

**REPORT ON AUDIT OF FINANCIAL STATEMENTS OF
RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT
AS OF AND FOR THE YEAR ENDING JUNE 30, 2024**

SCOTT  COMPANY

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**RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT
APPOINTED RIVERBANKS PARK COMMISSION
JUNE 30, 2024**

Jan Stamps, Chair
Lexington County

Alana Odom Williams, Vice Chair
City of Columbia

Michael Phemister Velasco, Treasurer
City of Columbia

Clifford Bourke, Jr., Secretary
Richland County

Robert G. Davidson
Richland County

Jeffrey T. Reeves
Lexington County

Deneen Shockley
Lexington County - At Large

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate 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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

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, 2024, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of total other postemployment benefits liability, schedule of funding progress, other postemployment benefits, schedule of proportionate share of the net pension liability, schedule of pension contributions, and budgetary comparison schedule for general fund on pages 5-13 and 44-48 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the supplemental schedule of capital assets and the Riverbanks Zoo and Garden overview but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Scott and Company LLC

Columbia, South Carolina
March 13, 2025

**RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

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, 2024. 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, 2024:

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024, by \$48,205,800 (total net position). Of this amount \$(9,606,895) (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 \$4,125,592 are mostly for repayment of long-term debt.
- The District's total net position increased by \$8,785,757 for the year ended June 30, 2024. 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 \$19,770,186, an increase of \$732,124 from the prior year.
- The combined ending fund balance is \$19,770,186. Of the total, (\$571,303) or -2.89% is available for spending at the government's discretion and \$3,000,000 or 15.18% 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 \$515,487 or 2.61% in the general fund. Restricted funds include \$4,103,087 or 20.75% in the debt service fund and \$22,505 or 0.11% as library acquisitions in the general fund. Committed balances total \$12,700,410 or 64.24% 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 four individual governmental funds: 1) the General Fund, 2) the Debt Service Fund, 3) the Capital Projects Fund, and 4) the Bond 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 Bond Fund accounts for bond costs and related bond proceeds. The District issued General Obligation Bonds, Series 2024 in the amount of \$40,000,000 subsequent to year end. See Note 12 for further information.

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, 2024 assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$48,205,800. The following provides a comparison of the government-wide net position of the District.

	June 30, 2024	June 30, 2023	Change	% Change
Current assets	\$ 22,192,352	\$ 21,015,247	\$ 1,177,105	5.6%
Capital assets, net of accumulated depreciation	73,179,149	67,205,681	5,973,468	8.9%
Total assets	95,371,501	88,220,928	7,150,573	8.1%
Deferred outflows of resources	5,953,143	5,513,154	439,989	8.0%
Current liabilities	5,203,651	4,620,015	583,636	12.6%
Long-term liabilities	42,141,554	43,660,246	(1,518,692)	-3.5%
Total liabilities	47,345,205	48,280,261	(935,056)	-1.9%
Deferred inflows of resources	5,773,639	6,033,778	(260,139)	-4.3%
Net position				
Net investment in capital assets	53,687,103	44,819,793	8,867,310	19.8%
Restricted	4,125,592	3,547,860	577,732	16.3%
Unrestricted	(9,606,895)	(8,947,610)	(659,285)	7.4%
Total net position	\$ 48,205,800	\$ 39,420,043	\$ 8,785,757	22.3%

The increase in current assets of \$1,177,105 is mostly due to the net change in receivables. Receivables increased by \$943,576 due to an increase in Due from Riverbanks Society, the component unit to the District. Prepaid expenses increased by \$64,785 mostly due to increases in property and liability insurance premiums and IT contracts, all of which are amortized and expensed monthly.

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

Total liabilities decreased by \$935,056 mostly due to decreases in General obligations bonds payable in the amount of \$2,146,000 and OPEB liability in the amount of \$503,429. Finance leases payable also decreased by \$176,272, as well as accrued interest payable by \$12,930. These decreases were partially offset by increases in the net pension liability of \$1,388,820, accounts payable and accrued payroll of \$444,065, accrued compensated absences of \$69,774, and unearned revenue of \$916. Timing of payables due fluctuate year to year, as does the number of days of accrued payroll each year.

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 \$8,785,757 represents a 22.3% 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, 2024	June 30, 2023	Change	% Change
Program Revenues				
Charges for services	\$ 15,408,916	\$ 15,017,692	\$ 391,224	2.6%
Operating grants and contributions	6,925,873	4,903,644	2,022,229	41.2%
General Revenues				
Property taxes	6,678,957	6,439,813	239,144	3.7%
Accommodations and hospitality taxes	150,018	127,800	22,218	17.4%
Riverbanks Society contribution	4,188,415	3,588,415	600,000	16.7%
Other revenues	1,757,262	1,056,490	700,772	66.3%
Total revenues	35,109,441	31,133,854	3,975,587	12.8%
Program Expenses				
Unallocated depreciation expense	3,672,454	3,155,836	516,618	16.4%
Administrative	3,620,294	3,299,511	320,783	9.7%
Animal care	5,956,641	5,515,390	441,251	8.0%
Botanical	1,264,910	1,132,840	132,070	11.7%
Education	1,103,161	886,438	216,723	24.4%
Facility management and utilities	4,883,693	4,591,509	292,184	6.4%
Guest services	4,467,900	4,263,937	203,963	4.8%
Marketing and public relations	841,685	886,058	(44,373)	-5.0%
Interest on long term debt, unallocated	512,946	445,304	67,642	15.2%
Total expenses	26,323,684	24,176,823	2,146,861	8.9%
Increase in net position	8,785,757	6,957,031	1,828,726	26.3%
Net position - beginning	39,420,043	32,463,012	6,957,031	21.4%
Net position - ending	\$ 48,205,800	\$ 39,420,043	\$ 8,785,757	22.3%

Government-wide Financial Analysis (continued)

The District's charges for services include 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 75.5% of total revenues, for a total of \$26,523,204, a 12.8% increase from the prior fiscal year. The increase is mostly due to an increase in non-recurring State funding for deferred maintenance. In FY23, the District received \$2,000,000 in non-recurring State funding and in FY24, received \$5,000,000.

The total attendance for the year ended June 30, 2024 was 1,181,859, an increase of 9,751 visits or 0.8% from the prior year. The increase in attendance is consistent with post-COVID trends seen across the country in Zoos.

Tax revenues, which totaled \$6,828,975 or 19.5% of total revenues in 2024, include property, accommodations and hospitality taxes. Tax revenues increased by 4.0% from the prior fiscal year, due to an increase 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 increased from the prior year by \$239,144. Accommodations and hospitality taxes increased by \$22,218. Total program expenses increased by \$2,146,861 from the prior fiscal year.

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, 2024, the District's governmental fund reported combined ending fund balances of \$19,770,186, an increase of \$732,124 from the prior year and is made up of the following:

- The general fund balance represents \$21,652,252, a \$4,737,496 increase from the prior year. The unassigned balances are \$5,413,850 or 25.0% for current operations, and \$3,000,000 board designated, or 13.9%. 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 was increased by \$600,000 in FY24. The remaining 61.1% 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 \$4,103,087, 20.8% of the combined total and a \$582,648 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 (\$1,448,583), a \$51,450 decrease from the prior year. The balance represents the remaining capital contribution from the Society. These funds are classified as committed for capital projects as defined by the District.
- The bond fund, which was new in FY24, had a balance of (\$4,536,570) at June 30, 2024. The balance primarily represents construction related expenses for projects that will be funded by the General Obligation Bonds, Series 2024 bonds.

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 \$6,337,558. Earned revenues were \$502,234 over budget and unearned revenues (taxes, grants and contributions, and interest) were \$5,835,324 over budget. General admission fees were \$603,588 over budget and reflect increased attendance. Non-federal grants and contributions were \$5,036,150 and were not included in the budget. Expenditures were under budget by \$193,590, made up of small variances across departments. The District ended the last fiscal year with a favorable variance of \$4,737,496. The District ended last fiscal year with an excess of revenues over expenditures of \$4,737,496.

Capital Assets

The District's investment in capital assets, net of accumulated depreciation at June 30, 2024, amounted to \$73,179,149, an increase of \$5,973,468 from June 30, 2023. Current year additions exceeded depreciation expense and disposals. The largest additions included an ADA Accessible parking lot expansion, a Hay Barn, a Chiller added in the Aquarium and Reptile Conservation Center (ARCC), and construction in progress on a Gondola system, a new Komodo Dragon Breeding Facility, and renovations to the 400 Rivermont administration building.

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.

Debt Administration (continued)

The loan for the Rivermont acquisition is a finance 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 lease with fixed monthly payments allowing repayment in full over ten years with a \$1 buy-out provision at the end.

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, 2024, was \$24,026,794. This is a net decrease of \$2,252,498 from the prior fiscal year. The net decrease is the result of paying down principal on the general obligation bond and finance leases. 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, 2024	June 30, 2023	Change
General obligation bond issues	\$ 23,079,000	\$ 25,225,000	\$ (2,146,000)
Finance lease - Rivermont	427,545	603,817	(176,272)
Compensated absences	520,249	450,475	69,774
Subtotal	24,026,794	26,279,292	(2,252,498)
Net OPEB obligation	5,695,359	6,198,788	(503,429)
Net pension liability	15,064,662	13,675,842	1,388,820
Total	\$ 44,786,815	\$ 46,153,922	\$ (1,367,107)

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 13.4% of general fund revenues, State non-recurring funding for deferred maintenance made up 17.4%, with 69.2% representing earned revenues. Attendance at Riverbanks Zoo & Garden generates revenue from admission fees, rides and attractions, events, classes and programs, 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. There was a walk-up gate ticket price increase that went into effect on March 25, 2024. The online ticket price remained the same to incentivize guests to purchase tickets online.

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

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 44,228 as of June 30, 2024. This is a 7.4% decrease from the June 30, 2023 membership total of 47,746. The Society offers 12 membership categories. Total membership revenue decreased by \$68,398 or 0.9% 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.

Membership levels also increase in relation to increase in the gate ticket price. The prices of most membership packages increased effective October 1, 2024.

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, 2025 budget from the June 30, 2024 budget are noted below:

- Annual attendance is 1.25 million with a projected 43.9%/56.1% 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. The proportion of anticipated paid admissions is higher in FY25 than in previous years, as FY25 is the first year that members will be required to pay for a ticket to the Wild Lights winter event.
- General admission revenue is 3.3% more than the prior year, proportionate with the increase to the walk-up gate ticket price previously noted.
- For Fiscal Year 2024-25, Richland County Council has reduced the millage levy from 1.4 mills to 0.7 mills but increased the total appropriation to an estimated \$3,019,600. The difference from the reduction in mills will be made up from the proceeds of local Hospitality Taxes.
- Non-recurring State funding for deferred maintenance in the amount of \$1,000,000 was budgeted for in FY25.
- Rides and attractions have increased overall in revenues due to prior year trends.
- Events have increases in revenues as members will be required to pay for a ticket to our seasonal Wild Lights winter event.
- Classes and programs reflect an 11.7% increase over the prior year, as more diverse classes and programs are being offered.
- Miscellaneous revenues reflect an increase in earnings from the Local Government Investment Pool for the District's excess cash. This is due to higher interest rates.
- Employer retirement contributions reflect a rate of 18.41% per statutory requirement.
- Effective January 1, 2024, the load factor for health insurance is 1.00 until December 31, 2025.

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, 2024

ASSETS	Governmental Activities	Component Unit - Riverbanks Society
Current assets		
Cash and cash equivalents	\$ 16,106,422	\$ 16,851,517
Cash held by fiscal agent for debt service	4,014,499	-
Receivables	1,555,944	939
Unconditional promises to give - restricted	-	71,500
Prepaid expenses	463,883	87,353
Inventory	51,604	-
Total current assets	<u>22,192,352</u>	<u>17,011,309</u>
Noncurrent assets		
Capital assets, net of accumulated depreciation	73,179,149	-
Total noncurrent assets	<u>73,179,149</u>	<u>-</u>
Total assets	<u>95,371,501</u>	<u>17,011,309</u>
Deferred outflows of resources related to net pension & OPEB liabilities	5,953,143	-
Total assets and deferred outflows of resources	<u><u>101,324,644</u></u>	<u><u>17,011,309</u></u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued payroll	1,457,083	1,057,351
Accrued compensated absences	202,855	-
Accrued interest payable	136,224	-
Unearned revenue	965,083	67,285
Finance leases payable	180,406	-
Current long term debt	2,262,000	-
Total current liabilities	<u>5,203,651</u>	<u>1,124,636</u>
Noncurrent liabilities		
Accrued compensated absences	317,394	-
Finance leases payable	247,139	-
Net pension liability	15,064,662	-
Net OPEB liability	5,695,359	-
General obligation bonds payable	20,817,000	-
Total noncurrent liabilities	<u>42,141,554</u>	<u>-</u>
Total liabilities	<u>47,345,205</u>	<u>1,124,636</u>
Deferred inflows of resources related to net pension & OPEB liabilities	5,773,639	-
Total liabilities and deferred inflows of resources	<u><u>53,118,844</u></u>	<u><u>1,124,636</u></u>
NET POSITION		
Net Investment in Capital Assets	53,687,103	-
Restricted	4,125,592	-
Restricted with donor restrictions	-	5,442,145
Unrestricted	(9,606,895)	10,444,528
Total net position	<u><u>\$ 48,205,800</u></u>	<u><u>\$ 15,886,673</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, 2024

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Component Unit
				Riverbanks Society	Riverbanks Society
GOVERNMENTAL ACTIVITIES					
Unallocated depreciation expense	\$ 3,672,454	\$ -	\$ -	\$ (3,672,454)	\$ -
Administrative	3,620,294	-	2,400,000	(1,220,294)	-
Animal care	5,956,641	-	4,034,878	(1,921,763)	-
Botanical	1,264,910	-	-	(1,264,910)	-
Education	1,103,161	650,308	-	(452,853)	-
Facility management and utilities	4,883,693	-	-	(4,883,693)	-
Guest services	4,467,900	12,006,343	490,995	8,029,438	-
Marketing and public relations	841,685	67,667	-	(774,018)	-
Concession and retail commissions	-	2,684,598	-	2,684,598	-
Interest on long-term debt, unallocated	512,946	-	-	(512,946)	-
Total governmental activities	26,323,684	15,408,916	6,925,873	(3,988,895)	-
COMPONENT UNIT					
Riverbanks Society	9,498,700	7,391,403	5,893,196	-	3,785,899
Total component unit	9,498,700	7,391,403	5,893,196	-	3,785,899
GENERAL REVENUES					
Property taxes				6,678,957	-
Accommodations and hospitality taxes				150,018	-
Riverbanks Society contribution				4,188,415	-
Investment earnings				1,125,607	646,154
Expired gift cards				294,366	-
Miscellaneous revenues				337,289	-
Total general revenues				12,774,652	646,154
Change in net position				8,785,757	4,432,053
Net position, beginning of year				39,420,043	11,454,620
Net position, end of year				\$ 48,205,800	\$ 15,886,673

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

RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	Major Funds				Total Governmental Funds
	General Fund	Debt Service	Capital Projects	Bond	
ASSETS					
Cash and cash equivalents	\$ 16,106,422	\$ -	\$ -	\$ -	\$ 16,106,422
Cash held by fiscal agent for debt service	-	4,014,499	-	-	4,014,499
Receivables	1,467,356	88,588	-	-	1,555,944
Prepaid expenses	463,883	-	-	-	463,883
Inventory	51,604	-	-	-	51,604
Due from other funds	5,616,522	-	-	-	5,616,522
Total assets	23,705,787	4,103,087	-	-	27,808,874
LIABILITIES					
Accounts payable and accrued salaries	1,088,452	-	346,631	22,000	1,457,083
Unearned revenue	965,083	-	-	-	965,083
Due to other funds	-	-	1,101,952	4,514,570	5,616,522
Total liabilities	2,053,535	-	1,448,583	4,536,570	8,038,688
FUND BALANCES					
Nonspendable					
Inventory	51,604	-	-	-	51,604
Prepaid expenses	463,883	-	-	-	463,883
Restricted					
Debt service	-	4,103,087	-	-	4,103,087
Botanical library acquisitions	22,505	-	-	-	22,505
Committed					
Capital projects	12,700,410	-	-	-	12,700,410
Unassigned					
Board designated for operations	3,000,000	-	-	-	3,000,000
Undesignated	5,413,850	-	(1,448,583)	(4,536,570)	(571,303)
Total fund balances	21,652,252	4,103,087	(1,448,583)	(4,536,570)	19,770,186
Total liabilities and fund balances	\$ 23,705,787	\$ 4,103,087	\$ -	\$ -	\$ 27,808,874

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, 2024

Total fund balances - governmental funds \$ 19,770,186

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	\$ 118,344,992	
Accumulated depreciation	(45,165,843)	73,179,149

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	(15,064,662)	
Deferred outflows of resources related to net pension liability	3,679,700	
Deferred inflows of resources related to net pension liability	(471,293)	(11,856,255)

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	(5,695,359)	
Deferred outflows of resources related to other postemployment benefits	2,273,443	
Deferred inflows of resources related to other postemployment benefits	(5,302,346)	(8,724,262)

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	(23,079,000)	
Accrued interest payable	(136,224)	
Compensated absences	(520,249)	
Finance leases payable	(427,545)	(24,163,018)

Total net position - governmental activities \$ 48,205,800

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, 2024

	Major Funds				Total Governmental Funds
	General Fund	Debt Service	Capital Projects	Bond	
REVENUES					
Property taxes	\$ 3,706,000	\$ 2,972,957	\$ -	\$ -	\$ 6,678,957
Accommodations and hospitality taxes	150,018	-	-	-	150,018
General admission fees	8,433,588	-	-	-	8,433,588
Concession and retail commissions	2,684,598	-	-	-	2,684,598
Riverbanks Society support	3,188,415	-	1,000,000	-	4,188,415
Rides and attractions	2,067,762	-	-	-	2,067,762
Classes and program fees	650,308	-	-	-	650,308
Events	982,617	-	-	-	982,617
Facility rental and group admission fees	522,376	-	-	-	522,376
Sponsorships	67,667	-	-	-	67,667
Non-federal grants and contributions	5,036,150	-	1,889,723	-	6,925,873
Interest revenue	925,956	199,651	-	-	1,125,607
Expired gift cards	294,366	-	-	-	294,366
Miscellaneous revenues	102,937	-	234,352	-	337,289
Total revenues	28,812,758	3,172,608	3,124,075	-	35,109,441
EXPENDITURES					
Administrative	3,577,488	-	-	-	3,577,488
Animal care	5,683,244	-	-	-	5,683,244
Botanical, zoo and garden	1,234,826	-	-	-	1,234,826
Education	501,127	-	-	-	501,127
Facility management	3,130,512	-	-	-	3,130,512
Guest services	3,312,421	-	-	-	3,312,421
Marketing and public relations	818,516	-	-	-	818,516
Utilities	1,710,533	-	-	-	1,710,533
Rides and attractions	495,228	-	-	-	495,228
Classes and programs	590,186	-	-	-	590,186
Events	440,477	-	-	-	440,477
Facility rental and group admissions	195,000	-	-	-	195,000
Debt service					
Principal	176,272	2,146,000	-	-	2,322,272
Interest	12,142	443,960	-	-	456,102
Capital outlay					
Land, building, equipment, & improvements	403,638	-	4,969,177	4,536,570	9,909,385
Total expenditures	22,281,610	2,589,960	4,969,177	4,536,570	34,377,317
Excess of revenues over (under) expenditures	6,531,148	582,648	(1,845,102)	(4,536,570)	732,124
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	1,793,652	-	1,793,652
Transfers out	(1,793,652)	-	-	-	(1,793,652)
Total other financing sources (uses)	(1,793,652)	-	1,793,652	-	-
Net change in fund balance	4,737,496	582,648	(51,450)	(4,536,570)	732,124
Fund balance, beginning of year	16,914,756	3,520,439	(1,397,133)	-	19,038,062
Fund balance, end of year	\$ 21,652,252	\$ 4,103,087	\$ (1,448,583)	\$ (4,536,570)	\$ 19,770,186

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, 2024**

Total net change in fund balances - governmental funds \$ 732,124

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

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

Capital outlay	\$ 9,909,385	
Depreciation expense	<u>(3,672,454)</u>	6,236,931

In the statement of activities, the gain or loss on disposal of capital assets is reported. Conversely, governmental funds do not report gain or loss on the disposal of capital assets. (263,463)

Pension change in the statement of activities

Prior year retirement plan contributions are considered a current year expense	(1,385,621)	
Current year expense considered a deferred outflow of resources	1,577,098	
Decrease in pension expense for change in deferred inflows and outflows of resources	(1,388,820)	
Amortization of deferred outflows of resources related to net pension liability	562,683	
Amortization of deferred inflows of resources related to net pension liability	<u>545,128</u>	(89,532)

OPEB change in the statement of activities

Current year OPEB expense	(191,714)	
Current year benefit payments and implicit subsidy credit	<u>95,983</u>	(95,731)

The repayment of the principal of finance leases payable and long-term debt consumes the current financial resources of governmental funds. However, this has no effect on net position.

Payment of long-term debt and finance leases		2,322,272
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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

Decrease in accrual of interest payable	12,930	
Increase in compensated absence accrual	<u>(69,774)</u>	(56,844)

Total change in net position - governmental activities \$ 8,785,757

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-fifth 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 may 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. The President/CEO administers the daily operations of the District through appointed Chief Officers, Vice Presidents and 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, 2024.

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)

Capital Projects Fund accounts for financial resources used for the acquisition or construction of major capital facilities and equipment.

Bond Fund accounts for bond costs and related bond proceeds. The District issued General Obligation Bonds, Series 2024 in the amount of \$40,000,000 subsequent to year end. See Note 12 for further information.

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, 2024, 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, 2024 was \$4,014,499.

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:

Assets	Years
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, 2024 was \$515,487.

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, 2024, the District had \$22,505 restricted by a donor and \$4,103,087 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, 2024, the District had \$12,700,410 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, 2024, 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 \$3,000,000 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, 2024, the general fund reported an unassigned fund balance of \$5,413,850.

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 \$1,448,583 at June 30, 2024, as capital outlay expenditures exceeded grants and contributions revenues in 2024. The District will cover this deficit with available unassigned reserve in the general fund.

The Bond Fund had a deficit fund balance of \$4,536,570 at June 30, 2024. Subsequent to the fiscal year ended June 30, 2024, the District sold General Obligation Bonds, Series 2024 (the “Bonds”) in the amount of \$40,000,000 on August 28, 2024. Preceding the sale, the Richland-Lexington Riverbanks Parks Commissioners adopted the Bond Resolution and Reimbursement Resolution on January 18, 2024. The adopted Bond Resolution allowed the District to “look back” 60 days, which granted the ability to request reimbursement through bond proceeds for eligible bond expenditures, dating back to November 20, 2023. Additionally, Code of Federal Regulation, Title 26, section 1.150-2 allows reimbursement for design and engineering prior to then. Allowable bond costs, eligible for reimbursement at the point the Bonds were sold on August 28, 2024, by either the adopted the Bond Resolution or 26 CFR 1.150-2, were reported in the Bond Fund reported in the District’s financial statements. Since only expenditures were recorded prior to the sale, and costs were not reimbursed until just after the sale on August 28, 2024, the Bond Fund is reporting a deficit balance as of June 30, 2024.

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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Implemented GASB Standard

The District implemented GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62* for the year ended June 30, 2024. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023. Implementation of this standard did not have a significant impact on these financial statements.

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.

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, 2024:

Intergovernmental	\$ 93,767
Commissions and sponsorships	394,998
Riverbanks Society	981,606
Other	85,573
Total	<u>\$ 1,555,944</u>

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;

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

NOTE 4 – CASH AND CASH EQUIVALENTS (CONTINUED)

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, 2024, none of the District’s deposits were exposed to custodial credit risk. As of June 30, 2024, the carrying amount of the District’s cash and cash equivalents were the following:

Cash on hand	\$	29,320
On deposit with financial institutions		516,433
LGIP		15,560,669
Total	\$	16,106,422

The District places no limit on the amount the District may invest in any one issuer. More than 96.6 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 Annual Comprehensive Financial Report (ACFR) 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, 2024 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	-	6,884,675	-	6,884,675
Total capital assets - not depreciated	2,936,950	6,884,675	-	9,821,625
Capital assets - depreciated				
Buildings and structures	72,642,193	750,543	-	73,392,736
Improvements	25,463,048	1,151,961	(7,547)	26,607,462
Equipment	7,656,879	1,122,206	(255,916)	8,523,169
Total capital assets - depreciated	105,762,120	3,024,710	(263,463)	108,523,367
Less accumulated depreciation	41,493,389	3,672,454	-	45,165,843
Total capital assets - depreciated, net	64,268,731	(647,744)	(263,463)	63,357,524
Governmental activities capital assets, net	\$ 67,205,681	\$ 6,236,931	\$ (263,463)	\$ 73,179,149

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

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental functions as follows:

Unallocated \$ 3,672,454

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. General obligation bonds payable at June 30, 2024 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% \$23,079,000

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,262,000	\$ 406,190	\$ 2,668,190
2026	2,329,000	366,379	2,695,379
2027	2,399,000	325,389	2,724,389
2028	2,462,000	283,166	2,745,166
2029	2,533,000	239,835	2,772,835
2030-2033	11,094,000	494,754	11,588,754
Total	<u>\$ 23,079,000</u>	<u>\$ 2,115,713</u>	<u>\$ 25,194,713</u>

Finance 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, 2024 the District was obligated under the following finance 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. \$ 427,545

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

NOTE 6 – LONG-TERM OBLIGATIONS (CONTINUED)

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 180,406	\$ 8,009	\$ 188,415
2026	184,636	3,779	188,415
2027	62,503	302	62,805
Total	<u>\$ 427,545</u>	<u>\$ 12,090</u>	<u>\$ 439,635</u>

The following is a schedule of the leased property under finance leases as of June 30, 2024:

	<u>Acquisition</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 1,190,957	\$ -	\$ 1,190,957
Buildings and structures	1,031,752	582,058	449,694
Total	<u>\$ 2,222,709</u>	<u>\$ 582,058</u>	<u>\$ 1,640,651</u>

Long-Term Liabilities

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

	<u>June 30, 2023</u>	<u>Additions</u>	<u>Payments/ Transfers</u>	<u>June 30, 2024</u>	<u>Amount Due 2025</u>
General Obligation Bond of 2020	\$ 25,225,000	\$ -	\$ 2,146,000	\$ 23,079,000	\$ 2,262,000
Finance Lease Payable-Rivermont	603,817	-	176,272	427,545	180,406
Compensated Absences	450,475	134,086	64,312	520,249	202,855
	<u>\$ 26,279,292</u>	<u>\$ 134,086</u>	<u>\$ 2,386,584</u>	<u>\$ 24,026,794</u>	<u>\$ 2,645,261</u>

NOTE 7 – PENSION PLAN

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, 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 Board decisions regarding the actuary of the Systems.

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

NOTE 7 – PENSION PLAN (CONTINUED)

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 generally accepted accounting principles (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.

PEBA issues an Annual Comprehensive Financial Report containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The Annual Comprehensive Financial Report is publicly available through 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 annual comprehensive 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 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; be a coroner in a full-time permanent position; or be 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.

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

NOTE 7 – PENSION PLAN (CONTINUED)

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.

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. Effective July 1, 2017, employee rates were increased and capped at 9 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 until reaching 18.56 percent for SCRS and 21.24 percent for PORS.

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

NOTE 7 – PENSION PLAN (CONTINUED)

The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

Required employee contribution rates* for fiscal year 2024 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 year 2024 are as follows:

SCRS	
Employer Class Two	18.41%
Employer Class Three	18.41%
Employer Incidental Death Benefit	0.15%
PORS	
Employer Class Two	20.84%
Employer Class Three	20.84%
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 ongoing 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.

The June 30, 2023, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS), and are based on an actuarial valuation performed as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plans’ fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for any of the systems.

The following provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2023.

Actuarial cost method	SCRS	PORS
	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return ¹	7%	7%
Projected salary increases	3.0% to 11% (varies by service) ¹	3.5% to 10.5% (varies by service) 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 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems’ mortality experience. These base rates are adjusted for future improvement in morality using 80% of published Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2023, TPL are as follows.

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

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, 2023 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	\$ 58,464,402,454	\$ 34,286,961,942	\$ 24,177,440,512	58.6%
PORS	\$ 9,450,021,576	\$ 6,405,925,370	\$ 3,044,096,206	67.8%
Total	<u>\$ 67,914,424,030</u>	<u>\$ 40,692,887,312</u>	<u>\$ 27,221,536,718</u>	59.6%

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, 2024	June 30, 2023	Change
SCRS	0.061910%	0.056044%	0.005866%
PORS	0.003164%	0.002983%	0.000181%

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 2023 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 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 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
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity	9.0%	10.91%	0.98%
Private Debt	7.0%	6.16%	0.43%
Real Assets	12.0%		
Real Estate	9.0%	6.41%	0.58%
Infrastructure	3.0%	6.62%	0.20%
Total Expected Return	100%		5.31%
Inflation for Actuarial Purposes			2.25%
			<u>7.56%</u>

Discount Rate

The discount rate used to measure the TPL was 7 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 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 percent) or 1.00 percent higher (8 percent) than the current rate.

System	1.00% Decrease (6%)	Current Discount Rate (7%)	1.00% Increase (8%)
SCRS	\$ 19,340,411	\$ 14,968,353	\$ 11,334,267
PORS	\$ 135,867	\$ 96,309	\$ 63,917
Total	\$ 19,476,278	\$ 15,064,662	\$ 11,398,184

Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2024, the District recognized a pension loss of \$89,532 which offsets general fund expenses by department in the accompanying financial statements.

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

NOTE 7 – PENSION PLAN (CONTINUED)

At June 30, 2024, 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	\$ 259,877	\$ 41,509
Changes in proportionate share and differences between District contributions and proportionate share of contributions	1,570,405	407,943
Change in assumptions	229,337	-
Differences between projected and actual earnings on plan investments	-	20,488
District's contributions subsequent to the measurement date	1,562,223	-
Total SCRS	3,621,842	469,940
PORS		
Differences in actual and expected retirement plan experience	4,532	1,187
Changes in proportionate share and differences between District contributions and proportionate share of contributions	36,355	-
Change in assumptions	2,096	-
Differences between projected and actual earnings on plan investments	-	166
District's contributions subsequent to the measurement date	14,875	-
Total PORS	57,858	1,353
TOTAL SCRS AND PORS	\$ 3,679,700	\$ 471,293

The District reported \$1,577,098 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, 2024. 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, 2024.

Average remaining services lives of all employees provided with pensions through the pension plans at June 30, 2024 was 3.678 years for SCRS and 3.779 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
2024	2025	\$ 564,411	\$ 22,888
2025	2026	342,162	13,106
2026	2027	691,883	5,738
2027	2028	(8,777)	(102)
		\$ 1,589,679	\$ 41,630

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 ACFR. 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, 2024.

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 June 30, 2023, the valuation date.

Inactive employees or beneficiaries currently receiving benefits	26
Inactive members entitled to but not yet receiving benefits	0
Active employees	174
Total membership	<u>200</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 June 30, 2023. 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 June 30, 2023, 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% -9.50%
Municipal bond index rate:	
Prior measurement date	3.54%
Measurement date	3.65%
Healthcare cost trends	
Pre-Medicare	7.00% for 2023 decreasing to an ultimate rate of 4.50% by 2033
Medicare	5.25% for 2023 decreasing to an ultimate rate of 4.50% by 2029

Mortality rates were based on the PUB-2010 Mortality Tables for Employees with a 135% 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 June 30, 2023 valuation were based on the results of the 2020 actuarial experience study adopted by SCRS. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation.

Total OPEB Liability

The District's TOL is based upon an actuarial valuation performed as of the valuation date, June 30, 2023. An expected TOL is determined as of June 30, 2023, the measurement date, using standard roll forward techniques. The roll forward calculation begins with the TOL, as of the Prior Measurement Date, June 30, 2022, 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).

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

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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, 2022		\$	6,198,788
Changes for the year:			
Service Cost at the end of the year*			369,693
Interest on TOL and Cash Flows			217,753
Difference between expected and actual experience			(993,869)
Changes of assumptions or other inputs			(1,023)
Benefit payments and implicit subsidy credit**			(95,983)
Net changes			(503,429)
	Total OPEB Liability as of June 30, 2023	\$	5,695,359

*The service cost includes interest for the year.

**Benefit payments are net of participant contributions and include a payment of \$18,400 for the implicit subsidy. Benefit payments include \$77,583 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 (2.65 percent) or 1.00 percent higher (4.65 percent) than the current discount rate of 3.65 percent.

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

	1.00% Decrease (2.65%)	Current Discount Rate (3.65%)	1.00% Increase (4.65%)
TOL	\$ 7,156,798	\$ 5,695,359	\$ 4,601,260

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 (6.00 percent decreasing to 3.00 percent) or 1.00 percent higher (8.00 percent decreasing to 5.00 percent) than the current health care cost trend rates of 7.00 percent decreasing to 4.00 percent.

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

	1.00% Decrease	Current Discount Rate	1.00% Increase
TOL	\$ 4,453,814	\$ 5,695,359	\$ 7,445,306

Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2024, the District recognized OPEB expense of \$191,714, which is included in general fund expenses by department in the accompanying financial statements. At June 30, 2024 the District reported deferred outflows (inflows) of resources related to OPEB from the following sources:

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

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 217,020	\$ 2,520,852
Changes of assumptions or other inputs	2,056,423	2,781,494
Total	\$ 2,273,443	\$ 5,302,346

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,		
2024	2025	\$	(395,732)
2025	2026		(395,732)
2026	2027		(395,732)
2027	2028		(373,366)
2028	2029		(317,747)
	Thereafter		(1,150,594)
		\$	(3,028,903)

NOTE 9 – 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 \$22,165. Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year are:

Year ending June 30,			
2025	\$	18,795	
2026		5,315	
2027		1	
2028		1	
2029		1	
2030 and thereafter		41	
	\$	24,154	

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.

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

NOTE 10 – RIVERBANKS SOCIETY (CONTINUED)

During the year ended June 30, 2024, the Society contributed the following:

General Fund	
Operating support	\$ 3,000,000
Capital support	1,000,000
Loan payments	188,415
Subtotal	4,188,415
Explorer pass differential*	1,092,620
Total District Support	\$ 5,281,035

*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.

The following represents the availability and liquidity of the Society’s financial assets at June 30, 2024:

Financial assets available within one year	
Cash and cash equivalents	\$ 16,851,517
Total financial assets available within one year	\$ 16,851,517

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.

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, 2024.

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

NOTE 11 – TAX ABATEMENT DISCLOSURES (CONTINUED)

Tax Abatement Programs	Amount of Taxes Abated During Year	State of South Carolina Reimbursement
Fee-in-Lieu of Taxes Program	\$ 20,010	\$ 423
Fee-in-Lieu of Taxes Program + Special Source Revenue Credit Program	31,286	556
Fee-in-Lieu of Taxes Program + Multi-County Industrial Park	5,215	430
Special Source Revenue Credit Program + Multi-County Industrial Park	-	-
Fee-in-Lieu of Taxes Program + Special Source Revenue Credit Program + Multi-County Industrial Park	99,080	7,320
Total	\$ 155,591	\$ 8,729

The information below is provided by Richland County reflecting the tax abatement impact of the District for the year ended June 30, 2024.

Tax Abatement Programs	Amount of Taxes Abated During Year
Fee-in-Lieu of Taxes Program + Special Source Revenue Credit Program	\$ 55,528
Special Source Revenue Credit Program	17,386
Multi-County Industrial Park	8,226
Total	\$ 81,140

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.

NOTE 12 – SUBSEQUENT EVENTS

The District has evaluated all events subsequent to the balance sheet date of June 30, 2024 through the date these financial statements were available to be issued, March 13, 2025.

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

NOTE 12 – SUBSEQUENT EVENTS (CONTINUED)

Richland and Lexington counties approved for the District to issue an \$80,000,000 General Obligation Bond. The bond request was passed by Lexington County on December 6, 2023 and was then passed by Richland County on December 12, 2023. The expiration of the protest period fell on February 12, 2024. The Richland-Lexington Riverbanks Park Commissioners adopted the Bond Resolution and Reimbursement Resolution on January 18, 2024. The sale of the first phase of General Obligation Bonds, Series 2024 (the “Bonds”) in the amount of \$40,000,000 closed on August 28, 2024, subsequent to the fiscal year ended June 30, 2024. The Bonds issued were general obligation bonds of the District and as such the full faith, credit, resources, and taxing power of the District is irrevocably pledged for the payment thereof. The second phase of General Obligation Bonds in the amount of \$40,000,000 will be issued around the summer of 2026, two years following the sale of the first phase of General Obligation Bonds.

Required Supplementary Information

RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT

**SCHEDULE OF TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY
AS OF JUNE 30, 2024**

Measurement Period Ended June 30

	2024	2023	2022	2021	2020	2019	2018
Service Cost at end of year	\$ 369,693	\$ 590,041	\$ 799,947	\$ 493,670	\$ 338,751	\$ 366,552	\$ 431,936
Interest	217,753	171,035	216,754	228,431	197,317	178,011	155,545
Difference between expected and actual experience	(993,869)	5,327	(2,255,932)	(16,387)	376,329	(8,190)	(19,116)
Changes of assumptions or other inputs	(1,023)	(2,443,097)	(567,821)	2,648,727	582,067	(374,244)	(682,252)
Benefit payments and implicit subsidy credit	(95,983)	(85,170)	(79,857)	(66,392)	(66,550)	(61,152)	(45,865)
Net change in total OPEB liability	(503,429)	(1,761,864)	(1,886,909)	3,288,049	1,427,914	100,977	(159,752)
Total OPEB liability - beginning	6,198,788	7,960,652	9,847,561	6,559,512	5,131,598	5,030,621	5,190,373
Total OPEB liability - ending	\$ 5,695,359	\$ 6,198,788	\$ 7,960,652	\$ 9,847,561	\$ 6,559,512	\$ 5,131,598	\$ 5,030,621
Covered-employee payroll	\$ 8,033,832	\$ 4,875,887	\$ 4,875,887	\$ 6,068,312	\$ 6,068,312	\$ 5,147,783	\$ 5,147,783
Total OPEB liability as a percentage of covered-employee payroll	70.89%	127.13%	163.27%	162.28%	108.09%	99.69%	97.72%

Note: The benefit payments shown above include \$18,400 for 2024, \$15,100 for 2023, \$18,000 for 2022, \$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, 2024**

Year Ending June 30,	Actual Required Contribution	Actual Contribution	Net OPEB Liability	Percentage Contributed
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%
2022	958,085	79,857	7,960,652	8.3%
2023	470,070	85,170	6,198,788	18.1%
2024	191,714	95,983	5,695,359	50.1%

Note: The benefit payments shown above include \$18,400 for 2024, \$15,100 for 2023, \$18,000 for 2022, \$18,900 for 2021, \$22,000 for 2020, and \$18,700 for 2019 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, 2024**

South Carolina Retirement System Pension Plan*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	0.062%	0.056%	0.051%	0.058%	0.060%	0.057%	0.057%	0.057%	0.054%	0.057%
Employer's proportionate share of the collective net liability	\$ 14,968,353	\$ 13,586,381	\$ 10,987,278	\$ 14,881,421	\$ 13,708,556	\$ 12,677,655	\$ 12,863,133	\$12,130,901	\$10,297,688	\$9,775,461
Employer's covered payroll	\$ 7,827,516	\$ 6,673,578	\$ 5,731,373	\$ 6,500,579	\$ 6,339,567	\$ 5,862,467	\$ 5,765,230	\$ 5,497,964	\$ 5,106,656	\$ 5,154,774
Employer's share of the net pension liability as percentage of covered payroll	191.2%	203.6%	191.7%	228.9%	216.2%	216.3%	223.1%	220.6%	201.7%	189.6%
Plan fiduciary net position as a percentage of the total pension liability	58.6%	57.1%	60.7%	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%

Police Officer Retirement System Pension Plan**

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's proportion of the net pension liability	0.003%	0.003%	0.001%	0.001%	0.000%	0.000%	0.001%	0.002%	0.001%
Employer's proportionate share of the collective net liability	\$ 96,309	\$ 89,461	\$ 22,181	\$ 17,836	\$ -	\$ 3,865	\$ 24,245	\$ 59,354	\$ 28,116
Employer's covered payroll	\$ 55,432	\$ 47,209	\$ 20,675	\$ 7,564	\$ -	\$ 4,027	\$ 11,925	\$ 32,216	\$ 16,253
Employer's share of the net pension liability as percentage of covered payroll	173.7%	189.5%	107.3%	235.8%	0.0%	96.0%	203.3%	184.2%	173.0%
Plan fiduciary net position as a percentage of the total pension liability	67.8%	66.4%	70.4%	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, 2024**

South Carolina Retirement System Pension Plan

	2024	2023	2022	2021	2020
Contractually required contribution	\$ 1,562,223	\$ 1,374,512	\$ 1,105,145	\$ 891,801	\$ 1,011,490
Contributions in relation to the contractually required contribution	1,562,223	1,374,512	1,105,145	891,801	1,011,490
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 8,417,152	\$ 7,827,516	\$ 6,673,578	\$ 5,731,373	\$ 6,500,579
Contributions as a percentage of covered payroll	18.56%	17.56%	16.56%	15.56%	15.56%
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 923,041	\$ 794,951	\$ 666,461	\$ 608,045	\$ 557,069
Contributions in relation to the contractually required contribution	923,041	794,951	666,461	608,045	557,069
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,339,567	\$ 5,862,467	\$ 5,765,230	\$ 5,497,964	\$ 5,106,656
Contributions as a percentage of covered payroll	14.56%	13.56%	11.56%	11.06%	10.91%

Police Officer Retirement System Pension Plan

	2024	2023	2022	2021	2020
Contractually required contribution	\$ 14,875	\$ 11,109	\$ 9,083	\$ 3,771	\$ 1,380
Contributions in relation to the contractually required contribution	14,875	11,109	9,083	3,771	1,380
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 70,704	\$ 55,432	\$ 47,209	\$ 20,675	\$ 7,564
Contributions as a percentage of covered payroll	21.04%	20.04%	19.24%	18.24%	18.24%
	2019	2018	2017	2016	2015
Contractually required contribution	\$ -	\$ 656	\$ 1,698	\$ 4,362	\$ 2,147
Contributions in relation to the contractually required contribution	-	656	1,698	4,362	2,147
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ -	\$ 4,027	\$ 11,925	\$ 32,216	\$ 16,253
Contributions as a percentage of covered payroll	0.00%	16.29%	14.24%	13.54%	13.21%

See accompanying independent auditor's report.

**RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE FOR GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted	Actual	Variance with Final Budget - Budgeted Actual Positive (Negative)
REVENUES			
Property taxes	\$ 3,706,000	\$ 3,706,000	\$ -
Accommodations and hospitality taxes	76,800	150,018	73,218
General admission and parking fees	7,830,000	8,433,588	603,588
Concession and retail commissions	2,250,000	2,684,598	434,598
Riverbanks Society support	4,188,400	3,188,415	(999,985)
Rides, attractions and events	1,967,100	2,067,762	100,662
Classes and program fees	580,200	650,308	70,108
Events	969,500	982,617	13,117
Facility rental and group admission fees	488,700	522,376	33,676
Sponsorships	150,000	67,667	(82,333)
Non-federal grants and contributions	-	5,036,150	5,036,150
Interest revenue	200,000	925,956	725,956
Expired gift cards	-	294,366	294,366
Miscellaneous revenues	68,500	102,937	34,437
Total revenues	<u>22,475,200</u>	<u>28,812,758</u>	<u>6,337,558</u>
EXPENDITURES			
Administrative	3,592,047	3,577,488	14,559
Animal care	5,414,657	5,683,244	(268,587)
Botanical, zoo and garden	1,155,656	1,234,826	(79,170)
Education	410,317	501,127	(90,810)
Facility management	3,029,405	3,130,512	(101,107)
Guest services	3,068,544	3,312,421	(243,877)
Marketing and public relations	910,682	818,516	92,166
Utilities	2,096,000	1,710,533	385,467
Rides, attractions and events	510,165	495,228	14,937
Classes and programs	491,517	590,186	(98,669)
Events	412,810	440,477	(27,667)
Facility rental and group admission	195,000	195,000	-
Debt service			
Principal	176,270	176,272	(2)
Interest	12,130	12,142	(12)
Capital outlay			
Land, building, equipment, & improvements	1,000,000	403,638	596,362
Total expenditures	<u>22,475,200</u>	<u>22,281,610</u>	<u>193,590</u>
Excess of revenues over (under) expenditures	-	6,531,148	6,531,148
OTHER FINANCING USES			
Transfers to capital projects fund	-	(1,793,652)	(1,793,652)
Total other financing uses	-	(1,793,652)	(1,793,652)
Net change in fund balances	-	4,737,496	\$ 4,737,496
Fund balance, beginning of year	16,914,756	16,914,756	
Fund balance, end of year	<u>\$ 16,914,756</u>	<u>\$ 21,652,252</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, 2024**

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 or the Bond Fund. The capital projects 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, or have begun but are not yet completed. Projects may change or shift based on emergencies, changes in priority, or urgency of need. Projects that will be funded with bond proceeds are notated below.

	Estimated Cost to Complete
Current Capital Project Fund projects	
Saluda Skyrise Gondola	\$ 9,000,000 *
Bird House HVAC replacement - to include Penguin exhibit	2,800,000
Administrative Office Renovations	2,500,000
Komodo Dragon Breeding Facility	2,250,000
Service road extension	800,000 *
Education Center HVAC	75,000
Farm Boardwalk repairs	55,000
	17,480,000
Future Capital Project Fund projects	
Education Center	\$ 7,000,000
Rehabilitation of CR9 Reef repair	750,000
New Tram	675,000 *
RCO holding renovation	500,000
Restroom 1 Rebuild	500,000
Sea lion pool repairs	500,000
Tuskers water damage infrastructure repair	375,000
Emergency Generators	350,000
Front Entrance perimeter Cedar Fence	275,000
Tapir Renovation	250,000
Flamingo Barn	175,000
Reline Lion/Tiger sewer pipes	150,000
Replace amusement ride train and 3 coal cars	105,000
Birdhouse Mural	100,000
Finance software	100,000
Install sliding doors at Gorilla Basecamp	75,000
ARCA Cash management machine	25,000
	11,905,000
	\$ 29,385,000

*Project will be funded with General Obligation Bonds, Series 2024 proceeds.

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 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 bridge linking the Zoo and Garden, as well as along the naturally wooded, scenic 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 including a new entrance and sea lion exhibit. This expansion, like all previous major capital projects, was made possible by Richland and Lexington County Councils, 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 \$10 million donor funded project is projected to open in early 2023 and will transform the heart of the zoo and highlight the conservation work that goes on behind-the-scenes every day at Riverbanks.

Who Visits?

Riverbanks Zoo & Garden welcomes more than one million visitors each year. Over 50 percent 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.

RIVERBANKS ZOO & GARDEN

ATTENDANCE YEAR ENDED JUNE 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Regular	332,533	393,216	402,241	377,859	332,295	220,368	324,106	306,084	308,856	342,451
Education Groups	10,196	11,831	14,410	17,916	14,901	9,946	7,142	10,044	11,063	10,337
After Hours & Special Events	72,500	73,584	81,438	84,176	81,772	71,669	61,410	66,974	70,172	57,518
Group & Corporate	75,948	83,876	81,788	77,298	73,009	19,856	6,807	38,042	61,374	45,044
Total Paid	491,177	562,507	579,877	557,249	501,977	321,839	399,465	421,144	451,465	455,350
Lexington & Richland Counties Free										
School Groups	26,159	27,052	28,164	27,661	28,112	7,038	1,036	15,920	27,913	19,858
Riverbanks Society Visits	465,017	615,954	716,003	646,998	709,032	506,690	512,562	678,167	643,093	641,219
Lexington & Richland Counties Free										
Friday's	11,062	9,419	24,168	12,898	21,582	20,050	3,589	11,420	22,165	16,419
Complimentary & Promotional	5,945	31,089	7,033	6,392	7,457	4,464	3,433	3,503	5,957	9,300
Children Under Two	28,992	34,803	34,626	35,916	32,521	20,208	20,855	24,506	21,515	39,713
Total Other	537,175	718,317	809,994	729,865	798,704	558,450	541,475	733,516	720,643	726,509
Total Attendance	1,028,352	1,280,824	1,389,871	1,287,114	1,300,681	880,289	940,940	1,154,660	1,172,108	1,181,859

Funding Sustainability

Riverbanks Zoo & Garden operating budget is 80% self-generated. The Zoo and Garden is dedicated 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, and special evening events throughout the year.

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:

- School programs
- Outreach programs
- ZooTeen volunteer opportunities
- ZooCamp
- Nature Preschool
- And, a variety of other programs for toddlers to adults

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 ZOOfari 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 238 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 various research programs to administering a wide variety of regional and international conservation grants and research, Riverbanks Zoo & Garden staff is continuously and actively involved with conservation. Since its inception, the Conservation Support Fund has provided support for 311 projects and organizations around the globe, totaling over \$1.2 million. About 35% of our investments occur in the United States with most of those

focused on southeastern species and habitats. Reptile and amphibian conservation has seen the greatest allocation of funds taxonomically. 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. The Satch Krantz Conservation Fund (SKCF) is an integral part of Riverbanks commitment to conservation and fieldwork around the globe. Riverbanks prioritizes integrated research, conservation and conservation education initiatives alongside the commitment to being a premier recreational facility. 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 Food Bank
- 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***

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 aggregate 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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 13, 2025.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
March 13, 2025