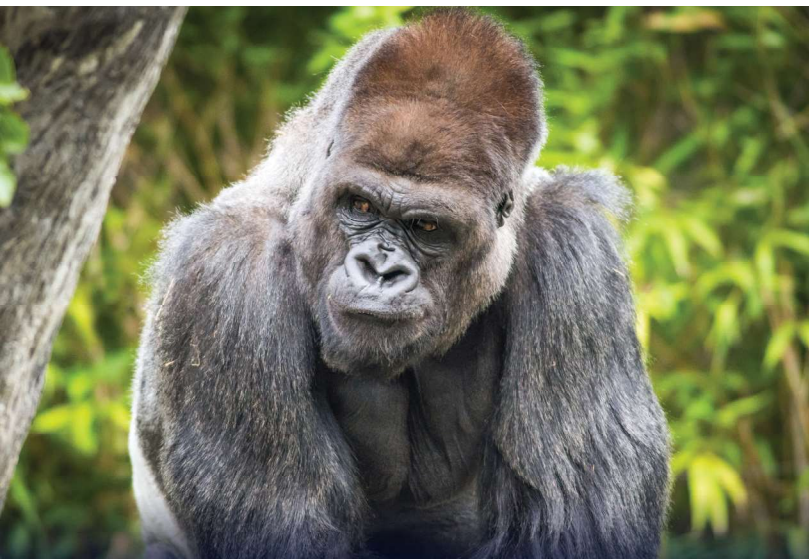


Cleveland Metroparks®

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDING DECEMBER 31, 2023



Board of Park Commissioners

Yvette M. Ittu
Dan T. Moore
Bruce G. Rinker

Brian M. Zimmerman - Chief Executive Officer
Wade Steen - Chief Financial Officer

Serving Cuyahoga County and Hinckley Township in Medina County, Ohio

Cleveland Metroparks

Cuyahoga County and Hinckley Township, Ohio

Annual Comprehensive Financial Report

For the Year Ended December 31, 2023

Prepared by:

Wade Steen, CPA, Chief Financial Officer
and the Department of Finance



INTRODUCTION SECTION





CLEVELAND METROPARKS
Annual Comprehensive Financial Report
For the Year Ended December 31, 2023
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Board of Park Commissioners

Yvette M. Ittu
Dan T. Moore
Bruce G. Rinker

Chief Executive Officer

Brian M. Zimmerman



5-time winner

May 16, 2024

To the Citizens of Cuyahoga County and Hinckley Township of Medina County
Honorable Judge Anthony J. Russo
Dan T. Moore, Board of Park Commissioners, President
Bruce G. Rinker, Board of Park Commissioners, Vice President
Yvette M. Ittu, Board of Park Commissioners, Vice President

Formal Letter of Transmittal

We are pleased to submit Cleveland Metroparks Annual Comprehensive Financial Report (ACFR) for the year ending December 31, 2023. This report conforms to accounting principles generally accepted in the United States and provides full and complete disclosure of the financial position and operations of Cleveland Metroparks for the year ended December 31, 2023.

Ohio law requires that public offices reporting pursuant to accounting principles generally accepted in the United States shall file their reports with the Auditor of the State and publish notice of the availability of the financial statements within 150 days of the close of each year. The General Purpose External Financial Statements from this report were filed to fulfill that requirement for the year ended December 31, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position of the entity as a whole and the results from operations of the various operations of Cleveland Metroparks. All disclosures necessary to enable the reader to gain an understanding of Cleveland Metroparks financial activities have been included.

State statutes require independent audits to be performed on all financial operations of Cleveland Metroparks. Clark, Schaefer, Hackett & Co. has issued an unmodified (“clean”) opinion on Cleveland Metroparks financial statements for the year ended December 31, 2023. The independent auditors’ report on the basic financial statements is located at the front of the financial section of this report.

This letter of transmittal is intended to complement Management’s Discussion and Analysis (MD&A) immediately following the independent auditors’ report and should be read in conjunction with it. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements.

Reporting Entity

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, *The Financial Reporting Entity; Omnibus*, Statement No. 39, *Determining Whether Certain Organizations are Component Units* and Statement No. 80, *Blending Requirements for Certain Component Units*. On this basis the

reporting entity of the Cleveland Metroparks includes the legally separate organization, the Cleveland Zoological Society. The Cleveland Zoological Society (the “Zoo Society”) is a nonprofit organization which operates under a Board of Trustees. The Zoo Society promotes the conservation and propagation of wildlife primarily through its support of Cleveland Metroparks. The Zoo Society engages the community in support of Cleveland Metroparks Zoo (the “Zoo”) and its mission to improve the future for wildlife and marshal the resources necessary to ensure that the Zoo remains one of the region’s preeminent destinations and ultimately one of the top ten zoos in the country.

The financial data of Cleveland Zoological Society is reported separately within Cleveland Metroparks ACFR. Cleveland Metroparks does not appoint any members of the Zoo Society’s governing board, nor does it approve the budget or any debt issuance of the Zoo Society.

Cleveland Metroparks Profile

Cleveland Metroparks was established on July 23, 1917, and today consists of over 25,000 acres of land in 18 reservations, their connecting parkways, and Cleveland Metroparks Zoo. Cleveland Metroparks is dedicated to protecting nature, connecting communities, and inspiring conservation of our world. Over 100 miles of parkways provide driving pleasure and easy access to Cleveland Metroparks facilities including; picnic areas and playfields, wildlife management areas and waterfowl sanctuaries, over 325 miles of hiking, bridle, natural surface and all purpose trails, nine golf courses, five outdoor education facilities, four restaurants, seven concessions facilities, swimming, boating, fishing, tobogganing, sledding, cross-country skiing and more.

Cleveland Metroparks is a separate political subdivision of the State of Ohio. Cleveland Metroparks is governed by a Board of Park Commissioners (“the Board”), composed of three citizens who serve three-year terms without compensation. Board members are appointed by the presiding Judge of the Probate Court of Cuyahoga County, The Honorable Judge Anthony J. Russo. The current Board of Park Commissioners officers are:

Dan T. Moore, President
Bruce G. Rinker, Vice President
Yvette M. Ittu, Vice President

Cleveland Metroparks mission is protecting nature, connecting communities, and inspiring conservation of our world. The majority of Cleveland Metroparks more than 25,000 acres are dedicated to conservation. Whether to promote fishing opportunities within Cleveland Metroparks lakes, forest health or restore wetlands, natural resource management is a significant endeavor of the Park District.

Outdoor education is provided through individual and group programming at all nature/visitor centers and throughout Cleveland Metroparks reservations. In addition, Cleveland Metroparks maintains a Mobile Outreach program, which travels to area schools and locations to bring nature education to children who otherwise might not experience the natural environment. Cleveland Metroparks mobile education vehicle and Youth Outdoors Program, in cooperation with Cleveland Metropolitan School District, the Head Start program, the City of Cleveland and The Ohio State University Extension/4-H, provides outdoor recreation and education experiences for the urban youth of Cleveland.

Recreation is provided at nine golf courses, the Chalet Recreation Area, six swimming areas, a horse stable, three marinas, numerous ball fields, the Cleveland-Cliffs Bike Park, open play areas, and the Park District’s extensive trail network.

Cleveland Metroparks Zoo is a nationally recognized leader among zoos and aquariums in North America with over 2,000 animals across 400 species from around the world. The Zoo specializes in animal care, education, research, and conservation and is certified by the Association of Zoos and Aquariums (AZA). The Zoo features numerous special attractions, exhibits and facilities across its 183 acres – such as Susie’s Bear Hollow, the Ben Gogolick Giraffe Encounter, Rosebrough Tiger Passage, African Elephant Crossing, Stillwater Event Center, Circle of Life Carousel, Eagle Zip Adventure, Mandel Welcome Pavilion, Asian Highlands, and the Daniel Maltz Rhino Reserve. Cleveland Metroparks Zoo also hosts some of the region’s largest annual community events such as Asian Lantern Festival and Wild Winter Lights.

The award-winning Cleveland Metroparks Police Department is the law enforcement branch of Cleveland Metroparks. Cleveland Metroparks Police are state-certified law enforcement officers who exercise full police powers in the commission of their duties. Police are on duty 24 hours a day, year-round. Police Headquarters dispatches the department’s Police Officers from 13 field offices and stable facilities positioned throughout the Park District. The Police Department consists of several specialized units and functions, including “state certified” law enforcement K-9 officers, a six-member mounted equestrian unit, bicycle patrol team, detective bureau, dive team, marine patrol, and honor guard. In late 2023, the Police Department was evaluated and again awarded *CALEA Law Enforcement Accreditation*. Cleveland Metroparks Police Department is one of only a few park district law enforcement agencies to earn accreditation. Accreditation is for a four-year period inclusive of annual renewal with confirmation that standards are being maintained.

Cleveland Metroparks is not only essential for public health and wellness but is a major contributor to the regional economy. According to a study by The Trust for Public Land, Cleveland Metroparks collectively contributes \$873 million in economic value annually by enhancing property values, reducing stormwater runoff, filtering pollutants from the air, attracting visitors, providing recreational opportunities for residents, contributing to the multimodal transportation network, improving community health, and boosting economic development. Cleveland Metroparks is also a point of pride for our region, having been named five (5) times the “Best in Nation” among park systems, and is a significant factor in improving the quality of life for all in the region.

Local Economy

Cleveland Metroparks successfully passed a new replacement 2.7 mill levy in November 2022. This initiative passed with approximately 77 percent affirmative vote. The levy extends for ten years (2023-2032) and provides the Metroparks with approximately \$98 million of property tax related revenues per year, based on property values in Cuyahoga County and Hinckley Township of Medina County. Cuyahoga County will conduct a sexennial real property reappraisal in 2024. Any increase in property values does not impact property tax revenues generated by the outside (voted) millage of 2.7 due to House Bill 920. However, the property tax revenue generated by the inside (non-voted, statutory) millage of .05, will be impacted by the reappraisal.

Cuyahoga County, Ohio, in which 82.6 percent of Cleveland Metroparks acreage exists, spans a total of 1,246 square miles, of which 457 square miles is land and 788 square miles is water. According to census estimates, its population of approximately 1.23 million has remained fairly consistent since 2019. The median household income in Cuyahoga County is \$60,074 which is 12% lower than the state average. Cuyahoga County is the second most populous and urbanized county in the State of Ohio.

Long-term Financial Planning and Major Initiatives

The 2024 budget year represents the second year of Cleveland Metroparks new replacement 10-year levy cycle. Increased property tax revenues enable Cleveland Metroparks to implement prioritized initiatives

articulated in Cleveland Metroparks Strategic Plan: The Second Century of Stewardship and the Cleveland Metroparks Zoo Strategic Long-Term Plans.

These plans ensure Cleveland Metroparks is strategically investing in both new and existing assets to continue to drive value through the Park District for its taxpayers, while maintaining high levels of service, cleanliness, safety, and enjoyment for the Park District's more than 19 million annual recreation visitors. Cleveland Metroparks has been effective in its commitment to maintaining the quality and safety of existing facilities and infrastructure with a balance of strategic land acquisition and new initiatives. Major initiatives in 2024 continue that commitment.

New trends emerging for public sector organizations can be categorized in three broad areas: building financial resilience for the future, the overhaul and integration of digital systems and data sharing, and government services for all the people. The last area centers around making programs and services truly equitable and inclusive. All three areas have been a focus of the Cleveland Metroparks for years. Our 2024 Budget and Strategic Plan address these areas directly.

As an example, Cleveland Metroparks clearly communicates that it values and promotes Inclusion, Diversity, Equity and Accessibility (IDEA) and a major initiative in 2024 is for the IDEA Team to help drive change. The Team will help drive systemic changes that manifest in our hiring practices, increased connectivity to amenities, functional accessibility at Cleveland Metroparks facilities and planned capital investment in underserved communities. One of the Cleveland Metroparks goals is to welcome all people and connect them to nature.

In 2024, Cleveland Metroparks is poised for the completion, continuation and start of major capital projects including:

- Engineering is underway for the transformative “CHEERS” project to create a more accessible, equitable, and resilient lakefront on Cleveland’s east side. The project envisions returning the hardened edge of Cleveland’s East Side lakefront to a natural living shoreline with play spaces, amenities, trails, picnic lawns, fishing areas, habitats, and overlooks. The beneficial use of dredge material from the Cuyahoga River will be used to create a more naturalized shoreline of habitat and parks, mitigate the impacts of the lake on existing infrastructure, including Interstate 90, and create a sheltered embayment where visitors can safely access Lake Erie. \$6 million in funding has already been secured.
- Garfield Pond Reservation and its new Program Center and Garfield Pond will be complete later this year and construction on the Garfield Boulevard Connector Trail will begin.
- The transformation of Gordon Park South and construction of the Cleveland Lakefront Bikeway from E. 9th Street to E. 55th Street will begin thanks to a record setting gift of \$13 million by the Jack, Joseph, and Morton Mandel Foundation.
- Construction of the Solon to Chagrin Falls trail to improve community connections to South Chagrin Reservation will begin spring 2024.
- The Mastick Road Connector Trail to improve connections from Fairview Park into Rocky River Reservation will open in spring 2024.
- Wallace Lake in Mill Stream Run Reservation will see the addition of new concessions and restroom facilities to be completed in fall 2024.

2024 marks the Zoo’s 117th year at its present location. Key exhibits and facilities such as the Primate, Cat and Aquatics (PCA) building, and the RainForest have reached the need for major upgrading. These projects will require multiple years of capital planning and funding.

The Hinckley Lake Dam (HLD) is a Class 1 dam (one of 1,500 in Ohio), the highest classification based on height, storage volume and potential downstream hazards, and needs updating to ensure it can withstand the Probable Maximum Flood (PMF) level. Throughout 2024, Cleveland Metroparks continues the major rehabilitation project at Hinckley Lake to raise the height of the existing earthen dam embankment that stretches across the northern portion of the lake and rehabilitate the 150-foot-wide concrete spillway to meet modern standards and provide improved protection in the event of severe flooding. The project is expected to be completed in time for the manmade lake's 100th anniversary.

Additionally, we have identified approximately 150 acres of potential land acquisitions in 2024 and beyond, which are dependent on many factors and meet strategic objectives of conservation and protection.

Relevant Financial Policies

Short-Range and Long-Range Planning

The annual budget process culminates in a Board-approved detailed financial road map for the coming fiscal year and a related forecast for the remainder of the current levy cycle. Utilizing a multi-year financial forecast and in the context of departmental goals and objectives, short and long-term operating, restricted and capital allocations are determined. The forecast ensures funds are adequately available throughout the term of the ten-year 2.7 mill levy passed in November 2022 for collection in years 2023-2032.

Investments

The investment policy applies to all financial funds of Cleveland Metroparks and strives to maximize safety, liquidity, and return. In accordance with investments available under Ohio Revised Code, the Chief Financial Officer exercises a standard of prudence and diversifies investment instruments to avoid incurring unreasonable risks inherent by over-investing in specific instruments, individual institutions, or maturities. The investment policy establishes a system of internal controls designed to prevent and control the loss of public funds arising from fraud, error, misrepresentation, imprudent actions, and unanticipated changes in financial markets. A report of all investments is submitted to the Board of Park Commissioners monthly.

Budgeting

The Board is required to adopt an initial budget for the fiscal year no later than March 31 of the budget year. However, we prefer to align the budget adoption with the calendar (fiscal) year, so the Board adopts the annual budget by December 31 of the year preceding the budget year. This annual budget serves as the foundation for Cleveland Metroparks financial planning and control. Cleveland Metroparks budgeting process enables Department Chiefs and Budget Managers to set appropriate dollar amounts required to provide high-quality services to the public and secures a sense of budget ownership for each department and division. Subsequent to adoption of the initial budget, division budget managers may initiate adjustments within and between the Board-approved character levels. Such requests require Departmental Chief approval as well as the approval of the Chief Financial Officer. Budget appropriation adjustments requested between character levels are summarized and presented to the Board for approval at monthly Board meetings throughout the year. The Board-approved budget adjustments are forwarded to the County Fiscal Officer and funds adequate for total budget commitment are certified by the Chief Financial Officer. Increased revenues not anticipated in the original budget are also reported to the County Budget Commission with a request for an amended Certificate of Estimated Resources. These procedures comply with the Ohio Revised Code.

The budget is built on a foundation of activities, work programs, initiatives, and projects which align with Cleveland Metroparks Strategic Plan, and which address the priorities and issues of the year being budgeted. Department Chiefs and Division Managers are extensively involved and are challenged during the budgeting process to carefully align requested resources with work programs. Pools of available funds for

discretionary items such as cost-of-living and merit-based wage increases and capital expenditures are established to conform with the multi-year financial forecast, then allocated in a prioritized manner.

Revenue

Cleveland Metroparks offers a diverse portfolio of more than fifty revenue collection locations, including Cleveland Metroparks Zoo, nine golf courses, three self-managed marinas, four restaurants, seven park concessions, five Nature Shops, five nature centers, The Chalet, Ledge Pool, and Outdoor Experiences. Rates and user fees associated with these locations are carefully evaluated, adjusted, and approved by the Board annually to balance cost recovery with guest and taxpayer value.

The Accounting Manual contains detailed procedures for the daily reconciliation, deposit, and weekly reporting of revenue at all locations. Wherever possible, point-of-sale systems are being leveraged to facilitate direct entry of revenue data into the Munis accounting system. Because of the seasonal nature and associated seasonal workforce of many operations, procedures and physical controls related to cash handling throughout Cleveland Metroparks incorporate strict best practice measures to safeguard collected cash and the employees handling it. Examples are minimizing cash on hand through daily reconciliation and bank deposit, use of locked safes for petty cash and change fund storage, use of “smart safes” for daily cash deposits, Cleveland Metroparks Police escorts to the local bank branch for teller and night deposits, and use of scheduled armored car service. Compliance audits are performed throughout the fiscal year on a prioritized schedule to validate procedures related to revenue control and documentation are being followed.

Expenditures

Cleveland Metroparks budgeted expenditures reflect the commitment by the Board of Park Commissioners and Park District staff to maintain and enhance the quality and safety of its facilities and infrastructure and whenever possible to increase the breadth and depth of its offerings. Expenditures are projected conservatively using an objective and analytical approach which considers historical patterns, current information, and economic trends to maintain consistency of approach from year to year, reliability in estimates, and reasonableness of assumptions. Prudent expenditure planning and accountability, presented in an annual multi-year financial forecast, ensures financial stability. Monthly monitoring and analysis of actual results in comparison to the budget and forecast, along with adjustments, when necessary, ensures organizational sustainability.

Annual Auditing and Financial Reporting

An independent audit is performed annually. Cleveland Metroparks produces an Annual Comprehensive Financial Report (ACFR) in accordance with accounting principles generally accepted in the United States, the body of accounting and financial reporting standards, conventions, and practices with authoritative support from standard-setting bodies such as the GASB.

Capital Assets

Capital assets are generally defined as tangible or intangible assets with an acquisition cost of \$5,000 or more (\$50,000 or more for buildings and building improvements) and an initial useful life of five years or more. Depreciation of capital assets is recorded in conformance with Governmental Accounting Standards Board’s (GASB) Statement No. 34.

A detailed inventory of capital assets is maintained and physically verified once each year. For structures, a sophisticated database is maintained which includes detail of acquisition/construction cost, improvement cost, annual condition assessment and GIS imagery and data. For vehicles, a fleet management plan is executed to maintain the necessary fleet of on-road, off-road and other vehicles. This plan provides for annual condition assessment and vehicle-specific maintenance history to minimize annual cost of ownership through fleet age and rotation, redeployment, and disposal.

Operational Compliance

The Compliance and Support Division within Finance seeks to ensure financial integrity, ethical conduct, the safeguarding of assets, and adherence to applicable laws and regulations, and Cleveland Metroparks established policies and procedures. Each year, an audit plan is developed with a defined cadence for audits based on seasonal patterns and a risk assessment which considers the nature and materiality of transactions, past audit results, new operations, turnover in personnel, and changes in systems. Compliance reviews performed include procedural reviews to observe and verify employees' understanding and adherence to policies as well as tests of individual transactions and associated documentation to validate amounts reflected in accounting records and the financial statements.

The specific areas that are periodically reviewed include, but are not limited to:

- Cash – physical controls over cash on hand in register drawers, in safes and in transit to the bank.
- Inventory – physical presence of merchandise inventory and reconciliation to perpetual records including point-of-sale data.
- Fixed Assets – physical presence of capital assets, including in-service status and use for intended purpose.
- Procurement Card Transactions (P Card) – security of cards, maintenance of receipts and use of cards in accordance with the Procurement Card Program Policies and Procedures Manual.
- Payroll – verification of employee's existence, wage rate, proper use of timekeeping mechanism and approval of paid hours.
- Fuel & Commodities – physical presence of reported on-hand quantities and reconciliation to usage calculations and documentation.
- Concessionaires – verification that products offered, prices charged, and commissions remitted meet contractual terms.

All compliance reviews are summarized and reported monthly to the Chief Financial Officer.

Awards and Achievements

The Government Finance Officers Association of the United States and Canada (GFOA) has presented an award of Distinguished Budget Presentation to Cleveland Metroparks for its annual budget for 31 consecutive fiscal years beginning January 1, 1993 through January 1, 2023. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device. The award is valid for a period of one year only. Cleveland Metroparks submitted its annual budget for the fiscal year beginning January 1, 2024, to the GFOA and received the award for the 32nd consecutive year.

Cleveland Metroparks proudly received the Certificate of Achievement for Excellence in Financial Reporting for the fiscal years beginning January 1, 2012 through 2022, respectively. The GFOA awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

Cleveland Metroparks believes the current report conforms to the requirements and standards of the Certificate of Achievement Program and has submitted the report to the GFOA to determine eligibility for a Certificate of Achievement.

Cleveland Metroparks Procurement Team has been awarded the prestigious 27th Annual Achievement of Excellence in Procurement® (AEP) for 2022 from the National Procurement Institute, Inc. (NPI). The AEP Award is earned by public and non-profit organizations that obtain a high application score based on standardized criteria. The AEP is awarded annually to recognize overall Best Practices, Innovation, Professionalism, E-Procurement, Productivity, and Leadership in the procurement function. This is the 13th time (12th consecutive) Cleveland Metroparks Procurement Team has won this award. For 2022, there were 172 successful applicants, including 74 cities, 36 counties, 15 special districts, 17 school districts, 14 higher education agencies, five (5) state/provincial agencies and eleven (11) other municipalities. Cleveland Metroparks was one of only two Ohio agencies and one of the 17 special districts in the US and Canada to win the award.

The accreditation for Quality Public Procurement Departments (QPPD) formally recognizes excellence in public procurement through the establishment of a body of standards and overall best practices. Procurement departments MUST meet the minimum score of 107 points out of 125 points to receive the accreditation. While NIGP membership represents over 3,000 governmental agencies throughout the US and Canada, only 160 governmental agencies have attained this distinction. Cleveland Metroparks Purchasing Department is now one (1) of the 160 governmental agencies to achieve the QPPD.

Cleveland Metroparks, in 2023, also received re-accreditation from The Commission for Accreditation of Park and Recreation Agencies (CAPRA), the most prestigious organization for certifying standards of excellence in park districts in the United States. The accreditation process for CAPRA consists of an agency's compliance with 154 standards, and Cleveland Metroparks met or exceeded all 154. Only a small percentage of the thousands of parks and recreation agencies in the country meet these high standards and are accredited by CAPRA. Reaccreditation is required every five years.

Acknowledgements

Successful preparation of a report of this scope depends upon the dedicated contribution of many employees. The Cleveland Metroparks extends its sincere appreciation of those primarily responsible for its completion, but especially to the employees in the Finance Department. Special recognition goes to Gary Butzback, CPA, Controller, Rachel LaRussa, Director of Accounting, the entire Finance Department staff and Clark, Schaefer, Hackett who contributed significantly to the preparation of this report.

Finally, management wants to extend its appreciation to the Board of Park Commissioners for their support and commitment to exemplary financial reporting.

Postscript

The employees of Cleveland Metroparks are proud of the community in which we work and live. We pledge our continued dedication to providing the highest possible level of service to the citizens of Cuyahoga County and Hinckley Township of Medina County. We are committed to enhancing the quality of life that our community has come to expect and enjoy.

Respectively submitted,



Brian M. Zimmerman
Chief Executive Officer



Wade Steen, CPA
Chief Financial Officer

CLEVELAND METROPARKS
LIST OF CURRENT PRINCIPAL OFFICIALS

Senior Probate Court Judge Anthony J. Russo

Board of Park Commissioners Dan T. Moore, President
Bruce G. Rinker, Vice President
Yvette M. Ittu, Vice President

Chief Executive Officer Brian M. Zimmerman

Chief Financial Officer Wade Steen, CPA

CLEVELAND METROPARKS ORGANIZATIONAL CHART

Serving Citizens of Cuyahoga County & Hinckley Township (Medina County)

Senior Probate Judge
Anthony J. Russo

Board of Park Commissioners

Dan T. Moore (President); Bruce G. Rinker (Vice President); Yvette M. Ittu (Vice President)

CEO

Brian M.
Zimmerman

CFO

Wade Steen

Park Operations
Human Resources
Marketing
Planning & Design
Legal
ITS
Development
Zoo
Police

Finance
Treasury
Accounting
Budget
Procurement
Compliance
Business Systems



Government Finance Officers Association

Certificate of
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for Excellence
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Reporting

Presented to

**Cleveland Metroparks
Ohio**

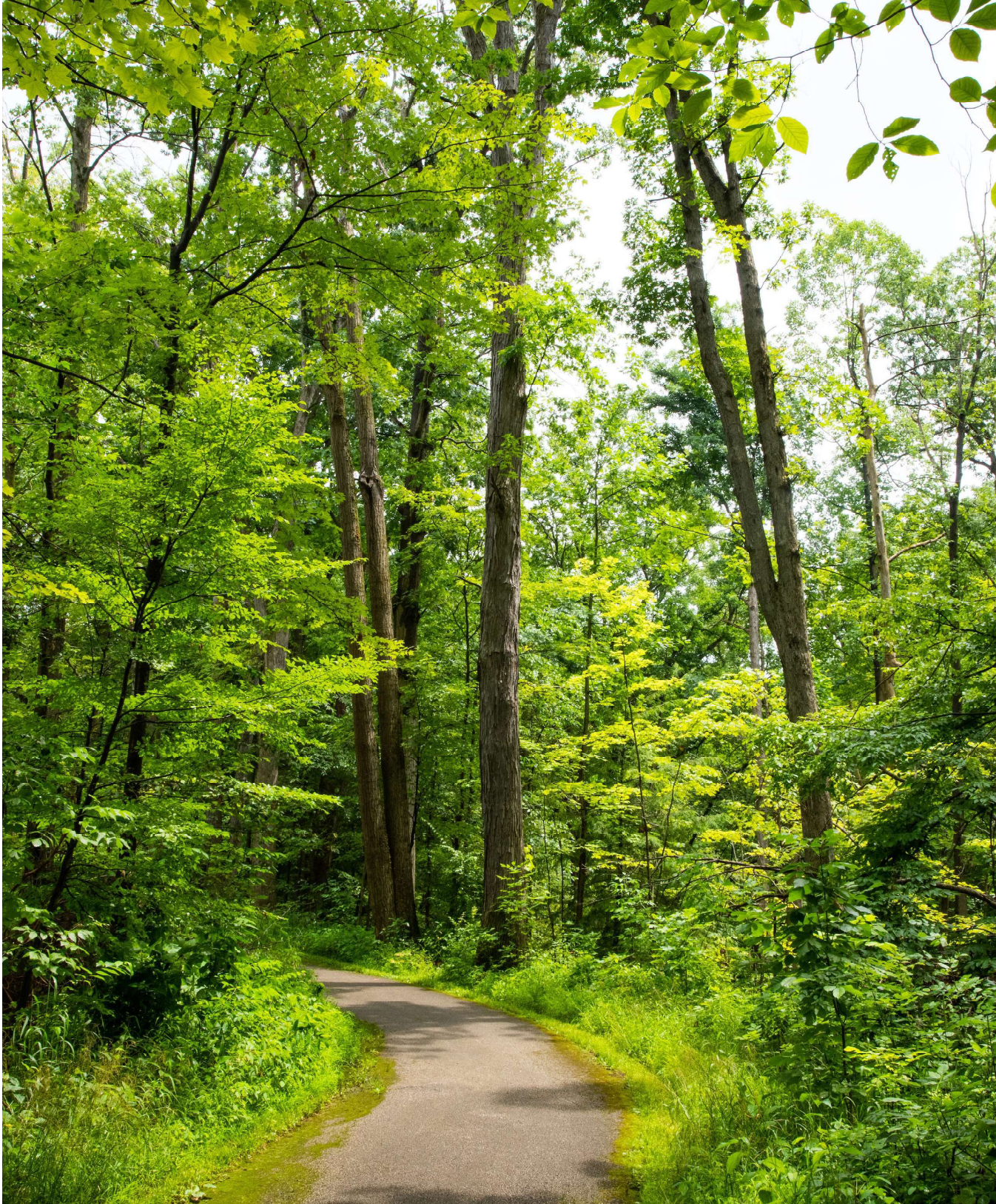
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

To the Board of Park Commissioners
Cleveland Metropolitan Park District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and the major fund of the Cleveland Metropolitan Park District (the "District") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and the major fund of the Cleveland Metropolitan Park District, as of December 31, 2023, and the respective changes in financial position, and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Cleveland Zoological Society which represent all of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Cleveland Zoological Society, is based solely on the report of other auditors.

Basis for Opinions

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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, 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 opinions.

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 District'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.

Auditors' 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 auditors' report that includes our opinions. 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 District'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 District'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 OPEB liabilities/(assets) and pension and OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the individual fund schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2024 on our consideration of the District's internal control over financial reporting and on 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
May 16, 2024



CLEVELAND METROPARKS
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The discussion and analysis of Cleveland Metroparks' financial performance provides an overall review of the Cleveland Metroparks' financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the Cleveland Metroparks' financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Cleveland Metroparks' financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- In total, net position increased \$42.6 million in 2023, compared to \$51.0 million in 2022.
- Total revenues increased by approximately \$31.7 million, or 22.3%, while total expenses increased by \$40.1 million, or 43.9%.
- Property taxes are the largest general revenue source and account for 55.1% of total revenue in 2023.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Cleveland Metroparks as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial conditions.

The statement of net position and statement of activities provide information about the activities of the whole Cleveland Metroparks, presenting both an aggregate view of the Cleveland Metroparks finances and a longer-term view of those assets. The statement of activities shows changes to net position related to each department of the Cleveland Metroparks. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

Reporting on the Cleveland Metroparks as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position and statement of activities include all assets and deferred outflows of resources and liabilities and deferred inflows of resources, using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the Cleveland Metroparks net position and the change in net position. The change in net position is important because it tells the reader whether, for the Cleveland Metroparks as a whole, the financial position of the Cleveland Metroparks has improved or diminished. However, in evaluating the overall position of the Cleveland Metroparks, non-financial information such as changes in the Cleveland Metroparks tax base and the condition of the Cleveland Metroparks capital assets will also need to be evaluated.

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In the statement of net position and the statement of activities, the Cleveland Metroparks activities are divided into two types of activities:

- **Governmental Activities** – All of the Cleveland Metroparks services are reported here, including park operations, zoo operations, golf operations, police department and administration.

- **Component Unit** – The Cleveland Metroparks includes the financial data of Cleveland Zoological Society (the “Zoo Society”). The Zoo Society is a nonprofit organization which operates under a Board of Trustees. The Zoo Society promotes the conservation and propagation of wildlife – particularly endangered species – primarily through support of the Cleveland Metroparks Zoo (the “Zoo”). The Zoo Society will engage the community in support of the Zoo and in its mission to improve the future for wildlife and will marshal the resources necessary to ensure the Zoo remains one of the region’s preeminent destinations and ultimately one of the top five zoos in the country. Since the economic resources received by the Zoo Society are almost entirely for the benefit of and accessible to the Cleveland Metroparks, the Zoo Society is presented as a component unit of the Cleveland Metroparks. Cleveland Zoological Society is included as a component unit of the Cleveland Metroparks because of the Cleveland Metroparks’ influence on the programs and services provided by Cleveland Zoological Society and because of the operating agreement between Cleveland Metroparks and Cleveland Zoological Society (Note 15). The Cleveland Metroparks does not appoint any of the members of Cleveland Zoological Society’s governing board or approve the budget or debt issuance of Cleveland Zoological Society.

Reporting on the Cleveland Metroparks’ Most Significant Fund

Governmental Fund

The presentation for the Cleveland Metroparks single fund, the General Fund, focuses on how resources flow into and out of it and the balance that is left at year-end and available for spending in future periods. The General Fund is reported using modified accrual accounting, which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Cleveland Metroparks general operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our users. The relationship (or difference) between governmental activities (reported on the statement of net position and the statement of activities) and the General Fund is reconciled in the financial statements.

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Cleveland Metroparks as a Whole

Recall that the statement of net position looks at the Cleveland Metroparks as a whole. Table 1 provides a summary of the Cleveland Metroparks' net position for 2023 compared to 2022.

	Table 1		
	Net Position		
	2023	2022	Change
<i>Assets</i>			
Current and other assets	\$ 215,122,056	\$ 178,976,969	\$ 36,145,087
Net OPEB asset	-	9,968,499	(9,968,499)
Capital assets	493,034,795	460,911,056	32,123,739
<i>Total Assets</i>	708,156,851	649,856,524	58,300,327
<i>Deferred Outflows of Resources</i>	52,419,367	14,514,510	37,904,857
<i>Liabilities</i>			
Current and other liabilities	12,575,038	13,540,503	(965,465)
Long-term liabilities:			
Net pension liabilities	102,935,707	27,619,637	75,316,070
Net OPEB liabilities	2,196,933	-	2,196,933
Other long-term amounts	7,623,257	7,614,196	9,061
<i>Total Liabilities</i>	125,330,935	48,774,336	76,556,599
<i>Deferred Inflows of Resources</i>	98,053,479	121,044,093	(22,990,614)
<i>Net Position</i>			
Net investment in capital assets	490,243,936	457,087,891	33,156,045
Unrestricted	46,947,868	37,464,714	9,483,154
<i>Total Net Position</i>	\$ 537,191,804	\$ 494,552,605	\$ 42,639,199

The net pension liability (NPL) is the largest single liability reported by the Cleveland Metroparks at December 31, 2023 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. The net other postemployment benefits (OPEB) liabilities were reported pursuant to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Cleveland Metroparks' actual financial condition by adding deferred inflows related to pension and OPEB, the net pension and OPEB liabilities to the reported net position and subtracting deferred outflows related to pension and OPEB.

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Governmental Accounting Standards Board (GASB) standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB Statement No. 68 and GASB Statement No. 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB Statement No. 68 and GASB Statement No. 75 require the net pension and OPEB liabilities equal the Cleveland Metroparks proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Cleveland Metroparks is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there are no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of this liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

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In accordance with GASB Statement No. 68 and GASB Statement No. 75, the Cleveland Metroparks statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension and OPEB liabilities, respectively, not accounted for as deferred inflows/outflows.

The net pension and OPEB liabilities represent the Cleveland Metroparks proportionate share of the OPERS pension and retirement health care unfunded/overfunded benefits. As indicated above, changes in pension and health care benefits, contribution rates, and return on investments affect the balance of these assets and liabilities.

The largest portion of the Cleveland Metroparks net position (\$490.2 million) reflects its investment in capital assets, less any related outstanding capital-related liabilities that were used to acquire those assets. The Cleveland Metroparks uses these capital assets to provide services to its citizens. Accordingly, these assets are not available for future spending.

The Cleveland Metroparks unrestricted net position ended the year with a positive balance of \$46.9 million. If the effects of the net pension and OPEB liabilities and related deferrals were excluded, the unrestricted net position reported would be \$100.4 million. This is primarily attributable to the Cleveland Metroparks recognition of its proportionate share of net pension and OPEB liabilities. As discussed previously, the operation of the state-wide retirement system is outside the control of the Cleveland Metroparks and varies year-to-year based on the performance of investments and other factors. However, because of the significance of the amounts involved, it's important to acknowledge the impact the recognition of the net pension and OPEB liabilities have on the Cleveland Metroparks reported net position.

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Table 2 shows the changes in net position for the years ended December 31, 2023 and 2022.

Table 2
Changes in Net Position

	2023	2022	Change
Revenues			
Program revenues:			
Charges for services	\$ 39,822,951	\$ 37,012,258	\$ 2,810,693
Operating grants and contributions	9,420,767	17,101,101	(7,680,334)
Capital grants and contributions	25,070,589	7,559,749	17,510,840
<i>Total program revenues</i>	<u>74,314,307</u>	<u>61,673,108</u>	<u>12,641,199</u>
General revenues:			
Property taxes	95,943,577	73,246,430	22,697,147
Grants and entitlements not restricted to specific programs	729,976	6,390,309	(5,660,333)
Investment earnings	3,061,846	1,015,655	2,046,191
Miscellaneous	135,852	126,511	9,341
<i>Total general revenues</i>	<u>99,871,251</u>	<u>80,778,905</u>	<u>19,092,346</u>
<i>Total revenues</i>	<u>174,185,558</u>	<u>142,452,013</u>	<u>31,733,545</u>
Expenses			
Park operations	32,016,801	32,241,578	(224,777)
Zoo operations	25,651,756	20,010,453	5,641,303
Golf operations	12,098,513	7,253,680	4,844,833
Police department	11,565,016	5,970,514	5,594,502
Administration	50,214,273	25,942,932	24,271,341
<i>Total expenses</i>	<u>131,546,359</u>	<u>91,419,157</u>	<u>40,127,202</u>
<i>Change in net position</i>	42,639,199	51,032,856	(8,393,657)
<i>Net position, beginning of year</i>	<u>494,552,605</u>	<u>443,519,749</u>	<u>51,032,856</u>
<i>Net position, end of year</i>	<u>\$ 537,191,804</u>	<u>\$ 494,552,605</u>	<u>\$ 42,639,199</u>

Several revenue sources fund the Cleveland Metroparks. Property taxes were the largest contributor in 2023 and accounted for 55.1% of total revenue, compared to 51.4% in 2022. The increase in property taxes during 2023 was attributable to a new 2.7 mill, 10-year replacement levy that was approved by the voters in November 2022. The passage of the new levy reset baseline property taxes are based on to the current (higher) property values, as opposed the baseline under the previous levy established nine years ago.

During 2023, Cleveland Metroparks experienced a decrease in operating grants and contributions, as pandemic-related funding began to wind down, while capital grants and contributions increased due to a significant increase in pledges, including one pledge for \$13 million.

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Unrestricted grants and entitlements experienced an 88.6% decrease due to a significant decrease in homestead and rollbacks. With the approval of the new replacement levy, Cleveland Metroparks will no longer receive homestead and rollbacks from the State, but will continue to receive them on 0.05 inside millage and delinquencies collected.

The recognition of its proportionate share of the Ohio Public Employees Retirement System's pension and OPEB liabilities, and the annual changes, have a significant impact on the Cleveland Metroparks financial results, despite being outside the control of management.

That is the case this year. Total expenses increased \$40.1 million during 2023. Of this increase, \$29.5 million was due to changes in expenses associated with the recognition of pension and OPEB expenses under GASB Statement Nos. 68 and 75. Both plans experienced investment declines in their respective investment portfolios during the measurement period.

The remaining \$10.6 million increase in expenses was associated with a 7.1% increase in full-time equivalents, salary increases, a significant increase in catastrophic hospital claims, and general inflationary increases.

The General Fund

The General Fund is accounted for using the modified accrual basis of accounting. The General Fund had revenues of \$169.4 million and expenditures of \$160.9 million and ended the year with a fund balance of approximately \$76.6 million. Explanation of changes in the General Fund follow the same explanations as those provided in the analysis of governmental activities.

Budgeting Highlights

The Cleveland Metroparks budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During the course of 2023, the Cleveland Metroparks amended its General Fund budget. All recommendations for a budget change come from the Cleveland Metroparks Chief Financial Officer to the Board of Park Commissioners for resolution enactment on the change. The General Fund is monitored closely looking for possible revenue shortfalls or overspending by individual departments.

Original budgeted revenues for the General Fund were \$120.5 million; final budget amount was \$181.2 million, and the actual revenue was \$168.0 million. The major factor contributing to the increase in the final budget was the approval of a 2.7 mill replacement tax levy. The decrease in actual revenue was due to discontinued collections from the State's homestead and rollback programs, as part of the new replacement levy.

Original budgeted expenditures were less than the final budget by \$73.0 million, primarily due to additional expenditures budgeted for capital projects. Actual expenditures were \$53.8 million less than the final budget estimate due to projects in progress and other projects being deferred to 2024.

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Capital Assets

Table 3
Capital Assets at Year-End
(Net of Depreciation)

	2023	2022	Change
Land	\$ 188,509,227	\$ 179,013,324	\$ 9,495,903
Land improvement	22,784,322	19,937,461	2,846,861
Construction in progress	44,837,702	32,992,424	11,845,278
Site structures	15,511,580	15,123,756	387,824
Exhibits	17,541,813	9,151,830	8,389,983
Buildings	126,187,866	129,940,258	(3,752,392)
Machinery and equipment	9,157,966	8,328,128	829,838
Vehicles	5,616,768	5,021,892	594,876
Infrastructure:			
Bridges	22,364,449	18,215,406	4,149,043
Fords	1,069,607	1,136,357	(66,750)
Dams	67,489	69,960	(2,471)
Tunnels	520,805	541,746	(20,941)
Utilities	2,698,763	2,779,312	(80,549)
Roads	12,092,495	13,488,143	(1,395,648)
All purpose trails	19,836,500	20,553,070	(716,570)
Golf course cart paths	489,359	538,074	(48,715)
Other paved areas	3,748,084	4,079,915	(331,831)
Totals	<u>\$ 493,034,795</u>	<u>\$ 460,911,056</u>	<u>\$ 32,123,739</u>

The increase in capital assets in 2023 was due to golf and riverfront land purchases and ongoing construction in progress that included improvements to parks, infrastructure and zoo exhibits. See Note 8 of the basic financial statements for additional information on capital assets.

Current Financial Related Activities

The mission of the Cleveland Metroparks is to protect nature, connect communities and inspire conservation in our world. The majority of Cleveland Metroparks more than 25,000 acres are dedicated to conservation. Whether to promote fishing opportunities within Cleveland Metroparks lakes, forest health or restore wetlands, natural resource management is a significant endeavor of the Park District. One of the most important things we learned during the global pandemic was the important societal function parks play by providing recreation spaces for diverse communities of people.

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One way that the Cleveland Metroparks seeks to achieve its mission is through public education. Outdoor education is provided through individual and group programming at all nature/visitor centers and throughout Cleveland Metroparks reservations. The Cleveland Metroparks also maintains a Mobile Outreach program, which travels to area schools and locations to bring nature education to children who otherwise might not experience the natural environment. Cleveland Metroparks mobile education vehicle and Youth Outdoors Program, in cooperation with Cleveland Metropolitan School District, the Head Start program, the City of Cleveland and The Ohio State University Extension/4-H, provides outdoor recreation and education experiences for the urban youth of Cleveland.

Another way that Cleveland Metroparks seeks to achieve its mission is through recreation. Recreation is provided at nine golf courses, the Chalet Recreation Area, six swimming areas, a horse stable, three marinas, numerous ball fields, the Cleveland-Cliffs Bike Park, open play areas, and the Cleveland Metroparks' extensive trail network. Cleveland Metroparks Zoo is a nationally recognized leader among zoos and aquariums in North America, with over 2,000 animals across 400 species from around the world. The Zoo specializes in animal care, education, research, and conservation and is certified by the Association of Zoos and Aquariums (AZA). The Zoo features numerous special attractions, exhibits and facilities across its 183 acres – such as Susie's Bear Hollow, the Ben Gogolick Giraffe Encounter, Rosebrough Tiger Passage, African Elephant Crossing, Stillwater Event Center, Circle of Life Carousel, Eagle Zip Adventure, Mandel Welcome Pavilion, Asian Highlands, and the Daniel Maltz Rhino Reserve. Cleveland Metroparks Zoo also hosts some of the region's largest annual community events such as Asian Lantern Festival and Wild Winter Lights.

The 2024 budget represents the second year of Cleveland Metroparks' new replacement levy which was approved in November of 2022. Additional property tax revenues generated by the new replacement levy will enable Cleveland Metroparks to implement prioritized initiatives articulated in Cleveland Metroparks' Second Century of Stewardship System Plan and the Cleveland Metroparks Zoo Strategic Long-Term Plans.

These plans ensure Cleveland Metroparks is strategically investing in both new and existing assets to continue to drive value through Cleveland Metroparks for its taxpayers, while maintaining high levels of service, cleanliness, safety, and enjoyment for the Cleveland Metroparks' more than 19 million annual recreation visitors. Cleveland Metroparks has been effective in its commitment to maintaining the quality and safety of existing facilities and infrastructure with a balance of strategic land acquisition and new initiatives. Major initiatives in 2024 continue that commitment.

New trends emerging for public sector organizations can be categorized in three broad areas: building financial resilience for the future, the overhaul and integration of digital systems and data sharing, and government services for all the people. The last area centers around making programs and services truly equitable and inclusive. All three areas have been a focus of the Cleveland Metroparks for years. Our 2024 Budget and Strategic Plan address these areas directly.

One example is how Cleveland Metroparks clearly communicates that it values and promotes *Inclusion, Diversity, Equity and Accessibility* (IDEA) and a major initiative in 2024 is for the IDEA Team to help drive change. The Team will help drive systemic changes that manifest in our hiring practices, increased connectivity to amenities, functional accessibility at Cleveland Metroparks facilities and planned capital investment in underserved communities. One of the Cleveland Metroparks goals is to welcome all people and connect them to nature.

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During 2024 the Cleveland Metroparks is poised for the completion, continuation and start of numerous major capital projects including:

- Engineering is underway for the transformative “CHEERS” project to create a more accessible, equitable, and resilient lakefront on Cleveland’s east side. The project envisions returning the hardened edge of Cleveland’s East Side lakefront to a natural living shoreline with play spaces, amenities, trails, picnic lawns, fishing areas, habitats, and overlooks. The beneficial use of dredge material from the Cuyahoga River will be used to create a more naturalized shoreline of habitat and parks, mitigate the impacts of the lake on existing infrastructure, including Interstate 90, and create a sheltered embayment where visitors can safely access Lake Erie. \$6 million in funding has already been secured.
- Garfield Pond Reservation and its new Program Center and Garfield Pond will be complete later this year and construction on the Garfield Boulevard Connector Trail will begin.
- The transformation of Gordon Park South and construction of the Cleveland Lakefront Bikeway from E. 9th Street to E. 55th Street will begin thanks to a record setting gift of \$13 million by the Jack, Joseph, and Morton Mandel Foundation.
- Construction of the Solon to Chagrin Falls trail to improve community connections to South Chagrin Reservation will begin spring 2024.
- The Mastick Road Connector Trail to improve connections from Fairview Park into Rocky River Reservation will open in spring 2024.
- Wallace Lake in Mill Stream Run Reservation will see the addition of new concessions and restroom facilities to be completed in fall 2024.

In 2024, Cleveland Metroparks will continue to prioritize strategic land protection across Northeast Ohio. This year, the Cleveland Metroparks has identified 150 acres of potential land acquisitions to permanently protect natural resources and improve trail and park connections for the region.

As we look to 2024 and beyond, economic growth is likely to decelerate as the effects of monetary policy take a broader toll and post-pandemic effects fade. We expect real GDP growth to walk the line between a slight expansion and contraction for much of 2024; this is what is often described as a soft landing. After better-than-expected real GDP growth of 2.8% in 2023, most economists are forecasting growth below 1.0% in 2024.

While inflation appears to be cooling, it is likely to remain above the Fed’s 2.0% target through 2024. Inflation reached a four-decade high in 2022, on both a headline and core basis, but it has moderated significantly in 2023. Progress on core services inflation, which includes the shelter category, has been slower. After peaking at 7.3% in February 2023, core services inflation was still elevated at 5.5% in October 2023. We hope to see moderating shelter inflation in 2024 as the lag in market rents pricing should catch up in the inflation readings. Most economists are predicting inflation to rise 2.4% in 2024, down from 3.4% in 2023.

Geopolitical risks will still remain and could potentially impact the U.S. economy. Elevated trade tensions with China, the ongoing Russia-Ukraine war and heightened conflicts in the Middle East all point to continued uncertainties and risks heading into 2024. While U.S. economic impact has been limited thus far, the larger risk is for a supply shock of a critical commodity or good that triggers significant market disruption exists. And the U.S. presidential election in November 2024 could be more impactful than recent cycles on geopolitical risks given the backdrop of already elevated tensions.

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Even given the challenge of slow economic growth, inflation, and possible geopolitical risks., Cleveland Metroparks has developed a ten-year plan to ensure investment in both new and existing assets while providing services at all an exceptional level. Cleveland Metroparks was established on July 23, 1917, almost 107 years ago. Beginning with three acres, the Cleveland Metroparks has grown to more than 25,000 acres across 18 park reservations and serves more than 19 million recreational visitors annually as well as enhancing the quality of life across Northeast Ohio. The Trust for Public Land's 2018 study revealed that Cleveland Metroparks generates an annual regional economic impact of \$873 million by enhancing property values, contributing to recreation, reducing stormwater runoff, improving local health and wellness, and generating tourism. Cleveland Metroparks is a nationally recognized park system and a source of great pride for our community for more than 100 years and we plan to continue to be that for another 100 years.

Contacting Cleveland Metroparks Chief Financial Officer

This financial report is designed to provide the public with a general overview of the Cleveland Metroparks finances and demonstrate the Cleveland Metroparks accountability for all money it receives, spends or invests. If you have any questions about this report or need financial information, please contact Cleveland Metroparks, 4101 Fulton Parkway, Cleveland, Ohio 44144.

CLEVELAND METROPARKS

Statement of Net Position

December 31, 2023

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash and cash equivalents	\$ 78,192,080
Cash and cash equivalents in segregated accounts	1,573,573
Materials and supplies inventory	2,400,227
Accounts receivable	1,046,888
Contributions receivable	13,214,500
Due from component unit	4,961,915
Intergovernmental receivable	11,171,524
Prepaid items	1,461,577
Property taxes receivable	100,103,714
Leases receivable	996,058
Nondepreciable capital assets	256,131,251
Depreciable capital assets, net	<u>236,903,544</u>
Total Assets	<u>708,156,851</u>
<i>Deferred Outflows of Resources</i>	
Pension	45,700,834
OPEB	<u>6,718,533</u>
Total Deferred Outflows of Resources	<u>52,419,367</u>
<i>Liabilities</i>	
Accounts payable	4,094,935
Contracts payable	2,790,859
Deposits payable	200,034
Accrued wages payable	2,620,813
Matured compensated absences	130,406
Retainage payable	1,373,539
Unearned revenue	285,904
Insurance claims payable	482,479
Intergovernmental payable	596,069
Long-term liabilities:	
Due within one year	1,640,904
Due in more than one year:	
Net pension liability	102,935,707
Net OPEB liability	2,196,933
Other amounts due more than one year	<u>5,982,353</u>
Total Liabilities	<u>125,330,935</u>
<i>Deferred Inflows of Resources</i>	
Property taxes levied for next year	96,357,003
Leases	971,911
OPEB	<u>724,565</u>
Total Deferred Inflows of Resources	<u>98,053,479</u>
<i>Net Position</i>	
Net investment in capital assets	490,243,936
Unrestricted	<u>46,947,868</u>
Total Net Position	<u>\$ 537,191,804</u>

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
Statement of Net Position
Component Unit - Cleveland Zoological Society
December 31, 2023

<i>Current Assets</i>	
Cash and cash equivalents	\$ 581,337
Charitable gift annuities	246,526
Pledges receivable, net	1,747,660
Prepaid expenses and other assets	<u>93,050</u>
Total current assets	2,668,573
<i>Long-Term Assets</i>	
Office equipment, software, and network resources, at cost	508,444
Less: accumulated depreciation	<u>(435,740)</u>
	72,704
<i>Other Long-Term Assets</i>	
Pledges receivable, net	2,740,995
Marketable securities	28,862,012
Cash restricted for endowment	2,250
Cash surrender value of life insurance	2,984
Investments in pooled separate accounts	380,631
Beneficial interest in perpetual trusts	<u>718,291</u>
Total long-term assets	<u>32,779,867</u>
Total Assets	<u>35,448,440</u>
<i>Current Liabilities</i>	
Accounts payable and accrued expenses	464,507
Other liabilities:	
Funds held for others	1,030
Amounts due to Cleveland Metroparks:	
Operating agreement	848,790
Operating agreement - Conservation funding	457,937
Primate forest	3,372,492
Other	<u>282,696</u>
Total amounts due to Cleveland Metroparks	4,961,915
Deferred revenue	<u>916,249</u>
Total current liabilities	6,343,701
<i>Long-Term Liabilities</i>	
Liability under split-interest agreements	82,597
Deferred compensation	<u>380,631</u>
Total long-term liabilities	<u>463,228</u>
Total Liabilities	<u>6,806,929</u>
<i>Net Position</i>	
Without donor restrictions:	
Undesignated	2,233,135
Board-designated	<u>14,372,931</u>
Total without donor restrictions	16,606,066
With donor restrictions	<u>12,035,445</u>
Total Net Position	<u>\$ 28,641,511</u>

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
Statement of Activities
For the Year Ended December 31, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expense)
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Revenue and Changes in Net Position
					<u>Total Governmental Activities</u>
Governmental activities:					
Park operations	\$ 32,016,801	\$ 9,705,352	\$ 6,217,604	\$ 8,612,302	\$ (7,481,543)
Zoo operations	25,651,756	15,524,512	933,668	1,611,546	(7,582,030)
Golf operations	12,098,513	12,377,854	5,791	475	285,607
Police department	11,565,016	255,253	25,227	-	(11,284,536)
Administration	<u>50,214,273</u>	<u>1,959,980</u>	<u>2,238,477</u>	<u>14,846,266</u>	<u>(31,169,550)</u>
Total governmental activities	<u>\$ 131,546,359</u>	<u>\$ 39,822,951</u>	<u>\$ 9,420,767</u>	<u>\$ 25,070,589</u>	<u>(57,232,052)</u>
General revenues:					
Property taxes levied for general purposes					95,943,577
Grants and contributions not restricted to specific programs					729,976
Investment earnings					3,061,846
Miscellaneous					<u>135,852</u>
Total general revenues					<u>99,871,251</u>
Change in net position					42,639,199
Net position beginning of year					<u>494,552,605</u>
Net position end of year					<u>\$ 537,191,804</u>

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
Statement of Activities
Component Unit - Cleveland Zoological Society
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<i>Support, Revenues and Gains:</i>			
Contributions:			
Membership	\$ 1,986,161	\$ -	\$ 1,986,161
Individuals, corporations and foundations	1,184,766	688,489	1,873,255
Capital projects	-	5,199,012	5,199,012
Investment return, net	2,810,304	116,223	2,926,527
Special events	828,218	-	828,218
Less: direct benefit to donor costs	(475,305)	-	(475,305)
Change in value of split-interest agreements	(12,173)	22,720	10,547
Net position released from restrictions	<u>1,431,572</u>	<u>(1,431,572)</u>	<u>-</u>
Total Support, Revenues and Gains	<u>7,753,543</u>	<u>4,594,872</u>	<u>12,348,415</u>
<i>Expenses:</i>			
Program services	2,559,624	-	2,559,624
Management and general	704,037	-	704,037
Fundraising	<u>1,501,108</u>	<u>-</u>	<u>1,501,108</u>
Total Expenses	<u>4,764,769</u>	<u>-</u>	<u>4,764,769</u>
Change in net position	2,988,774	4,594,872	7,583,646
Net position beginning of year	<u>13,617,292</u>	<u>7,440,573</u>	<u>21,057,865</u>
Net position end of year	<u>\$ 16,606,066</u>	<u>\$ 12,035,445</u>	<u>\$ 28,641,511</u>

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS

Balance Sheet
Governmental Fund
December 31, 2023

	<u>General Fund</u>
<i>Assets</i>	
Cash and cash equivalents	\$ 78,192,080
Cash and cash equivalents in segregated accounts	1,573,573
Materials and supplies inventory	2,400,227
Accounts receivable	1,046,888
Contributions receivable	13,214,500
Leases receivable	996,058
Due from component unit	4,961,915
Intergovernmental receivable	11,171,524
Prepaid items	1,461,577
Property taxes receivable	<u>100,103,714</u>
Total Assets	<u>\$ 215,122,056</u>
<i>Liabilities</i>	
Accounts payable	\$ 4,094,935
Contracts payable	2,790,859
Deposits payable	200,034
Accrued wages payable	2,620,813
Matured compensated absences	130,406
Retainage payable	1,373,539
Unearned revenue	285,904
Insurance claims payable	482,479
Intergovernmental payable	<u>596,069</u>
Total Liabilities	<u>12,575,038</u>
<i>Deferred Inflows of Resources</i>	
Property taxes levied for next year	96,357,003
Leases	971,911
Unavailable revenue	<u>28,664,084</u>
Total Deferred Inflows of Resources	<u>125,992,998</u>
<i>Fund Balance</i>	
Nonspendable:	
Inventory and prepaid items	3,861,804
Committed:	
Capital improvements	19,660,138
Assigned:	
Budget resources	35,000,170
Contractual services	1,030,887
Materials and supplies	828,479
Unassigned	<u>16,172,542</u>
Total Fund Balance	<u>76,554,020</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 215,122,056</u>

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
 Reconciliation of Governmental Fund Balance to
 Net Position of Governmental Activities
 December 31, 2023

Total governmental fund balance \$ 76,554,020

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund. 493,034,795

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the fund:

Delinquent property taxes	3,746,711	
Intergovernmental	8,588,143	
Donations and sponsors	11,362,486	
Park receipts	417	
Due from component unit	4,961,915	
Other	4,412	
Total		28,664,084

Long-term compensated absences payable are not due and payable in the current period and therefore are not reported in the fund. (7,623,257)

The net pension and OPEB liabilities are not due and payable in the current period. Therefore, the liabilities and related deferred inflows/outflows of resources are not reported in the fund:

Deferred outflows - pension	45,700,834	
Net pension liability	(102,935,707)	
Deferred outflows - OPEB	6,718,533	
Deferred inflows - OPEB	(724,565)	
Net OPEB liability	(2,196,933)	
Net		(53,437,838)

Net position of governmental activities \$ 537,191,804

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2023

	General Fund
<i>Revenues</i>	
Property taxes	\$ 95,751,111
Intergovernmental	9,334,490
Donations and sponsors	21,201,486
Interest	3,061,846
Golf receipts	12,377,735
Zoo receipts	15,526,517
Park receipts	10,803,291
Damages and fines	255,914
Other	1,111,047
Total Revenues	169,423,437
<i>Expenditures:</i>	
Current:	
Park operations	33,920,219
Zoo operations	20,875,226
Golf operations	8,570,551
Police department	11,059,125
Administration	34,411,535
Capital outlay	52,071,397
Total Expenditures	160,908,053
Change in fund balance	8,515,384
Fund balance beginning of year	68,038,636
Fund balance end of year	\$ 76,554,020

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
Reconciliation of the Changes in Fund Balance
of Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2023

Net change in fund balance - total governmental fund \$ 8,515,384

Amounts reported for governmental activities in the statement of activities are different because:

Governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital asset additions	45,662,422	
Depreciation expense	<u>(13,525,585)</u>	
Net		32,136,837

Governmental fund only reports the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a loss is reported for each disposal. (13,098)

Revenues in the statement in activities that do not provide current financial resources are not reported as revenues in the fund:

Delinquent property taxes	192,466	
Intergovernmental	(264,078)	
Donations and sponsors	8,139,270	
Zoo receipts	(1,386)	
Park receipts	(2,994)	
Other receipts	3,323	
Due from component unit and other	<u>(3,166,759)</u>	
Net		4,899,842

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund:

Compensated absences	(11,009)	
Retrospective workers compensation	<u>1,948</u>	
Net		(9,061)

Contractually required contributions are reported as expenditures in the governmental fund; however, the statement of net position reports these amounts in deferred outflows of resources.

Pension	8,117,757	
OPEB	<u>104,686</u>	
Total		8,222,443

Except for amounts reported as deferred inflows/outflows, changes in net pension and OPEB liabilities are reported as pension and OPEB expenses in the statement of activities.

Pension	(16,322,874)	
OPEB	<u>5,209,726</u>	
Net		<u>(11,113,148)</u>

Change in net position of governmental activities \$ 42,639,199

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Property taxes	\$ 72,892,500	\$ 95,751,111	\$ 95,751,111	\$ -
Intergovernmental	10,213,334	25,846,301	9,164,436	(16,681,865)
Donations and sponsors	3,190,712	25,191,892	19,042,564	(6,149,328)
Interest	50,000	50,000	3,034,576	2,984,576
Golf receipts	8,992,371	9,062,371	12,367,696	3,305,325
Zoo receipts	14,368,730	14,418,730	16,314,638	1,895,908
Park receipts	9,739,462	9,756,992	10,981,935	1,224,943
Damages and fines	185,250	185,250	255,914	70,664
Other	880,095	898,244	1,117,795	219,551
Total Revenues	<u>120,512,454</u>	<u>181,160,891</u>	<u>168,030,665</u>	<u>(13,130,226)</u>
Expenditures:				
Current:				
Park operations	40,179,278	40,487,809	36,344,046	4,143,763
Zoo operations	24,353,931	25,399,256	22,902,747	2,496,509
Golf operations	9,113,900	10,512,819	9,589,406	923,413
Police department	12,076,272	12,144,500	11,268,272	876,228
Administration	38,021,864	38,584,539	37,277,679	1,306,860
Capital outlay	42,398,371	111,981,846	67,946,267	44,035,579
Total Expenditures	<u>166,143,616</u>	<u>239,110,769</u>	<u>185,328,417</u>	<u>53,782,352</u>
Change in fund balance	(45,631,162)	(57,949,878)	(17,297,752)	\$ 40,652,126
Fund balance beginning of year	49,205,699	49,205,699	49,205,699	
Prior Year Encumbrances Appropriated	<u>23,442,207</u>	<u>23,442,207</u>	<u>23,442,207</u>	
Fund balance end of year	<u>\$ 27,016,744</u>	<u>\$ 14,698,028</u>	<u>\$ 55,350,154</u>	

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 1—REPORTING ENTITY AND BASIS OF PRESENTATION

Cleveland Metroparks is a separate political subdivision established on July 23, 1917, by the Cuyahoga County Probate Court, under the authority of Section 1545.01, Ohio Revised Code.

The Cleveland Metroparks governing body is a three-member Board of Park Commissioners (the “Commissioners”), who are appointed to three-year terms by the Cuyahoga County Probate Court.

The Cleveland Metroparks is dedicated to the conservation of natural resources and wildlife, while providing various recreational facilities and services which are to be enjoyed by the public. These activities are directly controlled by the Commissioners through the budgetary process and are included within this report.

In evaluating how to define the Cleveland Metroparks for financial reporting purposes, management has considered all agencies, departments and organizations making up the Cleveland Metroparks and its potential component units consistent with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No. 14, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*.

Component units are legally separate organizations for which the Cleveland Metroparks is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit’s board, and either (1) the Cleveland Metroparks ability to impose its will over the component unit, or (2) the possibility that a component unit will provide a financial benefit to or impose a financial burden on the Cleveland Metroparks.

Discretely Presented Component Unit The component unit financial statements identify the financial data of the Cleveland Metroparks component unit, Cleveland Zoological Society, which is reported separately to emphasize that it is legally separate from the Cleveland Metroparks.

Cleveland Zoological Society Cleveland Zoological Society (the “Zoo Society”) is a nonprofit organization which operates under a Board of Trustees. The Zoo Society promotes the conservation and propagation of wildlife - particularly endangered species - primarily through the support of the Cleveland Metroparks. The Zoo Society will engage the community in support of the Cleveland Zoo (the “Zoo”) and in its mission to improve the future for wildlife and will marshal the resources necessary to ensure that the Zoo remains one of the region’s preeminent destinations and ultimately one of the top five zoos in the country. The Cleveland Metroparks does not appoint any of the members of Cleveland Zoological Society’s governing board or approve the budget or debt issuance of Cleveland Zoological Society. However, the economic resources received by the Zoo Society are primarily for the benefit of and are generally accessible to the Cleveland Metroparks. Further, the Cleveland Metroparks has influence on the programs and services provided by Cleveland Zoological Society and an operating agreement between the Cleveland Metroparks and Cleveland Zoological Society (Note 15). Therefore, in accordance with GASB Statement No. 39, paragraph 5, the Zoo Society is presented as a component unit of the Cleveland Metroparks. Financial statements can be obtained from Cleveland Zoological Society, 3900 Wildlife Way, Cleveland, Ohio 44109.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 1—REPORTING ENTITY AND BASIS OF PRESENTATION – *continued*

The Zoo Society uses a non-governmental GAAP reporting model; therefore, the Zoo Society’s statement of financial position and statement of activities are reported on a separate page following the Cleveland statement of net position and statement of activities.

Information in the following notes to the Cleveland Metroparks basic financial statements is applicable to the Cleveland Metroparks. Information relative to the component unit for the year ended December 31, 2023 is presented in Note 15.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Cleveland Metroparks have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Cleveland Metroparks accounting policies are described below.

Basis of Presentation

The Cleveland Metroparks basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Cleveland Metroparks as a whole. These statements include the financial activities of the Cleveland Metroparks. These statements usually distinguish between those activities of the Cleveland Metroparks that are governmental and those considered business-type. All of the activities of the Cleveland Metroparks are reported as governmental activities.

The statement of net position presents the financial condition of the governmental activities of the Cleveland Metroparks at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Cleveland Metroparks governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Cleveland Metroparks, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Cleveland Metroparks.

Fund Financial Statements During the year, the Cleveland Metroparks segregates transactions related to certain functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information at this more detailed level. The focus of governmental fund financial statements is on major funds. The only governmental fund maintained by the Cleveland Metroparks is the General Fund.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Fund Accounting

The Cleveland Metroparks uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Cleveland Metroparks reports only a governmental fund.

Governmental Funds Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities and deferred inflows of resources are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balances. The following is the Cleveland Metroparks only governmental fund:

General Fund The General Fund accounts for and reports all financial resources of the Cleveland Metroparks. The General Fund balance is available to the Cleveland Metroparks for any purpose, provided it is expended or transferred according to the general laws of Ohio.

Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Cleveland Metroparks are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements The General Fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the way the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the General Fund.

Revenues - Exchange and Nonexchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Cleveland Metroparks, available means expected to be received within sixty days of year-end.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Nonexchange transactions, in which the Cleveland Metroparks receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Cleveland Metroparks must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Cleveland Metroparks on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: state-levied locally shared taxes, damages and fines, interest, grants and rentals.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial 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 outflows of resources (expense/expenditure) until then. For the Cleveland Metroparks, deferred outflows of resources are reported on the government-wide statement of net position for pension and other postemployment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Notes 9 and 10.

In addition to liabilities, the statements of financial 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 until that time. For the Cleveland Metroparks, deferred inflows of resources include property taxes, pension, OPEB, leases, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

Deferred inflows of resources related to leases are reported on both the government-wide statement of net position and governmental fund financial statements (see Note 5).

Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position (see Notes 9 and 10).

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Cash and Investments

During 2023, the Cleveland Metroparks investments included the State Treasury Asset Reserve of Ohio (STAR Ohio), a money market mutual fund, commercial paper, Federal Agency securities, and municipal bonds. Investments are reported at fair value, which is based on quoted market price or current share.

STAR Ohio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The Cleveland Metroparks measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

STAR Ohio reserves the right to limit the transaction to \$250 million per day. Transactions in all of a participant’s accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For 2023, there were no limitations or restrictions on any participants withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund amounted to \$3,061,846 during 2023.

Investments with an original maturity of three months or less at the time they are purchased by the Cleveland Metroparks and investments of the cash management pool are presented on the financial statements as cash equivalents.

GASB Statement No. 72, *Fair Value Measurement and Application*, addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements.

Cash and cash equivalents that are held separately by the Cleveland Metroparks for payment of retainage to contractors upon project completion and for flexible spending accounts are recorded as “Cash and Cash Equivalents in Segregated Accounts”.

Leases Receivable

As a lessor, Cleveland Metroparks recognizes a lease receivable based on the net present value of future lease payments to be received for the lease term and a deferred inflow of resources based on net present value calculated using the rate explicit in the contract, the rate implied in the contract, or Cleveland Metroparks incremental borrowing rate plus the net impact of any payments to be received at or before commencement of the lease term that relate to future periods, as well as lease incentives payable to the lessee. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. For short-term lease contracts defined as having a maximum possible term of 12 months or less—Cleveland Metroparks recognizes revenue based on the payment provisions of the lease contract.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Materials and Supplies Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of materials and supplies held for consumption.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current year, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

Capital Assets

The Cleveland Metroparks only capital assets are general capital assets. General capital assets are capital assets which are associated with and arise from governmental activities. They result from expenditures in the General Fund. General capital assets are reported in the governmental activities' column of the government- wide statement of net position but are not reported in the financial statements of the General Fund.

All capital assets, except for the Cleveland Metroparks collection of zoo animals, are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Cleveland Metroparks was able to estimate the historical cost for the initial reporting of infrastructure by back-trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The Cleveland Metroparks capitalizes all land, construction in progress and infrastructure. The capitalization thresholds for the Cleveland Metroparks' other capital assets are as follows:

Exhibits	\$50,000
Buildings	50,000
Machinery and Equipment	5,000
Vehicles	5,000

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

All capital assets are depreciated except for land, land improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Cleveland Metroparks historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Site Structures	20 years
Exhibits	40 years
Buildings	40 years
Machinery and Equipment	5 - 10 years
Vehicles	7 years
Infrastructure	20 - 40 years

The Cleveland Metroparks reports infrastructure consisting of bridges, fords, dams, tunnels, utilities, roads, all-purpose trails, golf course cart paths and other paved areas and infrastructure that was acquired prior to December 31, 1980.

Pensions and Other Postemployment Benefits (OPEB)

For purpose of measuring the net pension liabilities, net OPEB liabilities, and their related deferrals and expenses, information about the fiduciary net position of the retirement system and additions to/deductions from its fiduciary net position have been determined on the same basis as they are reported by the retirement system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The retirement system reports investments at fair value.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full of current financial resources are reported as obligations of the fund. However, claims and judgments and compensated absences are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the retirement system's fiduciary net position is not sufficient for payment of those benefits.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The Cleveland Metroparks records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is an estimate based upon the Cleveland Metroparks past experience of making termination payments.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Cleveland Metroparks is bound to observe constraints imposed upon the use of the resources in the governmental fund. The classifications are as follows:

Nonspendable. The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Commissioners. Those committed amounts cannot be used for any other purpose unless the Commissioners remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned. Amounts in the assigned fund balance classification are intended to be used by the Cleveland Metroparks for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Commissioners by ordinance or by State statute. State statute authorizes the Chief Financial Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Commissioners assigned amounts to cover a gap between estimated revenue and appropriations in the 2024 appropriated budget.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications.

The Cleveland Metroparks applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Net Position

Net Position represents the residual between all other elements in a statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

Budgetary Process

The General Fund is legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the Certificate of Estimated Resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The Certificate of Estimated Resources establishes a limit on the amount the Commissioners may appropriate. The appropriations resolution is the Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Commissioners. The legal level of control has been established by the Commissioners at the object level. Any budgetary modifications at this level may only be made by resolution of the Commissioners.

The Certificate of Estimated Resources may be amended during the year if projected increases or decreases in revenue are identified by the Chief Financial Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the Certificate of Estimated Resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended Certificate of Estimated Resources in effect at the time the final appropriations were passed.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Commissioners during the year.

NOTE 3—BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual, General Fund, is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with State statute.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 3—BUDGETARY BASIS OF ACCOUNTING – *continued*

The major differences between the budget basis and the GAAP basis (generally accepted accounting principles) are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as committed or assigned fund balance (GAAP).
4. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.
5. Investments are reported at cost (budget) rather than fair value (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the General Fund for the year ending December 31, 2023.

GAAP Basis	\$	8,515,384
Revenue accruals		(1,392,772)
Expenditure accruals		(1,315,117)
Encumbrances		<u>(23,105,247)</u>
Budget Basis	\$	<u>(17,297,752)</u>

NOTE 4—DEPOSITS AND INVESTMENTS

Active deposits are public monies determined to be necessary to meet current demands for Cleveland Metroparks financial resources. Active monies must be maintained either as cash in the Cleveland Metroparks treasury, in commercial accounts, payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Commissioners have identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 4—DEPOSITS AND INVESTMENTS – *continued*

Interim monies held by the Cleveland Metroparks can be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed 30 days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Cleveland Metroparks, and must be purchased with the expectation that it will be held to maturity.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 4—DEPOSITS AND INVESTMENTS – *continued*

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial Credit Risk. Custodial credit risk for deposits is the risk that in the event of bank failure, the Cleveland Metroparks will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2023, \$7,208,233 of the Cleveland Metroparks' bank balance of \$9,085,268 was uncollateralized and uninsured. Although the securities were held by the pledging financial institutions' trust departments and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Cleveland Metroparks to a successful claim by the FDIC.

The Cleveland Metroparks has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Cleveland Metroparks or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution. For financial institutions who participate in the Ohio Pooled Collateral System (OPCS), a centralized collateral system monitored by the Ohio Treasurer of State, they must pledge eligible securities equal to at least one hundred and two percent, or a rate set by the Ohio Treasurer of State, of the deposits being secured. Financial institutions choosing not to participate in the OPCS must pledge eligible securities equal to at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2023, the Cleveland Metroparks had the following investments:

Measurement / Investment	Balance at <u>12/31/2023</u>	<u>Maturity</u>	Standard & Poor's <u>Rating</u>
Net Asset Value per Share			
STAR Ohio	\$ 25,629,146	46 days	AAAm
Money market fund	1,566,748	26 days	AAAm
Fair Value - Level 2 Inputs:			
Commercial Paper	13,476,680	Less than one year	A1
Federal Agency Securities	31,066,689	Less than one year	AA+
Municipal Bonds	<u>805,000</u>	Less than one year	not rated
Total	<u>\$ 72,544,263</u>		

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 4—DEPOSITS AND INVESTMENTS – *continued*

Interest Rate Risk. As a means of limiting its exposure to fair value losses caused by rising interest rates, the Cleveland Metroparks investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the Cleveland Metroparks investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Concentration of Credit Risk. Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the Cleveland Metroparks investments in a single issuer. The Cleveland Metroparks investment policy requires diversification of the portfolio, but only states that the Treasurer shall diversify use of investment instruments to avoid incurring unreasonable risks inherent in overinvesting in specific instruments, individual institutions or maturities.

Fair Value Measurement. Cleveland categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs valued by market price quotations from broker dealers or other pricing sources used by the Cleveland Metroparks investment managers; Level 3 inputs are significant unobservable inputs.

NOTE 5—RECEIVABLES

Receivables at December 31, 2023 consisted of property taxes, amounts due from the component unit, accounts (billings for user charged services), accrued interest, intergovernmental and leases receivables. All receivables, except delinquent property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The principal items of intergovernmental receivables are homestead and rollback, local government, grants and entitlements.

Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the County. Property tax revenue received during 2023 for real and public utility property taxes represents collections of 2022 taxes.

2023 real property taxes are levied after October 1, 2023 on the assessed value as of January 1, 2023 the lien date. Assessed values are established by state law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024 operations.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 5—RECEIVABLES – *continued*

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate, unadjusted for H.B. 920, for all Cleveland Metroparks operations for the year ended December 31, 2023 was \$2.75 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2023 property tax receipts were based are as follows:

Category	Cuyahoga County	Medina County	Total
Real Property:			
Residential/Agricultural	\$ 25,009,850,590	\$ 466,112,370	\$ 25,475,962,960
Commercial Industrial/Public Utility	8,985,917,300	19,229,890	9,005,147,190
Public Utility Property	<u>1,567,799,830</u>	<u>9,495,910</u>	<u>1,577,295,740</u>
Total Assessed Value	<u>\$ 35,563,567,720</u>	<u>\$ 494,838,170</u>	<u>\$ 36,058,405,890</u>

The Cuyahoga County Fiscal Officer and Medina County Auditor collect property taxes on behalf of all taxing entities in the Counties, including Cleveland Metroparks. The Cuyahoga County Fiscal Officer and Medina County Auditor periodically remit to the Cleveland Metroparks their portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim. In the General Fund, the portion of the receivable not levied to finance 2023 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, collective delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources - unavailable revenue.

Tax Abatements

For 2023, the Cleveland Metroparks' property taxes were reduced by \$2,385,299 under various tax abatement agreements entered into by the City of Cleveland.

Leases

The Cleveland Metroparks leases property parcels in the Cleveland Lakefront State Park to five yacht clubs. These leases were initiated and amended in prior years and terminate at various intervals, with the earliest terminating in 2027 and the latest terminating in 2043. None of the leases have renewal clauses. Annual rent for four of the leases is based on a percentage of the true property value of the dry land and harbor basis unique to each yacht club. Annual rent on the fifth lease is based on 3% annual increases. These leases also include capital improvement requirements that require specified capital improvement amounts to be made within a certain time frame. Yacht clubs that fail to meet the capital improvement requirements will see an increase in their annual rent. The specific dollar requirements and punitive rent increase percentages are specified in each lease agreement. During 2023, the Cleveland Metroparks received \$44,153 and \$27,270 in lease and interest revenue, respectively.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 6—RISK MANAGEMENT

The Cleveland Metroparks is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees or guests; and natural disasters.

During 2023, the Cleveland Metroparks purchased insurance policies for: casualty (coverages of \$1,000,000 to \$10,000,000); property (coverages of \$4,116,084 to \$473,004,740); inland marine (coverages of \$1,000,000 to \$74,867,931); automobile (coverage of \$500,000); and crime (coverages of \$250,000 to \$1,000,000).

There has not been a significant reduction in commercial coverage from the prior year and settled claims have not exceeded coverage in any of the last five years.

Effective January 1, 2007, the Cleveland Metroparks established a self-insured program in the General Fund to provide employees' medical, hospitalization and prescription drug coverage under the Preferred Provider Organization (PPO) plan option, in accordance with Section 9.833 of the Ohio Revised Code.

A third-party administrator, Cigna, reviewed all claims which were then paid by the Cleveland Metroparks. The Cleveland Metroparks pays coverage into the self-insurance program for union employees and non-union employees based on plan types and percentages. The Cleveland Metroparks charges a \$100 per month surcharge for employees who choose to cover spouses who have medical insurance available through their employer. Incurred but not reported claims of \$482,479 have been accrued as a liability based on an actuarial valuation of health care benefits liability as of December 31, 2023. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. Management's expectation is the claims liabilities will be paid within one year.

Changes in the claims liability amounts for 2022 and 2023 were:

Year	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2022	\$ 333,605	\$ 7,617,761	\$ (7,643,489)	\$ 307,877
2023	307,877	11,066,839	(10,892,237)	482,479

The Cleveland Metroparks stopped participating in the State Workers' Compensation retrospective rating and payment system in 2015, but began participating again in 2017 through 2018. There were no outstanding claims accrued as a liability at December 31, 2023 based on an estimate by the Cleveland Metroparks.

The outstanding claims liability reported at December 31, 2023 is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 6—RISK MANAGEMENT – *continued*

Changes in the workers' compensation claims liability amounts for 2022 and 2023 were:

Year	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at End of Year
2022	\$ 53,112	\$ -	\$ (51,164)	\$ 1,948
2023	1,948	-	(1,948)	-

NOTE 7—LONG-TERM OBLIGATIONS

Changes in the long-term obligations of the Cleveland Metroparks during 2023 were as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Compensated Absences	\$ 7,612,248	\$ 429,719	\$ (418,710)	\$ 7,623,257	\$ 1,640,904
Retrospective Workers' Compensation	1,948	-	(1,948)	-	-
Total Long-Term Obligations	\$ 7,614,196	\$ 429,719	\$ (420,658)	\$ 7,623,257	\$ 1,640,904

Compensated absences and retrospective workers' compensation will be paid from the General Fund.

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CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 8—CAPITAL ASSETS

A summary of changes in capital assets during 2023 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 179,013,324	\$ 9,495,903	\$ -	\$ 188,509,227
Land improvements	19,937,461	2,846,861	-	22,784,322
Construction in progress	32,992,424	32,317,246	(20,471,968)	44,837,702
Total capital assets not being depreciated	<u>231,943,209</u>	<u>44,660,010</u>	<u>(20,471,968)</u>	<u>256,131,251</u>
Capital assets being depreciated:				
Site structures	23,651,546	1,479,278	-	25,130,824
Exhibits	12,900,836	8,696,135	-	21,596,971
Buildings	215,989,988	1,432,669	-	217,422,657
Machinery and equipment	26,478,679	2,228,133	(274,639)	28,432,173
Vehicles	14,274,668	1,824,520	(598,929)	15,500,259
Infrastructure:				
Bridges	41,429,039	5,073,132	-	46,502,171
Fords	2,684,082	-	-	2,684,082
Dams	188,835	-	-	188,835
Tunnels	837,629	-	-	837,629
Utilities	3,221,963	-	-	3,221,963
Roads	32,019,458	-	-	32,019,458
All purpose trails	36,047,442	740,513	-	36,787,955
Golf course cart paths	1,198,085	-	-	1,198,085
Other paved areas	8,119,538	-	-	8,119,538
Total capital assets being depreciated	<u>419,041,788</u>	<u>21,474,380</u>	<u>(873,568)</u>	<u>439,642,600</u>
Less accumulated depreciation:				
Site structures	(8,527,790)	(1,091,454)	-	(9,619,244)
Exhibits	(3,749,006)	(306,152)	-	(4,055,158)
Buildings	(86,049,730)	(5,185,061)	-	(91,234,791)
Machinery and equipment	(18,150,551)	(1,393,476)	269,820	(19,274,207)
Vehicles	(9,252,776)	(1,221,365)	590,650	(9,883,491)
Infrastructure:				
Bridges	(23,213,633)	(924,089)	-	(24,137,722)
Fords	(1,547,725)	(66,750)	-	(1,614,475)
Dams	(118,875)	(2,471)	-	(121,346)
Tunnels	(295,883)	(20,941)	-	(316,824)
Utilities	(442,651)	(80,549)	-	(523,200)
Roads	(18,531,315)	(1,395,648)	-	(19,926,963)
All purpose trails	(15,494,372)	(1,457,083)	-	(16,951,455)
Golf course cart paths	(660,011)	(48,715)	-	(708,726)
Other paved areas	(4,039,623)	(331,831)	-	(4,371,454)
Total accumulated depreciation	<u>(190,073,941)</u>	<u>(13,525,585)</u>	<u>860,470</u>	<u>(202,739,056)</u>
Total capital assets being depreciated, net	<u>228,967,847</u>	<u>7,948,795</u>	<u>(13,098)</u>	<u>236,903,544</u>
Capital assets, net	<u>\$ 460,911,056</u>	<u>\$ 52,608,805</u>	<u>\$ (20,485,066)</u>	<u>\$ 493,034,795</u>

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 8—CAPITAL ASSETS – *continued*

Depreciation expense during 2023 was charged to governmental activity functions as follows:

Park operations	\$ 8,666,842
Zoo operations	3,421,648
Golf operations	597,081
Police department	501,509
Administration	338,505
Total depreciation expense	<u>\$ 13,525,585</u>

NOTE 9—NET PENSION LIABILITY

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions 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 obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Cleveland Metroparks proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability 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.

Ohio Revised Code limits the Cleveland Metroparks obligation for this liability to annual required payments. The Cleveland Metroparks cannot control benefit terms or the manner in which pensions are financed; however, the Cleveland Metroparks does receive the benefit of employees’ services in exchange for compensation including pension.

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 9—NET PENSION LIABILITY – *continued*

Plan Description—Ohio Public Employees Retirement System (OPERS)

Cleveland Metroparks employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-share, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit plan with defined contribution features. Effective January 1, 2022, members may no longer select the combined plan. While members (e.g., Cleveland Metroparks employees) may elect the member-directed plan and the combined plan, the majority of 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 plan. Authority to establish and amend benefits is provided by Chapter 145 of the ORC. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’s fiduciary net position that may be obtained by visiting 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.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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 plan as per the reduced benefits adopted by SB 343 (see OPERS’ ACFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
<i>Age and Service Requirements:</i> Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	<i>Age and Service Requirements:</i> Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	<i>Age and Service Requirements:</i> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<i>Formula:</i> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<i>Formula:</i> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<i>Formula:</i> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Law Enforcement	Law Enforcement	Law Enforcement
<i>Age and Service Requirements:</i> Age 52 with 15 years of service credit	<i>Age and Service Requirements:</i> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<i>Age and Service Requirements:</i> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 9—NET PENSION LIABILITY – *continued*

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.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

Funding Policy—The ORC provides statutory authority for member and employer contributions as follows:

	State and Local	Law Enforcement
2023 Statutory Maximum Contribution Rates		
Employer	14.0%	18.1%
Employee	10.0%	13.0%**
 2023 Actual Contribution Rates		
Employer:		
Pension	14.0%	18.1%
Post-employment Health Care Benefits	*	*
Total Employer	14.0%	18.1%
Employee	10.0%	13.0%

* This rate is determined by OPERS’ Board and has no maximum rate established by ORC. For 2023, the rate was 0% for the Traditional Pension Plan, 2% for the Combined Plan, and 4% for the Member-Directed Plan.

** This rate is also determined by OPERS’ Board, but is limited by ORC to not more than 2% greater than the Public Safety rate.

Employer contribution rates are expressed as a percentage of covered payroll. The Cleveland Metroparks contractually required contributions was \$8,117,757 for 2023. Of this amount, \$356,445 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Cleveland Metroparks proportion of the net pension liability was based on the Cleveland Metroparks share of contributions to the pension plan relative to the projected contributions of all participating entities.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 9—NET PENSION LIABILITY – *continued*

The following is information related to the proportionate share and pension expense:

Proportionate Share of Net Pension Liability	\$ 102,935,707
Proportion of Net Pension Liability	0.348462%
Change in Proportionate Share	0.031010%
Pension Expense	\$ 16,322,874

At December 31, 2023, the Cleveland Metroparks reported deferred outflows of resources related to pensions from the following sources:

<u>Deferred Outflows of Resources</u>	
Differences between expected and actual experience	\$ 3,419,092
Net differences between projected and actual investment earnings	29,339,910
Change in assumptions	1,087,443
Change in Metroparks proportionate share and difference in employer contributions	3,736,632
Contributions subsequent to the measurement date	8,117,757
	<u>\$ 45,700,834</u>

\$8,117,757 reported as deferred outflows of resources related to pension resulting from Cleveland Metroparks contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	
2024	\$ 6,694,253
2025	7,879,925
2026	8,636,164
2027	<u>14,372,735</u>
	<u>\$ 37,583,077</u>

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.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 9—NET PENSION LIABILITY – *continued*

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 in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	2.75%
Future salary increases (including inflation)	2.75% to 10.75%
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3% simple; Post 1/7/2013 retirees: 3% simple through 2023, then 2.05% simple
Investment rate of return	6.90%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previous 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 2022, 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 of 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 loss of 12.1% for 2022.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees 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 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 arithmetic rates of return were provided by the Board's investment consultant.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 9—NET PENSION LIABILITY – continued

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
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	5.00%	3.27%
Total	<u>100.00%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 6.90% for the Traditional Pension Plan. 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 statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit 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 Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following chart represents the Cleveland Metroparks proportionate share of the net pension liability at the 6.90% discount rate, as well as the sensitivity to a 1% increase and 1% decrease in the current discount rate:

	1% Decrease (5.90%)	Current Discount Rate of 6.90%	1% Increase (7.90%)
Cleveland Metroparks proportionate share of the net pension liability	\$ 154,194,483	\$ 102,935,707	\$ 60,297,883

NOTE 10—NET OPEB LIABILITY

The net OPEB liability represents the Cleveland Metroparks proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability 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 these estimates annually.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 10—NET OPEB LIABILITY – *continued*

ORC limits the Cleveland Metroparks obligation for this liability to annual required payments. The Cleveland Metroparks cannot control benefit terms or the manner in which OPEB are financed; however, the Cleveland Metroparks does receive the benefit of employees' services in exchange for compensation, including OPEB.

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The ORC permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's funded or unfunded benefits are presented as either a long-term *net OPEB asset* or *net OPEB liability* on the accrual basis of accounting. Any liability for contractually-required OPEB contributions outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description—OPERS

The 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.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via a Health Reimbursement Arrangement allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' ACFR referenced below for additional information.

The ORC 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 ORC.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 10—NET OPEB LIABILITY – *continued*

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting 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.

Funding Policy—The ORC provides the statutory authority requiring 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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0% of earnable salary and public safety and law enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the ORC. 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. The portion of employer contributions allocated to health care was 0% for members in the Traditional Pension and 2% for members in the Combined Plan.

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 2023 was 4.0%.

The Cleveland Metroparks contractually required contribution to OPERS for OPEB was \$104,686 for 2023.

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

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

Proportionate Share of Net OPEB Liability	\$	2,196,933
Proportion of Net OPEB Liability		0.348433%
Change in Proportionate Share		0.030169%
OPEB (Negative) Expense	\$	(5,209,726)

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 10—NET OPEB LIABILITY – *continued*

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

<u>Deferred Outflows of Resources</u>	
Net differences between projected and actual investment earnings	\$ 4,363,189
Change in assumptions	2,145,795
Change in Metroparks proportionate share and difference in employer contributions	104,863
Contributions subsequent to the measurement date	104,686
	\$ 6,718,533

<u>Deferred Inflows of Resources</u>	
Differences between expected and actual experience	\$ 548,001
Change in assumptions	176,564
	\$ 724,565

\$104,686 reported as deferred outflows of resources related to OPEB resulting from the Cleveland Metroparks contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other 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:	
2024	\$ 820,060
2025	1,600,857
2026	1,360,584
2027	2,107,781
	\$ 5,889,282

Actuarial Assumptions—OPERS

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 health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB asset was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 10—NET OPEB LIABILITY – *continued*

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

Wage inflation	2.75%
Projected salary increases	2.75% to 10.75%, including wage inflation
Single discount rate:	
Current measurement period	5.22%
Prior measurement period	6.00%
Investment rate of return	6.00%
Municipal bond rate:	
Current measurement period	4.05%
Prior measurement period	1.84%
Health care cost trend rate:	
Current measurement period	5.5% initial, 3.50% ultimate in 2036
Prior measurement period	5.5% initial, 3.50% ultimate in 2034
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previous 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 2022, 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 of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and 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 loss of 15.6% for 2022.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
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NOTE 10—NET OPEB LIABILITY – *continued*

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees 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 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 arithmetic rates of return were provided by the Board’s investment consultant.

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

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

Discount Rate. A single discount rate of 5.22% was used to measure the OPEB liability on the measurement date of December 31, 2022. 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, the duration of the projection period through which projected health care payments are fully funded.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
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NOTE 10—NET OPEB LIABILITY – *continued*

Sensitivity of the Cleveland Metroparks Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. The following table presents the Cleveland Metroparks proportionate share of the net OPEB liability calculated using the single discount rate of 5.22%, as well as what the Cleveland Metroparks proportionate share of the net OPEB liability if it were calculated using a discount rate that is 1.0% point lower (4.22%) or 1.0% point higher (6.22%) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate of 5.22%	1% Increase (6.22%)
Cleveland Metroparks proportionate share of the net OPEB liability/(asset)	\$ 7,471,661	\$ 2,196,933	\$ (2,158,635)

Sensitivity of the Cleveland Metroparks 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. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% 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 2023 is 5.50%. 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 that in the not-too-distant future, 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% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Cleveland Metroparks proportionate share of the net OPEB liability	\$ 2,057,666	\$ 2,196,933	\$ 2,350,126

NOTE 11—OTHER BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave liabilities are derived from negotiated agreements and personal contracts. Employees earn vacation and sick leave at different rates which are also affected by length of service. Vacation can be accumulated for up to three years. Sick leave accrual is continuous, without limit.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 11—OTHER BENEFITS – *continued*

Upon retirement, resignation, or death, employees with ten or more years of service with the Cleveland Metroparks will be paid for one fourth of their accumulated hours of sick leave. Upon retirement, termination, or death, an employee will be paid for unused vacation up to the three-year limit.

Holiday time may be accumulated for Police indefinitely and compensatory time earned must be taken by the end of the subsequent calendar year.

Health, Dental, Vision and Life Insurance

Employees can take part in the self-insurance PPO health insurance program with three plans A, B and C. Premiums are paid by the Cleveland Metroparks, based on the following percentages for union and non-union employees, respectively: 82 and 85 percent for the A plan, 87 and 90 percent for B plan and both 95 percent for the C plan. The Cleveland Metroparks provides dental and vision through Aetna. It also provides life insurance with accidental death and dismemberment insurance for full-time and part-time employees and long-term disability to full-time employees through Reliance Standard Insurance.

Flexible Benefit Plan

Section 125 of the Internal Revenue Service (IRS) code permits the Flexible Benefit Plan, as established by the Cleveland Metroparks. The Flexible Benefit Plan (FBP) allows employees to defer pay on a pre-tax basis to pay premium contribution(s) and Flexible Spending Accounts (FSA) reimbursements for qualified medical (up to \$2,600) and /or dependent care (up to \$5,000) expenses. The FSA accounts allow full-time employees to pay for qualified out-of-pocket medical and dependent care expenses with pre-tax income. Amounts deposited into the FSA account for medical expenses may be used at the employee's discretion for qualified expenses incurred during the plan year (January 1 through December 31). Amounts put into the FSA accounts are deducted before Federal, State and Medicare taxes are withheld. A provision of the code provides that any funds left in the FSA declaration at the end of the plan year up to \$500 may be rolled over into the next year. Any amount over \$500 is forfeited. \$200,034 has been reported as a liability at December 31, 2023.

Amounts deposited into the FSA account for dependent care may be used at the employee's discretion for qualified expenses incurred during the calendar year.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 12—SIGNIFICANT COMMITMENTS

Contractual Commitments

At December 31, 2023, the Cleveland Metroparks significant contractual commitments consisted of:

Vendor	Contract Amount	Amount Expended	Balance 12/31/23
Chagrin Valley Engineering LTD	\$ 1,467,098	\$ 74,068	\$ 1,393,030
Great Lakes Construction Co.	2,111,922	286,071	1,825,851
Regency Construction Services, Inc.	2,769,000	971,314	1,797,686
Turner Construction Group	2,477,844	1,165,459	1,312,385
Van Auken Aksins Architects, LLC	7,638,808	6,368,367	1,270,441
	<u>\$ 16,464,672</u>	<u>\$ 8,865,279</u>	<u>\$ 7,599,393</u>

All of the remaining committed amounts were encumbered at year end. The amount of \$1,373,539 in retainage payable have been capitalized.

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were \$23,105,247.

NOTE 13—CONTINGENCIES

The Cleveland Metroparks is a party to legal proceedings seeking damages. The Cleveland Metroparks management is of the opinion that the ultimate disposition of a majority of the claims and legal proceedings will not have a material effect, if any, on the financial condition of the Cleveland Metroparks.

NOTE 14—RELATED PARTY TRANSACTIONS

During 2023, the Cleveland Metroparks received \$1,371,408 from the Zoo Society, a discretely presented component unit of the Cleveland Metroparks. The Cleveland Metroparks is also reporting a due from component unit in the amount of \$4,961,915.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY)

Summary of Significant Accounting Policies

Nature of Activities. The Cleveland Zoological Society (the “Zoo Society”) is the advancement partner of Cleveland Metroparks Zoo (the “Zoo”) in support of a shared mission – *We create compelling experiences that connect people with wildlife and inspire personal responsibility for conserving our natural world.* The strong public-private partnership between the Zoo and the nonprofit Zoo Society facilitates continuous improvements at the Zoo and contributes significantly to the quality of life in our region. With an average annual attendance of 1.3 million visitors and 40,000 household members, the Zoo and Zoo Society are recognized as a premier conservation education facility and as a top destination in Northeast Ohio.

The Zoo Society is governed by a Board of Directors and is a separate and distinct entity from the Cleveland Metropolitan Park District. The Zoo Society’s activities are primarily in support of the Cleveland Metroparks Zoo, subject to approval by the Zoo Society’s Board.

Basis of Presentation. The Zoo Society follows authoritative guidance issued by the Financial Accounting Standards Board (“FASB”) which established the FASB Accounting Standards Codification (“ASC”) as the single source of authoritative accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared on the accrual basis of accounting. Net position and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net position of the Zoo Society and changes therein are classified and reported as follows:

Net Position Without Donor Restrictions – Net position that is not subject to donor-imposed stipulations, and are therefore available for use at the discretion of the Board of Directors and/or management for general operating purposes.

Net Position Without Donor Restrictions (Undesignated) – Consists of net position that is not subject to donor-imposed restrictions nor have been designated for a specified purpose by the Zoo Society’s Board of Directors. The purpose of this net position is to provide support for the daily operations and mission of the Zoo Society.

Net Position Without Donor Restrictions (Board-Designated) – Consists of net position that can be used only for the specific purposes determined by a formal action of the Zoo Society’s Board of Directors, which is the Zoo Society’s highest level of decision-making authority. Commitments may be changed or lifted only by the Zoo Society’s Board of Directors taking the same formal action that imposed the constraint originally. The purpose of Board-designated net position is to provide funding to ensure the continuous operation of the Zoo Society (the Sustaining Fund) and to support initiatives to connect people with wildlife (the ZooFutures Fund). In addition, Board-designated funds are included, along with donor-restricted funds, in both the Animal Care Fund and the Conservation Fund.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

Net Position With Donor Restrictions – Net position whose use has been limited by donor-imposed time and/or purpose restrictions. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net position is reclassified to net position without donor restrictions and reported in the statement of activities as net position released from restrictions.

Some net position with donor restrictions include a donor stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Zoo Society to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board-approved spending policy.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents. The Zoo Society considers highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Board-designated cash and cash equivalents within brokerage accounts are not considered cash and cash equivalents. Such amounts have been classified as investments on the statements of financial position.

Contributions and Pledges Receivable. Contributions received are recorded as without donor restriction or with donor restriction depending on the existence and/or nature of any donor-imposed restrictions.

The Zoo Society recognizes unconditional promises to give as revenue in the period in which the promise is received. If there are no donor-imposed restrictions on the use of funds, then those revenues are classified as without donor restrictions. If a donor-imposed restriction exists, then it must be determined if this restriction is with regard to time or purpose, or in perpetuity and classified in the financial statements as net position with donor restrictions. A donor-imposed restriction is present when the contributor of funds designates a specific purpose or time period in which the funds may be used. At the time when this donor-imposed restriction has been satisfied, net position with donor restrictions is classified to net position without donor restrictions.

If donor-imposed conditions exist, revenue is recognized when the conditions are substantially met. A donor-imposed condition exists when (a) one or more barriers must be overcome before a recipient is entitled to the assets transferred or promised, and (b) a right of return to the contributor for assets transferred or a right of release of the promisor from its obligation to transfer assets exists. When the conditions are substantially met, revenue is recognized as support without donor restrictions or revenue with donor restrictions if donor-imposed stipulations are present. Any advances of funds are included within the current liabilities section of the statements of financial position, as the failure to meet the donor-imposed conditions may result in the need to return the unused funding advances.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

Pledges receivable are stated at their estimated fair value. Pledges that are to be received over a period of time greater than one year are discounted to their estimated fair value assuming their respective payment terms and an appropriate discount rate as of the date the pledge is received. The discount is amortized into contribution revenue over the term of the respective pledge agreement.

The Zoo Society and the Zoo are financially interrelated entities, in accordance with FASB ASC 958, Not-for-Profit Entities. Therefore, contributions raised by the Zoo Society on behalf of the Zoo are reported as contribution revenues with donor restrictions, and the amounts to be remitted to the Zoo are recorded as expense under the caption of “Grants” in the accompanying statement of activities.

Revenue Recognition. Membership revenue is recognized over time, over the membership period (output method). Membership spans one year from the date of purchase. Payment is obtained when a member registers. The membership contract contains multiple performance obligations, however, management has determined that recognizing revenue evenly over the membership period is materially equivalent to segregating each performance obligation and recognizing revenue as each is met. As a practical expedient, the Zoo Society may apply revenue recognition guidance to a portfolio of contracts with similar characteristics if the Zoo Society reasonably expects the effects on the financial statements of applying this guidance to the portfolio would not differ materially from applying this guidance to the individual contracts (or performance obligations) within that portfolio. The Zoo Society is taking the practical expedient approach, as membership contracts are very similar for each individual membership purchased.

Gift memberships span one year from the date they are activated. Payment is obtained when a gift membership is purchased. Amounts received for gift memberships are initially recorded as deferred revenue and revenue is recognized evenly over the membership period once activated. Management also conducts a breakage analysis and calculates historical forfeiture rates on gift memberships and recognized revenue related to expected breakage.

Special event revenue includes sponsorship and ticket sales. Payment is obtained when a participant registers for an event. These revenues are a hybrid of contribution and exchange transaction. The contracts with sponsors include performance obligations related to name recognition and event entry, while ticket sales have one performance obligation, event entry. The exchange portion of the transaction is the fair value of benefits received by the sponsor/ticket purchaser. The revenue allocated to the name recognition performance obligation qualifies for recognition over time, however, management has determined that the effect of recognizing such revenue at a point in time along with the revenue allocated to the event entry results in no difference to revenue recognition, as all performance obligations began and ended within the same year. The practical expedient method was also used for special event revenues.

There were no material contract assets at December 31, 2023. Contract liabilities were \$916,249 at December 31, 2023.

Investments. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in investment income in the statements of activities, along with interest, dividends and investment fees.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

Office Equipment, Software, and Network Resources. Office equipment, software, and network resources are depreciated utilizing the straight-line method over their estimated useful lives ranging from three to ten years. The Zoo Society capitalizes purchases or donations of capital assets that exceed \$5,000. Purchased office equipment, software, and network resources are stated at cost.

Donations of capital assets are recorded as support at their estimated fair value at the date of donation. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire office equipment, software, and network resources, are reported as donor- restricted support.

Split-Interest Agreements. The Zoo Society receives gift annuities where donors contribute assets in exchange for the right to receive an annual return during their lifetimes. Upon receipt of a gift annuity, the Zoo Society records the fair value of the assets received and records a liability for the estimated present value of future cash outflows to the annuitant, determined on an actuarial basis, as a “liability under split-interest agreements” in the accompanying statement of financial position. The difference between the fair value of the assets received and the estimated liability is recorded as contribution revenue with donor restrictions or contribution revenue without donor restrictions in the accompanying statement of activities in accordance with donor’s intent.

The Zoo Society holds beneficial interests in perpetual trusts. The Zoo Society records its share of the fair value of such trusts as long-term assets contribution revenue with donor restrictions at the date it is notified of its interest in such trusts. As the Zoo Society receives distributions from these trusts, it records the distributions as interest income. The interest income is classified as either revenue with donor restrictions or revenue without donor restrictions in accordance with the terms of the trust agreement. Changes in the fair value of the Zoo Society’s beneficial interest in perpetual trusts are recorded as gains/losses with donor restrictions in the accompanying statement of activities under the caption “change in value of split-interest agreements.”

In-Kind Contributions. In-kind contributions are reflected as revenues at their estimated fair value at the date of donation. The Zoo Society reports gifts of media support, food for special events, and other non-monetary contributions as revenue without donor restrictions and expense (or capitalized, if applicable) unless accompanied by explicit donor-imposed restrictions, in which case, the contributions would be recorded as revenues with donor restrictions in accordance with the donor stipulations.

Contributed Services. The Zoo Society recognizes contributions of services received when those services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the donation.

Income Taxes. The Zoo Society is tax-exempt, under Section 501(c)(3) of the Internal Revenue Code (the “IRC”) of 1986. No provision for federal income taxes has been reported in its financial statements. In addition, the Zoo Society has been classified as an organization that is not a “private foundation” within the meaning of Section 509(a) of the IRC.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

In accordance with the “Income Taxes” topic of the FASB ASC, uncertain income tax positions are evaluated at least annually by management. As of December 31, 2023, the Zoo Society has identified no uncertain income tax positions and has incurred no amounts for income tax penalties and interest for the years then ended. The Zoo Society files information returns in the United States and local jurisdictions.

Concentrations of Credit Risk. Financial instruments which potentially subject the Zoo Society to concentrations of credit risk consist of cash and temporary investments, investment securities, and pledges receivable.

The Zoo Society maintains its cash and cash equivalents with national financial institutions, the balances at times may exceed federally insured limits.

The Zoo Society has significant investments in equity and debt securities and is, therefore, subject to concentrations of credit risk. Investments are managed by the Finance Committee. The Finance Committee is required to manage the Zoo Society’s investments in accordance with the Zoo Society’s investment policy. The investment policy contains investment criteria that the Zoo Society believes should reduce, to an extent, the potential for significant concentrations of credit risk. Though the market value of investments is subject to fluctuations on a year-to-year basis, the Directors believe that the investment policy is prudent for the long- term welfare of the Zoo Society.

Credit risk with respect to pledges receivable is limited due to the number and credit worthiness of the foundations, corporations, and individuals who comprise the contributor base. At December 31, 2023, three donors accounted for 36 percent of the gross pledges receivable balance. During 2023, one donor accounted for 32 percent of the capital projects revenue.

Subsequent Events. In preparing these financial statements, the Zoo Society has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were available to be issued.

Pledges Receivable

Pledges were discounted to their estimated fair value assuming their respective terms and discount rates ranging from 3.25 to 8.50 percent dependent upon prevailing rates in the year in which a pledge is received. The pledges receivable is scheduled to be collected as follows:

Payable within one year	\$ 1,920,984
Payable thereafter	<u>3,818,877</u>
Gross pledges receivable	5,739,861
Less: discount to net present value	(1,077,882)
Less: allowance for uncollectible amounts	<u>(173,324)</u>
Net pledges receivable	<u><u>\$ 4,488,655</u></u>

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

Investments

The following schedule summarizes investment return for the year ended December 31, 2023:

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 853,564	\$ 14,627	\$ 868,191
Net realized and unrealized gains	<u>1,956,740</u>	<u>101,596</u>	<u>2,058,336</u>
Total	<u>\$ 2,810,304</u>	<u>\$ 116,223</u>	<u>\$ 2,926,527</u>

Fair Value Measurements

In accordance with the “Fair Value Measurements” topic of the FASB ASC, the Zoo Society uses a three-level fair value hierarchy that categorizes assets and liabilities measured at fair value based on the observability of the inputs utilized in the valuation. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own valuation assumptions. These inputs reflect management’s judgment about the assumptions that a market participant would use in pricing the asset or liability and are based on the best available information, which has been internally developed.

Financial assets (liabilities) measured at fair value on a recurring basis consisted of the following at December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash in money markets	\$ 14,289,093	\$ -	\$ 14,289,093
Mutual funds - equities	11,222,387	-	11,222,387
Mutual funds - fixed income	3,504,279	-	3,504,279
Exchange-traded funds - equities	76,974	-	76,974
Exchange traded funds – fixed income	15,805	-	15,805
Beneficial interest in perpetual trusts	-	718,291	718,291
Deferred compensation	-	(380,631)	(380,631)
Liability under split-interest agreements	<u>-</u>	<u>(82,597)</u>	<u>(82,597)</u>
	<u>\$ 29,108,538</u>	<u>\$ 255,063</u>	<u>\$ 29,363,601</u>

The table above does not include the investments in pooled separate accounts of \$380,631 at December 31, 2023, as they are valued at net asset value provided by the administrator of the accounts as a practical expedient to estimate fair value.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

The fair value of the beneficial interests in perpetual trusts is based upon the value of the underlying assets within the trusts multiplied by the Zoo Society’s proportionate share of said trusts. As the underlying assets within these trusts are primarily Level 1 investments, the value of the Zoo Society’s interests in the perpetual trusts is shown as a Level 2 measurement as the trusts themselves are not actively traded (Level 1) instruments. The liabilities under the split-interest agreements were estimated by discounting the future estimated payments using a 8.50 percent discount rate. The fair value of the deferred compensation liability is based upon the fair value of the investments within the pooled separate accounts.

Board-Designated Net Position

The Board of Directors establishes and maintains Board-designated funds. The Sustaining Fund and the ZooFutures Fund comprise a significant majority of the Board-designated net position of the Zoo Society. Additionally, the Zoo Society has designated funds to support the Animal Care and Conservation Funds.

Board-designated net position was as follows at December 31, 2023:

Sustaining Fund	\$ 6,758,092
ZooFutures Fund	5,267,462
Conservation Fund	1,548,108
Animal Care Fund	<u>799,269</u>
	<u>\$ 14,372,931</u>

Net Position Classification of Endowment and Quasi-Endowment Funds

The Zoo Society maintains several funds consisting of both Board-designated and donor-restricted assets established to support a variety of programs. Net position associated with endowment funds, including funds designated by the Board of Directors to function as quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Zoo Society has interpreted the State of Ohio enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Because of this interpretation, The Zoo Society classifies within net position with donor restrictions (a) the original value of gifts donated, (b) the original value of subsequent gifts, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, the Zoo Society considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund.
- (2) The purposes of the Zoo Society and the donor-restricted endowment fund.
- (3) General economic conditions.
- (4) The investment policies of the Zoo Society.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

Endowment net position composition by type of fund as of December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 922,547	\$ 922,547
Board-designated quasi-endowment funds	<u>7,614,838</u>	<u>-</u>	<u>7,614,838</u>
Endowment net position, end of year	<u>\$ 7,614,838</u>	<u>\$ 922,547</u>	<u>\$ 8,537,385</u>

Changes in endowment net position for the fiscal year ended December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net position, beginning of year	\$ 6,611,602	\$ 804,074	\$ 7,415,676
Investment return:			
Investment income	162,051	14,627	176,678
Net realized and unrealized gains	<u>1,151,845</u>	<u>101,596</u>	<u>1,253,441</u>
Total investment return	1,313,896	116,223	1,430,119
Contributions to perpetual endowment	-	2,250	2,250
Appropriation of endowment assets for expenditure	<u>(310,660)</u>	<u>-</u>	<u>(310,660)</u>
Reclassification into endowment funds	-	-	-
Endowment net position, end of year	<u>\$ 7,614,838</u>	<u>\$ 922,547</u>	<u>\$ 8,537,385</u>

Return Objectives and Risk Parameters. The Zoo Society has adopted investment and spending policies for long-term invested assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the assets. Assets include those assets of donor-restricted funds that the Zoo Society must hold in perpetuity or for a donor-specified period(s), as well as Board-designated funds. Under this policy, as approved by the Board of Directors, investments of all Zoo Society assets are directed by the Finance Committee of the Zoo Society utilizing professional fund managers. The standard for the Finance Committee with regard to Board-designated and donor-restricted assets shall be the preservation of corpus while prudently maximizing real growth. The Zoo Society will conduct a quarterly monitoring of the portfolio. Investment performance will be measured against comparative market indices including the Standard & Poor 500 Index, as well as other comparable indices. The performance of the overall portfolio will also be monitored quarterly and compared against appropriate benchmarks.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

Strategies Employed for Achieving Objectives. To satisfy its long-term rate-of-return objectives, the Zoo Society relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Zoo Society targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy. Recommendations for the use of ZooFutures, Animal Care and Conservation Fund assets free of donor restriction shall be the responsibility of the Finance Committee as part of the annual budget process. Appropriations from both donor-restricted funds and Board-designated funds without donor restrictions shall not, in any calendar year, exceed a sum equal to 5 percent of the twelve-quarter rolling average of the Fund assets. Amounts that have been approved for expenditure, in any given year, but not expended by the end of year, are carried over to subsequent years.

Split-Interest Agreements

The Zoo Society administers various charitable gift annuities. Under these agreements, the Zoo Society remits fixed payments to the donors on a quarterly basis, using an interest rate of 8.50 percent. Using applicable mortality tables, quarterly payments are estimated to extend through 2041. Investments, primarily mutual funds, held in charitable gift annuities aggregated \$246,526 at December 31, 2023, and are reported at fair value in the statement of financial position. Management estimated its liability under split-interest agreements by discounting future estimated payments using a 8.50 percent discount rate at December 31, 2023. The liability was \$82,597 at December 31, 2023.

Beneficial interest in perpetual trusts include two separate trust funds that have been instructed to provide the Zoo Society with the unrestricted use of the Zoo Society's respective portion of the trusts' income in accordance with the trusts' documents. The Zoo Society has an irrevocable right to receive the income from the trusts' assets in perpetuity. The Zoo Society's share of the trusts assets, which had a market value on December 31, 2023 of \$718,291, is included in the accompanying statement of financial position. The trusts' investments are managed by external directors designated by the donors. As such, the Zoo Society does not control the allocation of the trusts' investments.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

Net Position with Donor Restrictions

Net position with donor restrictions are available for the following purposes at December 31, 2023:

Subject to expenditure for specified purpose or period:	
Conservation and research	\$ 258,704
Education	257,318
Animal care funds	868,502
Ambassador animal	1,396
Primate forest	8,662,504
Tropical bears	126,600
Sensory room	80,000
Restricted for time	139,583
Appreciation of specific donor-restricted endowments (time restricted)	<u>475,668</u>
	<u>10,870,275</u>
Endowments subject to the Zoo Society's spending policy and appropriation:	
Animal Care Fund	446,879
Perpetual trusts	<u>718,291</u>
	<u>1,165,170</u>
Total net position with donor restrictions	<u><u>\$ 12,035,445</u></u>

Net position with donor restrictions were released from donor restrictions by incurring expenditures satisfying the purpose and/or time restrictions specified by donors as follows for the year ended December 31, 2023:

Conservation and research	\$ 220,128
Education	188,484
Rhino exhibit	196,888
Animal Care Fund	336,434
Office renovation	185,890
Giraffe barn	74,018
Tropical bears	173,266
Restricted for time	<u>56,464</u>
	<u><u>\$ 1,431,572</u></u>

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

Cleveland Metroparks

The Zoo Society has historically provided support to the Cleveland Metroparks for a variety of Zoo programs and functions. Support is summarized below for the year ended December 31, 2023:

Animal care and research	\$ 232,452
Field conservation	732,041
Education	266,915
Other	<u>140,000</u>
	<u>\$ 1,371,408</u>

The Zoo Society receives donated office facilities, including office space, common space, utilities, computer and telephone services from Cleveland Metroparks. The amount of such services cannot be reasonably estimated due to the unique nature of the space. Therefore, no amounts are recorded on the statement of activities for the year ended December 31, 2023.

Operating Agreement. Since 1998, the Zoo Society and the Cleveland Metroparks have worked together under an operating agreement that has provided operating support to the Cleveland Metroparks varying between 65 percent and 72 percent of the revenue generated from sales of the general membership program, specifically, membership categories where dues are \$125 or less. The agreement has an ongoing annual renewal clause that grants the parties the ability to request renegotiation or cancellation. For fiscal 2023, the guaranteed amounts were 70 percent of membership revenue returned to the Cleveland Metroparks as commission, with 60 percent of that revenue being credited to the Cleveland Metroparks general fund and 10 percent of that revenue being held in a restricted fund for conservation support.

The Zoo Society is acting as an agent for the Zoo and collected \$3,043,343 in membership funds that were remitted to the Cleveland Metroparks during the year ended December 31, 2023. These funds were not included as revenue and expenses in the financial statements.

Included in “Amounts due to Cleveland Metroparks - operating agreement” on the statement of financial position is \$848,790, which is owed to the Cleveland Metroparks under the above agreements at December 31, 2023. Included in “Amounts due to Cleveland Metroparks - operating agreement - Conservation funding” on the statement of financial position is \$457,937 under the above agreements at December 31, 2023. Included in “accounts payable and accrued expenses” on the statement of financial position is \$200,921, which is owed to Cleveland Metroparks and not related to the above agreements at December 31, 2023.

Tropical Bears. In 2021, the Zoo Society committed \$3,500,000 to the Cleveland Metroparks for the tropical bears habitat, of which \$1,119,517 was remitted during 2022 and \$2,380,483 was remitted during 2023.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

Primate Forest. The Zoo Society committed \$3,372,492 to the Cleveland Metroparks for the primate forest during 2022, with no amounts yet remitted as of December 31, 2023, and \$3,372,492 included in the amounts due to Cleveland Metroparks. The Zoo Society continued to fundraise for the project in 2023, as signified by the change in Net Position with Donor Restrictions related to the Primate Forest project of \$4,910,107. This multi-year, multi-faceted project is slated to break ground in the fall of 2024. Throughout the duration of the project, the Zoo Society will make additional commitments in support of the different phases of the project.

Other Capital Projects. Amounts due to Cleveland Metroparks at December 31, 2023 included \$282,696 related to other capital projects.

Allocation of Joint Costs. For the year ended December 31, 2023, the Zoo Society incurred costs for producing and distributing membership publications. These publications included information, materials and activities that included fundraising appeals. These costs were allocated to fundraising and program services as follows:

Fundraising	\$ 45,185
Program services	<u>325,565</u>
	<u>\$ 370,750</u>

Defined Contribution Plans

The Zoo Society has a 403(b) defined contribution plan (the “Plan”). The Plan covers all employees who work 1,000 hours or more during a calendar year. Each participant may elect to defer a portion of their annual compensation and the Zoo Society will make a matching contribution up to 3 percent of the participant’s compensation. During 2023, the amount of expense related to this Plan was \$85,299.

The Zoo Society has a 457(b) executive deferred compensation plan (the “Executive Plan”). Participation in the Executive Plan was limited to those determined eligible by the Human Resources Committee of Zoo Society’s Board of Directors. The Executive Plan was frozen in fiscal 2023. There was no expense related to this Executive Plan for the year ended December 31, 2023.

The assets of the Executive Plan are included in the “investments in pooled separate accounts” on the accompanying statement of financial position. At December 31, 2023, the total assets under the plan recorded in the accompanying statement of financial position was \$380,631. The fair value of the assets under the Executive Plan is based upon the net asset value (NAV) of units held by the Zoo Society at year-end, which is provided by the administrator of the pooled separate accounts. The NAV, as provided by the administrator of the accounts, is used as a practical expedient to estimate fair value. The NAV is based on the value of the underlying investments held in the accounts, minus its liabilities, and then divided by the number of units outstanding.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

The liability under the Executive Plan is included in “deferred compensation” on the accompanying statement of financial position. At December 31, 2023, the total liability under the plan recorded in the accompanying statement of financial position was \$380,631. The fair value of the deferred compensation liability is based upon the value of the total benefit available to the participants of the Executive Plan. The benefit available to the participants of the Executive Plan is equal to the underlying assets in the participants’ book accounts. As such, the value of the liability is equal to the assets under the Executive Plan at December 31, 2023.

Related Party Transactions

At December 31, 2023, \$609,205 of pledges receivable and \$1,760,999 of support and revenue, respectively, were from Directors, Director-related organizations, and employees.

Liquidity and Available Resources

The Zoo Society maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Zoo Society maintains Board-designated funds (net position without donor restrictions) that the Zoo Society intends to hold for purposes as outlined in the *Long-Term Asset Management and Investment Policy* which could be made available for current operations, if necessary.

Marketable securities are shown as long-term as the Zoo Society intends to hold them as such, though a portion of the balance is not Board-designated or donor-restricted. The portion of marketable securities that is not Board-designated or donor-restricted is available to management within one year and is included in the following table.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2023

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

The Zoo Society’s financial assets available within one year of December 31, 2023 for general expenditures are as follows:

Cash and cash equivalents	\$ 581,337
Cash restricted for endowment	2,250
Charitable gift annuities	246,526
Pledges receivable, net	4,488,655
Marketable securities	<u>28,862,012</u>
	34,180,780
 Less:	
Amounts unavailable for general expenditures within one year, due to:	
Funds held for others included in cash and cash equivalents	1,030
Restricted by donors - purpose restrictions	10,255,024
Restricted by donors - implied time restrictions	615,251
Restricted by donors - held in perpetuity	<u>446,879</u>
	11,318,184
 Amounts unavailable to management without Board's approval:	
Board designated - ZooFutures, Animal Care & Conservation Funds	7,614,839
Board designated - Sustaining Fund	6,758,092
Board designated - approved distribution from Sustaining Fund for following year operations	(314,106)
Board designated - approved distribution from ZooFutures for following year operations	(246,870)
Board designated - approved distribution from Animal Care Fund for following year operations	(69,761)
Board designated - approved distribution from Conservation Fund for following year operations	<u>(65,429)</u>
	<u>13,676,765</u>
 Total financial assets available to management for general expenditures within one year	 <u><u>\$ 9,185,831</u></u>



**Required Supplementary
Information**



CLEVELAND METROPARKS
 Required Supplementary Information
 Schedule of Proportionate Share of the Net Pension Liability
 Ohio Public Employees Retirement System - Traditional Pension Plan
 Last Ten Years (1)

	Cleveland Metroparks Proportion of the Net Pension Liability	Cleveland Metroparks Proportionate Share of the Net Pension Liability	Cleveland Metroparks Covered Payroll	Cleveland Metroparks Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.324745%	\$ 34,381,833	\$ 30,009,029	114.57%	86.36%
2015	0.324745%	39,167,876	38,135,151	102.71%	86.45%
2016	0.344018%	59,588,255	47,397,701	125.72%	81.08%
2017	0.349667%	79,403,542	43,385,762	183.02%	77.25%
2018	0.354570%	55,625,168	44,793,795	124.18%	84.66%
2019	0.352501%	96,542,825	49,444,388	195.26%	74.70%
2020	0.349005%	68,983,198	50,921,154	135.47%	82.17%
2021	0.302320%	44,766,945	44,042,613	101.64%	86.88%
2022	0.317452%	27,619,637	47,972,220	57.57%	92.62%
2023	0.348462%	102,935,707	54,021,598	190.55%	75.74%

(1) Amounts presented for each year were determined as of Cleveland Metroparks measurement date, which is the prior year-end.

Notes to Schedule:

Change in assumptions. In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

In 2019, a reduction of the discount rate was made from 7.5% to 7.2%.

In 2022, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction of the discount rate from 7.2% to 6.9%, a reduction in wage inflation from 3.25% to 2.75%, and transition from RP-2014 mortality tables to Pub-2010 mortality tables.

CLEVELAND METROPARKS
 Required Supplementary Information
 Schedule of Pension Contributions
 Ohio Public Employees Retirement System - Traditional Pension Plan
 Last Ten Years

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Cleveland Metroparks Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 4,789,510	\$ (4,789,510)	-	\$ 38,135,151	12.56%
2015	5,939,238	(5,939,238)	-	47,397,701	12.53%
2016	5,446,515	(5,446,515)	-	43,385,762	12.55%
2017	6,152,991	(6,152,991)	-	44,793,795	13.74%
2018	6,759,406	(6,759,406)	-	49,444,388	13.67%
2019	6,994,955	(6,994,955)	-	50,921,154	13.74%
2020	6,070,032	(6,070,032)	-	44,042,613	13.78%
2021	6,582,419	(6,582,419)	-	47,972,220	13.72%
2022	7,376,832	(7,376,832)	-	54,021,598	13.66%
2023	8,117,757	(8,117,757)	-	59,043,964	13.75%

CLEVELAND METROPARKS
Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability/(Asset)
Ohio Public Employees Retirement System
Last Seven Years (1) (2)

	Cleveland Metroparks Proportion of the Net OPEB Liability/(Asset)	Cleveland Metroparks Proportionate Share of the Net OPEB Liability/(Asset)	Cleveland Metroparks Covered Payroll	Cleveland Metroparks Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2017	0.348641%	\$ 35,213,961	\$ 43,385,762	81.16%	54.05%
2018	0.356078%	38,667,430	44,793,795	86.32%	54.14%
2019	0.354058%	46,160,833	49,444,388	93.36%	46.33%
2020	0.350250%	48,378,652	50,921,154	95.01%	47.80%
2021	0.304204%	(5,419,630)	44,042,613	(12.31%)	115.57%
2022	0.318264%	(9,968,499)	47,972,220	(20.78%)	128.23%
2023	0.348433%	2,196,933	54,021,598	4.07%	94.79%

(1) Information prior to 2017 is not available. Cleveland Metroparks will continue to present information for years available until a full ten-year trend is compiled.

(2) Amounts presented for each year were determined as of Cleveland Metroparks measurement date, which is the prior year-end.

Notes to Schedule:

Change in assumptions. In 2018, the single discount rate changed from 4.23% to 3.85%.

In 2019, the single discount rate changed from 3.85% to 3.96%, the investment rate of return changed from 6.50% to 6.00%, and the health care cost trend rate changed from 7.5% initial to 10.0% initial.

In 2020, the single discount rate changed from 3.96% to 3.16% and the health care cost trend rate changed from 10.0% initial, 3.25% ultimate in 2029 to 10.5% initial, 3.50% ultimate in 2030.

In 2021, the single discount rate changed from 3.16% to 6.00% and the health care cost trend rate changed from 10.5% initial, 3.50% ultimate in 2030 to 8.5% initial, 3.50% ultimate in 2035.

In 2022, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction in wage inflation from 3.25% to 2.75%, and transition from RP-2014 mortality tables to Pub-2010 mortality tables.

In 2023, the single discount rate changed from 6.00% to 5.22% and the health care cost trend rate changed from 5.5% initial, 3.50% ultimate in 2034 to 5.5% initial, 3.50% ultimate in 2036.

CLEVELAND METROPARKS
 Required Supplementary Information
 Schedule of OPEB Contributions
 Ohio Public Employees Retirement System
 Last Ten Years

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Cleveland Metroparks Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 814,388	\$ (814,388)	-	\$ 38,135,151	2.14%
2015	947,954	(947,954)	-	47,397,701	2.00%
2016	902,033	(902,033)	-	43,385,762	2.08%
2017	481,199	(481,199)	-	44,793,795	1.07%
2018	90,066	(90,066)	-	49,444,388	0.18%
2019	69,456	(69,456)	-	50,921,154	0.14%
2020	59,068	(59,068)	-	44,042,613	0.13%
2021	65,273	(65,273)	-	47,972,220	0.14%
2022	89,800	(89,800)	-	54,021,598	0.17%
2023	104,686	(104,686)	-	59,043,964	0.18%

**Individual Fund Schedule of Revenues,
Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual**



CLEVELAND METROPARKS
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 72,892,500	\$ 95,751,111	\$ 95,751,111	\$ -
Intergovernmental	10,213,334	25,846,301	9,164,436	(16,681,865)
Donations and sponsors	3,190,712	25,191,892	19,042,564	(6,149,328)
Interest	50,000	50,000	3,034,576	2,984,576
Golf receipts	8,992,371	9,062,371	12,367,696	3,305,325
Zoo receipts	14,368,730	14,418,730	16,314,638	1,895,908
Park receipts	9,739,462	9,756,992	10,981,935	1,224,943
Damages and fines	185,250	185,250	255,914	70,664
Other	880,095	898,244	1,117,795	219,551
Total Revenues	120,512,454	181,160,891	168,030,665	(13,130,226)
Expenditures:				
Current:				
Park operations:				
Salaries	27,544,948	27,275,924	25,046,632	2,229,292
Fringe benefits	3,787,628	3,797,962	3,452,539	345,423
Operating supplies/other	8,846,702	9,413,923	7,844,875	1,569,048
Total park operations	40,179,278	40,487,809	36,344,046	4,143,763
Zoo operations:				
Salaries	14,236,810	14,116,725	13,129,659	987,066
Fringe benefits	2,156,523	2,156,523	2,013,666	142,857
Operating supplies/other	7,960,598	9,126,008	7,759,422	1,366,586
Total zoo operations	24,353,931	25,399,256	22,902,747	2,496,509
Golf operations:				
Salaries	4,901,586	5,035,836	4,704,502	331,334
Fringe benefits	753,282	753,282	690,563	62,719
Operating supplies/other	3,459,032	4,723,701	4,194,341	529,360
Total golf operations	9,113,900	10,512,819	9,589,406	923,413
Police department:				
Salaries	8,425,573	8,425,573	7,888,467	537,106
Fringe benefits	1,560,187	1,560,187	1,517,686	42,501
Operating supplies/other	2,090,512	2,158,740	1,862,119	296,621
Total police department	\$ 12,076,272	\$ 12,144,500	\$ 11,268,272	\$ 876,228

(continued)

CLEVELAND METROPARKS
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Expenditures (continued):</i>				
Current (continued):				
Administration:				
Salaries	\$ 12,211,336	\$ 12,224,451	\$ 11,295,443	\$ 929,008
Fringe benefits	12,340,142	12,349,780	13,042,382	(692,602)
Operating supplies/other	13,470,386	14,010,308	12,939,854	1,070,454
Total administration	<u>38,021,864</u>	<u>38,584,539</u>	<u>37,277,679</u>	<u>1,306,860</u>
Capital outlay:				
Parks	16,010,625	32,823,955	23,071,483	9,752,472
Zoo	14,534,601	25,135,992	17,287,528	7,848,464
Golf courses	4,205,955	7,279,519	6,409,323	870,196
Police department	934,892	1,717,319	1,509,046	208,273
Administration	6,712,298	45,025,061	19,668,887	25,356,174
Total capital outlay	<u>42,398,371</u>	<u>111,981,846</u>	<u>67,946,267</u>	<u>44,035,579</u>
Total Expenditures	<u>166,143,616</u>	<u>239,110,769</u>	<u>185,328,417</u>	<u>53,782,352</u>
Change in fund balance	(45,631,162)	(57,949,878)	(17,297,752)	\$ 40,652,126
Fund balance beginning of year	49,205,699	49,205,699	49,205,699	
Prior year encumbrances appropriated	<u>23,442,207</u>	<u>23,442,207</u>	<u>23,442,207</u>	
Fund balance end of year	<u>\$ 27,016,744</u>	<u>\$ 14,698,028</u>	<u>\$ 55,350,154</u>	

STATISTICAL SECTION





Statistical Section

This part of the Metroparks annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Metroparks overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Metroparks financial position has changed over time. S2 - S5

Revenue Capacity

These schedules contain information to help the reader understand and assess the factors affecting the Metroparks ability to generate its most significant local revenue sources, property taxes. S6 - S9

Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the Metroparks financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments. S10 - S11

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Metroparks financial report relates to the services the Metroparks provides and the activities it performs. S12 - S14

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CLEVELAND METROPARKS
Net Position by Component
Last Ten Years
(accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017 (restated) ²	2016	2015	2014 (restated) ¹
Governmental Activities:										
Net investment in capital assets	\$ 490,243,936	\$ 457,087,891	\$ 444,771,006	\$ 428,077,689	\$ 418,054,590	\$ 403,598,334	\$ 388,943,999	\$ 377,607,452	\$ 363,000,941	\$ 345,105,185
Unrestricted (deficit)	46,947,868	37,464,714	(1,251,257)	(69,619,556)	(80,682,629)	(70,463,356)	(55,222,423)	(7,323,045)	8,966,608	7,193,024
<i>Total Governmental Activities Net Position</i>	<u>\$ 537,191,804</u>	<u>\$ 494,552,605</u>	<u>\$ 443,519,749</u>	<u>\$ 358,458,133</u>	<u>\$ 337,371,961</u>	<u>\$ 333,134,978</u>	<u>\$ 333,721,576</u>	<u>\$ 370,284,407</u>	<u>\$ 371,967,549</u>	<u>\$ 352,298,209</u>

¹ Net Position at December 31, 2014 has been restated for adoption of GASB Statement No. 68.

² Net Position at December 31, 2017 has been restated for adoption of GASB Statement No. 75.

CLEVELAND METROPARKS

*Changes in Net Position
Last Ten Years*

(accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Program Revenues:										
Charges for Services:										
Park Operations	\$ 9,705,352	\$ 8,371,620	\$ 5,834,929	\$ 3,166,231	\$ 7,190,974	\$ 6,843,782	\$ 6,535,685	\$ 6,976,265	\$ 6,139,184	\$ 4,227,717
Zoo Operations	15,524,512	16,537,882	16,013,528	8,140,639	14,148,450	10,963,695	9,523,005	10,192,364	10,063,497	8,032,058
Golf Operations	12,377,854	10,258,732	9,117,958	8,527,042	7,130,302	6,276,975	6,002,523	6,245,738	6,320,530	5,879,352
Police Department	255,253	226,998	182,421	230,854	245,828	239,189	233,253	69,621	73,789	119,770
Administration	1,959,980	1,617,026	1,984,185	1,475,756	2,886,225	2,765,098	3,216,132	132,719	117	-
Operating Grants, Contributions, and Interest	9,420,767	17,101,101	15,467,492	4,965,420	1,779,250	4,843,864	4,413,455	1,960,235	2,097,083	4,593,015
Capital Grants, Contributions and Interest	23,070,589	7,559,749	15,997,241	20,441,829	22,682,909	7,870,346	9,267,753	10,425,941	7,543,763	12,591,206
Total Program Revenues	74,314,307	61,673,108	64,597,754	46,947,771	56,063,938	39,802,949	39,191,806	36,002,883	32,237,963	35,443,118
Program Expenses:										
Park Operations	32,016,801	32,241,578	12,696,760	41,744,369	56,617,943	48,466,675	46,517,869	47,629,967	30,769,501	30,678,440
Zoo Operations	25,651,756	20,010,453	12,027,599	20,677,050	27,541,640	24,854,262	25,969,712	23,659,931	21,221,029	21,322,735
Golf Operations	12,098,513	7,253,680	3,970,823	7,188,213	7,765,443	6,830,247	6,780,084	7,373,701	6,384,066	6,839,494
Police Department	11,565,016	5,970,514	2,004,308	11,500,346	13,919,719	12,099,954	12,327,659	11,244,740	9,986,563	9,269,030
Administration	50,214,273	25,942,932	27,501,653	25,229,340	23,901,862	25,527,015	25,113,218	21,420,296	19,825,583	14,461,704
Total Program Expenses	131,546,359	91,419,157	58,201,143	106,339,318	129,746,607	117,778,153	116,708,542	111,328,635	88,186,742	82,571,403
Net Expenses	(57,232,052)	(29,746,049)	6,396,611	(59,391,547)	(73,682,669)	(77,975,204)	(77,516,736)	(75,325,752)	(55,948,779)	(47,128,285)
General Revenues:										
Property Taxes Levied for General Purposes and Entitlements not Restricted	95,943,577	73,246,430	71,736,059	71,403,630	70,369,740	69,931,964	68,602,320	66,284,428	67,464,996	68,036,389
to Specific Programs	729,976	6,390,309	6,695,800	6,490,037	6,547,935	6,719,998	6,702,511	6,205,637	7,337,304	8,372,262
Investment Earnings	3,061,846	1,015,655	59,797	257,863	730,629	490,722	302,565	217,285	136,095	59,782
Miscellaneous	135,852	126,511	173,349	2,326,189	271,348	245,922	79,271	935,260	679,724	589,080
Total General Revenues	99,871,251	80,778,905	78,665,005	80,477,719	77,919,652	77,388,606	75,686,667	73,642,610	75,618,119	77,057,513
Change in Net Position	\$ 42,639,199	\$ 51,032,856	\$ 85,061,616	\$ 21,086,172	\$ 4,236,983	\$ (586,598)	\$ (1,830,069)	\$ (1,683,142)	\$ 19,669,340	\$ 29,929,228

(a) - Significant decrease was driven primarily to recognition of negative pension and OPEB expenses in accordance with GASB Statement No. 68 and 75.

CLEVELAND METROPARKS
Fund Balance, Governmental Fund
Last Ten Years
(modified accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 3,861,804	\$ 3,034,580	\$ 2,307,584	\$ 2,497,773	\$ 1,692,567	\$ 1,360,684	\$ 1,362,806	\$ 1,533,009	\$ 1,216,671	\$ 1,528,414
Committed	19,660,138	14,384,481	12,551,248	9,750,271	9,652,552	2,645,097	3,724,320	6,933,503	2,607,842	2,451,728
Assigned	36,859,536	24,697,482	15,598,315	28,109,652	10,724,968	14,028,001	13,144,799	8,100,124	23,339,347	27,933,940
Unassigned	16,172,542	25,922,093	31,276,325	(4,004,251)	2,948,942	918,798	1,733,215	5,986,114	6,670,685	-
Total Governmental Fund Balance	\$ 76,554,020	\$ 68,038,636	\$ 61,733,472	\$ 36,353,445	\$ 25,019,029	\$ 18,952,580	\$ 19,965,140	\$ 22,552,750	\$ 33,834,545	\$ 31,914,082

CLEVELAND METROPARKS
Changes in Fund Balance - Governmental Fund
Last Ten Years
(modified accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Property Taxes	\$ 95,751,111	\$ 72,888,257	\$ 71,864,588	\$ 71,133,197	\$ 70,872,082	\$ 69,703,030	\$ 68,671,092	\$ 67,750,092	\$ 67,436,703	\$ 66,498,265
Intergovernmental	9,334,490	14,048,292	25,105,792	13,349,149	14,030,979	12,018,274	10,984,859	8,605,417	11,075,484	9,115,613
Donations and Sponsors	21,201,486	8,409,325	9,084,449	9,510,194	5,554,790	7,349,338	6,643,531	5,981,632	6,172,877	5,676,292
Interest	3,061,846	1,015,655	59,797	257,863	730,629	490,722	302,565	217,285	136,095	59,782
Golf Receipts	12,377,735	10,260,660	9,124,102	8,544,026	7,111,577	6,250,163	5,054,487	6,238,995	6,337,741	5,880,061
Zoo Receipts	15,526,517	16,300,580	15,237,381	8,484,436	13,686,052	10,944,927	10,395,798	10,187,034	10,052,539	8,032,574
Park Receipts	10,803,291	9,373,419	6,807,405	3,681,322	8,379,275	8,272,948	7,403,973	7,113,434	6,135,199	4,229,169
Damages and Fines	255,914	224,998	182,736	278,272	255,006	246,164	225,822	69,621	73,789	119,770
Other	1,111,047	866,676	1,214,156	2,672,529	854,374	743,204	1,583,424	895,421	675,875	595,580
Total Revenues	169,423,437	133,387,862	138,680,406	117,910,988	121,474,764	116,018,770	111,265,551	107,058,931	108,096,302	100,207,106
Expenditures:										
Current:										
Park Operations	33,920,219	33,417,680	25,881,135	25,947,896	32,381,395	30,064,839	30,710,229	30,727,620	28,636,639	25,694,308
Zoo Operations	20,875,226	22,105,162	17,521,705	16,375,440	19,867,576	18,253,150	19,684,835	18,157,078	17,882,062	19,800,687
Golf Operations	8,570,551	7,785,912	6,638,717	5,656,679	6,012,073	5,614,404	5,210,848	6,332,195	5,901,022	6,568,676
Police Department	11,059,125	9,573,622	10,008,446	9,045,096	9,747,991	9,777,386	9,384,547	9,880,162	9,723,800	8,902,118
Administration	34,411,535	27,711,207	25,842,290	21,526,815	23,791,397	24,304,610	24,141,950	19,346,481	15,575,336	14,593,117
Capital Outlay	52,071,397	26,489,115	27,408,086	28,024,646	23,607,883	29,016,941	24,720,752	33,897,190	28,456,980	18,863,886
Total Expenditures	160,908,053	127,082,698	113,300,379	106,576,572	115,408,315	117,031,330	113,853,161	118,340,726	106,175,839	94,422,792
Net Change in Fund Balances	\$ 8,515,384	\$ 6,305,164	\$ 25,380,027	\$ 11,334,416	\$ 6,066,449	\$ (1,012,560)	\$ (2,587,610)	\$ (11,281,795)	\$ 1,920,463	\$ 5,784,314
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CLEVELAND METROPARKS
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property				Tangible Personal Property				Total	Ratio	Full Tax Rate
	Assessed Value				Public Utility						
	Residential/ Agricultural	Commercial Industrial Public Utility	Estimated Actual Value	Assessed Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value			
2023	\$ 25,475,962,960	\$ 9,005,147,190	\$ 98,517,457,571	\$ 1,577,295,740	\$ 1,792,381,523	\$ 36,058,405,890	\$ 100,309,839,094	\$ 2.75	35.95%	\$ 2.75	
2022	25,174,319,340	8,956,181,620	97,515,717,029	1,480,081,080	1,681,910,318	35,610,582,040	99,197,627,347	2.75	35.90%	2.75	
2021	21,637,219,940	8,523,354,120	86,173,068,743	1,401,934,230	1,593,107,080	31,562,508,290	87,766,175,823	2.75	35.96%	2.75	
2020	21,551,404,990	8,448,669,510	85,714,498,571	1,315,638,930	1,495,044,239	31,315,713,430	87,209,542,810	2.75	35.91%	2.75	
2019	21,411,323,760	8,583,712,340	85,700,103,143	1,228,750,040	1,396,306,864	31,223,786,140	87,096,410,007	2.75	35.85%	2.75	
2018	19,467,845,860	7,915,322,760	78,237,624,629	1,166,040,660	1,325,046,205	28,549,209,280	79,562,670,833	2.75	35.88%	2.75	
2017	19,457,345,250	7,761,002,220	77,766,707,057	1,070,878,380	1,216,907,250	28,289,225,850	78,983,614,307	2.75	35.82%	2.75	
2016	19,361,229,500	7,833,216,540	77,698,417,257	949,600,700	1,079,091,705	28,144,046,740	78,777,508,962	2.75	35.73%	2.75	
2015	19,040,920,510	8,393,727,860	78,384,709,629	905,949,000	1,029,487,500	28,340,597,370	79,414,197,129	2.75	35.69%	2.75	
2014	19,040,881,120	8,396,812,570	78,393,410,543	851,517,000	967,632,955	28,289,210,690	79,361,043,498	2.75	35.65%	2.75	

Sources: Cuyahoga County, Ohio, County Fiscal Officer
Medina County, Ohio, County Auditor

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

CLEVELAND METROPARKS
Property Tax Rates - Direct and Overlapping Governments (1)
(Per \$1,000 of Assessed Valuation)
Last Ten Years

	2023		2022		2021		2020		2019	
	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate
Voted Millage by Levy										
2004 General Operating										
Effective Millage Rates										
Residential/Agricultural	\$ 2.7500	\$ 2.7404	\$ 2.7500	\$ 2.7404	\$ 2.7500	\$ 2.1502	\$ 2.7500	\$ 2.4849	\$ 2.7500	\$ 2.4797
Commercial/Industrial	2.7500	2.7404	2.7500	2.7404	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500
General Business and Public Utility	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500
Weighted Average Tax Rate	<u>2.2813</u>		<u>2.2807</u>		<u>2.2902</u>		<u>2.5160</u>		<u>2.5654</u>	
Overlapping Rates by Tax District										
Cuyahoga County	14.8500	12.2519	14.8500	12.2519	14.8500	12.2552	14.8500	14.0063	14.0500	12.8012
Cities	2.2 - 28.5	2.2 - 28.5	2.2 - 28.5	2.2 - 28.5	2.2 - 29.1	2.2 - 29.1	2.2 - 28.5	2.2 - 28.5	2.2 - 28.3	2.2 - 28.3
Villages	2.8 - 31.8	2.8 - 29.8	2.8 - 31.8	2.8 - 29.8	2.8 - 31.8	2.8 - 29.8	2.8 - 31.8	2.8 - 31.8	2.8 - 31.8	2.8 - 31.8
Townships	0.4 - 31.5	0.4 - 18.3	0.4 - 31.5	0.4 - 18.3	0.4 - 31.5	0.4 - 18.3	0.4 - 31.5	0.4 - 20.3	0.4 - 31.5	0.4 - 20.4
School Districts	34.9 - 188.8	25.5 - 86.4	34.9 - 188.8	25.5 - 86.4	34.9 - 189.2	25.5 - 86.9	35.3 - 189.2	28.2 - 91.8	35.7 - 189.2	28.2 - 91.3
Joint Vocational Schools	2.0 - 3.1	2.0 - 2.5	2.0 - 3.1	2.0 - 2.5	2.0 - 3.1	2.0 - 2.5	2.0 - 3.1	2.0 - 2.7	2.0 - 3.1	2.0 - 2.7
Special Districts	0.1 - 10.0	0.1 - 6.9	0.1 - 10.0	0.1 - 6.9	0.1 - 10.0	0.1 - 6.9	0.1 - 10.0	0.1 - 7.8	0.1 - 10.0	0.1 - 7.8
	2018		2017		2016		2015		2014	
	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate
Voted Millage by Levy										
2004 General Operating										
Effective Millage Rates										
Residential/Agricultural	\$ 2.7500	\$ 2.4827	\$ 2.7500	\$ 2.7183	\$ 2.7500	\$ 2.7112	\$ 2.7500	\$ 2.7119	\$ 2.7500	\$ 2.7500
Commercial/Industrial	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7368
General Business and Public Utility	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500
Weighted Average Tax Rate	<u>2.5685</u>		<u>2.7282</u>		<u>2.7233</u>		<u>2.7244</u>		<u>2.7461</u>	
Overlapping Rates by Tax District										
Cuyahoga County	14.0500	12.7973	14.0500	13.8802	14.0500	13.8698	14.0500	14.0195	14.0500	13.9495
Cities	2.2 - 29.3	2.2 - 29.3	2.2 - 28.1	2.2 - 28.1	2.2 - 29.4	2.2 - 29.4	2.2 - 27.2	2.2 - 27.2	2.2 - 27.0	2.2 - 27.2
Villages	2.8 - 31.8	2.8 - 31.8	2.8 - 31.8	2.8 - 31.8	0.3 - 31.8	0.3 - 31.8	0.3 - 31.8	0.3 - 30.9	0.3 - 31.8	0.3 - 30.6
Townships	0.8 - 27.5	0.8 - 16.4	0.4 - 27.5	0.4 - 17.7	0.4 - 27.5	0.4 - 17.7	0.4 - 27.5	0.4 - 17.7	0.4 - 27.5	0.4 - 19.2
School Districts	35.7 - 190.5	28.2 - 92.5	35.7 - 190.5	30.1 - 99.1	35.7 - 186.7	30.1 - 94.7	35.7 - 186.7	30.1 - 94.6	35.7 - 186.8	32.6 - 126.9
Joint Vocational Schools	2.0 - 3.1	2.0 - 2.7	2.0 - 3.1	2.0 - 3.0	2.0 - 3.1	2.0 - 3.0	2.0 - 2.4	2.0 - 2.3	2.0 - 2.4	2.0 - 2.2
Special Districts	0.1 - 10.0	0.1 - 7.7	0.1 - 10.0	0.1 - 8.3	0.1 - 10.0	0.1 - 8.2	0.1 - 10.0	0.1 - 8.2	0.1 - 10.0	0.1 - 8.6

(1) Based on lower of Residential/Agricultural and Commercial/Industrial effective rates.

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Basic property tax rates may be increased only by a majority vote of the entity's residents.

Overlapping rates are those of local and county governments that apply to property owners within the entity. Real property tax rates are reduced so that inflationary increases in value do not generate additional revenue.

CLEVELAND METROPARKS
Property Tax Levies and Collections
Last Ten Years

Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections to Current Tax Levy
2023	\$ 95,958,243	\$ 91,770,067	95.64%	\$ 4,287,164	\$ 96,057,231	100.10%
2022	78,342,151	74,174,496	94.68%	3,300,204	77,474,700	98.89%
2021	77,455,732	73,996,731	95.53%	2,647,252	76,643,983	98.95%
2020	76,867,532	73,329,273	95.40%	2,604,247	75,933,520	98.78%
2019	76,547,267	72,463,501	94.67%	2,978,730	75,442,231	98.56%
2018	76,094,193	71,904,148	94.49%	2,831,675	74,735,823	98.21%
2017	75,319,089	71,244,310	94.59%	2,495,807	73,740,117	97.90%
2016	74,907,282	70,638,247	94.30%	3,392,211	74,030,458	98.83%
2015	76,135,421	69,659,132	91.49%	4,857,065	74,516,197	97.87%
2014	76,146,454	69,067,495	90.70%	3,071,288	72,138,783	94.74%

Source: Cuyahoga County, Ohio, County Fiscal Officer

Note: The County's current operating system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

(1) - State reimbursement of rollback and homestead exemptions are included.

CLEVELAND METROPARKS

Principal Property Tax Payers

Current Year and Nine Years Prior

Taxpayer	2023			2014		
	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$ 821,698,680	1	2.28%	\$ 341,374,620	1	1.21%
American Transmission Systems	454,797,700	2	1.26%			
Dominion East Ohio Gas Company	261,284,990	3	0.72%	112,521,960	4	0.40%
Stark Enterprises Subsidiaries	127,724,540	4	0.35%			
K&D Properties	125,471,340	5	0.35%			
City of Cleveland	119,127,940	6	0.33%			
Brookfield Properties	118,971,640	7	0.33%			
127 PS Fee Owner, LLC	87,820,780	8	0.24%			
Progressive Insurance Company	78,941,450	9	0.22%			
Columbia Gas of Ohio	66,596,140	10	0.18%			
Cleveland Clinic Foundation				193,534,030	2	0.68%
Cuyahoga County, Ohio				154,466,450	3	0.55%
American Transmission Systems				94,687,700	5	0.33%
Key Center Properties, LLC				80,559,150	6	0.28%
WEA Southpark, LLC				73,292,270	7	0.26%
Beachwood Place, LTD				65,324,350	8	0.23%
University Hospitals Health System, Inc.				62,776,320	9	0.22%
Eaton Corporation				53,413,820	10	0.19%
Total Top 10 Assessed Valuations	2,262,435,200		6.26%	1,231,950,670		4.35%
All Others	33,795,970,690		93.74%	27,057,260,020		95.65%
Total Assessed Valuation	<u>\$ 36,058,405,890</u>		<u>100.00%</u>	<u>\$ 28,289,210,690</u>		<u>100.00%</u>

Source: Cuyahoga County, Ohio; County Fiscal Officer

CLEVELAND METROPARKS
Demographic and Economic Statistics
Last Ten Years

Year	County Population (1)	Metropolitan Statistical Area (2)	Personal Income	Per Capita Personal Income	Median Family Income (2)
2023	1,233,088	2,062,087	\$ 49,085,534,016	\$ 39,807	\$ 60,074
2022	1,236,041	2,075,662	44,894,245,161	36,321	55,109
2021	1,249,387	2,075,662	42,976,414,026	34,398	51,742
2020	1,227,883	2,026,560	40,660,117,662	33,114	49,910
2019	1,235,072	2,048,449	39,280,229,888	31,804	48,435
2018	1,243,857	2,057,009	36,385,443,502	29,252	46,784
2017	1,248,514	1,750,920	36,385,443,502	29,143	45,289
2016	1,295,958	1,794,211	33,344,999,000	25,730	44,203
2015	1,259,828	1,759,382	35,333,174,000	28,046	43,804
2014	1,259,828	1,759,382	33,981,368,908	26,973	43,804

UNEMPLOYMENT RATES (3)

Year	Cuyahoga County	Ohio	United States
2023	3.8%	3.5%	3.5%
2022	4.9%	4.0%	3.6%
2021	6.5%	5.1%	5.3%
2020	6.8%	5.2%	6.5%
2019	3.6%	3.8%	3.4%
2018	5.0%	4.8%	3.7%
2017	4.8%	4.5%	3.9%
2016	5.3%	4.7%	4.5%
2015	6.4%	5.4%	5.6%
2014	5.3%	5.1%	5.6%

EMPLOYMENT - ANNUAL AVERAGE (3)

Year	Total Employed	Total Unemployed	Total Civilian Labor Force
2023	582,260	23,293	605,553
2022	570,300	29,300	599,600
2021	556,600	38,700	595,300
2020	531,200	61,700	592,900
2019	597,311	12,164	609,475
2018	580,200	32,100	612,300
2017	575,100	35,800	610,900
2016	577,200	33,300	610,500
2015	584,400	39,900	624,300
2014	584,400	39,900	624,300

- Sources: (1) U.S. Census Bureau - Census America Community Survey
(2) The MSA is the Cleveland-Elyria MSA as delineated by the U.S. Office of Management and Budget (OMB)
(3) Ohio Department of Jobs and Family Services -LAUS Data Base

CLEVELAND METROPARKS
Principal Employers
Current Year and Nine Years Prior

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Number of Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Number of Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Cleveland Clinic Health System	45,673	1	7.84%	32,251	1	5.17%
Group Management Services, Inc.	33,972	2	5.83%	4,795	10	0.77%
Minute Men Cos.	26,578	3	4.56%			
University Hospitals Health System	25,030	4	4.30%	14,518	2	2.33%
Amazon	20,000	5	3.43%			
U.S. Office of Personnel Management	15,740	6	2.70%	11,254	3	1.80%
Progressive Corporation	13,150	7	2.26%	8,379	4	1.34%
Walmart	12,650	8	2.17%			
Giant Eagle, Inc.	9,599	9	1.65%			
Summa Health Akron	6,275	10	1.08%			
Cuyahoga County				7,776	5	1.25%
Cleveland Metropolitan School District				6,953	6	1.11%
City of Cleveland				6,757	7	1.08%
Metro Health Systems				5,823	8	0.93%
KeyCorp				4,812	9	0.77%
Total Employees	208,667		35.82%	103,318		16.55%
All Other Employers	373,593		64.18%	520,982		83.45%
Total Employment within the Cuyahoga County (2)	<u>582,260</u>		<u>100.00%</u>	<u>624,300</u>		<u>100.00%</u>

Sources: (1) Crain's Cleveland Business Magazine
(2) U.S. Department of Labor - BLS

CLEVELAND METROPARKS
Full-Time Equivalent Metroparks Employees by Division
Last Ten Years

Division	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Parks	516.9	478.4	463.2	379.3	511.7	506.8	547.3	529.5	507.9	477.6
Zoo	223.0	217.9	200.5	180.0	224.1	222.8	252.8	248.8	250.8	256.0
Police	98.2	91.5	88.4	100.6	97.2	96.4	103.8	103.9	101.1	99.6
Administration	142.0	126.9	77.0	105.1	132.0	139.3	142.2	132.4	125.8	109.8
Total	980.1	914.7	829.1	765.0	965.0	965.3	1,046.1	1,014.6	985.6	943.0
Percent Change	7.1%	10.3%	8.4%	-20.7%	0.0%	-7.7%	3.1%	2.9%	4.5%	

Source: Cleveland Metroparks Payroll Department

Method: A full-time equivalent at December 31st is one full calendar year of paid employment, or the equivalent of 2,080 hours (the number of available work hours in a year).

CLEVELAND METROPARKS
Operating Indicators
Last Ten Years

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Affiliate Visitation (3)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	402,873
Water Safety Division (6)										
Hinckley Dam	N/A	N/A	N/A	N/A	N/A	N/A	63,740	67,173	60,812	65,115
Huntington Beach	N/A	N/A	N/A	N/A	N/A	N/A	125,678	138,532	125,019	184,368
Ledge Lake pool	N/A	N/A	N/A	N/A	N/A	N/A	26,825	31,052	26,983	29,876
Wallace Lake	N/A	N/A	N/A	N/A	N/A	N/A	30,985	24,317	22,803	32,604
Edgewater Park (1)	N/A	N/A	N/A	N/A	N/A	N/A	159,873	159,305	145,758	294,039
Euclid Beach (Wildwood)	N/A	N/A	N/A	N/A	N/A	N/A	16,718	15,780	N/A	N/A
The Chalet										
Public admissions	22,410	21,972	15,698	20,867	25,010	22,359	23,682	27,118	19,809	32,630
Private rentals	12,385	11,707	7,862	4,049	16,835	17,524	17,737	18,552	18,447	20,335
Golf Services (8)										
Golfers at 9 holes	N/A	N/A	N/A	399,607	300,380	284,241	293,103	333,065	348,481	317,600
Golfers at Starts (2)	N/A	N/A	N/A	307,355	234,460	216,199	223,456	247,878	261,848	246,486
Footgolf	1,119	N/A	1,370	1,633	1,899	1,705	2,914	3,915	5,063	N/A
Total Rounds Played	349,325	298,726	300,659	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Outdoor Education (9)										
Walk ins	328,493	272,128	111,347	55,785	328,587	321,736	361,623	286,152	282,707	275,881
Programs	216,989	208,176	120,875	101,910	246,263	238,904	270,615	201,516	202,426	215,451
Outdoor recreation	7,318	6,243	3,303	6,454	8,438	6,752	5,768	4,776	4,037	4,660
Historical interpretation (3)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4,056	6,054
Nature Preschool	5,684	5,684	5,423	4,353	1,782	703	N/A	N/A	N/A	N/A
Nature tracks mobile education unit	N/A	N/A	N/A	1,731	22,917	31,546	30,958	47,166	54,925	31,279
EcoExplorers (5)	N/A	N/A	N/A	2,356	13,961	18,537	17,130	N/A	N/A	N/A
Mobile Outreach	29,965	26,538	9,244	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Youth outdoors	7,037	6,900	2,860	2,860	9,935	9,180	11,042	9,536	7,665	9,628
Police Department (7)										
Programs	N/A	N/A	N/A	7,450	36,548	34,205	48,354	70,026	54,342	57,725
Recreation Visits (6)										
Acacia	304,385	277,727	291,012	256,243	183,041	172,679	N/A	N/A	N/A	N/A
Bedford	997,892	943,516	973,382	1,014,566	803,375	713,387	N/A	N/A	N/A	N/A
Big Creek	651,703	618,946	650,375	710,999	652,560	683,152	N/A	N/A	N/A	N/A
Bradley Woods	143,101	147,093	140,065	146,117	89,437	93,495	N/A	N/A	N/A	N/A
Brecksville	1,670,988	1,607,302	1,608,312	1,627,608	1,519,074	1,508,748	N/A	N/A	N/A	N/A
Brookside	333,005	317,511	359,928	250,172	258,530	224,578	N/A	N/A	N/A	N/A
Euclid Creek	567,743	572,875	508,864	588,079	579,105	577,469	N/A	N/A	N/A	N/A
Garfield Park	389,568	365,864	348,051	478,560	381,485	348,050	N/A	N/A	N/A	N/A
Hinckley	754,827	791,948	828,650	998,942	784,668	782,510	N/A	N/A	N/A	N/A
Huntington	1,007,071	893,274	832,839	925,555	828,949	777,609	N/A	N/A	N/A	N/A
Lakefront	3,846,818	3,847,544	3,889,487	3,945,063	3,525,099	3,281,435	N/A	N/A	N/A	N/A
Mill Stream Run	1,899,357	1,922,835	1,906,750	2,166,966	1,998,361	1,800,350	N/A	N/A	N/A	N/A
North Chagrin	1,061,422	1,044,615	1,063,175	1,269,566	1,044,268	1,107,587	N/A	N/A	N/A	N/A
Ohio & Erie Canal	356,739	401,565	393,333	336,087	330,716	348,023	N/A	N/A	N/A	N/A
Rocky River	3,002,407	3,074,975	3,047,160	3,300,567	3,105,649	3,041,232	N/A	N/A	N/A	N/A
South Chagrin	611,063	604,770	612,593	626,730	607,663	600,653	N/A	N/A	N/A	N/A
Washington	134,107	113,509	124,350	117,305	155,798	150,967	N/A	N/A	N/A	N/A
West Creek	168,537	157,059	153,178	172,479	158,129	156,902	N/A	N/A	N/A	N/A
Visitor Services										
Reserved group picnic areas	N/A	N/A	N/A	N/A	N/A	N/A	141,686	141,740	130,183	201,767
Reserved fields (multi-purpose) (4)	N/A	N/A	N/A	N/A	N/A	N/A	251,857	212,406	69,509	21,330
Marketing										
Special Events	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	141,802
Cleveland Metroparks Zoo										
Zoo/Rainforest	1,324,961	1,273,226	1,305,665	742,544	1,234,968	1,118,914	1,042,564	1,023,608	1,090,148	1,059,632

Source: Cleveland Metroparks Marketing Department

- (1) The Metroparks began management of Edgewater Park in 2013
- (2) Beginning in 2014, counts will be based on starts, which is the industry standard
- (3) Information no longer being tracked separately
- (4) Beginning in 2016, counts began for each occurrence, whereas in the past, only a single instance of a recurring rental was counted
- (5) Beginning in 2017, counts began to be separated, previously they were included in Nature Tracks Mobile Education Unit.
- (6) Beginning in 2018, this information is not being tracked separately, however, it would be included in the overall recreation visits.
- (7) Provided by Cleveland Metroparks Police Department.
- (8) Beginning in 2021, golf is calculated as "rounds played." Rounds played is defined as an authorized start on a golf course, regardless of the numbers of holes played.
This includes 9 holes, 18 holes, Par 3 and foot golf.
- (9) Beginning in 2021, Mobile Outreach is defined as NatureTracks and EcoExplorers combined.

CLEVELAND METROPARKS
Capital Assets Statistics by Function/Program
Last Ten Years

Operation	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Building Square Footage										
Zoo	399,873	398,382	385,771	383,549	401,989	397,047	418,058	408,479	408,067	396,544
Golf	135,346	107,264	107,264	107,175	107,175	107,175	172,881	172,881	172,881	172,881
Police	96,389	96,389	96,389 (a)	72,224	72,224	72,224	85,676	85,676	85,676	85,676
Administration	158,970	159,513	157,977 (b)	85,014	85,014	85,014	52,654	52,654	41,203	41,203
Maintenance	819,864	822,376	854,972 (b)	873,831	873,831	850,759	778,901	778,901	778,490	775,073
Demolition	337,400	302,619	269,223	242,122	219,885	211,860	N/A	N/A	N/A	N/A

Source: Cleveland Metroparks Department of Finance

- (a) - In 2021, the square footage of one facility was corrected, representing an increase of approximately 24,000 sq. ft.
- (b) - In 2021, certain facilities were reclassified from Maintenance to Administration to better align with current function.



