms</u>

There were no changes in benefit terms affecting the plan.

<u>Changes of Assumptions</u>

During the plan year ended December 31, 2022, the health care cost trend rate changed to 5.50 percent initial, 3.5 percent ultimate in 2036 from 5.50 percent initial, 3.5 percent ultimate in 2034 in 2021. In addition, the discount rate was reduced from 6.00 percent to 5.22 percent.

During the plan year ended December 31, 2021, there were changes to several assumptions for OPERS. The experience study changed from the 5-year period ended December 31, 2015 to the 5-year period ended December 31, 2020. The municipal bond rate decreased from 2.00 percent to 1.84 percent. Wage inflation decreased from 3.25 percent to 2.75 percent. The projected salary increase range changed from 3.25-10.75 percent to 2.75-10.75 percent. Health care cost trend rate decreased from 8.50 percent initial, 3.50 percent ultimate in 2035 to 5.50 percent initial, 3.50 percent ultimate in 2034.

During the plan year ended December 31, 2020, there were changes to several assumptions for OPERS. The health care cost trend rates decreased from 10.5 percent initial and 3.50 percent ultimate to 8.5 percent initial and 3.50 percent ultimate. The discount rate was increased from 3.16 percent to 6.00 percent.

During the plan year ended December 31, 2019, there were changes to several assumptions for OPERS. 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, 2023

	DAILY ACTIVITIES			FRANKLIN PARK CONSERVATORY			FRIENDS OF THE CONSERVATORY			WOMEN'S SUSTAINING BOARD			
	FPC	FOC	TOTAL	DAILY ACTIVITIES	OTHER ACTIVITIES	COMBINING TOTAL	DAILY ACTIVITIES	OTHER ACTIVITIES	COMBINING TOTAL	DAILY ACTIVITIES	OTHER ACTIVITIES	COMBINING TOTAL	TOTAL CONSOLIDATED
OPERATING REVENUE													
General Admissions	3,359,682	-	3,359,682	3,359,682	-	3,359,682	-	-	-	-	-	-	3,359,682
Memberships	1,514,901	-	1,514,901	1,514,901	-	1,514,901	-	-	-	14,234	-	14,234	1,529,135
Gift Shop Sales	1,129,299	-	1,129,299	1,129,299	-	1,129,299	-	-	-	-	-	-	1,129,299
Facility Rentals & Cafe Sales	2,782,124	-	2,782,124	2,782,124	-	2,782,124	-	-	-	-	-	-	2,782,124
Education	657,541	-	657,541	657,541	-	657,541	-	-	-	-	-	-	657,541
Horticulture Income	106,538	-	106,538	106,538	-	106,538	-	-	-	-	-	-	106,538
Other Income	110,064	-	110,064	110,064	93,734	203,798	-	-	-	73,529	-	73,529	277,327
Total Operating Revenue	9,660,149	-	9,660,149	9,660,149	93,734	9,753,883	-	-	-	87,763	-	87,763	9,841,646
OPERATING EXPENSES													
Salaries & Wages	5,638,598	-	5,638,598	5,638,598	-	5,638,598	-	-	-	-	-	-	5,638,598
Payroll Taxes and Benefits	1,489,090	-	1,489,090	1,489,090	(262,265)	1,226,825	-	-	-	-	-	-	1,226,825
Cost of Goods Sold	1,087,797	-	1,087,797	1,087,797	-	1,087,797	-	-	-	-	-	-	1,087,797
Marketing	174,157	-	174,157	174,157	-	174,157	-	-	-	4,535	-	4,535	178,692
Operating Supplies	1,042,317	-	1,042,317	1,042,317	-	1,042,317	-	-	-	117	-	117	1,042,434
Utilities	285,824	-	285,824	285,824	-	285,824	-	-	-	-	-	-	285,824
Rental Expense	243,749	-	243,749	243,749	(9,329)	234,420	-	-	-	1,098	-	1,098	235,518
Facility Expense	477,815	-	477,815	477,815	-	477,815	-	-	-	-	-	-	477,815
Office and Banking	707,573	2,538	710,111	707,573	35	707,608	2,538	-	2,538	1,112	-	1,112	711,258
Contracted Services and Professional Fees	2,121,465	-	2,121,465	2,121,465	-	2,121,465	-	-	-	57,362	-	57,362	2,178,827
Other Expense	378,899	343	379,242	378,899	13,254	392,153	343	-	343	168,589	-	168,589	561,085
Total Operating Expenses	13,647,284	2,881	13,650,165	13,647,284	(258,305)	13,388,979	2,881	-	2,881	232,813	-	232,813	13,624,673
Operating Loss before Depreciation	(3,987,135)	(2,881)	(3,990,016)	(3,987,135)	352,039	(3,635,096)	(2,881)	-	(2,881)	(145,050)	-	(145,050) #	(3,783,027)
Depreciation	-	-	-	-	1,920,997	1,920,997	-	-	-	-	-	-	1,920,997
Operating Loss	(3,987,135)	(2,881)	(3,990,016)	(3,987,135)	(1,568,958)	(5,556,093)	(2,881)	-	(2,881)	(145,050)	-	(145,050)	(5,704,024)
NONOPERATING REVENUE (EXPENSES)													
Intergovenmental Revenue													
City- Grants	350,000	-	350,000	350,000	-	350,000		-		-	-	-	350,000
City - Master Plan and other		-	-	-	500,000	500,000	-	-	-	-	-	-	500,000
County	131,024	-	131,024	131,024	-	131,024		-	-	-	-	-	131,024
County via GCAC	500,000	-	500,000	500,000	-	500,000	-	-	-	-	-	-	500,000
State	1,249,708	-	1,249,708	1,249,708	-	1,249,708	-	-	-	-	-	-	1,249,708
Federal	46,517	-	46,517	46,517	-	46,517		-	-	-	-	-	46,517
Donations and Grants	1,026,145	968,269	1,994,414	1,026,145	(38,175)	987,970	968,269	372,583	1,340,852	581,342	-	581,342	2,910,164
GCAC operating Support	-	709,583	709,583	-	-	-	709,583	189,201	898,784	-	-	-	898,784
Operating Support from FOC to FPC	1,275,000	(1,275,000)	-	1,275,000	-	1,275,000	(1,275,000)	-	(1,275,000)	-	-	-	-
Operating Support from WSB to FPC	417,500	-	417,500	417,500	-	417,500	-	-	-	(417,500)	-	(417,500)	-
Transfers	(237,741)	(106,324)	(344,065)	(237,741)	237,741	-	(106,324)	106,324	-	(17,900)	17,900	-	-
Investment Income	138	164,219	164,357	138	39,054	39,192	164,219	-	164,219	-	-	-	203,411
Interest Expense	(22,998)	(41,538)	(64,536)	(22,998)	(19,487)	(42,485)	(41,538)	-	(41,538)	-	-	-	(84,023)
Total nonoperating revenue	4,735,293	419,209	5,154,502	4,735,293	719,133	5,454,426	419,209	668,108	1,087,317	145,942	17,900	163,842	6,705,585
INCOME (LOSS)	**748,158**	**416,328**	**1,164,486**	**748,158**	**(849,825)**	**(101,667)**	**416,328**	**668,108**	**1,084,436**	**892**	**17,900**	**18,792**	**1,001,561**

FRANKLIN PARK CONSERVATORY JOINT RECREATION DISTRICT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Horticulture & Exhibits	Education	Audience Development	Guest Experience	Building Maintenance & Operations	Total Program Expenses	Management & General Expenses	Fundraising	Other Non Programing	Total
Payroll, benefit and tax	1,429,590	833,435	302,373	774,633	672,762	4,012,793	823,784	587,413	1,441,433	6,865,423
Cost of goods sold-Gift Shop	-	-	-	-	-	-	-	-	583,364	583,364
Cost of goods sold-Beverages	-	-	-	-	-	-	-	-	504,433	504,433
Marketing and advertising	45,675	6,713	56,880	17,637	-	126,905	2,089	8,274	41,425	178,693
Animals and related supplies	58,385	-	-	-	-	58,385	-	-	-	58,385
Plants, seeds, soil, mulch, containers	197,827	120	-	-	-	197,947	-	-	-	197,947
Signage and displays	125,002	91	-	12,034	46	137,173	65	1,923	45	139,206
Operating supplies and equipment	79,634	81,727	48	58,061	352,083	571,553	2,514	192	56,196	630,455
Equipment rental	93	-	-	450	10,418	10,961	-	54,653	38,467	104,081
Linens	-	-	-	-	-	-	-	-	13,204	13,204
Maintenance	-	-	-	-	244,703	244,703	-	-	-	244,703
Utilities-gas, electric, telephone	-	227	-	-	285,597	285,824	-	-	-	285,824
Fuel	-	-	-	-	16,441	16,441	-	-	-	16,441
Building rental	105,934	-	-	-	12,299	118,233	-	-	-	118,233
Insurance	-	-	-	-	-	-	233,112	-	-	233,112
Office supplies and equipment	6,678	12,004	3,826	10,921	12,381	45,810	331,297	11,535	1,788	390,430
Banking and credit card fees	-	-	-	-	35	35	272,509	-	-	272,544
Postage	16,955	480	36	21,939	595	40,005	2,574	4,890	815	48,284
Professional services	1,095	-	25,970	-	144	27,209	86,311	120	1,064	114,704
Contracted services	263,002	99,068	16,524	78,438	1,077,422	1,534,454	297,822	128,801	103,045	2,064,122
Conference, travel and entertainment	11,461	10,983	1	11,985	17	34,447	33,887	63,938	4,354	136,626
Hospitality and catering	1,946	9,726	103	12,861	316	24,952	42,349	167,061	2,798	237,160
Interest expense	-	-	-	-	19,487	19,487	64,536	-	-	84,023
Other expenses	52,246	31,782	-	3,242	16,285	103,555	51,712	29,056	2,976	187,299
Depreciation	-	-	-	-	1,920,997	1,920,997	-	-	-	1,920,997
Total Operating Expenses	**2,395,523**	**1,086,356**	**405,761**	**1,002,201**	**4,642,028**	**9,531,869**	**2,244,561**	**1,057,856**	**2,795,407**	**15,629,693**

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*

Plante & Moran, PLLC
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Fax: 419.843.6099
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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 Franklin Park Conservatory Joint Recreation District (the "Conservatory") as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Conservatory's basic financial statements, and have issued our report thereon dated April 10, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

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

Purpose of this Report

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

Plante & Moran, PLLC

April 10, 2024

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 5/7/2024

88 East Broad Street, Columbus, Ohio 43215
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