



OHIO AUDITOR OF STATE
KEITH FABER



**FRANKLIN PARK CONSERVATORY JOINT RECREATION DISTRICT
FRANKLIN COUNTY
DECEMBER 31, 2024**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Franklin Park Conservatory Joint Recreation District
Franklin County
1777 E. Broad Street
Columbus, Ohio 443203-2040

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Franklin Park Conservatory Joint Recreation District, Franklin County, Ohio (the Conservatory), as of and for the year ended December 31, 2024, 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 referred to above present fairly, in all material respects, the financial position of the Franklin Park Conservatory Joint Recreation District, Franklin County, Ohio as of December 31, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter

Prior Period Financial Statements Audited by a Predecessor Auditor

The Financial Statements of the Franklin Park Conservatory Joint Recreation District, Franklin County, Ohio (the Conservatory), as of and for the year ended December 31, 2023, were audited by a predecessor auditor whose report dated April 10, 2024, expressed an unmodified opinion on those statements.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit 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 an audit 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.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

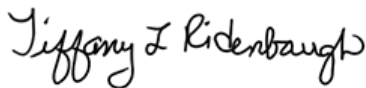
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Conservatory's basic financial statements. The statement of revenue and expenses and the statement of functional expenses are presented for the purpose of additional analysis and are 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 revenues and expenses and statement of functional expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2025, on our consideration of the Conservatory's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Conservatory's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Conservatory's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

October 23, 2025

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Franklin Park Conservatory Joint Recreation District

Management's Discussion and Analysis (Continued)

The following unaudited Management's Discussion and Analysis (MD&A) section of the Franklin Park Conservatory Joint Recreation District's (the "Conservatory") financial report represents a discussion and analysis of the Conservatory's financial performance during the fiscal years ended December 31, 2024, 2023 and 2022. 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 on 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.

2024 Operating Highlights

1. The Conservatory ended 2024 with 103 full-time employees, compared to 83 Full Time employees in 2023. In 2024, efforts were made to increase employee satisfaction, including the addition of an internal committee, the BIOME Council (Building Inclusive Opportunities for Meaningful Employment). Due to these efforts, overall satisfaction was up 13% in 2024, and the full-time employee retention rate was 85% in 2024, compared to 70% in 2023. Per the Energage/Top Workplaces survey we received the designation as a top Workplace in Columbus for 2025, based on our 2024 results. In addition to staff, 897 volunteers gave at least 1 hour to volunteering at the Conservatory for a total of 18,927 hours in 2024, compared to 17,468 hours in 2023.
2. Visitor attendance reached approximately 355,300 guests in 2024 and approximately 346,000 in 2023. Pumpkins Aglow welcomed 34,223 guests in 2024, compared to 33,046 guests in 2023. Conservatory Aglow welcomed 80,510 guests in 2024, compared to 86,770 guests in 2023. Cocktails at the Conservatory had 6,869 guests in 2024, compared to 6,767 guests in 2023.

Franklin Park Conservatory Joint Recreation District

Management's Discussion and Analysis (Continued)

3. Membership households totaled 12,866 in 2024, compared to 12,394 in 2023. The Conservatory's \$35 reduced-rate Access level memberships, as compared to the standard \$135 family membership, reached a total of 1,233 member households by the end of 2024 as compared to 1,391 member households in 2023.
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 26,288 guests in 2024, compared to 22,400 guests in 2023. The Conservatory continued the Museums for All initiative, an IMLS program that encourages low-income families to build lifelong museum habits. Program participants pay a deeply discounted \$3 admission fee to attend day or evening experiences at the Conservatory. The Conservatory sold 26,068 Museums for All tickets in 2024, compared to 21,203 in 2023. The Conservatory also participated in the library membership program, where patrons can check out a temporary Conservatory membership card that will grant up to two adults and six children free admission and onsite membership benefits for one visit. In 2024, 16,026 guests attended with a library membership, compared to 13,299 guests in 2023.
5. In 2024, the Community Outreach and Education Department delivered 1,092 programs to over 22,000 pre-K-12 students attending on-site field trips. We served a record number - 510 campers during Summer Camp. In July, the [Franklin County Community Garden Map](#) was officially launched at a Community Garden Mixer hosted by the Conservatory, which drew over 100 attendees. This dynamic GIS-based tool is designed to support urban agriculture advocacy. It will be continuously updated by Growing to Green staff to promote resource sharing, community engagement, and data collection for City/County partners. Twenty-three teens participated in the Teen Corps summer program, nine of whom were returnees from 2023. The teens harvested over 260 pounds of produce from the Teen Corps Garden. Lastly, outreach educators attended seventy-two offsite and sixteen onsite outreach events, totaling eighty-eight. These events reached 10,980 people, with about 7,686 children and 3,294 adults (estimated with a 7:3 ratio).
6. In 2024, the Conservatory held two exhibitions in the Cardinal Health Gallery. The Conservatory celebrated Franklin Art Glass Studio's 100-year legacy, with the exhibition, *Future Perfect: Completion Pending*. The exhibition lasted from January 20 - May 19, 2024, and showcased works from the 1920's through the present day highlighting unique artistic styles employed by numerous craftspeople who have influenced and driven Franklin's artistic journey. The exhibition, *Color, Fly, Butterfly* was up in the Cardinal Health Gallery from June 1 - November 17, 2024. This immersive butterfly coloring experience invited guests to color their own butterfly and watch the butterfly creation come alive in the illustrated Pacific Island Water Garden.

Franklin Park Conservatory Joint Recreation District

Management's Discussion and Analysis (Continued)

Table 1: Assets, Liabilities, and Net Position

The following summarizes the Conservatory's financial position as of December 31, 2024, 2023 and 2022(000s omitted).

| | 2024 | 2023 | 2022 |
|---|-----------|-----------|-----------|
| Assets | | | |
| Current Assets | \$ 9,696 | \$ 9,591 | \$ 8,628 |
| Capital Assets | 26,509 | 25,965 | 26,103 |
| Deferred outflows of resources from Pension | 3,269 | 4,496 | 1,177 |
| Deferred outflows of resources from OPEB | 247 | 566 | 29 |
| Net OPEB Asset | 287 | - | 760 |
| Lease right of use asset | 255 | 351 | 446 |
| Other Noncurrent Assets | 1,116 | 866 | 879 |
| Total Assets and Deferred Outflows | \$ 41,379 | \$ 41,835 | \$ 38,022 |
| Liabilities | | | |
| Current Liabilities | \$ 2,700 | \$ 3,554 | \$ 2,654 |
| Net Pension Liability | 8,766 | 9,111 | 2,160 |
| Net OPEB Liability | - | 187 | - |
| Notes Payable | 324 | 354 | 1,181 |
| Deferred inflow of resources from Pension | - | 21 | 3,230 |
| Deferred inflow of resources from OPEB | 178 | 62 | 1,157 |
| Lease Liability | 176 | 275 | 370 |
| Other Noncurrent Liabilities | 153 | 13 | 13 |
| Total Liabilities and Deferred Inflows | \$ 12,297 | \$ 13,577 | \$ 10,765 |
| Net Position | | | |
| Net investment in capital assets | \$ 25,999 | \$ 24,765 | \$ 24,779 |
| Restricted net position | 2,828 | 1,165 | 889 |
| Unrestricted net position | 255 | 2,328 | 1,589 |
| Total net position | \$ 29,082 | \$ 28,258 | \$ 27,257 |

Current Assets – Current assets increased in 2024 due to donations for projects that are donor restricted for future periods or purposes. 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.

Capital Assets - Capital assets, net of disposals and accumulated depreciation, increased \$544,000 in 2024, decreased \$138,000 in 2023, and decreased \$1,105,000 during 2022.

The following items were capitalized:

- In 2024, building improvements included restoring the grand Atrium floors in the main area, first floor entrance and ramps on each side. Concrete work was done at the Palm house entrance and fuel storage area. The Wellsbarn floors and Zen Terrace planter wall were also repaired. Equipment and fixtures included electrical work for the office trailer, greenhouse heater and hot-shop and arches exhibits. HVAC was purchased for the Café Kitchen. Live wall was added to the greenhouse and Manta Ray outdoor musical instrument was purchased. A gator with plow and salt spreader and a tractor were purchased. A golf cart and three used gators were also purchased. Boardwalk boards were replaced in the children's

Franklin Park Conservatory Joint Recreation District

Management's Discussion and Analysis (Continued)

garden. A Biome Air Handler was replaced in the South biome. The Conservatory also invested in purchasing a new 2024 Ford Maveric to replace the one we currently have.

- 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 tile 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.

Depreciation on capital assets was \$2,022,150 for 2024, \$1,920,997 for 2023 and \$1,984,675 for 2022.

Deferred Outflows/Inflows of Resources - Because of the implementation of GASB 68 in 2015, the Conservatory had a deferred outflow of resources of \$3,269,000 in 2024, \$4,496,000 in 2023 and \$1,177,000 in 2022 and a deferred inflow of resources of \$21,000 in 2023 and \$3,230,000 in 2022. In addition, because of the implementation of GASB 75 in 2018, the Conservatory was required to record a deferred outflow of resources of \$247,000 in 2024, \$566,000 in 2023 and \$29,000 in 2022 and deferred inflow of resources of \$178,000 in 2024, \$62,000 in 2023 and \$1,157,000 in 2022.

Other Noncurrent Assets – Increased in 2024 due to donations for projects that are donor restricted for future periods or purposes. Decreased in 2023 and 2022 due to releasing funds from donor restricted donations.

Current Liabilities – The Conservatory did not draw on the line of credit in 2022, 2023 and 2024. Short term loan balance decreased in 2024 as the final payment obligation was released and reclassified as contribution, per donor intent. 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 decreased by \$173,000 in 2024, increased by \$46,000 in 2023 and \$221,000 in 2022. Unearned revenue and customer deposits increased by \$90,000 in 2024, \$148,000 in 2023 and decreased by \$25,000 in 2022.

Net Pension Liability - Due to the implementation of GASB 68 in 2015, the Conservatory is now required to recognize accrued pension liability. Accrued pension liability decreased by \$345,000 in 2024, increased by \$6,951,000 in 2023 and decreased by \$1,215,000 in 2022.

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 \$474,000 in 2024, increased by \$947,000 in 2023, decreased by \$359,000 in 2022.

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

Notes Payable – In 2024 notes payable decreased due to loan principal payments. 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, the notes payable decreased primarily due to loan principal payments

Franklin Park Conservatory Joint Recreation District

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 December 31, 2024, 2023 and 2022 (000s omitted).

| | 2024 | 2023 | 2022 |
|-------------------------|-----------------|-----------------|-----------------|
| General Admissions | \$ 3,369 | \$ 3,360 | \$ 3,040 |
| Membership | 1,509 | 1,529 | 1,408 |
| Gift shop sales | 1,067 | 1,129 | 980 |
| Facility rentals | 2,883 | 2,782 | 2,420 |
| Other | 1,081 | 1,042 | 775 |
| Total Operating revenue | <u>\$ 9,909</u> | <u>\$ 9,842</u> | <u>\$ 8,623</u> |

Revenue increased due to increased attendance during our special engagements such as Cocktails at the Conservatory, Pumpkins Aglow and Conservatory Aglow in 2024, 2023 and 2022. 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 2024, 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, 2024, 2023 and 2022 (000s omitted).

| | 2024 | 2023 | 2022 |
|---|------------------|------------------|------------------|
| Payroll, benefit, and taxes | \$ 8,945 | \$ 6,865 | \$ 3,522 |
| Cost of goods sold | 1,037 | 1,088 | 875 |
| Marketing | 218 | 179 | 174 |
| Operating supplies | 1,102 | 1,042 | 958 |
| Utilities | 285 | 286 | 295 |
| Rental expense | 155 | 236 | 244 |
| Facility expense | 594 | 478 | 433 |
| Office and banking | 681 | 711 | 696 |
| Contracted services and professional fees | 2,447 | 2,179 | 1,575 |
| Other expenses | 725 | 561 | 491 |
| Depreciation/Amortization expense | 2,022 | 1,921 | 1,985 |
| Total operating expenses | <u>\$ 18,211</u> | <u>\$ 15,546</u> | <u>\$ 11,248</u> |

Operating expenses increased by 17% in 2024, 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.

Payroll, benefits, and taxes, excluding OPERS/OPEB benefits increased by 23% in 2024 due to bringing security staffing inhouse and staffing changes, 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 2024 OPERS Pension and OPEB expense increased 400%. In 2023 OPERS Pension and OPEB expense increased by 91%.

Franklin Park Conservatory Joint Recreation District

Management's Discussion and Analysis (Continued)

The cost of good sold decreased in 2024. Due to additional facility rental and café activity and general inflation, the cost of goods sold increased in 2023 and 2022.

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, 2024, 2023 and 2022.

| | 2024 | 2023 | 2022 |
|---------------------------------------|-----------------|-----------------|-----------------|
| Nonoperating revenue: | | | |
| City revenue | \$ 350 | \$ 350 | \$ 380 |
| City-Capital | 700 | 500 | 250 |
| County revenue | 165 | 131 | 161 |
| County via GCAC | 500 | 500 | 500 |
| State revenue | 43 | 1,250 | 45 |
| State-Capital | 1,000 | - | - |
| Federal | - | 47 | 159 |
| Donations and grants | 6,197 | 3,809 | 6,845 |
| Investment income | 212 | 203 | (30) |
| Interest expense | (41) | (84) | (81) |
| Total Non operating revenue/(expense) | <u>\$ 9,126</u> | <u>\$ 6,706</u> | <u>\$ 8,229</u> |

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

In 2024, there was no change to the operating grant from the City of Columbus. In 2023, the City of Columbus decreased its Operating grant slightly. In 2022, the city revenue increased slightly over 2021. City Capital increased in 2024 by 40%, 2023 by 50% to support capital improvements and decreased in 2022 by 50%.

In 2024 the Conservatory received \$43,000 support from the Ohio Arts council. In 2023, the Conservatory received a one-time \$1.2 million grant from the State of Ohio as part of the Ohio Arts Economic Relief Program.

In 2024 donations and grants decreased by 5%, excluding \$2.6 million of restricted grants, due to contributions falling slightly below expectations for general operating grants. In 2024, the Conservatory did receive donor restricted grants for renovation activities. 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 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 \$41,000, \$84,000 and \$81,000 in 2024, 2023 and 2022, respectively. This decrease from 2023 to 2024 represented the forgiveness of the short-term 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.

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio
Statement of Net Position
As of December 31, 2024 and 2023

| | 2024 | 2023 |
|---|----------------------|----------------------|
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 8,086,515 | \$ 8,832,426 |
| Receivables, net | 889,131 | 611,896 |
| Inventory | 212,561 | 262,141 |
| Prepaid expenses | 508,068 | 336,968 |
| Total current assets | <u>9,696,275</u> | <u>10,043,431</u> |
| NONCURRENT ASSETS: | | |
| Net OPEB asset | 287,003 | - |
| Capital Assets, net: | | |
| Assets not subject to depreciation | 6,507,776 | 4,709,909 |
| Assets subject to depreciation | 20,001,471 | 21,255,681 |
| Lease right-of-use asset, net of amortization | 255,123 | 350,794 |
| Noncurrent receivables | 600,355 | 35,000 |
| Other noncurrent assets | 516,062 | 377,915 |
| Total noncurrent assets | <u>28,167,790</u> | <u>26,729,299</u> |
| Total assets | <u>37,864,065</u> | <u>36,772,730</u> |
| Deferred outflows of resources: | | |
| Pension | 3,268,536 | 4,495,566 |
| OPEB | 247,539 | 566,055 |
| Total deferred outflows of resources | <u>3,516,075</u> | <u>5,061,621</u> |
| CURRENT LIABILITIES: | | |
| Accounts payable | 618,058 | 660,873 |
| Accrued expenses | 251,991 | 382,539 |
| Unearned revenue | 1,677,062 | 1,587,510 |
| Current portion of compensated absences | 24,187 | - |
| Current portion of lease liability | 99,283 | 94,776 |
| Current portion of notes payable | 29,756 | 827,790 |
| Total current liabilities | <u>2,700,337</u> | <u>3,553,488</u> |
| NONCURRENT LIABILITIES: | | |
| Compensated absences | 152,646 | 13,225 |
| Net pension liability | 8,766,248 | 9,110,813 |
| Net OPEB liability | - | 186,526 |
| Lease Liability | 176,074 | 275,357 |
| Notes Payable | 324,078 | 353,774 |
| Total noncurrent liabilities | <u>9,419,046</u> | <u>9,939,695</u> |
| Total liabilities | <u>12,119,383</u> | <u>13,493,183</u> |
| Deferred inflows of resources: | | |
| Pension | - | 21,105 |
| OPEB | 178,117 | 61,518 |
| Total deferred inflows of resources | <u>178,117</u> | <u>82,623</u> |
| Net position: | | |
| Net investment in capital assets | 25,999,626 | 24,764,687 |
| Restricted: | | |
| Columbus foundation | 417,303 | 377,915 |
| Various purposes | 1,928,162 | 592,776 |
| Annie's Fund | 61,654 | 60,114 |
| Growing to Green Program | 35,190 | 34,657 |
| Bobba Endowment | 98,759 | 100,000 |
| OPEB | 287,003 | - |
| Unrestricted | 254,943 | 2,328,396 |
| Total Net Position | <u>\$ 29,082,640</u> | <u>\$ 28,258,545</u> |

See accompanying notes to the basic financial statements.

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio
Statement of Revenue, Expenses, and Change in Net Position
For the Years Ended December 31, 2024 and 2023

| | 2024 | 2023 |
|---|----------------------|----------------------|
| OPERATING REVENUE: | | |
| General admissions | \$ 3,369,463 | \$ 3,359,682 |
| Membership | 1,509,103 | 1,529,135 |
| Gift shop sales | 1,066,858 | 1,129,299 |
| Facility rentals | 2,882,778 | 2,782,124 |
| Other | 1,080,555 | 1,041,406 |
| Total operating revenue | <u>9,908,757</u> | <u>9,841,646</u> |
| OPERATING EXPENSES: | | |
| Salaries and wages | 6,462,521 | 5,638,598 |
| Payroll taxes and benefits | 2,482,592 | 1,226,825 |
| Cost of goods sold | 1,036,014 | 1,087,797 |
| Marketing | 218,231 | 178,692 |
| Operating supplies | 1,102,341 | 1,042,434 |
| Utilities | 284,974 | 285,824 |
| Rental expense | 155,691 | 235,518 |
| Facility expenses | 593,935 | 477,815 |
| Office and banking | 680,915 | 711,258 |
| Contracted services and professional fees | 2,447,036 | 2,178,827 |
| Other expense | 724,156 | 561,085 |
| Depreciation/Amortization | 2,022,150 | 1,920,997 |
| Total operating expenses | <u>18,210,556</u> | <u>15,545,670</u> |
| Operating loss | <u>(8,301,799)</u> | <u>(5,704,024)</u> |
| NONOPERATING REVENUE (EXPENSES): | | |
| State | 1,043,593 | 1,249,708 |
| Federal | - | 46,517 |
| City | 350,000 | 350,000 |
| City Master Plan and other | 700,000 | 500,000 |
| County via GCAC | 500,000 | 500,000 |
| County | 164,812 | 131,024 |
| Donations and grants | 6,196,805 | 3,808,948 |
| Investment income | 211,841 | 203,411 |
| Interest expense | (41,157) | (84,023) |
| Total nonoperating revenue (expenses) | <u>9,125,894</u> | <u>6,705,585</u> |
| CHANGE IN NET POSITION | 824,095 | 1,001,561 |
| NET POSITION BEGINNING OF YEAR | <u>28,258,545</u> | <u>27,256,984</u> |
| NET POSITION END OF YEAR | <u>\$ 29,082,640</u> | <u>\$ 28,258,545</u> |

See accompanying notes to the basic financial statements.

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio
Statement of Cash Flows
For the Years Ended December 31, 2024 and 2023

| | 2024 | 2023 |
|--|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers | \$ 9,155,719 | \$ 9,738,950 |
| Payments to others | (7,542,894) | (6,796,717) |
| Payments to employees | (8,089,394) | (6,979,765) |
| Net cash and cash equivalents used in operating activities | <u>(6,476,569)</u> | <u>(4,037,532)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Noncapital subsidies from city, county, and state | 2,758,405 | 2,777,249 |
| Donations and grants | 6,058,658 | 4,220,172 |
| Net cash and cash equivalents provided by noncapital financing activities | <u>8,817,063</u> | <u>6,997,421</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds from sale of capital assets | - | 13,253 |
| Purchase of capital assets | (2,334,583) | (1,796,488) |
| Principal paid on long-term debt and leases | (922,506) | (132,803) |
| Interest paid on long term debt and leases | (41,157) | (23,104) |
| Net cash and cash equivalents used in capital and related financing activities | <u>(3,298,246)</u> | <u>(1,939,142)</u> |
| CASH FLOWS PROVIDED BY INVESTING ACTIVITIES: | | |
| Investment income on cash and cash equivalents | <u>211,841</u> | <u>203,411</u> |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | <u>(745,911)</u> | <u>1,224,158</u> |
| CASH AND CASH EQUIVALENTS, beginning of the year | <u>8,832,426</u> | <u>7,608,268</u> |
| CASH AND CASH EQUIVALENTS, end of the year | <u>\$ 8,086,515</u> | <u>\$ 8,832,426</u> |
| RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES | | |
| Operating loss | \$ (8,301,799) | \$ (5,704,024) |
| Adjustments to reconcile operating loss to net cash from operating activities: | | |
| Depreciation/Amortization | 2,022,150 | 1,920,997 |
| Changes in assets and liabilities: | | |
| Receivables | (842,590) | (102,696) |
| Inventory | 49,580 | (1,743) |
| Prepaid expenses | (171,100) | (97,993) |
| Accounts payable | (178,081) | 149,863 |
| Net pension or OPEB liabilities | 822,946 | (262,265) |
| Accrued and other liabilities | 122,325 | 60,329 |
| Net cash and cash equivalents used in operating activities | <u>\$ (6,476,569)</u> | <u>\$ (4,037,532)</u> |
| SUMMARY OF NON-CASH TRANSACTIONS: | | |
| The Conservatory purchases capital assets on account during 2024. | \$ 135,553 | \$ - |

See accompanying notes to the basic financial statements.

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Years Ending December 31, 2024 and 2023

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.

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Years Ending December 31, 2024 and 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Joint Venture

The arrangement between the City and the County establishing the Conservatory possesses the characteristics of an entity classified as a joint venture. The City contributed certain capital assets to the Conservatory at the time of its inception, and both the City and the County have historically agreed to annual subsidies. In 2024, the subsidies from the City and the County were \$1,714,812, including \$700,000 in contributions for the Master Plan and other. 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. These subsidies represent 9 percent of the Conservatory's 2024 and 2023 revenue, respectively. In the event of the Conservatory's liquidation, its assets will be transferred to the City. Based on the above, the Conservatory is a joint venture between the City and the County. Future capabilities of the Conservatory to operate at current service levels are dependent upon annual subsidies from the City and the County.

Accounting and Reporting Principles

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

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.

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Years Ending December 31, 2024 and 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

| | |
|-------------------------------------|---------------|
| Buildings and building improvements | 10 – 30 years |
| Vehicles | 5 – 10 years |
| Office furnishings | 3 – 15 years |
| Other equipment | 3 – 15 years |

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Conservatory, deferred outflows of resources are reported on the statements of net position for pension and OPEB. More detailed information can be found in Notes 9 and 10.

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Conservatory reports deferred inflows of resources for pension and OPEB. More detailed information can be found in Notes 9 and 10.

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Years Ending December 31, 2024 and 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to pension/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Compensated Absences (Vacation and Sick Leave)

The Conservatory recognizes a liability for compensated absences for the leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is reported as incurred under the last in first out flow assumption.

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.

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.

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Years Ending December 31, 2024 and 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 as right-of-use assets and lease liabilities are reported as noncurrent liabilities on the statements of net position.

Adoption of New Accounting Pronouncements

For the year ended December 31, 2024, the Conservatory has implemented certain provisions of GASB Statement No. 99, Omnibus 2022, GASB Statement No. 100, Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62, and GASB Statement No. 101, Compensated Absences.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 did not have an effect on the financial statements of the Conservatory.

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Years Ending December 31, 2024 and 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. The implementation of GASB Statement No. 100 was incorporated into the financial statements of the Conservatory.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences to promote consistency and better meet the information needs of financial statement users. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. These changes were incorporated into the Conservatory's 2024 financial statements; however, there was no effect on beginning net position.

NOTE 2: DEPOSITS AND INVESTMENTS

Cash and cash equivalents are classified into the following categories:

| <i>Cash and Cash Equivalents</i> | 2024 | 2023 |
|--------------------------------------|--------------|--------------|
| Deposits with financial institutions | \$ 8,073,698 | \$ 8,819,921 |
| Cash on hand | 12,817 | 12,505 |
| Total | \$ 8,086,515 | \$ 8,832,426 |

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 \$7,792,571 and \$8,746,366 for the years ended December 31, 2024 and 2023, respectively. At December 31, 2024 and 2023, the Conservatory had bank deposits of \$4,331,615 and \$950,718, respectively, that were covered by deposit insurance provided by the Federal Deposit Insurance Corporation (FDIC).

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Years Ending December 31, 2024 and 2023

NOTE 3: RECEIVABLES

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

| | 2024 | 2023 |
|--|--------------|------------|
| Short-term pledge receivable | \$ 808,026 | \$ 514,696 |
| Other short-term receivables | 88,208 | 117,577 |
| Long-term pledge receivables | 679,000 | 35,000 |
| Less: | | |
| Allowance for doubtful accounts discount | 7,103 | 20,377 |
| Discounts on long-term receivables | 78,645 | - |
| Total accounts receivable | \$ 1,489,486 | \$ 646,896 |

NOTE 4: CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2024 and 2023 was as follows:

| | Balance January 1, 2024 | Transfers | Additions | Disposals | Balance December 31, 2024 |
|--|-------------------------------|-----------|-------------|-----------|---------------------------------|
| <i>Capital Assets Not Being Depreciated:</i> | | | | | |
| Land | \$ 100,000 | \$ - | \$ - | \$ - | \$ 100,000 |
| Art Collection | 3,492,156 | - | - | - | 3,492,156 |
| Construction In Progress | 1,117,753 | (631,642) | 2,429,509 | - | 2,915,620 |
| <i>Subtotal</i> | 4,709,909 | (631,642) | 2,429,509 | - | 6,507,776 |
| <i>Capital Assets Being Depreciated:</i> | | | | | |
| Buildings | 32,346,254 | - | - | - | 32,346,254 |
| Building and Improvements | 8,700,608 | 106,705 | - | - | 8,807,313 |
| Exhibits | 25,388 | 34,450 | - | - | 59,838 |
| Furniture and Equipment | 5,429,714 | 490,487 | 10,112 | - | 5,930,313 |
| Vehicles | 303,970 | - | 30,515 | - | 334,485 |
| <i>Subtotal</i> | 46,805,934 | 631,642 | 40,627 | - | 47,478,203 |
| <i>Accumulated Depreciation:</i> | 25,550,253 | - | 1,926,479 | - | 27,476,732 |
| <i>Capital Assets Being Depreciated, Net</i> | 21,255,681 | 631,642 | (1,885,852) | - | 20,001,471 |
| <i>Net Capital Assets</i> | \$ 25,965,590 | \$ - | \$ 543,657 | \$ - | \$ 26,509,247 |

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Years Ending December 31, 2024 and 2023

NOTE 4: CAPITAL ASSETS (CONTINUED)

| | Balance January 1, 2023 | Transfers | Additions | Disposals | Balance December 31, 2023 |
|--|-------------------------------|------------------|---------------------|--------------------|---------------------------------|
| <i>Capital Assets Not Being Depreciated:</i> | | | | | |
| 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 |
| <i>Subtotal</i> | <u>3,665,452</u> | <u>(736,041)</u> | <u>1,780,498</u> | <u>-</u> | <u>4,709,909</u> |
| <i>Capital Assets Being Depreciated:</i> | | | | | |
| Buildings | 32,346,254 | - | - | - | 32,346,254 |
| Building and Improvements | 8,526,250 | 224,999 | - | (50,641) | 8,700,608 |
| Exhibits | 19,915 | 5,473 | - | - | 25,388 |
| Furniture and Equipment | 4,921,292 | 505,569 | 15,679 | (12,826) | 5,429,714 |
| Vehicles | 303,970 | - | - | - | 303,970 |
| <i>Subtotal</i> | <u>46,117,681</u> | <u>736,041</u> | <u>15,679</u> | <u>(63,467)</u> | <u>46,805,934</u> |
| <i>Accumulated Depreciation</i> | <u>23,679,778</u> | <u>-</u> | <u>1,920,997</u> | <u>(50,522)</u> | <u>25,550,253</u> |
| <i>Capital Assets Being Depreciated, Net</i> | <u>22,437,903</u> | <u>736,041</u> | <u>(1,905,318)</u> | <u>(12,945)</u> | <u>21,255,681</u> |
| <i>Net Capital Assets</i> | <u>\$ 26,103,355</u> | <u>\$ -</u> | <u>\$ (124,820)</u> | <u>\$ (12,945)</u> | <u>\$ 25,965,590</u> |

NOTE 5: LINE OF CREDIT

During 2017, the Conservatory entered into a revolving credit agreement with The Huntington National Bank for operations. The line has a maximum borrowing of \$1,000,000. It bears interest at the Prime plus 0 percent; the effective interest rate at December 31, 2024 and 2023 was 7.50 percent and 8.50 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 2024 or 2023 and had an outstanding balance of \$0 at both December 31, 2024 and 2023.

NOTE 6: LONG-TERM OBLIGATIONS

The changes in notes payable and compensated absences for the years ended December 31, 2024, and 2023 were as follows:

| | 2024 | | | | |
|------------------------------------|----------------------|------------------|---------------------|-------------------|------------------------|
| | Beginning Balance | Additions | Deductions | Ending Balance | Due Within One Year |
| Compensated Absences* | \$ 144,908 | \$ 31,925 | \$ - | \$ 176,833 | \$ 24,187 |
| Direct Borrowing: | | | | | |
| Notes Payable | 1,181,564 | - | (827,730) | 353,834 | 29,756 |
| <i>Total Long-Term Obligations</i> | <u>\$ 1,326,472</u> | <u>\$ 31,925</u> | <u>\$ (827,730)</u> | <u>\$ 530,667</u> | <u>\$ 53,943</u> |

*The change in compensated absences above is a net change for the year.

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Years Ending December 31, 2024 and 2023

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

| | 2023 | | | | |
|------------------------------------|----------------------|-------------------|---------------------|---------------------|------------------------|
| | Beginning Balance | Additions | Deductions | Ending Balance | Due Within One Year |
| Compensated Absences | \$ 124,032 | \$ 131,986 | \$ (111,110) | \$ 144,908 | \$ 131,683 |
| Direct Borrowing: | | | | | |
| Notes Payable | 1,314,378 | - | (132,814) | 1,181,564 | 827,790 |
| Total Long-Term Obligations | \$ 1,438,410 | \$ 131,986 | \$ (243,924) | \$ 1,326,472 | \$ 959,473 |

During 2014, Conservatory obtained a \$1,500,000 unsecured promissory note (direct borrowing) to provide construction financing for the second phase of the Master Plan. The promissory note was due in quarterly installments of interest and principal at a fixed rate of 5 percent. The balloon payment obligation was released and reclassified as contribution per donor intent.

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 loan matures in 2028.

Annual debt service requirements to maturity for the note obligations are estimated as follows:

| Years Ending December 31 | Principal | Interest | Total |
|-----------------------------|-------------------|-------------------|-------------------|
| 2025 | \$ 29,756 | \$ 19,837 | \$ 49,593 |
| 2026 | 31,538 | 18,055 | 49,593 |
| 2027 | 33,427 | 16,166 | 49,593 |
| 2028 | 35,429 | 14,165 | 49,594 |
| 2029 | 37,550 | 12,043 | 49,593 |
| 2030-2033 | 186,134 | 24,299 | 210,433 |
| | \$ 353,834 | \$ 104,565 | \$ 458,399 |

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, 2024 | Additions | Disposals | Ending Balance December 31, 2024 |
|-------------------------------------|---|--------------------|-------------|--|
| Leased asset | \$ 478,356 | \$ - | \$ - | \$ 478,356 |
| Accumulated amortization | (127,562) | (95,671) | - | (223,233) |
| Net book value of leased assets | \$ 350,794 | \$ (95,671) | \$ - | \$ 255,123 |

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Years Ending December 31, 2024 and 2023

NOTE 7: LEASES (CONTINUED)

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

Future principal and interest payment requirements related to the Conservatory's lease liability at December 31, 2024, are as follows:

| Years Ending December 31 | Principal | Interest | Total |
|-----------------------------|-------------------|------------------|-------------------|
| 2025 | \$ 99,283 | \$ 10,717 | \$ 110,000 |
| 2026 | 104,004 | 5,996 | 110,000 |
| 2027 | 72,070 | 1,264 | 73,334 |
| | <u>\$ 275,357</u> | <u>\$ 17,977</u> | <u>\$ 293,334</u> |

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

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions – between an employer and its employees of salaries and benefits for employee services. Pensions are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represents the Conservatory's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Ohio Revised Code limits the Conservatory's obligation for the liability to annually required payments. The Conservatory cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the Conservatory does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* and *net OPEB liability (asset)*. Any liability for the contractually-required pension/OPEB contributions outstanding at the end of the year is included in accrued expenses.

The remainder of this note includes the pension disclosures. See Note 10 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Conservatory employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

| Group A | Group B | Group C |
|--|--|--|
| Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | Members not in other Groups and members hired on or after January 7, 2013 |
| State and Local | State and Local | State and Local |
| Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |

State and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

When a benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions for 2024 and 2023 as follows:

| | State and Local |
|---|--------------------|
| Statutory Maximum Contribution Rates | |
| Employer | 14.0 % |
| Employee | 10.0 % |
| Actual Contribution Rates | |
| Employer: | |
| Pension | 14.0 % |
| Post-employment Health Care Benefits | 0.0 |
| Total Employer | 14.0 % |
| Employee | 10.0 % |

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll. The Conservatory's contractually required contribution was \$863,108 for 2024 and \$782,021 for 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2023 and 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Conservatory's proportion of the net pension liability was based on the Conservatory's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

| | 2024 OPERS | 2023 OPERS |
|--|---------------|---------------|
| Proportion of the Net Pension Liability: | | |
| Current Measurement Period | 0.033484% | 0.030930% |
| Prior Measurement Period | 0.030930% | 0.025232% |
| Change in Proportion | 0.002554% | 0.005698% |
| Proportionate Share of the Net | | |
| Pension Liability | \$ 8,766,248 | \$ 9,110,813 |
| Pension Expense | \$ 1,676,313 | \$ 1,390,268 |

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NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2024 and 2023, the Conservatory reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | 2024 OPERS | 2023 OPERS |
|---|---------------|---------------|
| Deferred Outflows of Resources | | |
| Net Difference between Projected and Actual | | |
| Earnings on Pension Plan Investments | \$ 1,769,402 | \$ 2,613,860 |
| Differences between Expected and | | |
| Actual Experience | 143,276 | 309,278 |
| Changes of Assumptions | - | 98,235 |
| Changes in Proportionate Share and | | |
| Differences in Contributions | 492,750 | 692,172 |
| Conservatory Contributions Subsequent | | |
| to the Measurement Date | 863,108 | 782,021 |
| Total Deferred Outflows of Resources | \$ 3,268,536 | \$ 4,495,566 |
| Deferred Inflows of Resources | | |
| Differences between Expected and | | |
| Actual Experience | \$ - | \$ 3,491 |
| Changes in Proportionate Share and | | |
| Differences in Contributions | - | 17,614 |
| Total Deferred Inflows of Resources | \$ - | \$ 21,105 |

\$863,108 reported as deferred outflows of resources related to pension resulting from Conservatory contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| Year Ending December 31: | OPERS |
|--------------------------|--------------|
| 2025 | \$ 844,333 |
| 2026 | 683,921 |
| 2027 | 1,129,132 |
| 2028 | (251,958) |
| Total | \$ 2,405,428 |

Franklin Park Conservatory Joint Recreation District
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NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2023 and 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

| | Traditional Plan |
|---|--|
| Wage Inflation | 2.75 percent |
| Future Salary Increases, including inflation | 2.75 to 10.75 percent including wage inflation |
| COLA or Ad Hoc COLA: | |
| Pre-January 7, 2013 Retirees | 3.0 percent, simple |
| Post-January 7, 2013 Retirees (Current Year) | 2.3 percent, simple through 2024, then 2.05 percent, simple |
| Post-January 7, 2013 Retirees (Prior Year) | 3.0 percent, simple through 2023, then 2.05 percent, simple |
| Investment Rate of Return | 6.9 percent |
| Actuarial Cost Method | Individual Entry Age |

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.

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NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class.

These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized below:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u> |
|------------------------|------------------------------|--|
| Fixed Income | 24.00% | 2.85% |
| Domestic Equities | 21.00 | 4.27 |
| Real Estate | 13.00 | 4.46 |
| Private Equity | 15.00 | 7.52 |
| International Equities | 20.00 | 5.16 |
| Risk Parity | 2.00 | 4.38 |
| Other investments | <u>5.00</u> | 3.46 |
| Total | <u>100.00%</u> | |

For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u> |
|------------------------|------------------------------|--|
| Fixed Income | 22.00% | 2.62% |
| Domestic Equities | 22.00 | 4.60 |
| Real Estate | 13.00 | 3.27 |
| Private Equity | 15.00 | 7.53 |
| International Equities | 21.00 | 5.51 |
| Risk Parity | 2.00 | 4.37 |
| Other investments | <u>5.00</u> | 3.27 |
| Total | <u>100.00%</u> | |

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NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. 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.

Sensitivity of the Conservatory’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Conservatory’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the Conservatory’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---|---------------|--------------------------|--------------|
| Conservatory’s Proportionate Share of the Net Pension Liability: | | | |
| Current Measurement Period | \$ 13,800,431 | \$ 8,766,248 | \$ 4,579,272 |
| Prior Measurement Period | 13,672,821 | 9,110,813 | 5,316,531 |

NOTE 10: DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

See Note 9 for a description of the net OPEB liability.

Ohio Public Employees Retirement System (OPERS)

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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NOTE 10: DEFINED BENEFIT OPEB PLANS (CONTINUED)

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit; or

Group C 32 years of total service cred with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or

Group C 32 years of qualified health care service credit and at least page 55.

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

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NOTE 10: DEFINED BENEFIT OPEB PLANS (CONTINUED)

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

| Group A | Group B | Group C |
|--|---|---|
| Age and Service Requirements December 1, 2014 or Prior | Age and Service Requirements December 1, 2014 or Prior | Age and Service Requirements December 1, 2014 or Prior |
| Any Age with 10 years of service credit | Any Age with 10 years of service credit | Any Age with 10 years of service credit |
| January 1, 2015 through December 31, 2021 | January 1, 2015 through December 31, 2021 | January 1, 2015 through December 31, 2021 |
| Age 60 with 20 years of service credit or Any Age with 30 years of service credit | Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit | Age 55 with 32 years of service credit or Age 60 with 20 years of service credit |

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

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NOTE 10: DEFINED BENEFIT OPEB PLANS (CONTINUED)

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024 and 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024 and 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Conservatory's contractually required contribution was \$0 for 2023 and 2024.

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022 and 2021, rolled forward to the measurement date of December 31, 2023 and 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Conservatory's proportion of the net OPEB liability (asset) was based on the Conservatory's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | 2024 OPERS | 2023 OPERS |
|---|------------------|------------------|
| | _____ | _____ |
| Proportion of the Net OPEB Liability (Asset): | | |
| Current Measurement Period | 0.031800% | 0.029583% |
| Prior Measurement Period | 0.029583% | 0.024260% |
| Change in Proportion | <u>0.002217%</u> | <u>0.005323%</u> |
| | | |
| Proportionate Share of the Net | | |
| OPEB Liability (Asset) | \$ (287,003) | \$ 186,526 |
| OPEB Expense | \$ (38,414) | \$ (677,026) |

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NOTE 10: DEFINED BENEFIT OPEB PLANS (CONTINUED)

At December 31, 2024 and 2023, the Conservatory reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | 2024 OPERS | 2023 OPERS |
|---|---------------|---------------|
| Deferred Outflows of Resources | | |
| Net Difference between Projected and Actual | | |
| Earnings on OPEB Plan Investments | \$ 172,362 | \$ 370,448 |
| Changes of Assumptions | 73,889 | 182,185 |
| Changes in Proportionate Share and | | |
| Differences in Contributions | 1,288 | 13,422 |
| Total Deferred Outflows of Resources | \$ 247,539 | \$ 566,055 |
| Deferred Inflows of Resources | | |
| Differences between Expected and | | |
| Actual Experience | \$ 40,848 | \$ 46,527 |
| Changes of Assumptions | 123,374 | 14,991 |
| Changes in Proportionate Share and | | |
| Differences in Contributions | 13,895 | - |
| Total Deferred Inflows of Resources | \$ 178,117 | \$ 61,518 |

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

| Year Ending December 31: | OPERS |
|--------------------------|-------------|
| 2025 | \$ (14,926) |
| 2026 | 8,380 |
| 2027 | 134,170 |
| 2028 | (58,202) |
| Total | \$ 69,422 |

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

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For the Years Ending December 31, 2024 and 2023

NOTE 10: DEFINED BENEFIT OPEB PLANS (CONTINUED)

| | <u>Current Measurement Period</u> | <u>Prior Measurement Period</u> |
|-----------------------------|-----------------------------------|---------------------------------|
| Wage Inflation | 2.75 percent | 2.75 percent |
| Projected Salary Increases, | 2.75 to 10.75 percent | 2.75 to 10.75 percent |
| | including wage inflation | including wage inflation |
| Single Discount Rate | 5.70 percent | 5.22 percent |
| Investment Rate of Return | 6.00 percent | 6.00 percent |
| Municipal Bond Rate | 3.77 percent | 4.05 percent |
| Health Care Cost Trend Rate | 5.50 percent, initial | 5.50 percent, initial |
| | 3.50 percent, ultimate in 2038 | 3.50 percent, ultimate in 2036 |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age |

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return 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 rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant.

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Years Ending December 31, 2024 and 2023

NOTE 10: DEFINED BENEFIT OPEB PLANS (CONTINUED)

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u> |
|------------------------------|--------------------------|--|
| Fixed Income | 37.00% | 2.82% |
| Domestic Equities | 25.00 | 4.27 |
| Real Estate Investment Trust | 5.00 | 4.68 |
| International Equities | 25.00 | 5.16 |
| Risk Parity | 3.00 | 4.38 |
| Other investments | 5.00 | 2.43 |
| Total | 100.00% | |

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u> |
|------------------------------|--------------------------|--|
| Fixed Income | 34.00% | 2.56% |
| Domestic Equities | 26.00 | 4.60 |
| Real Estate Investment Trust | 7.00 | 4.70 |
| International Equities | 25.00 | 5.51 |
| Risk Parity | 2.00 | 4.37 |
| Other Investments | 6.00 | 1.84 |
| Total | 100.00% | |

Discount Rate A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Years Ending December 31, 2024 and 2023

NOTE 10: DEFINED BENEFIT OPEB PLANS (CONTINUED)

Sensitivity of the Conservatory's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the Conservatory's proportionate share of the net OPEB liability calculated using the single discount rate of 5.70 percent, as well as what the Conservatory's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---|-------------|--------------------------|--------------|
| Conservatory's Proportionate Share of the Net OPEB Liability (Asset) | | | |
| Current Measurement Period | \$ 157,728 | \$ (287,003) | \$ (655,398) |
| Prior Measurement Period | 634,851 | 186,526 | (183,415) |

Sensitivity of the Conservatory's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

| | 1% Decrease | Current Trend Rate | 1% Increase |
|---|--------------|-----------------------|--------------|
| Conservatory's Proportionate Share of the Net OPEB Liability (Asset) | | | |
| Current Measurement Period | \$ (298,920) | \$ (287,003) | \$ (273,480) |
| Prior Measurement Period | 174,836 | 186,526 | 199,685 |

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Years Ending December 31, 2024 and 2023

NOTE 11: RESTRICTED NET POSITION

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

| | 2024 | 2023 |
|--------------------------|--------------|--------------|
| Columbus Foundation | \$ 417,303 | \$ 377,915 |
| Annie's Fund | 61,654 | 60,114 |
| Growing to Green Program | 35,190 | 34,657 |
| Bobba Endowment | 98,759 | 100,000 |
| OPEB | 287,003 | - |
| Various Purposes | 1,928,162 | 592,776 |
| Total | \$ 2,828,071 | \$ 1,165,462 |

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, 2024 and 2023 is as follows:

| | 2024 | 2023 |
|---|--------------|--------------|
| Designated for capital projects | \$ 1,776,250 | \$ 739,480 |
| Designated for financial sustainability | 3,601,322 | 5,776,148 |
| Undesignated | (5,122,629) | (4,187,232) |
| Total | \$ 254,943 | \$ 2,328,396 |

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.

Franklin Park Conservatory Joint Recreation District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Years Ending December 31, 2024 and 2023

NOTE 12: BLENDED COMPONENT UNITS

As of December 31, 2024 and 2023, 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:

| | 2024 | | 2023 | |
|---|--------------------------------|-----------------------------|--------------------------------|-----------------------------|
| | Friends of The Conservatory | Women's Sustaining Board | Friends of The Conservatory | Women's Sustaining Board |
| Current assets | \$ 7,130,914 | \$ 194,381 | \$ 7,334,843 | \$ 257,827 |
| Nondepreciable capital assets | 3,492,156 | - | 3,492,156 | - |
| Other noncurrent assets | 699,114 | - | 35,000 | - |
| Total assets | 11,322,184 | 194,381 | 10,861,999 | 257,827 |
| Current liabilities | - | 63,082 | 827,671 | 140,595 |
| Net position: | | | | |
| Net investment in capital assets | 3,541,156 | - | 3,542,156 | - |
| Restricted | 1,904,766 | - | 714,777 | - |
| Unrestricted | 5,876,262 | 131,299 | 5,777,395 | 117,232 |
| Total net position | 11,322,184 | 131,299 | 10,034,328 | 117,232 |
| Total liabilities and net position | \$ 11,322,184 | \$ 194,381 | \$ 10,861,999 | \$ 257,827 |
| Operating revenue | \$ - | \$ 112,950 | \$ - | \$ 87,763 |
| Operating expenses | 2,708 | 255,909 | 2,882 | 232,813 |
| Loss from operations | (2,708) | (142,959) | (2,882) | (145,050) |
| Nonoperating revenue (expenses): | | | | |
| Donations and grants | 4,726,037 | 592,067 | 2,239,635 | 581,342 |
| Operating support to other entities | (3,600,000) | (435,040) | (1,275,000) | (417,500) |
| Investment income | 168,879 | - | 164,219 | - |
| Interest expense | (4,353) | - | (41,538) | - |
| Total nonoperating revenue | 1,290,563 | 157,027 | 1,087,316 | 163,842 |
| Change in net position | \$ 1,287,855 | \$ 14,068 | \$ 1,084,434 | \$ 18,792 |
| Net cash (used in) provided by operating activities | \$ (52,287) | \$ (112,903) | \$ (33,564) | \$ (111,265) |
| Net cash provided by noncapital financing activities | 333,119 | 157,027 | 1,460,680 | 163,842 |
| Net cash used in capital and related financing activities | (799,424) | - | (106,324) | - |
| Net increase (decrease) in cash and cash equivalents | (518,592) | 44,124 | 1,320,792 | 52,577 |
| Cash and cash equivalents - Beginning of year | 6,794,237 | 108,409 | 5,473,445 | 55,832 |
| Cash and cash equivalents - End of year | \$ 6,275,645 | \$ 152,533 | \$ 6,794,237 | \$ 108,409 |

Franklin Park Conservatory Joint Recreation District
Required Supplementary Information
Schedule of the Conservatory's Proportionate Share of the Net Pension Liability
Last Ten Plan Years

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Ohio Public Employees' Retirement System (OPERS) | | | | | | | | | | |
| Conservatory's Proportion of the Net Pension Liability | 0.033484% | 0.03093% | 0.02523% | 0.02295% | 0.03473% | 0.03268% | 0.02842% | 0.02617% | 0.02364% | 0.02295% |
| Conservatory's Proportionate Share of the Net Pension Liability | \$ 8,766,248 | \$ 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 |
| Conservatory's Covered Payroll | \$ 6,165,057 | \$ 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 |
| Conservatory's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 142.19% | 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 the Total Pension Liability | 79.01% | 76.07% | 93.01% | 87.21% | 82.44% | 74.91% | 84.85% | 77.39% | 81.20% | 86.50% |

See accompanying notes to the required supplementary information.

Franklin Park Conservatory Joint Recreation District
 Required Supplementary Information
 Schedule of the Conservatory's Pension Contributions
 Last Ten Fiscal Years

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Ohio Public Employees' Retirement System (OPERS) | | | | | | | | | | |
| Contractually Required Contribution | \$ 863,108 | \$ 785,941 | \$ 492,375 | \$ 378,317 | \$ 340,750 | \$ 715,047 | \$ 640,737 | \$ 565,626 | \$ 515,151 | \$ 468,793 |
| Contributions in Relation to the Contractually Required Contribution | <u>(863,108)</u> | <u>(785,941)</u> | <u>(492,375)</u> | <u>(378,317)</u> | <u>(340,750)</u> | <u>(715,047)</u> | <u>(640,737)</u> | <u>(565,626)</u> | <u>(515,151)</u> | <u>(468,793)</u> |
| Contribution Deficiency (Excess) | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Conservatory's Covered Payroll | \$ 6,165,057 | \$ 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% | 14.00% |

See accompanying notes to the required supplementary information.

Franklin Park Conservatory Joint Recreation District
Required Supplementary Information
Schedule of the Conservatory's Proportionate Share of the Net OPEB Liability (Asset)
Last Seven Plan Years (1)

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Ohio Public Employees' Retirement System (OPERS) | | | | | | | |
| Conservatory's Proportion of the Net OPEB Liability (Asset) | 0.03180% | 0.02958% | 0.02426% | 0.02253% | 0.03389% | 0.03155% | 0.02880% |
| Conservatory's Proportionate Share of the Net OPEB Liability (Asset) | \$ (287,003) | \$ 186,526 | \$ (759,860) | \$ (401,408) | \$ 4,680,537 | \$ 4,113,766 | \$ 3,127,468 |
| Conservatory's Covered Payroll | \$ 6,165,057 | \$ 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 Covered Payroll | -4.65% | 3.31% | -14.89% | -10.17% | 132.36% | 79.36% | 95.19% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 107.76% | 94.79% | 128.23% | 115.57% | 47.80% | 46.33% | 54.14% |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available.

See accompanying notes to the required supplementary information.

Franklin Park Conservatory Joint Recreation District
Required Supplementary Information
Schedule of the Conservatory's Contributions - OPEB
Last Seven Fiscal Years (1)

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Ohio Public Employees' Retirement System (OPERS) | | | | | | | |
| Contractually Required Contribution | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions in Relation to the Contractually Required Contribution | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Conservatory's Covered Payroll | \$ 6,165,057 | \$ 5,638,598 | \$ 5,101,933 | \$ 3,945,946 | \$ 3,536,292 | \$ 5,107,479 | \$ 4,576,693 |
| Contributions as a Percentage of Covered Payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2018 is not available.

See accompanying notes to the required supplementary information.

FRANKLIN PARK CONSERVATORY JOINT RECREATION DISTRICT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions – OPERS

Amounts reported incorporate changes in discount rate used in calculating the total pension liability as follows:

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---------------|-------------|-------------|-------------|-------------|-------------|
| Discount Rate | 6.90% | 7.20% | 7.20% | 7.20% | 7.50% |

Calendar year 2017 reflects an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. Wage inflation rate was also reduced from 3.25 percent to 2.75 percent.

Changes in Benefit Terms – OPERS

In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 1.40 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 then 2.15 percent simple.

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 3.00 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions - OPERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

| <u>Assumption</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Discount Rate | 5.70% | 5.22% | 6.00% | 6.00% | 3.16% | 3.96% |
| Municipal Bond Rate | 3.77% | 4.05% | 1.84% | 2.00% | 2.75% | 3.71% |
| Health Care Cost Trend Rate | 5.50% | 5.50% | 5.50% | 8.50% | 10.50% | 10.00% |

For calendar year 2019, the investment rate of return decreased from 6.50 percent to 6.00 percent.

Changes in Benefit Terms – OPERS

For calendar year 2023, the cost of living adjustments increased from 2.20 percent simple to 2.30 percent simple.

For calendar year 2022, the cost of living adjustments decreased from 2.20 percent simple to 2.05 percent simple.

For calendar year 2021, the cost of living adjustments decreased from 3.00 percent simple to 2.20 percent simple.

Franklin Park Conservatory Joint Recreation District

STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

| | DAILY ACTIVITIES | | | FRANKLIN PARK CONSERVATORY | | | FRIENDS OF THE CONSERATORY | | | WOMEN'S SUSTAINING BOARD | | | TOTAL CONSOLIDATED |
|---|-------------------|---------------------|-------------------|----------------------------|---------------------|---------------------|----------------------------|---------------------|---------------------|--------------------------|------------------|------------------|--------------------|
| | FPC | FOC | TOTAL | DAILY ACTIVITIES | OTHER ACTIVITIES | COMBINING TOTAL | DAILY ACTIVITIES | OTHER ACTIVITIES | COMBINING TOTAL | DAILY ACTIVITIES | OTHER ACTIVITIES | COMBINING TOTAL | |
| OPERATING REVENUE: | | | | | | | | | | | | | |
| General Admissions | \$ 3,369,463 | \$ - | \$ 3,369,463 | \$ 3,369,463 | \$ - | \$ 3,369,463 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 3,369,463 |
| Memberships | 1,495,513 | - | 1,495,513 | 1,495,513 | - | 1,495,513 | - | - | - | 13,590 | - | 13,590 | 1,509,103 |
| Gift Shop Sales | 1,066,858 | - | 1,066,858 | 1,066,858 | - | 1,066,858 | - | - | - | - | - | - | 1,066,858 |
| Facility Rentals & Café Sales | 2,882,778 | - | 2,882,778 | 2,882,778 | - | 2,882,778 | - | - | - | - | - | - | 2,882,778 |
| Education | 718,370 | - | 718,370 | 718,370 | - | 718,370 | - | - | - | - | - | - | 718,370 |
| Horticulture | 85,401 | - | 85,401 | 85,401 | - | 85,401 | - | - | - | - | - | - | 85,401 |
| Other Income | 83,330 | - | 83,330 | 83,330 | 94,094 | 177,424 | - | - | - | 99,360 | - | 99,360 | 276,784 |
| Total Operating Revenue | 9,701,713 | - | 9,701,713 | 9,701,713 | 94,094 | 9,795,807 | - | - | - | 112,950 | - | 112,950 | 9,908,757 |
| OPERATING EXPENSES: | | | | | | | | | | | | | |
| Salaries & Wages | 6,462,521 | - | 6,462,521 | 6,462,521 | - | 6,462,521 | - | - | - | - | - | - | 6,462,521 |
| Payroll Taxes and Benefits | 1,659,646 | - | 1,659,646 | 1,659,646 | 822,946 | 2,482,592 | - | - | - | - | - | - | 2,482,592 |
| Cost of Goods Sold | 1,036,014 | - | 1,036,014 | 1,036,014 | - | 1,036,014 | - | - | - | - | - | - | 1,036,014 |
| Marketing | 189,776 | - | 189,776 | 189,776 | 24,516 | 214,292 | - | - | - | 3,939 | - | 3,939 | 218,231 |
| Operating Supplies | 1,075,632 | - | 1,075,632 | 1,075,632 | 26,709 | 1,102,341 | - | - | - | - | - | - | 1,102,341 |
| Utilities | 284,974 | - | 284,974 | 284,974 | - | 284,974 | - | - | - | - | - | - | 284,974 |
| Rental Expense | 262,831 | - | 262,831 | 262,831 | (14,329) | 248,502 | - | - | - | 2,860 | - | 2,860 | 251,362 |
| Facility Expense | 515,775 | - | 515,775 | 515,775 | - | 515,775 | - | - | - | - | - | - | 515,775 |
| Office and Banking | 665,560 | 1,362 | 666,922 | 665,560 | 12,711 | 678,271 | 1,362 | - | 1,362 | 1,282 | - | 1,282 | 680,915 |
| Contracted Services and Professional Fees | 2,096,336 | - | 2,096,336 | 2,096,336 | 290,172 | 2,386,508 | - | - | - | 60,528 | - | 60,528 | 2,447,036 |
| Other Expense | 481,185 | 346 | 481,531 | 481,185 | 54,324 | 535,509 | 346 | 1,000 | 1,346 | 187,301 | - | 187,301 | 724,156 |
| Total Operating Expense | 14,730,250 | 1,708 | 14,731,958 | 14,730,250 | 1,295,209 | 16,025,459 | 1,708 | 1,000 | 2,708 | 255,910 | - | 255,910 | 16,284,077 |
| Operating Loss before Depreciation | (5,028,537) | (1,708) | (5,030,245) | (5,028,537) | (1,201,115) | (6,229,652) | (1,708) | (1,000) | (2,708) | (142,960) | - | (142,960) | (6,375,320) |
| Depreciation | - | - | - | - | 1,926,479 | 1,926,479 | - | - | - | - | - | - | 1,926,479 |
| Operating Loss | (5,028,537) | (1,708) | (5,030,245) | (5,028,537) | (3,127,594) | (8,156,131) | (1,708) | (1,000) | (2,708) | (142,960) | - | (142,960) | (8,301,799) |
| NONOPERATING REVENUE (EXPENSE): | | | | | | | | | | | | | |
| Intergovernmental Revenue: | | | | | | | | | | | | | |
| City- Grants | 350,000 | - | 350,000 | 350,000 | - | 350,000 | - | - | - | - | - | - | 350,000 |
| City- Master Plan and other | - | - | - | - | 700,000 | 700,000 | - | - | - | - | - | - | 700,000 |
| County | 164,812 | - | 164,812 | 164,812 | - | 164,812 | - | - | - | - | - | - | 164,812 |
| County via GCAC | 500,000 | - | 500,000 | 500,000 | - | 500,000 | - | - | - | - | - | - | 500,000 |
| State | 43,593 | - | 43,593 | 43,593 | 1,000,000 | 1,043,593 | - | - | - | - | - | - | 1,043,593 |
| Federal | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Donations and Grants | 792,776 | 1,251,902 | 2,044,678 | 792,776 | 85,925 | 878,701 | 1,251,902 | 2,498,706 | 3,750,608 | 592,067 | - | 592,067 | 5,221,376 |
| GCAC operating support | - | 1,026,604 | 1,026,604 | - | - | - | 1,026,604 | (51,175) | 975,429 | - | - | - | 975,429 |
| Operating Support from FOC to FPC | 3,600,000 | (3,600,000) | - | 3,600,000 | - | 3,600,000 | (3,600,000) | - | (3,600,000) | - | - | - | - |
| Operating Support from WSB to FPC | 435,040 | - | 435,040 | 435,040 | - | 435,040 | - | - | - | (435,040) | - | (435,040) | - |
| Transfers | (572,069) | 916,702 | 344,633 | (572,069) | 572,069 | - | 916,702 | (916,702) | - | (13,000) | 13,000 | - | - |
| Investment Income | 1,631 | 170,120 | 171,751 | 1,631 | 41,331 | 42,962 | 170,120 | (1,241) | 168,879 | - | - | - | 211,841 |
| Interest Expense | (21,580) | (4,353) | (25,933) | (21,580) | (15,224) | (36,804) | (4,353) | - | (4,353) | - | - | - | (41,157) |
| Total nonoperating revenue/(expense) | 5,294,203 | (239,025) | 5,055,178 | 5,294,203 | 2,384,101 | 7,678,304 | (239,025) | 1,529,588 | 1,290,563 | 144,027 | 13,000 | 157,027 | 9,125,894 |
| INCOME (LOSS) | \$ 265,666 | \$ (240,733) | \$ 24,933 | \$ 265,666 | \$ (743,493) | \$ (477,827) | \$ (240,733) | \$ 1,528,588 | \$ 1,287,855 | \$ 1,067 | \$ 13,000 | \$ 14,067 | \$ 824,095 |

Franklin Park Conservatory Joint Recreation District

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

| | HORTICULTURE & EXHIBITS | EDUCATION | AUDIENCE DEVELOPMENT | GUEST EXPERIENCE | BUILDING MAINTENANCE & OPERATIONS | TOTAL PROGRAM EXPENSES | MANAGEMENT & GENERAL EXPENSES | FUNDRAISING | OTHER NON PROGRAMMING | TOTAL |
|--|----------------------------|--------------|-------------------------|---------------------|---|---------------------------|-------------------------------------|--------------|--------------------------|---------------|
| FUNCTIONAL EXPENSES: | | | | | | | | | | |
| Payroll, benefit and tax | \$ 1,950,440 | \$ 1,148,860 | \$ 360,538 | \$ 1,048,822 | \$ 986,737 | \$ 5,495,397 | \$ 934,570 | \$ 776,975 | \$ 1,738,171 | \$ 8,945,113 |
| Cost of goods sold-Gift Shop | - | - | - | - | - | - | - | - | 534,142 | 534,142 |
| Cost of goods sold-Beverages | - | - | - | - | - | - | - | - | 501,872 | 501,872 |
| Marketing and advertising | 48,519 | 8,034 | 59,917 | 21,961 | 24,516 | 162,947 | 5,544 | 8,183 | 41,557 | 218,231 |
| Animals and related supplies | 84,155 | - | - | - | - | 84,155 | - | - | - | 84,155 |
| Plants, seeds, soil, mulch, containers | 253,797 | - | - | - | - | 253,797 | - | - | - | 253,797 |
| Signage and displays | 111,353 | 468 | - | 7,950 | 11,078 | 130,849 | - | 4,691 | 5,140 | 140,680 |
| Operating supplies and equipment | 80,787 | 75,125 | 118 | 58,825 | 327,360 | 542,215 | 154 | 156 | 63,208 | 605,733 |
| Equipment rental | 7,498 | - | - | - | 46,223 | 53,721 | - | 54,009 | 4,425 | 112,155 |
| Linens | - | - | - | - | - | - | - | - | 14,556 | 14,556 |
| Maintenance | 5,585 | 600 | - | - | 329,657 | 335,842 | - | - | - | 335,842 |
| Utilities-gas, electric, telephone | - | 93 | - | - | 284,881 | 284,974 | - | - | - | 284,974 |
| Fuel | - | - | - | - | 17,873 | 17,873 | - | - | 103 | 17,976 |
| Building rental | 110,000 | - | - | - | 14,651 | 124,651 | - | - | - | 124,651 |
| Insurance | - | - | - | - | - | - | 258,093 | - | - | 258,093 |
| Office supplies and equipment | 5,438 | 6,475 | 1,020 | 13,771 | 24,122 | 50,826 | 286,254 | 7,443 | 3,537 | 348,060 |
| Banking and credit and fees | - | - | - | - | 529 | 529 | 297,071 | 179 | - | 297,779 |
| Postage | 9,237 | 284 | 32 | 18,474 | 292 | 28,319 | 2,129 | 4,006 | 622 | 35,076 |
| Professional services | - | - | 11,460 | - | 82,863 | 94,323 | 72,336 | 270 | 45 | 166,974 |
| Contracted services | 419,713 | 114,850 | 27,055 | 84,227 | 1,103,692 | 1,749,537 | 327,514 | 108,541 | 94,470 | 2,280,062 |
| Conference, travel, and entertainment | 18,578 | 10,276 | - | 14,990 | 4,095 | 47,939 | 51,306 | 83,348 | 7,789 | 190,382 |
| Hospitality and catering | 3,815 | 8,470 | - | 8,313 | 8,558 | 29,156 | 38,836 | 163,282 | 6,606 | 237,880 |
| Interest expense | - | - | - | - | 15,224 | 15,224 | 25,933 | - | - | 41,157 |
| Other expenses | 63,071 | 49,265 | 157 | 3,491 | 49,230 | 165,214 | 59,188 | 63,380 | 8,112 | 295,894 |
| Depreciation | - | - | - | - | 1,926,479 | 1,926,479 | - | - | - | 1,926,479 |
| Total functional expenses | \$ 3,171,986 | \$ 1,422,800 | \$ 460,297 | \$ 1,280,824 | \$ 5,258,060 | \$ 11,593,967 | \$ 2,358,928 | \$ 1,274,463 | \$ 3,024,355 | \$ 18,251,713 |

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
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800-282-0370

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Franklin Park Conservatory Joint Recreation District
Franklin County
1777 E Broad Street
Columbus, Ohio 43203-2040

To the Board Members:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the Franklin Park Conservatory Joint Recreation District (the "Conservatory") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Conservatory's basic financial statements and have issued our report thereon dated October 23, 2025, wherein we noted the financial statements for the year ended December 31, 2023 were audited by a predecessor auditor which issued its 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be a material weakness. However, material weaknesses or significant deficiencies may exist that were not 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*.

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.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

October 23, 2025

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 11/6/2025

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

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