

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

*RICHLAND COUNTY
RECREATION COMMISSION, SOUTH CAROLINA*

June 30, 2023

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June 30, 2023

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INDEPENDENT AUDITORS' REPORT

The Honorable Chairman and Members of the Board of Commissioners
Richland County Recreation Commission, South Carolina

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the financial statements of the governmental activities and the business-type activities of Richland County Recreation Commission, South Carolina (the "Commission"), a component unit of Richland County, South Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the Commission, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof 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 (GAAS). 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 Commission 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

The Commission's 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 Commission'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Commission'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 Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules and other post-employment benefits schedules on pages 4-11 and 54-59 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying supplementary schedules 1 and 2 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules 1 and 2 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, schedules 1 and 2 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Columbia, South Carolina
December 6, 2023

The Halls Group, P.A.

Richland County Recreation Commission, South Carolina
Management Discussion and Analysis
For the Year Ended June 30, 2023

This section of the Richland County Recreation Commission, South Carolina's (the "Commission") annual financial report presents our discussion and analysis of the Commission's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with Commission's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Per the Government-wide Statement of Net Position, the Commission's total assets and deferred outflows of resources as of June 30, 2023 were \$71.3 million and exceeded total liabilities and deferred inflows of resources by \$15.1 million. Of the total net position as of June 30, 2023, \$20.5 million represents a net investment in capital assets, \$2.0 million is restricted for debt service, and there is a remaining deficit of \$(7.3) million.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis (MD&A) serves as an introduction to the Commission's basic financial statements. Those financial statements have three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the Commission's finances, in a manner liken to a private-sector business.

The *Statement of Net Position* presents information on all the Commission's assets, liabilities, and deferred inflows of resources, 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 Commission is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported on the accrual basis (as soon as the underlying event giving rise to the change occurs), *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., revenues receivable, earned but unused vacation leave (compensated absences), etc.).

Both of the Government-wide financial statements distinguish functions of the Commission that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The Governmental activities of the Commission include administration, special events, recreation programs, and maintenance. The Business-type activities of the Commission include the LinRick Golf Course Enterprise Fund. The Government-wide financial statements can be found immediately following the discussion and analysis.

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 Commission, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Commission can be divided into two categories: Governmental funds and Proprietary funds.

Governmental funds – *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, the focus in the governmental funds is 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 financial requirements.

The Commission adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget and can be found in the section entitled "Required Supplementary Information."

Proprietary fund – *Enterprise funds* are used to report the same functions presented as *business-type activities* in the Government-wide financial statements. The Commission uses an enterprise fund to account for its LinRick Golf Course. Proprietary funds provide the same type of information as the Government-wide financial statements, only in more detail.

The Fund financial statements can be found immediately following the "Government-wide" financial statements.

Notes to financial statements – The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in both the Government-wide and Fund financial statements.

Supplementary information – Following the basic financial statements, the notes to financial statements and the required supplementary information, this annual financial report also presents certain detailed financial data of individual fund statements and schedules.

The following is a 'condensed' Statement of Net Position for FY 2023 which depicts the major components of the Commission's total assets, liabilities, and net position for its Governmental and Business-type activities.

As noted earlier, net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources on the 'full-accrued' basis) may serve as a useful indicator over

time of a government's financial position. In the case of the Commission, total net position was \$15.1 million as of June 30, 2023.

Most of the Commission's FY 2023 total assets are its capital assets (e.g., land, buildings, machinery, equipment, and vehicles). The Commission uses these capital assets to provide services to residents of Richland County; consequently, these assets are not available for future spending.

Governmental activities – As of June 30, 2023, total governmental assets were \$64.6 million. Of that amount, current assets totaled \$19.5 million. Current assets are comprised of cash and cash equivalents, receivables, and amounts due from other governments. Non-current assets consisting primarily of capital assets, net of accumulated depreciation totaled \$45.0 million. Total governmental deferred outflows of resources were \$5.8 million are primarily related to the net pension and OPEB liability.

Governmental liabilities as of June 30, 2023, totaled \$47.8 million. Of that amount, current liabilities totaled \$4.3 million. Current liabilities are comprised of accounts payables, accrued expenses, and current portion of long-term debt. Long-term liabilities totaled \$43.5 million and consist primarily of bonds payable and pension and other post-employment benefits (OPEB) liabilities.

Total governmental deferred inflows of resources were \$6.8 million are primarily related to the net pension and OPEB liability. Of governmental net position (\$15.8 million as of June 30, 2023), \$20.0 million represents a net investment in capital assets, \$2.0 million is restricted for debt service, and there is a remaining unrestricted deficit of \$(6.2) million.

Business-type activities – As of June 30, 2023, total assets equaled approximately \$.6 million. Of that amount, current assets totaled \$.1 or 21.4% of the total. Non-current assets consisting of capital assets, net of accumulated depreciation totaled \$.5 million. Total liabilities as of June 30, 2023, totaled \$1.2 million. Of that amount, current liabilities totaled \$.1 million. Current liabilities are comprised of accounts payable and accrued expenses. Long-term liabilities totaled \$1.1 million. Total deferred outflows of resources were \$.3 million. Total deferred inflows of resources were \$.4 million. Of that amount, \$22,053 was related to deferred revenue and \$.4 million was related to the net pension and OPEB liability. 'Business-type' net position included \$.4 million representing a net investment in capital assets and a remaining deficit of \$(1.1 million).

	FY 2023			FY 2022
	Governmental Activities	Business-Type Activities	Total	Total
<u>Assets</u>				
Total Current Assets	\$ 19,535,816	\$ 132,704	\$ 19,668,520	\$ 18,131,085
Total Noncurrent Assets	<u>45,043,658</u>	<u>488,377</u>	<u>45,532,035</u>	<u>47,161,603</u>
Total Assets	64,579,474	621,081	65,200,555	65,292,688
<u>Deferred Outflows of Resources</u>				
Deferred Pension and OPEB Changes	<u>5,821,403</u>	<u>307,244</u>	<u>6,128,647</u>	<u>5,926,529</u>
<u>Liabilities</u>				
Total Current Liabilities	4,301,764	106,274	4,408,038	4,425,153
Total Noncurrent Liabilities	<u>43,455,052</u>	<u>1,124,961</u>	<u>44,580,013</u>	<u>46,327,769</u>
Total Liabilities	47,756,816	1,231,235	48,988,051	50,752,922
<u>Total Deferred Inflows of Resources</u>				
Deferred Revenue	37,388	22,053	59,441	62,956
Deferred Inflows on Net Pension and OPEB Liability	<u>6,802,926</u>	<u>365,030</u>	<u>7,167,956</u>	<u>9,209,165</u>
Total Deferred Inflows	6,840,314	387,083	7,227,397	9,272,121
<u>Net Position</u>				
Net Investment in Capital Assets	20,031,312	432,437	20,463,749	19,680,330
Restricted for Debt Service	2,000,021	-	2,000,021	1,904,059
Unrestricted (Deficit)	<u>(6,227,586)</u>	<u>(1,122,430)</u>	<u>(7,350,016)</u>	<u>(10,390,215)</u>
Total Net Position	<u>15,803,747</u>	<u>(689,993)</u>	<u>15,113,754</u>	<u>11,194,174</u>

The Commission's components of changes in net position for FY 2023 are illustrated in the following table:

	Fiscal Year 2023		
	Governmental Activities	Business- type Activities	Total
Revenues			
Program Revenues:			
Fees for services	841,592	1,067,235	1,908,827
Operating grants and contributions	243,332		243,332
General Revenues:			
Property taxes	18,929,803		18,929,803
Other income	309,778	1,473	311,251
Gain (Loss) on Disposal Of Assets	95,268	5,229	100,497
Unrestricted investment income	202,229		202,229
Total Revenues	20,622,002	1,073,937	21,695,939
Expenses			
Administration	3,266,252		3,266,252
Community Relations	793,231		793,231
Recreation Programs	4,161,343		4,161,343
Property Management	5,267,757		5,267,757
Depreciation (unallocated)	2,815,419		2,815,419
Interest and fiscal charges	532,291		532,291
LinRick Golf Course Enterprise fund (including interest)		940,067	940,067
Total Expenses	16,836,293	940,067	17,776,360
Changes in net position	3,785,709	133,870	3,919,579
Beginning Net Position	12,018,038	(823,863)	11,194,175
Ending Net Position	15,803,747	(689,993)	15,113,754

COVID-19 PANDEMIC

The spread of the novel strain of the coronavirus and the disease it causes known as COVID-19 has had negative impacts throughout the world, including in South Carolina. The World Health Organization has declared the COVID-19 outbreak to be a pandemic, and states of emergency were declared in the United States, the state of South Carolina and numerous counties throughout the State, including Richland.

The effects of COVID-19 are still ongoing, and developments will continue. The degree of impact to the Commission's finances and operations is difficult to predict due to the evolving nature of the impact. This includes uncertainties relating to the (1) volatility in the costs of goods and services, (2) the possibility of further disruption to, or decline in, local and global economies, (3) the degree to which the demand for the recreational services the Commission provides may be

impacted, (4) the impact on property values in unincorporated areas of Richland County or Richland County's property tax levy receipts, which affect the Commission's revenues, and (5) whether future actions may be taken or required to respond to secondary outbreaks and what costs or impacts of such actions may have on Commission operations. As a result, the Commission's finances and operations may continue to be impacted by COVID-19.

Expenses and Program Revenues – Governmental Activities – Governmental expenses are funded by program revenues, grants and contributions and general revenues. Program revenues include charges for services for recreational and athletic programs, special events, youth camps and instructor-based activities. These revenues totaled \$.8 million in FY 2023, with operating grants equaling \$.2 million. Operating expenses totaled \$16.8 million for the year ended June 30, 2023 and includes the full-accrual basis (non-cash) charge of depreciation (which totaled \$2.8 million in FY 2023).

As stated earlier, the Statement of Activities details this activity for the Commission. Below is a condensed version of the statement highlighting "funding requirements."

For the year ended June 30, 2023:

	Expenses	Program Revenues	Net (Expense)	% Funded by Program Revenues	% Required to Be Funded by General Revenues
Administrative	\$ 3,266,252		\$ (3,266,252)		100%
Recreation programs	4,161,342	\$ 841,592	(3,319,750)	20%	80%
Community relations	793,231		(793,231)		100%
Maintenance	5,267,757		(5,267,757)		100%
Depreciation (unallocated)	2,815,419		(2,815,419)		100%
Interest and fiscal charges	532,291		(532,291)		100%
Totals	\$ 16,836,293	\$ 841,592	\$ (15,994,701)	5%	95%

For the year ended June 30, 2022:

	Expenses	Program Revenues	Net (Expense)	% Funded by Program Revenues	% Required to Be Funded by General Revenues
Administrative	\$ 3,099,605		\$ (3,099,605)		100%
Recreation programs	3,949,022	\$ 778,077	(3,170,945)	20%	80%
Community relations	752,759		(752,759)		100%
Maintenance	4,998,985		(4,998,985)		100%
Depreciation (unallocated)	2,724,465		(2,724,465)		100%
Interest and fiscal charges	814,949		(814,949)		100%
Totals	\$ 16,339,785	\$ 778,077	\$ (15,561,708)	5%	95%

Depreciation expense was not allocated to the Commission's functions and is shown as a single line item in the Statement of Activities as "unallocated."

General Revenues by Source – Governmental Activities – General revenues required to fund "net expenses" (expenses less program revenues) are detailed below. These revenues comprise approximately 94.2% of the Commission's governmental revenues.

	2023	2022
Property taxes (inclusive of debt service levy)	\$ 18,929,803	\$ 17,967,223
Other income	309,778	220,824
Investment earnings	<u>202,229</u>	<u>6,554</u>
Total	\$ <u>19,441,810</u>	\$ <u>18,194,601</u>

Expenses and Program Revenues – Business-type Activities – The Commission operates the LinRick Golf Course that comprises its Business-type activity as an Enterprise Fund. The LinRick Golf Course is a championship, par 73, 18-hole course designed by Russell Breeden. As described in "Insider's Guide to Golf in the Carolinas," LinRick is an outstanding municipal course with lots of water, wooded terrain, doglegs, plenty of challenge, picturesque holes and midsize greens. The final five holes are the most challenging and picturesque in the Columbia area.

Program (operating) revenues consist of user service charges generated from greens fees, cart rentals, pro-shop and concession sales. Program revenues totaled approximately \$1.1 million for the year ended June 30, 2023, an increase when compared to FY 2022.

Operating expenses totaled \$.9 million for FY 2023, which included depreciation (a non-cash expense of \$90,014), compared to \$.9 million for FY 2022.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The Commission’s investment in capital assets for its Governmental activities as of June 30, 2023, amounts to \$44.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, vehicles and furniture.

Additional information on the Commission’s capital assets can be found in Note E of this report.

Long-Term Debt – The Commission’s long-term debt consists of the general obligation bonds, issued to fund recreation park improvements, lease obligations, notes payable, and the liability for accrued compensated absences. These items are more fully discussed in Note F of this report. The Commission’s net pension liability and net other post-employment benefit obligation are discussed in Notes G and H of this report, respectively.

MEETING AND EXCEEDING THE HIGHEST STANDARDS OF QUALITY SERVICE

The Commission was recognized by the National Recreation and Park Association as a Gold Medal finalist in 2008. The local state association, the South Carolina Recreation and Park Association further recognized the Commission as its Agency of Year for 2008. This recognition reflects the ability of the Commission team to work together effectively to meet and exceed the highest standards of quality.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Commission’s finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the CFO Ryan Inzana, CPA, Richland County Recreation Commission, 7473 Parklane Road, Columbia, South Carolina, 29223.

AUDITED FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA
 June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 9,593,023	\$ 224,203	\$ 9,817,226
Investments	6,114,960		6,114,960
Taxes receivable	949,336		949,336
Grants receivable	42,236		42,236
Prepaid asset	222,351	10,768	233,119
Due from county government	2,500,135		2,500,135
Inventories		11,508	11,508
Internal balances, net	113,775	(113,775)	0
Total Current Assets	19,535,816	132,704	19,668,520
Noncurrent assets			
Right of use leased assets, net	503,547		503,547
SBITA Assets, net	140,682		140,682
Capital assets, net	44,399,429	488,377	44,887,806
Total Assets	64,579,474	621,081	65,200,555
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to net OPEB liability	3,892,815	196,968	4,089,783
Deferred outflows of resources related to net pension liability	1,928,588	110,276	2,038,864
Total Deferred Outflows of Resources	5,821,403	307,244	6,128,647
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 70,400,877	\$ 928,325	\$ 71,329,202
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 380,134	\$ 15,406	\$ 395,540
Accrued expenses and other liabilities	341,170	12,456	353,626
Accrued interest payable	255,843		255,843
General obligation bonds payable - current	2,701,557		2,701,557
SBITA liability - current	97,127		97,127
Lease liability - current	158,181		158,181
Note payable - current		55,940	55,940
Accrued compensated absences - current	367,752	22,472	390,224
Total Current Liabilities	4,301,764	106,274	4,408,038
Noncurrent Liabilities			
General obligation bonds payable	23,245,189		23,245,189
SBITA liability	51,270		51,270
Lease liability	351,015		351,015
Accrued compensated absences	178,347	31,010	209,357
Net OPEB liability	6,252,995	329,105	6,582,100
Net pension liability	13,376,236	764,846	14,141,082
Total Liabilities	47,756,816	1,231,235	48,988,051
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	37,388	22,053	59,441
Deferred inflows of resources related to net OPEB liability	5,267,931	277,260	5,545,191
Deferred inflows of resources related to net pension liability	1,534,995	87,770	1,622,765
Total Deferred Inflows of Resources	6,840,314	387,083	7,227,397
NET POSITION (DEFICIT)			
Net investment in capital assets	20,031,312	432,437	20,463,749
Restricted for debt service	2,000,021		2,000,021
Unrestricted (deficit)	(6,227,586)	(1,122,430)	(7,350,016)
Total Net Position (Deficit)	15,803,747	(689,993)	15,113,754
TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND NET POSITION (DEFICIT)	\$ 70,400,877	\$ 928,325	\$ 71,329,202

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

STATEMENT OF ACTIVITIES
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA
 For the Year Ended June 30, 2023

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
	Expenses					
Governmental Activities						
Administrative	\$ 3,266,252			\$ (3,266,252)		\$ (3,266,252)
Community relations	793,231			(793,231)		(793,231)
Property management	5,267,757			(5,267,757)		(5,267,757)
Recreation	4,161,343	\$ 841,592	\$ 243,332	(3,076,419)		(3,076,419)
Depreciation and amortization (unallocated)	2,815,419			(2,815,419)		(2,815,419)
Interest and fiscal charges	532,291			(532,291)		(532,291)
Total Governmental Activities	16,836,293	841,592	243,332	(15,751,369)	\$ 0	(15,751,369)
Business Activities						
LinRick golf course	940,067	1,067,235			127,168	127,168
Total	\$ 17,776,360	\$ 1,908,827	\$ 243,332	(15,751,369)	127,168	(15,624,201)
General Revenues						
Property taxes levied for:						
General purposes				15,888,747		15,888,747
Debt service				3,041,056		3,041,056
Other income				309,778	1,473	311,251
Gain on disposal of assets				95,268	5,229	100,497
Unrestricted investment earnings				202,229		202,229
Total General Revenues				19,537,078	6,702	19,543,780
Changes in net position				3,785,709	133,870	3,919,579
Net position (deficit) at beginning of year				12,018,038	(823,863)	11,194,175
Net position (deficit) at end of year				\$ 15,803,747	\$ (689,993)	\$ 15,113,754

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

BALANCE SHEET - GOVERNMENTAL FUNDS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA
 June 30, 2023

		Special Revenue Funds		
		Capital	Debt Service	Total
	General	Projects	Fund	Governmental
		Fund		Funds
ASSETS				
Cash and cash equivalents	\$ 7,752,902	\$ 1,840,121		\$ 9,593,023
Investments	6,114,960			6,114,960
Taxes receivable	105,891		\$ 19,553	125,444
Grants receivable	42,236			42,236
Prepaid asset	222,351			222,351
Due from county government	513,436		1,986,699	2,500,135
Due from other funds	113,775			113,775
TOTAL ASSETS	<u>\$ 14,865,551</u>	<u>\$ 1,840,121</u>	<u>\$ 2,006,252</u>	<u>\$ 18,711,924</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 380,134			\$ 380,134
Accrued payroll and related taxes	341,170			341,170
Accrued compensated absences	367,752			367,752
Total Liabilities	<u>1,089,056</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>1,089,056</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	31,157		6,231	37,388
Fund Balances				
Nonspendable				
Prepaid assets	222,351			222,351
Restricted		1,840,121	2,000,021	3,840,142
Unassigned	13,522,987			13,522,987
Total Fund Balances	<u>13,745,338</u>	<u>1,840,121</u>	<u>2,000,021</u>	<u>17,585,480</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 14,865,551</u>	<u>\$ 1,840,121</u>	<u>\$ 2,006,252</u>	<u>\$ 18,711,924</u>

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

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA
June 30, 2023

Total Fund Balances of Governmental Funds	\$ 17,585,480
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, net of depreciation, are not current financial resources and are not included in the governmental funds.	44,399,429
Right to use leased assets, net of amortization are not financial resources and are not included in the governmental funds.	503,547
SBITA assets, net of amortization are not financial resources and are not included in the governmental funds.	140,682
Certain assets are not available for expenditures, therefore, are not recorded as revenues in the governmental funds	823,892
Deferred outflows related to OPEB plan is not financial resources and therefore are not reported in governmental funds.	3,892,815
Deferred outflows related to pensions are not financial resources and therefore are not reported in governmental funds.	1,928,588
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Those liabilities consist of:	
SBITA liability	(148,397)
Lease liability	(509,196)
General obligation bonds payable	(25,946,746)
Accrued compensated absences	(178,347)
Net OPEB liability	(6,252,995)
Net pension liability	(13,376,236)
Governmental funds do not report a liability for accrued interest until it is due and payable. Accrued interest must be reported as a liability in the government- wide financial statements.	(255,843)
Deferred inflows related to OPEB plan is not financial resources and therefore are not reported in governmental funds.	(5,267,931)
Deferred inflows related to pensions are not financial resources and therefore are not reported in governmental funds.	(1,534,995)
Total Net Position of Governmental Activities	<u>\$ 15,803,747</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA
For the Year Ended June 30, 2023

		Special Revenue Funds		Total
	General	Capital Projects Fund	Debt Service Fund	Governmental Funds
Revenues				
Property taxes	\$ 15,866,836		\$ 3,043,945	\$ 18,910,781
Activity fees	841,592			841,592
Grants	243,332			243,332
Other income	184,687		125,091	309,778
Investment earnings	114,960	\$ 929	86,340	202,229
Total Revenues	17,251,407	929	3,255,376	20,507,712
Expenditures				
Salaries and benefits	10,446,041			10,446,041
Program	368,913			368,913
Operating	3,301,820			3,301,820
Other personnel	137,417			137,417
Professional services	172,476			172,476
Information technology	218,172			218,172
Marketing	112,138			112,138
Debt service				
Principal retirement	239,600		2,498,000	2,737,600
Interest and fiscal charges	32,080		661,414	693,494
Capital outlay	1,014,031			1,014,031
Total Expenditures	16,042,688	0	3,159,414	19,202,102
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,208,719	929	95,962	1,305,610
Other Financing Sources				
SBITA proceeds	9,472			9,472
Issuance of debt for leases	120,031			120,031
Proceeds from sale of capital assets	61,247			61,247
Insurance proceeds	34,021			34,021
Total Other Financing Sources	224,771	0	0	224,771
Net Change in Fund Balances	1,433,490	929	95,962	1,530,381
Fund Balances at Beginning of Year	12,311,848	1,839,192	1,904,059	16,055,099
FUND BALANCES AT END OF YEAR	\$ 13,745,338	\$ 1,840,121	\$ 2,000,021	\$ 17,585,480

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA
For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 1,530,381

Amounts reported for governmental activities in the Statement of
Activities differs from the amounts in the Statement of
Revenues, Expenditures, and Changes in Fund Balances because:

Capital outlays are reported as expenditures in governmental funds.
However, in the statement of activities, the cost of capital assets is
allocated over their estimated useful lives as depreciation expense.
This activity is reconciled as follows:

Cost of assets capitalized	894,000
Right to use leased assets capitalized	120,031
Amortization of SBITA assets	(89,832)
Amortization of leases	(155,734)
Depreciation expense	(2,569,853)

Certain receivables are not recorded in the governmental funds because they are not considered available.	19,022
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The issuance of long-term debt (e.g. bonds, notes and leases) provides
current financial resources to governmental funds, while repayment
of the principal of long-term debt consumes the current financial
resources of governmental funds. Neither transaction, however,
has any effect on net position.

General obligation bond repayments	2,498,000
Issuance of debt from capital leases	(120,031)
Principal payments on capital leases	148,011
Issuance of debt from SBITA liabilities	(9,472)
Principal payments on SBITA liabilities	91,589

Certain expenses reported in the statement of activities do not require the
use of current financial resources and therefore are not reported as
expenditures in government funds:

Amortization of bond premiums and gains on bond refundings are recognized as income over the terms of the associated bonds. This is the amount of bond premium and gain on refunding recognized as income for the year.	187,557
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The cost of compensated employee absences is recognized in the governmental funds only when actually paid is cash. However, in the statement of net position, the expense is recorded when the employees earn the benefits. This is the amount of decrease in the liability for compensated absences.	54,520
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Employer pension costs are recognized in the governmental funds only when contributions to the defined benefit plan are paid in cash. However, in the statement of activities, the expense is recorded based on the results of an actuarial valuation of the plan. This is the net change for these transactions for the year.	443,269
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Employer OPEB costs are recognized in the governmental funds only when contributions to the plan are paid in cash. However, in the statement of activities, the expense is recorded based on the results of an actuarial valuation of the plan. This is the net change for these transactions for the year.	770,605
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Interest on long-term debt in the statement of activities differs from the governmental funds because governmental funds recognize interest expense only when it is paid. In the statement of net position, interest expense is recognized as it accrues. This is the amount of decrease in accrued interest payable.	(26,354)
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Change in Net Position of Governmental Activities	\$ 3,785,709
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The accompanying notes are an integral part of these financial statements.

STATEMENT OF NET POSITION - PROPRIETARY FUND
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA
 June 30, 2023

	LinRick Golf Course
ASSETS	
Current assets	
Cash and cash equivalents	\$ 224,203
Inventories	11,508
Prepaid asset	10,768
	<hr/>
Total Current Assets	246,479
Noncurrent Assets	
Capital assets, net	488,377
	<hr/>
Total Assets	734,856
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to net OPEB liability	196,968
Deferred outflows of resources related to net pension liability	110,276
	<hr/>
Total Deferred Outflows of Resources	307,244
	<hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,042,100
	<hr/>
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 15,406
Accrued payroll and related liabilities	12,456
Due to other funds	113,775
Note payable - current	55,940
Accrued compensated absences, current	22,472
	<hr/>
Total Current Liabilities	220,049
Noncurrent Liabilities	
Accrued compensated absences	31,010
Net OPEB liability	329,105
Net pension liability	764,846
	<hr/>
Total Liabilities	1,345,010
DEFERRED INFLOWS OF RESOURCES	
Deferred membership revenue	22,053
Deferred inflows of resources related to net OPEB liability	277,260
Deferred inflows of resources related to net pension liability	87,770
	<hr/>
Total Deferred Inflows of Resources	387,083
NET POSITION (DEFICIT)	
Net investment in capital assets	432,437
Unrestricted (deficit)	(1,122,430)
	<hr/>
Total Net Position (Deficit)	(689,993)
	<hr/>
TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND NET POSITION (DEFICIT)	\$ 1,042,100
	<hr/>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
 PROPRIETARY FUND
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA
 For the Year Ended June 30, 2023

	LinRick Golf Course
Operating Revenues	
Membership fees	\$ 46,892
Greens fees	539,270
Cart rentals	389,553
Concessions and pro shop sales	91,520
Total Operating Revenues	<u>1,067,235</u>
Operating Expenses	
Salaries and benefits	589,103
Golf operational	90,924
Other operating	168,767
Depreciation expense	90,014
Total Operating Expenses	<u>938,808</u>
Operating Income	128,427
Non-Operating Revenues (Expenses)	
Other revenues	1,473
Gain on disposal of equipment	5,229
Interest expense	(1,259)
Total Non-Operating Revenues (Expenses)	<u>5,443</u>
Change in Net Position	133,870
Net position (deficit) at beginning of year	<u>(823,863)</u>
NET POSITION (DEFICIT) AT END OF YEAR	<u><u>\$ (689,993)</u></u>

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

STATEMENT OF CASH FLOWS - PROPRIETARY FUND
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA
 For the Year Ended June 30, 2023

	LinRick Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from:	
Membership fees	\$ 43,026
Greens fees	539,270
Cart rentals	389,553
Concession and pro-shop sales	91,520
Cash paid for:	
Employee salaries and related costs	(582,699)
Operational and maintenance costs	(343,082)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>137,588</u>
CASH FLOWS FROM NON-CAPITAL FINANCIAL ACTIVITIES	
Other revenues	1,473
NET CASH PROVIDED BY NON-CAPITAL FINANCIAL ACTIVITIES	<u>1,473</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments on debt	(95,045)
Interest payments on debt	(1,259)
Proceeds from disposal of capital assets	25,316
Acquisition of capital assets	(51,408)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(122,396)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	16,665
Cash and cash equivalents at beginning of year	<u>207,538</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 224,203</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 128,427
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation expense	90,014
Amortization of net pension liability	49,378
Amortization of OPEB liability	(26,260)
Changes in assets and liabilities:	
Increase in prepaid asset	(2,377)
Decrease in inventories	4,286
Increase in accounts payable	4,324
Decrease in accrued payroll and related liabilities	(16,107)
Change in due to/from other funds	(89,624)
Decrease in accrued compensated absences	(607)
Decrease in deferred revenue	(3,866)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 137,588</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA
June 30, 2023

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Richland County Recreation Commission, South Carolina (the "*Commission*") was incorporated June 6, 1960 under the laws of the State of South Carolina by Act 873, as amended, for establishment of the Rural Recreation District (the "*District*") in Richland County. The Commission provides physical education and recreation facilities for the citizens of Richland County, South Carolina (the "*County*").

Summary of Significant Accounting Policies

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Commission has adopted the provisions of GASB Statement No. 62, *Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) Pronouncements*. The following significant accounting policies were applied in the preparation of the accompanying basic financial statements:

Reporting Entity: Act #431 of 2006 of the laws of South Carolina provided that the authority of the governing body of the Commission to levy ad valorem property taxes upon all taxable property in the District for operating or capital purposes and to issue general obligation bonds or revenue bonds of the District is deleted, and provided that this authority was transferred to and rests solely with the Richland County Council. Using the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Commission meets the criteria set forth in generally accepted accounting principles for inclusion as a component unit within the Richland County, South Carolina reporting entity.

Related Organization: Management has considered all potential component units (e.g. a legally separate entity for which the primary government is financially accountable) to be included in the Commission's financial statements (reporting entity) by applying such criteria as set forth by GAAP. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable by, among other things, appointment of a majority of voting board members. The Richland County Recreation Foundation (the "*Foundation*"), a nonprofit corporation exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code, was formed for the purposes of promoting recreation programs and activities in the Richland County Recreation District. The Commission nominates four ex-officio non-voting Board members according to the Foundation's by-laws. Condensed financial statements for the Foundation's year ended June 30, 2023, have been presented in Note K.

NOTES TO THE FINANCIAL STATEMENTS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
Continued

Measurement Focus and Basis of Accounting: The accounts of the Commission are organized on the basis of governmental funds and proprietary funds, specifically enterprise funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Enterprise funds account for activities that are financed with debt that is secured solely by a pledge of net revenues from fees and charges of the activity; or that are required by laws or regulations that the activity's cost of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

Government-Wide Financial Statements

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities and reports information on all of the non-fiduciary activities of the Commission as a whole. Governmental activities are generally those activities financed by taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are those activities which are financed in whole or in part by user fees charged to external parties for goods and services. These activities are usually reported in enterprise funds.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. The Statement of Net Position reports all financial and capital resources of the Commission and reports the differences between assets and deferred outflows of resources less liabilities and deferred inflows of resources as net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues and reflects the net (expense) revenue of the Commission's individual functions before applying general revenues. Program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole, and thus reduce the net cost of the function to be financed from the government's general revenues. They include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) operating grants and contributions, including special assessments that are restricted to meeting the operational requirement of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues. All revenues are general revenues unless they are required to be reported as program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

NOTES TO THE FINANCIAL STATEMENTS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
Continued

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and aggregated nonmajor funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to net position presented in the government-wide financial statements. The Commission has presented all major funds that met the qualifications of GASB Statement No. 34.

Governmental fund financial statements are accounted for on a spending of “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and financing uses) in net current position. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The Commission reports the following major governmental funds:

The General Fund is the primary operating fund of the Commission and is used to account for and report all financial resources not accounted for and reported in another fund.

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds).

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Financial resources that are being accumulated for principal and interest maturing in future years also are reported in debt service funds.

NOTES TO THE FINANCIAL STATEMENTS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
Continued

Proprietary Fund Financial Statements

Proprietary Fund statements reflect net position and revenues, expenses and changes in net position using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis concept, revenues are recognized when earned and expenses are recognized when incurred. Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Commission reports the following proprietary fund:

The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The LinRick Golf Course is accounted for as an Enterprise Fund.

Net Position and Fund Balance Classification: In the government-wide financial statements, the difference between the Commission's total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources represents net position. Net position for both the governmental and proprietary fund types are reported in three classifications, as follows:

Net Investment in Capital Assets: Consists of capital assets, net of accumulated depreciation, reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted Net Position: Result when constraints placed on the use of assets reduced by liabilities and deferred inflows of resources related to those assets are either externally imposed by creditors, grantors, contributors, and the like or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position: Consists of the net amount of the net position, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

NOTES TO THE FINANCIAL STATEMENTS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
Continued

The Commission applies expenses that can be used both for restricted and unrestricted resources against restricted resources first.

The Commission reports under the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement established criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the Commission to classify and report amounts in the appropriate fund balance classifications. The Commission's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding classification. The Commission reports under the following classifications:

Nonspendable Fund Balance: Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

Restricted Fund Balance: Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance: Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Commissioners. Those committed amounts cannot be used for any other purpose unless the Board of Commissioners removes the specified use by taking the same type of action imposing the commitment.

Assigned Fund Balance: Assigned fund balances are amounts that are constrained by the Commission's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned Fund Balance: Unassigned fund balance is the residual classification for the general fund. This classification represents the general fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Commission applies committed, then assigned, then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those fund balance classifications could be used.

The Board of Commissioners is the Commission's highest level of decision-making authority. Board of Commissioners approval is required to establish (and modify or rescind) a fund balance commitment.

NOTES TO THE FINANCIAL STATEMENTS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
Continued

Reconciliation of Government-Wide and Fund Financial Statement: Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position – Following the governmental fund balance sheet is a reconciliation between *fund balances - total governmental funds and net position of governmental activities* as reported in the government-wide statement of net position. The detail of these differences is explained in the above referenced financial statement.

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities – Following the governmental fund statements of revenues, expenditures, and change in fund balances, there is a reconciliation between *net changes in fund balances – total governmental funds and change in net position of governmental activities* as reported in the government-wide statement of activities. The detail of these differences is explained in the above referenced financial statement.

Budgets and Encumbrances: The Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

- During the month of April, the Executive Director submits to the Commission a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Prior to July 1, the budget is adopted by the Commission. The Commission presents its General Fund operating and maintenance budget to Richland County Council for approval of tax levy.
- Budgetary data for the Capital Projects Funds is adopted for the life of the respective project (project length) and not on an annual basis.
- The approved budget and amendments at the fund level are employed as a management control device during the year allowing the Executive Director to administer the budget and to transfer necessary appropriations among departments and funds.
- The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP), except unused prior-year appropriations are carried forward when applicable.
- Budget amounts presented in the financial statements are as originally adopted, or as amended. If budgeted expenditures exceed estimated revenues, these deficits were funded (if necessary) by unreserved and applicable reserved fund balances, additional unbudgeted revenue, transfers, and prior-year carry forwards.

NOTES TO THE FINANCIAL STATEMENTS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
Continued

Cash and Cash Equivalents: For purpose of the statement of cash flows for the Enterprise Fund, highly liquid investments with original maturity of three months or less are considered to be cash equivalents.

Investments: Investments are reported at fair value. Fair value is the amount reasonably expected to be received for an investment in a current sale between a willing buyer and a willing seller. U.S. Government Agencies Securities are valued based on published market prices and quotations from national security exchanges and securities pricing services. Investment purchases and sales are recorded as of the trade date. Dividend income is recognized on the ex-dividend date. Other investment income is recognized when earned. Net appreciation (depreciation) is determined by calculating the change in the fair value of investments between the beginning of the year and the end of the year, less purchases of investments at cost, plus sales of investments at fair value. Investment expenses consist of external expenses directly related to the Commission's investment operations.

Prepaid Assets: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets using the consumption method in both the government-wide and fund financial statements.

Due from County Government: This represents the amount due from the Richland County Treasury for the amounts of property taxes that had been collected at June 30, but had not been remitted to the Commission. Receivables from the Richland County Treasurer are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

Inventories: Inventories, consisting primarily of supplies and parts held for consumption, are stated at lower of cost, determined using the first-in first-out (FIFO) method, or market. Accordingly, the cost is recorded as an asset at the time individual inventory items are purchased and then expended as the supplies and parts are consumed ("consumption method").

Interfund Receivables and Payables: Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses (transfers out) in the reimbursing fund and as reductions of the expenditures or expenses (transfers in) in the fund that is reimbursed.

Right of Use Assets: The Commission has recorded right of use lease assets as a result of implementing GASB 87, *Leases*. The right of use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right of use assets are amortized on a straight-line basis over the life of the related lease.

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
 Continued

Capital Assets and Depreciation: Capital assets, which include land, buildings, improvements, machinery and equipment, are reported in governmental and business-type activities column in the government-wide financial statements. Capital assets are defined by the Commission as those assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. All capital assets are valued at historical cost if purchased or constructed, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal repairs and maintenance that do not add to the value of the assets or materially extend asset lives are not capitalized. Public domains (rights-of-way and easements) have been capitalized using actual and estimated historical costs of such assets that were acquired by the Commission.

Depreciation of all exhaustible capital assets has been provided based on the estimated useful lives of the class of assets, or individual assets using the straight-line method with service lives as follows:

<u>Assets</u>	<u>Years</u>
Building	20 – 30
Vehicles	5 - 7
Furniture and equipment	3 - 10
Infrastructure	10 - 25

Subscription Based Information Technology Arrangement (“SBITA”) Assets: The Commission implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the year ended June 30, 2023. The Commission is party to a certain subscription based information technology arrangement (“SBITA”). As a result of the implementation of GASB No. 96, the Commission has recorded an intangible SBITA asset and recognized a related SBITA liability. There was no impact on the Commission’s net position as a result of implementing GASB Statement No. 96.

The Commission recognizes SBITA liabilities with an initial term greater than twelve months. For SBITAs with a maximum possible term of 12 months or less at commencement, the Commission recognizes expenditures based on the provisions of the arrangement. The Commission initially measures the SBITA liability at the present value of expected subscription payments to be made over the SBITA term. Subsequently, the subscription liability will be reduced by the principal portion of subscription payments made. The SBITA asset is initially measured as the initial measurement of the subscription liability, adjusted for payments associated with the SBITA contract made to the vendor at the commencement of the subscription term. Subsequently, the SBITA asset will be amortized on a straight-line basis over the shorter of the useful life of the SBITA asset or the subscription term. Amortization expense is included with depreciation expense in the Statement of Activities. See Note D for further information.

NOTES TO THE FINANCIAL STATEMENTS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
Continued

Unearned Revenues: Unearned revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the Commission before it has a legal claim to them. In subsequent periods when revenue recognition criteria are met, or when the Commission has a legal claim to the resources, the deferred inflows of resources item is removed from the balance sheet and revenue is recognized. At June 30, 2023, unearned revenues consisted of property taxes expected to be collected, but not within 60 days after the end of the year for which the taxes were levied (for Government activities), and annual golf course memberships prepaid for the LinRick Golf Course (Business-type activities).

Long-Term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government or business-type activities in the Statement of Net Position. Long-term debt represents unmatured principle and unamortized premiums of general obligation bonds, general obligation refunding bonds and installment purchase contracts. Liabilities arising from interfund activities do not constitute long-term debt.

Compensated Absences: Employees accrue 15 to 30 days of vacation at a rate of 10 to 20 hours per month and 15 days of sick leave per year based on length of service. An employee may accrue a maximum of 360 hours (45 days) of vacation leave. The Commission recognizes accrued compensated absence liabilities and related expenses in the period it is earned by employees. It is the Commission's policy to permit employees to accumulate a limited amount of earned but unused vacation time over their working careers and to redeem such unused leave time in cash upon death or retirement or by extended absence immediately preceding retirement. In prior years, the Commission has used General Fund resources to liquidate compensated absences.

Net Pension Liability: In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The Commission recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the Commission's proportionate share thereof in the case of a cost-sharing multiple employer plan, measured as of the Commission's fiscal year-end.

Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense.

NOTES TO THE FINANCIAL STATEMENTS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
Continued

Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five year period beginning with the period in which the difference occurred.

Deferred Outflows of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The Commission has two types of deferred outflows consisting of deferred pension and OPEB charges in its statement of net position in connection with its participation in the South Carolina Retirement System, South Carolina Police Officers Retirement System and South Carolina Other Retirement Benefits Employee Trust. These deferred pension and OPEB charges are either recognized in the subsequent period as a reduction of the net pension or OPEB liability (which includes pension or OPEB contributions made after the measurement date) or amortized in a systematic and rational method as pension expense in future periods in accordance with generally accepted accounting principles.

Deferred Inflows of Resources: In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has three types of deferred inflows consisting of *deferred pension credits* in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System, *deferred OPEB credits* in connection with its participation in the South Carolina Other Retirement Benefits Employee Trust and deferred revenue which consists of memberships paid in advance for LinRick Golf Course. The deferred pension and OPEB credits are amortized in a systematic and rational method and recognized as a reduction of pension and OPEB expense in future periods in accordance with generally accepted accounting principles.

Property Taxes: Prior to Act 431 of 2006, Title 6, Chapter 11, section 271 (B)(2) of the South Carolina Code of Laws sets as a base levy for the Commission's operations and maintenance, the levy which was in effect for the Commission's fiscal year 1997-1998. That amount equaled 5 mills. Pursuant to the State Statute, levies above the 5 mill base were approved by Richland County Council by resolution. The levy in excess of the base is effective for only one year. For the fiscal year ended June 30, 2023, the Commission's General Fund operated under a total of 12.5 mills. Millage for the Commission's debt service is levied by the County Auditor in an amount equal to the annual debt service requirements. For fiscal year 2023, this amount represented 2.5 mills.

NOTES TO THE FINANCIAL STATEMENTS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
Continued

Real property and all personal property other than vehicles are assessed for property tax purposes as of December 31 of each year. The basis for value of taxable real property within the unincorporated areas of Richland County is taken from the records of the County Assessor. Taxes are levied by the County Auditor as of January 1, billed in October, and are due by January 15 in the year following their levy. Tax billings are considered delinquent 170 days after the first billing date, at which time the applicable property is subject to lien and interest and penalties are assessed.

Penalties are added to the tax bill depending on the date paid as follows:

January 15 through February 1	3% of tax
February 2 through March 16	Additional 7% penalty
March 17 and thereafter	Additional 5% penalty plus collection cost

New vehicle property taxes are assessed and levied by the County Auditor within 120 days of the registration date of the vehicle and payment is due upon receipt of the property tax notice.

Other vehicle property taxes are assessed and levied in the month the vehicle is scheduled for license renewal with the South Carolina Department of Transportation and payment is due before the end of the month of the scheduled renewal.

Property tax revenues are recognized at the time of levy for the budget period to which they apply. Delinquent and unpaid property taxes are reported as receivables, less amounts estimated to be uncollectible.

Risk Management: The Commission pays insurance premiums to certain agencies of the State of South Carolina to cover the risks that may occur in normal operations to include fire, casualty, workers compensation and general liability. Several State funds accumulate assets and the State itself assumes all risks for the following: claims of Commission employees for unemployment compensation benefits.

In addition, the Commission pays premiums to the State's Insurance Reserve Fund which accumulates assets to cover the following losses: buildings and contents, equipment and vehicles, and general tort claims. There have been no significant reductions in insurance coverage from the prior year. For the past five years settlements of claims have not exceeded insurance coverage.

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

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
 Continued

Subsequent Events: Management of the Commission has evaluated events through December 6, 2023, which represents the date the financials were available to be issued.

NOTE B -- LEGAL COMPLIANCE – BUDGETS

As described in Note A, an operating budget is prepared annually for the General Fund and presented to Richland County Council. Budgetary controls are maintained by fund level, and accordingly, budgetary comparisons to actual are presented as Required Supplementary Information and Other Supplementary Information. For the year ended June 30, 2023, the Commission adopted a total (General Fund) budget of \$18,648,006.

NOTE C -- DEPOSITS AND INVESTMENTS

Deposits: Custodial credit risk of deposits is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission does not have a deposit policy for custodial credit risk. At June 30, 2023, the carrying amount of the Commission's cash deposits with financial institutions was \$10,059,828 and the financial institution's balances totaled \$9,816,326. Of this balance, \$250,000 was covered by federal depository insurance and the remaining balance was covered by collateral held by the financial institution's trust department in the Commission's name. The Commission's cash on hand at June 30, 2023, amounted to \$900. Accordingly, the Commission was not exposed to custodial credit risk.

Investments: All of the Commission's investments are presented at fair value. Securities are valued at the last reported sales price as provided by an independent pricing service. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest income earned. At June 30, 2023, the Commission had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities		
		Three Months or Less	Three to Twelve Months	More Than One Year
U.S. Government Agencies Securities	\$ 6,114,960	\$ 1,556,947	\$ 502,003	\$ 4,056,010

Credit Risk: State statute authorizes the Commission to invest in obligations of the United States and agencies thereof; general obligations of the State of South Carolina or any of its political units provided such obligations are rated as an "A" or better by Moody's Investors Service, Inc. and Standard and Poor's Corporation or their respective successors; interest bearing accounts in savings and loan associations to the extent that the same are insured by an agency of the Federal Government; certificates of deposit where the certificates are collaterally secured by securities of the type described above, held by a third party as escrow agent or custodian, of a market value or not less than the amount of the certificates of deposit so secured, including interest, provided, however, such collateral shall not be required to the extent the same

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE C -- DEPOSITS AND INVESTMENTS – Continued

are insured by an agency of the United States Government; or deposit accounts with banking institutions insured and secured in the same manner. These statutes provide that all authorized investments shall have maturities consistent with the time or times when the invested monies will be needed in cash.

Interest Rate Risk: Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The Commission's respective maturity dates are as noted above. The Commission does not have a policy with respect to interest rate risk.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The Commission does not have a policy for reducing this risk to any single issuer. As of June 30, 2023, the Commission had 100.00% of its investments invested with First Citizens Wealth Management. The Board does not invest in foreign securities or have transactions with foreign currency, and as a result does not have a policy for foreign currency risk.

NOTE D -- RIGHT OF USE LEASED ASSETS AND SUBSCRIPTION ASSETS

The Commission has recorded right of use leased assets for equipment rental and various leased vehicles. Right of use activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Right of use assets				
Leased vehicles and equipment	\$ 819,502	\$ 120,031		\$ 939,533
<i>Total Right of Use Assets</i>	819,502	120,031	\$ 0	939,533
Less accumulated amortization for:				
Leased vehicles and equipment	280,252	155,734		435,986
Right of Use Leased Assets, Net	\$ 539,250	\$ (35,703)	\$ 0	\$ 503,547

The Commission has recorded subscription based information technology agreements (SBITAs) for software subscriptions. SBITA activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
SBITA assets				
Software subscriptions	\$ 359,328			\$ 359,328
<i>Total SBITA Assets</i>	359,328	\$ 0	\$ 0	359,328
Less accumulated amortization for:				
Software subscriptions	128,814	89,832		218,646
SBITA Assets, Net	\$ 230,514	\$ (89,832)	\$ 0	\$ 140,682

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE E -- CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
<u>Capital Assets Not Being Depreciated:</u>				
Land and rights-of-way	\$ 9,933,783			\$ 9,933,783
Construction in process	168,515	\$ 140,400		308,915
<i>Total Capital Assets Not Being Depreciated</i>	10,102,298	140,400	\$ 0	10,242,698
<u>Capital Assets Being Depreciated:</u>				
Buildings and improvements	67,256,493	599,358		67,855,851
Furniture, vehicles, equipment	4,162,083	154,241	(169,757)	4,146,567
<i>Total Capital Assets Being Depreciated</i>	71,418,576	753,599	(169,757)	72,002,418
Less Accumulated Depreciation For:				
Buildings and improvements	(31,820,433)	(2,392,898)		(34,213,331)
Furniture, vehicles, equipment	(3,625,158)	(176,955)	169,757	(3,632,356)
<i>Total Accumulated Depreciation</i>	(35,445,591)	(2,569,853)	169,757	(37,845,687)
<i>Total Capital Assets Being Depreciated, Net</i>	35,972,985	(1,816,254)	0	34,156,731
Governmental Activities Capital Assets, Net	<u>\$ 46,075,283</u>	<u>\$ (1,675,854)</u>	<u>\$ 0</u>	<u>\$ 44,399,429</u>
Business-type Activities:				
<u>Capital Assets Not Being Depreciated:</u>				
Land and rights-of-way	\$ 119,558			\$ 119,558
<i>Total Capital Assets Not Being Depreciated</i>	119,558	\$ 0	\$ 0	119,558
<u>Capital Assets Being Depreciated:</u>				
Buildings and improvements	1,746,414			1,746,414
Furniture, vehicles, equipment	763,098	51,408	(77,940)	736,566
<i>Total Capital Assets Being Depreciated</i>	2,509,512	51,408	(77,940)	2,482,980
Less Accumulated Depreciation For:				
Buildings and improvements	(1,532,668)	(11,721)		(1,544,389)
Furniture, vehicles, equipment	(549,332)	(78,293)	57,853	(569,772)
<i>Total Accumulated Depreciation</i>	(2,082,000)	(90,014)	57,853	(2,114,161)
<i>Total Capital Assets Being Depreciated, Net</i>	427,512	(38,606)	20,087	368,819
Business-type Activities Capital Assets, Net	<u>\$ 547,070</u>	<u>\$ (38,606)</u>	<u>\$ 20,087</u>	<u>\$ 488,377</u>

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE F -- LONG-TERM LIABILITIES

The following summarizes long-term debt activity of the Commission for the year ended June 30, 2023:

	Outstanding June 30, 2022	Additions	Retirements	Outstanding June 30, 2023	Due in One Year
Governmental Activities					
General obligation bonds	\$ 28,632,303		\$ 2,685,557	\$ 25,946,746	\$ 2,701,557
SBITA obligation	239,986		91,589	148,397	97,127
Lease obligation	537,177	\$ 120,031	148,012	509,196	158,181
Accrued compensated absences	615,775	341,618	411,294	546,099	367,752
Total Governmental Activities	<u>\$ 30,025,241</u>	<u>\$ 461,649</u>	<u>\$ 3,336,452</u>	<u>\$ 27,150,438</u>	<u>\$ 3,324,617</u>
Business-Type Activities					
Note payable	\$ 150,985		\$ 95,045	\$ 55,940	\$ 55,940
Accrued compensated absences	54,089	\$ 20,832	21,439	53,482	22,472
Total Business-Type Activities	<u>\$ 205,074</u>	<u>\$ 20,832</u>	<u>\$ 116,484</u>	<u>\$ 109,422</u>	<u>\$ 78,412</u>

The terms outlined in each of the General Obligation Refunding Bonds are as follows at June 30, 2023:

\$25,595,000 Recreation District General Obligation Bonds, Series 2014, due in one final installment of \$1,790,000 due on March 1, 2024; interest at 2.00% to 5.00%	\$ 1,790,000
\$6,634,000 General Obligation Refunding Bonds, Series 2022A, due in annual installments of \$611,000 to \$724,000 through March 1, 2032; interest at 2.00% to 2.75%	6,013,000
\$17,642,000 General Obligation Refunding Bonds, Series 2022B, due in annual installments of \$113,000 to \$2,367,000 through March 1, 2032; interest at 2.50%	17,465,000
	<u>25,268,000</u>
Unamortized gain on refunding	555,257
Premiums on General Obligation Bonds Payable	<u>123,489</u>
Total Government Obligation Bonds Payable	<u>\$ 25,946,746</u>

Property taxes are pledged to secure the outstanding balance of the general obligation bonds and must be levied by the Richland County Auditor in an amount sufficient to pay the principal and interest due each year.

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE F -- LONG-TERM LIABILITIES – Continued

Annual requirements to amortize general obligation bond debt outstanding as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Bond Debt Service</u>
2024	\$ 2,514,000	\$ 1,255,714	\$ 3,769,714
2025	2,622,000	543,461	3,165,461
2026	2,667,000	480,858	3,147,858
2027	2,732,000	417,172	3,149,172
2028	2,802,000	351,946	3,153,946
2029-2032	11,931,000	721,458	12,652,458
Total	<u>\$ 25,268,000</u>	<u>\$ 3,770,609</u>	<u>\$ 29,038,609</u>

Lease Obligations

The Commission has entered into agreements to lease certain vehicles and equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The terms of the agreements are as follows:

The Commission leases exercise equipment payable in five annual lease payments of \$18,361 through November 2024. There are no variable payment components to the lease. The lease liability is measured at a discount rate of 5.11% which is stated in the lease agreement. At June 30, 2023 the Commission's obligation under the lease was \$17,469.

The Commission leases a dump truck payable in 72 monthly installments of \$2,990 through February 2025. There are no variable payment components to the lease. The lease liability is measured at a discount rate of 3.69% which is based on market rates for loans. At June 30, 2023 the Commission's obligation under the lease was \$57,906.

The Commission leases 4 copiers payable in 60 monthly installments of \$2,969 through December 2024. There are no variable payment components to the lease. The lease liability is measured at a discount rate of 3.69% which is based on market rates for loans. At June 30, 2023 the Commission's obligation under the lease was \$51,916.

The Commission has an agreement with State Fleet to provide vehicles with 96 month lease terms through October 2030. The interest rate is based on market rates for loans as of the date of the agreement, or 3.69%. The monthly rental payment on these leases is \$7,085. At June 30, 2023 the Commission's obligation under these leases was \$381,905.

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE F -- LONG-TERM LIABILITIES – Continued

Interest expense for the year ended June 30, 2023 was \$21,103. Future minimum lease obligations under these agreements are as follows:

For the Years Ended June 30,	Principal	Interest	Total
2024	\$ 158,181	\$ 16,717	\$ 174,898
2025	116,064	10,697	126,761
2026	77,655	7,368	85,023
2027	80,571	4,453	85,024
2028	37,989	1,921	39,910
2029-2031	38,736	1,752	40,488
Total	<u>\$ 509,196</u>	<u>\$ 42,908</u>	<u>\$ 552,104</u>

SBITA Obligations

The Commission has entered into agreements for software. The software agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The terms of the agreements are as follows:

The Commission has an agreement with a vendor for human resource and payroll software. The subscription is for 36 months with the option to renew for an additional 12 months at \$4,096 per month through July 2024. The SBITA liability is measured at a discount rate of 5.2%. At June 30, 2023 the Commission's obligation under the lease was \$47,795.

The Commission has an agreement with a vendor for a recreational management software. The subscription is for 36 months with the option to renew for an additional 12 months at \$57,144 per year through October 2024. The SBITA liability is measured at a discount rate of 5.2%. At June 30, 2023 the Commission's obligation under the lease was \$100,602.

Interest expense for the year ended June 30, 2023 was \$10,977. Future minimum lease obligations under these agreements are as follows:

For the Years Ended June 30,	Principal	Interest	Total
2024	\$ 97,127	\$ 6,715	\$ 103,842
2025	51,270	2,730	54,000
Total	<u>\$ 148,397</u>	<u>\$ 9,445</u>	<u>\$ 157,842</u>

NOTES TO THE FINANCIAL STATEMENTS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE F -- LONG-TERM LIABILITIES – Continued

Note Payable

The Commission financed the purchase of a fleet of golf carts for the LinRick Golf Course through a financial institution in the amount of \$301,282. The terms of the note include payments of principal and interest of \$8,056 per month through January 2024. Interest accrues at a rate of 1.51% per annum. The balance of the note payable at June 30, 2023 was \$55,940, all of which is payable within the next 12 months. Interest expense for the year ended June 30, 2023 was \$1,259.

NOTE G -- PENSION PLANS

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit 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.

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 (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR 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, South Carolina 29223. PEBA is a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR of the state.

NOTES TO THE FINANCIAL STATEMENTS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE G -- PENSION PLANS – Continued

Plan Descriptions

- 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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly.
- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired state, public higher education institutions and public school district employees, as well as first term individuals elected to the S.C. General Assembly. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.
- 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, teachers and first-term individuals elected to the South Carolina General Assembly. 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.

State ORP - As an alternative to membership in SCRS, newly hired state, public higher education institution and public school district employees, as well as first term individuals elected to the S.C. General Assembly have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

NOTES TO THE FINANCIAL STATEMENTS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE G -- PENSION PLANS – Continued

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. 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.

Plan 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

NOTES TO THE FINANCIAL STATEMENTS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE G -- PENSION PLANS – Continued

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.

Plan 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. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

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.

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE G -- PENSION PLANS – Continued

Required employee contribution rates¹ are as follows:

	<u>Fiscal Year 2023¹</u>	<u>Fiscal Year 2022¹</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
State ORP		
Employee	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

¹Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

Required employer contribution rates¹ are as follows:

	<u>Fiscal Year 2023¹</u>	<u>Fiscal Year 2022¹</u>
SCRS		
Employer Class Two	17.41%	16.41%
Employer Class Three	17.41%	16.41%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employer Contribution ²	17.41%	16.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employee Class Two	19.84%	18.84%
Employee Class Three	19.84%	18.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Benefit	0.20%	0.20%

¹Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

²Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP service provider to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE G -- PENSION PLANS – 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, 2022, 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, 2021. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022.

	SCRS	PORS
	Entry Age Normal	Entry Age Normal
Actuarial cost method		
Actuarial assumptions:		
Investment rate of return ¹	7%	7%
Projected salary increases	3.0% to 11.0% (varies by service) ¹	3.5% to 10.5% (varies by services) ¹
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually
¹ Includes 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 mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2022, 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%

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE G -- PENSION PLANS – Continued

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that system's fiduciary net position. As of June 30, 2022, NPL totals for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 56,454,779,872	\$ 32,212,626,932	\$ 24,242,152,940	57.1%
PORS	\$ 8,937,686,946	\$ 5,938,707,767	\$ 2,998,979,179	66.4%

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 Commission's proportionate share of the net pension liability was calculated on the basis of historical employer contributions. Although GASB 68 encourages the use of the employer's projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is considered acceptable. For the year ending June 30, 2022, the Commission's percentage of the SCRS and PORS net pension liability was 0.058293% and 0.000323%, respectively. The Commission's proportionate share is determined by its percentage of total contributions to SCRS and PORS during the respective fiscal year. The change in percentage resulted in the Commission recognizing a change in its proportionate share of the SCRS and PORS net pension liability as related deferred outflows and inflows of resources.

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 2022 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 on the following page. 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.

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE G -- PENSION PLANS – Continued

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	(0.35)%	(0.09)%
Private Equity¹	9.0%	8.75%	0.79%
Private Debt¹	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real Estate ¹	9.0%	4.12%	0.37%
Infrastructure ¹	3.0%	5.88%	0.18%
Total Expected Return ²	100%		4.79%
Inflation for Actuarial Purposes			2.25%
			7.04%

¹RSIC Staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30% of total plan assets.

²Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

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 collective NPL of the participating employers calculated using the discount rate of 7 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

System	1.00% Decrease (6%)	Current Discount Rate (7%)	1.00% Increase (8%)
SCRS	\$ 18,118,186	\$ 14,131,390	\$ 10,816,887
PORS	\$ 13,514	\$ 9,692	\$ 6,562

Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2023, the Commission recognized pension expense of \$856,400 and \$889 for the SCRS and PORS, respectively. At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources and will be amortized to pension expense as noted in the following schedules.

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE G -- PENSION PLANS – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences between expected and actual experience	\$ 122,775	\$ 61,584
Changes in assumptions	453,227	
Net difference between projected and actual earnings	21,794	
Changes in proportionate share and differences between employer contributions and proportionate share of contributions	182,373	1,555,427
Commission's contributions subsequent to the measurement date	1,251,015	
	<u>\$ 2,031,184</u>	<u>\$ 1,617,011</u>
	Deferred Outflows of Resources	Deferred Inflows of Resources
PORS		
Differences between expected and actual experience	\$ 163	\$ 192
Changes in assumptions	404	
Net difference between projected and actual earnings	29	
Changes in proportionate share and differences between employer contributions and proportionate share of contributions	6,439	5,562
Commission's contributions subsequent to the measurement date	645	
	<u>\$ 7,680</u>	<u>\$ 5,754</u>

The Commission reported \$1,251,015 as deferred outflows of resources related to the Commission's contributions subsequent to the measurement date to the SCRS, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS will be recognized in pension expense as follows:

Measurement Periods Ending June 30,	For the Years Ended June 30,	SCRS
2023	2024	\$ (143,163)
2024	2025	(429,776)
2025	2026	(631,536)
2026	2027	367,633
Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ (836,842)</u>

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE G -- PENSION PLANS – Continued

The Commission reported \$645 as deferred outflows of resources related to the Commission’s contributions subsequent to the measurement date to the PORS, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the PORS will be recognized in pension expense as follows:

Measurement Periods Ending June 30,	For the Years Ended June 30,	PORS
2023	2024	\$ 261
2024	2025	(353)
2025	2026	997
2026	2027	376
Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ 1,281</u>

NOTE H -- POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description: In addition to providing pension benefits, the Commission provides certain other post-employment benefits (OPEB) regarding health care for retired employees as per the requirements of a local ordinance.

At the Commission’s October 18, 2010 board meeting, the Board of Commissioners approved an agreement for the Commission to join South Carolina Other Retirement Benefits Employer Trust (“SC ORBET”) effective immediately.

SC ORBET is a tax-exempt, agent multiple-employer governmental trust under Internal Revenue Code Section 115 and is open to all political subdivisions. SC ORBET issues audited financial statements to participating employers on an annual basis. The Commission began contributing to the trust fund, based upon appropriate actuarial analysis of its substantive plan. No disbursements will be made from the trust fund to the Commission except for payments of benefits. A copy of the report may be obtained by writing to: Chief Financial Officer for Risk Management Services, Municipal Association of South Carolina, P.O. Box 12109, Columbia, South Carolina 29211.

Membership

Membership in the Plan as of December 31, 2020, the valuation date consisted of 32 inactive employees or beneficiaries currently receiving benefits, zero inactive members entitled to but not yet receiving benefits, and 139 active employees.

Benefits

All of the Commission’s employees may become eligible when they are eligible to draw benefits from the SCRS, provided they worked the last 5 years of full time service with the Commission. The cost of these benefits has traditionally been recognized as an expenditure of the general fund and proprietary fund on a pay-as-you-go basis.

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE H -- POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS – Continued

Summary of Key Actuarial Assumptions, Methods and Other Inputs

The Commission used Cavanaugh Macdonald Consulting, LLC to perform an actuarial valuation as of December 31, 2021 (measurement date) for financial reporting as of December 31, 2020 for the S.C. ORBET and as of June 30, 2023 for the Commission. The actuarial valuation used as a basis for much of the information presented in this report was performed as of December 31, 2020 (valuation date).

The following information has been provided for the purpose of satisfying the disclosure requirements related to the actuarial assumptions and other inputs used to measure the TOL.

The TOL was determined by an actuarial valuation as of December 31, 2020, using the following key actuarial assumptions and other inputs:

Inflation	2.25%
Real wage growth – SCRS	0.75%
Wage inflation – SCRS	3.00%
Salary increases, including wage inflation – SCRS	3.00%-9.50%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	4.75%
Municipal Bond Index Rate	
Prior Measurement Date	2.12%
Measurement Date	2.06%
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	4.75%
Measurement Date	4.75%
Health Care Cost Rates	
Pre-Medicare	7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031
Medicare	5.25% for 2021 decreasing to an ultimate rate of 4.50% by 2025

The discount rate used to measure the total OPEB liability was based upon the long-term expected rate of return.

Mortality rates were based on the PUB-2010 Mortality Tables for Employees with a 135% multiplier to better reflect anticipated experience and provide margin for future improvements.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the December 31, 2020 valuation were based on the results of the 2020 actuarial experience study adopted by SCRS.

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE H -- POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS – Continued

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 December 31, 2020 valuation were based on a review of recent plan experience done concurrently with the December 31, 2020 valuation.

Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges should be combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding OPEB plans which are likely to cover a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

As of the most recent adoption of the current long-term rate of return by the Plan, the target asset allocation for each major asset class, as provided by the Plan are summarized in the following table:

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return
US Government Agency	57.5%	4.50%
US Govt MBS/CMO/CMBS	40.0%	5.25%
Cash and Short Duration (Net)	2.5%	2.50%
Total	100.0%	12.25%

Discount Rate

The discount rate used to measure the TOL as of the Measurement Date was 4.75%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of December 31, 2020. In addition to the actuarial methods and assumptions of the December 31, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually using the payroll growth assumptions.
- Active employees do not explicitly contribute to the Plan.

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE H -- POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS – Continued

- In all future years, the employer is assumed to contribute \$617,000 annually (based on the average contribution of the last 5 years) through deposits to the trust and makes direct payments to retirees up to \$229,000 annually based on the average payments over the last five years. The employer is assumed to have the ability and willingness to make contributions to the Trust and benefit payments from its own resources for all periods in the projection.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- Cash flows occur mid-year.

Based on these assumptions, the Plan's Fiduciary Net Position (FNP) was projected to not be depleted.

The FNP projections are based upon the Plan's financial status on the valuation date, the indicated set of methods and assumptions, and the requirements of GASB 75. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan's ability to make benefit payments in future years.

Sensitivity of Net OPEB Liability to Health Care Cost Trend Rates

The following table presents the net OPEB liability of the Plan, calculated using current health care cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

Health Care Cost Trend Rate Sensitivity			
	1% Decrease	Current	1% Increase
Net OPEB Liability	\$ 4,234,619	\$ 6,582,100	\$ 9,703,963

Sensitivity of Net OPEB Liability to Discount Rates

The following table presents the net OPEB liability of the Plan, calculated using the discount rate of 4.75%, as well as what the Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Discount Rate Sensitivity			
	1% Decrease (3.75%)	Current (4.75%)	1% Increase (5.75%)
Net OPEB Liability	\$ 9,066,729	\$ 6,582,100	\$ 4,634,032

NOTES TO THE FINANCIAL STATEMENTS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE H -- POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS – Continued

Deferred Outflows (Inflows) of Resources

The following table provides a summary of the Deferred Outflows of Resources and Deferred Inflows of Resources as of December 31, 2022:

	Deferred Outflows of Resources	Deferred Inflows of Resources
S.C. ORBET		
Differences between expected and actual experience	\$ 20,876	\$ 2,825,514
Changes in assumptions or other inputs	1,799,674	2,719,677
Net difference between projected and actual earnings on plan investments	1,189,072	
Contributions after measurement date	1,080,161	
	<u>\$ 4,089,783</u>	<u>\$ 5,545,191</u>

Schedule of the Recognition of Deferred (Inflows)/Outflows of Resources in OPEB Expense

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

Measurement Period Ended December 31:	
2023	\$ (196,121)
2024	(190,437)
2025	(179,416)
2026	(259,617)
2027	(531,550)
Thereafter	(1,178,428)
	<u>\$ (2,535,569)</u>

NOTE I -- RISK MANAGEMENT

The Commission and other entities pay premiums to the Insurance Reserve Fund (the “IRF”) of the State Fiscal Accountability Authority.

The IRF issues policies, accumulates assets to cover the risks of loss, and pays claims incurred for covered losses related to the following assets, activities, and/or events: theft of, damage to, or destruction of assets; real property, contents and other equipment; motor vehicles, torts; business interruptions; and natural disasters. The limit of the tort insurance is \$1,000,000 per occurrence while the limits on casualty insurance vary depending on the value of the property.

At June 30, 2023, the Commission has not reported an estimated claims loss liability, as there was no evidence of asset impairment or other information to indicate that a claims loss expenditure and liability exists over and above such insurance coverage.

NOTES TO THE FINANCIAL STATEMENTS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE I -- RISK MANAGEMENT – Continued

The Commission is subject to litigation arising in the normal course of business. The Commission presently has ongoing litigation matter, the ultimate effect of which, if any, cannot presently be determined; however, the ultimate resolution of these matters is not expected to have a material adverse effect on the financial condition of the Commission.

NOTE J -- TAX ABATEMENTS

Richland County, South Carolina ("County") has two tax abatement programs which abate Richland County Recreation Commission's ("Commission") property tax revenues from certain taxpayers. Those programs are the "Fee-in-Lieu of Ad Valorem Property Tax" ("FILOT") program and the "Special Source Revenue Credit" ("SSRC") program. The purpose of the FILOT program is to reduce the disparately higher property tax rates applied to manufacturing and certain commercial properties in South Carolina, which have previously impeded new and expanding business from locating in South Carolina. The purpose of the SSRC program is to enhance economic development by reducing property taxes for taxpayers that use the credit provided under the SSRC program to pay the cost of designing, acquiring, constructing, improving, or expanding (a) infrastructure serving the local government or the taxpayer's property, or (b) improved or unimproved real estate and personal property, including machinery and equipment used in the operation of a manufacturing or commercial enterprise.

Additionally, the County uses multicounty industrial or business parks ("MCIP") in connection with the FILOT and SSRC programs which further abate the Commission's property tax revenues from certain taxpayers.

For tax year 2022, the gross dollar amount by which the Commission's property tax revenues were abated pursuant to tax abatement agreements entered into by the County under each of the programs described above is as follows:

FILOT Program: \$601,016
SSRC Program: \$14,229
MCIP: \$56,347

For tax year 2022, the gross dollar amount of property tax revenues the Commission received pursuant to the tax abatement agreements entered into by the County under each of the programs described above is as follows:

FILOT Program: \$588,829
SSRC Program: \$78,623
MCIP: \$373,908

NOTES TO THE FINANCIAL STATEMENTS
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

NOTE K -- RELATED ORGANIZATION FINANCIAL STATEMENTS

Below are the condensed financial statements as of and for the year ended June 30, 2023, which depicts the major components of the Richland County Recreation Foundation's total assets, liabilities and net assets and its activities.

Assets		
Cash	\$	76,641
Prepaid expense		925
Land		12,400
	Total Assets	<u>\$ 89,966</u>
Net Assets		
Without donor restrictions	\$	89,966
	Total Net Assets	<u>\$ 89,966</u>
Revenue		
Public support and other contributions	\$	36,679
	Total Revenue	<u>36,679</u>
Expenses		
Program expenses		4,858
Management and general expenses		10,575
	Total Expenses	<u>15,433</u>
	Change in Net Assets	<u>21,246</u>
Net Assets at Beginning of Year		<u>68,720</u>
	Net Assets at End of Year	<u>\$ 89,966</u>

REQUIRED SUPPLEMENTAL INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA
 For the Year Ended June 30, 2023

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 16,653,043	\$ 15,866,836	\$ (786,207)
Activity fees	1,458,463	841,592	(616,871)
Grants	370,500	243,332	(127,168)
Investment earnings	150,000	114,960	(35,040)
Other income	16,000	184,687	168,687
Total Revenues	18,648,006	17,251,407	(1,396,599)
Expenditures			
Salaries and benefits	12,118,296	10,446,041	1,672,255
Program	499,671	368,913	130,758
Operating	3,000,826	3,301,820	(300,994)
Other personnel	163,705	137,417	26,288
Professional services	698,264	172,476	525,788
Information technology	679,694	218,172	461,522
Marketing	85,750	112,138	(26,388)
Debt service	220,000	271,680	(51,680)
Capital outlay	1,181,800	1,014,031	167,769
Total Expenditures	18,648,006	16,042,688	2,605,318
Excess of Revenues over Expenditures	0	1,208,719	1,208,719
Other Financing Sources			
SBITA proceeds		9,472	9,472
Issuance of debt for leases		120,031	120,031
Sale of capital assets		61,247	61,247
Insurance proceeds		34,021	34,021
Total Other Financing Sources	0	224,771	224,771
Net Change in Fund Balance	<u>\$ 0</u>	1,433,490	<u>\$ 1,433,490</u>
Fund Balance at Beginning of Year		<u>12,311,848</u>	
Fund Balance at End of Year		<u>\$ 13,745,338</u>	

Budgetary Information Note

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the Commission. The Commission prepares its budget using the accrual basis of accounting. Expenses are authorized through an annual budget adopted by the governing Commissioners which authorizes the level of funding for operations. They adopt a fund level budget for all other governmental funds. There is not a legal obligation of the Commissioners prohibiting them from incurring expenses against any appropriation account that lacks a sufficient balance available to meet the obligation.

SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

Fiscal Year	Commission's Proportion of the Net Pension Liability	Commission's Proportionate Share of the Net Pension Liability	Commission's Total Covered Payroll	Commission's Proportionate Share of the Net Pension Liability as a Percentage of Total Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
South Carolina Retirement System					
2023	0.058293%	\$ 14,131,390	\$ 7,124,234	198.36%	57.10%
2022	0.064590%	\$ 13,978,197	\$ 6,945,866	201.24%	60.70%
2021	0.068764%	\$ 17,570,488	\$ 7,301,355	240.65%	50.71%
2020	0.065528%	\$ 14,962,812	\$ 7,668,297	195.13%	54.40%
2019	0.062561%	\$ 14,017,874	\$ 6,912,732	202.78%	54.10%
2018	0.069342%	\$ 15,609,999	\$ 6,484,698	240.72%	53.30%
2017	0.075982%	\$ 16,229,643	\$ 6,996,337	231.97%	52.90%
2016	0.077539%	\$ 14,705,645	\$ 7,222,604	203.61%	56.99%
2015	0.028790%	\$ 14,269,016	\$ 7,457,358	191.34%	59.92%
2014	0.082879%	\$ 14,865,536	\$ 7,470,142	199.00%	56.40%
Police Officers Retirement System					
2023	0.000323%	\$ 9,692	\$ 3,188	304.02%	66.40%
2022	0.000060%	\$ 1,535	\$ 3,669	41.84%	70.40%
2021	0.000430%	\$ 14,342	\$ 897	1598.89%	58.80%
2020	0.000325%	\$ 9,312	\$ 6,535	142.49%	62.70%
2019	0.000343%	\$ 9,727	\$ 3,163	307.52%	61.70%
2018	0.035000%	\$ 9,588	\$ 3,938	243.47%	60.90%
2017	0.000058%	\$ 1,268	\$ -	N/A	60.40%
2016	0.000000%	\$ -	\$ -	N/A	64.57%
2015	0.000753%	\$ 14,416	\$ -	N/A	67.55%
2014	0.000753%	\$ 15,609	\$ 9,773	159.72%	67.55%

The amounts presented were determined as of June 30th of the previous year.

SCHEDULE OF THE COMMISSION'S PENSION CONTRIBUTIONS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

Fiscal Year	Actuarial Required Contribution	Actual Contributions	Contribution Deficiency (Excess)	Commission's Total Covered Payroll	Contributions as a Percentage of Total Covered Payroll
South Carolina Retirement System					
2023	\$ 1,251,015	\$ 1,251,015	\$ -	\$ 7,124,234	17.56%
2022	\$ 1,150,235	\$ 1,150,235	\$ -	\$ 6,945,866	16.56%
2021	\$ 1,136,091	\$ 1,136,091	\$ -	\$ 7,301,355	15.56%
2020	\$ 1,193,187	\$ 1,193,187	\$ -	\$ 7,668,297	15.56%
2019	\$ 1,006,494	\$ 1,006,494	\$ -	\$ 6,912,732	14.56%
2018	\$ 879,325	\$ 879,325	\$ -	\$ 6,484,698	13.56%
2017	\$ 808,777	\$ 808,777	\$ -	\$ 6,996,337	11.56%
2016	\$ 798,820	\$ 798,820	\$ -	\$ 7,222,604	11.06%
2015	\$ 812,852	\$ 812,852	\$ -	\$ 7,457,358	10.90%
2014	\$ 791,835	\$ 791,835	\$ -	\$ 7,470,142	10.60%
Police Officers Retirement System					
2023	\$ 645	\$ 645	\$ -	\$ 3,188	20.23%
2022	\$ 706	\$ 706	\$ -	\$ 3,669	19.24%
2021	\$ 164	\$ 164	\$ -	\$ 897	18.28%
2020	\$ 1,192	\$ 1,192	\$ -	\$ 6,535	18.24%
2019	\$ 813	\$ 813	\$ -	\$ 3,163	25.70%
2018	\$ 501	\$ 501	\$ -	\$ 3,938	12.72%
2017	\$ 545	\$ 545	\$ -	\$ -	0.00%
2016	\$ -	\$ -	\$ -	\$ -	0.00%
2015	\$ -	\$ -	\$ -	\$ -	0.00%
2014	\$ 1,163	\$ 1,163	\$ -	\$ 9,773	11.90%

The amounts presented were determined as of June 30th of the previous year.

SCHEDULE OF THE COMMISSION'S CHANGES IN THE NET OPEB LIABILITY
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

South Carolina Other Retirement Benefits Employer Trust						
	June 30,					
	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost at end of year	\$ 481,891	\$ 645,532	\$ 842,758	\$ 649,422	\$ 563,693	\$ 547,275
Interest on the Total OPEB Liability	552,417	668,222	592,459	606,614	571,333	530,361
Changes of benefit terms	0	0	0	0	0	0
Difference between expected and actual experience	23,499	(2,638,292)	(5,466)	(1,317,422)	(18,818)	(4,461)
Changes of assumptions	0	(855,991)	(3,006,032)	2,271,909	1,001,607	0
Benefit payments*	(271,660)	(243,585)	(236,133)	(243,540)	(221,914)	(199,541)
Net Change in Total OPEB Liability	786,147	(2,424,114)	(1,812,414)	1,966,983	1,895,901	873,634
Total OPEB Liability - beginning	11,764,089	14,188,203	16,000,617	14,033,634	12,137,733	11,264,099
Total OPEB Liability - Ending	\$ 12,550,236	\$ 11,764,089	\$ 14,188,203	\$ 16,000,617	\$ 14,033,634	\$ 12,137,733
Plan Fiduciary Net Position						
Contributions - employer	\$ 1,080,161	\$ 1,290,680	\$ 236,133	\$ 1,163,283	\$ 826,906	\$ 714,892
Contributions - non-employer	0	0	0	0	0	0
Contributions - active member	0	0	0	0	0	0
Net investment income	(912,325)	(131,921)	286,900	227,461	46,117	79,692
Benefit payments	(271,660)	(243,585)	(236,133)	(243,540)	(221,914)	(199,541)
Administrative expense	(1,250)	(5,981)	(5,896)	0	(4,741)	(13,929)
Other	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	(105,074)	909,193	281,004	1,147,204	646,368	581,114
Plan Fiduciary Net Position - beginning	6,073,210	5,164,017	4,883,013	3,735,809	3,089,441	2,508,327
Plan Fiduciary Net Position - Ending	\$ 5,968,136	\$ 6,073,210	\$ 5,164,017	\$ 4,883,013	\$ 3,735,809	\$ 3,089,441
NET OPEB LIABILITY - ENDING	\$ 6,582,100	\$ 5,690,879	\$ 9,024,186	\$ 11,117,604	\$ 10,297,825	\$ 9,048,292

* Benefit payments are net of participant contributions and include a payment of \$26,100 for the implicit subsidy. Benefit payments include \$245,560 paid outside the Trust.

NOTE: Until a full 10-year trend is compiled, the Commission will present information for those years for which information is available.

SCHEDULE OF THE COMMISSION'S NET OPEB LIABILITY
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

<i>South Carolina Other Retirement Benefits Employer Trust</i>							
	2023	2022	2021	June 30, 2020	2019	2018	2017
Total OPEB Liability	\$ 12,550,236	\$ 11,764,089	\$ 14,188,203	\$ 16,000,617	\$ 14,033,634	\$ 12,137,733	\$ 11,264,099
Plan Fiduciary Net Position	5,968,136	6,073,210	5,164,017	4,883,013	3,735,809	3,089,441	2,508,327
Net OPEB Liability	<u>\$ 6,582,100</u>	<u>\$ 5,690,879</u>	<u>\$ 9,024,186</u>	<u>\$ 11,117,604</u>	<u>\$ 10,297,825</u>	<u>\$ 9,048,292</u>	<u>\$ 8,755,772</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	47.55%	51.62%	36.40%	30.52%	26.62%	25.45%	22.27%
Covered Payroll*	\$ 6,386,610	\$ 6,386,610	\$ 5,707,553	\$ 5,707,553	\$ 6,151,569	\$ 6,151,569	\$ 6,151,569
Net OPEB Liability as a percentage of covered payroll	103.06%	89.11%	158.11%	194.79%	167.40%	147.09%	142.33%

* For years following the valuation date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation.

NOTE: Until a full 10-year trend is compiled, the Commission will present information for those years for which information is available.

SCHEDULE OF THE COMMISSION'S CONTRIBUTIONS, OTHER POSTEMPLOYMENT BENEFITS
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA

<i>South Carolina Other Retirement Benefits Employer Trust</i>						
	For the Years Ended June 30,					
	2023	2022	2021	2020	2019	2018
Actuarially Determined Employer Contribution (ADEC)	\$ 824,623	\$ 914,785	\$ 1,002,379	\$ 969,206	\$ 937,238	\$ 823,786
Contributions in relation to the ADEC	1,080,161	1,290,680	236,133	1,163,283	826,906	714,892
Annual contribution deficiency (excess)	<u>\$ (255,538)</u>	<u>\$ (375,895)</u>	<u>\$ 766,246</u>	<u>\$ (194,077)</u>	<u>\$ 110,332</u>	<u>\$ 108,894</u>
Covered payroll*	\$ 6,386,610	\$ 6,386,610	\$ 5,707,553	\$ 5,707,553	\$ 6,151,569	\$ 6,151,569
Actual contributions as a percentage of covered payroll	16.91%	20.21%	4.14%	20.38%	13.44%	11.62%

* For years following the valuation date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation.

Notes to the Schedule

Changes to Benefit Terms

There were no changes to benefit terms.

Changes to Assumptions or Other Inputs

The decremental and salary increase assumptions have been updated based on the most recent SCRS experience analysis.

NOTE: Until a full 10-year trend is compiled, the Commission will present information for those years for which information is available.

OTHER SUPPLEMENTAL INFORMATION

SCHEDULE 1 - ENTERPRISE FUND - LINRICK GOLF COURSE - SCHEDULE OF REVENUE AND EXPENSES -
BUDGET TO ACTUAL
RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA
For the Year Ended June 30, 2023

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Membership fees	\$ 10,080	\$ 46,892	\$ 36,812
Greens fees	688,823	539,270	(149,553)
Cart rentals	442,568	389,553	(53,015)
Concessions and pro shop sales	119,380	91,520	(27,860)
Total Operating Revenues	1,260,851	1,067,235	(193,616)
Operating Expenses			
Salaries and benefits			
Salaries expense	388,377	354,583	33,794
Pension, benefits, and taxes	229,130	234,520	(5,390)
Total Salaries and Benefits	617,507	589,103	28,404
Golf operational costs			
Cart expenses	117,000	2,311	114,689
Concessions and merchandise expenses	84,000	19,383	64,617
Sales tax and admissions tax	60,000	69,230	(9,230)
Total Golf Operational Costs	261,000	90,924	170,076
Other operating			
Utilities	37,000	25,878	11,122
Professional and liability insurance	18,000	25,964	(7,964)
Fleet expense	37,000	25,560	11,440
Trash services	3,500	2,952	548
Bank fees	40,000	29,217	10,783
Training and development	5,000	0	5,000
Professional services	13,500	7,274	6,226
Supplies	40,900	30,227	10,673
Repairs and maintenance	134,905	21,695	113,210
Total Other Operating	329,805	168,767	161,038
Depreciation expense	96,809	90,014	6,795
Total Operating Expenses	1,305,121	938,808	366,313
Operating Income (Loss)	(44,270)	128,427	172,697
Non-Operating Revenue (Expense)			
Other revenues	44,270	1,473	(42,797)
Gain on disposal of equipment	0	5,229	5,229
Interest expense	0	(1,259)	(1,259)
Total Non-Operating Revenue (Expense)	44,270	5,443	(38,827)
Change in Net Position	\$ 0	133,870	\$ 133,870
Net Position (Deficit) at Beginning of Year		(823,863)	
NET POSITION (DEFICIT) AT END OF YEAR		\$ (689,993)	

SCHEDULE 2 - GENERAL OBLIGATION BONDS OUTSTANDING
 RICHLAND COUNTY RECREATION COMMISSION, SOUTH CAROLINA
 For the Year Ended June 30, 2023

	Original Issue	Due Date	Interest Rate	Outstanding July 1, 2022	Issuances	Retirements	Outstanding June 30, 2023
General Obligation Refunding Bonds issued July 10, 2014	\$ 26,885,000	3/1/2023 3/1/2024	2.919% 2.919%	1,700,000 1,790,000 <u>3,490,000</u>	 0	(1,700,000) <u>(1,700,000)</u>	0 1,790,000 <u>1,790,000</u>
General Obligation Refunding Bonds, issued April 27, 2022	\$ 6,634,000	3/1/2023 3/1/2024 3/1/2025 3/1/2026 3/1/2027 3/1/2028 3/1/2029 3/1/2030 3/1/2031 3/1/2032	2.03% 2.03% 2.03% 2.03% 2.03% 2.03% 2.03% 2.03% 2.03% 2.03%	621,000 611,000 627,000 636,000 654,000 667,000 684,000 700,000 710,000 724,000 <u>6,634,000</u>	 0	(621,000) <u>(621,000)</u>	0 611,000 627,000 636,000 654,000 667,000 684,000 700,000 710,000 724,000 <u>6,013,000</u>
General Obligation Refunding Bonds, issued April 27, 2022	\$ 17,642,000	3/1/2023 3/1/2024 3/1/2025 3/1/2026 3/1/2027 3/1/2028 3/1/2029 3/1/2030 3/1/2031 3/1/2032	2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50%	177,000 113,000 1,995,000 2,031,000 2,078,000 2,135,000 2,186,000 2,249,000 2,311,000 2,367,000 <u>17,642,000</u>	 0	(177,000) <u>(177,000)</u>	0 113,000 1,995,000 2,031,000 2,078,000 2,135,000 2,186,000 2,249,000 2,311,000 2,367,000 <u>17,465,000</u>
Premiums on General Obligation Bonds				246,978		(123,489)	123,489
Gain/loss on Refunding Bonds				619,325		(64,068)	555,257
			TOTAL	<u>\$ 28,632,303</u>	<u>\$ 0</u>	<u>\$ (2,685,557)</u>	<u>\$ 25,946,746</u>