

**REPORT ON AUDIT OF FINANCIAL STATEMENTS OF
RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT
AS OF AND FOR THE YEAR ENDING JUNE 30, 2021**

SCOTT  COMPANY

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**RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT
APPOINTED RIVERBANKS PARK COMMISSION
JUNE 30, 2021**

Robert “Bob” G. Davidson, Chair
Richland County

Jan Stamps, Vice Chair
Lexington County

Alana Odom Williams, Treasurer
City of Columbia

Michael Phemister Velasco, Secretary
City of Columbia

M. F. “Phil” Bartlett
Richland County

Mary Howard
Lexington County

Deneen Shockley
Lexington County

Independent Auditor's Report

To the Commissioners
Richland-Lexington Riverbanks Park District
Columbia, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Richland-Lexington Riverbanks Park District (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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 each major fund of the District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the financial statements of the District are intended to present the financial position and changes in financial position of only that portion of governmental activities and each major fund of the State of South Carolina that is attributable to the transactions of the District. They do not purport to and do not present fairly the financial position of the State of South Carolina as of June 30, 2021, and changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule for the general fund, other postemployment benefits, pension and budgetary information on pages 4-12, and 43-47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 Supplemental Schedule of Capital Projects and Riverbanks Zoo and Garden overview are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental Schedule of Capital Projects and Riverbanks Zoo and Garden overview have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2021, 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 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.

Scott and Company LLC

Columbia, South Carolina
November 18, 2021

**RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

As management of the Richland-Lexington Riverbanks Park District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follow this narrative.

Financial Highlights

The following information, though not intended to be all-inclusive, provides a snapshot of the most significant changes in the District's financial position over the year ended June 30, 2021:

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2021, by \$18,824,105 (total net position). Of this amount \$(15,939,086) (unrestricted net position) is a deficit due to Governmental Accounting Standards Board Statement No. 68, which required the District to recognize as a long term liability, its proportionate share of the net pension liability of the South Carolina Retirement System and the Police Officer Retirement System and Governmental Accounting Standards Board Statement No. 75, from which the objective is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. Restricted funds of \$2,841,160 are mostly for repayment of long-term debt.
- The District's total net position increased by \$1,371,750 for the year ended June 30, 2021. This increase is explained on the following pages due to revenues exceeding expenses.
- As of the close of the fiscal year, the District's governmental funds reported a combined ending fund balance of \$10,513,854, an increase of \$4,351,591 from the prior year.
- The combined ending fund balance is \$10,513,854. Of the total, \$796,133 or 7.57% is available for spending at the government's discretion and \$2,400,000 or 22.83% is Board designated for operational expenses in case of shortfalls in revenues (both shown as unassigned fund balance in the general fund). Nonspendable fund balances total \$280,037 or 2.66% in the general fund. Restricted funds include \$2,799,759 or 26.63% in the debt service fund and \$37,925 or 0.36% as library acquisitions in the general fund. Committed balances total \$4,200,000 or 39.95% for capital projects in the general fund.

Overview of the Financial Statements

The discussion and analysis section is intended to serve as an explanation of the District's basic financial statements, which are comprised of three groups: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. This report also contains supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner like a private-sector business. There are two government-wide statements, the statement of net position and the statement of activities, which are described in the following sections.

The statement of net position presents information on all the District's assets, liabilities and deferred inflows and outflows of resources and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information on how the District's net position changed during the most recent fiscal year. Changes in net position are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. earned but unused vacation leave and accrued interest on bonded debt).

Typically, the government-wide financial statements distinguish between functions that are principally supported by taxes and those that are principally supported by user fees and charges. A large portion of the District's revenues are from user fees. User fees, generally classified as earned revenue in zoos and aquariums, are comprised of admission fees, rides, attractions and events, facility rentals, concession and retail commissions and other associated revenues. Although self-generated revenue makes up a substantial portion of the District's total revenue, the operating support received from Richland and Lexington Counties are necessary to support the operations of the zoo and garden.

The District is required to include the financial reports of the Riverbanks Society (the Society), which is considered a component unit of the District. The Society is a private, non-profit corporation whose exclusive purpose is to provide both operating and capital support to the District. The Society's financial reports appear in separate columns on the government-wide statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District maintains only governmental fund types.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Fund Financial Statements (continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, comparing the two presentations provides a more complete picture of the District's financial condition. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are part of the basic financial statements.

The District maintains three individual governmental funds: 1) the General Fund, 2) the Debt Service Fund, and 3) the Capital Projects Fund. Financial information for each of these funds is presented in the governmental fund financial statements. The separate funds are used as noted on the following page:

- The general fund is used to account for transactions that represent most of the day-to-day operating activities of the District. This fund is used to account for and report all financial resources not accounted for and reported in another fund. In addition to operating activities, the general fund can include certain relatively small-scale capital expenditures. Some debt service activity is also included in the general fund, where resources of the general fund are budgeted for the debt service.
- The debt service fund reports on transactions associated with the long-term debt of the District. This includes long-term loans where assets of the District have been pledged as collateral, as well as general obligation bond debt of the District.
- The capital projects fund is used to account for major capital improvement projects that are funded from non-operating sources such as general obligation bond issues, as well as from operations, unrestricted fund balance and the Society. The District also uses this fund to account for expenditures considered capital under the District's capitalization policy. The purpose of doing so is to eliminate distortions in year-to-year comparisons of operating activities in the general fund.

The District adopts an annual balanced budget for its general fund. A budgetary comparison statement has been provided for the general fund to reflect budget variances and is included as required supplementary information. The notes to the financial statements provide additional information that is essential to obtaining a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, changes in net position may serve as a useful indicator of a government's financial position. At the end of June 30, 2021 assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$18,824,105. The following provides a comparison of the government-wide net position of the District.

	June 30, 2021	June 30, 2020	Change	% Change
Current assets	\$ 13,460,608	\$ 8,417,598	\$ 5,043,010	59.9%
Capital assets, net of accumulated depreciation	59,374,135	60,587,616	(1,213,481)	-2.0%
Total assets	72,834,743	69,005,214	3,829,529	5.5%
Deferred outflows of resources	5,774,005	3,188,159	2,585,846	81.1%
Current liabilities	5,470,658	4,484,299	986,359	22.0%
Long-term liabilities	53,187,750	48,953,541	4,234,209	8.6%
Total liabilities	58,658,408	53,437,840	5,220,568	9.8%
Deferred inflows of resources	1,126,235	1,303,178	(176,943)	-13.6%
Net position				
Net investment in capital assets	31,922,031	32,892,762	(970,731)	-3.0%
Restricted	2,841,160	2,391,342	449,818	18.8%
Unrestricted	(15,939,086)	(17,831,749)	1,892,663	-10.6%
Total net position	\$ 18,824,105	\$ 17,452,355	\$ 1,371,750	7.9%

The increase in current assets of \$5,043,010 is mostly due to the net change in cash. Cash held by the District increased by \$4,572,325 due to a combination of increased earned revenues from operations as the economy began to recover from the COVID-19 pandemic, as well as grant funds and a private donation received. Cash held by fiscal agent for debt service increased by \$449,818. These are taxes collected by Richland and Lexington Counties, held by Richland County, to make the scheduled general obligation bond payments.

The capital assets, net of depreciation decreased due to depreciation expense exceeding the additions. The notes to the basic financial statements provide a detailed reconciliation of additions, disposals and transfers, accumulated depreciation and depreciation expense.

Total liabilities increased \$5,220,568 mostly due to increases in the net pension and OPEB liabilities of \$4,478,750. There was also an increase in accounts payable and accrued payroll of \$576,051, an increase in unearned revenue of \$197,904 and an increase in long-term debt of \$207,068. Accrued interest decreased by \$239,205. Timing of payables due fluctuate year to year, as does the number of days of accrued payroll each year. The long-term debt obligation was refinanced in 2021, resulting in an overall increase in the debt balance that will be offset by a decrease in the overall debt obligation due to a lower, fixed interest rate.

Government-wide Financial Analysis (continued)

Deferred outflows of resources represent the difference between expected and actual retirement plan experience, the difference between projected and actual investment earnings and contributions to the retirement plan after the measurement date. Deferred inflows of resources represent the difference between projected and actual investment earnings for the retirement plan and the change in the proportionate share of net pension and net other post-employment benefit liabilities for the District. This information is provided by South Carolina Public Employee Benefit Authority for the retirement plan and Cavanaugh Macdonald Consulting, LLC for the post-employment benefit plan.

The District’s net position of net investment in capital assets is composed of its investment in capital assets (e.g., land, building, improvements and equipment), less any outstanding debt used to acquire these assets. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt are provided mostly from other sources.

The total increase in net position of \$1,371,750 represents a 7.9% increase in net position mostly as a result of revenues exceeding expenditures. This change will be discussed in detail in the following section.

The following provides a comparison of changes in government-wide activities of the District.

	June 30, 2021	June 30, 2020	Change	% Change
Program Revenues				
Charges for services	\$12,182,262	\$ 8,674,290	\$ 3,507,972	40.4%
Operating grants and contributions	2,162,212	570,690	1,591,522	278.9%
General Revenues				
Property taxes	6,403,676	6,795,039	(391,363)	-5.8%
Accommodations and hospitality taxes	128,163	147,111	(18,948)	-12.9%
Riverbanks Society contribution	2,188,415	2,288,415	(100,000)	-4.4%
Other revenues	204,866	478,578	(273,712)	-57.2%
Total revenues	23,269,594	18,954,123	4,315,471	22.8%
Program Expenses				
Unallocated depreciation expense	2,840,078	2,845,702	(5,624)	-0.2%
Administrative	2,931,142	3,082,581	(151,439)	-4.9%
Animal care	4,567,710	4,508,943	58,767	1.3%
Botanical	1,020,749	1,226,310	(205,561)	-16.8%
Education	567,775	568,489	(714)	-0.1%
Facility management and utilities	3,528,822	3,838,517	(309,695)	-8.1%
Guest services	2,675,677	3,162,779	(487,102)	-15.4%
Marketing and public relations	637,922	893,068	(255,146)	-28.6%
Interest on long term debt, unallocated	3,127,969	1,235,150	1,892,819	153.2%
Total expenses	21,897,844	21,361,539	536,305	2.5%
Change in net position	1,371,750	(2,407,416)	3,779,166	-157.0%
Net position - beginning	17,452,355	19,859,771	(2,407,416)	-12.1%
Net position - ending	\$ 18,824,105	\$ 17,452,355	\$ 1,371,750	7.9%

Government-wide Financial Analysis (continued)

The District's charges for services includes admission fees and other user fees, along with commissions earned from the contracted vendor that operates the food, beverage and retail operations for the District. Program revenues, along with Society contributions for operations and capital projects and other revenues (collectively earned revenues) are 71.1% of total revenues, for a total of \$16,532,889, a 43.4% increase from the prior fiscal year. The increase is mostly due to increased admission and user fees as COVID-19 restrictions lifted, as well as significant contributions from grants and private sources.

The total attendance for the year ended June 30, 2021 was 940,940, an increase of 60,651 visits or 6.9% from the prior year. The increase was due to COVID-19 restrictions being lifted at the local level.

Tax revenues, which totaled \$6,531,839 or 28.1% of total revenues in 2021, include property, accommodations and hospitality taxes. Tax revenues decreased by 5.9% from the prior fiscal year, due to a decrease in taxes charged and collected by Richland and Lexington Counties for the District to use for operations and payment of outstanding general obligation bonds. Property taxes decreased from the prior year by \$391,363. Accommodations and hospitality taxes decreased by \$18,948. Total program expenses increased by \$536,305 from the prior fiscal year. Botanical, facility management and utilities, and guest services expenses decreased during 2021, as there were lower salary expenses in these areas. There was also a decrease in repairs and maintenance required in 2021, further contributing to the decrease in facility management and utilities expense. Marketing and public relations also decreased, as less was spent on advertising in 2021. Interest on long term debt, unallocated, increased by \$1,892,819 or 153.2% compared to the prior fiscal year, due to interest expense related to the refinance of general obligation bonds payable that occurred during 2021.

Financial Analysis of Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide information on short-term inflows, outflows and balances of spendable resources. Undesignated fund balance may serve as a useful measure of the government's net resources that are available for spending at the end of the fiscal year.

In many cases, the governmental funds analysis will be the same or similar to the government-wide financial analysis; however, amounts will be different due to the different focus of the two reporting methods. The reconciliation of governmental funds balance sheet with the government-wide statement of net position and the reconciliation of governmental funds statement of revenues, expenditures, and changes in fund balances with the government-wide statement of activities explains the differences between the reporting methods. Where explanations are generally the same, these governmental funds analysis has been abbreviated to avoid repetition.

As of June 30, 2021, the District's governmental fund reported combined ending fund balances of \$10,513,854, an increase of \$4,351,591 from the prior year and is made up of the following:

- The general fund balance represents \$7,828,760, 74.5% of the combined total and a \$4,838,709 increase from the prior year. The unassigned balances are \$910,798 or 11.6% for current operations, and \$2,400,000 board designated, or 30.7%. The board designated for operations serves as an operating cushion to provide working capital in case of a drop-in revenue or an unexpected expenditure. It is set by the District's Board and increased by \$400,000 in 2021. The remaining 57.7% of the general fund balance is nonspendable, restricted or committed and is set aside for a specific purpose.

Financial Analysis of Governmental Funds (continued)

- The debt service fund balance is \$2,799,759, 26.6% of the combined total and a \$446,342 increase from the prior year. All debt service fund balance is restricted for payments on the District's long-term debt and is held by Richland County.
- The capital projects fund balance is (\$114,665), a \$933,460 decrease from the prior year. The balance represents the remaining unused capital contribution from the Society. These funds are classified as committed for capital projects as defined by the District.

General Fund Budgetary Highlights

The District is required to adopt a balanced budget for the general fund. The budget is maintained on a modified accrual basis. Throughout the year, management may make reclassifications within the original budget. Expenditures are recorded when they are incurred, and revenues are recognized when they are earned and available. At the end of the fiscal year any outstanding encumbrances are cancelled and budgeted in the following year. The budgetary comparison schedule for general fund reports the original and final approved budgets, actual results and the variances between the final budget and actual results.

Total actual revenues of the general fund were greater than budget by \$2,658,609. Earned revenues were \$1,147,791 over budget and unearned revenues (taxes, grants and contributions, and interest) were \$1,510,818 over budget. General admission fees were \$1,385,983 over budget and reflect increased attendance as COVID-19 restrictions were lifted. Expenditures were below budget by \$2,180,100 and were mostly due to conscious, organization-wide cost saving efforts related to COVID-19. All areas were under budget, with the exception of administrative, debt service, and capital outlay. The District ended the last fiscal year with a favorable variance of \$4,838,709. The District ended last fiscal year with a deficiency after transfers and a budget variance after transfers of \$1,116,451.

Capital Assets

The District's investment in capital assets, net of accumulated depreciation at June 30, 2021, amounted to \$59,374,135, a decrease of \$1,213,481 from June 30, 2020. Current year depreciation expense and disposals exceeded current year additions. The largest additions included construction of a rhino exhibit, a roof, and construction in progress on the Aquarium and Reptile Conservation Center (ARCC).

Debt Administration

The District's long-term debt consists of general obligation bonds and other loans. The bond issues are backed by the full faith and credit of the taxpayers of the District, which comprises both Richland and Lexington Counties. Richland and Lexington County auditors and treasurers handle the tax billings and collections related to the bond debt. The Richland County Treasurer is the fiscal agent for the District's bond debt. At year-end there was one outstanding general obligation bond, the 2020 issue. The 2020 issue is a refinance of the 2013 issue for renovations and additions known as Destination Riverbanks, which included a new entryway, grizzly bear/otter exhibit, sea lion exhibit and children's garden in the Botanical Garden.

The loan for the Rivermont acquisition is a capital lease with a financial institution. The original loan was for purchasing 350 and 400 Rivermont Drive, which are adjacent to the District's property. The 350 building was demolished, along with a portion of the 400 building to provide additional parking for guests. The additional parking is now connected to the Zoo by the pedestrian bridge and used on busy days for overflow parking. In a prior year, the original loan was refinanced into a capital lease with fixed monthly payments allowing repayment in full over ten years with a \$1 buy-out provision at the end.

Debt Administration (continued)

The loan for the ropes course is also a capital lease with a financial institution for the purpose of financing a new ride, and was paid in full during 2021.

Compensated absences represent the liability for accumulated unused annual leave that has been earned by the District's employees. Employees earn time based on their years of employment and can accumulate up to forty-five days of annual leave in a calendar year to carry over to the next year. Any earned and unused annual leave can be paid upon termination of employment. The accrued balance at June 30th may represent more than the 45 days of vacation for some employees as the allowed carry over balance is determined at the end of each calendar year. Sick leave is earned time based on the employee's years of employment. The employee can accumulate up to 90 days in a calendar year to carry over to the next calendar year. Any earned and unused sick leave is not paid at termination of employment; therefore, no provision is made for unused sick leave.

The District's debt including compensated absences, exclusive of the other post-employment benefit obligation and net pension liability at June 30, 2021, was \$30,791,052. This is a net increase of \$289,604 from the prior fiscal year. The net increase is the result of the refinance of the general obligation bond. The notes to the financial statements provide additional information on the District's debt. The table below is a listing of debt, and other long-term liabilities at each fiscal year-end and reflects the change.

	June 30, 2021	June 30, 2020	Change
General obligation bond issues	\$ 29,311,000	\$ 27,935,000	\$ 1,376,000
Unamortized premiums	-	959,350	(959,350)
Capital lease - Rivermont	944,339	1,108,771	(164,432)
Capital lease - Ropes Course	-	45,150	(45,150)
Compensated absences	535,713	453,177	82,536
Subtotal	30,791,052	30,501,448	289,604
Net OPEB obligation	9,847,561	6,559,512	3,288,049
Net pension liability	14,899,257	13,708,556	1,190,701
Total	\$ 55,537,870	\$ 50,769,516	\$ 4,768,354

Economic Factors and Next Year's Budget and Rates

As noted, the District's earned revenues represent a large portion of the total revenue. The percentage is even higher when only considering the general fund revenue, the main operating fund for the District. Operating property taxes, accommodations and hospitality taxes comprise 16.8% of general fund revenues, with 83.2% representing earned revenues. Attendance at Riverbanks Zoo & Garden generates revenue from admission fees, rides, attractions and events and concession and retail commissions. These are the prime components of earned revenue and significant in the District's economic wellbeing. The reader should review the other information included with this report that shows a ten-year history of attendance. The last across-the-board gate ticket price increase went into effect in March 1, 2021.

The Society revenues from memberships, donations and fund-raising activities provides substantial support to the operations and is also significant in the District's economic wellbeing. Annual memberships in the Society totaled 43,102 as of June 30, 2021. This is a 6.7% increase from the June 30, 2020 membership total of 40,366. The Society offers 12 membership categories. Total membership revenue increased by \$1,312,436 or 29.5% from the prior fiscal year. Membership levels tend to increase and peak with the opening of new attractions and then decline during the period that follows when there are no new attractions. The same pattern also occurs with attendance levels; however, attendance is subject to more variables and tends to be more dynamic.

Economic Factors and Next Year's Budget and Rates (continued)

Membership levels also increase in relation to increase in the gate ticket price. The gate ticket price increased March 1, 2021; therefore, increasing the value of a membership.

The District takes a historical, as well as forward thought process in preparing its annual budgets. Budgets are set after much discussion and reviewed by various levels of management. Revenues are defined separately from expenditures; however, the budget must be in balance and adjustments are made as needed. The Chief Executive Officer/President presents the proposed version to the Board for their approval prior to the start of the fiscal year. Key components of the fiscal year ending June 30, 2022 budget from the June 30, 2021 budget are noted below:

- Annual attendance is 1.1 million with a projected 39.4%/60.6% split for gate admission vs. the Society member and other free visits determined by reviewing trends from the previous fiscal year actual attendance and anticipated trends for the upcoming fiscal year.
- General admission revenue is 14.9% more than the prior year, due to an increase in projected gate attendance.
- Society support is a 15.6% increase from last year and includes designated capital support.
- Rides, attractions and events have overall increases in revenues and expenses due to an anticipated increase in attendance.
- Classes and programs reflect a 10.8% reduction over the prior year, as public school groups are not currently incorporating field trips into their curriculum due to COVID-19.
- Miscellaneous revenues reflect a decrease in earnings from the Local Government Investment Pool for the District's excess cash. This is due to lower interest rates.
- Employer retirement contributions reflect an increase to 16.56% per statutory requirement.
- Effective January 1, 2022 the load factor for health insurance is 1.00 until December 31, 2022.

Request for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to the VP of Finance, Riverbanks Zoo & Garden, 400 Rivermont Drive, Columbia, SC 29210.

RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Component Unit - Riverbanks Society
ASSETS		
Current assets		
Cash and cash equivalents	\$ 9,961,369	\$ 5,370,227
Cash held by fiscal agent for debt service	2,803,235	-
Receivables	415,967	1,019,643
Unconditional promises to give - restricted	-	357,500
Prepaid expenses	242,003	9,688
Inventory	38,034	-
Total current assets	<u>13,460,608</u>	<u>6,757,058</u>
Noncurrent assets		
Capital assets, net of accumulated depreciation	59,374,135	-
Total noncurrent assets	<u>59,374,135</u>	<u>-</u>
Total assets	<u>72,834,743</u>	<u>6,757,058</u>
Deferred outflows of resources related to net pension & OPEB liabilities	5,774,005	-
Total assets and deferred outflows of resources	<u><u>78,608,748</u></u>	<u><u>6,757,058</u></u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued payroll	2,197,466	34,875
Accrued compensated absences	169,832	-
Accrued interest payable	173,784	-
Unearned revenue	749,288	15,000
Capital leases payable	168,288	-
Current long term debt	2,012,000	-
Total current liabilities	<u>5,470,658</u>	<u>49,875</u>
Noncurrent liabilities		
Accrued compensated absences	365,881	-
Capital leases payable	776,051	-
Net pension liability	14,899,257	-
Net OPEB liability	9,847,561	-
General obligation bonds payable	27,299,000	-
Total noncurrent liabilities	<u>53,187,750</u>	<u>-</u>
Total liabilities	<u>58,658,408</u>	<u>49,875</u>
Deferred inflows of resources related to net pension & OPEB liabilities	1,126,235	-
Total liabilities and deferred inflows of resources	<u><u>59,784,643</u></u>	<u><u>49,875</u></u>
NET POSITION		
Net Investment in Capital Assets	31,922,031	-
Restricted	2,841,160	-
Restricted with donor restrictions	-	1,678,637
Unrestricted	(15,939,086)	5,028,546
Total net position	<u><u>\$ 18,824,105</u></u>	<u><u>\$ 6,707,183</u></u>

The accompanying notes are an integral part of these financial statements.

RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in		
	Expenses	Charges for Services	Operating Grants and Contributions	Net Position		
				Government	Governmental Activities	Riverbanks Society
GOVERNMENTAL ACTIVITIES						
Unallocated depreciation expense	\$ 2,840,078	\$ -	\$ -	(2,840,078)	\$ -	-
Administrative	2,931,142	-	659,687	(2,271,455)	-	-
Animal care	4,567,710	-	1,502,525	(3,065,185)	-	-
Botanical	1,020,749	-	-	(1,020,749)	-	-
Education	567,775	333,098	-	(234,677)	-	-
Facility management and utilities	3,528,822	-	-	(3,528,822)	-	-
Guest services	2,675,677	9,843,997	-	7,168,320	-	-
Marketing and public relations	637,922	155,834	-	(482,088)	-	-
Concession and retail commissions	-	1,849,333	-	1,849,333	-	-
Interest on long-term debt, unallocated	3,127,969	-	-	(3,127,969)	-	-
Total governmental activities	21,897,844	12,182,262	2,162,212	(7,553,370)		

COMPONENT UNIT	Program Revenues			Net (Expense) Revenue and Changes in		
Riverbanks Society	Expenses	Charges for Services	Operating Grants and Contributions	Net Position		
				Government	Governmental Activities	Riverbanks Society
Total component unit	4,976,079	5,768,353	672,286	-	-	1,464,560
	4,976,079	5,768,353	672,286	-	-	1,464,560

GENERAL REVENUES	Program Revenues			Net (Expense) Revenue and Changes in		
Property taxes	Accommodations and hospitality taxes	Riverbanks Society contribution	Investment earnings	Expired gift cards	Miscellaneous revenues	Total general revenues
Property taxes					6,403,676	-
Accommodations and hospitality taxes					128,163	-
Riverbanks Society contribution					2,188,415	-
Investment earnings					16,630	1,584
Expired gift cards					150,612	-
Miscellaneous revenues					37,624	3,495
Total general revenues					8,925,120	5,079
Change in net position					1,371,750	1,469,639
Net position, beginning of year					17,452,355	5,237,544
Net position, end of year					\$ 18,824,105	\$ 6,707,183

The accompanying notes are an integral part of these financial statements.

RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>Major Funds</u>			<u>Total</u>
	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Service</u>	<u>Projects</u>	<u>Funds</u>
ASSETS				
Cash and cash equivalents	\$ 9,961,369	\$ -	\$ -	\$ 9,961,369
Cash held by fiscal agent for debt service	-	2,803,235	-	2,803,235
Receivables	415,967	-	-	415,967
Prepaid expenses	242,003	-	-	242,003
Inventory	38,034	-	-	38,034
Due from other funds	69,498	-	-	69,498
Total assets	10,726,871	2,803,235	-	13,530,106
LIABILITIES				
Accounts payable and accrued salaries	2,152,299	-	45,167	2,197,466
Unearned revenue	745,812	3,476	-	749,288
Due to other funds	-	-	69,498	69,498
Total liabilities	2,898,111	3,476	114,665	3,016,252
FUND BALANCES				
Nonspendable				
Inventory	38,034	-	-	38,034
Prepaid expenses	242,003	-	-	242,003
Restricted				
Debt service	-	2,799,759	-	2,799,759
Botanical library acquisitions	37,925	-	-	37,925
Committed				
Capital projects	4,200,000	-	-	4,200,000
Unassigned				
Board designated for operations	2,400,000	-	-	2,400,000
Undesignated	910,798	-	(114,665)	796,133
Total fund balances	7,828,760	2,799,759	(114,665)	10,513,854
Total liabilities and fund balances	\$ 10,726,871	\$ 2,803,235	\$ -	\$ 13,530,106

The accompanying notes are an integral part of these financial statements.

RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET WITH THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total fund balances - governmental funds	\$	10,513,854
Amounts reported for governmental activities in the Statement of Net Position is different because of the following		
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds		
Capital assets	\$ 94,808,024	
Accumulated depreciation	<u>(35,433,889)</u>	59,374,135
The net pension liability and related deferred inflows and outflows of resources are not due and payable in the current fiscal year and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position		
Net pension liability	(14,899,257)	
Deferred outflows of resources related to net pension liability	2,563,884	
Deferred inflows of resources related to net pension liability	<u>(398,272)</u>	(12,733,645)
The net other post employment benefits liability and related deferred inflows and outflows of resources are not due and payable in the current fiscal year and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position		
Net other post employment benefits liability	(9,847,561)	
Deferred outflows of resources related to other postemployment benefits	3,210,121	
Deferred inflows of resources related to other postemployment benefits	<u>(727,963)</u>	(7,365,403)
Long-term liabilities, including bonds and notes payable/compensated absences, are not due and payable in the current period and therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of		
Bonds payable, including unamortized premium	(29,311,000)	
Accrued interest payable	(173,784)	
Compensated absences	(535,713)	
Capital leases payable	<u>(944,339)</u>	(30,964,836)
Total net position - governmental activities	\$	<u>18,824,105</u>

The accompanying notes are an integral part of these financial statements.

RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Major Funds</u>			Total Governmental Funds
	General Fund	Debt Service	Capital Projects	
REVENUES				
Property taxes	\$ 3,122,100	\$ 3,281,576	\$ -	\$ 6,403,676
Accommodations and hospitality taxes	128,163	-	-	128,163
General admission fees	7,295,283	-	-	7,295,283
Concession and retail commissions	1,849,333	-	-	1,849,333
Riverbanks Society support	2,188,415	-	-	2,188,415
Rides and attractions	1,565,027	-	-	1,565,027
Classes and program fees	333,098	-	-	333,098
Events	871,085	-	-	871,085
Facility rental and group admission fees	112,602	-	-	112,602
Sponsorships	155,834	-	-	155,834
Non-federal grants and contributions	1,504,325	-	657,887	2,162,212
Interest revenue	11,830	4,800	-	16,630
Expired gift cards	150,612	-	-	150,612
Miscellaneous revenues	34,602	3,022	-	37,624
Total revenues	<u>19,322,309</u>	<u>3,289,398</u>	<u>657,887</u>	<u>23,269,594</u>
EXPENDITURES				
Administrative	2,716,646	-	-	2,716,646
Animal care	3,835,844	-	4,966	3,840,810
Botanical, zoo and garden	865,835	-	-	865,835
Education	157,402	-	-	157,402
Facility management	1,898,657	-	-	1,898,657
Guest services	1,702,326	-	-	1,702,326
Marketing and public relations	518,759	-	-	518,759
Utilities	1,439,503	-	-	1,439,503
Rides and attractions	242,544	-	-	242,544
Classes and programs	326,958	-	-	326,958
Events	235,763	-	-	235,763
Facility rental and group admissions	195,000	-	-	195,000
Debt service				
Principal	209,582	1,974,000	-	2,183,582
Interest	24,932	869,056	-	893,988
Capital outlay				
Land, building, equipment, & improvements	113,849	-	1,586,381	1,700,230
Total expenditures	<u>14,483,600</u>	<u>2,843,056</u>	<u>1,591,347</u>	<u>18,918,003</u>
Excess of revenues over (under) expenditures	<u>4,838,709</u>	<u>446,342</u>	<u>(933,460)</u>	<u>4,351,591</u>
Net change in fund balances	4,838,709	446,342	(933,460)	4,351,591
Fund balance, beginning of year	2,990,051	2,353,417	818,795	6,162,263
Fund balance, end of year	<u>\$ 7,828,760</u>	<u>\$ 2,799,759</u>	<u>\$ (114,665)</u>	<u>\$ 10,513,854</u>

The accompanying notes are an integral part of these financial statements.

**RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Total net change in fund balances - governmental funds	\$	4,351,591
<p>Amounts reported for governmental activities in the statement of activities are different because of the following</p> <p>Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets are allocated over their estimated lives and reported as depreciation expense</p>		
Capital outlay	\$ 1,700,230	
Depreciation expense	<u>(2,913,711)</u>	(1,213,481)
<p>Amortization of premium on bond issuance is reported as a reduction of expenses in the statement of activities</p>		
		959,350
<p>Pension change in the statement of activities</p>		
Prior year retirement plan contributions are considered a current year expense	(1,011,490)	
Current year expense considered a deferred outflow of resources	895,572	
Increase in pension expense for change in deferred inflows and outflows of resources	(1,190,701)	
Amortization of deferred outflows of resources related to net pension liability	366,700	
Amortization of deferred inflows of resources related to net pension liability	<u>90,236</u>	(849,683)
<p>OPEB change in the statement of activities</p>		
Current year OPEB expense	(932,670)	
Current year benefit payments and implicit subsidy credit	<u>66,392</u>	(866,278)
<p>The repayment of the principal of capital leases payable and long-term debt consumes the current financial resources of governmental funds. However, this has no effect on net position.</p>		
Payment of long-term debt and capital leases	30,118,582	
Proceeds from long-term debt	<u>(31,285,000)</u>	(1,166,418)
<p>Some expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported as expenditures in governmental funds</p>		
Decrease in accrual of interest payable	239,205	
Increase in compensated absence accrual	<u>(82,536)</u>	156,669
Total change in net position - governmental activities	\$	<u>1,371,750</u>

The accompanying notes are an integral part of these financial statements.

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Richland-Lexington Riverbanks Park District (the District) was created under the provisions of Act No. 323 of the 1969 Acts and Joint Resolutions of the General Assembly of the State of South Carolina (sections 51-61 to 51-64), as amended by Act No. 365 of 1969. The District was created to provide recreational facilities, specifically a zoological park, for the citizens of South Carolina. One-fourth of total revenue for the District is received from Richland and Lexington Counties. The District is governed by the Riverbanks Park Commission (the Commission). The Commission is comprised of seven members. Two members are appointed by Richland County Council, two by Lexington County Council, two by the Mayor and Council of the City of Columbia, and one by all three groups on a rotating basis. The Commissioners serve for six years. All but the seventh position can serve a second term if reappointed. All Commissioners serve until their successors are appointed. The Commission hires a President/CEO who serves as Chief Administrative Officer of the District. The President/CEO administers the daily operations of the District through appointed department heads.

The basic financial statements of the District were prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the District's financial activities for the year ended June 30, 2021.

Financial Reporting Entity

The District's financial reporting entity is comprised of the following:

Primary government:	Richland-Lexington Riverbanks Park District
Discretely presented component unit:	Riverbanks Society

In determining the financial reporting entity, the District implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. Additional guidance to determine whether certain organizations are component units, based on the nature and significance of their relationship with the primary government, is found in GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*.

The Riverbanks Society (the Society) is a legally separate, tax exempt component unit set up to provide financial support primarily through donor contributions for the District and its activities. The Society is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code. The fifteen to twenty-one-member board of the Society is self-perpetuating. Most resources and income thereon that the Society holds and invests are restricted to the activities of the District. Because these restricted resources held by the Society can only be used by, or for the benefit of, the District, the Society is considered a component unit of the District and is discretely presented in the District's financial statements. Separately issued audited financial statements, which are based on Financial Accounting Standards Board (FASB) standards, for the Society may be obtained from the VP of Finance, Riverbanks Zoo and Garden at 400 Rivermont Drive, Columbia, SC 29210.

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the District. Generally, the effect of inter-fund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely, to a significant extent, on fees and charges for support.

The District reports under the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Therefore, government-wide statements now reflect net assets as net position. GASB Statement No. 34, as amended by GASB Statement No. 63 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position, with a classification of net position broken down into three components – net investment in capital assets; restricted net position; and unrestricted net position. These classifications are defined as follows:

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position consists of constraints placed on net position used through external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

Based on the District’s policies regarding net position classifications as noted above, the District considers amounts that are restricted to be spent when the corresponding expenditure that has been designated by the Commission or donors has been made. After these fund balances have been depleted, unrestricted fund position will be considered to have been spent.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are also provided in the report for all the governmental funds of the District. The District reports the following as major governmental funds:

General Fund is the main operating fund of the District and is used to account for all financial resources except for those required to be accounted for in another fund.

Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on long-term debt of the District.

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Capital Projects Fund did not qualify as a major fund for 2021. As it is the only remaining fund, it is presented in a separate column on the balance sheet and the statement of revenues, expenditures, and changes in fund balances – governmental funds. The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities and equipment.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Investment earnings and intergovernmental revenues received from Richland and Lexington Counties are accrued if they are measurable at fiscal year-end. Most other intergovernmental revenues are not susceptible to accrual because they generally are not measurable until received in cash. Expenditure-driven grants and contributions are recognized as revenue when the qualifying expenditures have been incurred and all other requirements have been satisfied. Net position is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position. When the District incurs an expense that may be paid from unrestricted or restricted funds, the District first uses restricted funds as allowed by legal or contractual requirements.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the fiscal year-end. Property taxes are considered measurable and recognized when transferred to the District's account by the County Treasurers. Revenue from federal, state, and other grants designated for payment of specific District expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities, 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. The most significant estimates affecting these financial statements are the useful lives of capital assets, estimates for net pension liability and the net other postemployment benefit liability. Actual results could differ from those estimates.

Budgetary Control

The Commission adopts a balanced annual budget for the general fund prior to the beginning of each fiscal year. The President/CEO is authorized to transfer budgeted amounts between departments. Any significant change in the overall budget must be approved by the Commission and noted in the board minutes.

The Budgetary Comparison Schedule for general fund presents a comparison of budgetary data to actual results of operations for which annual operating budgets are legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results.

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents include all short-term investments having an initial maturity of three months or less.

Cash Held by Fiscal Agent

The District reports funds collected for the District by Richland and Lexington Counties for both operating and debt service purposes. The operating support received from both Counties is an annual fixed-dollar appropriation. Richland County funds the support by levying a millage that is expected to produce the required amount of funding. If the millage produces more than is appropriated, the excess funds are escrowed. It has been Richland County's practice to pay out any additional funds collected shortly after the close of the fiscal year. For the budget year ending June 30, 2021, Lexington County does not classify the District as a millage agency for operating funds and will fund the District from their general fund. Richland County will continue to classify the District as a millage agency. Both Richland and Lexington Counties levy a millage to produce funds to pay the general obligation debt of the District. The Richland County Treasurer is the fiscal agent for the District's bonds and is responsible for the management of funds from both Counties collections and the payment of the bonds. Lexington County remits monthly their collections of debt service millage to Richland County. The amount held by the fiscal agent for debt service varies with the bond amortization amounts, timing of payments and the amounts collected by each County. The total amount on hand at June 30, 2021 was \$2,803,235.

Inventories

Inventories consist of animal feed and general supplies used in the day-to-day operation of the zoo and garden. The quantity used is expensed and the remaining unused at the fiscal year-end are recorded as assets at the lower of cost or market.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods. These payments are shown as prepaid items to reflect consumption in the future reporting period.

Receivables

The District records receivables when earned and due. No allowance for bad debt is required, as amounts are written-off when deemed uncollectible and is not a material difference from GAAP.

Due To/From Other Funds

Amounts owed between funds are classified as short-term.

Unearned Revenue

Unearned revenue consists of escrowed funds held by fiscal agent collected from the operating millage not yet paid to the District and deposits held for future visits to the zoo and garden.

Compensated Absences

Regular full-time employees earn annual and sick leave based on their years of service and is accrued each pay cycle. Any earned and unused time at the end of the calendar year can be carried forward not to exceed 45 days (360 hours) for annual leave and 90 days (720 hours) for sick leave. Upon an employee's termination, retirement or death all earned and unused annual leave is paid; however, sick leave is not. The District also grants its regular full-time employees 11 paid holidays each year. All annual, sick or holiday leave is funded by the general fund.

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are valued at original acquisition cost less accumulated depreciation from the purchase or in-service date. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are defined by the District as assets with an initial individual cost equal to or more than \$5,000 and an estimated useful life of three or more years. The costs of normal maintenance and repairs that do not significantly add to the value of an asset or materially extend an asset's useful life are not capitalized. All reported capital assets, except for land, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings, exhibits and improvements	10-30
Furniture and fixtures, equipment and vehicles	5-10
Technology equipment and capitalized software	3-5

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s). Deferred inflows of resources represent an acquisition of net position that applies to a future period(s). The District's statement of net position includes a deferred outflow and inflow of resources related to the net pension liability and to the net other postemployment benefits as detailed in Notes 7 and 8.

Fund Balance

The District follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following categories of fund balance are being used in the fund level financial statement of the governmental fund:

Nonspendable fund balance classification includes amounts that cannot be spent because they are either 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, for example, inventories and prepaid items. The balance as of June 30, 2021 was \$280,037.

Restricted fund balance classification includes amounts that are restricted when there are limitations imposed on their use either by the Commission or through external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments or by law through constitutional provisions or enabling legislation. As of June 30, 2021, the District had \$37,925 restricted by a donor and \$2,799,759 restricted for payment of long-term debt.

Committed fund balance classification includes amounts that can only be used for specific purposes for constraints imposed by formal action of the Commission. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type action it employed to previously commit those amounts. Committed fund balances also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District recognizes committed fund balances that have been approved for specific purposes by the Commission. As of June 30, 2021, the District had \$4,200,000 in committed fund balance for completion of capital projects.

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned fund balance classification includes amounts that are constrained by the District's intent to be used for specific purposes but are not restricted or committed. They are not required to be set by or removed by the Commission. As of June 30, 2021, the District reported no assigned fund balance.

Unassigned fund balance classification includes amounts that have not been assigned to other funds and has not been restricted, committed or assigned for specific purposes within the general fund. The first \$2,400,000 of fund balance is approved by the Commission as a stabilization amount to cover shortfalls in revenue due to reduction in attendance and other factors impacting the District's ability to generate revenue and is available for use in operations. As of June 30, 2021, the District reported an unassigned fund balance of \$3,196,133.

Based on the District's policies regarding fund balance classifications as noted above, the District considers amounts that are restricted, committed, or assigned to be spent when the corresponding expenditure that has been designated by the Commission or donors has been made. After these fund balances have been depleted, unassigned fund balance will be considered to have been spent.

The Capital Projects Fund had a deficit fund balance of \$114,665 at June 30, 2021, as capital outlay expenditures exceeded grants and contributions revenues in 2021. The District expects this deficit to be funded with future revenues.

Component Unit Basis of Presentation

The Society financial statement presentation follows the FASB issued Accounting Standards Update (ASU) No. 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. The Society is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions and are as follows:

Net assets without donor restrictions consist of contributions that are available for use in carrying out the purpose of the Society. The Society uses these net assets to support the District and its activities as requested by the District and approved by the Society.

Net assets with donor restrictions represent those amounts that are donor restricted with respect to purpose or time. When a donor restriction expires or is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions.

NOTE 2 – PROPERTY TAXES

Property taxes used to finance the District's operations and debt service are levied and collected by Richland and Lexington Counties under the direction of their respective Councils. Property taxes for operations are recognized when considered measurable. They are measurable when transferred to the District's account by the County Treasurers. Property taxes for debt service are reconciled and reported annually in the District's audited financial statements.

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3 – RECEIVABLES

Receivables are stated at fair value with no allowance for doubtful accounts. All the receivables are considered by management to be collectible. Receivables consisted of the following at June 30, 2021:

Intergovernmental	\$	94,413
Commissions and sponsorships		311,982
Other		9,572
Total	\$	415,967

NOTE 4 – CASH AND CASH EQUIVALENTS

The District’s cash and cash equivalents consist of demand deposits with banks, investments with the South Carolina State Treasurer’s Office through the South Carolina Local Government Investment Pool (the LGIP) and cash on hand. The LGIP is an investment mechanism established by Article III, Section 7 of the Constitution of South Carolina. Pursuant to Section 6-6-10 of the State of South Carolina Code of Laws. The South Carolina State Treasurer’s Office established the LGIP to allow local governments to pool resources to maximize returns on investments, which shall be legal investments for the subdivisions. The LGIP balance is stated at fair market value.

The District is authorized by South Carolina Code of Laws, Section 6-5-10, to invest in the following types of investments:

1. Obligations of the United States and agencies thereof, the principal and interest of which is fully guaranteed by the United States;
2. General obligations of the State of South Carolina or any of its political units; revenue obligations of the State of South Carolina or any of its political units, if at time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two rating categories, without regard to a refinement or gradation or rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations;
3. Savings and Loan Associations to the extent that the same are insured by an agency of the federal government;
4. Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow or custodian of a market value not less than the amount of the certificates of deposit so secured in the name of the District, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government;
5. Repurchase agreements when collateralized by required securities.

Custodial credit risk is the risk that, in the event of failure of a financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2021, none of the District’s deposits were exposed to custodial credit risk. As of June 30, 2021, the carrying amount of the District’s cash and cash equivalents were the following:

Cash on hand	\$	29,541
On deposit with financial institutions		394,279
LGIP		9,537,549
Total	\$	9,961,369

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 4 – CASH AND CASH EQUIVALENTS (CONTINUED)

The District places no limit on the amount the District may invest in any one issuer. More than 95.7 percent of the District’s cash and cash equivalents are with the LGIP and are reported in the District’s general fund. More information pertaining to carrying amounts, fair value, credit and other risks as required by GASB Statement No. 40, *Deposits and Investments – Risk Disclosures*, of the State Treasurer’s investments are disclosed in the Comprehensive Annual Financial Report (CAFR) of the State of South Carolina and can be found on the South Carolina Comptroller General’s website at www.cg.sc.gov.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

Governmental Activities	Beginning Balance	Additions	Disposals & Transfers	Ending Balance
Capital assets - not depreciated				
Land	\$ 2,936,949	\$ -	\$ -	\$ 2,936,949
Zoological collection	1	-	-	1
Construction in progress	1,623,178	560,572	(1,623,178)	560,572
Total capital assets - not depreciated	4,560,128	560,572	(1,623,178)	3,497,522
Capital assets - depreciated				
Buildings and structures	60,392,473	997,970	1,623,178	63,013,621
Improvements	22,307,337	81,737	-	22,389,074
Equipment	5,847,856	59,951	-	5,907,807
Total capital assets - depreciated	88,547,666	1,139,658	1,623,178	91,310,502
Less accumulated depreciation	32,520,178	2,913,711	-	35,433,889
Total capital assets - depreciated, net	56,027,488	(1,774,053)	1,623,178	55,876,613
Governmental activities capital assets, net	\$ 60,587,616	\$ (1,213,481)	\$ -	\$ 59,374,135

Depreciation expense was charged to governmental functions as follows:

Unallocated	\$ 2,840,078
Guest services	73,633
Total	<u>\$ 2,913,711</u>

NOTE 6 – LONG-TERM OBLIGATIONS

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. The sale of bonds, investment of bonds proceeds, investment of the debt service fund, and the repayment of the bonds are handled by the Richland County Treasurer as required by the bond ordinances.

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 6 – LONG-TERM OBLIGATIONS (CONTINUED)

General obligation bonds payable at June 30, 2021 were as follows:

\$31,285,000 General Obligation Bonds issued in 2020 due with a first payment in 2021, then with annual series installments through 2033, with an interest rate of 1.76% \$29,311,000

The annual aggregate maturities for the general obligation bonds for the subsequent years are as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 2,012,000	\$ 515,874	\$ 2,527,874
2023	2,074,000	480,462	2,554,462
2024	2,146,000	443,960	2,589,960
2025	2,262,000	406,190	2,668,190
2026	2,329,000	366,379	2,695,379
2027-2031	12,789,000	1,192,047	13,981,047
2032-2033	5,699,000	151,097	5,850,097
Total	<u>\$ 29,311,000</u>	<u>\$ 3,556,009</u>	<u>\$ 32,867,009</u>

Capital Leases Payable

From time to time, the District enters into leasing arrangements to finance improvements to its facilities. The leased assets for the existing leases serve as collateral for the borrowed funds. At June 30, 2021 the District was obligated under the following capital leases:

Lease payable to a financial institution in monthly installments of \$15,701 including interest at a fixed rate equal to 2.32% for the term of the lease through 2026 with a buy-out provision at maturity of \$1 for 400 Rivermont administration building and parking lot. \$ 944,339

Subsequent years minimum future lease payments for capital leases are as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 168,288	\$ 20,127	\$ 188,415
2023	172,234	16,181	188,415
2024	176,273	12,142	188,415
2025	180,406	8,009	188,415
2026	184,636	3,779	188,415
2027	62,502	302	62,804
Total	<u>\$ 944,339</u>	<u>\$ 60,540</u>	<u>\$ 1,004,879</u>

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 6 – LONG-TERM OBLIGATIONS (CONTINUED)

The following is an analysis of the leased property under capital leases as of June 30, 2021:

	Acquisition	Accumulated Depreciation	Net Book Value
Land	\$ 1,190,957	\$ -	\$ 1,190,957
Buildings and structures	1,031,752	459,466	572,286
Total	<u>\$ 2,222,709</u>	<u>\$ 459,466</u>	<u>\$ 1,763,243</u>

Long-Term Liabilities

The following changes occurred in the District's long-term liabilities during the fiscal year:

	June 30, 2020	Additions	Payments/ Transfers	June 30, 2021	Amount Due 2022
General Obligation Bond of 2013	\$ 27,935,000	\$ -	\$ 27,935,000	\$ -	\$ -
General Obligation Bond of 2020	-	31,285,000	1,974,000	29,311,000	2,012,000
Unamortized Premium	959,350	-	959,350	-	-
Capital Lease Payable-Rivermont	1,108,771	-	164,432	944,339	168,288
Capital Lease Payable					
Ropes Course	45,150	-	45,150	-	-
Compensated Absences	453,177	139,153	56,617	535,713	169,832
	<u>\$ 30,501,448</u>	<u>\$ 31,424,153</u>	<u>\$ 31,134,549</u>	<u>\$ 30,791,052</u>	<u>\$ 2,350,120</u>

NOTE 7 – PENSION PLAN

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012 and governed by an 11-member Board, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets.

The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with GAAP. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 – PENSION PLAN (CONTINUED)

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS.

Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 – PENSION PLAN (CONTINUED)

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of the benefit terms for each system is presented below.

- SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.
- PORS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute.

Legislation in 2017 increased, but also established a ceiling for SCRS and PORS contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute.

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 – PENSION PLAN (CONTINUED)

However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

Required employee contribution rates* for fiscal years 2020 and 2021 are as follows:

SCRS	
Employee Class Two	9.00%
Employee Class Three	9.00%
PORS	
Employee Class Two	9.75%
Employee Class Three	9.75%

** Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.*

Required employer contribution rates* for fiscal years 2020 and 2021 are as follows:

SCRS	
Employer Class Two	15.41%
Employer Class Three	15.41%
Employer Incidental Death Benefit	0.15%
PORS	
Employee Class Two	17.84%
Employee Class Three	17.84%
Employer Incidental Death Benefit	0.20%
Employer Accidental Death Benefit	0.20%

** Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of laws.*

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 – PENSION PLAN (CONTINUED)

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019 for first use in the July 1, 2021 actuarial valuation.

The June 30, 2019, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2018. The TPL was rolled-forward from the valuation date to the plans' year ended, June 30, 2020, using generally accepted actuarial principles.

The following provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2020.

Actuarial cost method Actuarial assumptions:	SCRS	PORS
	Entry Age Normal	Entry Age Normal
Investment rate of return ¹	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) ¹	3.5% to 9.5% (varies by services) ¹
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

¹Includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in morality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2020, TPL are as follows.

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 – PENSION PLAN (CONTINUED)

Net Pension Liability

The NPL is calculated separately for each System and represents that particular System’s TPL determined in accordance with GASB Statement No. 67 less that System’s fiduciary net position. The District’s proportional shares of the NPL amounts as of June 30, 2020 for SCRS and PORS are presented below:

System	Total Pension Liability	Plan Fiduciary Net Position	Employer’s Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 51,844,187,763	\$ 26,292,418,682	\$ 25,551,769,081	50.7%
PORS	\$ 8,046,386,629	\$ 4,730,174,642	\$ 3,316,211,987	58.8%
Total	\$ 59,890,574,392	\$ 31,022,593,324	\$ 28,867,981,068	51.8%

The TPL is calculated by the Systems’ actuary, and each plan’s fiduciary net position is reported in the Systems’ financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems’ notes to the financial statements and required supplementary information. Liability calculations performed by the Systems’ actuary for the purpose of satisfying the requirements of GASB 67 and 68 are not applicable for other purposes, such as determining the plans’ funding requirements.

The District’s proportionate share of the NPL for SCRS and PORS is as follows:

System	June 30, 2021	June 30, 2020	Change
SCRS	0.058240%	0.060035%	-0.001795%
PORS	0.000538%	0.000000%	0.000538%

The District’s change in proportionate share of the NPL and related deferred inflows and outflows of the resources will be amortized into pension expense over the respective average remaining service lives of the system.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 – PENSION PLAN (CONTINUED)

Asset Class	Asset Allocation Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Strategies	7.0%	5.09%	0.36%
Real Assets	12.0%		
Real Estate (Private)	8.0%	5.55%	0.44%
Real Estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (Private)	2.0%	4.88%	0.10%
Infrastructure (Public)	1.0%	7.05%	0.07%
Opportunistic	8.0%		
Global Tactical Asset Allocation	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
Credit	15.0%		
High Yield Bonds/ Bank Loans	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
Rate Sensitive	14.0%		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration (Net)	1.0%	0.56%	0.01%
Total Expected Real Return	<u>100%</u>		<u>5.80%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
			<u>8.05%</u>

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all the 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 TPL.

Sensitivity Analysis

The following table presents the District’s NPL calculated using the discount rate of 7.25 percent, as well as what the District’s NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 18,443,697	\$ 14,881,421	\$ 11,906,878
PORS	\$ 23,612	\$ 17,836	\$ 13,199
Total	\$ 18,467,309	\$ 14,899,257	\$ 11,920,077

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 – PENSION PLAN (CONTINUED)

Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2021, the District recognized pension expense of \$849,384 which is included in general fund expenses by department in the accompanying financial statements.

At June 30, 2021, the District reported deferred outflows (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences in actual and expected retirement plan experience	\$ 171,712	\$ 56,273
Change in proportionate share of net pension liability	370,336	330,749
Change in assumptions	18,232	-
Differences between projected and actual earnings on plan investments	1,094,653	-
District's contributions subsequent to the measurement date	891,801	-
Total SCRS	2,546,734	387,022
PORS		
Differences in actual and expected retirement plan experience	379	79
Changes in proportionate share and differences between District contributions and proportionate share of contributions	10,955	11,171
Change in assumptions	218	-
Differences between projected and actual earnings on plan investments	1,827	-
District's contributions subsequent to the measurement date	3,771	-
Total PORS	17,150	11,250
TOTAL SCRS AND PORS	\$ 2,563,884	\$ 398,272

The District reported \$895,572 as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the NPL in the year ended June 30, 2022. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years. The following schedule reflects the amortization of the District's proportional share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2021.

Average remaining services lives of all employees provided with pensions through the pension plans at June 30, 2021 was 3.984 years for SCRS and 4.176 years for PORS. Other amounts reported as net outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS	PORS
2021	2022	\$ 276,630	\$ (4,620)
2022	2023	425,294	1,807
2023	2024	286,656	3,862
2024	2025	279,331	1,080
		\$ 1,267,911	\$ 2,129

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 – PENSION PLAN (CONTINUED)

Deferred Compensation Plans

Several optional deferred compensation plans are available to State employees and employers of its political subdivisions through PEBA. Some employees of the District have elected to participate. The multiple-employer plans created under Internal Revenue Code Sections 457, 405(k) and 403(b), are administered by third parties and are not included in the State's CAFR. Compensation deferred under the plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate employment or prior to termination if they meet requirements specified by the applicable plan. The District did not contribute to any of these plans for the year ended June 30, 2021.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS

Benefit Plan Description

Upon meeting certain service requirements, the District offers healthcare benefits to its full-time employees upon retirement. The Plan is a single employer defined benefit OPEB plan without a special funding situation where no assets are accumulated in a trust. The District participates in the State of South Carolina State Health Plan, managed by PEBA and offers these benefits through participation in the PEBA State Health Plan. To qualify for the State Health Plan, the employee must be considered full-time. Any employee retiring under the provisions of SCRS may elect to continue the health insurance coverage after retirement. Survivors of deceased employees (spouses and dependents) may also continue their coverage. Although service with other governmental entities is acceptable for retirement under SCRS, that service does not count in determining if the District funds any of the retiree's health cost. All service used to determine eligibility must have been performed for the District.

Membership

The following table summarizes the membership of the plan as of July 1, 2019, the valuation date.

Inactive employees or beneficiaries currently receiving benefits	10
Inactive members entitled to but not yet receiving benefits	0
Active employees	159
Total membership	<u>169</u>

Benefits

The healthcare coverage available to an eligible retiree is health, basic dental and vision as provided by PEBA. Funding provided by the District is the employer portion of the health and basic dental premium for the retired employee coverage only. Any dependent coverage is paid 100 percent by the retiree. The retiree may continue in the program after becoming Medicare eligible. Upon retirement the employee pays 100 percent of the healthcare premium unless the employee retires with at least twenty years of service to the District.

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The District funding of healthcare premiums for eligible retirees is noted below.

Years of Service to the District	Percentage Funded	Premium Funded by District
20 and less than 24	50%	Employer premium for the subscriber only
24 and less than 28	75%	Employer premium for the subscriber only
28 and more	100%	Employer premium for the subscriber only

Actuarial Assumptions and Other Inputs

The District used Cavanaugh Macdonald Consulting, LLC to perform an actuarial valuation as of July 1, 2019. The table on the following page represents the actuarial assumptions and other inputs used by the actuary in determining the total OPEB liability (TOL) as of July 1, 2019, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.25%
Real wage growth - SCRS	0.75%
Wage inflation - SCRS	3.00%
Salary increases, including wage inflation - SCRS	3.00% - 7.00%
Municipal bond index rate:	
Prior measurement date	3.50%
Measurement date	2.21%
Healthcare cost trends	
Pre-Medicare	7.25% for 2019 decreasing to an ultimate rate of 4.75% by 2029
Medicare	5.38% for 2019 decreasing to an ultimate rate of 4.75% by 2023
Dental	4.00%

The discount rate used to measure the TOL as of the current measurement date was based on the General Obligation 20-year Municipal Bond Rate published at the end of the last week during the month of June published by The Bond Buyer.

Mortality rates were based on the RP-2014 Mortality Table for Employees with a 95% multiplier to better reflect the anticipated experience and provide margin for future improvements.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the July 1, 2019 valuation were based on the results of an actuarial experience study adopted by SCRS and PORS.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan elections, etc.) used in the July 1, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability

The District's TOL is based upon an actuarial valuation performed as of the valuation date, July 1, 2019. An expected TOL is determined as of June 30, 2020, the measurement date, using standard roll forward techniques. The roll forward calculation begins with the TOL, as of the Prior Measurement Date, June 30, 2019, subtracts the expected benefit payments for the year, applies interest at the Discount Rate for the year, and then adds the annual Normal Cost (also called the service cost).

The District does not have a special funding situation. The District's TOL is disclosed in accordance with the requirements of GASB Statement No. 75 and was calculated by the District's actuary. The District's changes in the TOL are shown on the following page.

Total OPEB Liability as of June 30, 2019	\$	6,559,512
Changes for the year:		
Service Cost at the end of the year*		493,670
Interest on TOL and Cash Flows		228,431
Difference between expected and actual experience		(16,387)
Changes of assumptions or other inputs		2,648,727
Benefit payments and implicit subsidy credit**		(66,392)
Net changes		3,288,049
Total OPEB Liability as of June 30, 2020	\$	9,847,561

*The service cost includes interest for the year.

**Benefit payments are net of participant contributions and include a payment of \$18,900 for the implicit subsidy. Benefit payments include \$47,492 paid outside the Trust.

Sensitivity Analysis

The following table presents the TOL of the District, as well as what the District's TOL would be if it were calculated using a discount rate that is 1.00 percent lower (1.21 percent) or 1.00 percent higher (3.21 percent) than the current discount rate of 2.21 percent.

<u>Sensitivity of the Total OPEB Liability to Changes in the Discount Rate</u>			
	1.00% Decrease (1.21%)	Current Discount Rate (2.21%)	1.00% Increase (3.21%)
TOL	\$ 12,745,810	\$ 9,847,561	\$ 7,709,013

The following table presents the TOL of the District, as well as what the District's TOL would be if it were calculated using healthcare cost trend rates that are 1.00 percent lower (8.50 percent decreasing to 4.50 percent) or 1.00 percent higher (10.50 percent decreasing to 6.50 percent) than the current health care cost trend rates of 9.50 percent decreasing to 5.50 percent.

<u>Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate</u>			
	1.00% Decrease	Current Discount Rate	1.00% Increase
TOL	\$ 7,280,535	\$ 9,847,561	\$ 13,621,326

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2021, the District recognized OPEB expense of \$932,670, which is included in general fund expenses by department in the accompanying financial statements. At June 30, 2021 the District reported deferred outflows (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 310,881	\$ 32,792
Changes of assumptions or other inputs	2,899,240	695,171
Total	\$ 3,210,121	\$ 727,963

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

Measurement Period Ending June 30,	Fiscal Year Ending June 30,		
2021	2022	\$	210,569
2022	2023		210,569
2023	2024		210,569
2024	2025		210,569
2025	2026		210,569
	Thereafter		1,429,313
		\$	2,482,158

NOTE 9 – OPERATING LEASES

The District leases the majority of its land from Dominion Energy SC at \$1 per year under a 99-year lease which expires in March 2068. Thereafter, the lease will be year-to-year until terminated by either party upon six months written notice. The District also leases a postal machine, multi-function copiers, and a forklift. The total reported in expenditures of the financial statements for these leases is \$18,710. Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year are:

Year ending June 30,			
2022	\$	22,143	
2023		22,143	
2024		22,143	
2025		18,773	
2026		4,973	
2027 and thereafter		41	
	\$	90,216	

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 10 – RIVERBANKS SOCIETY

The Society is a South Carolina corporation organized to provide additional financial support for the District. The Society is reported as a discretely presented component unit and is supported primarily through donor contributions received from a broad base of citizens of Richland and Lexington Counties. The Society is a private nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Although the District does not control the timing or amount of receipts from the Society, the majority is undesignated and can only be used by or for the benefit of the District.

During the year ended June 30, 2021, the Society contributed the following:

General Fund	
Operating support	\$ 2,000,000
Loan payments	188,415
Subtotal	<u>2,188,415</u>
Explorer pass differential*	<u>870,140</u>
Total District Support	<u>\$ 3,058,555</u>

*This amount is included in charges for services in the Statement of Activities and rides, attractions and events in the Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds.

In August 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-14, *“Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities”*. The new guidance amends the reporting model for nonprofit entities and required disclosures. The major changes include using two classes of net assets entitled “net assets without donor restrictions” and “net assets with donor restrictions”; requiring a presentation of analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs; requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; present statement of cash flows using direct-method without a reconciliation of the change in net assets from operating activities; and modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The amendments in the standard are effective for annual financial statements issued for fiscal years beginning after December 15, 2017.

The following represents the availability and liquidity of the Society’s financial assets at June 30, 2021:

Financial assets available within one year	
Cash and cash equivalents	\$ 5,370,227
Pledges receivable - due in one year or less	357,500
Due from Richland-Lexington Riverbanks Park District	<u>1,019,643</u>
Total financial assets available within one year	<u>\$ 6,747,370</u>

The Society’s financial assets available within one year of the statements of financial position date are available to cover general expenditures, liabilities and other obligations as they become due. All remaining assets are available for use by the District as requested by the District and approved by the Society.

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 11 – TAX ABATEMENT DISCLOSURES

The District’s property tax revenues from Richland and Lexington Counties were impacted by various tax abatement programs. Due to the District’s implementation of GASB Statement No. 77, *Tax Abatement Disclosures*, the District is required to disclose the effect of the Counties tax abatement programs on the Districts tax revenues received from the Counties. The information below is provided by Lexington County reflecting the tax abatement impact only of the District for the year ended June 30, 2021.

Tax Abatement Programs	Amount of Taxes Abated During Year	State of South Carolina Reimbursement
Fee-in-Lieu of Taxes Program (FILOT)	\$ 17,663	\$ 1,328
FILOT + SSCR	33,184	138
Infrastructure Program (IP)	-	-
FILOT + IP	7,953	451
SSRC + IP	21	-
FILOT + SSRC + IP	87,031	5,009
Total	\$ 145,852	\$ 6,926

The information below is provided by Richland County reflecting the tax abatement impact of the District for the year ended June 30, 2021.

Tax Abatement Programs	Amount of Taxes Abated During Year
Fee-in-Lieu of Taxes Program (FILOT) and SSRC	\$ 112,159
Special Source Revenue Credit Program (SSRC)	19,519
Multi-County Industrial Park	10,351
Total	\$ 142,029

The programs and combinations of programs offered by both counties are as follows:

Fee in lieu of taxes was established by the SC Code Title 12, Chapter 44 and Title 4, Chapter 12 to offer individual incentive packages by abating property taxes to attract new business to the Counties.

Special source revenue credit was established by the SC Code Sections 4-29-68, 4-1-170 and 12-44-70 to offer individual incentive packages by abating property taxes to attract new business to the Counties and to retain current businesses.

The additional programs offered by Richland County are as follows:

Multi-County industrial park was established by the SC Code Section 4-1-170 to allow sharing of expenses and revenues from the park with the County.

RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 12 – SUBSEQUENT EVENTS

The District has evaluated all events subsequent to the balance sheet date of June 30, 2021 through the date these financial statements were available to be issued, November 18, 2021, in accordance with ASC 855, *Subsequent Events*.

Subsequent to year end, the Delta variant of COVID-19 has significantly increased positive cases and hospitalizations and so the pandemic is still ongoing. This may have a negative impact on the District's operations, as an overall change in economic conditions may impact visits. The District is continuously monitoring the effect of the virus on its operations and financial situation.

Required Supplementary Information

RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT

**SCHEDULE OF TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY
AS OF JUNE 30, 2021**

Measurement Period Ended June 30

	2021	2020	2019	2018
Service Cost at end of year	\$ 493,670	\$ 338,751	\$ 366,552	\$ 431,936
Interest	228,431	197,317	178,011	155,545
Difference between expected and actual experience	(16,387)	376,329	(8,190)	(19,116)
Changes of assumptions or other inputs	2,648,727	582,067	(374,244)	(682,252)
Benefit payments and implicit subsidy credit	(66,392)	(66,550)	(61,152)	(45,865)
Net change in total OPEB liability	<u>3,288,049</u>	<u>1,427,914</u>	<u>100,977</u>	<u>(159,752)</u>
Total OPEB liability - beginning	6,559,512	5,131,598	5,030,621	5,190,373
Total OPEB liability - ending	<u>\$ 9,847,561</u>	<u>\$ 6,559,512</u>	<u>\$ 5,131,598</u>	<u>\$ 5,030,621</u>
Covered-employee payroll	<u>\$ 6,068,312</u>	<u>\$ 6,068,312</u>	<u>\$ 5,147,783</u>	<u>\$ 5,147,783</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>162.28%</u>	<u>108.09%</u>	<u>99.69%</u>	<u>97.72%</u>

Note: The benefit payments shown above include \$18,900 for 2021, \$22,000 for 2020, \$18,700 for 2019, and \$17,400 for 2018 due to the implicit subsidy. Additional years will be added in the future. The amounts presented were determined as of June 30 of the preceding year.

See accompanying independent auditor's report.

RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT

**SCHEDULE OF FUNDING PROGRESS, OTHER POSTEMPLOYMENT BENEFITS
AS OF JUNE 30, 2021**

Year Ending June 30,	Actual Required Contribution	Actual Contribution	Net OPEB Liability	Percentage Contributed
2012	\$ 257,464	\$ 33,204	\$ 462,299	12.9%
2013	261,154	38,165	686,114	14.6%
2014	265,188	46,052	904,477	17.4%
2015	273,144	53,262	1,127,979	19.5%
2016	311,335	46,242	1,393,630	14.9%
2017	315,432	49,810	1,672,252	15.8%
2018	521,687	45,865	5,030,621	8.8%
2019	442,894	61,152	5,131,598	13.8%
2020	517,738	66,550	6,559,512	12.9%
2021	932,670	66,392	9,847,561	7.1%

Note: The benefit payments shown above include \$18,900 for 2021, \$22,000 for 2020, \$18,700 for 2019, and \$17,400 for 2018 due to the implicit subsidy. The information reported prior to 2018 reflects amounts per GASB Statement No. 45. The amounts presented were determined as of June 30 of the preceding year.

See accompanying independent auditor's report.

RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2021

South Carolina Retirement System Pension Plan*

	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability	0.058%	0.060%	0.057%	0.057%	0.057%	0.054%	0.057%	0.057%
Employer's proportionate share of the collective net liability	\$ 14,881,421	\$ 13,708,556	\$ 12,677,655	\$ 12,863,133	\$ 12,130,901	\$ 10,297,688	\$ 9,775,461	\$ 10,184,127
Employer's covered payroll	\$ 6,500,579	\$ 6,339,567	\$ 5,862,467	\$ 5,765,230	\$ 5,497,964	\$ 5,106,656	\$ 5,154,774	\$ 4,885,170
Employer's share of the net pension liability as percentage of covered payroll	228.9%	216.2%	216.3%	223.1%	220.6%	201.7%	189.6%	208.5%
Plan fiduciary net position as a percentage of the total pension liability	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%	56.4%

Police Officer Retirement System Pension Plan**

	2021	2020	2019	2018	2017	2016
Employer's proportion of the net pension liability	0.000%	0.000%	0.000%	0.001%	0.002%	0.001%
Employer's proportionate share of the collective net liability	\$ 17,836	\$ -	\$ 3,865	\$ 24,245	\$ 59,354	\$ 28,116
Employer's covered payroll	\$ 7,564	\$ -	\$ 4,027	\$ 11,925	\$ 32,216	\$ 16,253
Employer's share of the net pension liability as percentage of covered payroll	235.8%	0.0%	96.0%	203.3%	184.2%	173.0%
Plan fiduciary net position as a percentage of the total pension liability	58.8%	62.7%	61.7%	60.9%	60.4%	64.6%

*The amounts presented were determined as of June 30 of the preceding year.
**The amounts presented were determined as of June 30 of the preceding year. No participants prior to 2016.

See accompanying independent auditor's report.

RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS
AS OF JUNE 30, 2021

South Carolina Retirement System Pension Plan

	2021	2020	2019	2018	2017
Contractually required contribution	\$ 891,801	\$ 1,011,490	\$ 923,041	\$ 794,951	\$ 666,461
Contributions in relation to the contractually required contribution	891,801	1,011,490	923,041	794,951	666,461
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,731,373	\$ 6,500,579	\$ 6,339,567	\$ 5,862,467	\$ 5,765,230
Contributions as a percentage of covered payroll	15.6%	15.6%	14.6%	13.6%	11.6%
	2016	2015	2014	2013	2012
Contractually required contribution	\$ 608,045	\$ 557,069	\$ 546,406	\$ 517,828	\$ 448,558
Contributions in relation to the contractually required contribution	608,045	557,069	546,406	517,828	448,558
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,497,964	\$ 5,106,656	\$ 5,154,774	\$ 4,885,170	\$ 4,704,331
Contributions as a percentage of covered payroll	11.1%	10.9%	10.6%	10.6%	9.5%

Police Officer Retirement System Pension Plan

	2021	2020	2019	2018	2017
Contractually required contribution	\$ 3,771	\$ 1,380	\$ -	\$ 656	\$ 1,698
Contributions in relation to the contractually required contribution	3,771	1,380	-	656	1,698
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 20,675	\$ 7,564	\$ -	\$ 4,027	\$ 11,925
Contributions as a percentage of covered payroll	18.2%	18.2%	0.0%	16.3%	14.2%
	2016	2015			
Contractually required contribution	\$ 4,362	\$ 2,147			
Contributions in relation to the contractually required contribution	4,362	2,147			
Contribution deficiency (excess)	\$ -	\$ -			
Covered payroll	\$ 32,216	\$ 16,253			
Contributions as a percentage of covered payroll	13.5%	13.2%			

See accompanying independent auditor's report.

**RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE FOR GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted	Actual	Variance with Final Budget - Budgeted Actual Positive (Negative)
REVENUES			
Property taxes	\$ 3,122,100	\$ 3,122,100	\$ -
Accommodations and hospitality taxes	133,500	128,163	(5,337)
General admission and parking fees	5,909,300	7,295,283	1,385,983
Concession and retail commissions	1,500,000	1,849,333	349,333
Riverbanks Society support	2,938,400	2,188,415	(749,985)
Rides, attractions and events	1,371,800	1,565,027	193,227
Classes and program fees	416,000	333,098	(82,902)
Events	695,100	871,085	175,985
Facility rental and group admission fees	315,000	112,602	(202,398)
Sponsorships	200,000	155,834	(44,166)
Non-federal grants and contributions	-	1,504,325	1,504,325
Interest revenue	-	11,830	11,830
Expired gift cards	-	150,612	150,612
Miscellaneous revenues	62,500	34,602	(27,898)
Total revenues	16,663,700	19,322,309	2,658,609
EXPENDITURES			
Administrative	2,585,400	2,716,646	(131,246)
Animal care	4,248,700	3,835,844	412,856
Botanical, zoo and garden	1,103,600	865,835	237,765
Education	182,500	157,402	25,098
Facility management	1,963,600	1,898,657	64,943
Guest services	2,337,700	1,702,326	635,374
Marketing and public relations	776,700	518,759	257,941
Utilities	1,715,000	1,439,503	275,497
Rides, attractions and events	578,900	242,544	336,356
Classes and programs	419,900	326,958	92,942
Events	368,300	235,763	132,537
Facility rental and group admission	195,000	195,000	-
Debt service			
Principal	160,600	209,582	(48,982)
Interest	27,800	24,932	2,868
Capital outlay			
Land, building, equipment, & improvements	-	113,849	(113,849)
Rides, Shows, and Promotions	-	-	-
Total expenditures	16,663,700	14,483,600	2,180,100
Excess of revenues over expenditures	-	4,838,709	4,838,709
Net change in fund balances	-	4,838,709	\$ 4,838,709
Fund balance, beginning of year	2,990,051	2,990,051	
Fund balance, end of year	<u>\$ 2,990,051</u>	<u>\$ 7,828,760</u>	

See accompanying independent auditor's report.

Other Information

**RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT
SUPPLEMENTAL SCHEDULE OF CAPITAL PROJECTS
FOR THE YEAR ENDED JUNE 30, 2021**

District staff compile and propose sequencing of capital projects based on criteria including safety of both humans and animals and current aesthetics and functionality. The Commission approves projects of \$50,000 and greater. The Current Capital Project Fund listing below includes projects already approved that will be funded by the Capital Project Fund. The Future Capital Project Fund listing below includes projects identified and prioritized for funding as it is available. These projects have not begun or been approved as needed by the Commission. Projects may change or shift based on emergencies, changes in priority, or urgency of need.

	Estimated Cost to Complete
Current Capital Project Fund projects	
Parking lot top coating and striping - blue and red lots	\$ 40,000
Replace aging 2-way radio system with digital	200,000
Greenhouse renovations and polyroofing replacement	300,000
Gorilla outdoor climbing and shade structure	250,000
Resurface Waterfall Junction splashpad	75,000
Construct African bird aviary	275,000
Replace aging trams	560,000
400 Rivermont office renovations	500,000
Endoscope for hospital	100,000
Auditorium remodel for multi-use space	160,000
Warehouse roof replacement	600,000
Penguin mural	100,000
Finance software	100,000
Hay barn	250,000
Rehabilitation of CR9	250,000
Grizzly filtration and concrete additions	55,000
Golf cart replacement	35,000
Garden tractor	30,000
Rhino shift doors update	65,000
River water upgrades	150,000
	4,095,000
Future Capital Project Fund projects	
West Campus Walk	2,500,000
RCO holding renovation	1,000,000
Demo Rivermont Building 550, 550A, and 600, compliance with City ordinance and use for	750,000
Expand Meerkat Holding to allow zoo to maintain a breeding group	500,000
Chelonian building	500,000
Develop area behind Tuskers	500,000
Solar parking	500,000
Komodo dragon barn	300,000
Network audio and video system	200,000
Fiber optic to West Campus	200,000
Painting river bridge	200,000
Prosource sign to digital	200,000
Fire System Upgrade - Phase 2	150,000
Tram turnaround enlarged by bog garden	100,000
RR1 exterior rehab	100,000
Commissary walk-in cooler	80,000
Garden - Replace leaking Bog Garden Liner at entrance	75,000
Fiber ring throughout Zoo	75,000
Resurface and restripe parking lots	60,000
Komodo dragon pool	50,000
Shade structure and misting system for Salty's and Wild Burger	50,000
Remodel giraffe deck	50,000
Install sliding doors at Gorilla Basecamp	50,000
ARCC sidewalk renovation	50,000
Replace electric at Gate 1	35,000
VC restroom remodel	30,000
Ndoki restroom remodel	20,000
Repair/replace City water connections in botanical garden	15,000
Birdhouse tent replacement	15,000
	8,355,000
	\$ 12,450,000

See accompanying independent auditor's report.

Riverbanks Zoo and Garden Overview

Mission

It is the mission of Riverbanks Zoo & Garden to create meaningful connections and inspire actions that will have a lasting impact on conservation. We are dedicated to providing the highest standards of care for our animals and plants, delivering a diverse educational and high-quality recreational experience for all Riverbanks visitors, and utilizing all available resources at our disposal for the conservation of the earth's flora and fauna.

History

Riverbanks Zoo & Garden is home to more than 2,000 magnificent and fascinating animals and one of the nation's best public gardens. The Zoo first opened on April 25, 1974, and for more than four decades has connected individuals, families and school groups with the natural world. Today Riverbanks Zoo is one of the largest mid-sized zoos in the United States and South Carolina's leading destination attraction, boasting a national reputation as one of America's top 10 zoos.

Listed on the National Register of Historic Places since 1973, Riverbanks Zoo & Garden is also the site of structural remains dating back to the early 1800s with South Carolina's textile industry and the Civil War. Historic ruins can be seen from various locations along the footbridge linking the Zoo and Garden, as well as along the naturally wooded River Trail.

In June 1995, Riverbanks Botanical Garden opened to the public. Hailed by *Horticulture* magazine as one of 10 gardens that inspire and by HGTV as one of 20 great public gardens across America, the Botanical Garden boasts 70 acres of unparalleled beauty and showcases more than 4,300 species of native and exotic plants. The Botanical Garden also includes Waterfall Junction. The 3-acre garden oasis opened April 7, 2016 and inspires exploration, imagination and nature play with tree houses, a dinosaur dig, splash zones and plenty of room to roam.

In 2016 Riverbanks unveiled several other new additions to its campus including a new entrance and sea lion exhibit. This expansion, like all previous major capital projects, was made possible by Richland and Lexington county bonds, the Riverbanks Society and support from the community. In 2019 Riverbanks received the largest gift in its 45 year history to renovate the Aquarium Reptile Complex. This entirely donor funded project was slowed by the extensive impacts of the COVID-19 pandemic, including the Zoo and Garden's historic closure, but is on track to open in 2022.

Who Visits?

While COVID-19 significantly impacted this fiscal year, in a typical year Riverbanks Zoo & Garden welcomes more than one million visitors annually. More than 50% of Riverbanks Zoo & Garden visitors originate from outside a 50-mile radius of the Zoo, and nearly 30 percent come from out of state. Most visiting parties consist of 2 adults and 2 children. Riverbanks Zoo & Garden attracts a diverse audience with 66% Caucasian, 22% African American and 12% citing other ethnicities. The average annual household income of a visitor is roughly 30% higher than the state average, which is consistent with other similar institutions.

RIVERBANKS ZOO & GARDEN

ATTENDANCE YEAR ENDED JUNE 30

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Regular	424,001	365,973	352,769	332,533	393,216	402,241	377,859	332,295	220,368	324,106
Education Groups	3,699	5,524	9,748	10,196	11,831	14,410	17,916	14,901	9,946	7,142
After Hours & Special Events	2,691	84,811	62,797	72,500	73,584	81,438	84,176	81,772	71,669	61,410
Group & Corporate	99,457	57,654	102,508	75,948	83,876	81,788	77,298	73,009	19,856	6,807
Total Paid	529,848	513,962	527,822	491,177	562,507	579,877	557,249	501,977	321,839	399,465
Lexington & Richland Counties Free School Groups	1,436	23,842	19,369	26,159	27,052	28,164	27,661	28,112	7,038	1,036
Riverbanks Society Visits	396,897	411,481	423,358	465,017	615,954	716,003	646,998	709,032	506,690	512,562
Lexington & Richland Counties Free Friday's	20,291	19,750	11,665	11,062	9,419	24,168	12,898	21,582	20,050	3,589
Complimentary & Promotional	22,163	17,103	20,673	5,945	31,089	7,033	6,392	7,457	4,464	3,433
Children Under Two	58,857	53,234	50,490	28,992	34,803	34,626	35,916	32,521	20,208	20,855
Total Other	499,644	525,410	525,555	537,175	718,317	809,994	729,865	798,704	558,450	541,475
Total Attendance	1,029,492	1,039,372	1,053,377	1,028,352	1,280,824	1,389,871	1,287,114	1,300,681	880,289	940,940

Funding Sustainability

Riverbanks Zoo & Garden operating budget is 80% self-sustaining. A primary objective is to continually find ways to boost revenue streams with creative, interactive, fee-based activities and attractions that add to the guest experience. Additional revenue generators include the carousel, lorikeet feeding, giraffe feeding, the farm experience, train rides, the rock wall, the zip line, and the Sky-High Safari vertical ropes course challenge. On average these experiences generated more than \$1 million in net revenues.

Education

Thousands of school-aged children from across the Southeast visit Riverbanks Zoo & Garden each year to participate in the Zoo and Garden's conservation education programs. Our team of highly skilled formal educators and employees provide an interactive and captivating learning experience through a variety of programs. Highlights include:

- on-site school programs
- Riverbanks on the Road outreach programs
- ZooTeen programming
- early childhood and family programs
- homeschool programs at the zoo and garden
- adult garden programs
- overnight programs
- scout programs
- seasonal camp programs

Signature Events

Riverbanks Zoo & Garden holds several signature after-hours events. Lights Before Christmas and Boo at the Zoo are family-friendly events that have become perennial favorites for residents of the Midlands and are hosted by Riverbanks Zoo & Garden. Wine Tasting at Riverbanks Botanical Garden, Brew at the Zoo and Riverbanks ZOOfare are geared toward an adult audience and are the Zoo's major fundraisers hosted by Riverbanks Society. In a typical year Riverbanks welcomes more than 100,000 members and guests and generates over \$1 million in gross revenues through evening events.

Conservation & Scientific Advancement

Riverbanks Zoo & Garden is one of 236 accredited institutional members of the Association of Zoos & Aquariums (AZA). The accreditation standards of the AZA are comprehensive, ever improving and have driven the significant transformation of member zoos and aquariums over the past decades. Integrated research, conservation and conservation education initiatives are required, as accredited zoos and aquariums simultaneously maintain their important role as premier recreational facilities. This transformation began in 1980 when the AZA's Board of Directors designated conservation as the association's number one priority. With conservation as the AZA's stated priority, significant strides were made through the development of collaborative programs designed to support the careful management and conservation of the species under our care in order to ensure that they survive for future generations. More information about the AZA can be found on their website, www.aza.org.

Consistent with the mission “to create meaningful connections and inspire actions that will have a lasting impact on conservation”, Riverbanks Zoo & Garden is dedicated to the conservation of the earth’s flora and fauna. From delivering high quality conservation education programs and providing superb veterinary support for Species Survival Plans and research programs to administering a wide variety of regional and international conservation efforts, Riverbanks Zoo & Garden staff is continuously and actively involved with conservation. Since its inception, the Conservation Support Fund has provided support for 260 projects in 36 countries around the globe, totaling over \$1,000,000. Of the 260 projects, 53 have been in the United States, with 44 of these in the southeastern United States. Of the southeastern projects, 29 have been in South Carolina. In June 2017 the fund was renamed in honor of retiring president & CEO Satch Krantz for his 44 years of service to Riverbanks Zoo & Garden and his passion for saving species. It is now referred to as the Satch Krantz Conservation Fund (SKCF). All revenues and expenses related to this fund is managed by Riverbanks Society.

Riverbanks Zoo & Garden staff members are encouraged to participate in local, regional and international conservation efforts including and beyond those supported by the SKCF. Within the fund, extra weight is given to projects in which staff members are active participants, as well as to those projects that are willing and able to accept a Riverbanks Field Conservation Associate (FCA) in the field for up to two weeks. The FCA Program offers staff members the opportunity to grow professionally by participating in high quality field conservation and animal management programs around the world. Outside of the fund, staff members are actively engaged in independent conservation, animal management, and research projects resulting in peer-reviewed scholarly publications.

Riverbanks Zoo & Garden employs a highly experienced and educated animal care and veterinary team as well as an adjunct scientist who works to advance conservation and science initiatives. The Riverbanks Animal Care & Use Committee (ACUC) serves to facilitate use of the animal collection for scientific study in accordance with the United States Department of Agriculture Animal Welfare Act and AZA accreditation standards. To this end, all requests (internal and external) for scholarly research at Riverbanks Zoo & Garden are submitted to and approved by the ACUC.

Community Service

Riverbanks Zoo & Garden gives back to the community through several complimentary admissions. Riverbanks provides free admissions through the following programs:

- Free Fridays for Richland and Lexington Counties
- Free admission for Richland and Lexington County school students
- Soldiers in uniform, military graduates and Veteran’s Day admission program
- Those participating in Toucan Tuesday’s food drive for Harvest Hope
- Complimentary admission tickets for local charities and nonprofit organizations.

From river clean ups to conservation in our backyards, Riverbanks Zoo & Garden staff and volunteers participate in a variety of efforts to improve the environment and engage the community. The Zoo partners with South Carolina Department of Natural Resources (SCDNR) to hand rear seven threatened sea turtle hatchlings. Riverbanks Zoo is also part of a conservation initiative with Savannah River Ecology Lab, SCDNR, the U.S. Fish and Wildlife Service and others to bolster the population of endangered gopher tortoises. In addition, Riverbanks Botanical Garden established and serves on the South Carolina Plant Conservation Alliance, a coalition of 16 partner agencies, universities, organizations and individuals dedicated to preserving our state’s rare and endangered plants.

An Award-Winning Experience

Notable Riverbanks Zoo & Garden accolades from major websites, publications and associations are listed below:

- **Riverbanks Zoo & Garden was voted 7th among 10 best Zoos** – USA Today’s 10 Best readers’ poll
- **Named One of America’s Top 10 Zoos** – by TripAdvisor
- **Voted Top 10 Travel Destination for Animal Attractions** – by readers of *Family Fun* magazine
- **Voted Best Place to Take Out-of-Towners** – by readers of FreeTimes
- **Recipient of the Columbia Choice Award** – by Columbia Green and the Columbia Tree & Appearance Commission for new Zoo entrance
- **Recipient of the Quarter Century Award** – by Association of Zoos and Aquariums for 25 years of continuous accreditation
- **Tuskers Restaurant Recognized as 3-Star Certified Green**
- **Best Place for a Child’s Birthday Party and Best Place to Take Out-of-Towners** – by The State’s Best Of
- **Lights Before Christmas was voted 7th in the U.S.** – USA Today’s 10 Best readers poll for Best Zoo Lights

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters based
on an Audit of Financial Statements performed in accordance with
*Government Auditing Standards***

To the Commissioners
Richland-Lexington Riverbanks Park District
Columbia, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Richland-Lexington Riverbanks Zoo District (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 18, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Scott and Company LLC

Columbia, South Carolina
November 18, 2021